ORDINANCE NO. 20130117-069

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF CITY OF AUSTIN, TEXAS, RENTAL CAR SPECIAL FACILITY REVENUE BONDS, TAXABLE SERIES 2013; APPROVING THE FORM AND SUBSTANCE OF RELATED DOCUMENTS; AUTHORIZING AND RATIFYING OTHER ACTIONS; AND ENACTING OTHER RELATED PROVISIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. FINDINGS.

(A) The City of Austin, Texas (City), owns and operates an air carrier airport known as Austin-Bergstrom International Airport (Airport) as part of the City's airport system.

(B) Pursuant to the City's bond ordinances authorizing the issuance of the City's outstanding airport system revenue bonds (Airport Bond Ordinances), the City has the right to issue airport system special facilities revenue bonds payable solely from certain payments received from lessees under leases with the City or other security relating to special facilities. The term "special facilities" when used in this ordinance has the same meaning as in the Airport Bond Ordinances.

(C) The City desires to develop certain new rental car and other facilities at the Airport (collectively, Project), all as more particularly described in the Master Lease (defined below).

(D) On May 24, 2012, council authorized the City to negotiate and execute:

(i) a Consolidated Rental Car Facility Master Lease Agreement (Master Lease) with Austin CONRAC, LLC, a Texas limited liability company (Austin CONRAC), to provide for:

(a) the lease of the Project to Austin CONRAC,

(b) the design, construction, financing, occupancy, operation, maintenance, and management of the Project pursuant to the terms of the Master Lease, and

(c) the subleasing of all or a portion of the Project to certain rental car companies pursuant to the sublease agreements, the form of which is attached to the Master Lease; and

(ii) Rental Car Concession Agreements (individually, Concession Agreement, and collectively, Concession Agreements) with certain rental car companies, to allow such companies to conduct rental car concessions at the Project.

(E) The Project constitutes special facilities within the meaning of the Airport Bond Ordinances.

(F) The City desires to authorize the issuance, sale, and delivery of its City of Austin, Texas, Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (Bonds), to provide the funds necessary to develop the Project in accordance with the terms of the Master Lease.

(G) Council desires to authorize the execution and delivery of the Trust Indenture (Indenture) between the City and Deutsche Bank National Trust Company, as trustee (Trustee), in substantially the form attached as Exhibit A.

(H) Council desires to authorize the City to enter into the Bond Purchase Agreement relating to the sale of the Bonds (Bond Purchase Agreement) with Wells Fargo Bank, National Association, as representative of the group of underwriters named in the Bond Purchase Agreement (collectively, Underwriters), in substantially the form attached as Exhibit B setting forth certain terms and conditions upon which the Underwriters will purchase the Bonds from the City.

(I) Council has been presented with a draft of a preliminary official statement to be used in the public offering of the Bonds (Official Statement) and council desires to approve the Official Statement in substantially the form attached as Exhibit C.

(J) The development and construction of the Project are necessary and desirable to serve the transportation needs of the general public and in furtherance of the City's establishing, improving, enlarging, extending and repairing the Airport and constitutes a public purpose.

(K) Council desires to authorize the City to enter into the Master Lease with Austin CONRAC, in substantially the form attached as Exhibit D and a Concession Agreement with each rental car company desiring to conduct rental car concessions at the Project, in substantially the form attached as Exhibit E.

(L) The actions, documents, instruments, and other matters in this ordinance authorized and approved by council are carried out pursuant to the Constitution and laws of the State of Texas, including, without limitation, Chapter 1371, Texas Government Code (Chapter 1371), and Chapter 22, Texas Transportation Code.

PART 2. AUTHORIZATION.

(A) Issuance, Execution, and Delivery of Bonds. The issuance of the Bonds is authorized, all under and in accordance with this ordinance and the Indenture, and, upon execution and delivery of the Indenture, the mayor and the city clerk are authorized to execute, attest and affix the City's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication, and thereafter to deliver the Bonds to or upon the order of the Underwriters pursuant to the Bond Purchase Agreement.

(B) Authority to Determine Terms of Bonds. Each of the mayor, any designee of the mayor, the city manager, any designee of the city manager, the chief financial officer of the City, the Aviation Director, and the city treasurer (each, an Authorized Officer) are severally authorized and empowered, in accordance with Chapter 1371, to act on behalf of the City in selling and delivering the Bonds and carrying out the other acts and procedures specified in this ordinance, the Indenture, the Bond Purchase Agreement, and the Official Statement, including determining the price at which each maturity of the Bonds will be sold to the Underwriters, the form in which the Bonds will be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the maturities or portions thereof and the aggregate principal amount of the Bonds, the designation of the Bonds, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption (if any), the series and subseries (if any) designation for the Bonds, whether to obtain a bond insurance policy as credit enhancement for all or a portion of the Bonds and all matters relating thereto, whether to obtain a debt service reserve insurance policy for the Bonds and all matters relating thereto, and all other matters relating to the issuance, sale, and delivery of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the Indenture and the Bond Purchase Agreement; provided, however, (i) the true interest cost of the Bonds shall not exceed 9.00% per annum, (ii) the aggregate principal amount of the Bonds shall not exceed $150,000,000, (iii) the final maturity of the Bonds shall occur no later than November 15, 2043, and (iv) the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations or one of the three highest rating categories for short term obligations. In no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law. Any finding or determination made by an Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Indenture, the Bond Purchase Agreement, and the Official Statement in connection therewith shall have the same force and effect as a finding or determination made by

council. The authority granted to the Authorized Officers under this paragraph shall expire on June 30, 2013, unless otherwise extended by council by separate action.

(C) Approval, Execution and Delivery of Indenture. The appointment of Deutsche Bank National Trust Company as trustee for the Bonds is approved. The Indenture is authorized and approved in substantially the form attached as Exhibit A and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Indenture, and to deliver the Indenture to the Trustee.

(D) Approval, Execution, and Delivery of Bond Purchase Agreement. The sale of the Bonds to the Underwriters pursuant to the Bond Purchase Agreement is approved. The Bond Purchase Agreement is authorized and approved in substantially the form attached as Exhibit B and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Bond Purchase Agreement, and to deliver the Bond Purchase Agreement to the Underwriters.

(E) Use and Distribution of the Official Statement. Council ratifies, approves and deems final the Official Statement in substantially the form attached as Exhibit C as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The mayor and city clerk are authorized and directed to execute the same and deliver appropriate numbers of copies to the Underwriters. The Official Statement as approved, executed, and delivered, with such appropriate variations as shall be approved by an Authorized Officer and the Underwriters, may be used by the Underwriters in the public offering and sale of the Bonds. The use and distribution of the Official Statement in the public offering of the Bonds by the Underwriters is ratified, approved, and confirmed.

(F) Approval, Execution and Delivery of Master Lease and Concession Agreements. The Master Lease is authorized and approved in substantially the form attached as Exhibit D and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Master Lease, and to deliver the Master Lease to Austin CONRAC. The Concession Agreement is authorized and approved in substantially the form attached as Exhibit E and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, each Concession Agreement, and to deliver each Concession Agreement to the respective rental car company desiring to conduct rental car concessions at the Project.

PART 3. RATIFYING PRIOR ACTIONS. All prior actions taken by council, the Authorized Officers, the city clerk, and other City officials and staff in connection with the issuance of the Bonds, the Master Lease, the Concession Agreements and the Project are ratified and approved.

PART 4. AUTHORITY TO INVEST PROCEEDS. All appropriate City officials are authorized to invest and reinvest or direct the Trustee to invest and reinvest the proceeds of the Bonds and the other funds and accounts established under the Indenture in any manner required by or consistent with the Indenture and Texas law.

PART 5. POWER TO REVISE FORM DOCUMENTS. Notwithstanding any other provision of this ordinance to the contrary, each Authorized Officer, the city clerk, and all other appropriate officers and staff of the City are severally authorized to make or approve such revisions, additions, deletions, and variations in the form of the documents attached to this ordinance as exhibits as may be necessary or convenient to carry out or assist in carrying out the purposes of this ordinance, the Bonds, the Indenture, the Bond Purchase Agreement, the Official Statement, the Master Lease and the Concession Agreements, including without limitation to conform to the requirements of the Attorney General, to conform to the requirements of bond rating agencies, to conform to the requirements of any commitment to provide a bond insurance policy or a debt service reserve insurance policy, if any, to conform the provisions of the Indenture, the Master Lease and each Concession Agreement among all of these documents, and to conform all of these documents to the terms of sale of the Bonds in the Official Statement. The execution and delivery of any such documents by the City shall conclusively establish that any revisions, additions, deletions, and variations in the form of such executed documents have been accomplished in full compliance with the authorization contained in this paragraph.

PART 6. FURTHER PROCEDURES. Each Authorized Officer, the city clerk, and all other appropriate officers and staff of the City are severally authorized to execute, attest, and affix the City's seal to such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other documents, and to take all actions and to do all things as may be necessary or convenient to carry out or assist in carrying out the purposes of this ordinance, the Bonds, the Indenture, the Bond Purchase Agreement, the Official Statement, the Master Lease and the Concession Agreements.

PART 7. SEVERABILITY. The provisions of this ordinance are severable. If any provision of this ordinance or its applications to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this ordinance.

PART 8. **OPEN MEETING.** The City posted sufficient written notice of the date, hour, place, and subject of the meeting of the city council at which this ordinance was adopted at a place convenient and readily accessible at all times to the general public at the Austin City Hall for the time required by the Open Meetings Law, Chapter 551, Texas Government Code. This meeting has been open to the public as required by law at all times during which this ordinance and its subject matter were discussed, considered, and formally acted upon. Council ratifies, approves, and confirms such written notice, its contents, and its posting.

PART 9. **REPEALER.** All orders, resolutions, and ordinances, or their parts that are inconsistent with this ordinance are repealed only to the extent needed to eliminate the inconsistency.

PART 10. **EFFECTIVE IMMEDIATELY.** This ordinance takes effect immediately on its passage pursuant to Section 1201.028, Texas Government Code.

PASSED AND APPROVED

§
§
January 17, 2013 §

Lee Leffingwell
Mayor

APPROVED:

Karen M. Kennard
City Attorney

ATTEST:

Shirley A. Gentry
City Clerk

Exhibit A

[Trust Indenture]

TRUST INDENTURE

BY AND BETWEEN

CITY OF AUSTIN, TEXAS

AND

DEUTSCHE BANK NATIONAL TRUST COMPANY,

AS TRUSTEE

CITY OF AUSTIN, TEXAS
RENTAL CAR SPECIAL FACILITY REVENUE BONDS
TAXABLE SERIES 2013

Table of Contents

Page

ARTICLE I
DEFINITIONS

Section 1.1. Definitions and Construction 3

ARTICLE II
AUTHORIZATION; GENERAL TERMS AND PROVISIONS

Section 2.1. Name, Amount, Purpose, and Authorization 13
Section 2.2. Date, Denomination, Interest Rates, and Maturities 13
Section 2.3. Medium, Method, and Place of Payment 14
Section 2.4. Execution and Registration of Bonds 15
Section 2.5. Ownership 16
Section 2.6. Registration, Transfer, and Exchange 16
Section 2.7. Cancellation 17
Section 2.8. Replacement Bonds 17
Section 2.9. Book-Entry Only System 18
Section 2.10. Successor Securities Depository; Transfer Outside Book-Entry Only System 19
Section 2.11. Payments to Cede & Co 19
Section 2.12. Delivery of Bonds 19
Section 2.13. Supplemental Security 20

ARTICLE III
REDEMPTION OF SERIES 2013 BONDS BEFORE MATURITY

Section 3.1. Limitation on Redemption 20
Section 3.2. Optional Redemption 20
Section 3.3. Mandatory Sinking Fund Redemption 21
Section 3.4. Partial Redemption 22
Section 3.5. Notice of Redemption to Owners 23

ARTICLE IV
FORM OF SERIES 2013 BONDS

Section 4.1. Form Generally 24
Section 4.2. Legal Opinions; CUSIP Numbers 24
Section 4.3. Initial Series 2013 Bond 24

ARTICLE V
FUNDS AND INVESTMENTS

Section 5.1. Establishment of Funds and Accounts 25
Section 5.2. Revenue Fund; Flow of Funds 26
Section 5.3. Administrative Costs Fund 26
Section 5.4. Debt Service Fund 27

Table of Contents
(continued)

Page

Section 5.5. Debt Service Reserve Fund 27
Section 5.6. Debt Service Coverage Fund 28
Section 5.7. CFC Surplus Fund 29
Section 5.8. Construction Fund 30
Section 5.9. Costs of Issuance Fund 30
Section 5.10. Repair and Replacement Fund 31
Section 5.11. RAC O&M and Rent Reserve Fund 32
Section 5.12. Supplemental Security Fund 32
Section 5.13. Investment of Funds; Transfer of Investment Income 33
Section 5.14. Security for Uninvested Funds 34
Section 5.15. Additional Deposits 34
Section 5.16. Standing Instructions 34

ARTICLE VI
APPLICATION OF PROCEEDS OF SERIES 2013 BONDS

Section 6.1. Application of Proceeds of Bonds 35

ARTICLE VII
PARTICULAR COVENANTS OF THE CITY

Section 7.1. Payment of Debt Service; Limited Obligations 35
Section 7.2. Rate Covenant 35
Section 7.3. Covenants regarding Contingent Fees and Prior Facility Rentals 37
Section 7.4. Enforcement of Agreements 37
Section 7.5. Additional Covenants 37

ARTICLE VIII
ADDITIONAL BONDS AND COMPLETION BONDS

Section 8.1. Additional Bonds 37
Section 8.2. Completion Bonds 39

ARTICLE IX
ACCOUNTS AND RECORDS

Section 9.1. Separate Records 40
Section 9.2. Reports of Trustee 40
Section 9.3. Inspection 40
Section 9.4. Registration Books 40

ARTICLE X
ENFORCEMENT OF RIGHTS IN CASE OF DEFAULT

Section 10.1. Trustee is Agent 40
Section 10.2. Restriction on Owners' Action 40
Section 10.3. Events of Default 41

Page

Section 10.4. Action by Trustee....41
Section 10.5. Remedies Nonexclusive....41
Section 10.6. Disposition of Money....42
Section 10.7. Intervention by Trustee....42
Section 10.8. Possession of Bonds Unnecessary....43
Section 10.9. Trustee May File Proofs of Claim....43
Section 10.10. Owner's Directions....43
Section 10.11. Trustee's Notice of Default....43
Section 10.12. Undertaking for Costs....44
Section 10.13. Waiver of Defaults....44

ARTICLE XI
CONCERNING THE TRUSTEE

Section 11.1. Certain Duties and Responsibilities of the Trustee....44
Section 11.2. Accountability for Funds....45
Section 11.3. Reliance on Communications....46
Section 11.4. Proof of Facts....46
Section 11.5. Certain Rights of the Trustee....46
Section 11.6. Performance through Attorneys, Accountants, Reports, or Other Professionals...46
Section 11.7. Trustee as Owner....47
Section 11.8. Fees....47
Section 11.9. Recitals....47
Section 11.10. Trustee's Right to Indemnity....47
Section 11.11. Further Assurances....47
Section 11.12. Trustee May Rely on Certificates....47

ARTICLE XII
SUCCESSOR TRUSTEE

Section 12.1. Resignation....48
Section 12.2. Removal....48
Section 12.3. Appointment of Successor....48
Section 12.4. Qualification of Successor....48
Section 12.5. Merger or Consolidation of Trustee....49

ARTICLE XIII
RELEASE OF INDENTURE

Section 13.1. Satisfaction of Indebtedness and Release of Indenture....49
Section 13.2. Payment, Advance Funding, and Defeasance....49
Section 13.3. Reinvestment....50
Section 13.4. Use of Moneys and Government Obligations Set Aside....51
Section 13.5. No Amendment....51

Table of Contents
(continued)

Page

ARTICLE XIV
AMENDMENTS

Section 14.1. Amendments without Owner Consent 51
Section 14.2. Consent of Majority of Owners 52
Section 14.3. Consent of All Owners 53
Section 14.4. Effective Date of Amendment 53

ARTICLE XV
CONTINUING DISCLOSURE UNDERTAKING

Section 15.1. Annual Reports 54
Section 15.2. Event Notices 54
Section 15.3. Limitations, Disclaimers, and Amendments 55
Section 15.4. Definitions 57

ARTICLE XVI
MISCELLANEOUS PROVISIONS

Section 16.1. *Proof of Execution* 57
Section 16.2. Proof of Ownership 57
Section 16.3. Action Binding on Successor 57
Section 16.4. Nonpresentment and Unclaimed Funds 57
Section 16.5. Destruction of Bonds 58
Section 16.6. No Third-Party Beneficiaries 58
Section 16.7. Waiver of Personal Liability 58
Section 16.8. Severability 59
Section 16.9. Governing Law 59
Section 16.10. Addresses 59
Section 16.11. Counterparts 59
Section 16.12. [Bond Insurance Policy 59
Section 16.13. [Debt Service Reserve Policy 59

Annex A - Continuing Disclosure
Exhibit A - Form of Bond
Exhibit B - Construction Fund Disbursement Request
Exhibit C - CFC Surplus Fund Disbursement Request
Exhibit D - Repair and Replacement Fund Disbursement Request
Exhibit E - RAC O&M and Rent Reserve Fund Disbursement Request
Exhibit F - Bond Insurance Policy Provisions
Exhibit G - Debt Service Reserve Policy Provisions

TRUST INDENTURE

THE STATE OF TEXAS:
CITY OF AUSTIN:

THIS TRUST INDENTURE (this "Indenture"), dated as of _____, 2013, executed by and between CITY OF AUSTIN, TEXAS, a municipal corporation and home-rule city, duly incorporated under the laws of the State of Texas, situated primarily in Travis County, Texas, and DEUTSCHE BANK NATIONAL TRUST COMPANY, Jersey City, New Jersey, a national banking association organized and existing under the laws of the United States of America, as Trustee (the capitalized terms appearing in the following recitals and granting clauses that are not otherwise defined shall have the respective meanings given to such terms in Article I hereof);

WITNESSETH THAT:

WHEREAS, the City owns and operates the Airport as part of the Airport System; and

WHEREAS, pursuant to the Act, the City is authorized to issue revenue bonds for the purpose of establishing, improving, enlarging, extending, and repairing the Airport System, including buildings, equipment, improvements, and other facilities and services that the City deems to be necessary, desirable or convenient to the efficient operation and maintenance of the Airport System and to lease all or any part of said improvements and facilities and pledge money derived therefrom to the payment of such bonds; and

WHEREAS, in order to provide financing for the Airport, the City has heretofore adopted (i) the Prior Lien Bond Ordinance authorizing the issuance of the Prior Lien Bonds and granting a first lien on Net Revenues to secure the payment of principal of, redemption premium, if any, and interest on the Prior Lien Bonds and (ii) the Revenue Bond Ordinance authorizing the issuance of the Revenue Bonds and granting a lien on Net Revenues to secure the payment of the principal of, redemption premium, if any, and interest on the Revenue Bonds, which lien is subordinate and junior to the lien securing the Prior Lien Bonds; and

WHEREAS, with certain exclusions set forth in the Prior Lien Bond Ordinance and the Revenue Bond Ordinance, the Net Revenues consist generally of all income and revenues derived directly or indirectly by the City from the operation and use of and otherwise pertaining to the Airport System, or any part thereof, after deduction of certain operation and maintenance expenses; and

WHEREAS, the Prior Lien Bond Ordinance and the Revenue Bond Ordinance expressly reserve to the City the right to issue Special Facilities Bonds to finance and refinance the cost of any Special Facilities and provide that any revenues derived from any Special Facilities, which are pledged to the payment of Special Facilities Bonds, are excluded from Net Revenues and from the lien granted in favor of the Prior Lien Bonds and the Revenue Bonds; and

WHEREAS, by ordinance adopted by the City Council on _____, 2013 (the "Bond Ordinance") the City has authorized the execution and delivery of this Indenture and the issuance of Special Facilities Bonds in accordance with the terms of this Indenture; and

WHEREAS, in the Bond Ordinance, the City has found and determined that the Project (i) constitutes Special Facilities, as so defined, (ii) is a part of and related to the Airport System and (iii) is necessary, desirable and convenient for the efficient operation of the Airport, and (iv) is in the public interest and a public purpose for the City to finance the construction and acquisition of the Project through the issuance of the Series 2013 Bonds; and

WHEREAS, in the Bond Ordinance, the City has found and determined that the Series 2013 Bonds constitute Special Facilities Bonds; and

WHEREAS, the Series 2013 Bonds shall be secured by, among other things, a pledge of certain revenues derived by the City from the Agreements entered into between the City and the Concessionaires;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

THE City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of securing the payment of the principal of, redemption premium, if any, and interest on the Bonds at any time issued and outstanding, has granted, assigned, transferred, pledged, set over, and confirmed, and by these presents does GRANT, ASSIGN, TRANSFER, PLEDGE, SET OVER, and CONFIRM unto the Trustee, and to its successor or successors in the said trust, and to its or their assigns, all and singular (i) the Revenues and (ii) the interest of the City in the Funds and Accounts created herein (collectively, the "Trust Estate"), and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed;

TO HAVE AND TO HOLD all the same, with all rights and privileges appurtenant thereto, unto the Trustee and its successors in trust forever, subject however, to all of the terms and provisions of this Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of the Owners from time to time of the Bonds from time to time issued hereunder without preference, priority or distinction as to lien or otherwise of any such Bond by reason of priority in the time of the issue, sale or delivery thereof, or by reason of the date of maturity thereof or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, HOWEVER, THAT if the City shall pay or cause to be paid the principal of and interest on the Bonds issued and all other amounts due hereunder, or shall make provision for such payment as provided in this Indenture or in any other manner provided by law, then, upon such final payment or provisions therefor and written direction from the City to the Trustee, this Indenture, the rights, pledges and liens herein granted and all obligations created or arising hereunder shall thereby automatically cease, terminate and be discharged; otherwise this Indenture shall remain in full force and effect.

IT IS HEREBY DECLARED that the aforesaid Trust Estate and the proceeds of all Bonds issued from time to time hereunder shall be dealt with and disposed of under, upon and subject to the terms, conditions, covenants, agreements, uses and purposes set forth in this Indenture. The City and the Trustee have agreed, and they hereby agree and covenant with the respective Owners from time to time of the Bonds then Outstanding, as follows, to wit:

THE Trustee hereby accepts the trusts, duties, obligations, and requirements imposed on it by this Indenture, and agrees to carry out and perform, punctually and effectively, such trusts, duties, obligations, and requirements, including the duties as a paying agent and as bond registrar for the Bonds, for the benefit of the City and the Owners pursuant to the terms hereof.

THE City covenants that it will do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, such indenture or indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assigning, pledging, and confirming unto the Trustee the trusts, duties, obligations, and requirements imposed on it by this Indenture and the revenues pledged hereunder.

THE BONDS ISSUED HEREUNDER ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM AND SECURED BY THE TRUST ESTATE. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED OR OTHERWISE MADE AVAILABLE TO SECURE THE BONDS ISSUED HEREUNDER AND THE COVENANTS AND REPRESENTATIONS CONTAINED HEREIN DO NOT CONSTITUTE A PERSONAL OR PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS AND THEIR RESPECTIVE OFFICIALS, AGENTS AND EMPLOYEES SHALL NEVER BE LIABLE IN ANY MANNER FOR THE PAYMENT OF THE BONDS.

ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Construction.

(a) All capitalized terms used in this Indenture which are not defined in this Indenture have the meanings which are assigned to such terms in the Master Glossary.

(b) The following terms shall have the meanings specified in this Section, unless the context otherwise requires:

"Accounts" shall mean the collective accounts established by Article V or by any Supplemental Indenture.

"Act" shall mean, collectively, Chapter 1371, Texas Government Code, as amended, and Chapter 22, Texas Transportation Code, as amended.

"Additional Bonds" shall mean each series of parity bonds issued pursuant to Section 8.1.

"Administrative Costs" shall mean the following expenses as determined and approved by the City which are incurred in connection with the Bonds, the financing of the Project and as a direct consequence of the City's entering into this Indenture, the Agreements and the Master Lease: (i) the ongoing fees and expenses of the Trustee, as trustee under this Indenture; (ii) the ongoing fees and expenses of the Trustee, as paying agent and registrar for the Bonds; (iii) the fees and expenses of the Airport Consultant subsequent to those included in the Costs of Issuance; (iv) the fees and expenses of the City, including, but not limited to those of attorneys, financial advisers, accountants, and consultants incurred in connection with any regulatory or administrative requirements, including specifically, but without limitation, the preparation and filing of annual financial statements and audits and compliance with continuing disclosure requirements; (v) the reasonable legal fees and expenses of the City incurred with respect to defending any actions or proceedings brought by third parties challenging the Agreements, the Customer Facility Charge or the payment of the Customer Facility Charge to the Trustee under the Agreements; (vi) the premiums related to a Debt Service Reserve Fund Surety Policy or a Debt Service Coverage Fund Surety Policy, if any, and the fees and expenses of any Rating Agency; and (vii) such other reasonable fees and expenses of the City, including reasonable overhead expenses, in carrying out its obligations under the Indenture, the Agreements, the Master Lease and any other agreement relating to the Project. Administrative Costs shall not include Costs of Issuance.

"Administrative Costs Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Agreement" or "Agreements" shall mean (i) prior to the Opening Date, each Prior Concession Agreement, or collectively, the Prior Concession Agreements, then in effect, and (ii) on and after the Opening Date, each New Concession Agreement, or collectively, the New Concession Agreements.

"Airport" shall mean the air carrier airport developed, constructed and operated by the City pursuant to the city-wide election held within the City on May 1, 1993, designated as the Austin-Bergstrom International Airport (ABIA).

"Airport Consultant" shall mean a nationally recognized independent firm, person or corporation having a widely known and favorable reputation for special skill, knowledge and experience in methods of development, operation and financing of airports of approximately the same size as the properties constituting the Airport System, chosen by the City and qualified to review and assess the anticipated Revenues and recommend to the City the amount of the Customer Facility Charge.

"Airport System" shall mean all airport, heliport and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated or controlled in whole or in part by the City, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the City in connection therewith, but expressly excluding any heliport or heliports operated by City Departments other than the Aviation Department.

"Annual Debt Service Requirements" shall mean, during any Bond Year, the amounts required to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Outstanding Bonds; provided, that with respect to the Series 2013 Bonds and any other series of Bonds for which the City has designated and provided Supplemental Security pursuant to Section 2.13, the Annual Debt Service Requirements for such Bonds in any Bond Year shall be reduced by the amount of Supplemental Security provided therefor that is on deposit in the Debt Service Fund and available to pay debt service for such Bond Year; provided further, solely for the purposes of determining the Debt Service Reserve Fund Requirement, the Debt Service Coverage Fund Requirement and any coverage requirement for the issuance of Additional Bonds, that with respect to the Series 2013 Bonds and any other series of Bonds for which the City has designated and provided Supplemental Security pursuant to Section 2.13, the Annual Debt Service Requirements for such Bonds in any Bond Year shall be reduced by the amount of Supplemental Security that is scheduled to be transferred to or is on deposit in the Debt Service Fund for such Bond Year.

"Authorized Representative" shall mean the Aviation Director and any other person designated to act on behalf of the City under this Indenture by the City Manager of the City pursuant to a written notice delivered to the Trustee.

"Aviation Director" shall mean the Director of the City's Aviation Department, or any successor to that position or any person acting in such capacity on an interim basis.

"Bond Counsel" shall mean Bracewell & Giuliani LLP and such firm, or firms, as may hereafter be selected by the City as bond counsel with respect to the Bonds.

"Bond Ordinance" shall have the meaning given said term in the preamble to this Indenture.

"Bond Proceeds Account" shall mean the Account by that name within the Construction Fund established with the Trustee pursuant to Article V.

"Bond Year" shall mean the period beginning on the Closing Date and ending on November 15, 2013, and thereafter each one year period beginning November 16 and ending November 15.

"Bonds" shall mean the Series 2013 Bonds, together with any Additional Bonds and Completion Bonds issued by the City and authenticated by the Trustee pursuant to this Indenture.

"Business Day" shall mean any day which is not a Sunday, a Saturday, a legal holiday or a day on which banking institutions are authorized by law or executive order to close in the city of New York, New York, or the cities in which the Principal Office or the Designated Payment/Transfer Office of the Trustee are located.

"CFC Surplus Annual Disbursement Account" shall mean the Account by that name within the CFC Surplus Fund established with the Trustee pursuant to Article V.

"CFC Surplus Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V hereof.

"CFC Surplus Residual Account" shall mean the Account by that name within the CFC Surplus Fund established with the Trustee pursuant to Article V.

"City" shall mean the City of Austin, Texas.

"Closing Date" shall mean, with respect to any series of Bonds, the date on which the Bonds of such series are first authenticated and delivered to purchasers thereof against payment therefor.

"Completion Bonds" shall mean each series of parity bonds issued pursuant to Section 8.2.

"Concessionaires" shall have the same meaning given to the term "Concessionaire" in the Master Glossary.

"CONRAC Site" shall have the same meaning given to such term in the Master Glossary.

"Construction Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Contingent Fees" shall mean the supplemental or additional fees to be paid, if any, in addition to the Customer Facility Charges, which are required pursuant to Article V, Paragraph C of the Prior Concession Agreements and Section 4.3 of the New Concession Agreements, as applicable, to be paid by the Concessionaires to the Trustee as assignee of the City's interest therein.

"Costs of Issuance" shall mean, as determined and approved by the City, the costs of issuing the Bonds which costs shall be limited to: (i) fees and expenses of the financial adviser and counsel to the City; (ii) the fees and expenses of Bond Counsel and of attorneys representing the Trustee; (iii) fees and expenses of the Trustee in connection with the issuance of Bonds; (iv) the costs of printing the Bonds and any preliminary or final official statement relating to the Bonds and other disclosure materials; (v) the fees of any Rating Agency; (vi) the fees and expenses of the Airport Consultant in preparing the feasibility report prepared in connection with the issuance of the Bonds and in establishing the initial amount of the New Customer Facility Charge to the extent such fees and expenses are not included in the Costs of the Project; (vii) travel expenses of officials and employees of the City incurred in connection with the issuance of the Bonds; (viii) any reasonable expenses required to be paid or reimbursed to any underwriter of the Bonds; and (ix) miscellaneous reasonable and customary expenses, in each case as such costs were incurred in connection with the issuance of any series of Bonds. Costs of Issuance shall not include Administrative Costs.

"Costs of Issuance Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Costs of the Project" shall mean all costs incident to the provision of the Project and the financing thereof now or hereafter permitted by the Act.

"Customer Facility Charge" or "Customer Facility Charges" shall mean (i) prior to the Opening Date, the Prior Customer Facility Charge or Prior Customer Facility Charges, and (ii) on and after the Opening Date, the New Customer Facility Charge or New Customer Facility Charges.

"Debt Service Coverage Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Debt Service Coverage Fund Requirement" shall mean with respect to each series of Bonds an amount equal to 25% of the Maximum Annual Debt Service on such series of Bonds.

"Debt Service Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Debt Service Reserve Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Debt Service Reserve Fund Requirement" shall mean with respect to each series of Bonds, an amount equal to the least of (i) 10% of the stated principal amount of such series of Bonds, (ii) Maximum Annual Debt Service on such series of Bonds, and (iii) 125% of the average Annual Debt Service Requirements on such series of Bonds.

"Debt Service Reserve Fund Surety Policy" and "Debt Service Coverage Fund Surety Policy" shall mean a surety bond, insurance policy, letter of credit, line of credit, or other similar instrument issued by a financial institution to the City for the benefit of the Owners of the Bonds to satisfy any part of the Debt Service Reserve Fund Requirement or Debt Service Coverage Fund Requirement, as applicable, in accordance with Sections 5.5 and 5.6 of this Indenture; provided, that the long-term senior unsecured debt obligations of such issuer are rated in one of the two highest categories of ratings by one or more Rating Agencies at the time such instrument or instruments are issued.

"Designated Payment/Transfer Office" shall mean the corporate trust office of the Trustee located in Jersey City, New Jersey or such other location designated and agreed to by the City.

"DTC" shall mean The Depository Trust Company, New York, New York or its nominee, or its successors and assigns, or any other depository performing similar functions.

"DTC Participant" shall mean those financial institutions for whom DTC effects book-entry transfers and pledges of securities deposited with DTC, as such listing of DTC Participants exists at the time of such reference.

"Event of Default" shall have the meaning given to such term in Section 10.3.

"First Par Call Date" shall have the meaning given to such term in Section 3.2(a).

"Fiscal Year" shall have the meaning given to such term in the Master Glossary.

"Fitch" shall mean Fitch Ratings and any successor thereto which is a nationally recognized statistical rating organization.

"Funds" shall mean the collective funds established by Article V or by any Supplemental Indenture.

"Government Obligations" shall mean means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (iv) any other then authorized securities or obligations under applicable Texas law in existence on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds that may be used to defease obligations such as the Bonds.

"Indenture" shall mean this Trust Indenture, as amended, modified or supplemented from time to time by a Supplemental Indenture in accordance with the requirements hereof.

"Interest Payment Date" shall mean May 15 and November 15 of each year, commencing May 15, 2013.

"Joint Use Facility" shall have the same meaning given to such term in the Master Glossary.

"Major Maintenance" shall have the same meaning given to such term in the Master Glossary.

"Master Glossary" shall mean that certain listing of defined terms attached to each of the Master Lease, the Sublease Agreements and the New Concession Agreements as Attachment 1 - Master Glossary thereto.

"Master Lease" shall have the same meaning given to such term in the Master Glossary.

"Master Lessee" shall have the same meaning given to such term in the Master Glossary.

"Maturity Date" shall mean when used with respect to any Bond the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at Stated Maturity thereof, call for redemption or otherwise.

"Maximum Annual Debt Service" shall mean the maximum Annual Debt Service Requirements with respect to the Bonds during any Bond Year.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and any successor thereto which is a nationally recognized statistical rating organization.

"Net Revenues" shall mean the Net Revenues, as defined in the Prior Lien Bond Ordinance and the Revenue Bond Ordinance, pledged to the payment of the Prior Lien Bonds and the Revenue Bonds, and not pledged to the payment of the Bonds.

"New Concession Agreement" shall have the same meaning given to the term "Concession Agreement" in the Master Glossary, and shall include any other concession agreement between the City and a rental car concession operator entered into pursuant to Section 7.5(b) hereof.

"New Customer Facility Charge" or "New Customer Facility Charges" shall mean the customer facility charge or customer facility charges required to be charged and collected by the Concessionaires pursuant to Section 4.2 of the New Concession Agreements and which, upon collection, are required to be remitted to the Trustee as assignee of the City's interest therein.

"Opening Date" shall have the same meaning given to such term in the Master Glossary.

"Outstanding" shall mean, with respect to the Bonds, as of the time in question, all Bonds registered or authenticated, as applicable, and delivered under this Indenture, except: (i) Bonds canceled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture; and (iii) Bonds deemed to have been paid within the meaning of Article XIII hereof.

"Owner" shall mean the Person whose name appears on the Registration Books as the owner of such Bond.

"Permitted Investments" shall mean any investment that at the time is lawful under State law for investment by the City maturing or redeemable at the option of the Trustee, or marketable, prior to the maturities thereof, at such time or times as to enable disbursements to be made from the respective Funds and Accounts in accordance with the terms hereof, and, which is an authorized investment under the investment policy of the City.

"Person" shall mean any association, individual, corporation, governmental entity, partnership, joint venture, business association, estate or any other organization or entity.

"Principal Office" shall mean, with respect to Deutsche Bank National Trust Company, its corporate trust office in Jersey City, New Jersey, and, with respect to any successor Trustee, the trust office designated by such successor Trustee as its principal corporate trust office.

"Prior CFCs Account" shall mean the Account by that name within the Construction Fund established with the Trustee pursuant to Article V.

"Prior Concession Agreement" shall have the same meaning given to such term in the Master Glossary.

"Prior Customer Facility Charge" or "Prior Customer Facility Charges" shall mean the customer facility charge or customer facility charges required to be charged and collected by the Concessionaires pursuant to Article V, Paragraph B of the Prior Concession Agreements and which, upon collection, are required to be remitted to the Trustee as assignee of the City's interest therein.

"Prior Facility Premises" shall have the same meaning given to the term "Leased Premises" in the Prior Concession Agreements.

"Prior Facility Rentals" shall mean the rental payments for parking garage vehicle staging lanes and for individual parking garage vehicle staging spaces required pursuant to Article V, Paragraph A(4) of the Prior Concession Agreements to be paid by the Concessionaires to the Trustee as assignee of the City's interest therein.

"Prior Lien Bond Ordinance" shall mean Ordinance No. 031211-07 adopted and approved by the Council of the City on December 11, 2003, authorizing the issuance of the Prior Lien Bonds.

"Prior Lien Bonds" shall mean the City of Austin, Texas, Airport System Prior Lien Revenue Refunding Bonds, Series 2003, authorized by the City pursuant to the Prior Lien Bond Ordinance.

"Project" shall mean, collectively, the buildings, equipment, facilities and improvements comprising the Joint Use Facility and its associated improvements, and which are financed in whole or in part with proceeds of the Bonds and any Completion Bonds.

"RAC O&M and Rent Reserve Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Rating Agency" shall mean any one or more of S&P, Moody's, Fitch, and any other nationally recognized statistical rating organization engaged by the City and then rating the Bonds.

"Record Date" shall mean the day of the month designated in the Bonds as the Record Date therefor.

"Registration Books" shall mean the books or records of the registration and transfer of the Bonds kept by the Trustee as bond registrar pursuant to this Indenture.

"Repair and Replacement Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Representation Letter" shall mean the representation letter delivered by the City to DTC, ratified and approved in Section 2.9.

"Revenue Bonds" shall mean the City of Austin, Texas, Airport System Refunding Revenue Bonds, Series 2005, authorized by the Revenue Bond Ordinance, and any additional obligations hereafter issued that are secured by or payable from Net Revenues.

"Revenue Bond Ordinance" shall mean Ordinance No. 20050804-039 adopted by the City Council of the City on August 4, 2005, authorizing the issuance of the Revenue Bonds, as amended by Ordinance No. 20110526-068 adopted by the City Council of the City on May 26, 2011.

"Revenue Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Revenues" shall mean all amounts deposited to the Revenue Fund, including, but not limited to (i) the Prior Customer Facility Charges paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph B of the Prior Concession Agreements, (ii) the New Customer Facility Charges paid by the Concessionaires to the Trustee pursuant to Section 4.2 of the New Concession Agreements, (iii) the Contingent Fees paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph C of the Prior Concession Agreements and Section 4.3 of the New Concession Agreements, (iv) any amounts drawn under the separate letters of credit to be delivered by the Concessionaires to the Director of Aviation pursuant to (A) Paragraph G of Article V of the Prior Concession Agreements that represent Prior Customer Facility Charges, Contingent Fees or Prior Facility Rentals as described in clauses (i), (iii) and (v) of this paragraph, and (B) Section 4.5 of the New Concession Agreements that represent New Customer Facility Charges or Contingent Fees as described in clauses (ii) and (iii) of this paragraph, in each case, which amounts shall be payable directly to the Trustee upon a draw on such letters of credit, (v) the Prior Facility Rentals paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph A(4) of the Prior Concession Agreements, and (vi) investment earnings from amounts held by the Trustee and deposited to the Revenue Fund pursuant to Section 5.13 hereof.

"S&P" shall mean Standard & Poor's Ratings Services, a Standard and Poor's Financial Services LLC business, and any successor thereto which is a nationally recognized statistical rating organization.

"Series 2013 Bonds" shall mean "City of Austin, Texas, Rental Car Special Facility Revenue Bonds, Taxable Series 2013" authorized by and secured by this Indenture.

"Series 2013 Supplemental Security Account" shall mean the Account by that name established within the Supplemental Security Fund pursuant to Article V.

"Special Facilities" shall mean structures, hangars, aircraft overhaul, maintenance or repair shops, heliports, hotels, storage facilities, garages, in-flight kitchens, training facilities and any and all other facilities and appurtenances being a part of or related to the Airport System, the cost of the construction or other acquisition of which is financed with the proceeds of Special Facilities Bonds. The Project shall constitute Special Facilities.

"Special Facilities Bonds" shall mean those Special Facilities Bonds from time to time issued by the City as permitted by the Prior Lien Bond Ordinance and the Revenue Bond Ordinance, including the Series 2013 Bonds, any Completion Bonds and each series of Additional Bonds issued to finance the costs of Special Facilities.

"State" shall mean the State of Texas.

"Stated Maturity" shall mean when used with respect to any Bond means the date specified in such Bond as the fixed date on which the principal of such Bond is due and payable.

"Sublease Agreement" shall have the same meaning given to such term in the Master Glossary.

"Subleased Premises" shall have the same meaning given to such term in the Master Glossary.

"Supplemental Indenture" shall mean one or more supplemental indentures or amended and restated indentures executed and delivered by the City and the Trustee and effective in accordance with Article XIV hereof or as provided in Article VIII hereof with respect to the issuance of Additional Bonds or Completion Bonds.

"Supplemental Security" shall mean (i) any funds received by or obligations payable to the City, other than Revenues, and (ii) any credit facility or other credit enhancement, which, in each case, the City elects to designate as additional security for the Series 2013 Bonds or any specified series of Additional Bonds or Completion Bonds pursuant to Section 2.13.

"Supplemental Security Fund" shall mean the Fund by that name established with the Trustee pursuant to Article V.

"Trustee" shall mean Deutsche Bank National Trust Company, or any successor trustee hereafter appointed in the manner provided in this Indenture.

"Trust Estate" shall have the meaning set forth in the Granting Clauses of this Indenture.

(c) Captions. In this Indenture, unless the context otherwise requires:

(i) The terms "hereby", "hereof", "hereto", "hereunder", and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before the date of this Indenture.

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(iii) Any headings preceding the texts of the several Articles, Sections, and Paragraphs of this Indenture, and any table of contents appended hereto, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction, or effect.

(iv) All references herein to particular Articles, Sections, or Paragraphs are references to the Articles, Sections or Paragraphs of this Indenture, and reference herein to any exhibit means an exhibit attached to this Indenture.

(v) Reference to any document means that document as amended or supplemented from time to time in accordance with its terms and reference to any party to a document means that party and its permitted successors and assigns.

(d) Every "request," "order," "demand," "application," "notice," "statement," "certificate," "consent," "instruction," or similar action hereunder shall, unless the form thereof is specifically provided herein or in the Agreements, be in writing, and in the case of the City signed by an Authorized Representative or, in the case of any other Person, signed by its President or Vice President, or other officer serving in similar capacities who are specifically authorized to execute such writing on behalf of the Person.

(e) To the extent of any conflict between the terms and provisions of this Indenture and the terms and provisions referenced herein of the Agreements and the Master Lease, the terms and provisions of this Indenture shall govern and control.

ARTICLE II

AUTHORIZATION; GENERAL TERMS AND PROVISIONS

Section 2.1. Name, Amount, Purpose, and Authorization.

(a) The Series 2013 Bonds, to be known and designated as "City of Austin, Texas, Rental Car Special Facility Revenue Bonds, Taxable Series 2013" are hereby authorized to be issued and delivered hereunder and secured hereby in fully registered form, without coupons, in the aggregate principal amount of $_____ for the purpose of financing Costs of the Project, including, without limitation, the acquisition and construction of the Project funding reserves and paying Costs of Issuance.

(b) Additional Bonds and Completion Bonds are authorized to be issued and secured pursuant to Article VIII hereof as provided in a Supplemental Indenture.

Section 2.2. Date, Denomination, Interest Rates, and Maturities.

(a) The Series 2013 Bonds shall be dated as of _____, 2013, shall mature, subject to prior redemption as hereinafter provided, on November 15, in the years and in the principal amounts set out in the following schedule. The initial Series 2013 Bond (the "Initial Series 2013 Bond") shall be numbered T-1. Series 2013 Bonds delivered in transfer of or in exchange for the Initial Series 2013 Bond shall be numbered R-1 and upward in order of their authentication by the Trustee, shall be in the denomination of $5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Series 2013 Bond or Series 2013 Bonds in lieu of which they are delivered.

Principal Amount	Year of Maturity	Interest Rate

(b) Interest shall accrue and be paid on each Series 2013 Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made from the later of the Closing Date therefor or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the schedule contained in subsection (a) above. Such interest shall be paid semi-annually on May 15 and November 15 of each year, commencing May 15, 2013, computed on the basis of a 360-day year of twelve 30-day months.

Section 2.3. Medium, Method, and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on each Bond shall be paid by check dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the Trustee to each Owner, as shown in the Registration Books at the close of business on the Record Date, at the address of each such Owner as such appears in the Registration Books or by such other customary banking arrangements acceptable to the Trustee and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of and redemption premium, if any, on each Bond shall be paid to the Owner thereof on the Maturity Date upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Trustee.

(d) If the date for the payment of the principal of, redemption premium, if any, or interest on the Bonds is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) Any interest on any Bond which is payable pursuant to this Indenture, but which is not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest"), and for thirty (30) days thereafter, shall cease to be payable to the Owner on the regular Record Date by virtue of having been such Owner. Such Defaulted Interest shall be paid by the Trustee (but only from the sources provided herein) to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on the Special Record Date (herein so called) for the payment of the Defaulted Interest, which shall be fixed by the Trustee. The Trustee shall fix the Special Record Date for the payment of the Defaulted Interest and the date for the payment. The Special Record Date shall be not more

than 15 nor less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the City of the Special Record Date and the date and amount of payment. In the name of the City, the Trustee shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date to be mailed, first class postage prepaid, to each Owner of Bonds at its address as it appears in the Registration Books on the date of the mailing of such notice, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of the Defaulted Interest and the Special Record Date having been mailed as described above, the Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective predecessor or Bonds) are registered on the Special Record Date.

(f) If any Bond or portion thereof called for redemption is not paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of the same.

Section 2.4. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor of the City and attested by the City Clerk, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officials, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event any official of the City whose manual or facsimile signature appears on the Bond ceases to be such official before the authentication of such Bond or before the delivery thereof, such facsimile signature nevertheless shall be valid and sufficient for all purposes as if such official had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the initial Bond delivered at the Closing Date for each series of Bonds (each, an "Initial Bond") shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State.

(d) On the Closing Date for each series of Bonds, one Initial Bond, being a single Initial Bond representing the entire principal amount of the Bonds then being delivered, payable in stated installments to the initial purchaser or its designee, executed by the Mayor of the City and attested by the City Clerk, by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bond, the Trustee

shall cancel the Initial Bond and deliver registered Bonds to DTC in accordance with Section 2.9. To the extent the Trustee is eligible to participate in the DTC FAST System, as evidenced by agreement between the Trustee and DTC, the Bonds to be delivered to DTC shall be held by the Trustee in safekeeping for DTC.

Section 2.5. Ownership.

(a) The City, the Trustee and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and redemption premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this section shall be valid and effectual and shall discharge the liability of the City and the Trustee upon such Bond to the extent of the sums paid.

Section 2.6. Registration, Transfer, and Exchange.

(a) So long as any Bonds remain outstanding, the Trustee shall keep the Registration Books at its Designated Payment/Transfer Office in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration and transfer of the Bonds in accordance with the terms of this Indenture.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Trustee, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in a form satisfactory to the Trustee. No transfer of any Bond shall be effective until entered in the Registration Books.

(c) Upon due presentation of any Bond for transfer, the Trustee shall authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same series, maturity, and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

(d) All Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Trustee for a Bond or Bonds of the same series, maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange.

(e) The Trustee shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section.

(f) Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(g) The Trustee shall require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond and any fee or charge in connection therewith other than the Trustee fees, which shall be paid by the City.

(h) The Trustee shall not be required to transfer or exchange any Bond during the period between the Record Date and any Interest Payment Date or during the 45-day period prior to the date fixed for redemption; provided, however, that such restriction shall not apply to the transfer or exchange by the Owner of the unredeemed portion of a Bond called for redemption in part.

Section 2.7. Cancellation.

(a) All Bonds paid or redeemed in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and disposed in accordance with the Trustee's policies upon the making of proper records regarding such payment or redemption.

(b) The Trustee shall periodically furnish the City with certificates of disposition of such Bonds upon request.

Section 2.8. Replacement Bonds.

(a) Upon the presentation and surrender to the Trustee of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like series, maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding.

(b) The City or the Trustee shall require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Trustee.

(c) If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Trustee shall authenticate and deliver a replacement Bond of like series, maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner thereof shall have:

(i) furnished to the Trustee satisfactory evidence of the ownership of and the circumstances of the loss, destruction, or theft of such Bond;

(ii) furnished such security or indemnity as may be required by the Trustee and the City to save them harmless;

(iii) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee, and any tax or other governmental charge that may be imposed; and

(iv) met any other reasonable requirements of the City and the Trustee.

(d) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Trustee shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Trustee in connection therewith.

(e) If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Trustee to pay such Bond.

(f) Each replacement Bond delivered in accordance with this section shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 2.9. Book-Entry Only System.

(a) Bonds delivered to DTC upon cancellation of an Initial Bond shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.10 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, neither the City, nor the Trustee, shall have any responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Indenture. Without limiting the immediately preceding sentence, neither the City, nor the Trustee, shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Registration Books of any amount with respect to principal of, redemption premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute Owner of such Bond for the purpose of payment of principal of, redemption premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all

principal of, redemption premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The blanket Representation Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 2.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered, at the expense of the Owners, in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 2.11. Payments to Cede & Co. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, redemption premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 2.12. Delivery of Bonds. The Trustee shall authenticate the Series 2013 Bonds and deliver them to such initial purchaser or purchasers as shall be directed by the City in accordance with the provisions of Sections 2.4(d) and 2.9, and as further provided in this Section.

Prior to or simultaneously with the authentication and delivery of the Series 2013 Bonds by the Trustee, there shall be filed with the Trustee.

(i) a copy, certified by an authorized official of the City, of the Bond Ordinance;

(ii) original executed counterparts of this Indenture and copies of the executed Agreements then in effect;

(iii) an opinion of the Attorney General of the State approving the proceedings for the Series 2013 Bonds; and

(iv) a direction and authorization to the Trustee on behalf of the City and signed by an Authorized Representative directing the Trustee to authenticate and deliver the Series 2013 Bonds in such specified denominations as permitted in this Indenture to the initial purchaser or purchasers thereof upon payment to the Trustee, but for the account of the City, of a specified sum of money.

Section 2.13. Supplemental Security. Except as otherwise provided or permitted herein, the Trust Estate securing all Bonds shall be shared on a parity with all other Bonds on an equal and ratable basis. The City may, however, in its discretion, designate and provide Supplemental Security for the Series 2013 Bonds or any specified series of Additional Bonds or Completion Bonds, but shall have no obligation to provide such Supplemental Security to other Bonds. Any such Supplemental Security may be deposited into one or more Funds or Accounts created hereunder or under a Supplemental Indenture. The City reserves the right to establish one or more Funds or Accounts for the purpose of holding, investing and disbursing Supplemental Security. Notwithstanding the foregoing, no Supplemental Security shall be provided for a series of Bonds, the interest on which is excludable from gross income for federal income tax purposes, unless there shall have been first delivered to the Trustee an opinion of Bond Counsel to the effect that the exclusion from gross income of interest on any Bonds for federal income tax purposes will not be adversely affected thereby. The City hereby designates the amount specified in Section 5.15(i) as Supplemental Security for the Series 2013 Bonds.

ARTICLE III

REDEMPTION OF SERIES 2013 BONDS BEFORE MATURITY

Section 3.1. Limitation on Redemption. The Series 2013 Bonds shall be subject to redemption before scheduled maturity only as provided in this Article III.

Section 3.2. Optional Redemption.

(a) On _____ (the "First Par Call Date"), or on any date thereafter, the Series 2013 Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, and if in part among maturities to be designated by the City, at a redemption price of par, plus accrued interest to the date fixed for redemption.

(b) Prior to the First Par Call Date, the Series 2013 Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, and if in part among maturities to be designated by the City, on any date at a redemption price equal to the greater of:

(i) 100% of the principal amount of the Series 2013 Bonds to be redeemed; and

(ii) the sum of the present value of the remaining scheduled payments of principal and interest to the First Par Call Date of such Series 2013 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2013 Bonds are to be redeemed, discounted to the date on which such Series 2013 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus ____ basis points,

plus, in each case, accrued interest on such Series 2013 Bonds to be redeemed to the redemption date. The redemption price of the Series 2013 Bonds to be redeemed pursuant to this Section 3.2(b) shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. The City and the Trustee may conclusively rely on such accounting firm's, investment banking firm's or financial advisor's determination of the redemption price of the Series 2013 Bonds to be redeemed pursuant to this Section 3.2(b) and shall bear no liability for such reliance.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2013 Bond to be redeemed pursuant to Section 3.2(b), the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available not more than forty-five (45) days and not less than four (4) Business Days prior to the redemption date, excluding inflation indexed securities, or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2013 Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(c) The City, at least forty-five (45) days before any optional redemption date, unless a shorter period shall be satisfactory to the Trustee, shall notify the Trustee of such redemption date and the principal amount and maturities of the Bonds to be redeemed.

(d) Any optional redemption of the Series 2013 Bonds pursuant to Sections 3.2(a) and 3.2(b) shall be conditioned upon the Trustee's receipt of funds sufficient to pay the redemption price of the Series 2013 Bonds to be redeemed on or prior to the redemption date.

Section 3.3. Mandatory Sinking Fund Redemption.

(a) The Series 2013 Bonds stated to mature in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory sinking fund redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without redemption premium, plus accrued interest to the redemption date, on the dates and in the respective principal amounts set forth in the following schedule:

Series 2013 Bonds Maturing on _____

Mandatory Redemption Date	Principal Amount

* Stated Maturity

Series 2013 Bonds Maturing on _____

Mandatory Redemption Date	Principal Amount

* Stated Maturity

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Trustee shall select for redemption, in the manner set forth in Section 3.4, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, and shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 3.5.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to Section 3.3(a) shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 3.4. Partial Redemption.

(a) If less than all of the Series 2013 Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Trustee in the notice required by Section 3.2(c) to call the Series 2013 Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption. If the Series 2013 Bonds are in book-entry only form, the particular Series 2013 Bonds of such maturity to be redeemed shall be selected by the Trustee from all such Bonds then Outstanding not previously called for redemption on a pro rata pass-through distribution of principal basis pursuant to the procedures and operational arrangements of DTC, or, if the book-entry only system of DTC or any other securities depository has been discontinued, the Trustee shall select such Series 2013 Bonds for redemption on a pro rata basis.

(b) A portion of a single Series 2013 Bond of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Series 2013 Bond is to be partially redeemed, the Trustee (or DTC while the Series 2013 Bonds are in book-entry only form) shall treat each $5,000 portion of the Series 2013 Bond as though it were a single Series 2013 Bond for purposes of selection for redemption.

(c) Upon surrender of any Series 2013 Bond for redemption in part, the Trustee, in accordance with Section 2.6 hereof, shall authenticate and deliver an exchange Series 2013 Bond or Series 2013 Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2013 Bond so surrendered, such exchange being without charge.

(d) The Trustee shall promptly notify the City in writing of the principal amount to be redeemed of any Series 2013 Bond as to which only a portion thereof is to be redeemed.

Section 3.5. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first class postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register.

(b) The notice shall state the series of Bonds to be redeemed, the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds of a series are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Neither the failure of an Owner to receive the notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings or the redemption of any Bond of such Owner; and neither the failure to mail a redemption notice to a particular Owner or any defect in any such notice so mailed shall affect the sufficiency of any of the proceedings for the redemption for any Bond. The notice shall be deemed to have been given when mailed as provided above.

(c) In the case of any optional redemption, such notice shall also state that such redemption shall be conditioned upon the Trustee's receipt on or prior to the redemption date of funds sufficient to pay the redemption price of, plus accrued and unpaid interest to the redemption date on, the Bonds to be redeemed.

In the event that following the mailing of notice of optional redemption by the Trustee as prescribed herein the Trustee (i) receives written notice from the City to the effect that funds will not be deposited with the Trustee on or before the scheduled redemption date in an amount sufficient to effect such redemption or (ii) is not in receipt of funds as of 3:00 p.m. (Eastern time) on the scheduled redemption date in an amount sufficient to effect such redemption, the Trustee shall give prompt written notice to the Owners of the Bonds so called for redemption and each Rating Agency then rating the Bonds in the manner prescribed above to the effect that funds will not be, or were not (as the case may be), deposited with the Trustee in an amount sufficient to effect the redemption of such Bonds on the scheduled redemption date and that such Bonds will not be redeemed on the scheduled redemption date. The failure of the City to make funds available to the Trustee on or before the scheduled redemption date for any Bonds so called for optional redemption shall not constitute an Event of Default.

ARTICLE IV

FORM OF SERIES 2013 BONDS

Section 4.1. Form Generally.

(a) The Series 2013 Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State, the Certificate of the Trustee, and the Assignment form to appear on each of the Series 2013 Bonds (1) shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officials executing such Series 2013 Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Series 2013 Bond may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Series 2013 Bonds.

(c) The Series 2013 Bonds, including the Initial Series 2013 Bond submitted to the Attorney General of the State, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officials executing such Series 2013 Bond, as evidenced by their execution thereof.

Section 4.2. Legal Opinions; CUSIP Numbers. The approving opinion of Bond Counsel, and CUSIP Numbers may be printed on the Series 2013 Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Series 2013 Bonds.

Section 4.3. Initial Series 2013 Bond. The Initial Series 2013 Bond shall be in the form set forth in Exhibit A, except for the following alterations:

(a) immediately under the name of the Series 2013 Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP" shall be deleted;

(b) in the first paragraph of the Series 2013 Bond, the words "the Maturity Date specified above" shall be deleted and the following will be inserted: "November 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

Year of Maturity	Principal Installments	Interest Rate"

(Information to be inserted from schedule
in Section 2.2 of this Indenture)

(c) the Initial Series 2013 Bond shall be numbered T-1; and

(d) the Initial Series 2013 Bond shall include the Registration Certificate of the Comptroller of Public Accounts of the State and shall exclude the Certificate of the Trustee.

ARTICLE V

FUNDS AND INVESTMENTS

Section 5.1. Establishment of Funds and Accounts.

(a) The City hereby establishes with the Trustee the following Funds:

(i) Revenue Fund;

(ii) Administrative Costs Fund;

(iii) Debt Service Fund;

(iv) Debt Service Reserve Fund;

(v) Debt Service Coverage Fund;

(vi) CFC Surplus Fund;

(vii) Construction Fund;

(viii) Costs of Issuance Fund;

(ix) Repair and Replacement Fund;

(x) RAC O&M and Rent Reserve Fund; and

(xi) Supplemental Security Fund.

(b) All Funds and Accounts shall be established, maintained and accounted for as hereinafter provided. The Construction Fund, the Costs of Issuance Fund and the Series 2013 Supplemental Security Account shall be closed after all amounts deposited thereto have been expended and thereafter need not be maintained. Subject to the terms and provisions of this Indenture, all Funds shall constitute trust funds which shall be held by the Trustee for the benefit of the Owners of Bonds and be considered as part of the Trust Estate.

(c) The City and the Trustee reserve the right to establish, from time to time, additional Funds, Accounts within the Funds and subaccounts within the Accounts.

Section 5.2. Revenue Fund; Flow of Funds.

(a) All Revenues received by the Trustee shall be deposited upon receipt to the Revenue Fund. Upon receipt thereof, the Trustee shall provide notice to the submitting party acknowledging the receipt of such Revenues.

(b) On or before the last Business Day of each month, commencing _____, 2013, the Trustee shall transfer moneys then credited to the Revenue Fund in the following order of priority:

(i) First, the Trustee shall transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the then budgeted Administrative Costs for such Bond Year. Thereafter, no additional transfers to the Administrative Costs Fund shall be made during such Bond Year unless the City amends the budgeted Administrative Costs for such Bond Year and such amendment increases the budgeted Administrative Costs for such Bond Year. In such event, the Trustee shall transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the increased budgeted Administrative Costs for such Bond Year;

(ii) Second, the Trustee shall transfer, after taking into account amounts representing capitalized interest therein, if any, to the Debt Service Fund an amount equal to the Annual Debt Service Requirements for such Bond Year;

(iii) Third, the Trustee shall transfer to the Debt Service Reserve Fund amounts necessary to (A) cause the amount on deposit therein to equal the Debt Service Reserve Fund Requirement (taking into consideration any related Debt Service Reserve Fund Surety Policy) and (B), to the extent applicable, provide for the reimbursement of a Debt Service Reserve Fund Surety Policy provider in accordance with the terms of a related Debt Service Reserve Fund Surety Policy;

(iv) Fourth, the Trustee shall transfer to the Debt Service Coverage Fund amounts necessary to (A) cause the amount on deposit therein to equal the Debt Service Coverage Fund Requirement (taking into consideration any related Debt Service Coverage Fund Surety Policy) and (B), to the extent applicable, provide for the reimbursement of a Debt Service Coverage Fund Surety Policy provider in accordance with the terms of the related Debt Service Coverage Fund Surety Policy; and

(v) Fifth, the Trustee shall transfer to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund all remaining moneys.

Section 5.3. Administrative Costs Fund. Moneys credited to the Administrative Costs Fund shall only be used by the Trustee to pay Administrative Costs. The Trustee shall disburse amounts in the Administrative Costs Fund to pay or reimburse the City for Administrative Costs within three (3) Business Days following receipt of and in accordance with a letter of instructions executed by an Authorized Representative.

Section 5.4. Debt Service Fund. Moneys credited to the Debt Service Fund shall only be used by the Trustee to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds coming due during each Bond Year. Moneys transferred to the Debt Service Fund from the Supplemental Security Fund representing Supplemental Security for a specified series of Bonds shall be held in the Debt Service Fund, or in an account therein, and used solely to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on such specified series of Bonds.

Section 5.5. Debt Service Reserve Fund.

(a) Amounts credited to the Debt Service Reserve Fund shall be used by the Trustee (i) to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor if there is not sufficient money available in the Debt Service Fund for such purpose, (ii) to reimburse the provider of a Debt Service Reserve Fund Surety Policy in accordance with the terms of a Debt Service Reserve Fund Surety Policy, and (iii) upon written direction from an Authorized Representative, for the optional redemption of any series of Bonds in whole (if permitted by the terms of Article III hereof or of any Supplemental Indenture authorizing the issuance of Additional Bonds or Completion Bonds, as applicable) or to make the final payments for the retirement or defeasance of any Bonds; provided, however, that after giving effect to such application of moneys pursuant to this clause (iii) and the redemption or payment of such Bonds, as applicable, the amount remaining on deposit in the Debt Service Reserve Fund must equal or exceed the Debt Service Reserve Fund Requirement with respect to all Bonds to remain Outstanding.

(b) Each increase in the Debt Service Reserve Fund Requirement resulting from the issuance of Additional Bonds, if any, or Completion Bonds shall be funded at the time of issuance and delivery of such series of Additional Bonds or Completion Bonds by depositing to the credit of the Debt Service Reserve Fund from the proceeds of such Additional Bonds or Completion Bonds or other lawfully appropriated funds or by acquiring a Debt Service Reserve Fund Surety Policy in an amount sufficient to cause the amount credited to the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement after taking into account the issuance of such Additional Bonds or Completion Bonds. The City further expressly reserves the right, at any time, to substitute a Debt Service Reserve Fund Surety Policy for any funded amounts in the Debt Service Reserve Fund and to apply the funds thereby released, to the greatest extent permitted by law, to the payment of debt service on Bonds or to pay any costs of establishing, improving, enlarging, extending or repairing the Joint Use Facility, the CONRAC Site or any other rental car facilities, including any costs associated with the relocation of rental car facilities.

(c) The Trustee shall, on an annual basis and prior to the establishment of the Customer Facility Charge for the next ensuing Bond Year, and as soon as reasonably practicable after a draw on the Debt Service Reserve Fund, cause the amounts credited to the Debt Service Reserve Fund to be evaluated as provided in Section 5.13(c) hereof. If the Trustee determines that the amount credited to the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Fund Requirement and that there is no then-outstanding reimbursement obligation to the provider of a Debt Service Reserve Fund Surety Policy, no further deposits shall be required to be made. If the Trustee determines that the amount credited to the Debt Service Reserve Fund is

less than the Debt Service Reserve Fund Requirement or that there is an outstanding reimbursement obligation to the provider of a Debt Service Reserve Fund Surety Policy, the Trustee shall promptly resume making deposits in accordance with Section 5.2(b)(iii) in order to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, or, in the case of an outstanding reimbursement obligation under a Debt Service Reserve Fund Surety Policy, to provide for such reimbursement in accordance with the terms of the Debt Service Reserve Fund Surety Policy.

Section 5.6. Debt Service Coverage Fund.

(a) Amounts credited to the Debt Service Coverage Fund shall be used by the Trustee (i) to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor if there is not sufficient money available in the Debt Service Fund and the Debt Service Reserve Fund for such purpose, (ii) to reimburse the provider of a Debt Service Coverage Fund Surety Policy in accordance with the terms of a Debt Service Coverage Fund Surety Policy, and (iii) upon written direction from an Authorized Representative, for the optional redemption of any series of Bonds in whole (if permitted by the terms of Article III hereof or of any Supplemental Indenture authorizing the issuance of Additional Bonds or Completion Bonds, as applicable) or to make the final payments for the retirement or defeasance of any Bonds; provided, however, that after giving effect to such application of moneys pursuant to this clause (iii) and the redemption or payment of such Bonds, as applicable, the amount remaining on deposit in the Debt Service Coverage Fund must equal or exceed the Debt Service Coverage Fund Requirement with respect to all Bonds to remain Outstanding.

(b) Each increase, if any, in the Debt Service Coverage Fund Requirement resulting from the issuance of Additional Bonds or Completion Bonds shall be funded at the time of issuance and delivery of such series of Additional Bonds or Completion Bonds by depositing to the credit of the Debt Service Coverage Fund from the proceeds of such Additional Bonds or Completion Bonds or other lawfully appropriated funds or by acquiring a Debt Service Coverage Fund Surety Policy in an amount sufficient to cause the amount credited to the Debt Service Coverage Fund to equal the Debt Service Coverage Fund Requirement after taking into account the issuance of such Additional or Completion Bonds. The City further expressly reserves the right, at any time, to substitute a Debt Service Coverage Fund Surety Policy for any funded amounts in the Debt Service Coverage Fund and to apply the funds thereby released, to the greatest extent permitted by law, to the payment of debt service on Bonds or to pay any costs of establishing, improving, enlarging, extending or repairing the Joint Use Facility, the CONRAC Site or any other rental car facilities, including any costs associated with the relocation of rental car facilities.

(c) The Trustee shall, on an annual basis and prior to the establishment of the Customer Facility Charge for the next ensuing Bond Year, and as soon as reasonably practicable after a draw on the Debt Service Coverage Fund, cause the amounts credited to the Debt Service Coverage Fund to be evaluated as provided in Section 5.13(c) hereof. If the Trustee determines that the amounts credited to the Debt Service Coverage Fund are at least equal to the Debt Service Coverage Fund Requirement and that there is no then-outstanding reimbursement obligation to the provider of a Debt Service Coverage Fund Surety Policy, no further deposits

shall be made. If the Trustee determines that the amount credited to the Debt Service Coverage Fund is less than the Debt Service Coverage Fund Requirement or that there is a then-outstanding reimbursement obligation to the provider of a Debt Service Coverage Fund Surety Policy, the Trustee shall promptly resume making deposits in accordance with Section 5.2(b)(iv) in order to restore the Debt Service Coverage Fund to the Debt Service Coverage Fund Requirement or, in the case of an outstanding reimbursement obligation under a Debt Service Coverage Fund Surety Policy, to provide for such reimbursement in accordance with the terms of such Debt Service Coverage Fund Surety Policy.

Section 5.7. CFC Surplus Fund.

(a) Within the CFC Surplus Fund, the City hereby establishes the CFC Surplus Annual Disbursement Account. Moneys credited to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be disbursed by the Trustee to pay the costs identified in, or to transfer to the Repair and Replacement Fund, to the RAC O&M and Rent Reserve Fund and to the CFC Surplus Residual Account of the CFC Surplus Fund pursuant to, a CFC Surplus Fund Disbursement Request in the form set forth in Exhibit C hereto executed by an Authorized Representative. The City shall submit a CFC Surplus Fund Disbursement Request to the Trustee for the disbursement or transfer of moneys from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund for the costs, at the times, in the amounts and in the manner set forth in the New Concession Agreements. The Trustee shall not disburse any amounts deposited to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund without first receiving a CFC Surplus Fund Disbursement Request in the form set forth in Exhibit C hereto executed by an Authorized Representative. Any disbursement or transfer from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be made by the Trustee within three (3) Business Days following its receipt of a CFC Surplus Fund Disbursement Request executed by an Authorized Representative.

(b) Within the CFC Surplus Fund, the City hereby establishes the CFC Surplus Residual Account. The Trustee shall transfer moneys from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to the CFC Surplus Residual Account of the CFC Surplus Fund as directed pursuant to a CFC Surplus Fund Disbursement Request in the form of Exhibit C hereto executed by an Authorized Representative and delivered to the Trustee from time to time in accordance with Section 5.7(a). The City shall submit a CFC Surplus Fund Disbursement Request to the Trustee for the disbursement of moneys from the CFC Surplus Residual Account of the CFC Surplus Fund for the costs, at the times, in the amounts and in the manner set forth in the New Concession Agreements. In addition, moneys credited to the CFC Surplus Residual Account of the CFC Surplus Fund may be used at the discretion of the City, pursuant to a CFC Surplus Fund Disbursement Request submitted to the Trustee, to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor, (ii) restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Debt Service Coverage Fund or the Repair and Replacement Fund, (iii) purchase, defease or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service Coverage Fund are fully funded; (iv) make final payments for the retirement or defeasance of Bonds; (v) expand, repair or improve the Joint Use Facility or the CONRAC Site; and (vi) expand, repair or improve, or pay any other costs of, rental car facilities, including any costs associated with the relocation of rental car facilities.

The Trustee shall not disburse any amounts deposited to the CFC Surplus Residual Account of the CFC Surplus Fund without first receiving a CFC Surplus Fund Disbursement Request in the form set forth in Exhibit C hereto executed by an Authorized Representative. Any disbursement or transfer from the CFC Surplus Residual Account of the CFC Surplus Fund shall be made by the Trustee within three (3) Business Days following its receipt of a CFC Surplus Fund Disbursement Request executed by an Authorized Representative.

Section 5.8. Construction Fund.

(a) Within the Construction Fund the City hereby establishes the Prior CFCs Account and the Bond Proceeds Account. The Trustee shall transfer moneys to the Prior CFCs Account of the Construction Fund in the amount set forth in Section 5.15, and from the proceeds of the Series 2013 Bonds, there shall be deposited to the Bond Proceeds Account of the Construction Fund such amounts as are specified in Section 6.1. From the proceeds of each series of Completion Bonds there shall be deposited to the Bond Proceeds Account of the Construction Fund such amounts as shall be provided in the indenture or Supplemental Indenture relating to such Completion Bonds. Such amounts may be applied to pay or reimburse Costs of the Project and to pay any other capital costs of the Project as provided in the ordinance of the City authorizing such series of Bonds. The Trustee shall disburse amounts from the Construction Fund within three (3) Business Days following its receipt of and in accordance with a Construction Fund Disbursement Request in the form set forth in Exhibit B hereto executed by an Authorized Representative; provided, that the Trustee shall disburse moneys first from the Bond Proceeds Account of the Construction Fund until no moneys remain therein before disbursing moneys from the Prior CFCs Account of the Construction Fund.

(b) With respect to the Project, any amounts remaining in the Prior CFCs Account of the Construction Fund as of the Opening Date, less any amounts necessary to pay accrued but unpaid Costs of the Project, shall be transferred to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, all as certified by, and at the written direction of, an Authorized Representative. Any amounts remaining in the Prior CFCs Account of the Construction Fund following final completion of the Project shall be transferred to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, all as certified by, and at the written direction of, an Authorized Representative.

Section 5.9. Costs of Issuance Fund. From the proceeds of the Series 2013 Bonds, there shall be deposited to the Costs of Issuance Fund such amounts as are specified in Section 6.1. From the proceeds of each series of Additional Bonds or Completion Bonds, there shall be deposited to the Costs of Issuance Fund such amounts as shall be provided in the indenture or Supplemental Indenture relating to such series of Bonds or in a letter of instructions from the City to the Trustee. Such amounts shall be disbursed by the Trustee to pay Costs of Issuance within three (3) Business Days following its receipt of and in accordance with a letter of instructions executed by an Authorized Representative. After paying all Costs of Issuance for which a series of Bonds have been issued, as certified by an Authorized Representative in writing to the Trustee, any surplus amounts remaining in the Costs of Issuance Fund shall be deposited to the Bond Proceeds Account of the Construction Fund.

Section 5.10. Repair and Replacement Fund.

(a) The Trustee shall transfer moneys to the Repair and Replacement Fund in the amount set forth in Section 5.15. Thereafter, additional transfers to the Repair and Replacement Fund shall be made as directed pursuant to a CFC Surplus Fund Disbursement Request in the form of Exhibit C hereto executed by an Authorized Representative and delivered to the Trustee from time to time in accordance with Section 5.7.

Moneys credited to the Repair and Replacement Fund may be disbursed for the following purposes:

(i) payment of the costs of Major Maintenance;

(ii) to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor if there is not sufficient money available in the Debt Service Fund, the Debt Service Reserve Fund and the Debt Service Coverage Fund for such purpose;

(iii) to restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund or the Debt Service Coverage Fund;

(iv) to make final payment for the retirement or defeasance of a series of Bonds; and

(v) for the purposes provided in subsection (b) below.

With respect to the purposes described in clauses (i), (iv) and (v) above, the Trustee shall disburse amounts in the Repair and Replacement Fund within three (3) Business Days following its receipt of and in accordance with a Repair and Replacement Fund Disbursement Request in the form set forth in Exhibit D hereto executed by an Authorized Representative. No disbursement request shall be required for the Trustee to apply money in the Repair and Replacement Fund for the purposes described in clauses (ii) or (iii) above.

(b) If, at the end of any Fiscal Year following the Opening Date, all budgeted costs for Major Maintenance to be paid from the Repair and Replacement Fund for such year have been paid in full, then any amount then remaining on deposit in the Repair and Replacement Fund may be used at the discretion of the City, pursuant to a Repair and Replacement Fund Disbursement Request submitted to the Trustee, to (i) purchase, defease or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service Coverage Fund are fully funded; (ii) expand, repair or improve the Joint Use Facility or the CONRAC Site; and (iii) expand, repair or improve, or pay any other costs of rental car facilities, including any costs associated with the relocation of rental car facilities. Notwithstanding, the foregoing, the City shall not request a disbursement from the Repair and Replacement Fund pursuant to this subsection (b) for the purposes described in clause (i) of the previous sentence if such disbursement would cause the amount on deposit in the Repair and Replacement Fund after such disbursement, together with amounts, if any, budgeted or projected to be budgeted to be deposited therein during the next five years, to be insufficient to provide for the disbursements budgeted or projected to be budgeted to be made therefrom during the next five years.

Section 5.11. RAC O&M and Rent Reserve Fund. The Trustee shall transfer moneys to the RAC O&M and Rent Reserve Fund as directed pursuant to a CFC Surplus Fund Disbursement Request in the form of Exhibit C hereto executed by an Authorized Representative and delivered to the Trustee from time to time in accordance with Section 5.7. Moneys credited to the RAC O&M and Rent Reserve Fund shall be disbursed by the Trustee to pay the costs identified in a RAC O&M and Rent Reserve Fund Disbursement Request in the form set forth in Exhibit E hereto executed by an Authorized Representative. The City shall submit a RAC O&M and Rent Reserve Fund Disbursement Request to the Trustee for the disbursement of moneys from the RAC O&M and Rent Reserve Fund for the costs, at the times, in the amounts and in the manner set forth in Section 6.11 of the Master Lease. The Trustee shall disburse amounts in the RAC O&M and Rent Reserve Fund within three (3) Business Days following its receipt of and in accordance with a RAC O&M and Rent Reserve Fund Disbursement Request in the form set forth in Exhibit E hereto executed by an Authorized Representative. If the City submits a RAC O&M and Rent Reserve Fund Disbursement Request to the Trustee directing the transfer of all moneys from the RAC O&M and Rent Reserve Fund to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund in accordance with the terms of Section 6.11 of the Master Lease, then following such transfer the RAC O&M and Rent Reserve Fund shall be closed and thereafter need not be maintained.

Section 5.12. Supplemental Security Fund. (a) Within the Supplemental Security Fund, the City hereby establishes the Series 2013 Supplemental Security Account. On the Closing Date for the Series 2013 Bonds, the Trustee shall transfer moneys to the Series 2013 Supplemental Security Account, as Supplemental Security for the Series 2013 Bonds, in the amount set forth in Section 5.15. Amounts on deposit in the Series 2013 Supplemental Security Account shall be transferred by the Trustee to the Debt Service Fund on the dates and in the amounts set forth below:

Transfer Date	Amount
_____, 2013	$_____
November 16, 2013	_____
November 16, 2014	_____
November 16, 2015	_____
November 16, 2016	_____
November 16, 2017	_____
November 16, 2018	_____
November 16, 2019	_____
November 16, 2020	_____
November 16, 2021	_____
November 16, 2022	All remaining moneys on deposit in the Series 2013 Supplemental Security Account

(b) Supplemental Security relating to any Additional Bonds or Completion Bonds shall be deposited into such funds, including the Supplemental Security Fund, or accounts and utilized at such times and in such manner as may be provided in the Supplemental Indenture relating to such Additional Bonds or Completion Bonds.

Section 5.13. Investment of Funds; Transfer of Investment Income.

(a) Moneys in all Funds and Accounts shall, at the written direction of an Authorized Representative, be invested in the manner provided by Texas law and the City's investment policy in Permitted Investments.

(b) Moneys in such Funds and Accounts may be subject to further investment restrictions imposed from time to time by ordinances of the City or Supplemental Indentures authorizing the issuance of Additional Bonds or Completion Bonds.

(c) All such investments shall be valued at market value no less frequently than once per Bond Year and as necessary in connection with the setting of the Customer Facility Charge by the City.

(d) If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

(e) All interest and income derived from deposits and investments credited to the following Funds shall be applied upon receipt as follows:

Source of Interest or Income	Fund or Account to which such Interest or Income should be Credited
Administrative Cost Fund	To the Revenue Fund
Revenue Fund	Remains in Revenue Fund
Debt Service Fund	Remains in Debt Service Fund
Debt Service Reserve Fund	Remains in the Debt Service Reserve Fund until the Debt Service Reserve Requirement is satisfied; then to the Bond Proceeds Account of the Construction Fund until the Opening Date; and thereafter to the Revenue Fund
Debt Service Coverage Fund	Remains in the Debt Service Coverage Fund until the Debt Service Coverage Fund Requirement is satisfied; then to the Prior CFCs Account of the Construction Fund until the Opening Date; and thereafter to the Revenue Fund
CFC Surplus Fund	Remains in the respective account of the CFC Surplus Fund
Construction Fund	Remains in the respective account of the Construction Fund
Costs of Issuance Fund	Remains in the Costs of Issuance Fund
Repair and Replacement Fund	Remains in the Repair and Replacement Fund
RAC O&M and Rent Reserve	Remains in the RAC O&M and Rent Reserve Fund

Fund	
Supplemental Security Fund	*Remains in the respective account of the* Supplemental Security Fund

(f) In order to comply with the directions of the City, the Trustee may sell or may present for redemption or may otherwise cause the liquidation prior to their maturities of any obligations in which funds have been invested, and the Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event of any need for funds, the City may instruct the Trustee, in lieu of a liquidation or redemption of investments in the Fund or account needing funds, to exchange such investments for investments in another Fund or account that may be liquidated at no, or at a reduced, loss.

(g) To ensure that cash on hand is invested, if the Trustee is required to make investments as a result of not receiving written directions from the City, the Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments.

(h) The Trustee may make any and all investments through its own bond or securities department or the bond or securities department of any affiliate of the Trustee.

(i) The Trustee may conclusively rely on the investment directions of the City as to both the suitability and legality of directed investments.

Section 5.14. Security for Uninvested Funds. So long as any Bonds remain Outstanding, all uninvested moneys shall be secured as provided by Texas law.

Section 5.15. Additional Deposits. On the Closing Date for the Series 2013 Bonds, the City shall cause to be remitted to the Trustee moneys constituting Prior Customer Facility Charges or other lawfully available funds of the City in the aggregate amount of $_____. Upon receipt thereof the Trustee shall deposit such moneys into the following Funds and Accounts in the following amounts:

(i) $_____ into the Series 2013 Supplemental Security Account of the Supplemental Security Fund;

(ii) $_____ into the Debt Service Coverage Fund;

(iii) $3,000,000.00 into the Repair and Replacement Fund;

(iv) $_____ into the Prior CFCs Account of the Construction Fund; and

(v) the balance of such moneys, if any, into the Revenue Fund.

Section 5.16. Standing Instructions. In connection with any letter of instruction or disbursement request to be executed by an Authorized Representative and delivered to the Trustee for the disbursement, transfer or other disposition of moneys from or to any Fund or

account established pursuant to the terms of this Indenture, any such instruction or request may include standing instructions to the Trustee to the effect that the Trustee shall disburse, transfer or otherwise dispose of such moneys at the times, to the payees, in the amounts and as otherwise prescribed in such instruction or disbursement request, until such time the Trustee is otherwise directed in writing by an Authorized Representative.

ARTICLE VI

APPLICATION OF PROCEEDS OF SERIES 2013 BONDS

Section 6.1. Application of Proceeds of Bonds. Proceeds from the sale of the Series 2013 Bonds shall be deposited by the Trustee to the Funds and Accounts created herein as follows:

(i) $_____ to the Costs of Issuance Fund to pay the Costs of Issuance with respect to the Series 2013 Bonds;

(ii) $_____ to the Administrative Costs Fund, which amount is equal to the Administrative Costs estimated to be incurred prior to the Opening Date;

(iii) $_____ to the Debt Service Reserve Fund, which amount is equal to the Debt Service Reserve Fund Requirement for the Series 2013 Bonds;

(iv) $_____ to the Debt Service Coverage Fund, which amount, together with the amount deposited in the Debt Service Coverage Fund pursuant to Section 5.15, is equal to the Debt Service Coverage Fund Requirement for the Series 2013 Bonds; and

(v) the remaining amounts shall be deposited into the Bond Proceeds Account of the Construction Fund to pay Costs of the Project.

ARTICLE VII

PARTICULAR COVENANTS OF THE CITY

Section 7.1. Payment of Debt Service; Limited Obligations. The City will duly and punctually pay the principal of, redemption premium, if any, any sinking fund requirement and interest on the Bonds in accordance with the terms of the Bonds and this Indenture; provided, however, the Bonds and the other obligations of the City provided for herein shall be limited obligations of the City and shall be secured by and payable by the City solely out of the Trust Estate. All Bonds shall be in all respects on a parity with and of equal dignity with one another, subject to the terms and provisions hereof. The Owners of the Bonds shall never have the right to demand payment of either the principal of, interest on, or any redemption premium on the Bonds out of any funds raised or to be raised by taxation or out of the general revenues of the Airport System or the City, including, without limitation, the Net Revenues pledged to payment of the Prior Lien Bonds or the Revenue Bonds.

Section 7.2. Rate Covenant.

(a) Effective as of the Closing Date for the Series 2013 Bonds, the City will, pursuant to the Prior Concession Agreements, require the Concessionaires to charge, collect and remit to the Trustee, as assignee of the City's interest therein, the Prior Customer Facility Charge. Effective as of the Opening Date, the City will, pursuant to the New Concession Agreements, require the Concessionaires to charge, collect and remit to the Trustee, as assignee of the City's interest therein, the New Customer Facility Charge. The initial amount of the New Customer Facility Charge (which shall be subject to adjustment pursuant to Sections 7.2(c) or (d) below) and the date on which the Concessionaires shall be required to charge and collect the New Customer Facility Charge (which shall be the Opening Date) shall be set forth in the New Concession Agreements.

(b) The amount of the Customer Facility Charge shall remain in effect until the end of the Bond Year during which such Customer Facility Charge was commenced unless adjusted pursuant to Section 7.2(d) below. No less than ninety (90) days prior to the end of each Bond Year, the Airport Consultant shall prepare and present to the City a report which shall make a recommendation as to the amount of the Customer Facility Charge for the ensuing Bond Year. In making such recommendation, the Airport Consultant shall consider, among other factors: (i) the historical and projected origination and destination traffic at the Airport; (ii) historical and projected rental car transaction days at the Airport; (iii) the Annual Debt Service Requirements; (iv) the budgeted Administrative Costs and the actual Administrative Costs; (v) the amounts required to be deposited to the Funds and any existing or projected deficiencies therein; and (vi) such other factors deemed relevant by the Airport Consultant and the City; provided, however, that in making its recommendation of the amount of the Customer Facility Charge, the Airport Consultant shall not assume any Revenues from Contingent Fees unless the Airport Consultant finds that, as a result of factors set forth in its report, the Customer Facility Charge cannot be set at an amount sufficient to produce Revenues reasonably anticipated to satisfy the requirement of clauses (A), (B) and (C) of Section 7.2(c) below.

(c) Subject to the provisions of Section 7.2(d) below, the City, at least sixty (60) days prior to the end of each Bond Year, will establish and give notice to each of the Concessionaires of the amount of the Customer Facility Charge for the ensuing Bond Year. The amount of such Customer Facility Charge shall be set by the City, taking into account the recommendation of the Airport Consultant, as the amount reasonably anticipated to produce Revenues at least equal to the sum of (A) the Administrative Costs for such Bond Year; (B) 1.25 times the Annual Debt Service Requirements for such Bond Year; and (C) amounts sufficient to restore any deficiencies in the Debt Service Reserve Fund and the Debt Service Coverage Fund.

(d) Upon the occurrence of an unscheduled draw on the Debt Service Reserve Fund, and at such other times permitted by the terms of the Agreements, the City shall cause the Airport Consultant to prepare an interim report recommending an adjustment to the Customer Facility Charge to produce Revenues necessary to restore the amounts required to be deposited to the Funds for such Bond Year pursuant to Sections 5.2(b)(i), (ii), (iii) and (iv). Upon receipt of such report the City, as soon as reasonably practicable, shall adjust, if necessary, the Customer Facility Charge for the remainder of such Bond Year to an amount reasonably anticipated to produce Revenues in the amount set forth in Section 7.2(c) above. The City shall notify the Concessionaires of such adjustment and the date as of which such adjusted Customer Facility

Charge shall be charged and collected by the Concessionaires in accordance with the Agreements.

Section 7.3. Covenants regarding Contingent Fees and Prior Facility Rentals.

(a) Until the Opening Date, the City will, pursuant to the Prior Concession Agreements, require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees, if any, and the Prior Facility Rentals. From and after the Opening Date, the City will, pursuant to the New Concession Agreements, require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees, if any.

(b) In the event that the Concessionaires pay Contingent Fees, the amount thereof shall be determined by the City in accordance with the procedures for determination of the amount of Customer Facility Charge as set forth in Section 7.2, in order to produce Revenues in the amount set forth in Section 7.2(c).

Section 7.4. Enforcement of Agreements. The City covenants to take all actions required on its part to keep the Agreements in effect in accordance with their terms and will take all reasonable actions to enforce compliance by the Concessionaires with the Agreements, including specifically seeking specific performance by each of the Concessionaires of their respective obligations to charge, collect and pay the Customer Facility Charges to the Trustee, to pay the Contingent Fees, if any, to the Trustee pursuant to the terms of the Agreements, and to pay the Prior Facility Rentals to the Trustee pursuant to the Prior Concession Agreements.

Section 7.5. Additional Covenants.

(a) The City covenants that until the Opening Date, to the extent that any Prior Facility Premises are relet to a rental car concession operator, the lease or concession agreement between the City and the rental car concession operator will contain provisions relating to Prior Customer Facility Charges and Contingent Fees substantially identical to those contained in the Prior Concession Agreements.

(b) The City covenants that from and after the Opening Date until the Bonds are no longer Outstanding, the City will maintain concession agreements in effect between the City and rental car concession operators containing provisions relating to customer facility charges and additional fees substantially identical to those provisions relating to New Customer Facility Charges and Contingent Fees, respectively, as contained in the New Concession Agreements. Any such customer facility charges and additional fees shall constitute New Customer Facility charges and Contingent Fees, respectively, for all purposes of this Indenture.

ARTICLE VIII

ADDITIONAL BONDS AND COMPLETION BONDS

Section 8.1. Additional Bonds.

(a) The City reserves the right to issue one or more series of Additional Bonds payable from and secured by the Revenues on a parity with the Bonds for the purpose of

refunding all or a portion of previously issued and then Outstanding Bonds; provided, however, that if less than all Outstanding Bonds are refunded, no such Additional Bonds shall be issued unless:

(i) No Default. An Authorized Representative of the City certifies that, upon the issuance of such Additional Bonds, the City will not be in default under any term or provision of any Bonds then Outstanding or any ordinance of the City pursuant to which any of such Bonds were issued;

(ii) Proper Fund Balances. The Trustee shall certify that, upon the issuance of such Additional Bonds, the Debt Service Reserve Fund and the Debt Service Coverage Fund will contain the applicable Debt Service Reserve Fund Requirement and Debt Service Coverage Fund Requirement, after giving effect to the issuance of such Additional Bonds;

(iii) Bond Indenture Requirements. Provision is made in the Supplemental Indenture authorizing the Additional Bonds proposed to be issued for (A) additional payments, if any, to the Debt Service Fund and Debt Service Coverage Fund sufficient to provide for any principal and interest requirements resulting from the issuance of the Additional Bonds and (B) satisfaction of the Debt Service Reserve Fund Requirement and Debt Service Coverage Fund Requirement by not later than the date required by this Indenture or any other indenture authorizing Additional Bonds; and

(iv) Coverage Certificate. The City shall provide a certificate of an Authorized Representative meeting the requirements of Section 8.1(b) below; provided, that such certificate shall give effect to the Annual Debt Service Requirements of the proposed Additional Bonds to be issued for refunding purposes (and shall not give effect to the Annual Debt Service Requirements of Outstanding Bonds being refunded following their cancellation or provision being made for their payment); provided further, that no such certificate shall be required for the issuance of any series of Additional Bonds for refunding purposes that will have the result of reducing the aggregate debt service on Outstanding Bonds.

(b) The City reserves the right to issue one or more series of Additional Bonds payable from and secured by the Revenues on a parity with the Bonds for the purpose of financing the costs of expanding, repairing or improving the Joint Use Facility or the CONRAC Site, or the costs of any other rental car facilities, including any costs associated with the relocation of rental car facilities. Prior to the issuance of any series of such Additional Bonds, the City must provide the certifications required by Sections 8.1(a)(i), (ii) and (iii) and a certificate of an Authorized Representative to the effect that, according to the books and records of the City, the Revenues for the last completed Bond Year, or for twelve (12) consecutive months out of the eighteen (18) months immediately preceding the month the Supplemental Indenture authorizing the issuance of such Additional Bonds is executed and delivered, are at least equal to 1.25 times the average Annual Debt Service Requirements for all Outstanding Bonds after giving effect to the issuance of such Additional Bonds then being issued.

In lieu of the certificate of an Authorized Representative described in the immediately preceding paragraph of this Section 8.1(b), the City may provide a written report of the Airport Consultant setting forth projections which indicate that the estimated Revenues for each of the three (3) consecutive Bond Years beginning in the earlier of

(i) the first Bond Year following the estimated date of completion and initial use of all revenue producing facilities to be financed with Additional Bonds, based upon a certified written estimated completion date by the consulting engineer appointed by the City for such facility of facilities, or

(ii) the first Bond Year in which the City will have scheduled payments of interest on or principal of the Additional Bonds to be issued for the payment of which provision has not been made as indicated in the report of such Airport Consultant from proceeds of such Additional Bonds, investment income thereon or from other sources (other than Revenues),

are equal to at least 125% of the Annual Debt Service Requirements on all Outstanding Bonds scheduled to occur during each such respective Bond Year after taking into consideration the additional Annual Debt Service Requirements for the Additional Bonds to be issued.

Section 8.2. Completion Bonds.

(a) In addition to the issuance of Additional Bonds that meet the requirements of Section 8.1 above, the City reserves the right to issue one or more series of Completion Bonds payable from and secured by the Revenues on a parity with the Bonds in the principal amount not exceeding ten percent (10%) of the aggregate principal amount of Bonds initially issued to finance the Project to pay the cost of completing any portion of the Project and for which Bonds have been issued.

(b) Prior to the issuance of any series of Completion Bonds, the City must provide the certifications required by Sections 8.1(a)(i), (ii) and (iii) and a certificate of an Authorized Representative:

(i) stating that all amounts allocated to pay Costs of the Project from the proceeds of the most recent series of Bonds issued in connection with the Project for which the Completion Bonds are being issued were used or are still available to be used to pay Costs of the Project;

(ii) containing a calculation of the amount by which the aggregate Costs of the Project exceeds the sum of the Costs of the Project paid to such date plus the moneys available at such date within the Construction Fund or other like fund or account applicable to the Project plus any other moneys which the City has determined to be available to pay such costs in any other fund; and

(iii) certifying that the issuance of the Completion Bonds is necessary to provide funds for the completion of the Project.

ARTICLE IX

ACCOUNTS AND RECORDS

Section 9.1. Separate Records. The Trustee (i) shall keep proper books of records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to (A) the payment by the Concessionaires of the Customer Facility Charges, the Prior Facility Rentals and any Contingent Fees, and (B) all of the Funds and Accounts established by Article V hereof and (ii) shall provide the City with monthly reports of all transactions and fund balances.

Section 9.2. Reports of Trustee. Within forty-five (45) days after the end of each Fiscal Year, the Trustee shall furnish to the City a copy of a report by the Trustee covering such Fiscal Year, showing the following information:

(i) a detailed statement concerning the receipt and disposition of all payments of Customer Facility Charges, Prior Facility Rentals and Contingent Fees;

(ii) a detailed statement concerning the disposition of the amounts in the Construction Fund (until the Construction Fund shall have been fully disposed of); and

(iii) an asset statement or balance sheet of all Funds and Accounts established by Article V hereof as of the end of said Fiscal Year.

Section 9.3. Inspection. The City shall have the right at all reasonable times to inspect all records, accounts, and data of the Trustee relating to the Bonds, and to obtain copies of the same at the expense of the Person requesting the copies.

Section 9.4. Registration Books. So long as any of the Bonds shall remain Outstanding, the Trustee shall maintain Registration Books for the registration and transfer of Bonds upon the terms and subject to the conditions contained herein.

ARTICLE X

ENFORCEMENT OF RIGHTS IN CASE OF DEFAULT

Section 10.1. Trustee is Agent. The Trustee is hereby irrevocably appointed the special agent and representative of the Owners and vested with full power to act on their behalf to effect and enforce the Agreements and this Indenture, for their benefit as provided herein and subject to the rights of a majority of Owners of the Bonds to direct the Trustee as provided herein. Anything contained in this Indenture to the contrary notwithstanding, each Owner of the Bonds shall have a right of action to enforce the payment of the principal of, redemption premium, if any, and interest on any Bond owned thereby on or after the same shall have become due at the place, from the sources, and in the manner expressed in Article V hereof.

Section 10.2. Restriction on Owners' Action. Except as otherwise provided in this Article, all rights of action with respect to this Indenture shall be exercised only by the Trustee and no Owner of Bonds shall have any right to institute any suit, action, or proceeding at law or

equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof unless and until, in addition to the fulfillment of all other conditions precedent specified in this Indenture, the Trustee shall have received the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding to institute such suit, action, or proceeding and shall have been offered indemnity or security satisfactory to it and shall have refused, or for thirty (30) days thereafter neglected, to institute such suit, action, or proceeding; and it is hereby declared that the making of such request and the furnishing of such indemnity or security shall be in each case conditions precedent to the execution and enforcement by any Owner of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any Owner of any action or cause of action for the appointment of a receiver or for any other remedy hereunder.

Section 10.3. Events of Default. Any one or more of the following events shall constitute and hereinafter shall be called "Events of Default":

(i) Failure to pay within two (2) Business Days of when due, at maturity or upon redemption, the principal of, or redemption premium, if any, on any Bond;

(ii) Failure to pay within two (2) Business Days of when due the interest on any Bond; or

(iii) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in this Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof is given to the City by the Trustee, provided, however, that no Event of Default shall be deemed to have occurred if the City is diligently proceeding to cure or correct such default.

Section 10.4. Action by Trustee. Upon the happening of any Event of Default, the Trustee may, in its discretion, or, upon the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to the satisfaction of the Trustee, shall take such appropriate action by judicial proceedings or otherwise to cure the Event of Default and/or to require the City or the Concessionaires to carry out its or their covenants and obligations hereunder and with respect to the Agreements, including, but without limitation, the filing of actions for specific performance and mandamus proceedings in any court of competent jurisdiction, against the City and/or a Concessionaire, and to obtain judgments against a Concessionaire for any Customer Facility Charges, Prior Facility Rentals and Contingent Fees due but unpaid pursuant to the Agreements, as applicable, or for any other amounts due hereunder, under the Bonds or under the Agreements and interest on overdue payments of the principal of, redemption premium, if any, and interest on the Bonds, as further provided herein.

Section 10.5. Remedies Nonexclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds, or now and hereafter existing at law or in equity or by statute. It is expressly provided, however, that neither the Trustee nor any other Person, acting for their own account by or on behalf of the Trustee or the Owners of the Bonds, shall have any legal or

equitable rights of access, possession, sale, or use of the Project or the premises on which the same are situated, possessed, leased, used or held, or to any proceeds, revenues, income or rents, except for the Revenues, for the purpose of collecting or satisfying any claim against a Concessionaire for amounts due and payable by a Concessionaire under its Agreement or this Indenture. No delay or omission to exercise any right or power accruing upon the happening of any Event of Default continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and so often as may be deemed expedient.

Section 10.6. Disposition of Money. All money collected by the Trustee pursuant to the exercise of the remedies and powers in this Article X, together with all other sums which then may be held by the Trustee under any provision of this Indenture as security for the Bonds, shall be applied as follows:

FIRST: to the payment of the compensation due and owing the Trustee under Section 11.8 hereof and under the Agreements, if any, and the costs and expenses of the proceedings whereunder such money was collected, including a reasonable compensation to the Trustee, its agents, attorneys, and all other necessary or proper expenses, liabilities, and advances incurred or made by the Trustee under this Indenture relating to such collection.

SECOND: to the payment of interest on the Bonds then due and owing.

THIRD: to the payment of principal of and redemption premium, if any, on the Bonds which have become due pursuant to their terms as permitted or required by this Indenture (which includes the default provisions hereof) as provided thereby and interest thereon at the rate borne by the Bonds from the date of redemption or maturity to date of payment (to the extent permitted by law).

FOURTH: any surplus to the City.

If in making distribution pursuant to the order above stated, the amount available for distribution in a particular classification is insufficient to pay in full all of the items in such classification, the amount available for distribution to items in such classification shall be prorated among such items in the proportion that the amount of each item bears to the total of all such items.

Section 10.7. Intervention by Trustee. In any judicial proceeding in which the City is a party and which, in the reasonable opinion of the Trustee and its counsel, has a substantial material bearing on the interests of the Owners, the Trustee, if permitted by the court having jurisdiction over such proceeding, may, in its discretion, or, upon the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to the satisfaction of the Trustee, shall intervene on behalf of the Owners to assert the rights of the Owners.

Section 10.8. Possession of Bonds Unnecessary. All rights of action or other rights under this Indenture or otherwise may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto.

Section 10.9. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the City, any Concessionaire, or property of the City, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as herein expressed and irrespective of whether the Trustee shall have made any demand on the Concessionaires for payment of amounts due and owing under the Agreements) shall be entitled and empowered, to intervene in such proceeding or otherwise:

(i) to file and prove a claim for the amounts due and owing under the Agreements and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and other Owners allowed in such judicial proceeding; and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Owner to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and counsel, and any other amounts due the Trustee under this Indenture but only in the order of priorities established by Section 5.2.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claims of any Owner in any such proceeding.

Section 10.10. Owner's Directions. It is expressly provided, however, that Owners of a majority in principal amount of the Bonds then Outstanding, or a committee representing, pursuant to a written appointment filed with the Trustee, Owners of a majority in principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments, in writing, execute and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the Trustee's rights and remedies under an Agreement or the Owners' or the Trustee's rights and remedies under this Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and provided that the Trustee shall be indemnified to its satisfaction.

Section 10.11. Trustee's Notice of Default. The Trustee shall not be required to take notice nor be deemed to have notice of any Event of Default specified in this Indenture, except for those Events of Default specified in subparagraphs (i) and (ii) of Section 10.3 above, unless

specifically notified in writing of such Event of Default by the City, or Owners of not less than a majority in principal amount of the Bonds then Outstanding. At such time as the Trustee has or is deemed to have notice of any Event of Default specified in this Indenture, the Trustee shall notify within a reasonable period of time the Owners of such Event of Default. Notice shall be given in the same manner as is required with respect to giving notice of redemption pursuant to Section 3.5(a).

Section 10.12. Undertaking for Costs. All parties to this Indenture agree, and each Owner, by his acceptance thereof, shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by an Owner, or group of Owners, holding more than 10% in principal amount of Outstanding Bonds, or to any suit instituted by any Owner for the enforcement of the payment of the principal of (or redemption premium, if any) or interest on any Bond on or after the maturity thereof (or, in the case of redemption, on or after the date specified for the redemption thereon.

Section 10.13. Waiver of Defaults. The Owners of a majority in principal amount Outstanding of the Bonds by notice to the Trustee, and after providing indemnification satisfactory to the Trustee, may waive an existing Event of Default and its consequences except a default in the payment of principal of and/or interest on any Bond. No waiver of any Event of Default under this Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

ARTICLE XI

CONCERNING THE TRUSTEE

The Trustee accepts the trust imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions:

Section 11.1. Certain Duties and Responsibilities of the Trustee.

(a) Except during the existence of an Event of Default known to the Trustee, or with respect to which it is deemed to have notice pursuant to Section 10.11:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture; no implied covenants or obligations shall be read into this Indenture against the Trustee; and permissive rights of the Trustee hereunder shall not be construed as duties; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, upon certificates, requisitions, or opinions furnished to the Trustee and conforming to the

requirements of this Indenture and the Agreements; but in the case of any such certificates, requisitions, or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to determine whether or not they conform to the requirements of this Indenture and/or the Agreements, as the case may be.

(b) In case an Event of Default known to the Trustee, or with respect to which it is deemed to have notice pursuant to Section 10.11 has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent person in a like situation would ordinarily use and exercise under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, or the negligence or willful misconduct of its directors, officers, employees, representatives or agents except that

(i) this subsection shall not be construed to limit the effect of Section 11.1(a) or subsections (b) or (c) of Section 11.6 of this Article XI;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken, by it in good faith and in accordance with the direction of Owners pursuant to any provision of this Indenture relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee at such direction under this Indenture;

(iv) regardless of whether an Event of Default has occurred, no provision of this Indenture shall require the Trustee (A) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; nor (B) to take any action, whether or not directed to take such action by any Owner pursuant to this Indenture, which in the judgment of the Trustee would conflict with any rule of law, or with the terms of this Indenture, or would be unjustly prejudicial to the Owners not taking part in such direction. When acting pursuant to the direction of any Owner pursuant to this Indenture, the Trustee may take other action deemed proper by the Trustee which is not inconsistent with such direction; provided, however, that the terms of this subparagraph (iv) shall not impose any additional duties or responsibilities upon the Trustee and shall not be construed to limit the effect of subparagraph (iii) herein.

Section 11.2. Accountability for Funds. The Trustee shall not be accountable for the use of any of the proceeds of such Bonds except the portion thereof deposited with the Trustee, and

the Trustee shall not be liable for any loss from the investment (made in accordance with the terms of this Indenture) of any funds it holds pursuant to this Indenture.

Section 11.3. Reliance on Communications. The Trustee shall not be liable in acting in accordance with the provisions of this Indenture upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as an Owner or to take any action at his request, unless the ownership of such Bond or Bonds is indicated in the Registration Books. Any action taken by the Trustee pursuant to this Indenture upon the request or with the consent of any person who, at the time of making such request, or giving such consent, is the Owner of any Bond secured hereby, shall be conclusive and binding upon all future Owners of the same Bond or any Bond issued in substitution or replacement therefor.

Section 11.4. Proof of Facts. Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand before the disbursement of any cash or in respect of any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or action or evidence thereof, in addition to that required by the terms hereof which the Trustee believes to be necessary or desirable.

Section 11.5. Certain Rights of the Trustee. The responsibilities of the Trustee elsewhere set forth herein shall be further limited as follows:

(i) In acting or omitting to act pursuant to the terms of the Agreements, the Trustee shall be entitled to the rights and immunities accorded to it by this Indenture.

(ii) It shall not be the duty of the Trustee, except as herein provided, to see that the duties imposed herein or in the Agreements upon the City or the Concessionaires are performed.

(iii) All money received by the Trustee shall, until used, applied, or invested as herein provided be held in trust for the purposes for which it was received but need not be segregated from other funds, except to the extent required by law or this Indenture. The Trustee shall be under no liability for interest on any money received hereunder, except such as set forth herein as may be expressly agreed upon.

Section 11.6. Performance through Attorneys, Accountants, Reports, or Other Professionals.

(a) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, accountants, experts or other professionals and shall be entitled to advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such persons as reasonably may be required and employed in connection with the trusts hereof.

(b) The Trustee shall not be liable for the default or misconduct of any such attorney, accountant, expert or professional selected by it with reasonable care and provided the Trustee is acting in good faith.

(c) The Trustee may act upon the opinion or advice of any attorney selected by it with reasonable care, and the Trustee shall not be responsible for anything done or not done in good faith in accordance with any such opinion or advice.

Section 11.7. Trustee as Owner. The Trustee may become the Owner of any of the Bonds secured by this Indenture with the same rights which it would have if not the Trustee. Nothing herein contained shall be construed to prohibit the Trustee, either as principal or agent, from engaging in or being interested in any financial or other transaction with the City or the Concessionaires, or from acting as depository, trustee, or agent for any committee or body of Owners of the Bonds, or of other obligations of the City as freely as if it were not the Trustee.

Section 11.8. Fees. The Trustee acknowledges that its fees and expenses are payable solely from amounts on deposit from time to time in the Administrative Costs Fund and are not an obligation of the City. The City hereby grants to the Trustee a lien and security interest in the Administrative Costs Fund for the purpose of securing the fees and expenses of the Trustee, as trustee, paying agent and registrar, which lien and security interest shall be prior to the claims, liens and security interests of any party in the Administrative Costs Fund.

Section 11.9. Recitals. The recitals, statements and representations in the documents executed to facilitate the issuance of the Bonds except only the Trustee's authentication of the Bonds and the Trustee's representations of trust powers and the Trustee's acceptance of the trusts hereunder, shall not be taken as made by the Trustee, and the Trustee does not assume any responsibility for the correctness thereof. The Trustee is not a party to, is not responsible for, and makes no representations with respect to, matters set forth in any offering document prepared and distributed in connection with the sale and distribution of the Bonds.

Section 11.10. Trustee's Right to Indemnity. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless one or more of such Owners first shall have provided to the Trustee security or indemnity acceptable to the Trustee against the costs, expenses, and liabilities which might be incurred by it in complying with such request or direction.

Section 11.11. Further Assurances. The Trustee agrees that it will take all actions and execute any instruments necessary to maintain, protect, or preserve the interests of the City assigned to the Trustee under this Indenture.

Section 11.12. Trustee May Rely on Certificates. If at any time it is necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, the Trustee may conclusively rely upon any certificate required or permitted to be filed with it under the provision of this Indenture, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it

may or may not take and in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Indenture, any request, notice, certificate or other instrument from the City to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Authorized Representative, and the Trustee may accept and rely upon a certificate signed by the Authorized Representative as to any action taken by the City.

ARTICLE XII

SUCCESSOR TRUSTEE

Section 12.1. Resignation. The Trustee at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the City and to the Owners as shown on the Registration Books, and such resignation shall take effect immediately upon the appointment of a successor Trustee as herein provided.

Section 12.2. Removal. The Trustee may be removed by the City at any time by an instrument in writing delivered to the Trustee.

Section 12.3. Appointment of Successor. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every such successor Trustee shall be a trust company or bank in good standing, located in the United States of America, duly authorized to exercise trust powers and subject to examination by federal or state authority and having a capital and surplus of not less than Seventy-Five Million Dollars ($75,000,000). In the event that no appointment of a successor Trustee shall be made by the City pursuant to the foregoing provisions of this Article within sixty (60) days after a vacancy in the office of Trustee shall have occurred, the City shall have the right to appoint a successor Trustee within the next thirty (30) days; thereafter, if no successor Trustee has been appointed, any Owner or any retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it shall deem proper, prescribe or appoint a successor Trustee. Within thirty (30) days of the resignation or removal of a Trustee and the appointment of a successor, such successor Trustee shall cause a written notice of such occurrence to be mailed, postage prepaid, to each Owner of Bonds, at its address appearing in the Registration Books. No removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

Section 12.4. Qualification of Successor. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, rights, powers, trusts, duties, and obligations hereunder of its predecessor, but such predecessor shall nevertheless, on the written request of the City, execute and deliver instruments, including, without limitation any statement of assignment permitted to be filed by the Texas Uniform

Commercial Code, transferring to such successor Trustee all the estates, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and money held by it to its successor; provided, however, that before any such delivery is required or made, all reasonable, customary, and legally accrued fees, advances, and expenses of such predecessor Trustee shall be paid in full. Should any assignment, or instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such assignments, and instruments in writing shall, on request, be executed, acknowledged, and delivered by the City.

Section 12.5. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee, or any successor to it in the trusts created by this Indenture, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Trustee or any successor to it shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee shall be the successor Trustee under this Indenture without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE XIII

RELEASE OF INDENTURE

Section 13.1. Satisfaction of Indebtedness and Release of Indenture. If the City shall pay, or cause to be paid to the Owner of any Bond secured hereby the principal of, redemption premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in a principal amount equal to the minimum denomination then authorized under this Indenture or any integral multiple thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture. If the City shall pay or cause to be paid to the Owners of all the Bonds secured hereby the principal of, redemption premium, if any, and interest due and payable, and thereafter to become due and payable, thereon, and shall pay or cause to be paid all other sums payable hereunder by the City, and all accrued fees and expenses of the Trustee, then, and in that case, and at the written direction of the City, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease, terminate and become void and this Indenture and the lien hereby created shall be discharged and satisfied, and, in such event, the Trustee shall assign, transfer and turn over to the City the Trust Estate, including, without limitation, any funds then held by the Trustee hereunder; provided, however, that the City, by written direction to the Trustee, may elect to continue the Trust Estate and its administration by the Trustee for the collection and deposit of Customer Facility Charges in accordance with the terms of this Indenture and for disbursement of such funds at the direction of the City in accordance with the terms of this Indenture.

Section 13.2. Payment, Advance Funding, and Defeasance. All or any portion of Outstanding Bonds, or portions of Outstanding Bonds in principal amounts equal to the minimum denomination, then authorized under this Indenture or any integral multiple thereof, shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 13.1 of this Article XIII when:

(i) in the event said Bonds or portions thereof have been selected for redemption, the Trustee shall have given, or the City shall have given to the Trustee in a form satisfactory to it, irrevocable instructions to give notice of redemption of such Bonds or portions thereof in accordance with the provisions of this Indenture;

(ii) there shall have been irrevocably deposited with the Trustee as trust funds either moneys in an amount which shall be sufficient, or Government Obligations (A) which shall not contain provisions permitting the redemption thereof at the option of the issuer thereof, (B) which mature no later than the earlier of (1) the date fixed for the redemption of the Bonds or (2) the maturity date of the Bonds, and (C) the principal of and the interest on which, when due, and without any regard to reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee, shall be sufficient, as verified as to sufficiency by an independent third party, to pay when due, the principal of, redemption premium, if any, and interest due and to become due on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; and

(iii) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding sixty (60) days, the City shall have given the Trustee in a form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given, a notice to the Owners of said Bonds or portions thereof that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid in accordance with this Article XIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and redemption premium, if any, and interest on said Bonds or portions thereof.

In addition, upon the defeasance of the Bonds, the Bonds shall no longer be subject to redemption pursuant to the terms hereof (other than any redemption as described in Section 3.3, which shall survive discharge of this Indenture and the termination of the Trust Estate); provided, however, in connection with defeasance of any Bonds in the manner prescribed by this Article XIII the City may reserve the right to call any such Bonds for redemption pursuant to Section 3.2 hereof to the extent permitted and in the manner required by State law.

Section 13.3. Reinvestment. Neither the Government Obligations nor moneys deposited with the Trustee pursuant to this Article XIII nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest on said Bonds or portions thereof, provided, that, any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, may, to the extent practicable, be invested in Government Obligations of the type and tenor described in clause (ii) of Section 13.2 and interest earned from such reinvestment shall be paid over to the City, as received by the Trustee, free and clear of any trust, lien or pledge. The foregoing notwithstanding, the agreement pursuant to which such cash and/or Government Obligations are held by the Trustee may provide for the ability to sell or otherwise dispose of all or part of the Government Obligations and the reinvestment of the proceeds thereof, together with all or any part of any cash held thereunder, in Government Obligations,

provided that prior to any such sale or disposition the Trustee receives a report of an independent certified public accountant verifying that after such reinvestment the principal amount of substituted securities, together with the interest thereon and any other available cash held by the Trustee, will be sufficient to pay the principal of, and redemption premium, if any, and interest on, the Bonds which have not previously been paid.

Section 13.4. Use of Moneys and Government Obligations Set Aside. Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article XIII, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Article XIII for the payment of Bonds, the redemption premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds, the redemption premium, if any, and interest thereon with respect to which such money or Government Obligations have been so set aside in trust.

Section 13.5. No Amendment. Notwithstanding anything elsewhere in this Indenture contained, if money or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article XIII for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article XIII shall be made without the consent of each Owner affected thereby.

ARTICLE XIV

AMENDMENTS

Section 14.1. Amendments without Owner Consent. Without the consent of the Owners, the Trustee and the City may amend this Indenture and may enter into any indentures supplemental to this Indenture for any one or more of the following purposes:

(i) to cure any ambiguity, formal defect, omission or inconsistent provision herein;

(ii) to grant to the Trustee for the benefit of the Owners any additional revenues, properties, collateral or security (including Supplemental Security), or any additional rights, remedies, powers or authority that may lawfully be granted to the Owners of the Bonds or the Trustee;

(iii) to add to the covenants and agreements of the parties hereto other covenants, and agreements of, or conditions or restrictions upon, such parties;

(iv) to evidence any succession otherwise permitted hereunder to any parties hereto and the assumption by such successor of the covenants and agreements of its predecessor hereunder;

(v) to modify this Indenture to amend the definitions of "Project" (provided, in any case, that the Project relate to the Joint Use Facility, the CONRAC Site, other rental car facilities or costs associated with the relocation of rental car facilities) and "Permitted Investments" (provided, in any case, that such investments are permitted

under State law and are authorized by the City's investment policy as eligible investments thereunder);

(vi) to add, delete or modify any provision required to obtain or maintain a rating on the Bonds;

(vii) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or any of the states of the United States of America, and to add to this Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(viii) to make any changes or modifications hereof or amendments, additions or deletions hereto which may be required to permit the Bonds to be registered pursuant to, or to facilitate the use of, a book-entry system;

(ix) to make any other change herein which does not, in the opinion of the City, adversely affect the interest of the Owners;

(x) to issue Additional Bonds or Completion Bonds in accordance with the terms and provisions hereof;

(xi) to provide for the execution and delivery of a Debt Service Reserve Fund Surety Policy or a Debt Service Coverage Fund Surety Policy and to add other provisions relating thereto; and

(xii) amendments to make changes to Article XV of this Indenture in accordance with Section 15.3 hereof.

The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under clause (vii) above) be obligated to, enter into any such supplemental indenture or amendment which imposes additional duties upon the Trustee or limits the rights or immunities of the Trustee under this Indenture or otherwise.

Prior to consenting or entering into any amendments or supplements to this Indenture, the Trustee shall be entitled to request and receive an opinion of Bond Counsel stating that such amendment or supplement is authorized or permitted by this Section 14.1. In making the determination in clause (ix) above, the Trustee may rely upon the opinion of any legal counsel selected by it with respect to the legal affect such amendment or supplement will have on the Owners and upon the opinions or other advice of financial experts with respect to the financial affect the amendment or supplement will have on the Owners.

Section 14.2. Consent of Majority of Owners. With respect to any amendment or supplement to this Indenture not described in Section 14.1 above or Section 14.3 below, the City and the Trustee may enter into any such amendment or supplement only with the written consent

of the Owners of not less than a majority of the Bonds Outstanding hereunder at the time of such amendment or supplement (not including any Bonds then held or owned by the City).

Section 14.3. Consent of All Owners. Notwithstanding the foregoing, no supplement or amendment to this Indenture shall, without the consent of the Owner of each Outstanding Bond so affected, (i) extend the maturity date of any Bond, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, or reduce any premium payable upon the redemption thereof, or extend or reduce the amount of any mandatory redemption requirement, or change the method of calculation of interest on the Bonds, (ii) deprive such Owner of the lien hereof on the Revenues pledged hereunder and on the Trust Estate, (iii) reduce the aggregate principal amount of Bonds the Owners of which are required to approve any such supplement to this Indenture or amendment to this Indenture, (iv) provide a privilege or priority of any Bond over any other Bond, or (v) reduce, extend or otherwise adjust the amounts to be transferred in accordance with Section 5.12.

Section 14.4. Effective Date of Amendment. The Trustee shall establish a record date for purposes of approval of any such amendment or supplement described in Section 14.2 and 14.3 of this Article, and shall cause notice of such record date and such proposed amendment to be given in the same manner as notices of redemption are given by the Trustee. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the Principal Office for inspection by all Owners. If, within 60 days (or such longer period as shall be prescribed by the City) following the mailing of such notice, the Owners of the requisite aggregate principal amount of the Bonds Outstanding at the time of the record date established for such purpose shall have consented to and approved such amendment, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the parties to such amendment from adopting the same or from taking any action pursuant to the provisions thereof. Upon receipt of the consent of the Owners of the requisite aggregate principal amount of the Bonds Outstanding, the relevant parties may execute such amendment.

The consent of an Owner shall be evidenced by an instrument executed by such Owner, delivered to the Trustee, which instrument shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment. Any consent given by an Owner as of such record date shall be irrevocable for a period of one year from the date such consent is given, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after one year from the date such consent was given by such Owner, or by a successor in title, by filing notice thereof with the City and the Trustee, but such revocation shall not be effective if the Owners of the requisite aggregate principal amount of the Bonds Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

ARTICLE XV

CONTINUING DISCLOSURE UNDERTAKING

Section 15.1. Annual Reports. The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year of the City, financial information and operating data for such fiscal year with respect to the Revenues pledged under this Indenture to the repayment of the Series 2013 Bonds of the general type included in the final Official Statement of the City, being the information described in Annex A hereto, together with audited financial statements of the City for such fiscal year if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided; provided, however, if the City commissions an audit of such statements and the audit is not completed within the period during which they must be provided, such audited financial statements shall be delivered to the MSRB, in an electronic format as prescribed by the MSRB, when and if they become available. Any financial information or audited financial statements so to be provided will be prepared in accordance with accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document if it is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 15.2. Event Notices. The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Series 2013 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;

(vii) modifications to rights of the holders of the Series 2013 Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2013 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph (xii): For the purposes of the event identified in paragraph (xii) of this Section 15.2, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of successor or additional Trustee or the change of name of a Trustee, if material.

In addition, the City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 15.1 hereof by the time required by such Section. All documents provided to the MSRB pursuant to this Subsection shall be accompanied by identifying information as prescribed by the MSRB

Section 15.3. Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2013 Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Texas law that causes Series 2013 Bonds no longer to be Outstanding.

The provisions of this Article are for the sole benefit of the Owners and beneficial Owners of the Series 2013 Bonds, and nothing in this Article, express or implied, shall give any

benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2013 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2013 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OR ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under this Indenture for purposes of any other provision of this Indenture.

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB with respect to the Series 2013 Bonds, the City agrees to undertake such obligation in accordance with the Rule, as amended.

The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of operations of the City, if (i) the agreement, as so amended, would have permitted an underwriter to purchase or sell Series 2013 Bonds in the original primary offering in compliance with the Rule, taking into account such amendment as well as such changed circumstances, and (2) a person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2013 Bonds. The City may also repeal or amend the provisions of the agreement regarding disclosure if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2013 Bonds in the primary offering of the Series 2013 Bonds. If the City amends its agreement, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

Section 15.4. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

ARTICLE XVI

MISCELLANEOUS PROVISIONS

Section 16.1. Proof of Execution. Any request, direction, consent, or other instrument required by this Indenture to be signed or executed by Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the writing appointing such agent, if made in the following manner, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument. The fact, date, and due authorization of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

Section 16.2. Proof of Ownership. The fact of ownership of the Bonds by any Owner, the amount and numbers of such Bonds, and the date of his holding same shall be conclusively proved by the appropriate entries in the Registration Books.

Section 16.3. Action Binding on Successor. Unless otherwise provided in this Indenture, any request or consent of any Owner shall bind every future Owner of the same Bond, or any Bond issued in substitution or replacement therefor, in respect of anything done by the Trustee in pursuance of such request or consent. In the event of the dissolution of the Trustee, all of the covenants, stipulations, promises, and agreements in this Indenture contained by, on behalf of, or for the benefit of the Trustee, shall bind or inure to the benefit of the successor or successors of the Trustee from time to time and any officer or board to whom or to which any power or duty affecting such covenants, stipulations, promises, and agreements shall be transferred by or in accordance with law.

Section 16.4. Nonpresentment and Unclaimed Funds. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, all liability of the City to the Owners thereof and to the Trustee for the payment of such Bond shall forthwith cease, determine, and be completely discharged whenever funds sufficient to pay for the principal of, redemption premium, if any, and interest on such Bond shall be made available as provided in this Indenture. Such funds shall be segregated by the Trustee, without liability to the Owners for interest thereon, and held in trust for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for the satisfaction of any claim of whatever nature relating to such Bond. Any

money deposited with the Trustee in trust for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for three years after such principal of, redemption premium, if any, or interest on such Bond has become due and payable shall, subject to any unclaimed property laws of the State, and upon receipt of indemnification reasonably satisfactory to the Trustee, be paid to the City. After the payment of such unclaimed moneys to the City, the Owner shall thereafter look (to the extent of any amount so repaid to the City) only to the City for the payment thereof, and all liability of the Trustee with respect to such money shall thereupon cease, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys.

Section 16.5. Destruction of Bonds. Upon the surrender to the Trustee of any Bonds acquired, redeemed, paid at maturity or surrendered for exchange or replacement, the same shall forthwith be canceled and disposed of in accordance with the policies of the Trustee, which shall, from time to time, deliver its certificate of such disposition to the City upon request.

Section 16.6. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Indenture express or implied is intended or shall be construed to confer upon any person, firm, or corporation other than the City, the Trustee and the Owners, any right, remedy, or claim, legal or equitable, under or by reason of this Indenture or any covenant, condition, or stipulation contained herein and all covenants, stipulations promises and agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee and the Owners.

Section 16.7. Waiver of Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized and permitted by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future official, agent or employee of the City, in his individual capacity, and any official of the City executing the Bonds shall not be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond, or under any judgment obtained against the City, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Indenture, shall be had against any official, agent or employee, as such, past, present or future, of the City, either directly or through the City, or otherwise for the payment for or to the City or any receiver thereof, or for or to the Owner of any Bond or otherwise, of any sum that may be due and unpaid by the City upon any such Bond, and any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, officer, agent or employee as such, to respond by reason of omission on his part or otherwise, for the payment for or to the City or any receiver thereof, or for or to the Owner of any Bond or otherwise, of any sum that may remain due and unpaid upon such Bonds, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such Bonds.

Section 16.8. Severability. In case any one or more of the provisions of this Indenture or of the Bonds shall be held to be invalid or ineffective as to any person or circumstance, the remainder thereof and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 16.9. Governing Law. The validity, interpretation, and performance of this Indenture shall be governed by the laws of the State.

Section 16.10. Addresses. All notices, certificates, requests, or other communications hereunder shall be in writing and shall be deemed given, unless otherwise required by this Indenture, when mailed by registered mail prepaid or sent by facsimile transmission, promptly confirmed in writing, addressed as follows: if to the City, 3600 Presidential Blvd., Suite 411, Austin, Texas 78719, Attention: Aviation Director; or, if to the Trustee, 100 Plaza One, 6th Floor, MS: JCY03-0699, Jersey City, New Jersey 07311, Attn: Debra A. Schwalb. The City, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 16.11. Counterparts. This Indenture maybe executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16.12. [Bond Insurance Policy. Attached hereto as Exhibit F is a commitment from Assured Guaranty Municipal Corp. (the "Insurer") to provide a municipal bond insurance policy in the form provided therein (the "Bond Policy"). The terms and condition contained in Exhibit F are incorporated herein by reference with respect to the Series 2013 Bonds maturing on _____ and _____ (the "Insured Bonds") and shall be in effect only for so long as the Insured Bonds are Outstanding, the Bond Policy is in effect with respect to the Insured Bonds and the Insurer is not in default of its obligations under the Policy.][1]

Section 16.13. [Debt Service Reserve Policy. Attached hereto as Exhibit G is a commitment from the Insurer to provide a debt service reserve insurance policy in the form provided therein (the "Reserve Policy"). The terms and condition contained in Exhibit G are incorporated herein by reference with respect to the Series 2013 Bonds and shall be in effect only for so long as the Series 2013 Bonds are Outstanding, the Reserve Policy is in effect with respect to the Series 2013 Bonds and the Insurer is not in default of its obligations under the Reserve Policy.][2]

[Execution Page Follows]

---

[1] This Section 16.12 and Exhibit F are to be included in this Indenture only in the event the City elects to obtain the Bond Policy pursuant to the terms of the Bond Ordinance, with such election to be evidenced in the bond purchase agreement as a condition to the underwriter's obligation to purchase the Series 2013 Bonds, and the Bond Policy is issued for all or a portion of the Series 2013 Bonds.

[2] This Section 16.13 and Exhibit G are to be included in this Indenture only in the event the City elects to obtain the Reserve Policy pursuant to the terms of the Bond Ordinance, with such election to be evidenced in the bond purchase agreement as a condition to the underwriter's obligation to purchase the Series 2013 Bonds, and the Reserve Policy is issued for the Series 2013 Bonds.

IN WITNESS WHEREOF, the City has caused this Indenture to be executed in its name, and for and on its behalf, by the Mayor of the City and attested by the City Clerk of the City, and its seal to be hereunto affixed; and the Trustee, to evidence its acceptance of the trusts hereby created and vested in it, has caused this Indenture to be executed in its name, and for and on its behalf by an authorized officer of the Trustee, attested by an authorized officer of the Trustee, all as of the date first above written.

CITY OF AUSTIN, TEXAS

By:_____
Mayor

ATTEST:

By:_____
City Clerk

(SEAL)

DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

ATTEST:

By:_____
Name:_____
Title:_____

ANNEX A

CONTINUING DISCLOSURE

The following information is referred to in Section 15.1 of this Indenture. The financial information and operating data to be provided in accordance with such Section are as specified below:

1. All quantitative financial information and operating data with respect to the Revenues pledged under this Indenture to the repayment of the Series 2013 Bonds of the general type included in the Official Statement of the City under the headings _____; and

2. In the annual filing, the City will also furnish the most recent copy of the Airport Consultant's report, if any, prepared in accordance with Section 7.2(b) of this Indenture.

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

AS PROVIDED IN THE INDENTURE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE INDENTURE, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE TRUSTEE. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC AS OWNER OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE INDENTURE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE TRUSTEE FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT THEREOF OR SUBSTITUTION THEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
$_____

CITY OF AUSTIN, TEXAS
RENTAL CAR SPECIAL FACILITY REVENUE BONDS,
TAXABLE SERIES 2013

INTEREST RATE	ISSUE DATE	MATURITY DATE	CUSIP NUMBER
	_____, 2013		

THE CITY OF AUSTIN, TEXAS ("City"), a municipal corporation and home-rule city, duly incorporated under the laws of the State of Texas, situated primarily in Travis County, Texas, hereby promises to pay to _____ or registered assigns (the "registered owner"), *on the Maturity Date specified above, the principal amount of*

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Closing Date (as defined in the hereinafter defined Indenture) or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on _____ and _____ of each year, commencing _____.

THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of and, redemption premium, if any, on this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated payment/transfer office (the "Designated Payment/Transfer Office") of Deutsche Bank National Trust Company, or its successors (the "Trustee"), in its capacity as the paying agent for this Bond. The initial Designated Payment/Transfer Office for the Trustee shall be its corporate trust office in Jersey City, New Jersey. The payment of semiannual interest on this Bond shall be made by the Trustee to the registered owner hereof appearing on the Registration Books, as hereinafter described, on the first Business Day of the month in which such interest payment date occurs (the "Record Date"), notwithstanding the registration or transfer of this Bond between such Record Date and interest payment date, by check or draft mailed to such registered owner, at its address as it appears on the Registration Books kept by the Trustee, in its capacity as registrar for this Bond, as hereinafter described, at the close of business on the Record Date.

THIS BOND is one of a series of bonds dated as of the Issue Date (the "Bonds"), authorized and issued in an aggregate principal amount of $_____ for the purpose of financing costs of acquiring and constructing buildings, equipment, facilities and improvements for the accommodation of rental car customers using the Austin-Bergstrom International Airport (the "Airport").

THE OBLIGATION to pay the principal of, redemption premium, if any, and interest on this Bond from the sources described below is solely and exclusively a special obligation of the City. No other public entity, including the State of Texas, or any political subdivision of the State of Texas, or any other public body, is obligated, directly, indirectly, contingently, or in any other manner, to pay such principal, redemption premium, if any, or interest from any source whatsoever and neither the full faith and credit nor the taxing power of the State of Texas, the City or any other political subdivision of the State of Texas, is pledged to the payment of the principal, redemption premium, if any or the interest on the Bonds.

NO RECOURSE shall be had for the payment of the principal of, redemption premium, if any, or interest on this Bond, or of any claim based hereon, or in respect hereto or of the Indenture, against any official, as such, past, present or future, of the City or of any successor, whether directly or through a receiver or trustee in bankruptcy, whether by virtue of any statute or rule of law or by the enforcement of any payment or penalty, or otherwise, all such liabilities being, by the acceptance hereof, expressly waived and released by the terms of the Trust

Indenture, dated as of _____, 2013 (the "Indenture"), by and between the City and the Trustee, all as more fully provided therein. To the extent of any conflict or inconsistency between the terms of this Bond and the Indenture, the Indenture shall govern and control. Copies of the Indenture are on file in the office of the Trustee.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM AND SECURED BY THE TRUST ESTATE DESCRIBED IN THE INDENTURE. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED OR OTHERWISE MADE AVAILABLE TO SECURE THE BONDS AND THE COVENANTS AND REPRESENTATIONS CONTAINED IN THE INDENTURE DO NOT CONSTITUTE A PERSONAL OR PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS AND THEIR RESPECTIVE OFFICIALS, AGENTS AND EMPLOYEES SHALL NEVER BE LIABLE IN ANY MANNER FOR THE PAYMENT OF THE BONDS.

THE BONDS are subject to redemption prior to maturity at the times, in the manner and at the applicable redemption price provided under the Indenture.

PRIOR TO THE DATE FIXED FOR ANY REDEMPTION of Bonds prior to their scheduled maturity, the Trustee shall cause a notice of such redemption to be given in the manner described in the Indenture.

IF LESS THAN ALL the Bonds are to be called for redemption under any redemption provision set forth in the Indenture permitting such partial redemption, the City shall determine the maturity or maturities and the amounts thereof to be redeemed, and the particular Bonds or portions thereof (in integral multiples of $5,000) to be redeemed within such maturity or maturities shall be selected in the manner described in the Indenture.

IF THE DATE FOR THE PAYMENT of the principal of, redemption premium, if any, or interest on this Bond shall be a Sunday, a Saturday, a legal holiday, or a day on which banking institutions in the city of New York, New York, or the city where the Principal Office (as defined in the Indenture) or the Designated Payment/Transfer Office of the Trustee are located are authorized by law or executive order to close (a "Business Day"), then the date for such payment shall be the next succeeding day which is not a Business Day, payment on such date shall have the same force and effect as if made on the scheduled date of payment.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF $5,000 may be assigned and shall be transferred only in the Registration Books maintained by the Trustee with respect to the Bonds (the "Registration Books") upon the terms and conditions set forth in the Indenture. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Designated Payment/Transfer Office of the Trustee for transfer of registration and cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Trustee, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or

endorsed on this Bond shall be executed by the registered owner, or its duly authorized representative, and shall be deemed to conclusively evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees, or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Trustee in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of Bonds. The registered owner of this Bond shall be deemed and treated by the City and the Trustee as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Trustee shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Indenture, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Trustee for cancellation, all in accordance with the form and procedures set forth in the Indenture. The City shall pay the Trustee's standard or customary fees and charges for transferring and exchanging any Bond or portion thereof, but the person requesting such transfer or exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of transfer or exchange. The Trustee shall not be required to make any such transfer or exchange with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Trustee for the Bonds is removed, resigns, or otherwise ceases to act as such, the Indenture provides procedures for the appointment of a successor therefor, and for written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and have been done in accordance with law, that this Bond is a special revenue obligation of the City, with the principal of, redemption premium, if any, and interest on this Bond being payable solely from (except to the extent payable from amounts attributable to proceeds of the Bonds), and secured by a lien on and pledge of the Revenues (as defined in the Indenture), which as defined in the Indenture includes all amounts deposited to the Revenue Fund (as defined in the Indenture) created under the Indenture, including, but not limited to, Customer Facility Charges, Prior Facility Rentals and Contingent Fees (as such terms are defined in the Indenture) paid by rental car concessionaires to the Trustee pursuant to rental car concession agreements (collectively, the "Agreements") between the City and certain rental car concessionaires.

THE BONDS are further secured by the Trust Estate (as defined in the Indenture), whereunder the Trustee, or its successor, is custodian of the Funds and Accounts (as defined in

the Indenture) created under the Indenture and is obligated to enforce the rights of the owners of the Bonds and to perform other duties in the manner and under the conditions stated in the Indenture. The registered owner of this Bond shall have no right to enforce the provisions of the Indenture, or to institute an action, suit, or proceeding at law or in equity to enforce the covenants therein, or to institute, appear in, or defend any action, suit, or proceeding with respect thereto, except as provided in the Indenture. Anything in the Indenture to the contrary notwithstanding, the registered owner of this Bond shall have a right of action to enforce the payment of the principal of, redemption premium, if any, and interest on this Bond on or after the same shall have become due at the place, from the sources, and in the manner expressed in the Indenture. Reference is hereby made to the Indenture and the Agreements for the provisions with respect to the nature and extent of the security for the Bonds; the rights, duties, and obligations of the City, the Trustee and the registered owners of the Bonds; the terms upon, which such Bonds are issued and secured; and the modification of any of the foregoing.

THE RIGHTS OF THE OWNERS OF THE BONDS are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions, and may be limited by general principles of equity which permit the exercise of judicial discretion. The Bonds are payable solely from the Trust Estate and do not constitute a general obligation indebtedness of the City. Owners of the Bonds shall never have the right to demand payment of the principal of or interest on the Bonds out of any funds raised or to be raised by taxation or out of the general revenues of the Airport System (as defined in the Indenture) or the City, or out of the revenues pledged to payment of the City's Prior Lien Bonds and Revenue Bonds (as such terms are defined in the Indenture).

THE CITY HAS RESERVED THE RIGHT to issue Additional Bonds and Completion Bonds (as such terms are defined in the Indenture), subject to the restrictions contained in the Indenture, secured by liens on the Revenues and the Funds and Accounts created under the Indenture that are on a parity with the lien securing the Bonds.

THE CITY has reserved the right to amend the Indenture with the approval in some, but not all circumstances, of the registered owners of at least a majority in aggregate principal amount of the outstanding Bonds secured by the Indenture, all as provided in and subject to the provisions of the Indenture.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Indenture, agrees to be bound by such terms and provisions, acknowledges that the Agreements and the Indenture are available for inspection at the Principal Office of the Trustee, and agrees that the terms and provisions of this Bond, the Agreements, and the Indenture constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City, and attested with the manual or facsimile signature of the City Clerk of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

ATTEST: CITY OF AUSTIN, TEXAS

City Clerk Mayor

(City's Seal)

FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE

(NOT TO BE INCLUDED IN INITIAL BONDS)

TRUSTEE'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond is one of the Bonds referred to in the within mentioned Indenture; and that this Bond has been issued in exchange for or replacement of a Bond, Bonds, or a portion of a Bond or Bonds of the issue described in the text of this Bond; and that the Indenture authorizing this Bond and other proceedings relating thereto were approved by the Attorney General of the State of Texas.

Dated

Deutsche Bank National Trust Company, as Trustee

_____

Authorized Signatory

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE
(TO BE INCLUDED IN INITIAL BONDS)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. __

I hereby certify that there is on file and of record in my office a certificate to the effect that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and further that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

_____

Comptroller of Public Accounts of the State of Texas

(Comptroller's Seal)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto_____

_____

(Please insert Social Security or Taxpayer
Identification Number of Transferee)

_____

(Please print or typewrite name and address,
including zip code of Transferee)

_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

Signature Guaranteed:

_____ _____

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or any change whatsoever.

EXHIBIT B

CONSTRUCTION FUND DISBURSEMENT REQUEST

Deutsche Bank National Trust Company
100 Plaza One
6th Floor
MS: JCY03-0699
Jersey City, NJ 07311

Sir or Madam:

This request is provided to you pursuant to Section 5.8 of the Trust Indenture, dated as of _____, 2013 (the "Indenture"), by and between the City of Austin, Texas, and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The capitalized terms used in this certificate have the same meanings given such terms in the Indenture.

On behalf of the City of Austin, Texas, I, the undersigned Authorized Representative, do hereby certify as follows:

(1) There has been expended, or is being expended concurrently with the delivery of this certificate an amount constituting Costs of the Project at least equal to $_____, which amount is hereby requisitioned for disbursement from the Construction Fund; and

(2) No other certificate in respect of the expenditures requisitioned pursuant to clause (1) hereof is being or previously has been delivered to the Trustee.

The Trustee is hereby directed to pay or transfer, as applicable, the amount requisitioned by clause (1) above from the Construction Fund to the payee(s) in the amount(s) set forth on Schedule I hereto.

CITY OF AUSTIN, TEXAS

_____
Authorized Representative

EXHIBIT C

CFC SURPLUS FUND DISBURSEMENT REQUEST

Deutsche Bank National Trust Company
100 Plaza One
6th Floor
MS: JCY03-0699
Jersey City, NJ 07311

Sir or Madam:

This request is provided to you pursuant to Section 5.7 of the Trust Indenture, dated as of _____, 2013 (the "Indenture"), by and between the City of Austin, Texas, and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The capitalized terms used in this certificate have the same meanings given such terms in the Indenture.

On behalf of the City of Austin, Texas, I, the undersigned Authorized Representative, do hereby certify as follows:

(1) There has been expended, or is being expended concurrently with the delivery of this certificate, an amount constituting [describe costs] in accordance with the terms of Section 5.7 of the Indenture, which amount is at least equal to $_____ and is hereby requisitioned for disbursement from the [CFC Surplus Annual Disbursement Account] [CFC Surplus Residual Account] of the CFC Surplus Fund; and

(2) No other certificate in respect of the expenditures requisitioned pursuant to clause (1) hereof is being or previously has been delivered to the Trustee.

The Trustee is hereby directed to pay or transfer, as applicable, the amount requisitioned by clause (1) above from the [CFC Surplus Annual Disbursement Account] [CFC Surplus Residual Account] of the CFC Surplus Fund to the payee(s) in the amount(s) set forth on Schedule I hereto.

CITY OF AUSTIN, TEXAS

_____
Authorized Representative

EXHIBIT D

REPAIR AND REPLACEMENT FUND DISBURSEMENT REQUEST

Deutsche Bank National Trust Company
100 Plaza One
6th Floor
MS: JCY03-0699
Jersey City, NJ 07311

Sir or Madam:

This request is provided to you pursuant to Section 5.10 of the Trust Indenture, dated as of _____, 2013 (the "Indenture"), by and between the City of Austin, Texas, and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The capitalized terms used in this certificate have the same meanings given such terms in the Indenture.

On behalf of the City of Austin, Texas, I, the undersigned Authorized Representative, do hereby certify as follows:

(1) There has been expended, or is being expended concurrently with the delivery of this certificate, an amount constituting [describe costs] in accordance with the terms of Section 5.10 of the Indenture, which amount is at least equal to $_____ and is hereby requisitioned for disbursement from the Repair and Replacement Fund; and

(2) No other certificate in respect of the expenditures requisitioned pursuant to clause (1) hereof is being or previously has been delivered to the Trustee.

The Trustee is hereby directed to pay or transfer, as applicable, the amount requisitioned by clause (1) above from the Repair and Replacement Fund to the payee(s) in the amount(s) set forth on Schedule I hereto.

CITY OF AUSTIN, TEXAS

_____
Authorized Representative

EXHIBIT E

RAC O&M AND RENT RESERVE FUND DISBURSEMENT REQUEST

Deutsche Bank National Trust Company
100 Plaza One
6th Floor
MS: JCY03-0699
Jersey City, NJ 07311

Sir or Madam:

This request is provided to you pursuant to Section 5.11 of the Trust Indenture, dated as of _____, 2013 (the "Indenture"), by and between the City of Austin, Texas, and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The capitalized terms used in this certificate have the same meanings given such terms in the Indenture.

On behalf of the City of Austin, Texas, I, the undersigned Authorized Representative, do hereby certify as follows:

(1) There has been expended, or is being expended concurrently with the delivery of this certificate, an amount constituting [describe costs] in accordance with the terms of Section 5.11 of the Indenture, which amount is at least equal to $_____ and is hereby requisitioned for disbursement from the RAC O&M and Rent Reserve Fund; and

(2) No other certificate in respect of the expenditures requisitioned pursuant to clause (1) hereof is being or previously has been delivered to the Trustee.

The Trustee is hereby directed to pay or transfer, as applicable, the amount requisitioned by clause (1) above from the RAC O&M and Rent Reserve Fund to the payee(s) in the amount(s) set forth on Schedule I hereto.

CITY OF AUSTIN, TEXAS

_____
Authorized Representative

EXHIBIT F

BOND INSURANCE POLICY PROVISIONS

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE COMMITMENT

ASSURED GUARANTY MUNICIPAL CORP. ("AGM") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy") relating to whole maturities of the debt obligations described in Exhibit A attached hereto (the "Bonds"), subject to the terms and conditions set forth in this Commitment or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. To keep this Commitment in effect after the Expiration Date set forth in Exhibit A attached hereto, a request for renewal must be submitted to AGM prior to such Expiration Date. AGM reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The transaction documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof ("Closing Date").

3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), any disclosure document relating to the Bonds (the "Official Statement"), the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AGM with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AGM.

4. The Bonds shall contain no reference to AGM, the Policy or the insurance evidenced thereby except as may be approved by AGM. BOND PROOFS SHALL HAVE BEEN APPROVED BY AGM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AGM.

5. AGM shall be provided with:

(a) Executed copies of all financing documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to AGM or accompanied by a letter of such counsel permitting AGM to rely on such opinion as if such opinion were addressed to AGM), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AGM. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AGM for review and approval. Final drafts of such documents shall be provided to AGM at least three (3) business days prior to the issuance of the Policy, unless AGM shall agree to some shorter period.

(b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Bonds.

(c) Standard & Poor's Rating Service and Moody's Investors Service Inc. will separately present bills for their respective fees relating to the Bonds. Payment of such bills by the Issuer should be made directly to such rating agency. Payment of the rating fee is not a condition to release of the Policy by AGM.

6. Promptly after the closing of the Bonds, AGM shall receive three completed sets of executed documents (one original and either (i) two photocopies (each unbound) or (ii) two compact discs).

7. The Official Statement shall contain the language provided by AGM and only such other references to AGM or otherwise as AGM shall supply or approve. AGM SHALL BE PROVIDED WITH FOUR PRINTED COPIES OF THE OFFICIAL STATEMENT.

MUNICIPAL BOND INSURANCE COMMITMENT
TERM SHEET

Issuer: City of Austin, Texas (Travis, Williamson and Hays Counties)

Name of Bonds Insured: Rental Car Special Facility Revenue Bonds, Taxable Series 2013

Principal Amount of Bonds Insured: Not to Exceed $143,500,000

Date of Commitment: January 7, 2013 Expiration Date: Friday, March 8, 2013*

Premium: (i) .50% of total debt service on the Bonds Insured if the Issuer receives an uninsured rating of "A-" or (ii) .85% of total debt service on the Bonds Insured if the Issuer receives an uninsured rating of "BBB+"

Additional Conditions:

1. The Indenture, amortization schedule for, and final maturity date of, the Bonds shall be acceptable to AGM.

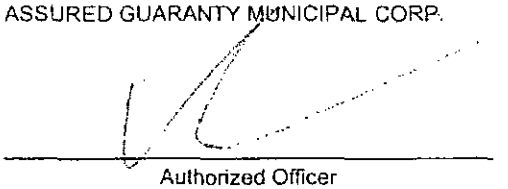
2. As long as the Bonds are outstanding, the City agrees to maintain concession agreements in effect between the City and rental car concession operators containing provisions relating to customer facility charges and additional fees, if any, substantially identical to those provisions contained in the New Concession Agreements.

3. As long as the Bonds are outstanding, the City shall agree to enter into a concession agreement with all rental car concession operators soliciting car rental customers at the Airport, which agreements shall contain provisions relating to customer facility charges and additional fee, if any, substantially identical to those provisions conatined in the New Concession Agreements.

4. See attached Exhibits B-C.

Capitalized terms used in this Commitment and not otherwise defined shall have the meanings assigned to them in the transaction document authorizing the issuance of, and setting forth the terms for, the Bonds described above (the "Indenture").

ASSURED GUARANTY MUNICIPAL CORP.



Authorized Officer

*To maintain the Commitment in effect until the Expiration Date, AGM must receive a duplicate of this Exhibit A executed by an authorized officer of the Issuer by the earlier of the date on which the Official Statement containing disclosure language regarding AGM is circulated and ten days from the date of this Commitment.

The undersigned, an authorized officer of the Issuer, agrees that (i) if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by AGM in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AGM has not made, and therefore the Issuer is not relying on, any recommendation from AGM that the Issuer insure the Bonds or obtain the Policy; it being understood and agreed that communications from AGM (whether

written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the Issuer acknowledges that AGM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, its future financial strength or the rating of AGM's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AGM reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AGM in its sole discretion; (vii) the Issuer acknowledges that AGM undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds; and (viii) the Issuer acknowledges that AGM pays rating agencies to rate AGM's financial strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. ***Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.***

CITY OF AUSTIN, TEXAS

_____
Authorized Officer

OPINION REQUIREMENTS

1. Each of the Indenture, Prior Concession Agreements, New Concession Agreements, Master Lease, Sublease Agreement, Bonds and other transaction documents (collectively, the "Related Documents") is a legal, valid and binding obligation of the parties thereto, has been duly authorized, executed and delivered and is enforceable in accordance with its terms.

2. There is no litigation or other proceeding pending or, to the best of such counsel's knowledge, threatened in any court, agency or other administrative body (either State or Federal) which could have a material adverse effect on (a) the financial condition of the Issuer, (b) the ability of the Issuer to perform its obligations under the Related Documents, (c) the security for the Bonds or (d) the transactions contemplated by the Related Documents.

3. Nothing has come to the attention of disclosure counsel which would cause them to believe that, as of the closing date, the final Official Statement (excluding information provided by AGM) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Bonds are payable from and secured by a valid lien on and pledge of the Trust Estate in the manner and to the extent provided in the Indenture. The Issuer is duly authorized to pledge such Trust Estate, and no further action on the part of the Issuer or any other party is required to perfect the same or the interest of the Bondowners therein.

INDENTURE REQUIREMENTS

The Indenture shall incorporate the following requirements either in one section or article entitled "Provisions Relating to Bond Insurance" (or the like), **the provisions of which section or article shall be stated in the Indenture to govern, notwithstanding anything to the contrary set forth in the Indenture**, or individually in the appropriate sections:

(a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". "Insurer" shall be defined as follows: "Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof".

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund or the Debt Service Coverage Fund.

(c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the section or article of the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. Remedies granted to the Bondholders shall expressly include mandamus.

(d) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under the Indenture.

(e) If acceleration is permitted under the Indenture, the maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(f) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(g) The Insurer shall be included as a third party beneficiary to the Indenture, the Master Lease and the Sublease Agreement.

(h) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(i) Any amendment, supplement, modification to, or waiver of, the Indenture, the Master Lease, the Sublease Agreement, the Prior Concession Agreement, the New Concession Agreements or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(j) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(k) The rights granted to the Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

(l) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(m) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(n) Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(o) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(p) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(q) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition

to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

(r) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund and the Debt Service Coverage Fund to their respective requirements.

(s) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(t) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. _____, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(u) The Insurer shall be provided with the following information by the Issuer or Trustee, as the case may be:

(i) Annual audited financial statements within 150 days after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Indenture), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund or the Debt Service Coverage Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the respective reserve requirements and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee or Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(v) The Insurer shall have the right to receive such additional information as it may reasonably request.

(w) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(x) The Trustee shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.

(y) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund and the Debt Service Coverage Fund is fully funded at the respective reserve requirements (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(aa) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(bb) Any interest rate exchange agreement ("Swap Agreement") entered into by the Issuer, secured by and payable from Customer Facility Charges, or Contingent Fees, if any, shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Issuer shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Issuer to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")

AGM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid:

Upon determination of the final debt service schedule, fax such schedule to AGM
Attention: Jill Schmidt, Vice President
Phone No.: (212) 339 -3463
Fax No.: (212) 239 -3494

Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Assured Guaranty Municipal Corp.
Account No.:	8900297263
Transaction No.:	131576-N

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Audrey A. Udit, Closing Coordinator , (212) 339-3548.

ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

SPECIMEN

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

EXHIBIT G

DEBT SERVICE RESERVE POLICY PROVISIONS

ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT

Issuer:	City of Austin, Texas	Date of Commitment:	January 7, 2013
Bonds Insured:	Rental Car Special Facility Revenue Bonds, Taxable Series 2013		
Premium:	(i) 4.00% of the Policy limit if the Issuer receives an uninsured rating of "A-" or (ii) 4.50% of Policy Limit if the Issuer receives an uninsured rating of "BBB+"	Expiration Date:	Friday, March 8, 2013
Policy Limit:	A dollar amount equal to the Debt Service Reserve Requirement for the Bonds Insured, as specified under the Authorizing Document (defined below)		

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), a stock insurance company, hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy"), in the form attached hereto as *Exhibit B*, relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the document setting forth the security for and authorizing the issuance of the Bonds (the "Authorizing Document").

To keep this Commitment in effect after the Expiration Date set forth above, a request for renewal must be submitted to AGM prior to such expiration date. AGM reserves the right to refuse wholly or in part to grant a renewal. To keep the Commitment in effect to the Expiration Date set forth above, AGM must receive a duplicate of this Commitment executed by an authorized officer of the Issuer [Obligor] by the date which is ten days from the date of this Commitment.

THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OF THE FOLLOWING CONDITIONS:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any purchaser of the Bonds, otherwise required, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof.

3. There shall be no material change in or affecting the Bonds (including, without limitation, the security for the Bonds) or the financing documents or the Official Statement (or any similar disclosure documents) to be executed and delivered in connection with the issuance and sale of the Bonds from the descriptions or forms thereof approved by AGM.

4. Any Official Statement (or similar disclosure document) relating to the Bonds shall contain only such references to the Reserve Policy and AGM as AGM shall supply or approve.

5. The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

6. AGM shall insure at least 50% of the Bonds, including the final maturity thereof, pursuant to its Commitment Letter dated January 7, 2013.

7. The Authorizing Document shall incorporate the terms and provisions set forth in Exhibit A – Authorizing Document Requirements.

8. Prior to closing of the Bonds, AGM shall be provided with:

(a) A letter from Bracewell & Giuliani LLP ("Bond Counsel") addressed to AGM to the effect that AGM may rely on the approving opinion(s) of Bond Counsel as if such opinion(s) were addressed to AGM;

(b) An opinion(s) of Bond Counsel, addressed to and in form and substance satisfactory to AGM, as to (i) the due authorization, validity and enforceability of the Authorizing Document, the Insurance Agreement and, to the extent not contained in the Authorizing Document, the document which incorporates the requirements set forth in Exhibit A hereto, (ii) the Reserve Policy constituting a permitted debt service reserve instrument under the applicable provisions of the Authorizing Document, (iii) the repayment obligations owed to AGM in connection with the Reserve Policy being secured by a valid lien on all revenues and other collateral securing the Bonds (subject only to the priority of payment provisions set forth under the Authorizing Document), and (iv) such other matters AGM shall reasonably request;

(c) If the Authorizing Document does not contain the provisions set forth in Exhibit A, a fully-executed copy of the Insurance Agreement in substantially the form of Exhibit C hereto; and

(d) Evidence of wire transfer in federal funds in an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Reserve Policy.

9. Promptly after the issuance of the Reserve Policy, AGM shall receive a complete set of executed documents implementing the requirements of this Commitment.

ASSURED GUARANTY MUNICIPAL CORP.

_____

Authorized Officer

*To keep this commitment in effect to the Expiration Date set forth on the first page, AGM must receive by the date which is ten days from the date of this Commitment a duplicate of this Commitment executed by an appropriate officer of the Issuer.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The undersigned, an authorized officer of the Issuer, agrees that (i) if the debt service reserve fund requirement for the Bonds is satisfied by a credit instrument, such credit instrument shall be the Reserve Policy provided by AGM in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to obtain the Reserve Policy and whether the Reserve Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AGM has not made, and therefore the Issuer is not relying on, any recommendation from AGM that the Issuer deposit a credit instrument into the debt service reserve fund for the Bonds or obtain the Reserve Policy; it being understood and agreed that communications from AGM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to obtain the Reserve Policy; (iv) the Issuer acknowledges that AGM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AGM's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AGM reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including, without limitation, being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AGM in its sole discretion; (vii) the Issuer acknowledges that AGM undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse affect on the Bonds or on the Reserve Policy constituting a permitted debt service reserve instrument under the Authorizing Document; and (viii) the Issuer acknowledges that AGM pays rating agencies to rate AGM's financial strength, but that such payment is *not in exchange for any specific rating or for a rating within any particular range.* ***Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.***

CITY OF AUSTIN, TEXAS

By: _____

Title: _____

Date: _____

AUTHORIZING DOCUMENT REQUIREMENTS

The Authorizing Document shall incorporate the following requirements either in one section or article entitled "Provisions Relating to Reserve Policy" (or the like), **the provisions of which section or article shall be stated in the Authorizing Document to govern, notwithstanding anything to the contrary set forth in the Authorizing Document**, or individually in the appropriate sections. The Authorizing Document otherwise shall be in form and substance acceptable to AGM:

(a) The Issuer shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by AGM and shall pay interest thereon from the date of payment by AGM at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 4%, and (ii) the then applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as AGM shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by AGM, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and AGM had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to AGM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to AGM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Authorizing Document).

All cash and investments in the debt service reserve fund established for the Bonds (the "Reserve Fund") shall be transferred to the debt service fund for payment of debt service on Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, AGM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

(c) The Authorizing Document shall not be discharged until all Policy Costs owing to AGM shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(d) The Issuer shall include any Policy Costs then due and owing AGM in the calculation of the additional bonds test and the rate covenant in the Authorizing Document.

(e) The Authorizing Document shall require the Trustee to ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and to provide notice to AGM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to AGM of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

EXHIBIT B

ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

ISSUER: Policy No.:

BONDS: Effective Date:

Premium: $

Termination Date:

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") as set forth in the documentation (the "Bond Document") providing for the issuance of and securing the Bonds, for the benefit of the Owners, subject only to the terms of this Policy (which *includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall* become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AGM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of the Business Day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if *it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed* received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Issuer, as appropriate, who may submit an amended Notice of Nonpayment. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy. Upon such payment, AGM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) *pursuant to the Insurance Agreement.*

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this *Policy shall automatically be reduced by any payment under this Policy. However, after such payment, the* amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to AGM by or on behalf of the Issuer. Within three Business Days of such reimbursement, AGM shall provide the Trustee, the Paying Agent and the Issuer with notice of the reimbursement and reinstatement.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs *prior to the Effective Date or after the Termination Date of this Policy or (b) Bonds that are not outstanding* under the Bond Document. If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall AGM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other insurance policy or surety bond that AGM has issued.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York are, or the Insurer's Fiscal Agent is, authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the

stated date for payment of interest. "Insurance Agreement" means the Insurance Agreement dated as of the effective date hereof in respect of this Policy, as the same may be amended or supplemented from time to time. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from the Issuer, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment of principal or interest thereunder, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" shall be the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Bond Document from time to time (the "Debt Service Reserve Requirement"), but in no event shall the Policy Limit exceed $. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Debt Service Reserve Requirement, as provided in the Bond Document.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be cancelled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

(212) 826-0100

EXHIBIT C

INSURANCE AGREEMENT

THIS INSURANCE AGREEMENT, dated _____, 2013 (the "Agreement"), by and between [among] City of Austin, Texas (the "Issuer"), [_____ (the "Obligor")] and Assured Guaranty Municipal Corp. (the "Insurer").

In consideration of the issuance by the Insurer of its Municipal Bond Debt Service Reserve Insurance Policy No. _____ (the "Reserve Policy") with respect to the Issuer's Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the "Bonds") issued under the document setting forth the security for and authorizing the issuance of the Bonds (the "Authorizing Document") and the Issuer's payment to the Insurer of the insurance premium for the Reserve Policy, the Insurer, the Issuer hereby covenant and agree as follows:

1. Upon any payment by the Insurer under the Reserve Policy, the Insurer shall furnish to the Issuer [and the Obligor] written instructions as to the manner in which payment of amounts owed to the Insurer as a result of such payment under the Reserve Policy shall be made. Amounts drawn under the Reserve Policy shall be used solely to pay scheduled payments of principal and interest due on the Bonds.

2. The Issuer shall pay the Insurer the principal amount of any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such national bank as the Insurer shall designate. If the interest provisions of this Section 2 shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

3. Repayment of draws and payment of expenses and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due.

4. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

5. All cash and investments in the Reserve Fund shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Reserve Policy) on which there is available coverage shall

be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

6. If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

7. The Authorizing Document shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

8. In order to secure the Issuer's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of the Insurer a security interest (subject only to the priority of payment provisions set forth under the Authorizing Document) in all revenues and collateral pledged as security for the Bonds.

9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.

10. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of Section 5 hereof and shall provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

11. The Issuer will pay or reimburse the Insurer any and all charges, fees, costs, losses, liabilities and expenses which the Insurer may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds (the "Related Documents"), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer) relating to this Agreement, the Authorizing Document or any other Related Document, any party to this Agreement, the Authorizing Document or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Agreement, the Authorizing Document or any other Related Document, if any, or the pursuit of any remedies under this Agreement, the Authorizing Document or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to this Agreement, the Authorizing Document, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by the Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under the Authorizing Document or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Insurer spent in connection with the actions described in clauses (ii)-(v) above. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Agreement, the Authorizing Document or any other Related Document. Amounts payable by the Issuer hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full.

12. The obligation of the Issuer to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Bonds, the Authorizing Document or any other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Bonds, this Agreement, the Authorizing Document or any other Related Documents; (iv) whether or not such Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from this Agreement, the Reserve Policy, the Authorizing Document or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Issuer may have at any time against the Trustee or any other person or entity other than the Insurer, whether in connection with this Agreement, the transactions contemplated herein, in the Authorizing Document or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Insurer under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

13. Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing): Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No._____.

14. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

15. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

16. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

17. This Agreement and the rights and obligations of the parties of the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in their respective names as of the date first written above:

CITY OF AUSTIN, TEXAS	ASSURED GUARANTY MUNICIPAL CORP.
By: _____	By: _____
Title:	Title: Authorized Officer

PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")

AGM's issuance of its municipal bond debt service reserve insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid:	**Upon determination of the final debt service schedule, fax such schedule to AGM**
	Attention: Jill Schmidt, Vice President
	Phone No.: (212) 339 -3463
	Fax No.: (212) 239 -3494

Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Assured Guaranty Municipal Corp.
Account No.:	8900297263
Transaction No.:	131676

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Audrey A. Udit, Closing Coordinator , (212) 339-3548.

Exhibit B

[Bond Purchase Agreement]

CITY OF AUSTIN, TEXAS
(Travis, Williamson, and Hays Counties)

$____
Rental Car Special Facility Revenue Bonds,
Taxable Series 2013

BOND PURCHASE AGREEMENT

_____, 2013

Honorable Mayor and City Council
City of Austin, Texas
301 West 2nd Street
Austin, Texas 78701

Ladies and Gentlemen:

The undersigned, Wells Fargo Bank, National Association (the "*Representative*"), acting on its own behalf and on behalf of the other underwriter listed on Schedule I hereto (collectively, the "*Underwriters*") and not acting as a fiduciary or agent for you, offers to enter into the following agreement (this "*Agreement*") with the City of Austin, Texas (the "*Issuer*"), which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Austin, Texas time, on _____, 2013, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning assigned in the Indenture or the Official Statement (all as defined herein).

1. ***Purchase and Sale of the Bonds***. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's $____ Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the "*Bonds*"). The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriters are and have been acting solely as principals and are not acting as the agents or fiduciaries of the Issuer, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriters

have provided other services or are currently providing other services to the Issuer on other matters) and the Underwriters have no obligation to the Issuer with respect to the offering described herein except as expressly set forth in this Agreement, and (iv) the Issuer has consulted its own legal, tax, accounting, financial and other advisors to the extent it has deemed appropriate. The Representative has been duly authorized by the Underwriters to enter this Agreement and to act hereunder on their behalf.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities and redemption provisions and interest rates per annum are set forth in Schedule II hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of a trust indenture, dated as of _____, 2013, (the "*Indenture*") between the Issuer and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), and a bond ordinance adopted by the Issuer on _____, 2013 (the "*Ordinance*").

The purchase price for the Bonds shall be $_____ (representing the par amount of the Bonds, plus a net original issue premium of $_____ and less an underwriting discount of $_____).

Delivered to the Issuer herewith is the Representative's good-faith corporate check payable to the order of the Issuer in the amount of $_____ (the "*Check*"). In the event the Issuer does not accept this offer, the Check shall be promptly returned uncashed to the Representative. Upon the Issuer's acceptance and countersignature of this offer, the Check (i) shall not be cashed or negotiated but shall be held and retained in safekeeping by the Issuer as security for the performance by the Underwriters of their obligation, subject to the terms and conditions herein set forth, to purchase and accept delivery of the Bonds at the Closing (as hereinafter defined), and (ii) shall be applied and disposed of by the Issuer solely as provided in this Agreement. In the event of the Underwriters' compliance with such obligation to purchase and accept delivery of the Bonds as herein provided, the Check shall be returned to the Representative at the Closing. In the event of the failure by the Issuer to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions to the obligation of the Underwriters contained in this Agreement, or if the obligation of the Underwriters shall be terminated for any reason permitted by this Agreement, the Check shall be returned promptly to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase and accept delivery of the Bonds as herein provided, the Issuer shall become entitled to cash or negotiate the Check, and the proceeds thereof shall be retained by the Issuer as and for fully liquidated damages for such failure and for any and all defaults on the part of the Representative and such proceeds shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults. The Representative agrees not to stop payment on the Check, or cause payment on the Check to be stopped, unless the Issuer has breached the terms of this Agreement. The Representative and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters.

2. ***Public Offering***. The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on page ii of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page of the Official Statement.

3. ***The Official Statement***.

(a) The Issuer previously has delivered, or caused to be delivered, to the Underwriters the Preliminary Official Statement dated _____, 2013 (the "*Preliminary Official Statement*") in a "designated electronic format," as defined in the Municipal Securities Rulemaking Board's ("*MSRB*") Rule G-32 ("*Rule G-32*"). The Issuer will prepare, or cause to be prepared, a final Official Statement relating to the Bonds, which will be (i) dated the date of this Agreement, (ii) a final official statement within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended (the "Rule"), (iii) in a "designated electronic format" and (iv) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters before the execution hereof. Such final Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the "*Official Statement*." Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriters sufficient quantities (which may be in electronic format) of the Preliminary Official Statement as the Representative deems necessary to satisfy the obligation of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement has been deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, in sufficient time to

accompany any confirmation that requests payment from any customer and not later than the earlier of (i) within seven (7) business days after the Issuer's acceptance of this Agreement and (ii) three (3) business days prior to the Closing) copies of the Official Statement. The Issuer shall provide the Official Statement, or cause the Official Statement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein, in light of the circumstances under which they were made, or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Underwriters with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Representative), either an amendment or a supplement to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, in light of the circumstances under which they were made, or necessary to make the statements therein not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("*DTC*"), or its book-entry-only system, or the information contained under "OTHER RELEVANT INFORMATION - Underwriting." If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the

Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Representative hereby agrees to timely file the Official Statement with MSRB through its Electronic Municipal Market Access ("*EMMA*") system on or before the date of Closing. Unless otherwise notified in writing by the Representative, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

(f) The Representative hereby acknowledges that it has received and reviewed the Continuing Disclosure Undertaking (as defined in Section 6(i)(3) hereof) contained in the Indenture.

4. ***Representations, Warranties, and Covenants of the Issuer***. The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a home rule city operating under the laws of the State of Texas (the *"State")*, duly created, validly existing, and acting under the provisions of the Constitution and the laws of the State (including the Issuer's home rule charter); and the Issuer has full legal right, power and authority pursuant to the Constitution and the laws of the State, including particularly Chapter 1371, Texas Government Code, as amended, and Chapter 22, Texas Transportation Code (together, the "*Act*"), and its home rule charter, and at the date of the Closing will have full legal right, power and authority (i) to enter into, execute and deliver this Agreement, the Indenture, the Ordinance, the Master Lease, the New Concession Agreements, and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Indenture, the Ordinance, the Master Lease and the New Concession Agreements are hereinafter referred to as the *"Issuer Documents"*), (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, (iii) to own and operate the Issuer's airport system (the *"Airport System"*) and (iv) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement; and, the Issuer has complied, and will at the Closing be in compliance in all respects with the terms of its home rule charter, applicable State law (including the Act) and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Ordinance and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Prior Concession Agreements, (iii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iv) the consummation by it of all other transactions described in the Official Statement, the Prior Concession Agreements and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in

order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Prior Concession Agreements and the Issuer Documents constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights or by general principles of equity which permit the exercise of judicial discretion; the Bonds, when issued, delivered and paid for, in accordance with the Indenture, the Ordinance and this Agreement, will constitute legal, valid and binding limited obligations of the Issuer payable from and secured by a lien on and pledge of the Trust Estate, which includes the Revenues (as described in the Official Statement), entitled to the benefits of the Indenture and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Indenture;

(d) To its knowledge, on the date hereof and on the date of Closing, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is (or any of its property or assets are) otherwise subject; and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Prior Concession Agreements, the Issuer Documents and the adoption of the Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law or administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject, or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Prior Concession Agreements, the Issuer Documents and the Bonds have been duly obtained or will be obtained prior to the Closing, except for such approvals, consents and orders as may be required under the Blue Sky or

securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds and the Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTION - The Series 2013 Bonds" and "THE SERIES 2013 BONDS"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption "SOURCES AND USES OF FUNDS"; and the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) Except as otherwise provided in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION – Compliance with Prior Undertakings", during the last five (5) years the Issuer has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with the Rule;

(h) On the date hereof, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds pursuant to the Ordinance or the pledge or collection of Revenues pledged to the payment of the Bonds pursuant to the Indenture or in any way contesting or affecting the validity or enforceability of the Bonds, the Prior Concession Agreements or the Issuer Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Ordinance or the execution and delivery of the Prior Concession Agreements, the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds (including the security therefor), the Prior Concession Agreements or the Issuer Documents;

(i) As of its date, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the "end of the underwriting period," the Official Statement does not and will not contain any untrue statement

of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the "end of the underwriting period," the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(l) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Ordinance and the Indenture;

(m) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, at no expense to the Issuer (1) to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (2) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The information regarding the financial condition and operations of the Airport System set forth in the Official Statement fairly present the financial position, results of operations and condition of the Airport System as of the dates and for the periods therein set forth and there has been no adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Airport System since the dates of such information;

(o) The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition or operations of the Airport System;

(p) The Issuer, to the extent heretofore requested by the Representative, has delivered to the Underwriters true, correct, complete, and legible copies of all information, applications, reports, or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds [or to any municipal bond insurance company to obtain a municipal bond insurance policy on the Bonds];

(q) Prior to the Closing, and except in the ordinary course of business, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by the Trust Estate without the prior approval of the Representative;

(r) Other than as described in the Official Statement, the City has not entered into any contract or arrangement of any kind that might give rise to any lien or encumbrance on the Revenues or the Trust Estate.

(s) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein; and

(t) The Issuer covenants that between the date hereof and the Closing it will take no actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

By delivering the Official Statement to the Underwriters, the Issuer shall be deemed to have reaffirmed, with respect to the Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

5. ***Closing***.

(a) At or before 10:00 a.m., Austin, Texas time, on _____, 2013, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer will, subject to the terms and conditions hereof, deliver to the Representative the initial Bond or Bonds registered in the name of the Representative, in temporary form, together with the other documents hereinafter mentioned, and will have available for immediate exchange definitive Bonds deposited with DTC, or deposited with the Trustee, if the Bonds are to be held in safekeeping for DTC by the Trustee pursuant to DTC's FAST system, the Ordinance and the Indenture, duly executed and authenticated in the form and manner contemplated below, together with the other documents hereinafter mentioned, and the Representative will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1 hereof in immediately available funds (such events being referred to herein as the *"Closing"*). Payment for the Bonds as aforesaid shall be made at

the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the definitive Bonds in exchange for the initial Bond shall be made through DTC, utilizing the book-entry only form of issuance. The definitive Bonds shall be delivered in fully registered form bearing CUSIP numbers without coupons with one certificate for each maturity of Bonds, registered in the name of Cede & Co. and shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection.

6. ***Closing Conditions***. The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligation under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, the Prior Concession Agreements, the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds, the Prior Concession Agreements and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Representative;

(e) At or prior to the Closing, the Issuer Documents shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Trustee shall have duly authenticated the Bonds;

(f) [At or prior to the Closing, the municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by Assured Guaranty Municipal Corp. (the "*Bond Insurer*") shall have been duly executed, issued and delivered by the Bond Insurer;]

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative and counsel to the Underwriters;

(i) At or prior to the Closing, the Representative shall have received a copy of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, as may have been agreed to by the Representative;

(2) The Ordinance, certified by the Issuer as having been duly adopted and in full force and effect, with such supplements or amendments thereto as may have been agreed to by the Representative;

(3) The Indenture, which contains the undertaking of the Issuer and any obligated persons which satisfies the requirements of section (b)(5)(i) of the Rule (the "*Continuing Disclosure Undertaking*");

(4) The approving opinion of Bond Counsel, with respect to the Bonds, in substantially the form attached to the Official Statement as Appendix F;

(5) A supplemental opinion of Bond Counsel addressed to the Issuer and the Underwriters, substantially to the effect that:

(i) the Bonds are exempted securities under the Securities Act of 1933, as amended (the *"1933 Act"*), and it is not necessary, in connection with the offering and sale of the Bonds to register the Bonds under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended; and

(ii) Bond Counsel has reviewed the statements and information in the Official Statement under the captions "INTRODUCTION - The Series 2013 Bonds," "INTRODUCTION - Security for the Series 2013 Bonds," "THE SERIES 2013 BONDS," (except for the information under the subheading "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2013 BONDS," "THE CONCESSIONAIRE

AGREEMENTS", "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subheading "Compliance with Prior Undertakings"), "TAX MATTERS", "OTHER RELEVANT INFORMATION – Registration and Qualification of Series 2013 Bonds", "OTHER RELEVANT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" and "OTHER RELEVANT INFORMATION – Legal Opinions" (except for the second to last paragraph of such subheading), and in "APPENDIX B", "APPENDIX C," and "APPENDIX D" to verify that the information relating to the Bonds, the Indenture, the Prior Concession Agreements and the New Concession Agreements contained under such captions and in APPENDIX B, APPENDIX C, and APPENDIX D is a fair and accurate summary of the provisions thereof and is correct as to matters of law;

(6) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Underwriters, to the effect that:

(i) the Bonds are exempted securities that do not require registration under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register any securities under the 1933 Act and the Ordinance and the Indenture need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement, the information regarding DTC and its book-entry system, the information regarding the Airport Consultant and the Report, and the information regarding the Concessionaires, in each case as to which no view need be expressed);

(7) An opinion of the Assistant City Attorney, dated the date of the Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit A;

(8) A certificate, dated the date of Closing, of an appropriate official or officials of the Issuer to the effect that (i) all official actions of the Issuer relating to the Official Statement, the Prior Concession Agreements, the Issuer Documents and the Bonds have been duly taken and adopted by the Issuer, are in full force and effect and have not been modified, amended, supplemented or repealed; (ii) the representations and warranties of the Issuer contained herein or in any certificate or document delivered by the Issuer pursuant to the provisions hereof are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (iii) no litigation or proceeding against the Issuer is pending or, to its knowledge, threatened in any court or administrative body which would (a) contest the right of the City Council members, officers or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) attempt to restrain or enjoin the issuance or delivery of the Bonds or the Issuer's operation of the Airport System, or contest the validity, due authorization and execution of the Bonds, the Prior Concession Agreements or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting Revenues (or making payments on the Bonds) pursuant to the Indenture or other income, or the assessment or collection of the Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iv) to his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (v) the City has full legal right, power and authority to carry out and consummate the transactions described to be carried out by the City in the Official Statement; and (vi) there has not been any material adverse change in the financial condition of the Airport System since September 30, 2011, the latest date as of which audited financial information is available;

(9) A certificate of the Aviation Director, dated the date of Closing, to the effect that the information under the captions "INTRODUCTION - The Project," "INTRODUCTION - The Airport System," "THE PROJECT" and "THE AIRPORT SYSTEM," in the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in

the light of the circumstances under which they were made, not misleading;

(10) The fully-executed Master Lease, Sublease Agreements, Prior Concession Agreements and New Concession Agreements;

(11) Certified copies of all relevant proceedings of the City Council as the Representative or counsel to the Underwriters may reasonably request;

(12) The Report of the Airport Consultant;

(13) A certificate of the Airport Consultant, dated the date of Closing, in substantially the form attached hereto as Exhibit B;

(14) The approving opinion of the Attorney General of the State of Texas and the registration certificate of the Comptroller of Public Accounts of the State of Texas in respect of the Bonds;

(15) Evidence of ratings assigned to the Bonds of "___/___" (enhanced/unenhanced) by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business and "___/___" (enhanced/unenhanced) by Moody's Investors Service, Inc., [(the enhanced rating in reliance upon the issuance of the Municipal Bond Insurance Policy by the Bond Insurer)], and that such ratings are in effect as of the date of the Closing;

(16) [a copy of the Municipal Bond Insurance Policy together with an opinion of counsel to the Bond Insurer in form and substance reasonable satisfactory to the Representative;

(17) A certificate of the Bond Insurer with respect to the accuracy of statements contained in the Official Statement regarding the Municipal Bond Insurance Policy and the Bond Insurer and the due authorization, execution, issuance and delivery of the Municipal Bond Insurance Policy;] and

(18) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel, the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 1 (with respect to the Check), 4 and 8 hereof shall continue in full force and effect.

7. ***Termination***. The Underwriters shall have the right to cancel their obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Representative, reasonably exercised (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds and identifying the subsection or subsections of this Section 7 which is or are the basis of the termination), by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency having jurisdiction of the subject matter shall be made or proposed, with respect to federal or State taxation upon revenues or other income of the general character of the Revenues;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Ordinance and the Indenture are not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements,

as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities laws as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any state in which more than 15% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not due to the malfeasance, misfeasance or nonfeasance of the Underwriters;

(d) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum or maximum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital of, the Underwriters which change shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriters;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the assessments or the collection of the Revenues to pay the Issuer's obligations secured by and payable from the Revenues (including principal of and interest on the Bonds);

(g) any event occurring, or information (other than information set forth under the caption "OTHER RELEVANT INFORMATION—Underwriting") becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any material statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Airport System;

(i) since the date of this Agreement, the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other new material outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States;

(j) any fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred any downgrading, or any published notice shall have been given of (i) any intended or potential downgrading or (ii) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of the Issuer's obligations that are secured, in whole or in part, in a like manner as the Bonds (including the rating to be accorded the Bonds);

(l) [there shall have occurred with respect to the Bond Insurer any downgrade or published negative credit watch or outlook or published information from Moody's Investors Service, Inc., S&P or Fitch Ratings, which reflects a change or possible change, or does not indicate the direction of a change or possible change, with respect to the financial strength ratings accorded the Bond Insurer;] and

(m) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission having jurisdiction of the subject matter.

With respect to the condition described in subparagraphs (e) and (m) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry as of the date of execution of this Agreement which would permit the Underwriters to invoke their termination rights thereunder.

8. ***Expenses***.

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds; (ii) the fees and disbursements of Bond Counsel and the Issuer's Financial Advisor; (iii) the fees and disbursements of any other attorneys, engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings [and municipal bond insurance]; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vi) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and officials of the Issuer; (vii) the

Attorney General's review fee; and (viii) any other expenses mutually agreed to by the Issuer and the Representative to be reasonably considered expenses of the Issuer which are incident to the transactions contemplated hereby.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

(c) Based on information provided to it, the Issuer understands that the Underwriters will pay from the underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

9. ***Notices***. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to City of Austin, 700 Lavaca, Suite 940, Austin, Texas 78750, Attention: Treasurer; and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to Wells Fargo Bank, N.A., 1445 Ross Avenue, Suite 2340, Dallas, Texas 75202, Attention: John Moore.

10. ***Parties in Interest***. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer or the Representative. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. ***Effectiveness***. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. ***Choice of Law***. This Agreement shall be governed by and construed in accordance with the laws of the State.

13. ***Severability***. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid,

inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. ***Business Day***. For purposes of this Agreement, "business day" means any day on which (a) the New York Stock Exchange is open for trading and (b) the payment system of the Federal Reserve System is operational.

15. ***Section Headings***. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. ***Counterparts***. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document

17. ***No Personal Liability***. None of the members of the City Council, nor any officer, agent, or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

18. ***Entire Agreement***. This Agreement represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Bonds.

[*Execution Page Follows.*]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Representative of the Underwriters

By:_____
Name: John C. Moore
Title: Vice President

ACCEPTED at ____ a.m/p.m. Central Time this ____ day of _____, 2013.

CITY OF AUSTIN, TEXAS

By:_____
Name:_____
Title:_____

Schedule I – List of Underwriters
Schedule II – Schedule of Terms

SCHEDULE I

List of Underwriters

Wells Fargo Bank, National Association

Estrada Hinojosa & Co., Inc.

SCHEDULE II

$_____
City of Austin, Texas
Rental Car Special Facility Revenue Bonds,
Taxable Series 2013

Interest Accrues From: _____, 2013

Serial Bonds

Due (___15)	Principal Amount $	Interest Rate %	Initial Reoffering Price/Yield[(a)] %

Term Bonds

(a) The initial reoffering prices or yields of the Bonds are furnished by the Underwriters and represent the initial offering prices or yields to the public, which may be changed by the Underwriters at any time.

(b) The Issuer reserves the right, at its option, to redeem Bonds having stated maturities on and after _____ 15, 20__, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on ___ 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

EXHIBIT A

[LETTERHEAD OF THE CITY ATTORNEY]

_____, 2013

WELLS FARGO BANK, NATIONAL ASSOCIATION
ESTRADA HINOJOSA & CO., INC.
c/o Wells Fargo Bank, National Association
1445 Ross Avenue, Suite 2340
Dallas, Texas 75202

Re: City of Austin, Texas Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the "Bonds")

Ladies and Gentlemen:

This opinion is being rendered pursuant to Section 6(i)(7) of the Bond Purchase Agreement, dated _____, 2013 (the "Purchase Agreement"), executed by Wells Fargo Bank, National Association, as Representative of the Underwriters listed therein (the "Underwriters") and the City of Austin, Texas (the "City") relating to the issuance, sale, and delivery of the Bonds. Except as otherwise provided herein, the terms defined in the Purchase Agreement are used in this opinion with the meanings assigned to them in the Purchase Agreement.

I have reviewed the Prior Concession Agreements, the Issuer Documents and the Bonds and conducted such other investigations of fact and law as I have found necessary or advisable for the purpose of this opinion. As the Assistant City Attorney, I am also aware of litigation and other legal matters related to the Airport System that come to my attention in the performance of my duties.

It is my opinion that:

A. The City is a home-rule city duly organized and existing under the constitution and laws of the State of Texas with full power and authority, among other things, (1) to enter into, execute, deliver and perform its duties and obligations under the Prior Concession Agreements and the Issuer Documents, (2) to authorize, issue, sell and deliver the Bonds, and (3) to own, operate and maintain the Airport System and to collect and enforce the collection of Revenues as covenanted in the Indenture.

B. The Purchase Agreement, the Indenture, the Master Lease, and the New Concession Agreements have been duly authorized, executed, and delivered by, and the Ordinance has been duly adopted by, the City; and such instruments have not been amended, modified or supplemented, and such instruments constitute legal, valid and binding obligations of the City enforceable in accordance with their terms, except to the extent that their enforceability may be limited by applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and except that such enforceability is subject to general principles of equity and the exercise of judicial discretion (regardless of whether such enforceability is considered in a proceeding in law or at equity).

C. To my knowledge compliance with the provisions of the Prior Concession Agreements and the Issuer Documents does not conflict with, or constitute a breach of or default under, any applicable law, administrative regulation, court order or consent decree of the State of Texas, any department, division, agency, or instrumentality thereof, or of the United States of America to which the City may be subject or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party.

D. To my knowledge, all approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction which would constitute conditions precedent to the performance by the City of its obligations under the Prior Concession Agreements, the Issuer Documents, and the Bonds and which can reasonably be obtained at this time have been obtained.

E. To my knowledge, except as disclosed in writing by the City to the Underwriters on or prior to the date of the sale of the Bonds, there is no litigation or proceeding or threatened, affecting the existence of the City, or the title of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale, or delivery of the Bonds, or the right, power, and authority of the City to collect Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Prior Concession Agreements or the Issuer Documents or contesting the completeness or accuracy of the information in the Official Statement relating to the Bonds dated _____, 2013 (the "Official Statement"), or contesting the powers of the City or its authority with respect to the Bonds, the Prior Concession Agreements or the Issuer Documents.

F. The information in the Official Statement contained under the caption "LITIGATION" accurately and fairly summarizes the matters described therein.

In delivering the foregoing opinions, I have assumed that the parties other than the Issuer that have executed the Prior Concession Agreements and the Issuer Documents were duly authorized to execute and deliver the Prior Concession Agreements and the Issuer Documents, and that the Prior Concession Agreements and the Issuer Documents were duly executed and delivered by such parties, and are enforceable against such parties in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable provisions of federal bankruptcy laws and any other similar laws affecting the rights of creditors generally.

I express no opinion with respect to the adequacy or sufficiency of the security for the Bonds.

I express no opinion as to the compliance of the sale of the Bonds with the securities laws of any state, the treatment of the interest on the Bonds as gross income or excluded from gross income to the holders of the Bonds, or any other matters that are not expressly set forth herein, and no such opinion is to or may be inferred herefrom.

The information set forth herein is as of the date of this letter, and I disclaim any undertaking to advise you of changes which thereafter may be brought to my attention. This letter is solely for your information in connection with the sale of the Bonds and may not be relied upon by any other person without my prior written consent. It is not to be quoted in whole or in part or otherwise referred to in any documents, except for a closing list or transcript of the proceedings related to the issuance of the Bonds, and is not to be filed with or furnished to any governmental entity or person, without my prior written consent. The opinions herein expressed and the

statements herein made are limited in all respects the laws of the State of Texas and applicable federal law.

In making the above statement, I have not reviewed the dockets of courts or relevant administrative agencies nor have I contacted such courts or agencies; I have relied solely on information brought to my attention as Assistant City Attorney as of the date of this letter.

Very truly yours,

Susana Carbajal
Assistant City Attorney

EXHIBIT B

_____, 2013

$_____
City of Austin, Texas
Rental Car Special Facility Bonds,
Taxable Series 2013

CERTIFICATE OF AIRPORT CONSULTANT
RICONDO & ASSOCIATES, INC.

The undersigned, Ricondo & Associates, Inc. (the " Airport Consultant") hereby consents to the use and inclusion of the Report of the Airport Consultant dated _____, 2013 (the "Report") prepared by the Consultant and attached as "Appendix A" to the Final Official Statement dated _____, 2013 of the City of Austin (the "City") in connection with the issuance of its $_____ City of Austin, Texas Rental Car Special Facility Bonds, Taxable Series 2013, and also attached as "Appendix A" to the Preliminary Official Statement dated _____, 2013 in connection with the issuance of the aforesaid bonds.

The undersigned hereby also consents to the references made to Ricondo & Associates, Inc. as the Initial Airport Consultant in the Preliminary Official Statement and the Final Official Statement referenced above.

The Airport Consultant confirms that the information in the Preliminary Official Statement and the Final Official Statement under the captions "REPORT OF THE AIRPORT CONSULTANT," "THE CONCESSIONAIRES" and "CERTAIN INVESTMENT CONSIDERATIONS – Assumptions in the Airport Consultant's Report" and in the Report attached thereto as "Appendix A" does not contain any untrue statement of material fact necessary to make the statements therein, in light of the circumstances under which they were made not misleading.

The Airport Consultant confirms that it is not aware of any event or change in circumstances or assumptions that has occurred since the date of the Report that would lead the Airport Consultant to conclude that the assumptions in the Report are no longer reasonable or that the information, conclusions and forecasts in the Report should not be relied upon.

This certificate is being delivered as required by paragraph 6(i)(13) of the Bond Purchase Agreement dated _____, 2013 by and between Wells Fargo Bank, National Association and the City.

IN WITNESS WHEREOF, the undersigned has set its hand this ___ day of _____, 2013.

RICONDO & ASSOCIATES, INC.

_____
Name:_____
Title:_____

Exhibit C

[Official Statement]

122112
DRAFT 7
00615.183

PRELIMINARY OFFICIAL STATEMENT
Dated _____, 2013

Ratings: Moody's: "___"
Standard & Poor's: "___"
Fitch: "___"
(See "OTHER RELEVANT INFORMATION – Ratings")

NEW ISSUE – Book-Entry-Only

Interest on the Series 2013 Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS" herein.

$_____*

CITY OF AUSTIN, TEXAS

(Travis, Williamson and Hays Counties)

Rental Car Special Facility

Revenue Bonds, Taxable Series 2013

Dated Date: _____ 2013
(Interest to accrue from date of delivery)

Due: As shown on the inside cover page

Interest on the $_____* City of Austin, Texas Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the "Series 2013 Bonds"), will accrue from their date of delivery to the initial purchasers thereof and will be payable on May 15, 2013, and on each November 15 and May 15 thereafter until maturity or prior redemption. Interest on the Series 2013 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. The City of Austin, Texas (the "City") intends to utilize the Book-Entry Only System of The Depository Trust Company, New York, New York ("DTC"), but reserves the right on its behalf or on the behalf of DTC to discontinue such system. Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer. See "THE SERIES 2013 BONDS – Book-Entry-Only System".

The principal of and interest on the Series 2013 Bonds are payable from and secured solely by a first lien on and pledge of the Trust Estate established under the Trust Indenture between the City and Deutsche Bank National Trust Company, as trustee, dated as of _____, 2013 (the "Indenture"). Capitalized terms used in this Official Statement and not otherwise defined shall have the meaning given to such terms in "APPENDIX B – CERTAIN DEFINED TERMS."

The Trust Estate includes "Revenues", which is defined in the Indenture to include, among other moneys, all amounts deposited to the Revenue Fund established under the Indenture, including, but not limited to, (i) the Prior Customer Facility Charges, Prior Facility Rentals and Contingent Fees paid by the Concessionaires to the Trustee pursuant to the Prior Concession Agreements, and (ii) the New Customer Facility Charges and Contingent Fees paid by the Concessionaires to the Trustee pursuant to the New Concession Agreements. The Trust Estate further consists of the interest of the City in the Funds and Accounts created by the Indenture, which include, among other Funds, a Debt Service Reserve Fund, a Debt Service Coverage Fund and a Supplemental Security Fund. See "SECURITY FOR THE SERIES 2013 BONDS."

A portion of the proceeds of the Series 2013 Bonds, together with other available funds of the City, will be used to finance the design, construction, and equipping of a project (the "Project" or the "Joint Use Facility"), which is to be located on the premises of Austin-Bergstrom International Airport (the "Airport"), and will consist primarily of a five story parking garage structure containing (i) a consolidated rental car facility located within the four upper stories of the structure allocated to rental car purposes, together with other facilities and improvements, as more particularly described herein (the "CONRAC"), and (ii) a City-operated commercial parking facility on the ground floor of the structure.

The City has entered into a Consolidated Rental Car Facility Master Lease Agreement for Austin-Bergstrom International Airport, dated as of _____, 2013 (the "Master Lease"), with Austin CONRAC, LLC, a Texas limited liability company ("Austin CONRAC"), which provides for (i) the design, construction, financing, occupancy, operation, maintenance, and management of the Joint Use Facility pursuant to the terms of the Master Lease, (ii) the lease of the CONRAC to Austin CONRAC, and (iii) the subleasing of all or a portion of the CONRAC to the Concessionaires pursuant to separate Sublease Agreements between Austin CONRAC and the Concessionaires. The City has entered into New Concession Agreements with certain Concessionaires, which permit such Concessionaires to conduct rental car operations at the Airport, commencing on the Opening Date of the CONRAC. Pursuant to the terms of the New Concession Agreements, the Concessionaires have agreed to remit the New Customer Facility Charges required to be charged and collected thereunder directly to the Trustee, which constitute "Revenues" for purposes of the Indenture and have been pledged to the payment of the Series 2013 Bonds as described above. **No amounts payable by Austin CONRAC under the Master Lease or by the Concessionaires under any Sublease Agreement have been pledged to the payment of the Series 2013 Bonds.**

The City has previously entered into, and there is currently in effect, Prior Concession Agreements with certain Concessionaires, which provide for the lease, operation, maintenance and use of existing facilities at the Airport (not constituting the Joint Use Facility) for the purpose of conducting rental car operations. Pursuant to the terms of the New Concession Agreements, (i) the Concessionaires have agreed to remit the Prior Customer Facility Charges required to be charged and collected under the Prior Concession Agreements directly to the Trustee, which constitute "Revenues" for purposes of the Indenture and have been pledged to the payment of the Series 2013 Bonds as described above, and (ii) unless terminated earlier, the Prior Concession Agreements will terminate on the Opening Date of the CONRAC.

The Series 2013 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2013 BONDS – Redemption Prior to Maturity." The City has reserved the right in the Indenture to issue Completion Bonds and Additional Bonds secured by and payable from Revenues on a parity with the Series 2013 Bonds upon satisfaction of the conditions set forth therein. See "SECURITY FOR THE SERIES 2013 BONDS – Additional Bonds and Completion Bonds."

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Maturity Schedule on Inside Cover Page

The Series 2013 Bonds are offered for delivery when, as, and if issued and subject, among other things, to the opinions of the Attorney General of Texas and Bracewell & Giuliani LLP, Austin, Texas, Bond Counsel for the City. (See APPENDIX F - "Form of Bond Counsel's Opinion"). Certain legal matters will be passed on for the Underwriters by their counsel, Andrews Kurth LLP, Austin, Texas. The Bonds are expected to be available for delivery to the Underwriters through DTC on or about _____, 2013.

Wells Fargo Securities **Estrada Hinojosa & Company, Inc.**

MATURITY SCHEDULE*

Base CUSIP No. _____ (1)

Serial Maturities

Maturity Date	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix(1)

$_____ _____% Term Bonds maturing _____, 20__, priced to yield _____% CUSIP _____

$_____ _____% Term Bonds maturing _____, 20__, priced to yield _____% CUSIP _____

$_____ _____% Term Bonds maturing _____, 20__, priced to yield _____% CUSIP _____

(Interest accrues from date of delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Underwriters take any responsibility for the accuracy of such numbers.

The City reserves the right, at its option, to redeem the Series 2013 Bonds prior to their stated maturity on the dates and at the redemption prices set forth herein. See "THE SERIES 2013 BONDS – Redemption Prior to Maturity".

[The remainder of this page is intentionally left blank.]

*Preliminary; subject to change.

No dealer, salesman or any other person has been authorized by the City or by the Underwriters to give any information or to make any representations, other than the information and representations contained herein, in connection with the offering of the Series 2013 Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriters. Certain information set forth in this Official Statement has been furnished by the City and other sources which the City believes to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be relied upon as, or construed as a promise or representation by, the Underwriters. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The delivery of this Official Statement at any time does not imply that the information herein is correct as to any time subsequent to its date. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

The price and other terms representing the offering and sale of the Series 2013 Bonds may be changed from time to time by the Underwriters after the Series 2013 Bonds are released for sale, and the Series 2013 Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Series 2013 Bonds into investment accounts. In connection with the offering and sale of the Series 2013 Bonds, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2013 Bonds at a level above that which might otherwise prevail in open markets. Such stabilizing, if commenced, may be discontinued at any time.

THE SERIES 2013 BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE SERIES 2013 BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE SERIES 2013 BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED FROM REGISTRATION SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SERIES 2013 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

For purposes of compliance with Rule 15c2-12 promulgated by the SEC, as amended and in effect on the date of this Preliminary Official Statement, this document constitutes an official statement of the City with respect to the Series 2013 Bonds that has been deemed "final" by the City as of its date, except for the omission of no more than the information permitted by Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

None of the City, the Financial Advisor to the City, or the Underwriters makes any representation regarding the information contained in this Official Statement regarding The Depository Trust Company, or its book-entry-only system, as such information has been furnished by The Depository Trust Company. This Official Statement contains "forward–looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. **Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.** See "OTHER RELEVANT INFORMATION – Forward-Looking Statements."

TABLE OF CONTENTS

	Page
INTRODUCTION	1
The Series 2013 Bonds	1
The Project	1
Security for the Series 2013 Bonds	2
Rate Covenant	3
Master Lease	3
The Developer	4
The General Contractor	4
The Concessionaires	4
The Airport System	5
Additional Information	5
Certain Investment Considerations	5
THE PROJECT	5
THE SERIES 2013 BONDS	6
General	6
Redemption Prior to Maturity	6
Registration, Payment, Transfer and Exchange	8
Book-Entry-Only System	8
SECURITY FOR THE SERIES 2013 BONDS	10
Authorization	10
Pledge of Trust Estate	10
Supplemental Security Fund	11
No Airport System or City Liability	11
Rate Covenant	12
Contingent Fees and Prior Facility Rentals	12
Flow of Funds	12
Debt Service Reserve Fund	13
Debt Service Coverage Fund	14
CFC Surplus Fund	14
Enforcement of Agreements	17
Additional Covenants	17
Additional Bonds and Completion Bonds	17
Events of Default	18
Action by Trustee	19
SOURCES AND USES OF FUNDS	19
ANNUAL DEBT SERVICE REQUIREMENTS	20
THE CONCESSION AGREEMENTS	20
THE CONCESSIONAIRES	21
Austin-Bergstrom International Airport Rental Car Market by Gross Revenue	22
Historical Rental Car Activity Measures	23
REPORT OF THE AIRPORT CONSULTANT	24
Deplaned Passenger Projections	25
Forecasted CFC Revenues and Coverage	26
THE AIRPORT SYSTEM	27
General	27
Management	27

Airport Statistical Data 28
Airlines and Market Share 29
Historical Total Deplaned Passengers by Airline 30
Domestic Origin and Destination Markets 31
Historical Airport Passenger Activity 32

CERTAIN INVESTMENT CONSIDERATIONS 32
General 32
Achievement of Projections 33
Assumptions in the Airport Consultant's Report 33
Airline Industry and Airport Factors 33
Construction of the Project 34
Competition and Alternate Modes of Transportation and Communication 34
Concessionaires 34
Considerations under the Bankruptcy Code 35
Damage and Destruction 35
Events of Force Majeure 35
Ability to Meet Rate Covenant 35
Length of Term of New Concession Agreements and Master Lease 36
Limitations of Remedies 36
Secondary Market 36
Additional Taxes on Car Rentals 37

LITIGATION 37

INVESTMENTS 37
Legal Investments 37
Investment Policies 38
Additional Provisions 38
Current Investments 39

CONTINUING DISCLOSURE OF INFORMATION 39

TAX MATTERS 41
General 41
Make-Whole Redemption 42
Tax Consequences to U.S. Holders 42
Tax Consequences to Non-U.S. Holders 43

OTHER RELEVANT INFORMATION 45
Ratings 45
Registration and Qualification of Series 2013 Bonds 45
Legal Investments and Eligibility to Secure Public Funds in Texas 45
Legal Opinions 46
Financial Advisor 46
Underwriting 46
Forward-Looking Statements 47
Miscellaneous Information 47

APPENDICES
REPORT OF THE AIRPORT CONSULTANT ..... APPENDIX A
CERTAIN DEFINED TERMS ..... APPENDIX B
EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE ..... APPENDIX C
EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS ..... APPENDIX D
EXCERPTS OF CERTAIN PROVISIONS OF THE MASTER LEASE AND SUBLEASE AGREEMENTS ..... APPENDIX E
FORM OF BOND COUNSEL'S OPINION ..... APPENDIX F

CITY OF AUSTIN

Elected Officials

		Term Expires June 15
Lee Leffingwell	Mayor	2015
Chris Riley	Councilmember Place 1	2014
Mike Martinez	Councilmember Place 2	2015
Kathryne B. Tovo	Councilmember Place 3	2014
Laura Morrison	Councilmember Place 4	2014
William Spelman	Councilmember Place 5	2015
Sheryl Cole, Mayor Pro Tem	Councilmember Place 6	2015

Appointed Officials

Marc A. Ott	City Manager
Mike McDonald	Deputy City Manager
Robert Goode	Assistant City Manager
Sue Edwards	Assistant City Manager
Bert Lumbreras	Assistant City Manager
Anthony Snipes	Assistant City Manager
Elaine Hart, CPA	Chief Financial Officer
Greg Canally	Deputy Chief Financial Officer
Ed Van Eenoo	Deputy Chief Financial Officer
Karen Kennard	City Attorney
Shirley A. Gentry	City Clerk

BOND COUNSEL

Bracewell & Giuliani LLP
Austin, Texas

SECURITIES COUNSEL FOR THE CITY

McCall, Parkhurst & Horton L.L.P.
Austin and Dallas, Texas

FINANCIAL ADVISOR

Public Financial Management, Inc.
Austin, Texas

AIRPORT CONSULTANT

Ricondo & Associates, Inc.
Cincinnati, Ohio

For additional information regarding the City, please contact:

Art P. Alfaro
Treasurer
City of Austin
700 Lavaca, Suite 940
Austin, TX 78701
(512) 974–7882
art.alfaro@austintexas.gov

Dennis P. Waley
Public Financial Management, Inc.
221 West 6th Street
Suite 1900
Austin, TX 78701
(512) 614–5323
waleyd@pfm.com

OFFICIAL STATEMENT

**$_____*
CITY OF AUSTIN, TEXAS
(Travis, Williamson and Hays Counties)
Rental Car Special Facility Revenue Bonds, Taxable Series 2013**

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, furnishes information concerning the sale by the City of Austin, Texas (the "City") of $_____* City of Austin, Texas Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the "Series 2013 Bonds"), the security for the Series 2013 Bonds, the City's Airport System (the "Airport System") including Austin-Bergstrom International Airport (the "Airport"), the "Project", to be located at the Airport, being financed with a portion of the proceeds of the Series 2013 Bonds, and certain other matters in connection therewith. Unless otherwise defined herein, capitalized terms used herein are defined in "APPENDIX B – CERTAIN DEFINED TERMS".

The Series 2013 Bonds

The Series 2013 Bonds are being issued by the City under the Trust Indenture dated as of _____, 2013 (the "Indenture") by and between the City and Deutsche Bank National Trust Company, Jersey City, New Jersey (the "Trustee"), for the purpose of financing the costs of the Project (defined below) and certain other costs. The Series 2013 Bonds, together with any Completion Bonds and Additional Bonds, when and if issued (collectively, the "Bonds"), are payable from and secured solely by a first lien on and pledge of the Trust Estate established by the Indenture, which includes the Revenues and certain funds and accounts held under the Indenture, as described herein. The Revenues include, among other moneys, certain rental car daily usage fees (the "Prior Customer Facility Charges") to be charged, collected, and remitted by the rental car companies (the "Concessionaires") using rental car facilities currently operating at the Airport (the "Prior Facility") under the terms of the Prior Concession Agreements, and, on and after the Opening Date of the CONRAC, certain rental car daily usage fees (the "New Customer Facility Charges") to be charged, collected, and remitted by the Concessionaires under the terms of the New Concession Agreements. The Revenues also include the Prior Facility Rentals paid by the Concessionaires under the Prior Concession Agreements and Contingent Fees, if any, which may be charged under the terms of the Prior Concession Agreements and the New Concession Agreements under the conditions stated therein. See "Security for the Series 2013 Bonds" below. Unless terminated earlier, the Prior Concession Agreements will terminate on the Opening Date of the CONRAC. Neither the Prior Facility nor the Project is subject to any mortgage or other lien for the benefit of the owners of the Series 2013 Bonds. As used herein, the term "Customer Facility Charges" means (i) prior to the Opening Date, the Prior Customer Facility Charges, and (ii) on and after the Opening Date, the New Customer Facility Charges. As used herein, the term "Agreements" means (i) prior to the Opening Date, the Prior Concession Agreements, and (ii) on and after the Opening Date, the New Concession Agreements.

The Series 2013 Bonds will bear interest from their initial date of delivery at the interest rates, and will mature on the dates, set forth on the inside cover hereof. Interest on the Series 2013 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2013 Bonds will be subject to redemption prior to maturity as described herein under "THE SERIES 2013 BONDS – Redemption Prior to Maturity". Interest on the Series 2013 Bonds will be initially payable on May 15, 2013 and semi-annually on each November 15 and May 15 thereafter until maturity or prior redemption. The Series 2013 Bonds will be issued only in book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company. See "THE SERIES 2013 BONDS – Book-Entry-Only System".

The Project

The Prior Facility currently used by the Concessionaires consists of approximately 1200 rental car/return spaces located on one floor of the terminal garage structure directly across from the passenger terminal building at the Airport. Currently, four rental car companies operating under nine national brands provide rental car services at the Prior Facility. Upon the Opening Date of the CONRAC, the spaces currently reserved to the Concessionaires in the Prior Facility will be used to provide City-operated parking to members of the general public.

*Preliminary; subject to change.

A portion of the proceeds of the Series 2013 Bonds are to be used to pay for the costs of the design, construction, and equipping of new rental car facilities at the Airport, consisting primarily of one five story structure, containing a parking garage of approximately 790 spaces and related facilities, located on the eastern half of the current parking Lot A located to the north of the Prior Facility, and associated improvements as more particularly described herein (the "Project" or the "Joint Use Facility"). The Project will include (i) a consolidated rental car facility located within the four upper stories of the structure allocated to rental car purposes, including a quick turnaround limited vehicle service area, a rental car ready/return area, and associated improvements (the "CONRAC"), and (ii) a City-operated commercial parking facility on the ground floor of the structure ("Commercial Parking Facility"). The CONRAC represents the greater portion of the Joint Use Facility. Proceeds of the Series 2013 Bonds are also to be used to pay for costs of issuance of the Series 2013 Bonds, fund the Administrative Costs expected to be incurred prior to the Opening Date of the CONRAC, and for funding the Debt Service Reserve Fund and the Debt Service Coverage Fund. See "SOURCES AND USES OF FUNDS".

Upon completion and once the Opening Date occurs, the CONRAC will replace the Prior Facility for rental car operations at the Airport. Certain rental car companies have executed, or will execute before delivery of the Series 2013 Bonds, Rental Car Concession Agreements (the "New Concession Agreements") giving them the right and obligation to operate a rental car concession at the Airport for the purpose of arranging rental vehicle and related services for Airport customers upon completion of the Project and the date the CONRAC opens for business to the public (the "Opening Date") for an initial term of ten years. The City, in its sole discretion, may agree to extend the term for up to two additional five-year terms. See "The Concessionaires" below and "THE CONCESSION AGREEMENTS".

The Consolidated Rental Car Facility Master Lease for Austin-Bergstrom International Airport, dated as of _____, 2013 (the "Master Lease"), between the City and Austin CONRAC, LLC, a Texas limited liability company ("Austin CONRAC"), will provide for (i) the design, construction, financing, occupancy, operation, maintenance, and management of the Project pursuant to the terms of the Master Lease, (ii) the lease of the CONRAC to Austin CONRAC, and (iii) the subleasing of all or a portion of the CONRAC to the Concessionaires pursuant to separate Sublease Agreements between Austin CONRAC and the Concessionaires. See "The Master Lease" below. Construction of the Project will be developed by Pfeffer Development, LLC, an Alaskan limited liability company (the "Developer") authorized to do business in the State of Texas. The Developer will retain the services of Austin Commercial, LP (the "General Contractor") and oversee the construction of the Project. See "The Developer" below.

Security for the Series 2013 Bonds

Principal of and interest on the Bonds, including the Series 2013 Bonds, are payable from and secured solely by a first lien on and pledge of the Trust Estate. The Trust Estate includes the Revenues, which are defined in the Indenture to include all amounts deposited to the Revenue Fund, including, but not limited to (i) the Prior Customer Facility Charges paid by the Concessionaires to the Trustee under the Prior Concession Agreements, (ii) the New Customer Facility Charges paid by the Concessionaires to the Trustee under the New Concession Agreements, (iii) the Contingent Fees, if any, payable by the Concessionaires under the Agreements, (iv) any amounts drawn under separate letters of credit to be delivered by Concessionaires to the City's Director of Aviation under the Prior Concession Agreements that represent Prior Customer Facility Charges, Contingent Fees or Prior Facility Rentals, or under the New Concession Agreements that represent New Customer Facility Charges or Contingent Fees, (v) investment earnings from amounts held by the Trustee and deposited into the Revenue Fund, and (vi) the Prior Facility Rentals paid by the Concessionaires to the Trustee under the Prior Concession Agreements. In accordance with the terms of each of the Agreements, each Concessionaire is required to charge and collect the Customer Facility Charge from persons entering into a "motor vehicle rental agreement" with the Concessionaire. The Customer Facility Charge is to be set in accordance with the Indenture in order for it to be maintained at a level reasonably anticipated to provide Revenues at least equal to the sum of the amount of Administrative Costs for the applicable Bond Year, 1.25 times the Annual Debt Service Requirements for the applicable Bond Year, and amounts sufficient to restore any deficit in the Debt Service Reserve Fund and the Debt Service Coverage Fund. See "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant". Pursuant to each of the Agreements, each Concessionaire is required to charge and collect the Customer Facility Charge and make monthly remittances thereof to the Trustee during the term of the Agreements.

The Series 2013 Bonds are limited special revenue obligations of the City payable from and secured solely by a pledge of the Trust Estate. **The properties forming a part of the Airport and the general or other special revenues of the Airport System have not been pledged as security for the payment of debt service on the Series 2013 Bonds, and no mortgage or security interest has been granted or lien created thereon for the benefit of the Series 2013 Bonds. The Series 2013 Bonds are not general obligations of the City and the covenants and representations**

contained in the Indenture do not constitute a personal or pecuniary liability or charge against the general credit of the City, the Airport System or the Concessionaires. The State of Texas (the "State"), the City, the Airport System and any other political subdivision of the State and their respective officers, agents and employees shall never be liable in any manner for the payment of the Series 2013 Bonds.

The Concessionaires have not guaranteed the payment of principal of or interest on the Series 2013 Bonds, and no properties or revenues of any Concessionaire are pledged as security therefor, other than amounts received by the Trustee as Revenues. In addition, the Concessionaires have not guaranteed the collection or payment of the Customer Facility Charge from persons to whom it was charged.

The Series 2013 Bonds are also secured by the Funds and Accounts established and maintained under the Indenture, including a Debt Service Reserve Fund to be maintained in an amount equal to the Debt Service Reserve Fund Requirement and a Debt Service Coverage Fund in an amount equal to the Debt Service Coverage Fund Requirement. See "SECURITY FOR THE SERIES 2013 BONDS".

Upon the delivery of the Series 2013 Bonds, the City will fund, from Prior Customer Facility Charges and other lawfully available funds, the Series 2013 Supplemental Security Account within the Supplemental Security Fund established under the Indenture. Moneys held in the Series 2013 Supplemental Security Account will be transferred by the Trustee for deposit only into the Debt Service Fund at the times and in the amounts set forth in the Indenture to be used to pay principal of and interest on the Series 2013 Bonds. See "SECURITY FOR THE SERIES 2013 BONDS – Supplemental Security Fund".

Rate Covenant

Effective as of the date of initial delivery of the Series 2013 Bonds, the Concessionaires are required to continue to charge, collect, and remit to the Trustee the Prior Customer Facility Charges pursuant to the terms of the Prior Concession Agreements. Effective as of the Opening Date, the Concessionaires are required to charge, collect, and remit to the Trustee the New Customer Facility Charges pursuant to the terms of the New Concession Agreements. The current Prior Customer Facility Charge is $5.95 per transaction day, and under the terms of the New Concession Agreements, the initial amount of the New Customer Facility Charge is also $5.95 per transaction day. The Customer Facility Charges may be adjusted from time to time in order to enable the City to generate Revenues sufficient to meet the funding requirements set forth in the Indenture. See "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant".

Master Lease

In accordance with the Master Lease, Austin CONRAC has entered into a Development Agreement with the Developer, and has caused the Developer to enter into a construction contract with the General Contractor for the design, construction and equipping of the Project effective upon the delivery of the Series 2013 Bonds to the Underwriters. Austin CONRAC will lease the land on which the Joint Use Facility will be constructed (the "CONRAC Site") from the City, commencing on the effective date of the Master Lease (the "Effective Date") and continuing for the period of the development and construction of the Project to Substantial Completion. Commencing on Substantial Completion, the Leased Premises will consist of the CONRAC and non-exclusive roadways and walkways, but will not include the Commercial Parking Facility, rooms on each floor of the structure which shall contain the City's networking equipment for connectivity to the Joint Use Facility, a parking management office and other public spaces within the Joint Use Facility which are reserved by the City. After the Opening Date and throughout the term of the Master Lease (which commences on the Opening Date and expires on the last day of the three hundred sixtieth (360th) full calendar month after the Opening Date, unless terminated prior to such date in accordance with the terms of the Master Lease), the operation, maintenance and management of the CONRAC for the Concessionaires shall be the responsibility of Austin CONRAC.

The Master Lease provides that Austin CONRAC shall construct, equip and install, or cause to be constructed, equipped and installed, the Joint Use Facility on the CONRAC Site in accordance with the plans and specifications, schedule and budget approved by the City. Austin CONRAC shall within sixty (60) days after completion of construction of the Project, submit to the City written documentation that the construction has been completed in the manner required by the Master Lease. If Austin CONRAC fails to complete construction or to submit documentation that construction has been completed as required by the Master Lease, the City may exercise any remedies available to the City at law or equity or as set forth in the Master Lease, including termination of the Master Lease.

Throughout the term of the Master Lease, Austin CONRAC shall enter into Sublease Agreements with each Concessionaire which is a party to a New Concession Agreement in good standing with the City. Each Sublease Agreement is subject to the prior consent of the City (which consent shall not be unreasonably withheld), provided that the Concessionaire is not in default under its New Concession Agreement with the City. Each Sublease Agreement shall terminate on the same date that the corresponding New Concession Agreement expires or terminates unless replaced by a successor concession agreement with the City. Austin CONRAC shall take action to evict any Concessionaire that fails to vacate the Leased Premises promptly after its Sublease Agreement expires, terminates or is canceled.

Each Concessionaire is obligated to pay rent and other amounts to Austin CONRAC pursuant to the terms of its respective Sublease Agreement. Such rent and other amounts paid by the Concessionaires under the Sublease Agreements do **not** constitute Revenues, as defined in the Indenture, and do **not** constitute security for the Series 2013 Bonds.

Austin CONRAC is obligated under the Master Lease to pay rent in accordance with the terms of the Master Lease. Rent paid by Austin CONRAC is **not** a Revenue, as defined in the Indenture, and does **not** constitute security for the Series 2013 Bonds. Austin CONRAC shall pay, or in good faith contest, on or before their respective due dates, all federal, state and local taxes and fees levied as a result of the Master Lease, or upon the business conducted by Austin CONRAC or the Concessionaires on the Leased Premises.

The Master Lease provides that at all times during the term of the Master Lease, Austin CONRAC will retain a qualified and experienced Facility Manager to manage the daily operations of the Leased Premises. The Facility Manager shall have significant experience in the management and operation of large commercial facilities similar to the Fuel Facilities to be located at the Project in a competent and professional manner in accordance with operating standards and policies standard in the industry, and have the financial strength and management competency to operate, maintain and manage the Fuel Facilities.

The City retains an absolute right and option, in its sole discretion at any time after two hundred forty (240) months after the Opening Date, upon not less than nine (9) months written notice to Austin CONRAC and the Concessionaires, to terminate the Master Lease if the CONRAC will continue to be used for Rental Car Concessions, or to terminate the Master Lease and all Sublease Agreements upon not less than thirty-six (36) months' written notice to the Master Lessee and all Concessionaires if upon such termination the City will convert the CONRAC to a use other than for Rental Car Concessions.

See "APPENDIX E – EXCERPTS OF CERTAIN PROVISIONS OF THE MASTER LEASE AND SUBLEASE AGREEMENTS".

The Developer

The Developer is a multidisciplinary commercial real estate development firm based in Anchorage, Alaska, and registered to do business in Texas. The Developer is a direct successor to Venture Development Group, LLC, which carried out the development of the Anchorage Rental Car Center at the Ted Stevens Anchorage International Airport, completed in 2007 under the same lead management and construction management that continues with the Developer on the Project. The Developer has also consulted with the rental car industry in the predevelopment phase of the consolidated rental car facility at Seattle-Tacoma International Airport and in the post-development financing of the consolidated rental car facility at the Norman Mineta San Jose International Airport.

The General Contractor

The General Contractor, Austin Commercial, LP, is one of three operating companies of Austin Industries, Inc., which was founded in 1918 and describes itself as one of the largest construction organizations in the United States.

The Concessionaires

The rental car companies operating at the Prior Facility are Avis/Budget Rent a Car LLC, d/b/a Avis Rent a Car and Budget Rent a Car; Clearwater Transportation, LLC, d/b/a Dollar Rent a Car and Thrifty Rent a Car; Enterprise Holdings Inc., d/b/a Enterprise Rent-A-Car; Simply Wheelz Corporation, d/b/a Advantage Rent a Car; The Hertz Corporation, d/b/a Hertz Car Rental; Vanguard Car Rental, d/b/a Alamo Rent a Car and National Car Rental; and Texas Rent-a-Car, LLC, d/b/a Ace Rent a Car (the "Concessionaires"). Each of the Concessionaires has executed, or

will execute before delivery of the Series 2013 Bonds, a New Concession Agreement and a Sublease Agreement to operate at the CONRAC. Under the Master Lease, the City has reserved the right to enter into New Concession Agreements with up to two additional "New Entrant" rental car companies to operate in the CONRAC in each of the first and second ten years of the Master Lease term.

The Airport System

The Airport System consists of the Airport, where all passenger activity and cargo activity take place. For a general description of the Airport System, see the section herein entitled "THE AIRPORT SYSTEM".

Additional Information

The descriptions of documents included herein do not purport to be comprehensive or definitive. Prospective purchasers of the Series 2013 Bonds are referred to the Indenture, the Agreements, the Master Lease, and the Sublease Agreements for the complete terms thereof. During the offering period of the Series 2013 Bonds, copies of the Indenture, the Agreements, the Master Lease, and the Sublease Agreements may be obtained from Public Financial Management, Inc. ("PFM"), the City's Financial Advisor.

Certain Investment Considerations

The purchase and ownership of the Series 2013 Bonds may involve investment risk. Prospective purchasers of the Series 2013 Bonds are urged to read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2013 Bonds, see "CERTAIN INVESTMENT CONSIDERATIONS".

THE PROJECT

A portion of the proceeds of the Series 2013 Bonds are to be used to pay for the costs of the design, construction, and equipping of the Joint Use Facility. The Joint Use Facility involves the construction of one five-level structure to be located on the eastern one-half of the Airport's current public parking Lot A. The Joint Use Facility will be connected by an elevated pedestrian bridge to the existing short term parking garage next to the Airport's existing Terminal Building. The Joint Use Facility will consolidate rental car customer service and ready/return operations at the Airport into a single facility. The structure comprising roughly the western three quarters of the Joint Use Facility will be built to provide public parking on the first floor, converting uncovered parking to covered parking. A rental car customer service area and ready return space will occupy the second floor of this structure, and floors three through five will provide ready/return and storage space for rental vehicles. All floors will be served by elevators and have public restrooms, and floors two through four will also be served by escalators to assist with customer movements. A separated dedicated elevator will serve the public parking area below, and a designated walkway from the Airport's Terminal Building across the existing short term parking garage will lead directly to the customer service area for fast and convenient customer access without the need to board a bus to a remote facility.

The eastern quarter of the Joint Use Facility will house the Quick Turn Around ("QTA") area to service rental cars on multiple floors. Each of the three QTA floors will contain car washes, fueling dispensers, vacuums, and office space for each Concessionaire. The Commercial Parking Facility on the ground floor will be initially be used for employee parking, and the top floor for rental vehicle storage. The Project also includes certain infrastructure elements such as landscaping, roadways, utilities, fuel storage, fencing, signage, drainage and a dedicated car rental "flyover" bridge to seamlessly merge exiting traffic into the Airport's existing roadway system to enhance the customer experience at Airport.

All Concessionaires operating rental car concessions at the Prior Facility have worked with Airport management for the development of the Joint Use Facility, and have, or will have before closing of the sale of the Series 2013 Bonds, executed New Concession Agreements and Sublease Agreements, giving them the right and obligation upon completion to occupy and operate rental car concessions in the CONRAC. The initial term of the New Concession Agreements is eleven years, with the first year thereof to commence on the Opening Date and end on the following September 30. The City, in its sole discretion, may agree to extend the term for up to two additional five-year terms.

THE SERIES 2013 BONDS

The following a summary of certain provisions of the Series 2013 Bonds, including terms relating to redemption of the Series 2013 Bonds. Reference is hereby made to the Indenture as summarized in APPENDIX C hereto, and in its entirety for the detailed provisions pertaining to the Series 2013 Bonds.

General

The Series 2013 Bonds will be issued in the aggregate principal amount and at the interest rates, and will mature in the amounts and on the dates, all as set forth on the inside cover page hereof. The Series 2013 Bonds are issuable in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2013 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2013 Bonds will accrue from their date of delivery to the initial purchasers thereof, and will be payable on May 15, 2013, and on each November 15 and May 15 thereafter (each such date is referred to herein as an "Interest Payment Date") until maturity or prior redemption. The Series 2013 Bonds are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as securities depository for the Series 2013 Bonds. Purchases by beneficial owners of the Series 2013 Bonds (the "Beneficial Owners") are to be made in book entry form. See "Book-Entry-Only System" below.

Redemption Prior to Maturity

Make-Whole Optional Redemption. Prior to _____, 15, 20__ (the "First Par Call Date"), the Series 2013 Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, and if in part among maturities to be designated by the City, on any date at a redemption price equal to the greater of:

(i) 100% of the principal amount of the Series 2013 Bonds to be redeemed; and

(ii) the sum of the present value of the remaining scheduled payments of principal and interest to the First Par Call Date of such Series 2013 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2013 Bonds are to be redeemed, discounted to the date on which such Series 2013 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus ____ basis points,

plus, in each case, accrued interest on such Series 2013 Bonds to be redeemed to the redemption date. The redemption price of the Series 2013 Bonds to be redeemed pursuant to this "– Make-Whole Optional Redemption" subheading will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. The City and the Trustee may conclusively rely on such accounting firm's, investment banking firm's or financial advisor's determination of the redemption price of the Series 2013 Bonds to be redeemed and will bear no liability for such reliance.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2013 Bond to be redeemed as described in this "– Make-Whole Optional Redemption" subheading, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available not more than forty-five (45) days and not less than four (4) Business Days prior to the redemption date, excluding inflation indexed securities, or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2013 Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Optional Redemption at Par. On the First Par Call Date, or on any date thereafter, the Series 2013 Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, and if in part among maturities to be designated by the City, at a redemption price of par, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. The Series 2013 Bonds maturing in the years 20__, 20__ and 20__ (the "Term Bonds") are subject to scheduled mandatory sinking fund redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without redemption premium, plus accrued interest to the redemption date, on the dates and

in the principal amounts as follows:

Series 2013 Bonds maturing _____, 20__

Mandatory Redemption Date	Principal Amount ($)

Series 2013 Bonds maturing _____, 20__

Mandatory Redemption Date	Principal Amount ($)

Series 2013 Bonds maturing _____, 20__

Mandatory Redemption Date	Principal Amount ($)

*Stated Maturity.

The principal amount of the Term Bonds required to be redeemed on any redemption date will be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) have been redeemed pursuant to the optional redemption provisions thereof and not previously credited to a mandatory sinking fund redemption.

Selection of Bonds for Redemption. If less than all of the Series 2013 Bonds are to be redeemed, the City will determine the maturity or maturities and the amounts thereof to be redeemed and will direct the Trustee in the notice required by the Indenture to call the Series 2013 Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption. If the Series 2013 Bonds are in book-entry only form, the particular Series 2013 Bonds of such maturity to be redeemed will be selected by the Trustee from all such Bonds then Outstanding not previously called for redemption on a pro rata pass-through distribution of principal basis pursuant to the procedures and operational arrangements of DTC, or, if the book-entry only system of DTC or any other securities depository has been discontinued, the Trustee will select such Series 2013 Bonds for redemption on a pro rata basis. A portion of a single Series 2013 Bond of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Series 2013 Bond is to be partially redeemed, the Trustee (or DTC while the Series 2013 Bonds are in book-entry only form) will treat each $5,000 portion of the Series 2013 Bond as though it were a single Series 2013 Bond for purposes of selection for redemption.

Notice. The Trustee will give notice of any redemption of Series 2013 Bonds by sending notice by United States mail, first class postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the owner of each Series 2013 Bond (or part thereof) to be redeemed, at the address shown on the Register. Neither the failure of an owner of Series 2013 Bonds to receive the notice nor any defect in any notice so mailed will affect the sufficiency of the proceedings or the redemption of any Series 2013 Bond of an owner; and neither the failure to mail a redemption notice to a particular owner of Series 2013 Bonds or any defect in any such notice so mailed will affect the sufficiency of any of the proceedings for the redemption for any Series 2013 Bond. The notice will be deemed to have been given when mailed as provided above.

In the case of any optional redemption, such notice will also state that such redemption will be conditioned upon the Trustee's receipt on or prior to the redemption date of funds sufficient to pay the redemption price of, plus accrued and unpaid interest to the redemption date on, the Bonds to be redeemed.

In the event that following the mailing of notice of optional redemption by the Trustee as prescribed in the Indenture the Trustee (i) receives written notice from the City to the effect that funds will not be deposited with the Trustee on or before the scheduled redemption date in an amount sufficient to effect such redemption or (ii) is not in receipt of funds as of 3:00 p.m. (Eastern time) on the scheduled redemption date in an amount sufficient to effect such redemption, the Trustee will give prompt written notice to the Owners of the Bonds so called for redemption and each Rating Agency then rating the Bonds in the manner prescribed above to the effect that funds will not be, or were not (as the case may be), deposited with the Trustee in an amount sufficient to effect the redemption of such Bonds on the scheduled redemption date and that such Bonds will not be redeemed on the scheduled redemption date. The failure of the City to make funds available to the Trustee on or before the scheduled redemption date for any Bonds so called for optional redemption will not constitute an Event of Default under the Indenture.

So long a book entry system used for determining beneficial ownership of the Series 2013 Bonds, the Trustee is to send such notice to DTC or to Cede & Co., as nominee for DTC. Such notice to DTC is to be by certified mail, registered mail or by overnight delivery service return receipt requested. DTC was organized to hold securities of its Participants (herein defined). Any failure of DTC to advise any Participant, or of any Participant to notify the beneficial owner of a Series 2013 Bond, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2013 Bonds called for redemption or any other action premised on that notice. See "Book-Entry-Only System" below.

Registration, Payment, Transfer and Exchange

The Series 2013 Bonds are issued in fully registered form and are initially to be registered in the name of Cede & Co., nominee for DTC. Purchases by beneficial owners of the Series 2013 Bonds are to be made in book entry form in the principal amount of $5,000 or any integral multiple thereof. Payments to beneficial owners are to be made described below under "Book-Entry-Only System". The Series 2013 Bonds may be exchanged or transferred at the Designated Payment Transfer Office of the Trustee, initially in Jersey City, New Jersey.

No charge to be imposed upon registered owners in connection with the transfer or exchange except for taxes and governmental charges related thereto. Transfers by beneficial owners are to be made as described below under "Book-Entry-Only System".

Book-Entry-Only System

DTC will act as securities depository for the Series 2013 Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to collectively as "Participants". DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Subject to DTC's policies and guidelines, the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

SECURITY FOR THE SERIES 2013 BONDS

Authorization

The Series 2013 Bonds are being authorized and issued under Chapter 22 of the Texas Transportation Code, as amended, and Chapter 1371 of the Texas Government Code, as amended (collectively, the "Act"). The ordinances authorizing the issuance of the Airport System's general revenue bonds specifically allow for "special facility bonds" and excludes from "Airport Revenues" any revenues derived from special facilities which are pledged to the payment of special facility bonds while such special facility bonds are outstanding. The Series 2013 Bonds are treated as "special facility bonds".

Pledge of Trust Estate

The Series 2013 Bonds are being issued pursuant to the Indenture and are special obligations of the City, payable solely from the Trust Estate. The properties forming a part of the Airport System, including the Project, and the general or other special revenues of the Airport, other than Revenues under the Indenture, have not been pledged as security for the Series 2013 Bonds, and no lien or security interest has been granted or lien created thereon or on the Project for the payment of the Series 2013 Bonds. The Series 2013 Bonds are not a general obligation of the City and the covenants and representations contained in the Indenture do not constitute a personal or pecuniary liability or charge against the general credit of the City, the Airport System, or the Concessionaires. The City, the State, and any other political subdivisions of the State and their respective officers, agents, and employees shall never be liable in any manner for the payment of the Series 2013 Bonds.

The City has irrevocably pledged and assigned to the Trustee the Trust Estate, which includes the Revenues and the interest of the City in the Funds and Accounts created under the Indenture, including the Revenue Fund, the Debt Service Fund, the Supplemental Security Fund, the Debt Service Reserve Fund, the Debt Service Coverage Fund, the Construction Fund, the Repair and Replacement Fund, the Administrative Costs Fund, the RAC O&M and Rent Reserve Fund, and the CFC Surplus Fund. See "APPENDIX C – EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE".

The principal source of Revenues pledged as security for the Series 2013 Bonds are the Customer Facility Charges. Effective as of the date of initial delivery of the Series 2013 Bonds, the City will, pursuant to the Prior Concession Agreements, require each Concessionaire to charge, collect, and remit to the Trustee, as assignee of the City's interest therein, the Prior Customer Facility Charges. Effective as of the Opening Date, the City will, pursuant to the New Concession Agreements, require each Concessionaire to charge, collect, and remit to the Trustee, as assignee of the City's interest therein, the New Customer Facility Charges. The existing Prior Customer Facility Charge is, and the initial amount of the New Customer Facility Charge will be, $5.95 for each day, or partial day, or each rental and shall be levied on the rental at the Airport of any rental car. The Concessionaires are required to collect the Customer Facility Charge from all rental car customers. The amount of the Customer Facility Charge charged by a Concessionaire shall be the same amount as the Customer Facility Charge charged by each of the other Concessionaires and shall be set forth as a separate line item in each rental agreement and identified as a customer charge. Each Concessionaire is required to remit all Customer Facility Charges collected by it directly to the Trustee on the 20th day of each month with respect to Customer Facility Charges collected during the preceding month. The Customer Facility Charge collected by each Concessionaire prior to remittance to the Trustee, are regarded as trust funds held by the Concessionaire as an agent, for the beneficial interest of the Trustee. All Customer Facility Charges collected and held by a Concessionaire are property in which the Concessionaire holds only a possessory interest and not an equitable interest, and the Concessionaires acknowledge in each Agreement that the Customer Facility Charges are pledged as security for the Series 2013 Bonds. Under the Agreements, the Concessionaires are required to maintain records and controls which are sufficient to demonstrate the correctness of the Customer Facility Charge revenue collected by the Concessionaire and the amount of Customer Facility Charge revenue paid to the Trustee. The records shall be available for inspection and examination at all times by the Trustee or City, or their duly appointed authorized representatives. The amount of the Customer Facility Charge may be reviewed at any time and may be adjusted periodically by the Director of Aviation in his sole discretion, for any reason, including the requirement to meet all covenants or requirements with respect to the Series 2013 Bonds on a current and ongoing basis. See "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant". In addition, Prior Facility Rentals paid by the Concessionaires to the Trustee under the Prior Concession Agreements and Contingent Fees, if any, which may be charged under the terms of the Prior Concession Agreements and the New Concession Agreements, constitute Revenues. See the definition of Revenues in "APPENDIX B – CERTAIN DEFINED TERMS".

Supplemental Security Fund

The Indenture establishes the Series 2013 Supplemental Security Account within the Supplemental Security Fund, to be funded on the date of initial delivery of the Series 2013 Bonds from moneys derived from Prior Customer Facility Charges and other lawfully available funds of the City held by the Trustee, which moneys have been designated by the City as Supplemental Security for the Series 2013 Bonds pursuant to the terms of the Indenture. Once funded, the City is under no obligation to make additional deposits to the Supplemental Security Fund in support of paying debt service on the Series 2013 Bonds.

On the date of initial delivery of the Series 2013 Bonds, the Trustee will transfer $_____ from the Series 2013 Supplemental Security Account to the Debt Service Fund. Thereafter, amounts on deposit in the Series 2013 Supplemental Security Account will be transferred by the Trustee to the Debt Service Fund on the dates and in the amounts set forth below:

Transfer Date	Amount
November 16, 2013	$_____
November 16, 2014	_____
November 16, 2015	_____
November 16, 2016	_____
November 16, 2017	_____
November 16, 2018	_____
November 16, 2019	_____
November 16, 2020	_____
November 16, 2021	_____
November 16, 2022	(1)

(1) All remaining moneys on deposit in the Series 2013 Supplemental Security Account.

As defined in the Indenture, the "Annual Debt Service Requirements" for the Series 2013 Bonds in any Bond Year will be reduced by the amount of Supplemental Security provided therefor that is on deposit in the Debt Service Fund and available to pay debt service for such Bond Year. In addition, solely for the purposes of determining the Debt Service Reserve Fund Requirement and the Debt Service Coverage Fund Requirement, the Annual Debt Service Requirements for the Series 2013 Bonds in any Bond Year will be reduced by the amount of Supplemental Security that is scheduled to be transferred to or is on deposit in the Debt Service Fund for such Bond Year. See "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant," "– Flow of Funds," "– Debt Service Reserve Fund," "– Debt Service Coverage Fund," "– Additional Bonds and Completion Bonds" and the definition of Annual Debt Service Requirements in "APPENDIX B – Certain Defined Terms".

No Airport System or City Liability

The Series 2013 Bonds are limited special revenue obligations of the City payable from and secured solely by a pledge of the Trust Estate. **The properties forming a part of the Airport System and the general or other special revenues of the Airport System, other than Revenues under the Indenture, have not been pledged as security for the Series 2013 Bonds, and no mortgage or security interest has been granted or lien created thereon or on the Project for the benefit of the Series 2013 Bonds. The Series 2013 Bonds are not obligations of the City and the covenants and representations contained in the Indenture do not constitute a personal or pecuniary liability or charge against the general credit of the City, the Airport System, or the Concessionaires.** The City, the State, and any other political subdivisions of the State, and their respective officers, agents, and employees shall never be liable in any manner for the payment of the Series 2013 Bonds.

Rate Covenant

No less than ninety (90) days prior to the end of each Bond Year, the Airport Consultant is required to prepare and present to the City a report which shall make a recommendation as to the amount of the Customer Facility Charge for the ensuing Bond Year. In making such recommendation the Airport Consultant is required to consider, among other factors: (i) the historical and projected origination and destination traffic at the Airport; (ii) historical and projected rental car transaction days at the Airport; (iii) the Annual Debt Service Requirements; (iv) the budgeted Administrative Costs and the actual Administrative Costs; (v) the amounts required to be deposited to the Funds and any existing or projected deficiencies therein; and (vi) such other factors deemed relevant by the Airport Consultant and the City; provided, however, that in making its recommendation of the amount of the Customer Facility Charge, the Airport Consultant shall not assume any Revenues from Contingent Fees unless the Airport Consultant finds that, as a result of factors set forth in its report, the Customer Facility Charge cannot be set at an amount sufficient to produce Revenues reasonably anticipated to satisfy the requirement of clauses (A), (B) and (C) in the immediately succeeding paragraph.

Subject to the provisions of the next paragraph, the City, at least sixty (60) days prior to the end of each Bond Year will establish and give notice to each of the Concessionaires of the amount of the Customer Facility Charge for the ensuing Bond Year. The amount of such Customer Facility Charge is required to be set by the City, taking into account the recommendation of the Airport Consultant, the amount reasonably anticipated to produce Revenues at least equal to the sum of (A) the Administrative Costs for such Bond Year (B) 1.25 times the Annual Debt Service Requirements for such Bond and (C) amounts sufficient to restore any deficiencies in the Debt Service Reserve Fund and the Debt Service Coverage Fund.

Upon the occurrence of an unscheduled draw on the Debt Service Reserve Fund, and at such other times permitted by the terms of the Agreements, the City is required to cause the Airport Consultant to prepare an interim report recommending an adjustment to the Customer Facility Charge to produce Revenues necessary to restore the amounts required to be deposited to the Administrative Costs Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Debt Service Coverage Fund for such Bond Year. Upon receipt of such report, the City, as soon as reasonably practicable, is required, if necessary, to adjust the Customer Facility Charge for the remainder of such Bond Year to an amount reasonably anticipated to produce Revenues in the amount set forth in the above paragraph.

Moneys held in the Series 2013 Supplemental Security Account are not Revenues for purposes of the Indenture; however, as described in "SECURITY FOR THE SERIES 2013 BONDS – Supplemental Security Fund", (i) such moneys, to the extent on deposit in the Debt Service Fund and available to pay debt service, will reduce the Annual Debt Service Requirements for the Series 2013 Bonds for the subject Bond Year for purposes of determining compliance with the rate covenant set forth in the Indenture as described above, and (ii) such moneys, to the extent on deposit in, or scheduled to be transferred to, the Debt Service Fund, will reduce the Annual Debt Service Requirements for the Series 2013 Bonds for the subject Bond Year for purposes of determining the Debt Service Reserve Fund Requirement, the Debt Service Coverage Fund Requirement and any coverage requirement for the issuance of Additional Bonds. See "SECURITY FOR THE SERIES 2013 BONDS – Supplemental Security Fund."

Contingent Fees and Prior Facility Rentals

Until the Opening Date, the City will, pursuant to the Prior Concession Agreements, require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees payable thereunder, if any, and the Prior Facility Rentals. From and after the Opening Date, the City, pursuant to the New Concession Agreements, will require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees, if any. In the event that the Concessionaires pay Contingent Fees, the amount of the Contingent Fees shall be determined by the City in accordance with the procedures for determination of the amount of the Customer Facility Charge as set forth in the Indenture and described above, in order produce Revenues in the amount set forth in the third paragraph under "Rate Covenant", above.

Flow of Funds

All Revenues received by the Trustee are to be deposited upon receipt to the Revenue Fund.

On or before the last Business day of each month, commencing _____, 2013 the Trustee is required to transfer moneys then credited to the Revenue Fund in the following order of priority:

a. First, the Trustee is required to transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the then budgeted Administrative Costs for such Bond Year. Thereafter, no additional transfers to the Administrative Costs Fund may be made during such Bond Year unless the City amends the budgeted Administrative Costs for such Bond Year and such amendment increases the budgeted Administrative Costs for such Bond Year. In such event, the Trustee is required to transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the increased budgeted Administrative Costs for such Bond Year;

b. Second, the Trustee is required to transfer, after taking into account any amounts representing capitalized interest therein, if any, to the Debt Service Fund an amount equal to the Annual Debt Service Requirements for such Bond Year;

c. Third, the Trustee is required to transfer to the Debt Service Reserve Fund amounts necessary (1) to cause the amount on deposit therein to equal the Debt Service Reserve Fund Requirement (taking into consideration any related Debt Service Reserve Fund Surety Policy), and (2) to the extent applicable, provide for the reimbursement of a Debt Service Reserve Fund Surety Policy provider in accordance with the terms of a related Debt Service Reserve Fund Surety Policy;

d. Fourth, the Trustee is required to transfer to the Debt Service Coverage Fund amounts necessary (1) to cause the amount on deposit therein to equal the Debt Service Coverage Fund Requirement (taking into consideration any related Debt Service Coverage Fund Surety Policy) and (2), to the extent applicable, provide for the reimbursement of a Debt Service Coverage Fund Surety Policy provider in accordance with the terms of the related Debt Service Coverage Fund Surety Policy; and

e. Fifth, the Trustee shall transfer to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund all remaining moneys.

As defined in the Indenture, the "Annual Debt Service Requirements" for the Series 2013 Bonds in any Bond Year will be reduced by the amount of Supplemental Security provided therefor that is on deposit in the Debt Service Fund and available to pay debt service for such Bond Year. In addition, solely for the purposes of determining the Debt Service Reserve Fund Requirement, the Debt Service Coverage Fund Requirement and any coverage requirement for the issuance of Additional Bonds, the Annual Debt Service Requirements for the Series 2013 Bonds in any Bond Year will be reduced by the amount of Supplemental Security that is scheduled to be transferred to or is on deposit in the Debt Service Fund for such Bond Year. See "SECURITY FOR THE SERIES 2013 BONDS – Supplemental Security Fund".

Debt Service Reserve Fund

The Indenture establishes the Debt Service Reserve Fund, which with respect to each series of Bonds is required to be funded in an amount equal to the least of (i) ten percent (10%) of the stated principal amount of such series of Bonds, (ii) Maximum Annual Debt Service on such series of Bonds, and (iii) one hundred twenty-five percent (125%) of the average Annual Debt Service Requirements on such series of Bonds (the "Debt Service Reserve Fund Requirement"). The Indenture allows for the substitution of a Debt Service Reserve Fund Surety Policy or the use of such a policy with respect to Additional Bonds or Completion Bonds. Amounts credited to the Debt Service Reserve Fund shall be used by the Trustee to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefore if there is not sufficient money available in the Debt Service Fund for such purpose, (ii) reimburse the provider of a Debt Service Reserve Fund Surety Policy in accordance with the terms of a Debt Service Reserve Fund Surety Policy, and (iii) upon written direction of an Authorized Representative, for the optional redemption of any series of Bonds in whole (if permitted under the terms of the Indenture or any Supplemental Indenture authorizing Additional Bonds or Completion Bonds), or to make the final payments for the retirement or defeasance of Bonds. Each increase in the Debt Service Reserve Fund Requirement, if any, resulting from the issuance of Additional Bonds or Completion Bonds shall be funded at the time of and delivery of such series of Additional Bonds or Completion Bonds by depositing to the credit of the Debt Service Reserve Fund from the proceeds of such Additional Bonds or Completion Bonds or other lawfully appropriated funds or by acquiring a Debt Service Reserve Fund Surety Policy in an amount sufficient to cause the amount credited to the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement after taking into account the issuance of such Additional Bonds or Completion Bonds. The Trustee shall, on an annual basis and prior to the establishment of the Customer Facility Charge for the next ensuing Bond Year and soon as practicable after a draw on the Debt Service Reserve Fund, cause the amounts credited to the Debt Service Reserve Fund to be evaluated. If the Trustee determines that the amount credited to the Debt

Service Reserve Fund is at least equal to the Debt Service Reserve Fund Requirement and that there is no then-outstanding reimbursement obligation to the provider of a Debt Service Reserve Fund Surety Policy, no further deposits shall be required to be made. If the Trustee determines that the amount credited to the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement or that there is an outstanding reimbursement obligation to the provider of a Debt Service Reserve Fund Surety Policy, the Trustee shall promptly resume making deposits in order to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, or, in the case of an outstanding reimbursement obligation under a Debt Service Reserve Fund Surety Policy, to provide for such reimbursement in accordance with the terms of the Debt Service Reserve Fund Surety Policy.

Debt Service Coverage Fund

The Indenture establishes the Debt Service Coverage Fund, which with respect to each series of Bonds is required to be *funded in an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service on such series of Bonds* (the "Debt Service Coverage Fund Requirement"). The Indenture allows for the substitution of a Debt Service Coverage Fund Surety Policy or the use of such a policy with respect to Additional Bonds or Completion Bonds. Amounts credited to the Debt Service Coverage Fund shall be used by the Trustee to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor if there is not sufficient money available in the Debt Service Fund and the Debt Service Reserve Fund for such purpose, (ii) reimburse the provider of any Debt Service Coverage Fund Surety Policy in accordance with the terms of any Debt Service Coverage Fund Surety Policy, and (iii) upon written direction of an Authorized Representative, for the optional redemption of any series of Bonds in whole (if permitted under the terms of the Indenture or any Supplemental Indenture authorizing Additional Bonds or Completion Bonds), or to make the final payments for the retirement or defeasance of any Bond. Each increase in the Debt Service Coverage Fund Requirement, if any, resulting from the issuance of Additional Bonds or Completion Bonds shall be funded at the time of issuance and delivery of such series of Additional Bonds or Completion Bonds by depositing to the credit of the Debt Service Coverage Fund from the proceeds of such Additional Bonds or Completion Bonds or other lawfully appropriated funds or by acquiring a Debt Service Coverage Fund Surety Policy in an amount sufficient to cause the amount credited to the Debt Service Coverage Fund to equal the Debt Service Coverage Fund Requirement after taking into account the issuance of such Additional Bonds or Completion Bonds. The Trustee shall, on an annual basis and prior to the establishment of the Customer Facility Charge for the next ensuing Bond Year and as soon as reasonable practicable after a draw on the Debt Service Coverage Fund, cause the amounts credited to the Debt Service Coverage Fund to be evaluated. If the Trustee determines that the amounts credited to the Debt Service Coverage Fund are at least equal to the Debt Service Coverage Fund Requirement and that there is no then-outstanding reimbursement obligation to the provider of a Debt Service Coverage Fund Surety Policy, no further deposits shall be made. If the Trustee determines that the amount credited to the Debt Service Coverage Fund is less than the Debt Service Coverage Fund Requirement or that there is a then-outstanding reimbursement obligation to the provider of a Debt Service Coverage Fund Surety Policy, the Trustee shall promptly resume making deposits in order to restore the Debt Service Coverage Fund to the Debt Service Coverage Fund Requirement or, in the case of an outstanding reimbursement obligation under a Debt Service Coverage Fund Surety Policy, to provide for such reimbursement in accordance with the terms of such Debt Service Coverage Fund Surety Policy.

CFC Surplus Fund

Within the CFC Surplus Fund, the City has established the CFC Surplus Annual Disbursement Account and the CFC Surplus Residual Account. Moneys credited to the CFC Surplus Annual Disbursement Account shall be disbursed by the Trustee to pay the costs identified in, or to transfer to the Repair and Replacement Fund, to the RAC O&M and Rent Reserve Fund and to the CFC Surplus Residual Account pursuant to, a disbursement request submitted to the Trustee by an Authorized Representative. The City is obligated under the terms of the Indenture to submit a disbursement request to the Trustee for the disbursement of moneys from the CFC Surplus Fund for the costs, at the times, in the amounts and in the manner set forth in the New Concession Agreements.

Pursuant to the terms of the New Concession Agreements, amounts credited to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

(a) For the period beginning on the Effective Date of New Concession Agreements and ending on September 30, 2013, and for each Fiscal Year thereafter until the Opening Date, to the City a total amount of $913,000 each Fiscal Year, with such amount to be prorated for any partial Fiscal Year in the manner determined by the City;

(b) Upon the Opening Date, to the RAC O&M and Rent Reserve Fund an amount up to $2,100,000;

(c) Within six (6) months from the Opening Date, to the Master Lessee up to $6,000,000 to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees prior to the date of reimbursement as long as, after making such payment, sufficient funds remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to pay the amount reasonably estimated by the City to be necessary to pay all amounts to be paid under paragraph (d) below (excluding any amounts to be paid under paragraph (d)(vii) below) for such Fiscal Year and to provide for a minimum of $1,000,000 to remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund after giving effect to the estimated payments to be made under paragraph (d), as described below;

(d) Beginning on the Opening Date and ending in the Fiscal Year ending September 30, 2018, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

(i) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(ii) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index, with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City;

(iii) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to $350,000, with such amount to be increased two percent (2%) annually each Fiscal Year (with such increase to begin with the second full Fiscal Year following the Opening Date) and with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City, for the following purposes:

(A) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(B) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(iv) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(v) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by New Customer Facility Charge funds or reimbursed or paid from the Repair and Replacement Fund;

(vi) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(vii) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by New Customer Facility Charge funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this paragraph (vii).

(e) Beginning in the Fiscal Year ending September 30, 2019, and for each Fiscal Year thereafter until the Bonds are no longer outstanding, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in the following order of priority:

(i) Annually, $750,000 to the Repair and Replacement Fund, with such amount to be adjusted every year as determined by the City in its sole and absolute discretion;

(ii) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(iii) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index;

(iv) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to the amount set forth in paragraph (a)(iv) above (after giving effect to each annual increase as specified therein), with such amount to be increased two percent (2%) annually each Fiscal Year, for the following purposes:

(A) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(B) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(v) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(vi) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by New Customer Facility Charge funds or reimbursed or paid from the Repair and Replacement Fund;

(vii) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(viii) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by New Customer Facility Charge funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this paragraph (viii).

Pursuant to the terms of the New Concession Agreements, (i) the City is obligated each year to direct the Trustee to transfer, from the CFC Surplus Annual Disbursement Account to the CFC Residual Account, the excess amount that remains on deposit in the CFC Surplus Annual Disbursement Account, if any, after all required disbursements are made therefrom pursuant to the terms of the New Concession Agreements, and (ii) amounts on deposit in the CFC Residual Account shall be used to pay the costs identified in paragraphs (a) through (e) above in the event there are insufficient moneys in the CFC Surplus Annual Disbursement Account to pay such amounts in full. Pursuant to the terms of the Indenture and the New Concession Agreements, moneys on deposit in the CFC Surplus Residual Account of the CFC Surplus Fund may also be used at the discretion of the City to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor, (ii) restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Debt Service Coverage Fund or the Repair and Replacement Fund, (iii) purchase, defease or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service

Coverage Fund are fully funded; (iv) make final payments for the retirement or defeasance of Bonds; (v) expand, repair or improve the Joint Use Facility or the CONRAC Site; and (vi) expand, repair or improve, or pay any other costs of, rental car facilities, including any costs associated with the relocation of rental car facilities.

See "APPENDIX C - EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE" and "APPENDIX D – EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS."

Enforcement of Agreements

In the Indenture, the City covenants to take all actions required on its part to keep the Agreements in effect in accordance with their terms and will take all reasonable actions to enforce compliance by the Concessionaires with the Agreements, including specifically seeking specific performance by each of the Concessionaires of their respective obligations to charge, collect, and pay the Customer Facility Charges and the Contingent Fees, if any, to the Trustee, pursuant to the terms of the Agreements, and to pay the Prior Facility Rentals to the Trustee pursuant to the Prior Concession Agreements.

Additional Covenants

In the Indenture, the City covenants that until the Opening Date, to the extent that any Prior Facility Premises are relet to a rental car concession operator, the lease or concession agreement between the City and the rental car concession operator will contain provisions relating to Prior Customer Facility Charges and Contingent Fees substantially identical to those contained in the Prior Concession Agreements.

The City further covenants in the Indenture that from and after the Opening Date until the Bonds are no longer Outstanding, the City will maintain concession agreements in effect between the City and rental car concession operators containing provisions relating to customer facility charges and additional fees substantially identical to those provisions relating to New Customer Facility Charges and Contingent Fees, respectively, as contained in the New Concession Agreements. Any such customer facility charges and additional fees shall constitute New Customer Facility Charges and Contingent Fees, respectively, for all purposes of the Indenture.

Additional Bonds and Completion Bonds

Additional Bonds for Refunding Purposes. The City may issue one or more series of Additional Bonds payable from and secured by the Revenues on a parity with the Bonds for the purpose of refunding all or a portion of previously issued and then outstanding Bonds, provided, however, that if less than all Outstanding Bonds are refunded, no such Additional Bonds may be issued unless:

1. An Authorized Representative of the City certifies that, upon the issuance of such Additional Bonds, the City will not be in default under any term or provision of any Bonds then Outstanding or any ordinance pursuant to which any of such Bonds were issued;

2. The Trustee certifies that, upon the issuance of such Additional Bonds, the Debt Service Reserve Fund and the Debt Service Coverage Fund will contain the applicable Debt Service Reserve Fund Requirement and the Debt Service Coverage Fund Requirement, after giving effect to the issuance of such Additional Bonds;

3. Provision is made in the Supplemental Indenture authorizing the Additional Bonds for (A) any additional payments to the Debt Service Fund and the Debt Service Coverage Fund sufficient to provide for any principal and interest payments resulting from the issuance of the Additional Bonds and (B) satisfying the Debt Service Reserve Fund Requirement and the Debt Service Coverage Fund Requirement by no later than the date required by the Indenture or any indenture authorizing Additional Bonds; and

4. The City shall provide a certificate of an Authorized Representative meeting the requirements described under "–Additional Bonds for Rental Car Facilities" below; provided, that such certificate shall give effect to the Annual Debt Service Requirements of the proposed Additional Bonds to be issued for refunding purposes (and shall not give effect to the Annual Debt Service Requirements of Outstanding Bonds being refunded following their cancellation or provision being made for their payment); provided, further, however, that no such certificate shall be required for the issuance of any series of Additional Bonds for refunding purposes that will have the result of reducing the aggregate debt service on Outstanding Bonds.

Additional Bonds for Rental Car Facilities. The City may issue Additional Bonds payable from and secured by the Revenues on a parity with the Bonds for the purpose of financing the costs of expanding, repairing or improving the Joint Use Facility or the CONRAC Site, or the costs of any other rental car facilities, including any costs associated with the relocation of rental car facilities. The City must provide, in addition to all of the applicable certifications described above for the issuance of Additional Bonds for refunding purposes, a certificate of an Authorized Representative to the effect that, according to the books and records of the City, the Revenues for the last completed Bond Year, or for twelve consecutive months out of the eighteen months immediately preceding the month the Supplemental Indenture authorizing the issuance of such Additional Bonds is executed and delivered, are at least equal to 1.25 times the average Annual Debt Service Requirements for all Outstanding Bonds after giving effect to the issuance of such Additional Bonds.

In lieu of the certificate described in the preceding paragraph, the City may provide a written report of the Airport Consultant setting forth projections which indicate that the estimated Revenues for each of the three (3) consecutive Bond Years beginning in the earlier of (1) the first Bond Year following the estimated date of completion and initial use of all revenue producing facilities to be financed with Additional Bonds, based upon a certified written completion date by the consulting engineer appointed by the City for such facility or facilities, or (2) the first Bond Year in which the City will have scheduled payments of interest on or principal of the Additional Bonds to be issued for the payment of which provision has not been made as indicated in the report of such Airport Consultant from proceeds of such Additional Bonds, investment income therefrom or from other sources (other than Revenues), are equal to at least equal to 125% of the Annual Debt Service Requirements on all Outstanding Bonds scheduled to occur during each such respective Bond Year after taking into consideration the additional Annual Debt Service Requirements for the Additional Bonds to be issued.

Completion Bonds. In addition to the issuance of Additional Bonds, the City may issue one or more series of Completion Bonds payable from and secured by the Revenues on a parity with the Bonds, in the principal amount not exceeding ten percent (10%) of the aggregate principal amount of Bonds initially issued to finance the Project to pay for the cost of completing any portion of the Project and for which Bonds have been issued. Prior to the issuance of any series of Completion Bonds, in addition to all of the applicable certificates described above (other than the certificate described in paragraph 4 under "–Additional Bonds for Refunding Purposes"), the City must provide a certificate

(i) stating that all amounts allocated to pay Costs of the Project, from the proceeds of the most recent series of Bonds issued in connection with the Project for which the Completion Bonds are being issued were used or are still available to be used to pay Costs of the Project;

(ii) containing a calculation of the amount by which the aggregate Costs of the Project exceeds the sum of the Costs of the Project paid to such date plus the moneys available at such date within the Construction Fund or other like fund or account applicable to the Project plus any other moneys which the City has determined to be available to pay such costs in any other fund; and

(iii) certifying that the issuance of the Completion Bonds is necessary to provide funds for the completion of the Project.

Events of Default

Any one or more of the following events shall constitute "Events of Default" under the Indenture:

(i) failure to pay within two (2) Business Days of when due, at maturity or upon redemption, the principal of, or redemption premium, if any, on any Bond;

(ii) failure to pay within two (2) Business Days of when due the interest on any Bond; or

(iii) a default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in the Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof is given to the City by the Trustee, provided, however, that no Event of Default shall be deemed to have occurred if the City is diligently proceeding to cure or correct such default.

Action by Trustee

Upon the happening of any Event of Default, the Trustee may, in its discretion, or, upon the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to the satisfaction of the Trustee, shall take such appropriate action by judicial proceedings or otherwise to cure the Event of Default and/or to require the City or the Concessionaires to carry out its or their covenants and obligations under the Indenture and with respect to the Agreements, including, but without limitation, the filing of actions for specific performance and mandamus proceedings in any court of competent jurisdiction, against the City and/or a Concessionaire, and to obtain judgments against a Concessionaire for any Customer Facility Charges, Prior Facility Rentals and Contingent Fees due but unpaid pursuant to the Agreements, as applicable, or for any other amounts due under the Indenture, under the Bonds or under the Agreements, and interest on overdue payments of the principal of, redemption premium, if any, and interest on the Bonds, as further provided in the Indenture.

SOURCES AND USES OF FUNDS

The proceeds of the Series 2013 Bonds, together with other lawfully available funds of the City, will be applied approximately as follows:

Sources:
- Par Amount of Series 2013 Bonds
- Net Premium/(Discount)
- City Contribution (1)
- Total Sources of Funds

Uses:
- Construction Fund
- Debt Service Reserve Fund
- Debt Service Coverage Fund
- Series 2013 Supplemental Security Account
- Administrative Costs Fund
- Repair and Replacement Fund
- Cost of Issuance (2)
- Total Uses of Funds

(1) Represents Prior Customer Facility Charges and other lawfully available funds of the City.
(2) Cost of Issuance includes underwriter discount, and the fees and expenses of the Initial Airport Consultant, financial advisor, bond counsel, etc.

[The remainder of this page is intentionally left blank.]

ANNUAL DEBT SERVICE REQUIREMENTS

Annual debt service requirements for the Series 2013 Bonds are as follows:

Bond Year Ending November 15*	Principal	Interest	Total Debt Service	Less: Series 2013 Supplemental Security Account Transfers	Annual Debt Service Requirements
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					

*Preliminary; subject to change.

THE CONCESSION AGREEMENTS

The City has previously entered into, and there is currently in effect, Prior Concession Agreements with the Concessionaires (see "INTRODUCTION – The Concessionaires"), which provide for the lease, operation, maintenance and use of the Prior Facility for the purpose of conducting rental car operations. Pursuant to the terms of the New Concession Agreements, (i) the Concessionaires have agreed to remit the Prior Customer Facility Charges required to be charged and collected, and the Prior Facility Rentals that are required to be paid, under the Prior Concession Agreements directly to the Trustee, with the provisions of the New Concession Agreement relating to the New Customer Facility Charges applying fully to the Prior Customer Facility Charges, and (ii) unless terminated earlier, the Prior Concession Agreements will terminate on the Opening Date of the CONRAC. Currently, four Concessionaires operating under nine national brands provide rental car services at the Prior Facility.

All Concessionaires operating rental car concessions at the Prior Facility have worked with Airport management for the development of the Joint Use Facility, and have, or will have before delivery of the Series 2013 Bonds, executed New Concession Agreements and Sublease Agreements, giving them the right and obligation to occupy and operate rental car concessions in the CONRAC. Under the Master Lease, the City has reserved the right to enter into New Concession Agreements with up to two additional "New Entrant" rental car companies to operate in the CONRAC in each of the first and second ten years of the Master Lease term. The term of each New Concession Agreement shall commence on

the Opening Date and, unless earlier terminated pursuant to the provisions of the New Concession Agreement, shall extend for an initial period of eleven (11) Concession Agreement Years. Under the terms of the New Concession Agreements, the City, in its sole discretion, may agree to extend the term for up to two additional five-year terms.

Each Concessionaire is obligated collect the Customer Facility Charge in accordance with the terms the New Concession Agreements and remit such amounts collected to the Trustee, as the assignee of the City, for deposit in the Revenue Fund established in accordance with, and for the purposes specified in, the Indenture, including without limitation, payment of the principal of, premium, if any, and interest on the Bonds, including the Series 2013 Bonds. The Concessionaires shall remit the Customer Facility Charges monthly to the Trustee on or before the 20th day of each month for the preceding calendar month of operations. The Customer Facility Charge shall be the amount determined by the Aviation Director for all rental car companies doing business on the Airport and occupying the CONRAC. Each Concessionaire shall charge and collect Customer Facility Charges from all rental car customers, without exception. Each Concessionaire shall charge and collect Customer Facility Charges from customers receiving complimentary or discounted car rental under the Concessionaire's bona fide marketing plans, customers whose rentals are tax exempt, regardless of whether customer was an airline passenger to or from the Airport, and regardless of whether the rental reservation or contract was made by phone, internet, in person, or in any other manner or from any other location.

For a further description of the New Concession Agreements, see "APPENDIX D - EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS".

THE CONCESSIONAIRES

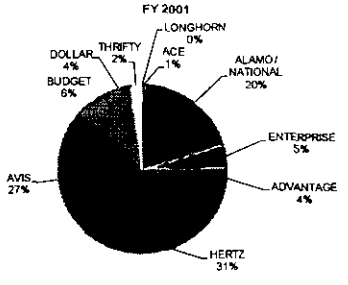
The following table sets forth the Concessionaires, the rental car brand or brands that each operates, and its Fiscal Year 2012 market share, based on the gross revenue at the Airport:

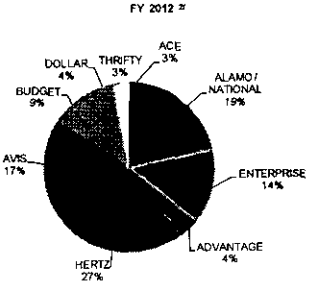
[The remainder of this page is intentionally left blank.]

Austin-Bergstrom International Airport Rental Car Market by Gross Revenue

(Fiscal Years Ended September 30)

CONCESSIONAIRE/BRAND	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 [1]
Enterprise Holdings, Inc	4.7%	6.8%	8.0%	9.6%	10.6%	10.7%	11.2%	11.5%	14.1%	13.1%	13.3%	14.2%
Enterprise Rent-A-Car	*4.7%*	*6.8%*	*8.0%*	*9.6%*	*10.6%*	*10.7%*	*11.2%*	*11.5%*	*14.1%*	*13.1%*	*13.3%*	*14.2%*
Vanguard Car Rental	19.8%	17.3%	15.7%	14.7%	15.8%	16.7%	15.6%	17.4%	18.5%	18.3%	19.6%	18.9%
Alamo Rent a Car / National Car Rental	*19.8%*	*17.3%*	*15.7%*	*14.7%*	*15.8%*	*16.7%*	*15.6%*	*17.4%*	*18.5%*	*18.3%*	*19.6%*	*18.9%*
Avis/Budget Rent a Car LLC	33.6%	31.1%	30.7%	28.6%	27.6%	29.2%	29.2%	29.3%	28.8%	26.3%	24.4%	25.9%
Avis Rent a Car	*27.2%*	*25.0%*	*25.4%*	*23.6%*	*22.9%*	*22.5%*	*22.0%*	*21.2%*	*19.8%*	*18.7%*	*18.4%*	*17.5%*
Budget Rent a Car	*6.3%*	*6.0%*	*5.3%*	*5.1%*	*4.7%*	*6.6%*	*7.2%*	*8.1%*	*8.9%*	*7.7%*	*6.0%*	*8.6%*
Hertz Corporation	30.9%	31.2%	31.0%	34.8%	34.4%	32.1%	33.3%	29.8%	28.6%	28.6%	28.8%	27.4%
Hertz Car Rental	*30.9%*	*31.2%*	*31.0%*	*34.8%*	*34.4%*	*32.1%*	*33.3%*	*29.6%*	*28.6%*	*28.6%*	*28.8%*	*27.4%*
Simply Wheelz Corporation	5.7%	4.3%	5.4%	5.4%	5.1%	5.0%	4.3%	5.4%	1.1%	3.9%	4.2%	3.7%
Advantage Rent a Car	*5.7%*	*4.3%*	*5.4%*	*5.4%*	*5.1%*	*5.0%*	*4.3%*	*5.4%*	*1.1%*	*3.9%*	*4.2%*	*3.7%*
Clearwater Transportation, LLC	6.7%	6.4%	8.6%	6.7%	6.8%	5.7%	5.4%	5.7%	7.0%	7.1%	6.1%	7.2%
Dollar Rent a Car	*4.4%*	*4.9%*	*4.2%*	*3.7%*	*3.2%*	*3.0%*	*2.9%*	*3.3%*	*4.2%*	*4.1%*	*3.9%*	*4.0%*
Thrifty Rent a Car	*2.3%*	*3.5%*	*4.4%*	*3.5%*	*3.1%*	*2.7%*	*2.4%*	*2.5%*	*2.8%*	*3.0%*	*2.9%*	*3.2%*
Texas Rent a Car, LLC	0.4%	0.5%	0.4%	0.2%	0.2%	0.6%	1.1%	1.1%	2.0%	2.7%	2.5%	2.6%
Ace Rent a Car	*0.4%*	*0.5%*	*0.4%*	*0.2%*	*0.2%*	*0.6%*	*1.1%*	*1.1%*	*2.0%*	*2.7%*	*2.5%*	*2.6%*
Longhorn Rent a Car [2]	0.2%	0.3%	0.1%									





NOTE:

[2] Longhorn Rent a Car ceased operation at the Airport during Fiscal Year 2003.

[3] Unaudited.

SOURCE: City of Austin - Aviation Department, November 2012.

PREPARED BY: Ricondo & Associates, Inc., November 2012.

Historical Rental Car Activity Measures

(Fiscal Years Ended September 30)

		ACTUAL										
		2002	2003	2004	2005	2006	2007	2008	2009	2010[1/]	2011[1/]	2012[1/]
Destination passengers	[A]	1,324,462	1,343,660	1,451,764	1,568,725	1,728,980	1,825,485	1,885,699	1,719,705	1,786,701	1,907,869	1,969,026
Rental Car Transactions	[B]	422,745	428,800	446,511	485,114	538,905	578,821	574,587	484,864	476,561	519,039	522,324
Ratio of Transactions to Destination Passengers	[C]=[B]/[A]	31.9%	31.9%	30.8%	30.9%	31.2%	31.7%	30.5%	28.2%	26.7%	27.2%	26.5%
Total Rental Car Transaction Days	[D]	1,424,042	1,327,257	1,453,907	1,613,508	1,902,156	1,981,174	1,998,480	1,662,130	1,613,882	1,792,104	1,833,183
Average rental length (Days)	[E]=[D]/[B]	3.37	3.10	3.26	3.33	3.53	3.42	3.48	3.43	3.39	3.45	3.51
CFC Rate ($ per day)	[F]	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 1.95	$ 3.33	$ 5.05
CFC Collections	[G]=[D]*[F]	$ 2,776,881	$ 2,591,171	$ 2,835,119	$ 3,146,341	$ 3,709,204	$ 3,863,289	$ 3,897,036	$ 3,241,154	$ 3,024,698	$ 9,558,363	$ 10,907,439
Gross Rental Car Revenue	[H]	$ 55,240,598	$ 54,063,477	$ 60,017,428	$ 67,333,004	$ 83,740,870	$ 87,610,031	$ 89,223,785	$ 83,256,045	$ 88,411,939	$ 95,970,009	$ 100,115,356
Average Daily Rental Rate	[I]=[H]/[D]	$ 38.79	$ 40.73	$ 41.28	$ 41.73	$ 44.02	$ 44.22	$ 44.65	$ 50.09	$ 54.78	$ 53.55	$ 54.61

NOTES

1/ Average rate shown, rate increased to $3.50 effective January 1, 2010. Transactions established prior to January 1, 2010, but extending beyond January 1, 2010, applied lower rate through duration of rental.

2/ Average rate shown, rate increase to $5.05 effective January 1, 2011. Transactions established prior to January 1, 2010 but extending beyond January 1, 2010, applied lower rate through duration of rental.

3/ Unaudited

SOURCES: City of Austin-Aviation Department, November 2012

PREPARED BY: Ricondo & Associates, November 2012

[The remainder of this page is intentionally left blank.]

In FY 2011, Hertz Corporation had a market share of 26.8% and was the largest brand by gross revenue, followed by Alamo/National and Enterprise at18.4% and 13.7%, respectively. These three companies have been the largest brands for the last ___ years.

Under the Master Lease, the City has reserved the right to enter into New Concession Agreements with up to two additional "New Entrant" rental car companies to operate in the CONRAC in each of the first and second ten years of the Master Lease.

For a further description of each of the Concessionaires, as well as a discussion of the rental car industry and market, both nationally and at the Airport, see Chapter 5 of APPENDIX A.

REPORT OF THE AIRPORT CONSULTANT

Ricondo & Associates, Inc., Chicago, Illinois (the "Initial Airport Consultant"), prepared the Report of the Airport Consultant (the "Report") included as APPENDIX A to this Official Statement. References made herein to the Report are made to the entire Report, which contains material information, findings, assumptions and conclusions concerning the Airport and the Project. **The Report should be read in its entirety.**

The Report is limited in scope; it evaluates the Customer Facility Charges necessary to pay debt requirements and coverage on the Series 2013 Bonds during the ten year period commencing _____ and sets the assumptions upon which the forecasts are based. The financial forecasts are based on certain assumptions that were provided by, or reviewed and agreed to, by the Airport System management. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts. Key factors and assumptions include (i) the completion of construction of the Project would be and will allow for opening by September 1, 2015, (ii) actual costs to develop the Project in the parking garage will be less than or equal to the estimates shown in the Report, (iii) rental car transactions and contract-days will occur at or above the projected levels shown in the Report during the period, which assumes that no material competition to on-Airport rental car companies would be provided by off-Airport rental car companies, and (iv) the City will maintain the Customer Facility Charges at the projected levels shown in the Report. However, any projection is subject to uncertainties. Inevitably, some will not be realized, and unanticipated events and circumstances may occur. The actual results achieved during the projection period will vary from the projections, and the variations may be material. The Report forecasts the number of contract days and the required Customer Facility Charge per day, which range from ___ to ____ contract days and Customer Facility Charges of $____.

Chapter 4 of the Report forecasts deplaned origination and destination ("O&D") passenger activity at the Airport for fiscal years 2013 through 2018, as set forth below:

[The remainder of this page is intentionally left blank.]

Deplaned Passenger Projections

FISCAL YEAR	DEPLANED O&D PASSENGERS	DEPLANED O&D PASSENGERS ORIGIN	% ORIG.	DEPLANED O&D PASSENGERS DESTINATION	% DEST.
2007	3,943,820	2,118,335	53.7%	1,825,485	46.3%
2008	4,161,800	2,276,101	54.7%	1,885,699	45.3%
2009	3,831,440	2,111,735	55.1%	1,719,705	44.9%
2010	3,940,690	2,153,989	54.7%	1,786,701	45.3%
2011	4,190,450	2,282,581	54.5%	1,907,869	45.5%
2012 [1/]	4,324,775	2,355,749	54.5%	1,969,026	45.5%
Projected					
2013	4,424,245	2,409,931	54.5%	2,014,314	45.5%
2014	4,519,606	2,465,500	54.6%	2,054,106	45.4%
2015	4,616,152	2,522,480	54.6%	2,093,672	45.4%
2016	4,714,555	2,581,171	54.7%	2,133,384	45.3%
2017	4,814,845	2,641,411	54.9%	2,173,434	45.1%
2018	4,916,815	2,703,001	55.0%	2,213,814	45.0%
2019	5,020,480	2,765,745	55.1%	2,254,735	44.9%
2020	5,125,857	2,829,883	55.2%	2,295,974	44.8%
2021	5,232,960	2,895,440	55.3%	2,337,520	44.7%
2022	5,341,805	2,961,971	55.4%	2,379,834	44.6%
Compound Annual Growth Rates:					
2011-2012	3.2%	3.2%		3.2%	
2012-2013	2.3%	2.3%		2.3%	
2012-2017	2.2%	2.3%		2.0%	
2017-2022	2.1%	2.3%		1.8%	
2012-2022	2.1%	2.3%		1.9%	

NOTES:

Assumes deplaned O&D passengers remain approximately 93 percent of total deplaned passengers.

1/ Estimated based on FY 2011 O&D percentage applied to FY 2012 actual unaudited deplaned passengers.

SOURCE: City of Austin-Aviation Department (Historical); US DOT Origination & Destination Survey of Airline Passenger Traffic (Historical) accessed through Diio, and Ricondo & Associates, Inc. (Projections)

PREPARED BY: Ricondo & Associates November 2012

The Report describes key factors that will affect future airline traffic, and contains certain background assumptions and key rationales for the forecast analysis. As further described in Appendix A, the Airport Consultant is forecasting that deplaned origination and destination passenger activity at the Airport will increase approximately 2.1% in fiscal year 2013 through 2017. The Report indicates that the area served by the Airport could support a compounded annual growth rate of approximately ___% in long-term growth in passenger activity at the Airport.

As set forth in the Report and as summarized in the following table, revenues from Customer Faculty Charges are forecast to be sufficient to meet the rate covenant of the Indenture, as described above under "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant." In the final Report, the forecasted Customer Faculty Charges and forecasted debt service coverage set forth in the following table are to be based on actual annual debt service requirement for the Series 2013 Bonds, and may differ from the forecasts thereof set forth in the Report, which are based on preliminary estimated annual debt service requirements. See Chapter 6 of the Report included as APPENDIX A.

Forecasted CFC Revenues and Coverage

(For Fiscal Years Ending September 30)

		PROJECTED									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue											
CFC collections	[A]	$ 8,348,873	$ 11,351,737	$ 12,153,775	$ 12,384,300	$ 12,616,781	$ 13,488,613	$ 13,737,926	$ 13,989,707	$ 14,958,789	$ 15,229,580
Staging Revenues [1]	[B]	364,501	486,002	445,502	-	-	-	-	-	-	-
Contingent Fees	[C]										-
Interest revenue	[D]	-	-	7,468	89,615	89,615	89,615	89,615	89,615	89,615	89,615
Total Revenue	[E]=[A]+[B]+[C]+[D]	$ 8,713,375	$ 11,837,739	$ 12,606,745	$ 12,473,915	$ 12,706,397	$ 13,578,228	$ 13,827,541	$ 14,078,322	$ 15,048,405	$ 15,319,195
Less: Administrative Costs	[F]	-	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339
Revenues Available for Debt Service	[G]=[E]-[F]	$ 8,713,375	$ 11,787,739	$ 12,555,245	$ 12,420,870	$ 12,651,760	$ 13,521,953	$ 13,769,577	$ 14,019,119	$ 14,986,911	$ 15,255,857
Series 2013 Debt Service Net of Supplemental Security Account Transfer	[H]	6,084,759	8,231,661	8,767,629	8,673,792	8,835,028	9,442,704	9,615,627	9,789,888	10,465,720	10,653,531
Debt Service Coverage - Rate Covenant	[I]=[G]/[H]	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43
Total Resources to Debt Service											
Debt Service Coverage Fund	[J]	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555	$ 3,732,555
Total Resources	[K]=[G]+[J]	$ 12,445,930	$ 15,520,294	$ 16,287,800	$ 16,153,425	$ 16,384,315	$ 17,254,508	$ 17,502,132	$ 17,751,674	$ 18,719,466	$ 18,988,412
Total Resources to Debt Service	[L]=[K]/[H]	2.05	1.89	1.86	1.86	1.85	1.83	1.82	1.81	1.79	1.78

NOTES

1/ Staging Revenues are projected to be collected from Concessionaires until Opening Date of CONRAC Facility; assumed to be September 1, 2015.

SOURCE: Public Financial Management, December 3, 2012; Ricondo & Associates Inc., December 2012

PREPARED BY: Ricondo & Associates Inc., December 2012

[The remainder of this page is intentionally left blank.]

As noted in the Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. Specifically, to the extent the actual interest rates on the Series 2013 Bonds are different from those rates assumed in the Report, the amount of the actual Customer Facility Charges established by the City is likely to vary from the Customer Facility Charges assumed in the Report. See "CERTAIN INVESTMENT CONSIDERATIONS".

Ricondo & Associates, Inc., is a full-service aviation consulting company headquartered in Chicago, Illinois, with offices in Cincinnati, Ohio, Denver, Colorado, Miami and Orlando, Florida, Phoenix, Arizona, San Antonio, Texas, Northern and Southern California, and the Washington, D.C. area.

THE AIRPORT SYSTEM

The following information contains a general, limited description of the City's Airport System, its passenger, as opposed to air cargo, operations and its management. The properties forming a part of the Airport and the general or other special revenues of the Airport System have not been pledged as security for the payment of debt service on the Series 2013 Bonds, and no mortgage or security interest has been granted or lien created thereon for the benefit of the Series 2013 Bonds. The Series 2013 Bonds are not general obligations of the City and the covenants and representations contained in the Indenture do not constitute a personal or pecuniary liability or charge against the general credit of the City, the Airport System or the Concessionaires. The State, the City, the Airport System and any other political subdivision of the State and their respective officers, agents and employees shall never be liable in any manner for the payment of the Series 2013 Bonds.

General

The Airport System is comprised of airport, heliport and aviation facilities or any interest therein owned, operated or controlled in whole or in part by the City and includes the Airport (also referred to herein as "ABIA"), but expressly excludes any heliport or heliports operated by City Departments other than the Aviation Department. ABIA is classified by the Federal Aviation Administration ("FAA") as a medium hub airport. According to Airports Council International, ABIA is the 43rd largest airport in the United States based on 2011 total passengers.

The Airport's Five Year Capital Improvement Program beginning FY 2013, totaling $134,874,000, is funded primarily from cash by Capital Fund contributions (75%), and anticipated FAA and Transportation Security Administration grant funding (25%). The projects for the five year program fall into three categories: Airfield/Apron - $18,674,000; Terminal - $83,500,000; and Parking and Roadways - $32,700,000.

The Department of Aviation has entered into use and lease agreements with the eight major airlines serving ABIA. The current agreements were effective October 1, 2009 and extend five years through September 30, 2014. Under current City ordinance, any airline that does not have a written agreement to operate at the Airport must pay landing fees equal to double the rate paid by carriers who do have an agreement.

Management

Jim Smith, Executive Director of Aviation. Mr. Smith is responsible for the City's Department of Aviation. He served in executive capacities in Norfolk, Virginia and Dayton, Ohio before joining the City in 1984. Since coming to Austin he has served as Director of Planning and Development, Director of Public Works and Transportation, Assistant City Manager and now Executive Director of the Department of Aviation. He has a Bachelor of Science Degree from the City University of New York and a Master of Public Administration Degree from the University of Dayton.

Patti Edwards, IAP, Director, Operations & Maintenance. Ms. Edwards is responsible for all maintenance, operations, security and IT, which include parking, buildings, grounds, airfield, roadways, motor pool and unimproved areas. She has been employed by the City's Aviation Department for over 14 years. She has been in her current position since November 2005. Ms. Edwards has over 25 years experience in Facilities and Project management. She is an active member of BOMA, ACI and AAAE and has earned the Airport Council International certification as an "International Airport Professional".

Jamy Kazanoff, Assistant Director, Aviation Business Development & Customer Relations. Ms. Kazanoff is responsible for airport marketing, business development and community relations for ABIA. She oversees the areas of marketing, advertising

revenue, passenger air service development, passenger assistance programs, media relations and serves as the point of contact with many Austin-area business and community groups. She has been employed by the City's Aviation Department for ten years. Ms. Kazanoff has 25 years of marketing and business development experience, primarily serving in account executive positions with advertising agencies. She is actively involved in the Airports Council International (ACI) Marketing and Communications Committee, serving as Chairwoman in 2008. She is also active in ACI's International Program, Central Texas Regional Partnership, and Austin Hospitality Council. She is a graduate of The University of Texas at Austin with a Bachelor of Journalism degree.

David Arthur, CPA, IAP, Assistant Director and Chief Financial Officer. Mr. Arthur is responsible for overall financial management of the Airport System, including financial accounting and reporting, day to day fiscal operations, budgeting, grants administration, airport rate setting, and airport property and contracts management. Before joining the City's Aviation Department in July 2009, he served the Houston Airport System in Financial and Management positions, most recently as Assistant Director, Finance and Budget. He is a graduate of Northwest Missouri State University, a Certified Public Accountant, and has earned the Airport Council International certification as an "International Airport Professional".

Shane Harbinson, Assistant Director, Planning & Engineering. Mr. Harbinson is responsible for Airport Planning, Development and Environmental Services. Mr. Harbinson has served in airport positions at Minneapolis St. Paul International, and Midland International in Midland, Texas before joining the City in 1999. Since coming to the City, he has served as Operations Coordinator, Noise Abatement Officer, Airport Planner, Manager of Airport Operations, Assistant Director of Operations and Security, and now Assistant Director of Planning & Engineering and Maintenance. He is a graduate of Saint Cloud State University, Saint Cloud, Minnesota, with a Bachelor of Science in Aviation. He is an active in the American Association of Airport Executives and Airport's Council International.

Donnell January, Assistant Director, Maintenance and Facilities. Mr. January is responsible for all Maintenance and Facility Services at ABIA. He oversees the areas of Airline Maintenance, Building Maintenance, Airside Maintenance, Landside Maintenance, Facility Services, Motor-pool and the Sign Shop. He has been employed by the Department of Aviation for five years, and has over 20 years of management experience. Since joining the Aviation Department, Mr. January has served as Division Manager implementing and maintaining the new in-line baggage handling system. Mr. January has a Bachelor of Science Degree from the College of Engineering Technology at Prairie View A&M University, Prairie View, Texas.

Airport Statistical Data

ABIA is the principal air carrier airport in the Austin Core Based Statistical Area ("CBSA"), consisting of Hays, Travis, Bastrop, Caldwell and Williamson Counties. The Austin CBSA population and economy generate more than ninety-five percent (95%) of the passengers enplaned at ABIA.

The secondary area of the Airport service region surrounds the Austin CBSA and consists of Bastrop, Blanco, Burnet, Caldwell, Fayette, Lee and Llano Counties. The limits of the secondary area are generally defined by the availability of airline service at air carrier airports in nearby cities such as Dallas/Fort Worth (192 miles), Houston (164 miles) and San Antonio (78 miles).

[The remainder of this page is intentionally left blank.]

Airlines and Market Share 1/

As of the date of this Official Statement, ABIA is being served by the following airlines:

LEGACY/MAINLINE CARRIERS (5)	LOW-COST CARRIERS (4)	REGIONAL CARRIERS (9)	ALL-CARGO CARRIERS (4)
American Airlines	AirTran Airways 3/	American Eagle	Air Cargo Carriers
Alaska Airlines	Frontier Airlines	Compass Airlines (d/b/a Delta Connection)	Baron
Delta Air Lines	JetBlue Airways	ExpressJet (d/b/a Delta Connection and United Express)	Federal Express
United Airlines 2/	Southwest Airlines 3/	Gojet (d/b/a United Express)	United Parcel Service
US Airways		Mesa (d/b/a US Airways Express and United Express)	
		Pinnacle Airlines (d/b/a Delta Connection)	
		Republic Airlines (d/b/a Frontier Express)	
		Shuttle America (d/b/a United Express)	
		SkyWest (d/b/a Delta Connection and United Express)	

NOTES:

1/ As of November 2012, except all-cargo carriers are as of September 2012.

2/ United and Continental merged on October 1, 2010 and the entity was subsequently renamed United Airlines. The FAA issued a single operating certificate for the merged airline on November 30, 2011.

3/ Southwest and AirTran merged on May 1, 2011. The FAA issued a single operating certificate for the merged airline on March 1, 2012, naming both airlines on the certificate. It will take several years before both airlines are fully integrated.

SOURCES: City of Austin - Aviation Department, Dilo schedule data, November 2012.

PREPARED BY: Ricondo & Associates, Inc., November 2012.

[The remainder of this page is intentionally left blank.]

Historical Total Deplaned Passengers by Airline 1/

	2007		2008		2009		2010		2011		2012 6/	
CARRIER 2/	DEPLANED PASSENGERS	SHARE	DEPLANED PASSENGERS	SHARE	DEPLANED PASSENGERS	SHARE	DEPLANED PASSENGERS	SHARE	DEPLANED PASSENGERS	SHARE	DEPLANED PASSENGERS	SHARE
Southwest	1,379,740	32.4%	1,479,219	33.1%	1,520,587	37.0%	1,545,545	36.5%	1,640,360	36.4%	1,740,684	37.4%
American	1,199,301	28.2%	1,181,273	26.5%	965,316	23.5%	909,686	21.5%	930,045	20.6%	941,752	20.2%
United 3/	784,457	18.4%	772,829	17.3%	691,590	16.8%	670,540	15.8%	700,928	15.5%	738,538	15.9%
Delta 4/	472,756	11.1%	442,807	9.9%	371,248	9.0%	471,711	11.1%	560,999	12.4%	594,451	12.8%
JetBlue	118,240	2.8%	158,195	3.5%	208,192	5.1%	251,875	5.9%	273,262	6.1%	289,881	6.2%
US Airways	142,201	3.3%	153,847	3.4%	199,590	4.9%	172,506	4.1%	185,492	4.1%	179,342	3.9%
Frontier	105,236	2.5%	150,288	3.4%	114,769	2.8%	105,714	2.5%	118,980	2.6%	109,696	2.4%
Alaska	0	0.0%	0	0.0%	11,665	0.3%	104,072	2.5%	93,941	2.1%	57,907	1.2%
Other Airlines 5/	57,765	1.4%	124,696	2.8%	28,663	0.7%	8,487	0.2%	6,240	0.1%	2,572	0.1%
Airport Total	**4,259,696**	**100.0%**	**4,463,154**	**100.0%**	**4,111,620**	**100.0%**	**4,240,086**	**100.0%**	**4,510,247**	**100.0%**	**4,654,823**	**100.0%**

NOTES

1/ *For the Airport's Fiscal Year, a twelve-month period ending September 30*

2/ Includes regional/commuter affiliates as applicable

3/ United and Continental merged on October 1, 2010 and the entity was subsequently renamed United Airlines. The FAA issued a single operating certificate for the merged airline on November 30, 2011.

4/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

5/ Includes airlines with minimal market share or that may not operate at the Airport as of Fiscal Year 2012.

6/ Unaudited, subject to change.

SOURCE: City of Austin - Aviation Department, November 2012.

PREPARED BY: Ricondo & Associates, Inc. November 2012.

[The remainder of this page is intentionally left blank.]

Domestic Origin and Destination Markets
(Passengers in thousands for FY 2011)

(12 Months Ending June 2012)

RANK	MARKET	STAGE LENGTH [1/]	TOTAL O&D PASSENGERS	AVERAGE FARE	YIELD PER COUPON MILE	NON-STOP SERVICE [2/]
1	New York [3/]	MH	503,895	$208	0.138	●
2	Dallas [4/]	SH	382,887	$127	0.669	●
3	Denver	MH	372,823	$114	0.147	●
4	Chicago [5/]	MH	330,279	$184	0.189	●
5	Los Angeles	MH	313,752	$181	0.146	●
6	Las Vegas	MH	272,635	$154	0.142	●
7	San Francisco	MH	261,225	$192	0.128	●
8	Orlando	MH	212,093	$135	0.136	●
9	Phoenix	MH	211,183	$153	0.176	●
10	Baltimore	MH	194,737	$189	0.141	●
11	Atlanta	MH	193,392	$190	0.233	●
12	Boston	MH	191,888	$189	0.111	●
13	Seattle	MH	183,240	$178	0.101	●
14	San Jose	MH	173,675	$192	0.130	●
15	San Diego	MH	165,530	$163	0.140	●
16	Fort Lauderdale	MH	151,640	$134	0.122	●
17	El Paso	SH	128,301	$138	0.261	●
18	Houston [6/]	SH	112,553	$120	0.831	●
19	Nashville	MH	110,011	$151	0.199	●
20	Minneapolis	MH	109,638	$226	0.217	●
Subtotal			**4,575,381**			
Other O&D Markets			**3,297,757**			
Domestic O&D Passengers			**7,873,138**	$175	0.161	

NOTES:

1/ Short Haul (SH) = 0 to 600 miles, Medium Haul (MH) = 601 to 1,800 miles, Long Haul (LH) = over 1,800 miles.

2/ Non-stop service as of November 2012.

3/ Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).

4/ Includes Dallas-Ft. Worth Airport (DFW) and Dallas Love Field (DAL).

5/ Includes Chicago O'Hare (ORD) and Chicago Midway (MDW).

6/ Includes Houston William P Hobby (HOU) and Houston Bush Intercontinental (IAH).

SOURCES: November 2012 schedule data and US DOT Origin & Destination Survey of Airline Passenger Traffic (domestic, four quarters ending Fiscal Q3 2012) accessed through Diio

PREPARED BY: Ricondo & Associates, Inc., November 2012.

[The remainder of this page is intentionally left blank.]

Historical Airport Passenger Activity

FISCAL YEAR	TOTAL PASSENGERS	DEPLANED PASSENGERS	AUS DEPLANED PASSENGERS AS % AUS TOTAL	AUS DEPLANED PASSENGERS AS % OF U.S TOTAL
2002	6,648,939	3,246,616	48.8%	0.51%
2003	6,681,682	3,256,850	48.7%	0.50%
2004	7,095,579	3,458,807	48.7%	0.50%
2005	7,571,764	3,704,881	48.9%	0.50%
2006	8,126,250	3,984,670	49.0%	0.54%
2007	8,732,697	4,259,696	48.8%	0.56%
2008	9,134,973	4,463,154	48.9%	0.59%
2009	8,262,330	4,111,620	49.8%	0.58%
2010	8,505,177	4,240,086	49.9%	0.59%
2011	9,039,589	4,510,247	49.9%	0.62%
2012 [1/]	9,323,170	4,654,823	49.9%	NA
Compound Annual Growth Rates:				
2002-2008	5.4%	5.4%		
2008-2009	(9.6%)	(7.9%)		
2009-2012	4.1%	4.2%		
2002-2012	3.4%	3.7%		
2011-2012	3.1%	3.2%		

NA - Not Available

1/ Unaudited, subject to change.

SOURCE: City of Austin-Aviation Department; Federal Aviation Administration Aerospace Forecast for Federal Fiscal Years 2012-2032

PREPARED BY: Ricondo & Associates November 2012

CERTAIN INVESTMENT CONSIDERATIONS

General

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations and bondholders' risks set forth throughout this Official Statement, and should specifically consider certain risks associated with the Series 2013 Bonds. There follows a discussion of some, but not necessarily all, of the possible risk factors which should be carefully evaluated by prospective purchasers of the Series 2013 Bonds prior to purchasing any Series 2013 Bonds. The Report included as APPENDIX A to this Official Statement also discusses factors that may affect aviation demand, and correspondingly demand for rental car services, at the Airport. The Series 2013 Bonds may not be suitable investments for all persons, and prospective purchasers should evaluate the risks and merits of an investment in the Series 2013 Bonds and confer with their own legal and financial advisors before considering a purchase of the Series 2013 Bonds.

Achievement of Projections

The collection of Customer Facility Charges in amounts sufficient to pay debt service on the Series 2013 Bonds when due is subject to conditions which may change in the future to an extent and with effects that cannot be determined at this time. No representation or assurance is given or can be made that Customer Facility Charges will be realized in amounts sufficient to pay debt service when due on the Series 2013 Bonds.

The receipt of Customer Facility Charges is subject to, among other factors, the origin and destination passenger activity levels at the Airport in the future, the level of car rental activity at the Airport in the future, future economic conditions, and other factors which are impossible to predict. The future collection and remittance of Customer Facility Charges will have a direct impact upon the payment of principal and interest on the Series 2013 Bonds.

Assumptions in the Airport Consultant's Report

As noted in the Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may and are likely to occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. See "AIRPORT CONSULTANT'S REPORT" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT".

Airline Industry and Airport Factors

General Factors Affecting Air Carriers. The airlines serving ABIA may be materially affected by many factors including, without limitation, the following: declining demand; service and cost competition; mergers; the availability and cost of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; national and international disasters and hostilities; the cost and availability of employees; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigations liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; deregulation; federal and state bankruptcy and insolvency laws; acts of war and terrorism; world health concerns such as the outbreak of SARS; and other risks. Many airlines, as a result of these and other factors, have operated at a loss in the past and several have filed for bankruptcy, ceased operations and/or have merged with other airlines. Historically, the airline industry's results have correlated with the performance of the economy. The September 11, 2001 attacks, the war in the Middle East and their aftermath have resulted in a further adverse effect on airline industry earnings. Several major carriers filed for federal bankruptcy protection, including US Airways (twice), Delta, Northwest and United. Each of these major carriers successfully reorganized under Chapter 11. American Airlines has filed for federal bankruptcy protection, and the resolution of the issues raised in the bankruptcy filing is still pending. Vanguard Airlines also has sought federal bankruptcy protection but ceased to operate. Further bankruptcy filings, liquidations or major restructuring by members of the airline industry remain possible. There is the increasing likelihood of consolidation within the airline industry, with reports of possible airline mergers including American Airlines and US Airways, among others. If two or more existing carriers operating at the Airport were to merge, it is possible that the merged entity may seek to consolidate its space at the airport by reducing the amount of gate, ticket counter, office and operations space it rents from the Department of Aviation. While this may result in some reduced rental income, it will also make it easier for the Airport to attract new entrants, who may have been deterred by a lack of available space in the Barbara Jordan Terminal.

General Factors Affecting Airline Activity. Numerous factors affect air traffic generally and air traffic at ABIA specifically. Demand for air travel is influenced by factors such as population, levels of disposable income, the nature, level and concentration of industrial and commercial activity in the service area and the price of air travel. The price of air travel is, in turn, affected by the number of airlines serving a particular airport and a particular destination, the financial condition, cost structure and hubbing strategies of the airlines serving the airport, the willingness of competing airlines to enter into an airport market, the cost of operating at an airport, the price of fuel and any operating constraints (due to capacity, environmental concerns or other related factors) limiting the frequency or timing of airport traffic within the national system or at a particular airport. In addition, the onset of war and the threat of renewed terrorist attacks may dampen air traffic. Although the City has developed contingency plans that make assumptions as to factors described above and suggest a prudent response to such events, the City may anticipate but can never predict the occurrence of any particular event or trend that could adversely impact airline traffic and the number of available rental car customers.

Aviation Security Concerns. Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel

behavior, air travel demand, and resulting car rental demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures may lead to both the avoidance of air travel and the switching from air to surface modes of transportation for short trips.

Since September 11, 2001, intensified security precautions have been instituted by government agencies, airlines and airport operators. These precautions include the strengthening of aircraft cockpit doors, changes to prescribed flight crew responses to attempted hijackings, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Safety Administration, and revised procedures and techniques for the screening of passengers and baggage for weapons and explosives. While generally successful to date, no assurance can be given that these precautions will continue to be successful. Also, the possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior, and airline and rental car demand.

Uncertainties of the Airline Industry. The airline industry has undergone significant changes including airline mergers, acquisitions, bankruptcies and closures. In addition, the financial results of the airline industry have been subject to substantial volatility since deregulation. The airline industry accumulated substantial losses from 1990 to 1994, before improving in 1995. The airline industry was generally profitable from 1995 to 1999. However, recent events, including the September 11, 2001 attacks, the general economic downturn in the industry and the war in the Middle East, have triggered record losses and caused the industry's worst financial performance in history. While the airline industry has largely recovered from the events of September 11th, and its aftermath, unprecedented high fuel prices, and recent adverse developments in the credit markets will continue to present new challenges to the airline industry.

The financial strength and stability of American, Southwest Airlines and any other airlines using the Airport in the future are key determinants of future passenger traffic and the number of available rental car customers. See "THE AIRPORT SYSTEM." No assurance can be given that American, Southwest Airlines or any other airline will continue its operations at the Airport during the term of the Series 2013 Bonds. In the event American, Southwest Airlines or any other airline discontinues or reduces its operations at the Airport its level of activity may not be replaced by other carriers. Accordingly, no assurance can be given to the levels of aviation activity and resulting rental car activity which will be achieved. The continued presence of the airlines serving ABIA, and the levels at which that service will be provided, are a function of a variety of factors. Future airline traffic of ABIA will be affected by, among other things, the growth or decline in the population and the economy of the Airport service region and by national and international economic conditions, acts of war and terrorism, federal regulatory actions, airline service, air fare levels and the operation of the air traffic control system.

Construction of the Project

The ability of Austin CONRAC, the Developer and the General Contractor to complete the design and construction of the Project within budget and on schedule may be adversely affected by various factors. Although the construction contract is for a guaranteed lump sum price, includes contingency amounts and payment and performance bonding that reduce the likelihood of budgetary problems, any of the following could impair timely completion of the Project within budget: (1) estimating errors, (2) design and engineering errors, (3) unforeseen site conditions, (4) labor cost increases or other difficulties, (5) adverse weather conditions, (6) unavailability or increased cost of building materials, (7) contractor defaults, and (8) litigation. The New Customer Facility Charge does not commence until the Opening Date of the CONRAC, although the Prior Customer Facility Charge will be charged, collected, and remitted to the Trustee to pay debt service on the Series 2013 Bonds prior to the Opening Date of the CONRAC.

Competition and Alternate Modes of Transportation and Communication

There are alternative forms of ground transportation at the Airport and other airports which compete with the Airport for air travelers, which could reduce the demand for renting motor vehicles at the Airport. These alternate forms which compete with rental cars include taxis, buses, shuttle services, limousines, and a proposed commuter rail project to operate within the City. Various forms of car-sharing and on-demand vehicle services are also becoming increasingly prevalent and popular with the public, and may offer competition that could reduce the demand for car rentals at the Airport. Technological improvements in communication could reduce the need for business travel.

Concessionaires

The projections of the Revenues derived from Customer Facility Charges are dependent on the ability of the current

Concessionaires or any new entrants to provide a competitive product to potential customers at the Airport over the life of the Series 2013 Bonds. Such ability is affected by factors beyond their control, including the cost and resale value of cars. Competitive factors have limited the profitability of rental car companies in the past several years and some companies and franchises have ceased operations or been acquired by other companies. Prospective purchasers should consider the potential affects of the rental car industry as a whole upon the ability of the Customer Facility Charge to assure repayment.

Considerations under the Bankruptcy Code

In the event a bankruptcy case is filed with respect to a Concessionaire, a bankruptcy court could reject its Agreement, in which event the Concessionaire would not be required to collect and remit Customer Facility Charges. In such event, the Concessionaire would be in default under its Agreement, permitting the Airport to cancel such agreement and remove the Concessionaire from possession and occupancy of the CONRAC. Furthermore, although Concessionaires may be required to pay Contingent Fees in the event of insufficient Customer Facility Charge collections, in bankruptcy, a liquidating or reorganizing Concessionaire or new entrant may be able to discharge and not pay some or all of the Contingent Fees it owes.

Damage and Destruction

The City and the Master Lessee will maintain insurance in the amount and against such risks as are customarily insured against on-Airport property. There can be no assurance, however, that the Project will not suffer extraordinary and unanticipated losses, for which insurance cannot be or has not been obtained, or that the amount of any such loss for the period during which the Project is not available for use will not exceed the coverage of such insurance policies. In addition, the City has reserved the right to cancel the Master Lease in the event of damage that cannot be repaired within thirty (30) days of the occurrence, and in such case all insurance proceeds in connection with the loss or damage either received by the City or the Master Lessee or due from policies from which the City is named as the loss payee or an additional insured shall be and remain the sole property of the City and are neither pledged to repay Bonds nor committed to replace rental car facilities. The City has covenanted in the Indenture that so long as the Series 2013 Bonds are outstanding, it will maintain concession agreements in effect between the City and rental car concession operators containing provisions relating to customer facility charges and additional fees substantially identical to those provisions relating to New Customer Facility Charges and Contingent Fees, respectively, contained in the New Concession Agreements. See "SECURITY FOR THE SERIES 2013 BONDS – Additional Covenants."

Events of Force Majeure

Construction and operation of the Project are at risk from events of *force majeure*, such as earthquakes, tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events. Construction or operations may also be stopped or delayed from non-casualty events such as discovery of archaeological artifacts, changes in law, delays in obtaining or renewing required permits, revocation of such permits and approvals and litigation, among other things.

Ability to Meet Rate Covenant

The City has covenanted in the Indenture to set the Customer Facility Charge annually at a rate that will satisfy the rate covenant set forth in the Indenture. See "SECURITY FOR THE SERIES 2013 BONDS – Rate Covenant." The Prior Customer Facility Charge is currently $5.95 per day, and the initial amount of the New Customer Facility Charge will be $5.95 per day. The Report assumes and projects that the Customer Facility Charge will increase by approximately thirty (30) cents (five percent (5%) above the initial Customer Facility Charge) beginning on November 16, 2015, and by approximately five percent (5%) every three years thereafter through November 15, 2027. Although the Report has factored in the expectations as to the effect of such increases on rental car demand, there can be no assurance that such increases will not adversely affect rental car demand, the result of which may be a reduction in the aggregate amount of Customer Facility Charge revenue collections. In addition, in the event that the City determines that conditions require additional or greater future increases in Customer Facility Charge rates above the projected increases described in the Report, there can be no assurance that such increases will not adversely affect rental car demand, the result of which may be a reduction in the aggregate amount of Customer Facility Charge revenue collections. Contingent Fees to be paid directly by Concessionaires may be assessed and collected should Customer Facility Charges prove insufficient to meet the rate covenant obligations set forth in the Indenture.

Length of Term of New Concession Agreements and Master Lease

Each New Concession Agreement has an initial term of eleven Concession Agreement Years, with an option for up to two additional five-year term extensions, at the sole discretion of the City. While the Indenture does not contain a covenant by the City to provide for the operation of rental car concessions at the CONRAC under the New Concession Agreements until the final maturity of the Series 2013 Bonds, the City has covenanted in the Indenture that, from the Opening Date until the Series 2013 Bonds are no longer outstanding, it will maintain concession agreements (but not necessarily the New Concession Agreements) in effect containing provisions relating to customer facility charges and additional fees substantially identical to those relating to the New Customer Facility Charges and Contingent Fees, respectively, contained in the New Concession Agreements. Any such customer facility charges and additional fees shall constitute New Customer Facility Charges and Contingent Fees, respectively, for all purposes of the Indenture. See "SECURITY FOR THE SERIES 2013 BONDS – Additional Covenants." No assurances can be given that upon the expiration of the New Concession Agreements, the Concessionaires, or any other rental car companies, will execute and deliver to the City concession agreements containing provisions relating to customer facility charges and additional fees substantially identical to those relating to the New Customer Facility Charges and Contingent Fees, respectively, contained in the New Concession Agreements. The failure of any Concessionaire or other rental car company to execute and deliver such an agreement may preclude the Concessionaire or other rental car company from being able to offer rental car services at the Airport.

The Master Lease expires by its terms on the last day of the three hundred sixtieth (360th) full calendar month after the Opening Date. The City has reserved an absolute right and option, however, in its sole discretion, at any time after two hundred forty (240) months following the Opening Date, (a) to terminate the Master Lease upon not less than nine (9) months written notice to the Master Lessee and all Concessionaires if upon such termination the City will continue to operate the Project for use for rental car concessions or relet the Project to a substitute master lessee to continue to operate the Project for use for rental car concessions, or (b) to terminate the Master Lease and all Sublease Agreements upon not less than thirty-six (36) months written notice to the Master Lessee and all Concessionaires if upon such termination the City will convert the Project to a use other than for rental car concessions. In the event that the Master Lease is terminated early and the City or a substitute master lessee operates the Project, there can be no assurance that the Concessionaires will operate their rental car concessions under terms substantially identical to the New Concession Agreements and Sublease Agreements. The City has not covenanted to continue to use the Project for rental car concessions upon termination of the Master Lease, and in the event that the Master Lease is terminated early and the Project is no longer used for rental car concessions, no assurances can be given that the changes in rental car operations at the Airport resulting from this decision will not adversely affect rental car demand, the result of which may be a reduction in the aggregate amount of Customer Facility Charge revenue collections.

Limitation of Remedies

Under the terms of the Indenture, remedies for Events of Default are limited to such actions which may be taken at law or in equity. See "APPENDIX C – EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE".

Various State laws, constitutional provisions, federal laws and regulations apply to the obligations created by the issuance of the Series 2013 Bonds. There is no assurance that the applicable laws, regulations or provisions will not be changed, interpreted, or supplemented in a manner that would have a material adverse effect, directly or indirectly, on the affairs of the City, the Airport System or the rental car industry.

In the event of a default in the payment of principal of or interest on the Series 2013 Bonds, the remedies available to the Owners of the Series 2013 Bonds on account thereof are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law and judicial decisions, including the federal Bankruptcy Code. Bond Counsel's opinion to be delivered concurrently with delivery of the Series 2013 Bonds will be qualified as to enforceability of the various legal instruments by certain limitations, including limitations imposed by bankruptcy, reorganization, insolvency, and equity principles. See APPENDIX F - "Form of Bond Counsel's Opinion".

Secondary Market

No assurance can be given concerning the existence of any secondary market in the Series 2013 Bonds or its creation or by the Underwriters. Thus, purchasers of the Series 2013 Bonds should be prepared, if necessary, to hold their Series 2013 Bonds until their respective maturity dates.

Additional Taxes on Car Rentals

Pursuant to the provisions of Chapter 334, Texas Local Government Code, a city or county or both may impose a rental car tax in increments of one-eighth of one percent, of up to five percent each of the price of such rental as well as an additional Hotel Occupancy Tax of up to two percent for a venue project, which includes an arena, coliseum, convention facility, civic center, music hall or any other development project. The City has submitted to its citizens for approval, and by a majority vote at an election held for such purpose, the City was authorized to assess and collect, and is collecting, an additional Hotel Occupancy Tax for venue projects, but, at this time, no increase in the rental car tax is under consideration by the City. Neither tax was considered by the Airport Consultant with respect to the Report.

LITIGATION

There is no litigation pending against the City or the Airport System, or to the knowledge of their officers or counsel, threatened, questioning the transactions and proceedings relating to the authorization, issuance, sale or delivery of the Series 2013 Bonds, the charging and collecting of the Customer Facility Charges, the existence of the City, or the rights of their officers to their offices, or the authority of the City to proceed with the execution and delivery of and performance of its respective obligations under the Indenture, the Agreements or the other documents or instruments pertaining to the issuance and delivery of the Series 2013 Bonds.

INVESTMENTS

The City invests its available funds in investments authorized by State law, particularly the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA") in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

Legal Investments

Under State law, the City is authorized to invest in: (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (11) no-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission (the "SEC") that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share; (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent; and (13) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Act) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than "AAA", "AAA-m" or at an equivalent rating by at least one nationally recognized rating service. The City may also invest bond proceeds in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond

proceeds invested under such contract, other than the prohibited obligations described below. The City also is authorized by the PFIA to invest its funds in certificates of deposit issued by one or more federally insured depository institutions, wherever located, in accordance with procedures set forth in the PFIA.

A political subdivision such as the City may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The City may also contract with an investment management firm registered under the Investment Advisor Act of 1940 (15 U.S.C. Section 80b.1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term of up to two years, but the City retains ultimate responsibility as fiduciary of its assets.

The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Policies

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield and maturity; that address the quality and capability of investment personnel; and that include procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of PFIA. The policy includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement must describe the investment objectives for the particular fund using the following priorities: (1) understanding of the suitability of the investment to the financial requirements of the City, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

The City's investment policy authorized the City to invest its funds and funds under its control in all of the eligible investments described above under "Legal Investments", except those investments described in clauses (3) and (6).

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly, the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to (a) adopted investment strategy statements and (b) State law. No person may invest City funds without express written authority of the City Council or the Chief Financial Officer of the City.

Additional Provisions

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to

disclose the relationship and file a statement with the Texas Ethics Commission and the City Council, (3) require the registered representative of firms seeking to sell securities to the City to (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the City's investment policy; and (5) provide specific investment training for the Chief Financial Officer of the City, Treasurer and Investment Officers.

Current Investments

As of June 30, 2012, the City's investable funds were invested in the following categories.

Type of Investment	Percentage
U. S. Treasuries	3%
U. S. Agencies	56%
Municipal Bonds	3%
Local Government Investment Pools	38%

The dollar weighted average maturity for the combined City investment portfolios is 395 days. The City prices the portfolios weekly utilizing a market pricing service.

CONTINUING DISCLOSURE OF INFORMATION

In the Indenture, the City has made the following agreement for the benefit of the respective holders and beneficial owners of the Series 2013 Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Series 2013 Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB") who will make such information available to the general public, without charge, through its Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports. The City will provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year of the City, updated financial information and operating data for such fiscal year with respect to the Revenues pledged under the Indenture to the repayment of the Series 2013 Bonds of the general type included in the final Official Statement in _____, together with audited financial statements of the City for such fiscal year if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided; provided, however, if the City commissions an audit of such statements and the audit is not completed within the period during which they must be provided, such audited financial statements shall be delivered to the MSRB, in an electronic format as prescribed by the MSRB, when and if they become available. Any financial information or audited financial statements so to be provided will be prepared in accordance with accounting principles as the City may be required to employ from time to time pursuant to State law or regulation. The City will also provide in each annual filing a copy of the most recent Report of the Airport Consultant, if any, prepared in accordance with the requirements of the Indenture.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's internet website or filed with the SEC as permitted by Rule 15c2-12 (the "Rule"), promulgated by the SEC.

The City's current fiscal year is October 1 to September 30. Accordingly, it must provide updated information by March 31 of each year unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events. The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Series 2013 Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of

the Series 2013 Bonds; (7) modifications to rights of holders of the Series 2013 Bonds, if material; (8) Series 2013 Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2013 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional Trustee or the change of name of a Trustee, if material. In addition, the City will provide timely notice of any failure by the City to provide annual financial information or operating data in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Availability of Information. In connection with its continuing disclosure agreement entered into with respect to the Series 2013 Bonds, the City will file all required information and documentation with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

Limitations and Amendment. The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2013 Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Series 2013 Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the agreement, as amended, would have permitted an underwriter to purchase or sell the Series 2013 Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Series 2013 Bonds consent or any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Series 2013 Bonds. The City may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2013 Bonds in the primary offering of the Series 2013 Bonds. If the City amends its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data will be provided.

Compliance with Prior Undertakings. Except as described in this paragraph, during the last five (5) years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. The City did not file its unaudited or audited financial statements for the fiscal years ending September 30 in each of the years 2006, 2007, 2008 and 2011 by the required deadline of March 31 of the next succeeding year. The audited financial statements of the City for the fiscal year ending September 30, 2006 were filed on October 24, 2007. In each of the other years cited above, audited financial statements of the City were filed no later than 31 days after March 31 of the next succeeding year. Annual financial information and operating data of the City was filed by the required time in accordance with the City's continuing disclosure agreements in the above-cited years in which the audited financial statements were filed after March 31 of the next succeeding year. The City has filed material event notices in connection with each late filing and has implemented procedures to ensure timely filing of all future financial statements.

TAX MATTERS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS OF THE SERIES 2013 BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH HOLDERS UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE HOLDERS OF THE SERIES 2013 BONDS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

General

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to the acquisition, ownership and disposition of the Series 2013 Bonds by a U.S. holder (as defined below). This discussion is based upon the provisions of the Code, applicable U.S. Treasury Regulations promulgated thereunder, judicial authority and administrative interpretations, as of the date of this document, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. Neither the City nor Bond Counsel offers any assurance that the Internal Revenue Service, or IRS, will not challenge one or more of the tax consequences described in this discussion, and neither the City nor Bond Counsel has obtained, nor do the City or Bond Counsel intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal tax consequences of acquiring, holding or disposing of the Series 2013 Bonds.

This discussion is limited to U.S. holders who purchase the Series 2013 Bonds in this offering for a price equal to the issue price of the Series 2013 Bonds (i.e., the first price at which a substantial amount of the Series 2013 Bonds is sold for cash other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Series 2013 Bonds as capital assets (generally, property held for investment). This discussion does not address the tax considerations arising under the laws of any foreign, state, local or other jurisdiction or income tax treaties or any U.S. federal estate or gift tax considerations. In addition, this discussion does not address all tax considerations that may be important to a particular holder in light of the holder's circumstances, or to certain categories of investors that may be subject to special rules, such as:

- dealers in securities or currencies;
- traders in securities that have elected the mark-to-market method of accounting for their securities;
- U.S. holders whose functional currency is not the U.S. dollar;
- persons holding the Series 2013 Bonds as part of a hedge, straddle, conversion or other "synthetic security" or integrated transaction;
- certain U.S. expatriates;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- persons subject to the alternative minimum tax;
- entities that are tax-exempt for U.S. federal income tax purposes; and
- partnerships and other pass-through entities and holders of interests therein.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds the Series 2013 Bonds, the tax treatment of a partner of the partnership generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership acquiring the Series 2013 Bonds should consult his/her own tax advisor about the U.S. federal income tax consequences of acquiring, holding and disposing of the Series 2013 Bonds.

INVESTORS CONSIDERING THE PURCHASE OF THE SERIES 2013 BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE SERIES 2013 BONDS UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Make-Whole Redemption

The City does not intend to treat the possibility of the payment of additional amounts described in "THE SERIES 2013 BONDS – Redemption Prior to Maturity – Make Whole Optional Redemption" as (i) affecting the determination of the yield to maturity of the Series 2013 Bonds, (ii) giving rise to original issue discount or recognition of ordinary income on the sale, exchange or redemption of the Series 2013 Bonds or (iii) resulting in the Series 2013 Bonds being treated as contingent payment debt instruments under the applicable U.S. Treasury Regulations.

Tax Consequences to U.S. Holders

As used herein "U.S. holder" means a beneficial owner of a Series 2013 Bond and who or that is, for U.S. federal income tax purposes:

- an individual who is a U.S. citizen or U.S. resident alien;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

Interest on the Series 2013 Bonds and Original Issue Discount. Interest on the Series 2013 Bonds generally will be taxable to a bondholder as ordinary income at the time it is received or accrued in accordance with the bondholder's regular method of accounting for U.S. federal income tax purposes. In addition, all or a portion of the Series 2013 Bonds may be issued with original issue discount ("OID") for U.S. federal income tax purposes. The amount of OID is generally equal to the excess of the principal amount of the Series 2013 Bonds over the issue price of the Series 2013 Bonds. The issue price of a Series 2013 Bond will be equal to the first price at which a substantial amount of Series 2013 Bonds are sold for cash (excluding sales to underwriters or placement agents). Accordingly, a bondholder will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest, before the receipt of cash payments attributable to this income. Under this method, a bondholder generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Original Issue Premium. A bondholder who purchases a Series 2013 Bond in the initial offering for an amount that exceeds the principal amount of such Series 2013 Bond will be considered to have purchased the Series 2013 Bond with "amortizable bond premium" equal in amount to the excess. Generally, a bondholder may elect to amortize the bond premium (or, if it results in a smaller amortizable bond premium attributable to the period of an earlier call date, an amount determined with reference to the amount payable on the earlier call date) as an offset to stated interest income, using a constant yield method, over the remaining term of the Series 2013 Bond (or assuming the exercise of a call option, if use of the call date in lieu of the stated maturity date results in a smaller amortizable bond premium for the period ending on the call date). If a bondholder elects to amortize bond premium, the bondholder must reduce its adjusted tax basis in the Series 2013 Bond by the amount of the bond premium used to offset stated interest income as set forth above. An election to amortize bond premium applies to all taxable debt obligations held or subsequently acquired by a bondholder on or after the first day of the first taxable year to which the election applies and may be revoked only with the consent of the IRS.

Disposition of the Series 2013 Bonds. A bondholder will generally recognize capital gain or loss on the sale, redemption, exchange, retirement or other taxable disposition of a Series 2013 Bond. This gain or loss will equal the difference between the bondholder's adjusted tax basis in the Series 2013 Bond and the proceeds received (excluding any proceeds attributable to accrued but unpaid stated interest which will be recognized as ordinary interest income to the extent any such bondholder has not previously included such amounts in income) by the bondholder. The proceeds the bondholder receives will include the amount of any cash and the fair market value of any other property received for the Series 2013 Bond. The adjusted tax basis in the Series 2013 Bond will generally equal the amount the bondholder paid for the Series 2013 Bond. The gain or loss will be long-term capital gain or loss if the bondholder held the Series 2013 Bond for more than one year at the time of the sale, redemption, exchange, retirement or other disposition. Long-term capital gains of individuals, estates and trusts currently are subject to a reduced rate of U.S. federal income tax. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding. Information reporting will apply to payments of interest on, and the proceeds of the sale, redemption, exchange, retirement or other disposition of, the Series 2013 Bonds held by a bondholder, and backup withholding may apply to such payments unless a bondholder provides the appropriate intermediary with a taxpayer identification number, certified under penalties of perjury, as well as certain other information. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against a bondholder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the bondholder's actual U.S. federal income tax liability and the bondholder timely provides the required information or appropriate claim form to the IRS.

New Legislation Relating to Net Investment Income. For taxable years beginning after December 31, 2012, newly-enacted legislation is scheduled to impose a 3.8% tax on the "net investment income" of certain United States citizens and resident aliens and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally would include interest and certain net gain from the sale, redemption, exchange, retirement or other taxable disposition of a Series 2013 Bond, less certain deductions. Prospective holders should consult their tax advisors with respect to the tax consequences of the new legislation described above.

Tax Consequences to Non-U.S. Holders

As used herein, a "non-U.S. holder" means a beneficial owner of a Series 2013 Bond that is an individual, corporation, estate or trust that is not a U.S. holder.

Interest on the Series 2013 Bonds. Payments to a non-U.S. holder of interest on the Series 2013 Bonds generally will be exempt from withholding of U.S. federal tax under the "portfolio interest" exemption if the bondholder properly certifies as to the bondholder's foreign status as described below, and:

- the bondholder does not own, actually or constructively, 10% or more of the City's capital or profits interests;
- the bondholder is not a "controlled foreign corporation" for U.S. federal income tax purposes that is related to the City (actually or constructively);
- the bondholder is not a bank whose receipt of interest on the Series 2013 Bonds is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of the bondholder's trade or business; and
- interest on the Series 2013 Bonds is not effectively connected with the bondholder's conduct of a U.S. trade or business.

The portfolio interest exemption and several of the special rules for non-U.S. holders described below generally apply only if a non-U.S. holder appropriately certifies as to the bondholder's foreign status. A bondholder can generally meet this certification requirement by providing a properly executed IRS Form W-8BEN or appropriate substitute form to the withholding agent. If a non-U.S. holder holds the Series 2013 Bonds through a financial institution or other agent acting on the bondholder's behalf, the bondholder may be required to provide appropriate certifications to the agent. The agent will then generally be required to provide appropriate certifications to the withholding agent, either directly or through other intermediaries. Special rules apply to foreign partnerships, estates and trusts, and in certain circumstances certifications as to the foreign status of partners, trust owners or beneficiaries may have to be provided to the City or its

paying agent. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the IRS.

If a non-U.S. holder cannot satisfy the requirements described above, payments of interest made to the bondholder will be subject to U.S. federal withholding tax at a 30% rate, unless the bondholder provides the withholding agent with a properly executed IRS Form W-8BEN (or successor form) claiming an exemption from (or a reduction of) withholding under the benefit of an applicable income tax treaty, or the payments of interest are effectively connected with the bondholder's conduct of a trade or business in the United States and the bondholder meets the certification requirements described below. (See "-Income or Gain Effectively Connected With a U.S. Trade or Business" below).

Disposition of the Series 2013 Bonds. A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale, redemption, exchange, retirement or other taxable disposition of a Series 2013 Bond unless:

- *the gain is effectively connected with the conduct by the bondholder of a U.S. trade or business (and, if* required by an applicable income tax treaty, is treated as attributable to a permanent establishment maintained by the bondholder in the United States); or

- the bondholder is a nonresident alien individual who has been present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met.

If a bondholder is a non-U.S. holder described in the first bullet point above, the bondholder generally will be subject to U.S. federal income tax in the same manner as a U.S. holder (See "-Income or Gain Effectively Connected With a U.S. Trade or Business" below). If a bondholder is a non-U.S. holder described in the second bullet point above, the bondholder generally will be subject to U.S. federal income tax at a flat rate of 30% on the gain derived from the sale or other disposition, which may be offset by U.S. source capital losses.

Income or Gain Effectively Connected with a U.S. Trade or Business. If any interest on the Series 2013 Bonds or gain from the sale, redemption, exchange, retirement or other taxable disposition of the Series 2013 Bonds is effectively connected with a U.S. trade or business conducted by a non-U.S. holder, then the income or gain will be subject to U.S. federal income tax at regular graduated income tax rates in the same manner as a U.S. holder unless an applicable tax treaty provides otherwise. Effectively connected income will not be subject to U.S. withholding tax if a non-U.S. holder satisfies certain certification requirements by providing to the withholding agent a properly executed IRS Form W-8ECI or IRS Form W-8BEN (claiming exemption under an income tax treaty). For a non-U.S. holder that is a corporation, that portion of earnings and profits that is effectively connected with its U.S. trade or business may also be subject to a "branch profits tax" at a 30% rate, although an applicable income tax treaty may provide for a lower rate.

Information Reporting and Backup Withholding. Payments to a non-U.S. holder of interest on a Series 2013 Bond, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to the non-U.S. holder. Copies of the information returns reporting such interest may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of a treaty or agreement.

United States backup withholding generally will not apply to payments to a non-U.S. holder of interest on a Series 2013 Bond if the statement described above in "-Interest on the Series 2013 Bonds" is duly provided or the bondholder otherwise establishes an exemption, provided that the City does not have actual knowledge or reason to know that the bondholder is a United States person.

Payment of the proceeds of a disposition of a Series 2013 Bond effected by the U.S. office of a U.S. or foreign broker will be subject to information reporting requirements and backup withholding unless a non-U.S. holder properly certifies under penalties of perjury as to the bondholder's foreign status and certain other conditions are met or the bondholder otherwise establishes an exemption. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds of the disposition of a Series 2013 Bond effected outside the United States by a foreign office of a broker. However, unless such a broker has documentary evidence in its records that a bondholder is a non-U.S. holder and certain other conditions are met, or the bondholder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of a Series 2013 Bond effected outside the United States by such a broker if the broker is:

- a United States person;
- a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States;
- a controlled foreign corporation for U.S. federal income tax purposes; or
- a foreign partnership that, at any time during its taxable year, has more than 50% of its income or capital interests owned by United States persons or is engaged in the conduct of a U.S. trade or business.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against a non-U.S. holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the non-U.S. holder's actual U.S. federal income tax liability and the non-U.S. holder timely provides the required information or appropriate claim form to the Service.

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. BOND COUNSEL URGES EACH PROSPECTIVE INVESTOR TO CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE SERIES 2013 BONDS, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

OTHER RELEVANT INFORMATION

Ratings

The Series 2013 Bonds have received ratings of "___" by Moody's, "___" by S&P and "___" by Fitch. An explanation of the significance of such ratings may be obtained from the organization furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by one or all of such rating companies, if in the judgment of one or more companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2013 Bonds. Neither the City, PFM, nor the Underwriters will undertake any responsibility to notify bondholders of any such revisions or withdrawals of any rating.

Registration and Qualification of Series 2013 Bonds

The sale of the Series 2013 Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Series 2013 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2013 Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2013 Bonds under the securities laws of any jurisdiction in which the Series 2013 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2013 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Series 2013 Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Series 2013 Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Series 2013 Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER RELEVANT INFORMATION – Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2013 Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Series

2013 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Series 2013 Bonds are legal investments for various institutions in those states.

Legal Opinions

The delivery of the Series 2013 Bonds is subject to the approval of the Attorney General of Texas to the effect that the Series 2013 Bonds are valid and legally binding special obligations of the City in accordance with their terms payable solely from and equally and ratably secured by a first lien on and pledge of the Trust Estate in the manner provided in the Indenture, and the approving legal opinion of Bond Counsel, to like effect. The form of Bond Counsel's opinion is attached hereto as APPENDIX F.

Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in their capacity as Bond Counsel, such firm has reviewed the information in the Official Statement under the captions "THE SERIES 2013 BONDS" (except for the information under the subheading "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2013 BONDS", "THE CONCESSION AGREEMENTS", "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subheading "Compliance with Prior Undertakings"), "TAX MATTERS", "OTHER RELEVANT INFORMATION – Registration and Qualification of Series 2013 Bonds", "OTHER RELEVANT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" and "OTHER RELEVANT INFORMATION – Legal Opinions" (except for the second to last paragraph of such subheading), and in "APPENDIX B" and "APPENDIX C" to verify that the information relating to the Series 2013 Bonds, the Indenture and the Agreements contained under such captions and in APPENDIX B and APPENDIX C in all respects accurately and fairly reflect the provisions thereof and, insofar as such information relates to matters of law, is true and accurate. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Series 2013 Bonds is contingent on the delivery of the Series 2013 Bonds occurring. The opinion of Bond Counsel will accompany the global certificates deposited with DTC in connection with the use of the Book-Entry-Only System.

Certain legal matters will be passed on for the Underwriters by their counsel, Andrews Kurth LLP. The fee to be paid to the counsel for the Underwriters is contingent on the delivery of the Series 2013 Bonds.

The legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues expressly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Financial Advisor

PFM, Austin, Texas, is employed as Financial Advisor to the City in connection with the issuance of the Series 2013 Bonds. PFM's fee for services rendered with respect to the sale of the Series 2013 Bonds is contingent upon the issuance and delivery of the Series 2013 Bonds. PFM, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the bond documentation.

Underwriting

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2013 Bonds from the City at a price equal to the initial offering prices to the public, as shown on the inside cover page of this Official Statement, less an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Series 2013 Bonds if any Series 2013 Bonds are purchased. The Series 2013 Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Series 2013 Bonds into investment trusts) at prices lower than the public offering prices of such Series 2013 Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors

under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"). WFBNA, one of the Underwriters of the Series 2013 Bonds, has entered into an agreement (the "Distribution Agreement") with Wells Fargo Advisors, LLC ("WFA") for the retail distribution of certain municipal securities offerings, including the Series 2013 Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2013 Bonds with WFA. WFBNA and WFA are both subsidiaries of Wells Fargo & Company.

Forward-Looking Statements

The statements contained in this Official Statement and in any other information provided by the City that are not purely historical are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the City's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial, and other governmental authorities and officials.

Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Miscellaneous Information

The financial data and other information contained herein have been obtained from the City's records, financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

In the Bond Ordinance, the City will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the offering of the Series 2013 Bonds by the Underwriters.

Mayor
City of Austin, Texas

ATTEST:

City Clerk
City of Austin, Texas

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

APPENDIX B

CERTAIN DEFINED TERMS

The following defined terms are contained in the Master Lease, the Sublease Agreements, the New Concession Agreements and the Indenture. All references pertaining to such defined terms in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Master Lease, the Sublease Agreements, the New Concession Agreements and the Indenture, copies of which may be obtained from the City's Financial Advisor. The provisions of the Master Lease, the Sublease Agreements, the New Concession Agreements and the Indenture may be amended or supplemented in accordance with their respective terms.

"**ACDBE**" shall mean a business entity, whether a sole proprietorship, partnership, corporation or other entity, of which at least fifty-one percent (51%) of the ownership thereof is owned and controlled by a "socially and economically disadvantaged individual" as such term is defined in the Airport and Airways Improvement Act of 1982, as amended, and the regulations promulgated pursuant thereto in 49 C.F.R. Part 23, as amended or modified from time to time. To qualify as an ACDBE, a business entity must meet the experience and economic guidelines for an "Airport Concession Disadvantaged Business Enterprise" set forth in 49 C.F.R. Part 23, as amended or modified from time to time, and must be certified by the City as an ACDBE.

"**Accounts**" shall mean the collective accounts established by Article V of the Indenture or by any Supplemental Indenture.

"**Additional Bonds**" shall mean (i) for purposes of the Master Lease, Sublease Agreements and New Concession Agreements, any and all Bonds which may be issued or incurred by the City in the manner set forth in Article VIII of the Indenture for the purposes described in the Master Lease, and (ii) for purposes of the Indenture, each series of parity bonds issued pursuant to the Indenture as described in "SECURITY FOR THE SERIES 2013 BONDS – Additional Bonds and Completion Bonds – Additional Bonds for Refunding Purposes" and "- Additional Bonds for Rental Car Facilities."

"**Administrative Costs**" shall mean the following expenses as determined and approved by the City which are incurred in connection with the Bonds, the financing of the Project and as a direct consequence of the City's entering into the Indenture, the Agreements and the Master Lease: (i) the ongoing fees and expenses of the Trustee, as trustee under the Indenture; (ii) the ongoing fees and expenses of the Trustee, as paying agent and registrar for the Bonds; (iii) the fees and expenses of the Airport Consultant subsequent to those included in the Costs of Issuance; (iv) the fees and expenses of the City, including, but not limited to those of attorneys, financial advisers, accountants, and consultants incurred in connection with any regulatory or administrative requirements, including specifically, but without limitation, the preparation and filing of annual financial statements and audits and compliance with continuing disclosure requirements; (v) the reasonable legal fees and expenses of the City incurred with respect to defending any actions or proceedings brought by third parties challenging the Agreements, the Customer Facility Charge or the payment of the Customer Facility Charge to the Trustee under the Agreements; (vi) the premiums related to a Debt Service Reserve Fund Surety Policy or a Debt Service Coverage Fund Surety Policy, if any, and the fees and expenses of any Rating Agency; and (vii) such other reasonable fees and expenses of the City, including reasonable overhead expenses, in carrying out its obligations under the Indenture, the Agreements, the Master Lease and any other agreement relating to the Project. Administrative Costs shall not include Costs of Issuance.

"**Administrative Costs Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Agreement**" or "**Agreements**" shall mean (i) prior to the Opening Date, each Prior Concession Agreement, or collectively, the Prior Concession Agreements, then in effect, and (ii) on and after the Opening Date, each New Concession Agreement, or collectively, the New Concession Agreements.

"**Airport**" shall mean the Austin-Bergstrom International Airport in Austin, Texas, as it exists from time to time. The Airport specifically includes the CONRAC Site and all property owned by the City for the operation of the Austin-Bergstrom International Airport.

"**Airport Consultant**" shall mean a nationally recognized independent firm, person or corporation having a widely known and favorable reputation for special skill, knowledge and experience in methods of development,

operation and financing of airports of approximately the same size as the properties constituting the Airport System, chosen by the City and qualified to review and assess the anticipated Revenues and recommend to the City the amount of the Customer Facility Charge.

"**Airport Customer**" shall mean any person who comes to the Airport by any means of transportation and enters into a motor vehicle rental agreement with a Concessionaire at the Airport; and any person who enters into a motor vehicle rental agreement with a Concessionaire at any of Concessionaire's rental car operations located outside the boundaries of the Airport after having been transported to that location from the Airport by or on behalf of the Concessionaire. The following are excluded from the definition of "Airport Customer": any person who enters into a motor vehicle rental agreement with a Concessionaire at any of Concessionaire's rental car operations outside the boundaries of the Airport having not been transported to that location from the Airport by or on behalf of the Concessionaire, whether or not the person has at any time flown into the Airport.

"***Airport Security Plan***" shall mean a program developed by the City for the maintenance of the safety and security of the Airport and Persons using the CONRAC, the Terminal or any other portion of the Airport premises, as it may be amended, modified or revised by the City from time to time. The Airport Security Plan is a part of the City Codes and Standards.

"**Airport System**" shall mean all airport, heliport and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated or controlled in whole or in part by the City, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the City in connection therewith, but expressly excluding any heliport or heliports operated by City Departments other than the Aviation Department.

"**Annual Debt Service Requirements**" shall mean, during any Bond Year, the amounts required to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Outstanding Bonds; provided, that with respect to the Series 2013 Bonds and any other series of Bonds for which the City has designated and provided Supplemental Security pursuant to the Indenture, the Annual Debt Service Requirements for such Bonds in any Bond Year shall be reduced by the amount of Supplemental Security provided therefor that is on deposit in the Debt Service Fund and available to pay debt service for such Bond Year; provided further, solely for the purposes of determining the Debt Service Reserve Fund Requirement, the Debt Service Coverage Fund Requirement and any coverage requirement for the issuance of Additional Bonds, that with respect to the Series 2013 Bonds and any other series of Bonds for which the City has designated and provided Supplemental Security pursuant to Section 2.13, the Annual Debt Service Requirements for such Bonds in any Bond Year shall be reduced by the amount of Supplemental Security that is scheduled to be transferred to or is on deposit in the Debt Service Fund for such Bond Year.

"**Applicable Laws**" shall mean all present and future applicable laws, ordinances, orders, directives, rules, codes and regulations of all Governmental Authorities and all present and future grant assurances provided by the City to any Governmental Authorities in connection with City's ownership or operation of the Airport, as the same may be amended, modified or updated from time to time, and applicable decisional law (including judicial or administrative interpretations, orders and judgments).

"**Authorized Representative**" shall mean the Aviation Director and any other person designated to act on behalf of the City under the Indenture by the City Manager of the City pursuant to a written notice delivered to the Trustee.

"**Aviation Director**" shall mean the Director of the City's Aviation Department, or any successor to that position or any person acting in such capacity on an interim basis.

"**Base Rent**" shall mean nine hundred thousand dollars ($900,000.00) per Lease Agreement Year, calculated at the rate of one dollar and forty-five cents ($1.45) per square foot times the stipulated six hundred twenty thousand six hundred eighty-nine (620,689) square feet of the CONRAC, subject to adjustment on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter during the Lease Term as provided in the Master Lease.

"**Bond Counsel**" shall mean Bracewell & Giuliani LLP and such firm, or firms, as may hereafter be selected by the City as bond counsel with respect to the Bonds.

"**Bond Ordinance**" shall mean the ordinance approved by the City Council of the City authorizing the issuance of the Series 2013 Bonds.

"**Bond Proceeds Account**" shall mean the Account by that name within the Construction Fund established with the Trustee pursuant to the Indenture.

"**Bond Year**" shall mean the period beginning on the Closing Date and ending on November 15, 2013, and thereafter each one year period beginning November 16 and ending November 15.

"**Bonds**" shall mean (i) for purposes of the Master Lease, Sublease Agreements and New Concession Agreements, the bonds issued or incurred by the City (whether in one or more series) for purposes of financing the design, construction or improvement of, or the addition to, the Project, and specifically including bonds and other debt instruments issued by the City, any completion debt obligations that may be required, and any loans obtained by the City from a Governmental Authority under the Transportation Infrastructure Finance and Innovation Act of 1998, as amended, 23 U.S.C. § 601, *et seq.*, or other Applicable Laws, in each case, relating to the Project, and shall also include, without limitation, the Initial Bonds and any Additional Bonds, and any indenture, resolution, loan agreement or any other document providing for the issuance of Bonds or Additional Bonds, and (ii) for purposes of the Indenture, the Series 2013 Bonds, together with any Additional Bonds and Completion Bonds issued by the City and authenticated by the Trustee pursuant to the Indenture.

"**Budget**" shall mean the annual budget prepared by the Facility Manager for the O&M Costs of the CONRAC for each Lease Agreement Year or partial Lease Agreement Year (including the period from Substantial Completion to Opening Date as part of the first Lease Agreement Year for purposes of budgeting) and previously approved by the City, all in accordance with the procedures set forth in the Master Lease. The Budget shall be itemized to indicate the fund source for each item, and distinguishing between those items to be paid for (a) from the Repair and Replacement Fund established under the Indenture and funded with New Customer Facility Charges at a minimum amount annually determined by the City in its sole and absolute discretion, (b) from the CFC Surplus Fund established under the Indenture and funded with New Customer Facility Charges in the amount set forth in the Indenture, (c) from assessments to the RACs under the Sublease Agreements, and (d) from any other source.

"**Business Day**" shall mean (i) for purposes of the Master Lease, the Sublease Agreements and the New Concession Agreements, any calendar day other than a Saturday, a Sunday or City holiday, and (ii) for purposes of the Indenture, any day which is not a Sunday, a Saturday, a legal holiday or a day on which banking institutions are authorized by law or executive order to close in the city of New York, New York, or the cities in which the Principal Office or the Designated Payment/Transfer Office of the Trustee are located.

"CFC Surplus Annual Disbursement Account" shall mean the account by that name established within the CFC Surplus Fund pursuant to the Indenture.

"CFC Surplus Fund" shall mean the fund by that name established pursuant to the Indenture.

"CFC Surplus Residual Account" shall mean the account by that name established within the CFC Surplus Fund pursuant to the Indenture.

"**City**" shall mean the City of Austin, a Texas home rule municipality acting by and through its Aviation Director.

"**City Building Permit(s)**" means any permit required for a particular scope of work under the Master Lease prior to the construction at the Airport of that scope of work and to be issued by the City. Such permit is in addition to any other necessary municipal building permits.

"**City Building Permit Requirements**" shall mean the requirements of the City to obtain a City Building Permit in accordance with the City Codes and Standards.

"**City Codes and Standards**" shall mean the rules, procedures and regulations adopted by the City from time to time for the orderly use of the Airport, as the same may be amended, modified or supplemented from time to time, and including, without limitation, the Airport Security Plan, the Tenant Design Standards, the City's mechanical,

electrical, water and waste, and industrial waste and storm drainage standards, any other City requirements and/or standards for design and construction at the Airport, and the operating rules and regulations for the CONRAC promulgated by the City from time to time.

"**Closing Date**" shall mean, with respect to any series of Bonds, the date on which the Bonds of such series are first authenticated and delivered to purchasers thereof against payment therefor.

"**Commencement of Construction**" shall mean the date after which Master Lessee complies with the requirements of the Master Lease and commences construction of the Joint Use Facility in accordance with the requirements set forth in the Master Lease.

"**Commercial Parking Facility**" shall mean the ground floor of all of the Joint Use Facility, other than the ground floor of the QTA Facility, to be exclusively used as a City-operated commercial parking facility.

"**Common Use Areas**" shall mean those portions of the CONRAC that are not included within (i) the Exclusive Use Areas, (ii) the Reserved Area, (iii) the IDF Rooms; or (iv) the Parking Management Office.

"**Common Use Operational Areas**" shall mean the CONRAC service road, Vendor Parking Area, shuttler ramps and non-public hallways, restrooms, service elevators and stairwells in the CSB and QTA, all to be utilized by the RACs in common, but not accessible by or for the use of the public.

"Completion Bonds" shall mean each series of parity bonds issued pursuant to the Indenture as described in "SECURITY FOR THE SERIES 2013 BONDS – Additional Bonds and Completion Bonds – Completion Bonds."

"**Concession Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Concession Term beginning on October 1st and ending on September 30th

"**Concession Fee**" shall have the meaning set forth in the New Concession Agreements as described in "APPENDIX D – EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS – Concession Fee."

"**Concession Term**" shall mean the term of the New Concession Agreements, as set forth in the New Concession Agreements as described in "APPENDIX D – EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS – Term."

"**Concession Termination Damages**" shall have the meaning set forth in the New Concession Agreements

"**Concessionaire**" shall mean a Person engaged in the business of renting motor vehicles that holds a Rental Car Concession to engage in such business pursuant to a Prior Concession Agreement or a New Concession Agreement.

"**CONRAC**" shall mean the consolidated rental car facility located within the four (4) stories of the Joint Use Facility above the Commercial Parking Facility west of the internal shuttler ramps, together with the internal shuttler ramps, all floors of the QTA Facility and associated improvements, to be constructed by the Master Lessee pursuant to the Master Lease and that includes, but is not limited to, the CONRAC Counter Areas, Ready/Return Area, the QTA Space, the Storage Space, the Common Use Areas, the CSB, the Common Use Operational Areas, the Off-Airport Rental Drop-Off Area and the Reserved Area, the Service Yard, Vendor Parking Area and dedicated ramps, roadways, flyovers and walkways necessary for ingress and egress as depicted in the Master Lease, but excluding the reserved rights and premises of the City as set forth in the Master Lease.

"**CONRAC Counter Areas**" shall mean those portions of the CONRAC described or depicted in the Master Lease as the "CONRAC Counter Areas" and to be utilized by the RACs for purposes of processing Transactions with Airport Customers.

"**CONRAC Counter Space**" shall mean with respect to each Sublease Agreement, the area(s) shaded and designated in an exhibit to that Sublease Agreement identifying that area as a portion of the Exclusive Use Premises for the signatory RAC.

"**CONRAC Site**" shall mean that parcel of land legally described in the Master Lease, on which land the Joint Use Facility is to be constructed and thereafter maintained in accordance with the Master Lease. The legal description and area set forth in this definition shall, however, be subject to adjustment following Final Completion of the Joint Use Facility to account for dedications and other adjustments to the CONRAC Site made as part of construction of the Joint Use Facility, and Master Lessee's provision of a revised legal description of the CONRAC Site for approval by the City in accordance with the Master Lease.

"**Construction Contract**" shall mean the adapted and modified DBIA Document Nos. 520, 525 and 535 and the contract documents described in such DBIA Documents collectively, between Developer and Design-Builder attached to and made a part of the Master Lease pursuant to which the Developer and Design-Builder will be obligated to construct the Joint Use Facility for a stipulated fixed price and within a guaranteed maximum time period as set forth therein. The City and the Master Lessee each shall be a third-party beneficiary of the Construction Contract.

"**Construction Fund**" shall mean the Fund by that name established with the Trustee pursuant to the Indenture.

"**Consumer Price Index**" shall mean the index currently published by the United States Bureau of Labor Statistics (unadjusted for seasonal variation) entitled the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100" for the Austin, Texas area. If, at any time when such index is needed, the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100" for the Austin, Texas area is no longer published, the parties shall use such substituted index as is then generally recognized and accepted for similar determinations of purchasing power.

"**Contingent Fees**" shall mean the supplemental or additional fees to be paid, if any, in addition to the Customer Facility Charges, which are required pursuant to Article V, Paragraph C of the Prior Concession Agreements and Section 4.3 of the New Concession Agreements, as applicable, to be paid by the Concessionaires to the Trustee as assignee of the City's interest therein.

"**Costs of Issuance**" shall mean, as determined and approved by the City, the costs of issuing the Bonds which costs shall be limited to: (i) fees and expenses of the financial adviser and counsel to the City; (ii) the fees and expenses of Bond Counsel and of attorneys representing the Trustee; (iii) fees and expenses of the Trustee in connection with the issuance of Bonds; (iv) the costs of printing the Bonds and any preliminary or final official statement relating to the Bonds and other disclosure materials; (v) the fees of any Rating Agency; (vi) the fees and expenses of the Airport Consultant in preparing the feasibility report prepared in connection with the issuance of the Bonds and in establishing the initial amount of the New Customer Facility Charge to the extent such fees and expenses are not included in the Costs of the Project; (vii) travel expenses of officials and employees of the City incurred in connection with the issuance of the Bonds; (viii) any reasonable expenses required to be paid or reimbursed to any underwriter of the Bonds; and (ix) miscellaneous reasonable and customary expenses, in each case as such costs were incurred in connection with the issuance of any series of Bonds. Costs of Issuance shall not include Administrative Costs.

"**Costs of Issuance Fund**" shall mean the Fund by that name established with the Trustee pursuant to the Indenture.

"**Costs of the Project**" shall mean (i) for purposes of the Master Lease, the Sublease Agreements and the New Concession Agreements, any and all costs incurred or paid by the City or the Master Lessee in connection with the design, permitting and construction of the Project, including design costs, permitting costs, capitalized interest for payment of interest on Bonds and Bond issuance and underwriting expenses, the funding of any reserves required in connection with Bonds, construction costs, costs associated with project management, contract administration or construction management, and a reasonable allocation of administrative costs of the City associated with the design and construction of the Project, and (ii) for purposes of the Indenture, all costs incident to the provision of the Project and the financing thereof now or hereafter permitted by Chapter 1371, Texas Government Code, as amended, and Chapter 22, Texas Transportation Code, as amended.

"**Customer Facility Charge**" or "**Customer Facility Charges**" shall mean (i) prior to the Opening Date, the Prior Customer Facility Charge or Prior Customer Facility Charges, and (ii) on and after the Opening Date, the New Customer Facility Charge or New Customer Facility Charges.

"**Customer Service Building**" or "**CSB**" shall mean that portion of the Joint Use Facility described or depicted in the Master Lease to be utilized by the RACs for office space and for processing Airport Customer Transactions.

"**Date of Beneficial Occupancy**" means the date on which the Joint Use Facility, including all Punch-List Items, is complete, all Initial Tenant Improvements are substantially complete, and the Master Lessee has received all certificates of occupancy and other permits, approvals, licenses and other documents from Governmental Authorities having jurisdiction over the Joint Use Facility necessary for the beneficial occupancy thereof. For New Entrants, the Date of Beneficial Occupancy shall mean the date the New Entrant commences rental car operations in the CONRAC.

"**Deadline for Substantial Completion**" shall mean the date identified in the Construction Contract as approved by the City for the Master Lessee's Substantial Completion of the Joint Use Facility as set forth in the Master Lease.

"**Debt Service Coverage Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Debt Service Coverage Fund Requirement**" shall mean with respect to each series of Bonds an amount equal to 25% of the Maximum Annual Debt Service on such series of Bonds.

"**Debt Service Fund**" shall mean the Fund by that name established pursuant to the Indenture.

"**Debt Service Reserve Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Debt Service Reserve Fund Requirement**" shall mean with respect to each series of Bonds, an amount equal to the least of (i) 10% of the stated principal amount of such series of Bonds, (ii) Maximum Annual Debt Service on such series of Bonds, and (iii) 125% of the average Annual Debt Service Requirements on such series of Bonds.

"**Debt Service Reserve Fund Surety Policy**" and "**Debt Service Coverage Fund Surety Policy**" shall mean a surety bond, insurance policy, letter of credit, line of credit, or other similar instrument issued by a financial institution to the City for the benefit of the Owners of the Bonds to satisfy any part of the Debt Service Reserve Fund Requirement or Debt Service Coverage Fund Requirement, as applicable, in accordance with the Indenture; provided, that the long-term senior unsecured debt obligations of such issuer are rated in one of the two highest categories of ratings by one or more Rating Agencies at the time such instrument or instruments are issued.

"**Department of Aviation**" shall mean the Department of Aviation of the City.

"**Design-Builder**" shall mean the general contractor retained by the Developer to install and construct the Joint Use Facility.

"**Developer**" shall mean Pfeffer Development, LLC, an Alaska limited liability company registered to conduct business in the State of Texas.

"**Development Agreement**" means the Project Delivery Agreement entered into between the Master Lessee and the Developer dated January 27, 2012 and made effective as of the 27th day of July, 2011, attached to and made part of the Master Lease as **Exhibit C** to provide for the development and construction of the Joint Use Facility through the Construction Contract pursuant to the Master Lease. The City shall be a third-party beneficiary of the Development Agreement.

"**DOT**" shall mean the United States Department of Transportation, and any successor agency, office or department thereof.

"**DTC**" shall mean The Depository Trust Company, New York, New York or its nominee, or its successors and assigns, or any other depository performing similar functions.

"**Effective Date**" shall mean with respect to the New Concession Agreements, the Master Lease or any Sublease Agreement, the date that the respective document is fully executed and delivered by all parties to the applicable agreement.

"**Environmental Assessment**" shall mean an investigation of site environmental conditions that is (a) sufficient to characterize environmental conditions at the CONRAC Site and/or associated with operations of the CONRAC, and (b) sufficient to identify changes in environmental conditions at the CONRAC Site and/or associated with operations of the CONRAC since the establishment of the Pre-Lease Environmental Condition (or completion of any subsequent Environmental Assessment), by comparison of the Environmental Assessment results with the Pre-Lease Environmental Condition (or the results of any subsequent Environmental Assessment). The Environmental Assessment scope of work shall be sufficient to meet both purposes, but shall in every case meet at least the minimum standards of American Society for Testing and Materials Standard E1903 - Standard Guide for Environmental Site Assessments: Phase II Environmental Site Assessment Process.

"**Environmental Laws**" shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include, but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Water Code, the Texas Hazardous Materials Act, and the Texas Water Quality Control Act.

"**Event of Default**" shall have the meanings set forth in the Master Lease with respect to the Master Lease; in the Sublease Agreements with respect to the Sublease Agreements; in the New Concession Agreements with respect to the New Concession Agreements, and in the Indenture with respect to the Indenture.

"**Exclusive Use Areas**" shall mean those portions of the CONRAC described or depicted in the Master Lease as the "Exclusive Use Areas" and to be utilized by the RACs on an individual exclusive basis, or shared with one or more specific designated RAC(s), for purposes of operating Rental Car Concessions.

"**Exclusive Use Premises**" shall mean the CONRAC Counter Space, Ready/Return Space, allocated QTA Space and assigned Fuel Facilities and such other space as may be assigned to, and accepted by a RAC for its exclusive use, or shared with one or more specifically identified RAC, as shaded and depicted in an exhibit to each of the Sublease Agreements.

"**FAA**" means Federal Aviation Administration.

"**Facility Management Agreement**" means the agreement between the Master Lessee and the Facility Manager approved by the City in writing to provide for the performance of Routine Maintenance and Major Maintenance for the CONRAC and the management of all operations of and activities in the CONRAC pursuant to the Master Lease. City shall be a third-party beneficiary of the Facility Management Agreement.

"**Facility Manager**" shall mean the party retained by the Master Lessee with the written consent of the City to perform the Routine Maintenance and Major Maintenance for the CONRAC and to manage all operations of and activities in the CONRAC pursuant to the Facility Management Agreement.

"**Final Completion**" shall mean full and complete construction of all components of the Joint Use Facility, including completion of all Punch-List Items, which shall occur no later than one-hundred twenty (120) days after Substantial Completion. Final Completion shall exclude only Initial Tenant Improvements which shall be substantially complete on Final Completion and completed no later than the Opening Date and any modifications of or enhancements to way-finding signage which shall be complete no later than ninety (90) days after Final Completion.

"**Fiscal Year**" shall mean the fiscal year of City commencing on October 1st and ending on September 30th.

"**Fitch**" shall mean Fitch Ratings and any successor thereto which is a nationally recognized statistical rating organization.

"**Fuel Facilities**" shall mean (a) the specific improvements installed on or about the portion of the CONRAC Site as depicted in the Master Lease for purposes of fueling rental car vehicles by the RACs; and (b) all aboveground and

underground fuel storage tanks, underground and aboveground fuel piping, related underground and aboveground structures and equipment, including fuel tank fill ports, fuel dispensers, spill containment structures, oil-water separators, storm water management systems, required network of monitoring wells, leak prevention and detection systems, and the surrounding areas used in connection with their operation, including areas of Hazardous Materials, transfer, dispensing and containment systems, wherever located on the CONRAC Site from time to time, including the underground and aboveground fuel piping, related underground and aboveground structures and equipment, including fuel tank fill ports, fuel dispensers, spill containment structures, oil-water separators, storm water management systems and leak prevention and detection systems located within the CONRAC from time to time.

"**Funds**" shall mean the collective funds established by Article V of the Indenture or by any Supplemental Indenture.

"**Governmental Authorities**" shall mean federal, state and municipal governments, authorities and agencies and their respective agencies, departments, authorities and commissions. "Governmental Authorities" shall specifically include, without limitation, the City, the State of Texas, the Texas Attorney General, the DOT, the United States Federal Aviation Administration and the TSA.

"**Government Obligations**" shall mean means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (iv) any other then authorized securities or obligations under applicable Texas law in existence on the date the City adopts or approves any proceedings authorizing the issuance of refunding bonds that may be used to defease obligations such as the Bonds.

"***Gross Receipts***" shall have the meaning set forth in the New Concession Agreements.

"**Hazardous Materials**" shall refer to and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

"IDF Rooms" shall mean the Intermediate Distribution Frame rooms located on each floor of the CONRAC as shown in the Master Lease which shall contain the City's networking equipment for connectivity to the Joint Use Facility.

"**Indenture**" shall mean the Trust Indenture dated as of _____, 2013, between the City and the Trustee establishing the terms of the Bonds, as amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Initial Bonds**" shall mean the Series 2013 Bonds.

"**Initial Tenant Improvements**" shall mean the improvements, structures and fixtures installed by a Concessionaire in its Exclusive Use Premises, including finish-out work on floors, ceilings, demising walls and store facades; storefront signage; panel boxes and hook-ups to utilities; wires and conduits infrastructure; decorations; furniture; equipment; shelves; counters; lighting; and interior design and construction work necessary in general to accommodate the Rental Car Concession operations of a Concessionaire; and as further described in each Sublease Agreement.

"**Interest Payment Date**" shall mean May 15 and November 15 of each year, commencing May 15, 2013.

"**Joint Use Facility**" shall mean the five (5) story parking garage structure containing the CONRAC and Commercial Parking Facility including a vehicle ramping system and any associated improvements approved by the City in writing constructed on the CONRAC Site.

"**Lease Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Lease Term beginning on October 1st and ending on September 30th.

"**Lease Term**" shall mean the term of the Master Lease as provided in the Master Lease.

"**Leased Premises**" shall mean the CONRAC Site prior to Substantial Completion, with an appurtenant license to occupy all improvements thereon as constructed under the Master Lease through Final Completion, and the CONRAC on and after Substantial Completion and through the Lease Term, as more fully described in the Master Lease.

"**Legal Requirements**" shall mean all orders, rules, regulations and requirements (whether now or hereafter in effect) of Applicable Laws, and all requirements, obligations and conditions of all instruments of record on the date of the Master Lease.

"**Major Maintenance**" shall mean any repair, replacement or removal of improvements in, of, or to the CONRAC Site or any aspect of the Joint Use Facility during the one (1) year Warranty Period, or in, of or to the CONRAC or any structural aspect of the Joint Use Facility that in either period (a) preserves, extends or restores the useful life of, and is beyond the regular, normal annual or more frequent upkeep of physical property (i.e. land, building, or equipment), or (b) removes improvements at the expiration or termination of the Master Lease, or otherwise at the direction of the City. Major Maintenance includes the repair or replacement of failed or failing building components as necessary to return a facility to its currently intended use, to prevent further damage, or to make it compliant with changes in laws, regulations, codes, or standards. Routine Maintenance shall not be considered Major Maintenance. Items of Major Maintenance include, but are not limited to, the items listed in the Master Lease.

"**Market Share**" shall mean, with respect to each RAC, that RAC's percentage share of the total rental car market at the Airport, where that share is calculated as the percentage which that RAC paid to the City of the total of all Concession Fees paid to the City by all RACs in the then-most recent Concession Agreement Year.

"**Master Lease**" shall mean the Consolidated Rental Car Facility Master Lease for Austin-Bergstrom International Airport, dated as of _____, 2013, by and between the City and Master Lessee, together with all amendments, supplements, attachments and exhibits thereto.

"**Master Lessee**" shall mean Austin CONRAC, LLC, a Texas limited liability company, and any successor, assignee or transferee thereof permitted by the terms of the Master Lease.

"**Maximum Annual Debt Service**" shall mean the maximum Annual Debt Service Requirements with respect to the Bonds during any Bond Year.

"**Minimum Annual Guaranteed Concession Fee**" shall mean (a) for the first Concession Agreement Year, an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding twelve (12) months under the Prior Concession Agreement (as defined in the New Concession Agreement), and (b) for the second and each subsequent Concession Agreement Year, an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year.

"**Moody's**" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and any successor thereto which is a nationally recognized statistical rating organization.

"**Net Revenues**" shall mean the Net Revenues, as defined in the Prior Lien Bond Ordinance and the Revenue Bond Ordinance, pledged to the payment of the Prior Lien Bonds and the Revenue Bonds, and not pledged to the payment of the Bonds.

"**New Concession Agreement**" shall mean each Rental Car Concession Agreement for Austin - Bergstrom

International Airport between City and a Concessionaire, together with the exhibits thereto and all agreements supplemental to or modifying such New Concession Agreement, whether made contemporaneously therewith or subsequent thereto. The term "New Concession Agreement" specifically shall include each successor concession agreement to which City and such Concessionaire may be a party that governs the terms of such Concessionaire's Rental Car Concession. New Concession Agreement shall not include a Prior Concession Agreement. For purposes of the Indenture, the term New Concession Agreement also shall include any other concession agreement between the City and a rental car concession operator entered into pursuant to the Indenture as described in the second paragraph under "SECURITY FOR THE SERIES 2013 BONDS – Additional Covenants."

"**New Customer Facility Charge**" or "**New Customer Facility Charges**" shall mean the customer facility charge or customer facility charges required to be charged and collected by the Concessionaires pursuant to the New Concession Agreements and which, upon collection, are required to be remitted to the Trustee as assignee of the City's interest therein.

"**New Entrant**" shall mean any operator of a rental car business that meets minimum requirements substantially equivalent to those imposed on incumbent Concessionaires, but that is not a Concessionaire as of the Effective Date of the Master Lease, and thereafter shall mean an operator of a rental car business that meets minimum requirements substantially equivalent to those imposed on incumbent Concessionaires, but that is not a Concessionaire as of the end of the initial ten (10) year term of the New Concession Agreement or at the time City solicits for new operators or rental car businesses in the CONRAC. "New Entrant" shall not mean any off-Airport motor vehicle rental services or businesses.

"**Notice of Default**" shall mean: (a) written notice by the City to a Concessionaire or by a Concessionaire to the City of any Event of Default or of any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under a New Concession Agreement; (b) written notice by the City to the Master Lessee or by the Master Lessee to the City of any Event of Default or of any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under the Master Lease; or (c) written notice by the Master Lessee to a Concessionaire or by Concessionaire to the Master Lessee of any Event of Default or any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under a Sublease Agreement. Such notices, for all purposes, shall be in lieu of, and not in addition to, any notice required as a prerequisite to an unlawful detainer or similar action for possession of premises.

"**O&M Costs**" shall mean all actual costs of operating the CONRAC and administering and carrying out the Master Lessee's responsibilities under the Master Lease, including the following: (a) the actual costs incurred by any and all of the Facility Manager, City or Master Lessee in performing Routine Maintenance, Major Maintenance or Environmental Assessment under the Master Lease (including a reasonable allocation of City administrative costs but excluding any such costs incurred by the City with respect to its own direct responsibilities pursuant to the Master Lease), and specifically including the cost of the Facility Manager and associated support staff that are responsible for supervising the operation and management of the CONRAC and CONRAC Site (specifically including ensuring Concessionaire's compliance with the obligations imposed by the Master Lease); (b) the property and liability (including pollution liability) insurance costs incurred by the Facility Manager, City or Master Lessee with respect to the CONRAC and CONRAC Site; (c) except to the extent attributable to any individual RAC, any taxes, other than income taxes, paid by City, Master Lessee or the Facility Manager in regard to the Joint Use Facility, but that are payable by the RACs under the Sublease Agreement; (d) the Utilities Costs for the CONRAC and CONRAC Site (except for any separately metered Utilities Costs for RAC Exclusive Use Premises); (e) internal costs (including staff time) of City incurred in connection with the administration of the New Customer Facility Charge or the administration of the Bonds; (f) internal costs (including staff time) of Master Lessee incurred in connection with the performance by Master Lessee of any duties or obligations under any agreement with the Facility Manager; (g) the fees and costs payable by Master Lessee to the Facility Manager; and (h) any other cost or expense reasonably incurred by City or Master Lessee in connection with the RACs' operations on or occupation of the CONRAC and CONRAC Site.

"**O&M Reconciliation Report**" shall have the meaning set forth in the Master Lease and in the Sublease Agreement.

"**O&M Reserve Requirement**" shall mean an amount equal to twenty-five percent (25%) of a Concessionaire's estimated aggregate Pro Rata Share of O&M Costs for each Sublease Agreement Year (or, for the first

Sublease Agreement Year, the period commencing on the Substantial Occupancy Date through the end of such first Sublease Agreement Year).

"**Opening Date**" shall mean the date the CONRAC opens for business to the public, with all RACs renting cars and receiving rental returns in the CONRAC which shall occur no later than thirty (30) days following Final Completion.

"**Outstanding**" shall mean, with respect to the Bonds, as of the time in question, all Bonds registered or authenticated, as applicable, and delivered under the Indenture, except: (i) Bonds canceled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture; and (iii) Bonds deemed to have been paid within the meaning of Article XIII hereof.

"**Owner**" shall mean the Person whose name appears on the Registration Books as the owner of such Bond.

"**Parking Management Office**" shall mean the space on the ground floor of the QTA Facility described or depicted in the Master Lease to be used exclusively by the City in conjunction with the Commercial Parking Facility and other City parking facilities at the Airport.

"**Payment and Performance Bond**" shall have the meaning set forth in the Master Lease.

"**Percentage Fee**" shall have the meaning set forth in the New Concession Agreements as described in "APPENDIX D – EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS – Concession Fee."

"**Permitted Investments**" shall mean any investment that at the time is lawful under State law for investment by the City maturing or redeemable at the option of the Trustee, or marketable, prior to the maturities thereof, at such time or times as to enable disbursements to be made from the respective Funds and Accounts in accordance with the terms of the Indenture, and, which is an authorized investment under the investment policy of the City.

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

"**Pre-Lease Environmental Condition**" shall have the meaning set forth in the Master Lease and the Sublease Agreement.

"**Principal Office**" shall mean, with respect to Deutsche Bank National Trust Company, its corporate trust office in Jersey City, New Jersey, and, with respect to any successor Trustee, the trust office designated by such successor Trustee as its principal corporate trust office.

"**Prior Concession Agreement**" shall mean each Rental Car Concession Agreement between the City and a Concessionaire relating to the premises at the Airport leased and occupied by Concessionaire pursuant to the terms thereof prior to the Opening Date, together with the exhibits thereto and all agreements supplemental to or modifying such Prior Concession Agreement, whether made contemporaneously therewith or subsequent thereto. Prior Concession Agreement shall not include a New Concession Agreement.

"**Prior CFCs Account**" shall mean the Account by that name within the Construction Fund established with the Trustee pursuant to the Indenture.

"**Prior Customer Facility Charge**" or "**Prior Customer Facility Charges**" shall mean the customer facility charge or customer facility charges required to be charged and collected by the Concessionaires pursuant to Article V, Paragraph B of the Prior Concession Agreements and which, upon collection, are required to be remitted to the Trustee as assignee of the City's interest therein.

"**Prior Facility Premises**" shall have the same meaning given to the term "Leased Premises" in the Prior Concession Agreements.

"**Prior Facility Rentals**" shall mean the rental payments for parking garage vehicle staging lanes and for individual parking garage vehicle staging spaces required pursuant to Article V, Paragraph A(4) of the Prior Concession Agreements to be paid by the Concessionaires to the Trustee as assignee of the City's interest therein.

"**Prior Lien Bond Ordinance**" shall mean Ordinance No. 031211-07 adopted and approved by the Council of the City on December 11, 2003, authorizing the issuance of the Prior Lien Bonds.

"**Prior Lien Bonds**" shall mean the City of Austin, Texas, Airport System Prior Lien Revenue Refunding Bonds, Series 2003, authorized by the City pursuant to the Prior Lien Bond Ordinance.

"**Project**" shall mean (i) for purposes of the Master Lease, Sublease Agreements and New Concession Agreements, the design, construction, operation, maintenance, installation and financing of the Joint Use Facility on the CONRAC Site and its associated improvements, and (ii) for purposes of the Indenture, collectively, the buildings, equipment, facilities and improvements comprising the Joint Use Facility and its associated improvements, and which are financed in whole or in part with proceeds of the Bonds and any Completion Bonds.

"**Pro Rata Share**" shall mean with respect to each Subleasing RAC the percentage determined by dividing (a) the total square footage of Exclusive Use Premises then allocated to that RAC by (b) the aggregate total square footage of all Exclusive Use Areas as then subleased to all RACs, all of which space may be measured by the City or Master Lessee in any reasonable and uniform manner. The Pro Rata Share may vary from time to time, being readjusted by the Master Lessee upon any increase or decrease any RAC's Exclusive Use Premises or in the aggregate total square footage of all Exclusive Use Areas actually then subleased to RACs. For purposes of determining the total amount of Exclusive Use Areas subleased (but without in any manner releasing, waiving or otherwise absolving any potential claims for damages against any Concessionaire upon an Event of Default), (i) space for which a Sublease Agreement expires or earlier terminates shall be treated as subleased until the first full month following the date on which the Sublease Agreement expires or is earlier terminated, and (ii) a Sublease Agreement rejected in bankruptcy shall be treated as terminating on the date the bankruptcy petition was filed.

"**Punch-List Items**" shall have the meaning set forth in the Master Lease.

"**QTA Equipment**" shall mean all equipment installed in the QTA Space and used in connection with car washing and cleaning activities, including, without limitation, car washes and all associated equipment, the vacuums, and all fluid and/or compressed air dispensing systems; provided, however, that QTA Equipment shall not include any portion of the Fuel Facilities.

"**QTA Facility**" shall mean the portion of the Joint Use Facility that includes and lies east of the CONRAC's internal shuttler ramps, and includes the car washes, fueling areas and associated vehicle stacking areas, the ground floor under those areas and the fourth floor above them, but does not include the Parking Management Office, all as described or depicted in the Master Lease.

"**QTA Space**" shall mean the quick turnaround areas located in the portion of the CONRAC described or depicted in the Master Lease and to be utilized by the RACs for purposes of car washing, cleaning and fueling activities.

"**RAC**" shall have the same meaning given to the term Concessionaire.

"**RAC O&M and Rent Reserve Fund**" shall mean the Fund by that name established pursuant to the Indenture.

"**RAC Property**" shall mean trade fixtures and business equipment and furnishings and signs of each respective RAC that has not been permanently affixed to the CONRAC or otherwise remains the personal property of that RAC and the removal of which would not damage or affect the structural integrity or usability of the CONRAC.

"**Rating Agency**" shall mean any one or more of S&P, Moody's, Fitch, and any other nationally recognized statistical rating organization engaged by the City and then rating the Bonds.

"**Ready/Return Areas**" shall mean those portions of the CONRAC described or depicted in the Master Lease as the "Ready/Return Area" and to be utilized by the RACs for purposes of stacking, staging, returning and delivering rental vehicles.

"**Ready/Return Space**" shall mean the area(s) shaded and designated in an exhibit to each of the Sublease Agreements identifying the same as a portion of the Exclusive Use Premises for the applicable RAC.

"**Registration Books**" shall mean the books or records of the registration and transfer of the Bonds kept by the Trustee as bond registrar pursuant to the Indenture.

"**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance, but excluding

(a) any release that results in exposure to persons solely within a workplace, with respect to a claim that those persons may assert against the persons' employer;

(b) emissions from the engine exhaust of a motor vehicle or rolling stock; and

(c) migration or movement onto, within or from the Leased Premises of Hazardous Materials contamination existing prior to the Effective Date or originating from City property outside the Leased Premises.

"**Rent**" shall mean Base Rent and all other fees, costs and other amounts payable from the Master Lessee to the City under the Master Lease.

"**Rental Car**" shall mean 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, legal to be driven on a public street in Austin, Texas and made available for use, without a hired driver, under any form of lease, rental contract or other agreement for temporary use.

"**Rental Car Concession**" shall mean the right to operate a rental car concession at the Airport on a nonexclusive basis for the purpose of arranging rental services for motor vehicles.

"**Repair and Replacement Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Required Percentage**" shall mean ten percent (10%) for each Concession Agreement Year, subject to City adjustment every five Concession Agreement Years in accordance with the terms of the New Concession Agreements.

"**Reserved Area**" shall mean those portions of the CONRAC, initially described or depicted in the Master Lease, reserved to the Master Lessee for use by the Master Lessee and the Facility Manager pursuant to the Master Lease and the Sublease Agreements, and specifically including reserved office space, the Service Yard, all portions of the Fuel Facilities other than expressly allocated fuel dispensers, all CONRAC mechanical rooms and systems and designated storage rooms.

"**Revenue Bonds**" shall mean the City of Austin, Texas, Airport System Refunding Revenue Bonds, Series 2005, authorized by the Revenue Bond Ordinance, and any additional obligations hereafter issued that are secured by or payable from Net Revenues.

"**Revenue Bond Ordinance**" shall mean Ordinance No. 20050804-039 adopted by the City Council of the City on August 4, 2005, authorizing the issuance of the Revenue Bonds, as amended by Ordinance No. 20110526-068 adopted by the City Council of the City on May 26, 2011.

"**Revenue Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Revenues**" shall mean all amounts deposited to the Revenue Fund, including, but not limited to (i) the Prior Customer Facility Charges paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph B of the Prior

Concession Agreements, (ii) the New Customer Facility Charges paid by the Concessionaires to the Trustee pursuant to Section 4.2 of the New Concession Agreements, (iii) the Contingent Fees paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph C of the Prior Concession Agreements and Section 4.3 of the New Concession Agreements, (iv) any amounts drawn under the separate letters of credit to be delivered by the Concessionaires to the Director of Aviation pursuant to (A) Paragraph G of Article V of the Prior Concession Agreements that represent Prior Customer Facility Charges, Contingent Fees or Prior Facility Rentals as described in clauses (i), (iii) and (v) of this paragraph, and (B) Section 4.5 of the New Concession Agreements that represent New Customer Facility Charges or Contingent Fees as described in clauses (ii) and (iii) of this paragraph, in each case, which amounts shall be payable directly to the Trustee upon a draw on such letters of credit, (v) the Prior Facility Rentals paid by the Concessionaires to the Trustee pursuant to Article V, Paragraph A(4) of the Prior Concession Agreements, and (vi) investment earnings from amounts held by the Trustee and deposited to the Revenue Fund pursuant to the Indenture.

"**Routine Maintenance**" shall mean the following: (a) the regular maintenance and repair of the structural components of the CONRAC, including the roof (both structure and any covering/membrane), exterior walls, foundation and building structure, required to keep and maintain such structural components in good order, condition and repair; (b) the regular maintenance and repair of the Common Use Areas including water, snow and ice removal and the pressure washing, resurfacing and repair of roadways, ramps, flyovers, walkways, stairs, and sidewalks included therein and the maintenance and repair of escalators, elevators and moving sidewalks, if any, required to keep and maintain the Common Use Areas in good order, condition and repair; (c) the maintenance and repair of the Reserved Area; (d) the repair and maintenance of the QTA Equipment and the Fuel Facilities; (e) the repair and maintenance of, but not janitorial services for, the Parking Management Office and the Commercial Parking Facility, including the elevators and stairwells dedicated to the Commercial Parking Facility, during the Warranty Period; (f) regular maintenance and replacement of landscaping included in Master Lessee's site plan and installed on or about the CONRAC; and (g) janitorial services, except as noted, in the areas maintained; provided, however, Routine Maintenance shall not include any repairs, replacements or other actions that constitute Major Maintenance. Items of Routine Maintenance include, but are not limited to, the items listed in the Master Lease.

"**S&P**" shall mean Standard & Poor's Ratings Services, a Standard and Poor's Financial Services LLC business, and any successor thereto which is a nationally recognized statistical rating organization.

"**Security**" shall have the meaning set forth in the Master Lease and in each Sublease Agreement for the purposes of each such agreement, respectively.

"**Security Amount**" means an amount for each Lease Agreement Year equal to the sum of twenty-five percent (25%) of the Base Rent in the form of an irrevocable stand-by letter of credit in form acceptable to the City.

"**Security Deposit**" shall have the meaning set forth in each New Concession Agreement.

"**Series 2013 Bonds**" shall mean "City of Austin, Texas, Rental Car Special Facility Revenue Bonds, Taxable Series 2013" authorized by and secured by the Indenture.

"**Series 2013 Supplemental Security Account**" shall mean the Account by that name established within the Supplemental Security Fund pursuant to the Indenture.

"**Service Yard**" means the ground-level area on the east end of the CONRAC described or depicted in the Master Lease improved as depicted for delivery of fuel and other supplies, for holding trash and recycling for pickup, and for other functions in support of CONRAC operation.

"**State**" shall mean the State of Texas.

"**Stated Maturity**" shall mean when used with respect to any Bond means the date specified in such Bond as the fixed date on which the principal of such Bond is due and payable.

"**Storage Space**" shall mean the area(s) shaded and designated in an exhibit to each of the Sublease Agreements identifying the same as a portion of the Exclusive Use Premises for the applicable RAC.

"**Sublease Agreement**" means the agreement in the form attached to and made part of the Master Lease between a RAC and Master Lessee by consent of the City pursuant to which the RAC subleases space in the CONRAC and pay certain allocated costs.

"**Sublease Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Sublease Term beginning on October 1st and ending on September 30th.

"**Subleased Premises**" shall mean with respect to each RAC's Sublease Agreement, the Exclusive Use Premises, together with the non-exclusive right of a RAC to use in common with the other RACs the Common Use Operational Areas and the Common Use Areas as set forth in the Sublease Agreement.

"**Sublease Term**" shall mean the term of each Sublease Agreement as set forth therein.

"**Sublessee**" shall have the same meaning given to the term Concessionaire.

"**Substantial Completion**" or "**Substantially Complete**" shall mean the stage in the progress of the construction of the Joint Use Facility when the work, or a designated part of the work, is sufficiently complete in accordance with the Development Agreement and Construction Contract so that the City, Master Lessee and RACs can occupy or use the Joint Use Facility for its intended use as evidenced by a certificate of Substantial Completion approved by the City and a certificate of occupancy issued by a City building inspector prior to Substantial Completion. Substantial Completion shall include, without limitation, all required permit sign-offs, regulatory inspections and structural components completed, equipment and systems installed and functional and all interior and exterior wall, ceiling and floor finish materials installed excluding only the completion of the Punch-List Items, Initial Tenant Improvements and modifications of or enhancements to way-finding signage.

"**Substantial Occupancy Date**" shall mean the date on which the Master Lessee turns over to each RAC its Exclusive Use Premises for purposes of installing the Initial Tenant Improvements and RAC Property in the Exclusive Use Premises and preparing to open for business in the CONRAC on the Opening Date which shall be no later than the date of Substantial Completion.

"**Supplemental Indenture**" shall mean one or more supplemental indentures or amended and restated indentures executed and delivered by the City and the Trustee and effective in accordance with the Indenture with respect to the issuance of Additional Bonds or Completion Bonds.

"**Supplemental Security**" shall mean (i) any funds received by or obligations payable to the City, other than Revenues, and (ii) any credit facility or other credit enhancement, which, in each case, the City elects to designate as additional security for the Series 2013 Bonds or any specified series of Additional Bonds or Completion Bonds pursuant to the Indenture.

"**Supplemental Security Fund**" shall mean the Fund by that name established pursuant to the Indenture.

"**Tenant Design Standards**" shall mean the standards, established by the City from time to time, to specify the aesthetic qualities and the design, construction and materials requirements for tenants of the Airport and its facilities, they may be amended, modified and revised from time to time.

"**Terminal**" shall mean the interconnected facilities at the Airport, along with all user movement areas, public areas and baggage claim areas therein and interconnecting facilities and all future expansions thereto.

"**Termination Damages**" shall have the meaning set forth in the Master Lease and in each Sublease Agreement.

"**Transaction**" means a distinct act of business between a RAC and a customer under which the RAC generates Gross Receipts by rental of a Rental Car as authorized under its New Concession Agreement. Each taking of possession of a Rental Car from a RAC 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.

"**Trust Estate**" shall have the meaning set forth in the Granting Clauses of the Indenture.

"**Trustee**" shall mean Deutsche Bank National Trust Company, or any successor trustee hereafter appointed in the manner provided in the Indenture.

"**TSA**" shall mean the United States Transportation Security Administration, and any successor agency, office or department thereof.

"**Utilities Costs**" shall mean all fees, charges, costs, assessments and expenses incurred in connection with the permitting or operation of the CONRAC or the CONRAC Site for electricity, communications, gas, water, sewer, storm water (including participation in the Regional Storm Water Management Program, garbage and recycling services and usage.

"**Vendor Parking Area**" shall mean the vendor parking yard areas located on the CONRAC Site immediately East of and adjacent to the Joint Use Facility described or depicted in the Master Lease and to be utilized by the RACs for purposes of vendor parking.

"**Warranty Period**" shall mean the period of time commencing on the date of Substantial Completion and expiring one (1) year thereafter.

APPENDIX C

EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE

The following are selected provisions of the Indenture. See definition of Indenture, APPENDIX B. These excerpts are qualified by reference to the other portions of the Indenture referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Indenture in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Indenture, a copy of which may be obtained from the City's Financial Advisor. Section and Article references contained in the following excerpts are to the Sections and Articles contained in the Indenture. The provisions of the Indenture may be amended or supplemented in accordance with the terms thereof.

* * * * *

Section 2.13. Supplemental Security. Except as otherwise provided or permitted herein, the Trust Estate securing all Bonds shall be shared on a parity with all other Bonds on an equal and ratable basis. The City may, however, in its discretion, designate and provide Supplemental Security for the Series 2013 Bonds or any specified series of Additional Bonds or Completion Bonds, but shall have no obligation to provide such Supplemental Security to other Bonds. Any such Supplemental Security may be deposited into one or more Funds or Accounts created hereunder or under a Supplemental Indenture. The City reserves the right to establish one or more Funds or Accounts for the purpose of holding, investing and disbursing Supplemental Security. Notwithstanding the foregoing, no Supplemental Security shall be provided for a series of Bonds, the interest on which is excludable from gross income for federal income tax purposes, unless there shall have been first delivered to the Trustee an opinion of Bond Counsel to the effect that the exclusion from gross income of interest on any Bonds for federal income tax purposes will not be adversely affected thereby. The City hereby designates the amount specified in Section 5.15(i) as Supplemental Security for the Series 2013 Bonds.

* * * * *

ARTICLE V

FUNDS AND INVESTMENTS

Section 5.1. Establishment of Funds and Accounts.

(a) The City hereby establishes with the Trustee the following Funds:

(i) Revenue Fund;

(ii) Administrative Costs Fund;

(iii) Debt Service Fund;

(iv) Debt Service Reserve Fund;

(v) Debt Service Coverage Fund;

(vi) CFC Surplus Fund;

(vii) Construction Fund;

(viii) Costs of Issuance Fund;

(ix) Repair and Replacement Fund;

(x) RAC O&M and Rent Reserve Fund; and

(xi) Supplemental Security Fund.

(b) All Funds and Accounts shall be established, maintained and accounted for as hereinafter provided. The Construction Fund, the Costs of Issuance Fund and the Series 2013 Supplemental Security Account shall be closed after all amounts deposited thereto have been expended and thereafter need not be maintained. Subject to the terms and provisions of this Indenture, all Funds shall constitute trust funds which shall be held by the Trustee for the benefit of the Owners of Bonds and be considered as part of the Trust Estate.

(c) The City and the Trustee reserve the right to establish, from time to time, additional Funds, Accounts within the Funds and subaccounts within the Accounts.

* * * * *

Section 5.3. Administrative Costs Fund. Moneys credited to the Administrative Costs Fund shall only be used by the Trustee to pay Administrative Costs. The Trustee shall disburse amounts in the Administrative Costs Fund to pay or reimburse the City for Administrative Costs within three (3) Business Days following receipt of and in accordance with a letter of instructions executed by an Authorized Representative.

Section 5.4. Debt Service Fund. Moneys credited to the Debt Service Fund shall only be used by the Trustee to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds coming due during each Bond Year. Moneys transferred to the Debt Service Fund from the Supplemental Security Fund representing Supplemental Security for a specified series of Bonds shall be held in the Debt Service Fund, or in an account therein, and used solely to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on such specified series of Bonds.

* * * * *

Section 5.8. Construction Fund.

(a) Within the Construction Fund the City hereby establishes the Prior CFCs Account and the Bond Proceeds Account. The Trustee shall transfer moneys to the Prior CFCs Account of the Construction Fund in the amount set forth in Section 5.15, and from the proceeds of the Series 2013 Bonds, there shall be deposited to the Bond Proceeds Account of the Construction Fund such amounts as are specified in Section 6.1. From the proceeds of each series of Completion Bonds there shall be deposited to the Bond Proceeds Account of the Construction Fund such amounts as shall be provided in the indenture or Supplemental Indenture relating to such Completion Bonds. Such amounts may be applied to pay or reimburse Costs of the Project and to pay any other capital costs of the Project as provided in the ordinance of the City authorizing such series of Bonds. The Trustee shall disburse amounts from the Construction Fund within three (3) Business Days following its receipt of and in accordance with a Construction Fund Disbursement Request in the form set forth in Exhibit B hereto executed by an Authorized Representative; provided, that the Trustee shall disburse moneys first from the Bond Proceeds Account of the Construction Fund until no moneys remain therein before disbursing moneys from the Prior CFCs Account of the Construction Fund.

(b) With respect to the Project, any amounts remaining in the Prior CFCs Account of the Construction Fund as of the Opening Date, less any amounts necessary to pay accrued but unpaid Costs of the Project, shall be transferred to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, all as certified by, and at the written direction of, an Authorized Representative. Any amounts remaining in the Prior CFCs Account of the Construction Fund following final completion of the Project shall be transferred to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, all as certified by, and at the written direction of, an Authorized Representative.

Section 5.9. Costs of Issuance Fund. From the proceeds of the Series 2013 Bonds, there shall be deposited to the Costs of Issuance Fund such amounts as are specified in Section 6.1. From the proceeds of each series of Additional Bonds or Completion Bonds, there shall be deposited to the Costs of Issuance Fund such amounts as shall be provided in the indenture or Supplemental Indenture relating to such series of Bonds or in a letter of instructions from the City to the Trustee. Such amounts shall be disbursed by the Trustee to pay Costs of Issuance within three (3) Business Days following its receipt of and in accordance with a letter of instructions executed by an Authorized Representative. After paying all Costs of Issuance for which a series of Bonds have been issued, as certified by an Authorized Representative in writing to the Trustee, any surplus amounts remaining in the Costs of Issuance Fund shall be deposited to the Bond Proceeds Account of the Construction Fund.

Section 5.10. Repair and Replacement Fund.

(a) The Trustee shall transfer moneys to the Repair and Replacement Fund in the amount set forth in Section 5.15. Thereafter, additional transfers to the Repair and Replacement Fund shall be made as directed pursuant to a CFC Surplus Fund Disbursement Request in the form of Exhibit C hereto executed by an Authorized Representative and delivered to the Trustee from time to time in accordance with Section 5.7.

Moneys credited to the Repair and Replacement Fund may be disbursed for the following purposes:

(i) payment of the costs of Major Maintenance;

(ii) to pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor if there is not sufficient money available in the Debt Service Fund, the Debt Service Reserve Fund and the Debt Service Coverage Fund for such purpose;

(iii) to restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund or the Debt Service Coverage Fund;

(iv) to make final payment for the retirement or defeasance of a series of Bonds; and

(v) for the purposes provided in subsection (b) below.

With respect to the purposes described in clauses (i), (iv) and (v) above, the Trustee shall disburse amounts in the Repair and Replacement Fund within three (3) Business Days following its receipt of and in accordance with a Repair and Replacement Fund Disbursement Request in the form set forth in Exhibit D hereto executed by an Authorized Representative. No disbursement request shall be required for the Trustee to apply money in the Repair and Replacement Fund for the purposes described in clauses (ii) or (iii) above.

(b) If, at the end of any Fiscal Year following the Opening Date, all budgeted costs for Major Maintenance to be paid from the Repair and Replacement Fund for such year have been paid in full, then any amount then remaining on deposit in the Repair and Replacement Fund may be used at the discretion of the City, pursuant to a Repair and Replacement Fund Disbursement Request submitted to the Trustee, to (i) purchase, defease or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service Coverage Fund are fully funded; (ii) expand, repair or improve the Joint Use Facility or the CONRAC Site; and (iii) expand, repair or improve, or pay any other costs of rental car facilities, including any costs associated with the relocation of rental car facilities. Notwithstanding, the foregoing, the City shall not request a disbursement from the Repair and Replacement Fund pursuant to this subsection (b) for the purposes described in clause (i) of the previous sentence if such disbursement would cause the amount on deposit in the Repair and Replacement Fund after such disbursement, together with amounts, if any, budgeted or projected to be budgeted to be deposited therein during the next five years, to be insufficient to provide for the disbursements budgeted or projected to be budgeted to be made therefrom during the next five years.

Section 5.11. RAC O&M and Rent Reserve Fund. The Trustee shall transfer moneys to the RAC O&M and Rent Reserve Fund as directed pursuant to a CFC Surplus Fund Disbursement Request in the form of Exhibit C hereto executed by an Authorized Representative and delivered to the Trustee from time to time in accordance with Section 5.7. Moneys credited to the RAC O&M and Rent Reserve Fund shall be disbursed by the Trustee to pay the costs identified in a RAC O&M and Rent Reserve Fund Disbursement Request in the form set forth in Exhibit E hereto executed by an Authorized Representative. The City shall submit a RAC O&M and Rent Reserve Fund Disbursement Request to the Trustee for the disbursement of moneys from the RAC O&M and Rent Reserve Fund for the costs, at the times, in the amounts and in the manner set forth in Section 6.11 of the Master Lease. The Trustee shall disburse amounts in the RAC O&M and Rent Reserve Fund within three (3) Business Days following its receipt of and in accordance with a RAC O&M and Rent Reserve Fund Disbursement Request in the form set forth in Exhibit E hereto executed by an Authorized Representative. If the City submits a RAC O&M and Rent Reserve Fund Disbursement Request to the Trustee directing the transfer of all moneys from the RAC O&M and Rent Reserve Fund to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund in accordance with the terms of Section 6.11 of the Master Lease, then following such transfer the RAC O&M and Rent Reserve Fund shall be closed and thereafter need not be maintained.

* * * * *

Section 5.13. Investment of Funds; Transfer of Investment Income.

(a) Moneys in all Funds and Accounts shall, at the written direction of an Authorized Representative, be invested in the manner provided by Texas law and the City's investment policy in Permitted Investments.

(b) Moneys in such Funds and Accounts may be subject to further investment restrictions imposed from time to time by ordinances of the City or Supplemental Indentures authorizing the issuance of Additional Bonds or Completion Bonds.

(c) All such investments shall be valued at market value no less frequently than once per Bond Year and as necessary in connection with the setting of the Customer Facility Charge by the City.

(d) If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

(e) All interest and income derived from deposits and investments credited to the following Funds shall be applied upon receipt as follows:

Source of Interest or Income	Fund or Account to which such Interest or Income should be Credited
Administrative Cost Fund	*To the Revenue Fund*
Revenue Fund	Remains in Revenue Fund
Debt Service Fund	Remains in Debt Service Fund
Debt Service Reserve Fund	Remains in the Debt Service Reserve Fund until the Debt Service *Reserve Requirement is satisfied; then to the Bond Proceeds Account of* the Construction Fund until the Opening Date; and thereafter to the Revenue Fund
Debt Service Coverage Fund	Remains in the Debt Service Coverage Fund until the Debt Service *Coverage Fund Requirement is satisfied; then to the Prior CFCs Account* of the Construction Fund until the Opening Date; and thereafter to the Revenue Fund
CFC Surplus Fund	Remains in the respective account of the CFC Surplus Fund
Construction Fund	Remains in the respective account of the Construction Fund
Costs of Issuance Fund	Remains in the Costs of Issuance Fund
Repair and Replacement Fund	Remains in the Repair and Replacement Fund
RAC O&M and Rent Reserve Fund	Remains in the RAC O&M and Rent Reserve Fund
Supplemental Security Fund	Remains in the respective account of the Supplemental Security Fund

(f) In order to comply with the directions of the City, the Trustee may sell or may present for redemption or may otherwise cause the liquidation prior to their maturities of any obligations in which funds have been invested, and the Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event of any need for funds, the City may instruct the Trustee, in lieu of a liquidation or redemption of investments in the Fund or account needing funds, to exchange such investments for investments in another Fund or account that may be liquidated at no, or at a reduced, loss.

(g) To ensure that cash on hand is invested, if the Trustee is required to make investments as a result of not receiving written directions from the City, the Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments.

(h) The Trustee may make any and all investments through its own bond or securities department or the bond or securities department of any affiliate of the Trustee.

(i) The Trustee may conclusively rely on the investment directions of the City as to both the suitability and legality of directed investments.

Section 5.14. Security for Uninvested Funds. So long as any Bonds remain Outstanding, all uninvested moneys shall be secured as provided by Texas law.

* * * * *

ARTICLE VII

PARTICULAR COVENANTS OF THE CITY

Section 7.1. Payment of Debt Service; Limited Obligations. The City will duly and punctually pay the principal of, redemption premium, if any, any sinking fund requirement and interest on the Bonds in accordance with the terms of the Bonds and this Indenture; provided, however, the Bonds and the other obligations of the City provided for herein shall be limited obligations of the City and shall be secured by and payable by the City solely out of the Trust Estate. All Bonds shall be in all respects on a parity with and of equal dignity with one another, subject to the terms and provisions hereof. The Owners of the Bonds shall never have the right to demand payment of either the principal of, interest on, or any redemption premium on the Bonds out of any funds raised or to be raised by taxation or out of the general revenues of the Airport System or the City, including, without limitation, the Net Revenues pledged to payment of the Prior Lien Bonds or the Revenue Bonds.

Section 7.2. Rate Covenant.

(a) Effective as of the Closing Date for the Series 2013 Bonds, the City will, pursuant to the Prior Concession Agreements, require the Concessionaires to charge, collect and remit to the Trustee, as assignee of the City's interest therein, the Prior Customer Facility Charge. Effective as of the Opening Date, the City will, pursuant to the New Concession Agreements, require the Concessionaires to charge, collect and remit to the Trustee, as assignee of the City's interest therein, the New Customer Facility Charge. The initial amount of the New Customer Facility Charge (which shall be subject to adjustment pursuant to Sections 7.2(c) or (d) below) and the date on which the Concessionaires shall be required to charge and collect the New Customer Facility Charge (which shall be the Opening Date) shall be set forth in the New Concession Agreements.

(b) The amount of the Customer Facility Charge shall remain in effect until the end of the Bond Year during which such Customer Facility Charge was commenced unless adjusted pursuant to Section 7.2(d) below. No less than ninety (90) days prior to the end of each Bond Year, the Airport Consultant shall prepare and present to the City a report which shall make a recommendation as to the amount of the Customer Facility Charge for the ensuing Bond Year. In making such recommendation, the Airport Consultant shall consider, among other factors: (i) the historical and projected origination and destination traffic at the Airport; (ii) historical and projected rental car transaction days at the Airport; (iii) the Annual Debt Service Requirements; (iv) the budgeted Administrative Costs and the actual Administrative Costs; (v) the amounts required to be deposited to the Funds and any existing or projected deficiencies therein; and (vi) such other factors deemed relevant by the Airport Consultant and the City; provided, however, that in making its recommendation of the amount of the Customer Facility Charge, the Airport Consultant shall not assume any Revenues from Contingent Fees unless the Airport Consultant finds that, as a result of factors set forth in its report, the Customer Facility Charge cannot be set at an amount sufficient to produce Revenues reasonably anticipated to satisfy the requirement of clauses (A), (B) and (C) of Section 7.2(c) below.

(c) Subject to the provisions of Section 7.2(d) below, the City, at least sixty (60) days prior to the end of each Bond Year, will establish and give notice to each of the Concessionaires of the amount of the Customer Facility Charge for the ensuing Bond Year. The amount of such Customer Facility Charge shall be set by the City, taking into account the recommendation of the Airport Consultant, as the amount reasonably anticipated to produce Revenues at least equal to the sum of (A) the Administrative Costs for such Bond Year; (B) 1.25 times the Annual Debt Service Requirements for such Bond Year; and (C) amounts sufficient to restore any deficiencies in the Debt Service Reserve Fund and the Debt Service Coverage Fund.

(d) Upon the occurrence of an unscheduled draw on the Debt Service Reserve Fund, and at such other times permitted by the terms of the Agreements, the City shall cause the Airport Consultant to prepare an interim report recommending an adjustment to the Customer Facility Charge to produce Revenues necessary to restore the amounts required to be deposited to the Funds for such Bond Year pursuant to Sections 5.2(b)(i), (ii), (iii) and (iv). Upon receipt of such report the City, as soon as reasonably practicable, shall adjust, if necessary, the Customer Facility Charge for the

remainder of such Bond Year to an amount reasonably anticipated to produce Revenues in the amount set forth in Section 7.2(c) above. The City shall notify the Concessionaires of such adjustment and the date as of which such adjusted Customer Facility Charge shall be charged and collected by the Concessionaires in accordance with the Agreements.

Section 7.3. Covenants regarding Contingent Fees and Prior Facility Rentals.

(a) Until the Opening Date, the City will, pursuant to the Prior Concession Agreements, require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees, if any, and the Prior Facility Rentals. From and after the Opening Date, the City will, pursuant to the New Concession Agreements, require the Concessionaires to pay to the Trustee, as assignee of the City's interest therein, the Contingent Fees, if any.

(b) In the event that the Concessionaires pay Contingent Fees, the amount thereof shall be determined by the City in accordance with the procedures for determination of the amount of Customer Facility Charge as set forth in Section 7.2, in order to produce Revenues in the amount set forth in Section 7.2(c).

Section 7.4. Enforcement of Agreements. The City covenants to take all actions required on its part to keep the Agreements in effect in accordance with their terms and will take all reasonable actions to enforce compliance by the Concessionaires with the Agreements, including specifically seeking specific performance by each of the Concessionaires of their respective obligations to charge, collect and pay the Customer Facility Charges to the Trustee, to pay the Contingent Fees, if any, to the Trustee pursuant to the terms of the Agreements, and to pay the Prior Facility Rentals to the Trustee pursuant to the Prior Concession Agreements.

Section 7.5. Additional Covenants.

(a) The City covenants that until the Opening Date, to the extent that any Prior Facility Premises are relet to a rental car concession operator, the lease or concession agreement between the City and the rental car concession operator will contain provisions relating to Prior Customer Facility Charges and Contingent Fees substantially identical to those contained in the Prior Concession Agreements.

(b) The City covenants that from and after the Opening Date until the Bonds are no longer Outstanding, the City will maintain concession agreements in effect between the City and rental car concession operators containing provisions relating to customer facility charges and additional fees substantially identical to those provisions relating to New Customer Facility Charges and Contingent Fees, respectively, as contained in the New Concession Agreements. Any such customer facility charges and additional fees shall constitute New Customer Facility charges and Contingent Fees, respectively, for all purposes of this Indenture.

* * * * *

ARTICLE IX

ACCOUNTS AND RECORDS

Section 9.1. Separate Records. The Trustee (i) shall keep proper books of records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to (A) the payment by the Concessionaires of the Customer Facility Charges, the Prior Facility Rentals and any Contingent Fees, and (B) all of the Funds and Accounts established by Article V hereof and (ii) shall provide the City with monthly reports of all transactions and fund balances.

Section 9.2. Reports of Trustee. Within forty-five (45) days after the end of each Fiscal Year, the Trustee shall furnish to the City a copy of a report by the Trustee covering such Fiscal Year, showing the following information:

(i) a detailed statement concerning the receipt and disposition of all payments of Customer Facility Charges, Prior Facility Rentals and Contingent Fees;

(ii) a detailed statement concerning the disposition of the amounts in the Construction Fund (until the Construction Fund shall have been fully disposed of); and

(iii) an asset statement or balance sheet of all Funds and Accounts established by Article V hereof as of the end of said Fiscal Year.

Section 9.3. Inspection. The City shall have the right at all reasonable times to inspect all records, accounts, and data of the Trustee relating to the Bonds, and to obtain copies of the same at the expense of the Person requesting the copies.

Section 9.4. Registration Books. So long as any of the Bonds shall remain Outstanding, the Trustee shall maintain Registration Books for the registration and transfer of Bonds upon the terms and subject to the conditions contained herein.

ARTICLE X

ENFORCEMENT OF RIGHTS IN CASE OF DEFAULT

Section 10.1. Trustee is Agent. The Trustee is hereby irrevocably appointed the special agent and representative of the Owners and vested with full power to act on their behalf to effect and enforce the Agreements and this Indenture, for their benefit as provided herein and subject to the rights of a majority of Owners of the Bonds to direct the Trustee as provided herein. Anything contained in this Indenture to the contrary notwithstanding, each Owner of the Bonds shall have a right of action to enforce the payment of the principal of, redemption premium, if any, and interest on any Bond owned thereby on or after the same shall have become due at the place, from the sources, and in the manner expressed in Article V hereof.

Section 10.2. Restriction on Owners' Action. Except as otherwise provided in this Article, all rights of action with respect to this Indenture shall be exercised only by the Trustee and no Owner of Bonds shall have any right to institute any suit, action, or proceeding at law or equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof unless and until, in addition to the fulfillment of all other conditions precedent specified in this Indenture, the Trustee shall have received the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding to institute such suit, action, or proceeding and shall have been offered indemnity or security satisfactory to it and shall have refused, or for thirty (30) days thereafter neglected, to institute such suit, action, or proceeding; and it is hereby declared that the making of such request and the furnishing of such indemnity or security shall be in each case conditions precedent to the execution and enforcement by any Owner of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any Owner of any action or cause of action for the appointment of a receiver or for any other remedy hereunder.

Section 10.3. Events of Default. Any one or more of the following events shall constitute and hereinafter shall be called "Events of Default":

(i) Failure to pay within two (2) Business Days of when due, at maturity or upon redemption, the principal of, or redemption premium, if any, on any Bond;

(ii) Failure to pay within two (2) Business Days of when due the interest on any Bond; or

(iii) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in this Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof is given to the City by the Trustee, provided, however, that no Event of Default shall be deemed to have occurred if the City is diligently proceeding to cure or correct such default.

Section 10.4. Action by Trustee. Upon the happening of any Event of Default, the Trustee may, in its discretion, or, upon the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to the satisfaction of the Trustee, shall take such appropriate action by judicial proceedings or otherwise to cure the Event of Default and/or to require the City or the Concessionaires to carry out its or their covenants and obligations hereunder and with respect to the Agreements, including, but without limitation, the filing of actions for specific performance and mandamus proceedings in any court of competent jurisdiction, against the City and/or a Concessionaire, and to obtain judgments against a Concessionaire for any Customer Facility Charges, Prior Facility Rentals and Contingent Fees due but unpaid pursuant to the Agreements, as applicable, or for any other

amounts due hereunder, under the Bonds or under the Agreements and interest on overdue payments of the principal of, redemption premium, if any, and interest on the Bonds, as further provided herein.

Section 10.5. Remedies Nonexclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds, or now and hereafter existing at law or in equity or by statute. It is expressly provided, however, that neither the Trustee nor any other Person, acting for their own account by or on behalf of the Trustee or the Owners of the Bonds, shall have any legal or equitable rights of access, possession, sale, or use of the Project or the premises on which the same are situated, possessed, leased, used or held, or to any proceeds, revenues, income or rents, except for the Revenues, for the purpose of collecting or satisfying any claim against a Concessionaire for amounts due and payable by a Concessionaire under its Agreement or this Indenture. No delay or omission to exercise any right or power accruing upon the happening of any Event of Default continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and so often as may be deemed expedient.

Section 10.6. Disposition of Money. All money collected by the Trustee pursuant to the exercise of the remedies and powers in this Article X, together with all other sums which then may be held by the Trustee under any provision of this Indenture as security for the Bonds, shall be applied as follows:

FIRST: to the payment of the compensation due and owing the Trustee under Section 11.8 hereof and under the Agreements, if any, and the costs and expenses of the proceedings whereunder such money was collected, including a reasonable compensation to the Trustee, its agents, attorneys, and all other necessary or proper expenses, liabilities, and advances incurred or made by the Trustee under this Indenture relating to such collection.

SECOND: to the payment of interest on the Bonds then due and owing.

THIRD: to the payment of principal of and redemption premium, if any, on the Bonds which have become due pursuant to their terms as permitted or required by this Indenture (which includes the default provisions hereof) as provided thereby and interest thereon at the rate borne by the Bonds from the date of redemption or maturity to date of payment (to the extent permitted by law).

FOURTH: any surplus to the City.

If in making distribution pursuant to the order above stated, the amount available for distribution in a particular classification is insufficient to pay in full all of the items in such classification, the amount available for distribution to items in such classification shall be prorated among such items in the proportion that the amount of each item bears to the total of all such items.

Section 10.7. Intervention by Trustee. In any judicial proceeding in which the City is a party and which, in the reasonable opinion of the Trustee and its counsel, has a substantial material bearing on the interests of the Owners, the Trustee, if permitted by the court having jurisdiction over such proceeding, may, in its discretion, or, upon the written request of Owners of not less than a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to the satisfaction of the Trustee, shall intervene on behalf of the Owners to assert the rights of the Owners.

Section 10.8. Possession of Bonds Unnecessary. All rights of action or other rights under this Indenture or otherwise may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto.

Section 10.9. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the City, any Concessionaire, or property of the City, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as herein expressed and irrespective of whether the Trustee shall have made any demand on the Concessionaires for payment of amounts due and owing under the Agreements) shall be entitled and empowered,

to intervene in such proceeding or otherwise:

(i) to file and prove a claim for the amounts due and owing under the Agreements and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and other Owners allowed in such judicial proceeding; and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Owner to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and counsel, and any other amounts due the Trustee under this Indenture but only in the order of priorities established by Section 5.2.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claims of any Owner in any such proceeding.

Section 10.10. Owner's Directions. It is expressly provided, however, that Owners of a majority in principal amount of the Bonds then Outstanding, or a committee representing, pursuant to a written appointment filed with the Trustee, Owners of a majority in principal amount of the Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments, in writing, execute and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the Trustee's rights and remedies under an Agreement or the Owners' or the Trustee's rights and remedies under this Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and provided that the Trustee shall be indemnified to its satisfaction.

Section 10.11. Trustee's Notice of Default. The Trustee shall not be required to take notice nor be deemed to have notice of any Event of Default specified in this Indenture, except for those Events of Default specified in subparagraphs (i) and (ii) of Section 10.3 above, unless specifically notified in writing of such Event of Default by the City, or Owners of not less than a majority in principal amount of the Bonds then Outstanding. At such time as the Trustee has or is deemed to have notice of any Event of Default specified in this Indenture, the Trustee shall notify within a reasonable period of time the Owners of such Event of Default. Notice shall be given in the same manner as is required with respect to giving notice of redemption pursuant to Section 3.5(a).

Section 10.12. Undertaking for Costs. All parties to this Indenture agree, and each Owner, by his acceptance thereof, shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by an Owner, or group of Owners, holding more than 10% in principal amount of Outstanding Bonds, or to any suit instituted by any Owner for the enforcement of the payment of the principal of (or redemption premium, if any) or interest on any Bond on or after the maturity thereof (or, in the case of redemption, on or after the date specified for the redemption thereon.

Section 10.13. Waiver of Defaults. The Owners of a majority in principal amount Outstanding of the Bonds by notice to the Trustee, and after providing indemnification satisfactory to the Trustee, may waive an existing Event of Default and its consequences except a default in the payment of principal of and/or interest on any Bond. No waiver of any Event of Default under this Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

* * * * *

ARTICLE XII

SUCCESSOR TRUSTEE

Section 12.1. Resignation. The Trustee at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the City and to the Owners as shown on the Registration Books, and such resignation shall take effect immediately upon the appointment of a successor Trustee as herein provided.

Section 12.2. Removal. The Trustee may be removed by the City at any time by an instrument in writing delivered to the Trustee.

Section 12.3. Appointment of Successor. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every such successor Trustee shall be a trust company or bank in good standing, located in the United States of America, duly authorized to exercise trust powers and subject to examination by federal or state authority and having a capital and surplus of not less than Seventy-Five Million Dollars ($75,000,000). In the event that no appointment of a successor Trustee shall be made by the City pursuant to the foregoing provisions of this Article within sixty (60) days after a vacancy in the office of Trustee shall have occurred, the City shall have the right to appoint a successor Trustee within the next thirty (30) days; thereafter, if no successor Trustee has been appointed, any Owner or any retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it shall deem proper, prescribe or appoint a successor Trustee. Within thirty (30) days of the resignation or removal of a Trustee and the appointment of a successor, such successor Trustee shall cause a written notice of such occurrence to be mailed, postage prepaid, to each Owner of Bonds, at its address appearing in the Registration Books. No removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

Section 12.4. Qualification of Successor. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, rights, powers, trusts, duties, and obligations hereunder of its predecessor, but such predecessor shall nevertheless, on the written request of the City, execute and deliver instruments, including, without limitation any statement of assignment permitted to be filed by the Texas Uniform Commercial Code, transferring to such successor Trustee all the estates, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and money held by it to its successor; provided, however, that before any such delivery is required or made, all reasonable, customary, and legally accrued fees, advances, and expenses of such predecessor Trustee shall be paid in full. Should any assignment, or instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such assignments, and instruments in writing shall, on request, be executed, acknowledged, and delivered by the City.

Section 12.5. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee, or any successor to it in the trusts created by this Indenture, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Trustee or any successor to it shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee shall be the successor Trustee under this Indenture without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE XIII

RELEASE OF INDENTURE

Section 13.1. Satisfaction of Indebtedness and Release of Indenture. If the City shall pay, or cause to be paid to the Owner of any Bond secured hereby the principal of, redemption premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in a principal amount equal to the minimum denomination then authorized under this Indenture or any integral multiple thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture. If the City shall pay or cause to be paid to the Owners of all the Bonds secured hereby the principal of, redemption premium, if any, and interest due and payable, and thereafter to become due and payable, thereon, and shall pay or cause to be paid all other sums payable hereunder by the City, and all accrued fees and expenses of the Trustee, then, and in that case, and at the written direction of the City, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease, terminate and become void and this Indenture and the lien hereby created shall be discharged and satisfied, and, in such event, the Trustee shall assign, transfer and turn over to the City the Trust Estate, including, without limitation, any funds then held by the Trustee hereunder; provided, however, that the City, by written direction to the Trustee, may elect to continue the Trust Estate and its administration by the Trustee for the collection and deposit of Customer Facility Charges in accordance with the terms of this Indenture and for disbursement of such funds at the direction of the City in accordance with the terms of this Indenture.

Section 13.2. Payment, Advance Funding, and Defeasance. All or any portion of Outstanding Bonds, or portions of Outstanding Bonds in principal amounts equal to the minimum denomination, then authorized under this Indenture or any integral multiple thereof, shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 13.1 of this Article XIII when:

(i) in the event said Bonds or portions thereof have been selected for redemption, the Trustee shall have given, or the City shall have given to the Trustee in a form satisfactory to it, irrevocable instructions to give notice of redemption of such Bonds or portions thereof in accordance with the provisions of this Indenture;

(ii) there shall have been irrevocably deposited with the Trustee as trust funds either moneys in an amount which shall be sufficient, or Government Obligations (A) which shall not contain provisions permitting the redemption thereof at the option of the issuer thereof, (B) which mature no later than the earlier of (1) the date fixed for the redemption of the Bonds or (2) the maturity date of the Bonds, and (C) the principal of and the interest on which, when due, and without any regard to reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee, shall be sufficient, as verified as to sufficiency by an independent third party, to pay when due, the principal of, redemption premium, if any, and interest due and to become due on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; and

(iii) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding sixty (60) days, the City shall have given the Trustee in a form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given, a notice to the Owners of said Bonds or portions thereof that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid in accordance with this Article XIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and redemption premium, if any, and interest on said Bonds or portions thereof.

In addition, upon the defeasance of the Bonds, the Bonds shall no longer be subject to redemption pursuant to the terms hereof (other than any redemption as described in Section 3.3, which shall survive discharge of this Indenture and the termination of the Trust Estate); provided, however, in connection with defeasance of any Bonds in the manner prescribed by this Article XIII the City may reserve the right to call any such Bonds for redemption pursuant to Section 3.2 hereof to the extent permitted and in the manner required by State law.

Section 13.3. Reinvestment. Neither the Government Obligations nor moneys deposited with the Trustee

pursuant to this Article XIII nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest on said Bonds or portions thereof, provided, that, any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, may, to the extent practicable, be invested in Government Obligations of the type and tenor described in clause (ii) of Section 13.2 and interest earned from such reinvestment shall be paid over to the City, as received by the Trustee, free and clear of any trust, lien or pledge. The foregoing notwithstanding, the agreement pursuant to which such cash and/or Government Obligations are held by the Trustee may provide for the ability to sell or otherwise dispose of all or part of the Government Obligations and the reinvestment of the proceeds thereof, together with all or any part of any cash held thereunder, in Government Obligations, provided that prior to any such sale or disposition the Trustee receives a report of an independent certified public accountant verifying that after such reinvestment the principal amount of substituted securities, together with the interest thereon and any other available cash held by the Trustee, will be sufficient to pay the principal of, and redemption premium, if any, and interest on, the Bonds which have not previously been paid.

Section 13.4. Use of Moneys and Government Obligations Set Aside. Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article XIII, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Article XIII for the payment of Bonds, the redemption premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds, the redemption premium, if any, and interest thereon with respect to which such money or Government Obligations have been so set aside in trust.

Section 13.5. No Amendment. Notwithstanding anything elsewhere in this Indenture contained, if money or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article XIII for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article XIII shall be made without the consent of each Owner affected thereby.

ARTICLE XIV

AMENDMENTS

Section 14.1. Amendments without Owner Consent. Without the consent of the Owners, the Trustee and the City may amend this Indenture and may enter into any indentures supplemental to this Indenture for any one or more of the following purposes:

(i) to cure any ambiguity, formal defect, omission or inconsistent provision herein;

(ii) to grant to the Trustee for the benefit of the Owners any additional revenues, properties, collateral or security (including Supplemental Security), or any additional rights, remedies, powers or authority that may lawfully be granted to the Owners of the Bonds or the Trustee;

(iii) to add to the covenants and agreements of the parties hereto other covenants, and agreements of, or conditions or restrictions upon, such parties;

(iv) to evidence any succession otherwise permitted hereunder to any parties hereto and the assumption by such successor of the covenants and agreements of its predecessor hereunder;

(v) to modify this Indenture to amend the definitions of "Project" (provided, in any case, that the Project relate to the Joint Use Facility, the CONRAC Site, other rental car facilities or costs associated with the relocation of rental car facilities) and "Permitted Investments" (provided, in any case, that such investments are permitted under State law and are authorized by the City's investment policy as eligible investments thereunder);

(vi) to add, delete or modify any provision required to obtain or maintain a rating on the Bonds;

(vii) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for

sale under the securities laws of the United States of America or any of the states of the United States of America, and to add to this Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(viii) to make any changes or modifications hereof or amendments, additions or deletions hereto which may be required to permit the Bonds to be registered pursuant to, or to facilitate the use of, a book-entry system;

(ix) to make any other change herein which does not, in the opinion of the City, adversely affect the interest of the Owners;

(x) to issue Additional Bonds or Completion Bonds in accordance with the terms and provisions hereof;

(xi) to provide for the execution and delivery of a Debt Service Reserve Fund Surety Policy or a Debt Service Coverage Fund Surety Policy and to add other provisions relating thereto; and

(xii) amendments to make changes to Article XV of this Indenture in accordance with Section 15.3 hereof.

The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under clause (vii) above) be obligated to, enter into any such supplemental indenture or amendment which imposes additional duties upon the Trustee or limits the rights or immunities of the Trustee under this Indenture or otherwise.

Prior to consenting or entering into any amendments or supplements to this Indenture, the Trustee shall be entitled to request and receive an opinion of Bond Counsel stating that such amendment or supplement is authorized or permitted by this Section 14.1. In making the determination in clause (ix) above, the Trustee may rely upon the opinion of any legal counsel selected by it with respect to the legal affect such amendment or supplement will have on the Owners and upon the opinions or other advice of financial experts with respect to the financial affect the amendment or supplement will have on the Owners.

Section 14.2. Consent of Majority of Owners. With respect to any amendment or supplement to this Indenture not described in Section 14.1 above or Section 14.3 below, the City and the Trustee may enter into any such amendment or supplement only with the written consent of the Owners of not less than a majority of the Bonds Outstanding hereunder at the time of such amendment or supplement (not including any Bonds then held or owned by the City).

Section 14.3. Consent of All Owners. Notwithstanding the foregoing, no supplement or amendment to this Indenture shall, without the consent of the Owner of each Outstanding Bond so affected, (i) extend the maturity date of any Bond, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, or reduce any premium payable upon the redemption thereof, or extend or reduce the amount of any mandatory redemption requirement, or change the method of calculation of interest on the Bonds, (ii) deprive such Owner of the lien hereof on the Revenues pledged hereunder and on the Trust Estate, (iii) reduce the aggregate principal amount of Bonds the Owners of which are required to approve any such supplement to this Indenture or amendment to this Indenture, (iv) provide a privilege or priority of any Bond over any other Bond, or (v) reduce, extend or otherwise adjust the amounts to be transferred in accordance with Section 5.12.

Section 14.4. Effective Date of Amendment. The Trustee shall establish a record date for purposes of approval of any such amendment or supplement described in Section 14.2 and 14.3 of this Article, and shall cause notice of such record date and such proposed amendment to be given in the same manner as notices of redemption are given by the Trustee. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the Principal Office for inspection by all Owners. If, within 60 days (or such longer period as shall be prescribed by the City) following the mailing of such notice, the Owners of the requisite aggregate principal amount of the Bonds Outstanding at the time of the record date established for such purpose shall have consented to and approved such amendment, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to

enjoin or restrain the parties to such amendment from adopting the same or from taking any action pursuant to the provisions thereof. Upon receipt of the consent of the Owners of the requisite aggregate principal amount of the Bonds Outstanding, the relevant parties may execute such amendment.

The consent of an Owner shall be evidenced by an instrument executed by such Owner, delivered to the Trustee, which instrument shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment. Any consent given by an Owner as of such record date shall be irrevocable for a period of one year from the date such consent is given, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after one year from the date such consent was given by such Owner, or by a successor in title, by filing notice thereof with the City and the Trustee, but such revocation shall not be effective if the Owners of the requisite aggregate principal amount of the Bonds Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

* * * * *

ARTICLE XVI

MISCELLANEOUS PROVISIONS

Section 16.1. Proof of Execution. Any request, direction, consent, or other instrument required by this Indenture to be signed or executed by Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the writing appointing such agent, if made in the following manner, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument. The fact, date, and due authorization of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

Section 16.2. Proof of Ownership. The fact of ownership of the Bonds by any Owner, the amount and numbers of such Bonds, and the date of his holding same shall be conclusively proved by the appropriate entries in the Registration Books.

Section 16.3. Action Binding on Successor. Unless otherwise provided in this Indenture, any request or consent of any Owner shall bind every future Owner of the same Bond, or any Bond issued in substitution or replacement therefor, in respect of anything done by the Trustee in pursuance of such request or consent. In the event of the dissolution of the Trustee, all of the covenants, stipulations, promises, and agreements in this Indenture contained by, on behalf of, or for the benefit of the Trustee, shall bind or inure to the benefit of the successor or successors of the Trustee from time to time and any officer or board to whom or to which any power or duty affecting such covenants, stipulations, promises, and agreements shall be transferred by or in accordance with law.

Section 16.4. Nonpresentment and Unclaimed Funds. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, all liability of the City to the Owners thereof and to the Trustee for the payment of such Bond shall forthwith cease, determine, and be completely discharged whenever funds sufficient to pay for the principal of, redemption premium, if any, and interest on such Bond shall be made available as provided in this Indenture. Such funds shall be segregated by the Trustee, without liability to the Owners for interest thereon, and held in trust for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for the satisfaction of any claim of whatever nature relating to such Bond. Any money deposited with the Trustee in trust for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for three years after such principal of, redemption premium, if any, or interest on such Bond has become due and payable shall, subject to any unclaimed property laws of the State, and upon receipt of indemnification reasonably satisfactory to the Trustee, be paid to the City. After the payment of such unclaimed moneys to the City, the Owner shall thereafter look (to the extent of any amount so repaid to the City) only to the City for the payment thereof, and all liability of the Trustee with respect to such money shall thereupon cease, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys.

Section 16.5. Destruction of Bonds. Upon the surrender to the Trustee of any Bonds acquired, redeemed, paid at maturity or surrendered for exchange or replacement, the same shall forthwith be canceled and disposed of in accordance with the policies of the Trustee, which shall, from time to time, deliver its certificate of such disposition to the City upon request.

Section 16.6. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Indenture express or implied is intended or shall be construed to confer upon any person, firm, or corporation other than the City, the Trustee and the Owners, any right, remedy, or claim, legal or equitable, under or by reason of this Indenture or any covenant, condition, or stipulation contained herein and all covenants, stipulations promises and agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee and the Owners.

Section 16.7. Waiver of Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized and permitted by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future official, agent or employee of the City, in his individual capacity, and any official of the City executing the Bonds shall not be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond, or under any judgment obtained against the City, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Indenture, shall be had against any official, agent or employee, as such, past, present or future, of the City, either directly or through the City, or otherwise for the payment for or to the City or any receiver thereof, or for or to the Owner of any Bond or otherwise, of any sum that may be due and unpaid by the City upon any such Bond, and any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, officer, agent or employee as such, to respond by reason of omission on his part or otherwise, for the payment for or to the City or any receiver thereof, or for or to the Owner of any Bond or otherwise, of any sum that may remain due and unpaid upon such Bonds, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such Bonds.

* * * * *

APPENDIX D

EXCERPTS OF CERTAIN PROVISIONS OF THE NEW CONCESSION AGREEMENTS

The following are selected provisions of the New Concession Agreements. These excerpts are qualified by reference to the other portions of the New Concession Agreements referred to elsewhere in this Official Statement, and all references and summaries pertaining to the New Concession Agreements in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the New Concession Agreements, copies of which may be obtained from the City's Financial Advisor. The New Concession Agreements may be amended or supplemented in accordance with their terms.

Prior Concession Agreement.

Pursuant to the New Concession Agreement, the City and Concessionaire 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 Opening Date, 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 not be terminated, and (ii) all terms and provisions of the New Concession Agreement with respect to, concerning or otherwise relating to the New Customer Facility Charge shall apply to the Prior Customer Facility Charge until the Opening Date. Without limiting the generality of the foregoing, Concessionaire consents to the pledge of the Prior Customer Facility Charges and Prior Facility Rentals for the payment of the Bonds and agrees to remit the Prior Customer Facility Charges, on and after the effective date of the New Concession Agreement, to the Trustee in accordance with the terms of the New Concession Agreement for deposit in the Revenue Fund established under the Indenture for the Bonds. For the avoidance of doubt, Concessionaire acknowledges and agrees that the Concessionaire's failure to collect and remit the proceeds of the Prior Customer Facility Charge when due as required by the terms of the New Concession Agreement shall constitute an Event of Default under the New Concession Agreement and an event of default under the Prior Concession Agreement, and the City shall be entitled to exercise any right or remedy with respect thereto under the New Concession Agreement and the Prior Concession Agreement, all in accordance with their respective terms. Concessionaire, at its sole cost and expense, shall vacate the Concessionaire's leased premises and kiosks in the Airport Terminal and on the third floor of the existing parking garage covered by its Prior Concession Agreement in broom clean and good condition and repair, obsolescence and ordinary wear and tear excepted, and remove all of its personal property therefrom. Concessionaire shall complete such vacation of its leased premises in the Airport Terminal not later than ten (10) days after the Opening Date, unless vacated earlier in accordance with the terms of the Prior Concession Agreement, and shall complete such vacation of its leased premises on the third floor of the existing parking garage not later than fourteen (14) days after the Opening Date. Concessionaire further agrees to remit to the Trustee any Prior Customer Facility Charges charged prior to the Opening Date that are not collected until after the Opening Date, notwithstanding any termination of the Prior Concession Agreement.

Term.

The New Concession Agreement shall be effective, and binding between the parties, as of the date first signed by City and Concessionaire. The term of the New Concession Agreement (the "Concession Term"), however, shall commence on the Opening Date and, unless earlier terminated pursuant to the provisions of the New Concession Agreement, shall extend for an initial period of eleven (11) Concession Agreement Years.

Renewals.

The City in its sole discretion may agree in writing to extend the Concession Term for up to two additional five (5) year periods; provided, that the Master Lessee is not in default under the Master Lease and the Concessionaire (1) provides the City with written notice of its request to renew nine (9) months before the expiration of the Term, and (2) is not in default under the New Concession Agreement, the Sublease Agreement, or the Service Center Lease.

Grant of Concession.

The City awards and grants to the Concessionaire, and the Concessionaire accepts, the right and the obligation to operate a Rental Car Concession at the Airport during the Concession Term on a nonexclusive basis for the purpose of

arranging rental vehicle and related services for Airport Customers where such services are furnished by or on behalf of the Concessionaire. The concession rights and privileges granted and awarded to the Concessionaire are expressly made subject to all of the terms, covenants and conditions of the New Concession Agreement and the Sublease Agreement. The Concessionaire specifically acknowledges and understands that the City intends to grant Rental Car Concessions to other Persons. The award of concession rights and privileges to such other concessionaires shall not constitute a violation of the New 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 concessionaire constitute a violation hereof.

Concession Fee.

The Concessionaire shall pay to the City, for the concession rights and privileges granted, in the manner provided in the New Concession Agreement, an amount for each Concession Agreement Year (the "Concession Fee") equal to the greater of the following: (a) the Minimum Annual Guaranteed Concession Fee for such Concession Agreement Year; or (b) a percentage fee (the "Percentage Fee") equal to ten percent (10%) (the "Required Percentage") of its Gross Receipts for such Concession Agreement Year.

For the first Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be eighty-five percent (85%) of the Concession Fee (as defined in the Prior Concession Agreement) due for the last twelve months under the Prior Concession Agreement, prorated for the number of months in the first Concession Agreement Year. For the second Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be eighty-five percent (85%) of the Concession Fee (as defined in the Prior Concession Agreement) due for the last twelve months under the Prior Concession Agreement. For the third Concession Agreement Year and for the eight (8) Concession Agreement Years following the third Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year but in no event shall it be less than the Minimum Annual Guaranteed Concession Fee set for the third Concession Agreement Year. If the New Concession Agreement is renewed, for each of the Concession Agreement Years following the renewal, the Minimum Annual Guaranteed Concession Fee shall be an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year but in no event shall it be less than the Minimum Annual Guaranteed Concession Fee set for the twelfth (12th) Concession Agreement Year. The Minimum Annual Guaranteed Concession Fee shall remain in effect until the subsequent renewal, if any, of the New Concession Agreement.

The City may adjust the Required Percentage every five (5) Concession Agreement 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. The City shall determine and notify Concessionaire in writing of the new Required Percentage, as well as the data used in calculating such amount, sixty (60) days prior to commencement of the Concession Agreement Year. In no event shall the Required Percentage be less than ten percent (10%) of Gross Receipts per Concession Agreement Year.

If the aggregate Concession Fee due for any Concession Agreement Year exceeds the greater of (i) the Minimum Annual Guaranteed Concession Fee applicable to such Concession Agreement Year; or (ii) a Percentage Fee equal to the Required Percentage of its Gross Receipts for such Concession Agreement Year the over-payment shall be credited to the Concessionaire's account as the City may determine; provided, however, in no event shall the Concessionaire take a credit against any subsequent Concession Fee or other payment owed to the City for any such overpayment without the prior approval of the City. The Concessionaire shall have no right to set-off or off-set any Concession Fee or other payment owed to the City under the New Concession Agreement against any amounts that may be payable by the City to the Concessionaire unless such credit is issued by the City. If the aggregate Concession Fee payments made for any Concession Agreement Year is less than the greater of either (i) the Minimum Annual Guaranteed Concession Fee applicable to such Concession Agreement Year, or (ii) the Required Percentage of Concessionaire's Gross Receipts for such Concession Agreement Year, the Concessionaire shall pay the balance due to City within thirty (30) days after receipt of invoice.

As used in the New Concession Agreements, "Gross Receipts" means the total amount actually charged to customers by a Concessionaire for or in connection with rental car agreements it secures through its operations at the Airport or

derives from the rental of vehicles to persons picked up at the Airport by or on behalf of the Concessionaire. "Gross Receipts" includes all monies or other consideration paid or payable to a Concessionaire for all sales made and services performed for cash or credit 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 the Concessionaire's customers, (b) whether the vehicles or other products are returned to Airport or to some other location or (c) the manner in which the reservation, rental or contract was made or executed (i.e., by what mode, means or process); and regardless of whether or not customer was an airline passenger, resides locally, or used any other Airport services; and shall include monies paid or payable for any vehicles originally rented at Airport but renewed at or from another location. Under the terms of the New Concession Agreement, Customer Facility Charges are not Gross Receipts.

Obligation to Collect and Remit New Customer Facility Charges.

In addition to the Concession Fees, the Concessionaire shall collect a New Customer Facility Charge in accordance with the terms of the New Concession Agreement and remit such amounts collected to the Trustee, as the assignee of City, for deposit in the Revenue Fund in accordance with, and for the purposes specified in, the Bond Ordinance and Indenture, including without limitation, payment of the principal of, premium, if any, and interest on the Bonds. Concessionaire shall remit the New Customer Facility Charges monthly to the Trustee on or before the 20th day of each month for the preceding calendar month of operations. New Customer Facility Charges do not constitute a Gross Receipt.

The New Customer Facility Charge shall be the amount determined by the Director for all rental car companies doing business on the Airport and occupying the CONRAC. Concessionaire shall charge and collect New Customer Facility Charges from all rental car customers, without exception. For the avoidance of doubt, and not as a limitation on the universal applicability of the preceding sentence, Concessionaire shall charge and collect New Customer Facility Charges from customers receiving complimentary or discounted car rental under the Concessionaire's bona fide marketing plans, customers whose rentals are tax exempt, regardless of whether customer was an airline passenger to or from the Airport, and regardless of whether the rental reservation or contract was made by phone, internet, in person, or in any other manner or from any other location.

Trust Property.

New Customer Facility Charges collected by the Concessionaire are due, payable and deemed paid to the Trustee immediately upon the collection thereof by the Concessionaire, and pending the actual remittance thereof to the Trustee, such amounts are and shall be property in which the Concessionaire holds only a possessory interest as agent of the Trustee and not an equitable interest. New Customer Facility Charges collected by the Concessionaire, whether prior to or after remittance to the Trustee are pledged for the payment of the Bonds, and the Concessionaire hereby consents to such pledge. The Concessionaire acknowledges the Trustee's security interest in the New Customer Facility Charges as the Trustee's agent under Section 9.313 of the Texas Business and Commerce Code and Chapter 1208 of the Texas Government Code. Prior to remittance to the Trustee, New Customer Facility Charge revenue collected by the Concessionaire shall be held in trust by the Concessionaire as agent for the benefit of the Trustee. All New Customer Facility Charge revenue collected and held by the Concessionaire shall be considered the property of the Trustee. The Trustee shall provide notice of receipt of New Customer Facility Charges to the City in accordance with the terms of the Indenture.

Initial Amount of New Customer Facility Charge.

The initial New Customer Facility Charge effective as of the Effective Date is Five Dollars and Ninety-Five Cents ($5.95) for each day, or partial day, of each rental and shall be levied on the rental at the Airport of any rental car. Each twenty-four (24) hour period or fraction thereof within the rental period shall constitute a separate day for which the New Customer Facility Charge must be levied and collected.

Customer Facility Charge Adjustment.

The New Customer Facility Charge shall be reviewed at least annually and may be adjusted periodically by the Director, in his sole discretion, for any reason, including, without limitation, to (i) meet all covenants or requirements with respect to the Bonds on a current and ongoing basis and (ii) ensure that projected revenue from the New Customer Facility

Charge, together with projected revenue from Contingent Fee, as described below, is at least equal to the amount required to meet the applicable revenue covenants under the Indenture. The Director has the right, but not the obligation, to consider a New Customer Facility Charge level sufficient to fund the CFC Annual Disbursement Account of the CFC Surplus Fund. The Director shall give Concessionaire sixty (60) days' written notice prior to implementing a change in the New Customer Facility Charge.

The City shall engage an independent consultant selected by the City to evaluate and recommend to the City whether to adjust the New Customer Facility Charge annually, whether upwards or downwards, such that the New Customer Facility Charge level will be sufficient so that the projected New Customer Facility Charge revenues will meet the applicable revenue covenants under the Indenture. The independent consultant's analysis will also include a proposed New Customer Facility Charge rate that will be sufficient to fund the CFC Annual Disbursement Account of the CFC Surplus Fund. The City shall communicate with the Concessionaire the independent consultant's findings and allow the Concessionaire to provide any additional information prior to the City making a final determination on adjusting the New Customer Facility Charge. Fees for the independent consultant shall be paid from New Customer Facility Charge revenues.

Distributions from CFC Surplus Fund.

(a) Subject to paragraphs (b) through (g) below, the amounts, if any, credited to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

(i) For the period beginning on the Effective Date of New Concession Agreements and ending on September 30, 2013, and for each Fiscal Year thereafter until the Opening Date, to the City a total amount of $913,000 each Fiscal Year, with such amount to be prorated for any partial Fiscal Year in the manner determined by the City;

(ii) Upon the Opening Date, to the RAC O&M and Rent Reserve Fund an amount up to $2,100,000;

(iii) Within six (6) months from the Opening Date, to the Master Lessee up to $6,000,000 to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees prior to the date of reimbursement as long as, after making such payment, sufficient funds remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to pay the amount reasonably estimated by the City to be necessary to pay all amounts to be paid under paragraph (a)(iv) below (excluding any amounts to be paid under paragraph (a)(iv)(G) below) for such Fiscal Year and to provide for a minimum of $1,000,000 to remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund after giving effect to the estimated payments to be made under paragraph (a)(iv), as described below;

(iv) Beginning on the Opening Date and ending in the Fiscal Year ending September 30, 2018, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

(A) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(B) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index, with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City;

(C) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to $350,000, with such amount to be increased two percent (2%) annually each Fiscal Year (with such increase to begin with the second full Fiscal Year following the Opening Date) and with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City, for the following purposes:

(1) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(2) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(D) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(E) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by New Customer Facility Charge funds or reimbursed or paid from the Repair and Replacement Fund;

(F) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(G) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by New Customer Facility Charge funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this paragraph (G).

(v) Beginning in the Fiscal Year ending September 30, 2019, and for each Fiscal Year thereafter until the Bonds are no longer outstanding, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in the following order of priority:

(A) Annually, $750,000 to the Repair and Replacement Fund, with such amount to be adjusted every year as determined by the City in its sole and absolute discretion;

(B) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(C) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index;

(D) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to the amount set forth in paragraph (a)(iv) above (after giving effect to each annual increase as specified therein), with such amount to be increased two percent (2%) annually each Fiscal Year, for the following purposes:

(1) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(2) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(E) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(F) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any

remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by New Customer Facility Charge funds or reimbursed or paid from the Repair and Replacement Fund;

(G) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(H) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by New Customer Facility Charge funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this paragraph (H).

(b) All disbursements to be made from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund pursuant to paragraph (a) above shall be made annually after the end of each subject Fiscal Year by the Trustee through the City's submission of disbursement requests to the Trustee on or before November 15 following the end of each such Fiscal Year in accordance with the terms of the Indenture; provided, that the City shall submit disbursement requests to the Trustee (i) no later than the fifteenth (15th) day following the Opening Date for the disbursement to be made pursuant to paragraph (a)(ii) above, and (ii) no later than the last day of the seventh (7th) month following the Opening Date for the disbursements to be made pursuant to paragraph (a)(iii) above.

(c) All disbursements to be made pursuant to paragraph (a)(iii) above shall be made only for the costs specified in such paragraph that have been incurred and paid by the Sublessees on or before the last day of the sixth (6th) month following the Opening Date.

(d) All disbursements to be made pursuant to paragraphs (a)(iv) and (a)(v) above to the City, Master Lessee, Concessionaire or Sublessees as a reimbursement of costs incurred by any such Person shall be made only for such costs specified therein that have been incurred by each such Person during the subject Fiscal Year and paid by each such Person for the period beginning on the first day of such Fiscal Year and ending on October 31 of the immediately succeeding Fiscal Year; provided, that in the event any such costs are not reimbursed on account of insufficient moneys being available therefor in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, such unreimbursed costs shall be eligible for reimbursement in accordance with the terms of paragraph (e) below. The City may require the Master Lessee, Concessionaire and Sublessees to submit appropriate supporting documentation to the City in order for the City to determine the eligibility of such costs to be paid from the CFC Surplus Fund.

(e) In the event any disbursements to be made pursuant to paragraph (a) above may not be made in full on account of insufficient moneys being available therefor in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, the unpaid portion of any such specified or requested disbursement (i) shall be payable by the Trustee from the CFC Surplus Residual Account of the CFC Surplus Fund, to the extent funds are available therein, through the City's submission of disbursement requests to the Trustee on or before November 15 following the end of the applicable Fiscal Year in accordance with the terms of the Indenture, and (ii) if sufficient moneys are not available in the CFC Surplus Residual Account of the CFC Surplus Fund to pay such unpaid portion, are eligible to be paid in connection with the respective annual disbursement request submitted by the City to the Trustee for any subsequent Fiscal Year, in each case, subject in all respects to the priority for such disbursements set forth in paragraph (a) above.

(f) On or before the last day of each November, beginning November 2013, the City shall submit an annual disbursement request to the Trustee, in accordance with the terms of the Indenture, directing the Trustee to transfer, from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to the CFC Surplus Residual Account of the CFC Surplus Fund, the amount on deposit in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, as of November 15 of such year, that exceeds the amount specified in the disbursement request submitted by the City to the Trustee to be disbursed by the Trustee from the CFC Surplus

Annual Disbursement Account of the CFC Surplus Fund for such year, if any. Concessionaire agrees that, in addition to the purposes of the CFC Surplus Residual Account of the CFC Surplus Fund specified in paragraph (e) above, moneys credited to the CFC Surplus Residual Account of the CFC Surplus Fund may be used at the discretion of the City to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor, (ii) restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Debt Service Coverage Fund or the Repair and Replacement Fund, (iii) purchase, defease, or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service Coverage Fund are fully funded; (iv) make final payments for the retirement or defeasance of Bonds; (v) expand, repair or improve the Joint Use Facility or the CONRAC Site, and (vi) expand, repair or improve, or pay any other costs of, rental car facilities, including any costs associated with the relocation of rental car facilities.

(g) If at any time the Master Lease is terminated and the City enters into leases or other agreements directly with the Concessionaires with respect to the use of the Subleased Premises, the City and the Concessionaires agree that (i) all payments or disbursements to be made from the CFC Surplus Fund to the Master Lessee pursuant to paragraphs (a)(iv) and (a)(v) above shall be made instead to each Concessionaire in its capacity as lessee in accordance with the terms of the lease between the City and the respective Concessionaire, and (ii) the transfers to be made from the CFC Surplus Fund to the RAC O&M and Rent Reserve Fund pursuant to paragraphs (a)(iv)(D) and (a)(v)(E) above shall be disregarded and of no force or effect.

Contingent Fee.

If, in any Concession Agreement Year, the projected amount collected through New Customer Facility Charges is expected to be insufficient to meet the applicable revenue covenants under the Indenture, the Concessionaire agrees to pay an additional fee at the times and in the same manner New Customer Facility Charge fees are to be paid as required by the terms of the New Concession Agreement, in an amount determined by the City in its sole discretion (after allocating the amount of the additional fee among all Rental Car Concessionaires based upon their Pro Rata Share that shall be sufficient to provide funds in an amount at least equal to the difference between the projected New Customer Facility Charge collections for such year, and the amount necessary to meet the applicable covenants under the Indenture, which additional fee is the "Contingent Fee." In addition, if all or any part of the New Customer Facility Charge fee fails to survive a challenge in a court of competent jurisdiction, then the stricken portion(s) of the New Customer Facility Charge will be replaced, as appropriate, with a Contingent Fee in an amount determined by the City in its sole discretion that is at least equal to the amount that would otherwise be provided by the New Customer Facility Charge and sufficient to meet the applicable covenants under the Indenture. In the event all or any part of the New Customer Facility Charge fails to survive a challenge in a court of competent jurisdiction, all references to the New Customer Facility Charge in the New Concession Agreement shall be interpreted to mean both the New Customer Facility Charge and the Contingent Fee, or the Contingent Fee, as applicable.

Security Deposit.

Upon the Opening Date, the Concessionaire shall deposit with the City the sum equal to three months' of Concession Fees and New Customer Facility Charges paid by Concessionaire to City under the Prior Concession Agreement, calculated based upon the three-month period next preceding the Opening Date, to be held by the City as security for Concessionaire's full, faithful, and timely performance of its obligations under the New Concession Agreement (the "Security Deposit"). The Security Deposit shall be in the form of cash or an irrevocable letter of credit. The letter of credit must be in a form, and drawn on a bank, acceptable to the City, and must remain in effect throughout the term of the New Concession Agreement and for a period of ninety (90) days thereafter. If a letter of credit expires in accordance with its terms prior to such time, the Concessionaire must provide a replacement letter of credit to the City at least thirty (30) days before its expiration date.

As the fees and charges adjust during the term of the New Concession Agreement, the City shall periodically review the adequacy of the Security Deposit, and may, by written notice to the Concessionaire, increase the required amount of the Security Deposit. Such notice shall include a calculation of the revised Security Deposit, which shall not exceed three months' total estimated Concession Fees due and payable by the Concessionaire under the New Concession Agreement. The Concessionaire shall within twenty (20) Business Days of receipt of such written notice from the City increasing the Security Deposit, deposit the additional amount with the City by cash, certified check, or supplemental letter of credit.

The City shall have the right, but not the obligation, to apply all or any part of the Security Deposit to cure any default of

the Concessionaire under the New Concession Agreement, including nonpayment of Concession Fees, New Customer Facility Charges, or any other amounts due from the Concessionaire under the New Concession Agreement. In such event, the Concessionaire must deposit with the City an amount equal to the amount so applied by the City within twenty (20) business days of written notice from the City of the nature and amount of the application.

Events of Default.

The term "Event of Default" shall mean the occurrence of any of the following events:

(a) The vacating or abandonment of the portion of the CONRAC subleased by the Concessionaire pursuant to the Sublease Agreement for a period of forty-eight (48) consecutive hours;

(b) The failure by the Concessionaire to enter into a valid and binding Sublease Agreement for space within the CONRAC on substantially the same terms as contained in the Master Lease pursuant to rules, regulations, procedures and requirements established by the City;

(c) The failure by the Concessionaire to collect and remit the proceeds of the New Customer Facility Charge when due under the terms of the New Concession Agreement;

(d) The failure by the Concessionaire to make any payment of Concession Fees or other amount required by the New Concession Agreement or the Sublease Agreement when due (other than as provided in clause (c) above) and such failure continues for ten (10) days after a Notice of Default is deemed to be received by the Concessionaire;

(e) The failure by the Concessionaire to observe or perform the covenants, conditions and agreements to be observed or performed by the Concessionaire with respect to insurance and indemnity as provided in the New Concession Agreement and such failure continues for ten (10) days after a Notice of Default is deemed to be received by the Concessionaire;

(f) The failure by the Concessionaire to observe or perform the covenants, conditions and agreements to be observed or performed by the Concessionaire with respect to environmental protection as provided in the New Concession Agreement;

(g) The failure by the Concessionaire to observe or perform any covenant, condition or agreement to be observed or performed by the Concessionaire in the New Concession Agreement (except as otherwise provided in the New Concession Agreement) and such failure continues for thirty (30) days after a Notice of Default is deemed to be received by the Concessionaire;

(h) The discovery by the City that any financial or background statement provided to the City by the Concessionaire or any successor, grantee or assign of the Concessionaire was materially false;

(i) The filing by or against the Concessionaire of a petition in bankruptcy, the Concessionaire's being adjudged bankrupt or insolvent by any court, a receiver of the property of the Concessionaire being appointed in any proceeding brought by or against the Concessionaire, the Concessionaire's making an assignment for the benefit of creditors or any proceeding being commenced to foreclose any mortgage or other lien on the Concessionaire's interest in the Leased Premises or on any personal property kept or maintained on the Subleased Premises by the Concessionaire;

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

(k) The occurrence of an "Event of Default" under Concessionaire's Sublease Agreement.

The failure of the Concessionaire to submit its annual audited statement within one hundred fifty (150) days after the end of the Concession Agreement Year shall be a material event of default under the terms of the New Concession Agreement.

Remedies.

In addition to, and not in lieu or to the exclusion of, any other remedies provided in the New Concession Agreement or to any other remedies available to the City at law or in equity, the City shall have the following remedies upon the occurrence of an Event of Default under the New Concession Agreement: the right to terminate the New Concession Agreement and all of the Concessionaire's rights by giving at least ten (10) calendar days written notice to the Concessionaire; upon termination, the Sublease Agreement will also be in default and the Master Lessee may re-enter the Subleased Premises and remove all persons and property of the Concessionaire from the CONRAC; the City may, but is not obligated to, re-let the Leased Premises; and the City may pursue any other remedy which may be provided by law or in equity, whether or not stated in the New Concession Agreement.

In addition to any Concession Termination Damages for which the Concessionaire is liable, the Concessionaire's liability for all Concession Fees and all other amounts otherwise payable by the Concessionaire under the New Concession Agreement, or other charges which, but for termination of the New Concession Agreement, would have become due over the remainder of the Concession Terms will not be extinguished and the Concessionaire agrees that the City will be entitled, upon termination for default, to collect additional damages, as described in the New Concession Agreement.

In addition, the City may terminate the New Concession Agreement upon the termination of the Master Lease or upon the termination of the Sublease Agreement, in each case, pursuant to an event described in the Master Lease and the Sublease Agreement, respectively. The New Concession Agreement also contains terms which permit the Concessionaire to terminate the New Concession Agreement upon the occurrence of certain events described therein.

Insurance and Indemnification.

The New Concession Agreement obligates the Concessionaire to obtain and keep in force, at its sole cost and expense, during the Concession Term various types of insurance, in the amounts specified and in the forms required, under the New Concession Agreement, including the following: workers' compensation and employers liability insurance; commercial general liability insurance; and business automobile liability insurance. The Concessionaire and its subcontractors shall not commence operations until the required insurance and Certificates of Insurance are received and reviewed by the City indicating required coverage.

The Concessionaire agrees to defend, indemnify, and hold harmless the City and its elected and non-elected officials, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties") from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions and causes of actions whatsoever resulting from or concerning the New Concession Agreement or the conduct of the Concessionaire's business at the Airport, to the extent arising directly or indirectly, out of (a) any breach of the New Concession Agreement by the Concessionaire, its agents, employees or contractors, (b) any false representation or warranty made by the Concessionaire under the New Concession Agreement, (c) any negligent act or omission or willful misconduct of the Concessionaire, or its agents, employees or contractors, and (d) to the extent covered by insurance required to be maintained by the Concessionaire under the New Concession Agreement, any alleged, established, or admitted act or omission of the Indemnified Parties, including all claims caused by the negligence or strict liability of the Indemnified Parties, but, to the extent allowed by Texas law, excluding claims to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties as determined by a court of competent jurisdiction, provided that the execution of the New Concession Agreement will not be deemed a negligent act.

The Concessionaire's indemnification obligations to the City will survive the expiration or earlier termination of the Concession Term.

ACDBE Participation.

The New Concession Agreement is a revenue-producing contract awarded to the Concessionaire and will result in the provision of goods and services to passengers, patrons and tenants at the Airport. Federal law and regulations impose ACDBE goals upon the performance of the New Concession Agreement by the Concessionaire, and the City encourages the Concessionaire voluntarily to strive to include significant involvement with ACDBE business enterprises in operations under the New Concession Agreement. The City has established a ACDBE participation goal for the Concessionaires, as specified in the New Concession Agreements.

Additional New Concession Agreement Provisions.

The New Concession Agreement also contains provisions relating to (a) the ability of the Concessionaire to assign or sublease the Leased Premises, (b) standards of operation for the Concessionaire, (c) alternations or improvements to the Leased Premises by the Concessionaire, and (d) the liability of the Concessionaire for all taxes and assessments applicable to or resulting from the Concessionaire's operations.

APPENDIX E

EXCERPTS OF CERTAIN PROVISIONS OF THE MASTER LEASE AND SUBLEASE AGREEMENTS

The following are selected provisions of the Master Lease and the Sublease Agreements. These excerpts are qualified by reference to the other portions of the Master Lease and the Sublease Agreements referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Master Lease and the Sublease Agreements in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Master Lease and the Sublease Agreements, copies of which may be obtained from the City's Financial Advisor. The Master Lease and the Sublease Agreements may be amended or supplemented in accordance with their respective terms.

MASTER LEASE

Nature of Master Lease.

The Master Lease provides for the lease by the City of the CONRAC Site to the Master Lessee for the purpose of exercising the exclusive right and obligation to develop and construct the Joint Use Facility by the Master Lessee to be paid from proceeds of the Bonds and other funds specified in the Indenture. From and after Substantial Completion and continuing through the Lease Term, the Master Lease provides for the lease by the City of the CONRAC to the Master Lessee for the purpose of the operation and management of the CONRAC to carry out the exclusive right and obligation to house customer service and quick turnaround operations including ready return stalls and the storage of vehicles through Sublease Agreements with the Concessionaires that are parties to the Sublease Agreements and that are thereby required to occupy, use and operate the Subleased Premises in the CONRAC under the Sublease Agreements.

Ownership and Title to CONRAC Site and Joint Use Facility.

At all times during the Lease Term including the construction of the Joint Use Facility, the City shall own and retain fee title to the CONRAC Site and the Joint Use Facility. Commencing on Substantial Completion and continuing through the Lease Term, the Leased Premises will consist of: (a) the CONRAC; (b) a non-exclusive appurtenant road located south of surface Parking Lots B and C and north of Parking Lot A necessary for vehicular ingress and egress to and from the CONRAC; (c) a non-exclusive walkway over and across the existing Terminal parking garage located south of the CONRAC running from the Terminal to the CONRAC necessary for pedestrian access to and from the CONRAC; and (d) a non-exclusive right of access with the City's prior approval to an area located immediately adjacent to the outside walls of the Joint Use Facility and extending fifteen (15) feet therefrom solely for the purpose of performing the Master Lessee's maintenance obligations under the Master Lease.

Construction.

Before the Master Lessee undertakes, causes or permits any clearing, excavation, filling, demolition, construction, improvement or other work on the CONRAC Site or delivery of materials or equipment to the CONRAC Site, the Master Lessee shall: (a) enter into the Development Agreement with the Developer; (b) enter into or cause the Developer to enter into the Construction Contract; (c) obtain City Site Development and Building Permits required for the scope of work to be undertaken; and (d) otherwise comply with the requirements of City Codes and Standards and the Master Lease, including requirements for the submission and approval of the plans and specifications of the Joint Use Facility.

Prior to the Commencement of Construction, the Master Lessee shall cause the Design-Builder to secure Payment and Performance Bonds in the minimum of 100% of the lump sum price specified in the Construction Contract and naming the City and the Trustee as additional obligees.

The Master Lessee shall construct, equip and install, or cause to be constructed, equipped and installed, the Joint Use Facility on the CONRAC Site in accordance with the plans and specifications, schedule and budget approved by the City, the City Codes and Standards, the City Building Permit Requirements, the Master Lease, the Development Agreement and the Construction Contract, free and clear of all liens and encumbrances, at no cost to the City.

If the Master Lessee fails to complete the construction of the Joint Use Facility by the Deadline for Substantial Completion, or to submit documentation that the construction has been completed as required by the Master Lease, the City may, in addition to the exercise of its remedies as provided in the Master Lease or remedies otherwise available to

the City at law or in equity, draw upon the Security or other security posted by the Master Lessee, execute the forfeiture of the payment and performance bonds, pursue specific performance of the Master Lessee's obligations under the Master Lease, and/or terminate the Master Lease.

Rentals.

Commencing on the Opening Date, the Master Lessee shall pay to the City the Base Rent for the CONRAC for each Lease Agreement Year or portion thereof during the Lease Term. For the Lease Agreement Year commencing on the Opening Date and continuing for the next successive four (4) Lease Agreement Years, the Base Rent shall be $900,000 per Lease Agreement Year. The Base Rent shall be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date during the Lease Term to reflect any increase in the Consumer Price Index.

The Base Rent due for a Lease Agreement Year shall be paid to the City in advance in monthly installments on the first (1st) day of each and every month during the Lease Term, without any prior demand, and without any abatement, deduction or set-off except as permitted under the terms of the Master Lease.

Sublease Agreements.

Throughout the Lease Term, the Master Lessee shall enter into a Sublease Agreement with each Concessionaire contemporaneously with the execution of a New Concession Agreement between the City and the applicable Concessionaire in the form approved by the City in writing. The Master Lessee may not refuse to enter into a Sublease Agreement with any Concessionaire which is a party to a New Concession Agreement in good standing with the City. No subleasing other than to a Concessionaire not in default under the Concessionaire's New Concession Agreement is permitted. The Master Lessee may not terminate a Concessionaire's Sublease Agreement while the Concessionaire's New Concession Agreement remains in effect without the prior written consent of the City.

Each Sublease Agreement shall terminate on the earlier of: (a) the same date that the corresponding New Concession Agreement expires or terminates; (b) the date the Master Lease terminates unless the City affirms the same as a direct lease in accordance with the terms of the Master Lease; or (c) the date the Sublease Agreement is terminated pursuant to any other provision of the Sublease Agreement. The Master Lessee shall take action to evict any Concessionaire that fails to vacate the Subleased Premises promptly after its Sublease Agreement expires, terminates or is canceled

A portion of the CONRAC is specifically designated to provide lease space for up to two (2) New Entrants. Any and all New Entrants added during a particular ten (10) year Lease Term shall share the New Entrant space through the end of that ten (10) year Lease Term, regardless of the number of years remaining in that period of the Lease Term.

The Sublease Agreement shall require each Concessionaire to pay the Contingent Fee due under the New Concession Agreement to the extent that any such Contingent Fee is imposed thereunder. If a Concessionaire fails to pay its Contingent Fees, the City shall take action under the New Concession Agreement to enforce the obligation to collect and remit the Contingent Fees, and the Concessionaire shall be in default of its Sublease Agreement. If the City notifies and documents to the Master Lessee in writing that a Concessionaire has failed to pay its Contingent Fees, the Master Lessee shall likewise enforce the Sublease Agreement, including termination of the Concessionaire's Sublease Agreement if not cured.

Operations and Management.

At all times during the Lease Term, the Master Lessee shall retain a qualified and experienced Facility Manager through a Facility Management Agreement in a form approved by the City in writing, to manage the daily operations of the Leased Premises and shall cause the Facility Manager: (a) to manage the daily operations of the Leased Premises in accordance with City Codes and Standards, the Legal Requirements, the Master Lease and the Facility Management Agreement; (b) to employ and retain a sufficient number of qualified personnel to fulfill its obligations under the Facility Management Agreement; (c) to operate, repair and maintain the Leased Premises including the Fuel Facilities and QTA Facility; and (d) to be the point of contact for City for all matters concerning the Leased Premises, assure that a qualified person is available twenty-four (24) hours a day for such purposes and provide to City written notice on the first (1st) day of each month the names and contact information of such persons.

The Master Lessee through the Facility Manager shall be entirely responsible (a) for the proper operation, maintenance,

repair and use of the Fuel Facilities and the payment of all costs and expenses incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities, and (b) for any spill response, the immediate or other removal, investigation, remediation, restoration and other corrective actions, or site closure associated with a Release of any Hazardous Material from the Fuel Facilities. Immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, the Master Lessee shall advise the Facility Manager and the City of such Release in accordance with the City's Spill Response Plan and with Applicable Laws. In addition, immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, the Facility Manager shall advise the Master Lessee and the City of such Release in accordance with the City's Spill Response Plan and with Applicable Laws. The City shall have no liability for, or responsibility for the payment of, any costs, expenses or liabilities incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities or any fees, costs, expenses or reimbursements due to the Facility Manager.

Damage and Destruction; Condemnation.

In the event that the Leased Premises or the portion of the Airport of which the Leased Premises are a part are completely destroyed by fire or other casualty, or damaged to such an extent that the damage cannot be repaired within thirty (30) days of the occurrence, the City shall have the option to terminate the Master Lease by notice to the Master Lessee within thirty (30) days after the occurrence of any such damage, and such termination shall be effective as of any date not more than sixty (60) days after the occurrence. If the City shall elect to continue the Master Lease in effect, the Master Lessee shall commence and prosecute with due diligence any work necessary to restore or repair the Leased Premises with costs of the work to be provided by insurance proceeds received by either the Master Lessee or the City in connection with the loss or damage, together with funds in the Repair and Replacement Fund and the CFC Surplus Fund. If the City fails to notify the Master Lessee of its election to terminate the Master Lease, the City shall be deemed to have elected to continue the Master Lease and the Master Lessee shall commence and prosecute with due diligence any work necessary to restore or repair the Leased Premises.

If at any time during the Lease Term the entire Leased Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain, the Master Lease shall terminate on the date of such taking. If less than all of the Leased Premises shall be so taken and in the Master Lessee's reasonable opinion the remaining portion of the Leased Premises is insufficient for the conduct of the Master Lessee's business, the Master Lessee may terminate the Master Lease by delivering written notice to the City within sixty (60) days after the date the Master Lessee received notice of the taking. If the Master Lessee exercises its option to terminate, the Master Lease shall end on the date specified in the Master Lessee's notice and the Rent shall be apportioned and paid to the date of such taking.

Events of Default.

The term "Event of Default" shall mean the occurrence of any of the following events:

(a) The occurrence of the discovery by the City that any financial or background statement provided to the City by the Master Lessee or any successor, grantee or assign of the Master Lessee was materially false;

(b) The occurrence of the Master Lessee vacating or abandoning the Leased Premises for a period of forty-eight (48) consecutive hours, the failure by the Master Lessee to make any payment of Rent or other amounts required by the Master Lease when due, or the occurrence of the failure of the Master Lessee to provide insurance or indemnity under the terms of the Master Lease, and the continuation of such failure for a period of ten (10) days after a Notice of Default is deemed received by the Master Lessee in accordance with the terms of the Master Lease;

(c) The occurrence of events, other than those described in clauses (a) and (b) above, that results in a violation of covenants and that continues for a period of thirty (30) days after a Notice of Default is deemed received by the Master Lessee in accordance with the terms of the Master Lease, or if such failure cannot be reasonably cured within such thirty (30) day period, the Master Lessee fails to commence to cure such failure within such thirty (30) day period and/or thereafter fails to prosecute such cure diligently and continuously to completion within sixty (60) days the Notice of Default is deemed to be received by the Master Lessee in accordance with the terms of the Master Lease; or

(d) The City delivers a Notice of Default to the Master Lessee regarding an event of default relating to the failure by the Master Lessee to make any payment of Rent or other amounts required by the Master Lessee when due, the failure by the Master Lessee to provide insurance or indemnity under the terms of the Master Lease, or the failure of the Master Lessee to perform the covenants, conditions and agreements to be observed or performed by the Master Lessee relating

to environmental laws and other environmental obligations on more than two (2) occasions during any Lease Agreement Year, the subsequent breach of the same term, provision or covenant shall, at the City's option, be an incurable Event of Default.

Remedies.

In addition to, and not in lieu or to the exclusion of, any other remedies provided in the Master Lease or to any other remedies available to the City at law or in equity, the City shall have the following remedies upon the occurrence of an Event of Default: the right to terminate the Master Lease and all of the Master Lessee's rights by giving at least ten (10) days written notice to the Master Lessee; upon termination, the City may re-enter the Leased Premises and remove all persons and property of the Master Lessee from the Leased Premises; the City may, but is not obligated to, re-let the Leased Premises; and the City may pursue any other remedy which may be provided by law or in equity, whether stated in the Master Lease. In the event that the Master Lease is terminated as a result of an Event of Default, the City, at its option, may terminate any of the Sublease Agreements or affirm the same as a direct lease between the City and the applicable Concessionaires except, as otherwise provided in the Master Lease.

In addition to any Termination Damages for which the Master Lessee is liable, the Master Lessee's liability for all Rent and all other amounts otherwise payable by the Master Lessee under the Master Lease, or other charges which, but for termination of the Master Lease, would have become due over the remainder of the Lease Term will not be extinguished and the Master Lessee agrees that the City will be entitled, upon termination for default, to collect additional damages, as described in the Master Lease.

Master Lessee's Right to Terminate.

In addition to any other termination option expressly provided to Master Lessee in the Master Lease, Master Lessee may terminate the Master Lease upon not less than six (6) months written notice to the City when the Market Share serving Airport Customers by off-Airport Concessionaires exceeds the Market Share of Concessionaires with Sublease Agreements at the CONRAC. In the event of Master Lessee's termination of the Master Lease pursuant to the terms of this paragraph, the City, in its sole and absolute discretion, may terminate or direct the Master Lessee to terminate any or all of the Sublease Agreements or subject to the terms of the Master Lease, affirm any or all as direct leases between the City and the applicable RAC.

Insurance and Indemnification.

The Master Lease obligates the Master Lessee to obtain and keep in force, at its sole cost and expense, during the Lease Term various types of insurance, in the amounts specified and in the forms required, under the Master Lease, including the following: workers' compensation and employers liability insurance; commercial general liability insurance; business automobile liability insurance and all risk property insurance. The Master Lessee and its subcontractors shall not commence operations until the required insurance and Certificates of Insurance are received and reviewed by the City indicating required coverage.

The Master Lessee agrees to defend, fully indemnify, and hold harmless the City and its elected and non-elected officials, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties") from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions and causes of actions whatsoever resulting from or concerning the Master Lease or the conduct of the Master Lessee's business at the Airport, to the extent arising directly or indirectly, out of (a) any breach of the Master Lease by the Master Lessee, its agents, employees or contractors, (b) any false representation or warranty made by the Master Lessee under the Master Lease, (c) any negligent act or omission or willful misconduct of the Master Lessee, and (d) the negligent acts and omissions, whether alleged, established or admitted, of the Indemnified Parties subject to certain limitations set forth in the Master Lease.

The Master Lessee's indemnification obligations to the City will survive the expiration or earlier termination of the Lease Term.

ACDBE Participation.

The Master Lease is a revenue-producing contract awarded to the Master Lessee and will result in the provision of goods and services to passengers, patrons and tenants at the Airport. Federal law and regulations impose ACDBE goals upon

the performance of the Master Lease by the Master Lessee, and the City encourages the Master Lessee voluntarily to strive to include significant involvement with ACDBE business enterprises under the Master Lease. The City has established an ACDBE participation goal for the Master Lease as specified in the Master Lease.

SUBLEASE AGREEMENTS

Rent and Other Financial Obligations.

The Concessionaire shall, commencing on the Opening Date, pay to the Master Lessee, or to the Facility Manager as the Master Lessee may direct, its Pro Rata Share of Base Rent for each Sublease Agreement Year or portion thereof during the Sublease Term. The Pro Rata Share of Base Rent due for a Sublease Agreement Year shall be paid to the Master Lessee in equal monthly installments in advance on the first (1st) day of each and every month during the Sublease Term, without any prior demand, and without any abatement, deduction or set-off whatsoever.

Prior to the Substantial Occupancy Date and prior to the commencement of each Sublease Agreement Year thereafter, and at any other time the Master Lessee deems adjustment to be necessary, the Facility Manager shall submit to the Master Lessee and each Concessionaire an itemized Budget detailing expected O&M Costs, including a reasonable contingency, for the coming Sublease Agreement Year and projected O&M Costs for the next five (5) Sublease Agreement Years. Each Concessionaire shall, commencing on the Substantial Occupancy Date and continuing thereafter through the Sublease Term, pay to the Facility Manager one-twelfth (1/12) thereof (or for the first Sublease Agreement Year, an equal monthly amount) monthly in advance on the first (1st) day of each and every month during the Sublease Term, at such place as the Facility Manager may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever. Within one hundred twenty (120) days after the end of each Sublease Agreement Year, the Facility Manager shall provide to each Concessionaire an O&M Reconciliation Report showing the total actual O&M Costs for the prior Sublease Agreement Year (or for the first Sublease Agreement Year, from the Substantial Occupancy Date to the end of the first Sublease Agreement Year), the Concessionaire's Pro Rata Share thereof for such Sublease Agreement Year, the O&M Reserve Requirement required for the then-current Sublease Agreement Year in which such O&M Reconciliation Report is issued, and the then-current balance of the O&M Reserve Requirement.

Prior to the Substantial Occupancy Date and continuing thereafter throughout the Sublease Term, the Concessionaire shall cause the O&M Reserve Requirement to be maintained with the Master Lessee, and the Master Lessee shall be entitled to use the O&M Reserve Requirement for the payment of the Concessionaire's Pro Rata Share of O&M Costs during an Sublease Agreement Year to the extent that the Concessionaire's monthly payments of its Pro Rata Share of estimated O&M Costs are less than the amount required during such Sublease Agreement Year. Together with the payment of the Concessionaire's Pro Rata Share of O&M Costs that is due on the Substantial Occupancy Date, the Concessionaire shall deposit with the Master Lessee the O&M Reserve Requirement in the required amount for the first Sublease Agreement Year.

Security.

Each Concessionaire shall, on or before the Substantial Occupancy Date, obtain and deliver to the Master Lessee cash in the amount equal Concessionaire's Pro Rata Share (determined as of the Substantial Occupancy Date) of the Security Amount, and subject to adjustment each Mater Lease Agreement Year.

Use of Subleased Premises.

Subject to and in accordance with all present and future Legal Requirements and City Codes and Standards, the Concessionaire shall use the Subleased Premises solely for the purpose of operating a non-exclusive Rental Car Concession and for no other purpose or use unless the Concessionaire obtains the prior written consent of the Master Lessee and the City. The City may grant or withhold its consent in its sole and absolute discretion. The Concessionaire shall not, under any circumstances, use the Subleased Premises for performing vehicle maintenance or repair, excepting only car washing, cleaning and refueling in the QTA Space.

Surrender and Holding Over.

Upon expiration or earlier termination of the Sublease Term, the Concessionaire shall promptly quit and surrender the Subleased Premises in good condition and repair, normal wear and tear excepted, and deliver to the Master Lessee all

keys that it may have to any part of the Subleased Premises.

Any holding over with the consent of the Master Lessee after expiration or earlier termination of the Sublease Term shall be construed to be a tenancy from month-to-month upon the same terms and conditions provided in the Sublease Agreement. Any holding over without the consent of the Master Lessee after expiration or earlier termination of the Sublease Term shall be construed to be tenancy at sufferance upon the same terms and conditions provided in the Sublease Agreement, except that the Pro Rata Share of Base Rent shall be due and payable to the Master Lessee on the first (1st) day of each month that the Concessionaire holds over in the amount of one-twelfth (1/12th) of the Pro Rata Share of Base Rent and of O&M Costs due during the Sublease Agreement Year immediately prior to the expiration, cancellation, or termination of the Sublease Term.

Events of Default.

The term "Event of Default" shall mean the occurrence of any of the following events:

(a) The occurrence of the discovery by the Master Lessee or the City that any financial or background statement provided to the Master Lessee or the City by the Concessionaire or any successor, grantee or assign of the Concessionaire was materially false;

(b) The Concessionaire vacating or abandoning the Subleased Premises for a period of forty-eight (48) consecutive hours, the failure by the Concessionaire to enter a New Concession Agreement, the occurrence of an Event of Default under the New Concession Agreement or the failure of the Concessionaire to observe and perform the covenants, conditions and agreements under the New Concession Agreement, the occurrence of the failure by the Concessionaire to make any payment of the Pro Rata Share of Base Rent, the Pro Rata Share of O&M Costs or other amounts required by the Sublease Agreement when due, or the occurrence of the Concessionaire to provide insurance or indemnity under the terms of the Sublease Agreement, and the continuation of such failure for a period of ten (10) days after a Notice of Default is deemed received by the Concessionaire in accordance with the terms of the Sublease Agreement;

(c) The occurrence of events other than those described in clauses (a) and (b) above, that results in a violation of covenants and that continues for a period of thirty (30) days after a Notice of Default is deemed received by the Concessionaire in accordance with the terms of the Sublease Agreement, or if such failure cannot be reasonably cured within such thirty (30) day period, the Concessionaire fails to commence to cure such failure within such thirty (30) day period and/or thereafter fails to prosecute such cure diligently and continuously to completion within sixty (60) days the Notice of Default is deemed to be received by the Concessionaire in accordance with the terms of the Sublease Agreement; or

(d) The Master Lessee delivers a Notice of Default to the Concessionaire regarding any of the events of default on more than two (2) occasions during any Sublease Agreement Year, the subsequent breach of the same term, provision or covenant shall, at the Master Lessee's option with the approval of the City, be an incurable Event of Default. The occurrence of an event of default described in clause (a) above shall, at the Master Lessee's option with the approval of the City, be an incurable Event of Default.

Remedies.

In addition to, and not in lieu or to the exclusion of, any other remedies provided in the Sublease Agreement or to any other remedies available to the Master Lessee at law or in equity, the Master Lessee shall have the following remedies upon the occurrence of an Event of Default, provided that the Master Lessee first provides the City ten (10) days prior written notice to pursue any such remedies: the right to terminate the Sublease Agreement and all of the Concessionaire's rights by giving at least ten (10) days written notice to the Concessionaire; upon termination, the Master Lessee may re-enter the Subleased Premises and remove all persons and property of the Concessionaire from the Subleased Premises; the Master Lessee shall re-let the Subleased Premises in accordance with the terms of the Master Lease; and the Master Lessee may pursue any other remedy which may be provided by law or in equity, whether stated in the Sublease Agreement. In the event that the Master Lease is terminated as a result of an Event of Default, the City, at its option, may terminate any of the Sublease Agreements or affirm the same as a direct lease between the City and the applicable Concessionaires except as otherwise provided in the Master Lease.

In addition to any Termination Damages for which the Concessionaire is liable, the Concessionaire 's liability for all unpaid Pro Rata Share of Base Rent and O&M Costs and all other amounts otherwise payable by the Concessionaire

under the Sublease Agreement, or other charges which, but for termination of the Sublease Agreement, would have become due over the remainder of the Sublease Term will not be extinguished and the Concessionaire agrees that the Master Lessee will be entitled, upon termination for default, to collect additional damages, as described in the Sublease Agreement.

Insurance and Indemnification.

A Sublease Agreement obligates the Concessionaire to obtain and keep in force, at its sole cost and expense, during the Sublease Term various types of insurance, in the amounts specified and in the forms required, under the Sublease Agreement, including the following: workers' compensation and employers liability insurance; commercial general liability insurance; business automobile liability insurance and all risks property insurance. The Concessionaire and its subcontractors shall not commence operations until the required insurance and Certificates of Insurance are received and reviewed by the City and Master Lessee indicating required coverage.

The Concessionaire agrees to defend, fully indemnify, and hold harmless the City and its elected and non-elected officials, employees, agents, representatives, successors and assigns and Master Lessee and its employees, agents, representatives and assigns (collectively, the "Indemnified Parties") from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions and causes of actions whatsoever resulting from or concerning the Sublease Agreement or the conduct of the Concessionaire's business at the Airport, to the extent arising directly or indirectly, out of (a) any breach of the Sublease Agreement by the Concessionaire, its agents, employees or contractors, (b) any false representation or warranty made by the Concessionaire under the Sublease Agreement, (c) any negligent act or omission or willful misconduct of the Concessionaire, and (d) the negligent acts and omissions, whether alleged, established or admitted, of the Indemnified Parties.

The Concessionaire's indemnification obligations to the City will survive the expiration or earlier termination of the Sublease Term. The Sublease Agreements also obligate the Master Lessee to indemnify the Concessionaires on the terms specified therein.

ACDBE Participation.

The Concessionaire shall comply with all requirements of the City's ACDBE Program strictly in accordance with the terms of the New Concession Agreement.

[The remainder of this page is intentionally left blank.]

APPENDIX F

FORM OF BOND COUNSEL'S OPINION

Exhibit D

[Master Lease]

CONSOLIDATED RENTAL CAR FACILITY

MASTER LEASE AGREEMENT FOR

AUSTIN – BERGSTROM INTERNATIONAL AIRPORT

TABLE OF CONTENTS

Page

ARTICLE 1
DEFINITIONS

1.1 Definitions....1
1.2 Interpretations....1

ARTICLE 2
PURPOSE AND SCOPE OF MASTER LEASE

2.1 Primary Purpose....1
2.2 Reserved Rights....2
2.3 Related Documents....2
2.4 Nature of Master Lease....2

ARTICLE 3
LEASED PREMISES

3.1 Leased Premises....2
3.2 No Warranty....3
3.3 Premises Reserved to City....4
3.4 Ownership and Title to CONRAC Site and Joint Use Facility....4
3.5 Amendment of Lease....4

ARTICLE 4
USES AND RESERVED RIGHTS

4.1 Permitted and Required Uses....4
4.2 Prohibited Uses and General Standards....5
4.3 Signs....6
4.4 Reserved Rights of City....6
4.5 Termination Option of City....8

ARTICLE 5
TERM

5.1 Term....8
5.2 Holding Over....8

ARTICLE 6
RENTS AND FEES

6.1 Base Rent....8
6.2 Holdover Rent....9
6.3 Payments....9

6.4 Late Payment Charges 10
6.5 Landlord's Lien 10
6.6 Security 11
6.7 *Application of Security* 11
6.8 Master Lessee's Rent and Operation Reserve 11
6.9 City's Security Interest in Accounts 12
6.10 Sublessee Payment of Base Rent 12
6.11 RAC O&M and Rent Reserve Fund 13

ARTICLE 7
AUDITS AND RECORD RETENTION

7.1 Annual Audit Requirement, CPA Opinion 13
7.2 Records Retention 14
7.3 City's Auditing Rights 14

ARTICLE 8
ISSUANCE OF BONDS; PAYMENT FOR COSTS OF THE PROJECT

8.1 *Issuance of Initial Bonds; Rating Agencies* 15
8.2 Issuance of Additional Bonds 15
8.3 No Limitation on City 16
8.4 Requests for Disbursement from Funds 16

ARTICLE 9
CONSTRUCTION

9.1 Compliance 16
9.2 Permitting; Planning Requirements 16
9.3 Performance Bond and Security 19
9.4 Construction of Joint Use Facility 19
9.5 *Project Financing and Payment* 22
9.6 Documentation of Final Completion of Construction 23
9.7 Surveys 24
9.8 Failure to Complete Construction 25

ARTICLE 10
IMPROVEMENTS AND EQUIPMENT

10.1 *Ownership of Improvements and Equipment* 26
10.2 Interests in Improvements 26
10.3 Warranty of Fitness and Suitability 26
10.4 Assignment of Agreements and Warranties 27
10.5 Alterations 27
10.6 City Review Does Not Relieve Master Lessee 28
10.7 As Built Documents 28
10.8 Trade Fixtures 28
10.9 Construction 28

10.10 Personal Property 28
10.11 Improvements to Existing City Parking Garage 29

ARTICLE 11
OPERATIONS AND MANAGEMENT

11.1 Facility Manager 29
11.2 Master Lessee Parties 29
11.3 Airport Security 30
11.4 Airport Operations 31
11.5 Radio Interference 31
11.6 Birds and Wildlife 32
11.7 Equipment 32
11.8 Water, Ice and Snow Removal 32
11.9 Heavy Vehicles 32
11.10 Road Obstructions 32
11.11 Smoking Regulations 32
11.12 Key System 32
11.13 Fuel Facilities 32

ARTICLE 12
MAJOR MAINTENANCE

12.1 Major Maintenance 33
12.2 Standards 33
12.3 No Abatement From Repairs 34
12.4 Quarterly Condition Surveys 34
12.5 City's Obligations and Master Lessee Waiver 34
12.6 Maintenance of Walkways 35
12.7 Repair and Replacement Fund 35

ARTICLE 13
ROUTINE MAINTENANCE, UTILITIES AND OTHER OPERATING COSTS

13.1 Routine Maintenance 36
13.2 Utilities 36
13.3 Energy Conservation; Recycling 36
13.4 City Not Responsible 36
13.5 Budget for O&M Costs 37
13.6 RAC Payment for O&M Costs 37
13.7 O&M Reserve Requirement 38
13.8 CFC Surplus Fund 38

ARTICLE 14
SUBLEASE AGREEMENTS AND ALLOCATED SPACE

14.1 General Provisions Concerning Sublease Agreements 39
14.2 Allocated Space 41

ARTICLE 15
INDEMNITY AND INSURANCE

15.1 Indemnity 42
15.2 Release 43
15.3 Survival 43
15.4 Insurance 44
15.5 General Requirements 45
15.6 Claims Against Master Lessee 47

ARTICLE 16
COMPLIANCE WITH ENVIRONMENTAL LAWS

16.1 Definitions in ARTICLE 16 and ARTICLE 17 47
16.2 Compliance 48
16.3 Responsibility 48
16.4 Indemnity 49
16.5 Removal 49
16.6 Stormwater Requirements 49
16.7 Sustainability 50
16.8 Survival 50
16.9 Pre-Lease Environmental Condition 50
16.10 Hazardous Materials 50
16.11 Pollution Prevention Plan 50
16.12 Spill Prevention Control and Countermeasure Plan 51
16.13 Violation of Environmental Laws 51
16.14 Inspection; Test Results 51
16.15 Removal of Hazardous Materials 52
16.16 Remedies Not Exclusive 52
16.17 Environmental Indemnity 52
16.18 Acknowledgment of Use of Certain Materials 53

ARTICLE 17
ADDITIONAL ENVIRONMENTAL OBLIGATIONS

17.1 Fuel Facilities 53
17.2 Environmental Indemnity 57
17.3 Environmental Certification 58
17.4 Financial Assurance 58

ARTICLE 18
TAXES AND ASSESSMENTS; LIENS

18.1 Payment of Taxes and Assessments 60
18.2 Liens 61

ARTICLE 19
DAMAGE OR DESTRUCTION; EMINENT DOMAIN

19.1 Short Term Damage 61
19.2 Major Damage or Destruction 61
19.3 Master Lessee's Improvements 62
19.4 Contingent Business Interruption 62
19.5 Condemnation 62

ARTICLE 20
SURRENDER AND HOLDING OVER

20.1 Surrender 63
20.2 Holding Over 64
20.3 Survival 65
20.4 Release of Memorandum of Lease 65

ARTICLE 21
DEFAULT

21.1 Events of Default 65
21.2 Remedies 67
21.3 Remedies Cumulative 69

ARTICLE 22
TERMINATION

22.1 Termination 70
22.2 Improvements and Equipment 71
22.3 Status of Sublease Agreements on Termination of Master Lease 72
22.4 City's Option to Relet Leased Premises 73

ARTICLE 23
NO WAIVER; CITY'S RIGHT TO PERFORM

23.1 Receipt of Monies Following Termination 73
23.2 No Waiver of Breach 73
23.3 No Waiver 74
23.4 Application of Payments 74
23.5 City's Right to Perform 74

ARTICLE 24
ASSIGNMENT OR SUBLEASE

24.1 Prohibition 74
24.2 Assignment or Sublease 75
24.3 Assignment to Successor or Affiliate 76
24.4 Lease in CONRAC Required 76

24.5 Leasehold Mortgages Not Permitted 76

ARTICLE 25
DISADVANTAGED BUSINESS ENTERPRISES, M/WBE
PROCUREMENT PROGRAM AND WAGE RATES

25.1 ACDBE Program 77
25.2 ACDBE Program Compliance 77
25.3 ACDBE Participation Schedule 78
25.4 Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program 78
25.5 Wage Rates/Prevailing Wage 78

ARTICLE 26
GENERAL PROVISIONS

26.1 Gratuities 78
26.2 Prohibition Against Personal Interest in Contracts 79
26.3 Affirmative Action 79
26.4 No Discrimination 79
26.5 No Exclusive Right 80
26.6 Subordination to Other Agreements 81
26.7 Subordination to City Encumbrances 81
26.8 No Waiver 81
26.9 Notices, Approvals, Consents, etc 81
26.10 Consents and Approvals of City 83
26.11 Agents for Service of Process 83
26.12 Severability 84
26.13 Waiver of Anticipated Profits 84
26.14 Right of City to Develop Airport 84
26.15 Incorporation of Legally Required Provisions 84
26.16 Limitation of City's Liability 84
26.17 Successors and Assigns 85
26.18 Required Modifications 85
26.19 Time is of the Essence 85
26.20 Understanding of Agreement 85
26.21 Legal Interest and Other Charges 85
26.22 Governing Law; Choice of Venue; Waiver of Jury Trial 85
26.23 Dispute Resolution 86
26.24 Avigation Easement 86
26.25 Waiver of Attorneys' Fees 87
26.26 Update of Terms 87
26.27 Electronic Funds Transfer 87
26.28 Brokers 87
26.29 Survival of Indemnities and Other Provisions 88
26.30 Submission of Agreement 88
26.31 Entire Agreement; Modification 88

26.32 Relationship of City and Master Lessee 88
26.33 Exhibits 88
26.34 Lawful Currency of United States 88
26.35 Triple Net Lease 88
26.36 Interpretation 89

Attachment 1 — Master Glossary
Exhibit A-1 — Description/Depiction of Leased Premises Prior to Substantial Completion
Exhibit A-2 — Description/Depiction of Leased Premises After Substantial Completion
Exhibit A-3 — Description/Depiction of Premises Reserved to City
Exhibit B — Reserved
Exhibit C — Form of Development Agreement
Exhibit D — Form of Construction Contract
Exhibit E — Description of Routine Maintenance
Exhibit F — Description of Major Maintenance
Exhibit G — Form of Sublease Agreement
Exhibit H — Depiction of Designated Areas and Spaces in Joint Use Facility
Exhibit I — Space Location, Allocation and Reallocation Methodology
Exhibit I-1 — Initial Location – Customer Service Building/CONRAC Counter Space
Exhibit I-2 — Initial Location – Ready/Return Areas
Exhibit I-3 — Initial Location – QTA Space
Exhibit I-4 — Initial Location – Level 5 Storage Areas

CONSOLIDATED RENTAL CAR FACILITY

MASTER LEASE AGREEMENT

THIS CONSOLIDATED RENTAL CAR FACILITY MASTER LEASE AGREEMENT (the "**Master Lease**") is made as of the ___day of _____, 2013, by and between **CITY OF AUSTIN,** a Texas home rule municipality acting by and through its Executive Director of the Department of Aviation (the "**City**") and **AUSTIN CONRAC, LLC**, a Texas limited liability company (the "**Master Lessee**"). City and Master Lessee may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

For and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. Definitions of defined terms utilized in this Master Lease and not otherwise defined herein are set forth in **Attachment 1** hereto. The definitions for other defined terms are set forth in other parts of this Master Lease. Defined terms used and not defined in the exhibits to this Master Lease shall have the definitions ascribed to them elsewhere in this Master Lease or in **Attachment 1** hereto.

1.2 Interpretations. All terms defined in this Master Lease and all pronouns used in this Master Lease shall, unless the context clearly requires otherwise, be deemed to apply equally to the singular and plural forms and to all genders. The term "or" is specifically used in its logical sense and, as such, is satisfied whenever one or more of its operands are true. 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 at the time applicable, (b) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Lease 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 Master Lease 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 Master Lease and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE 2
PURPOSE AND SCOPE OF MASTER LEASE

2.1 Primary Purpose. Pursuant to the LOI, City and Master Lessee agreed to enter into this Master Lease to provide for, among other provisions, the terms, covenants and conditions for the design, construction, financing, occupancy, operation, maintenance and management of the Joint Use Facility which will contain the CONRAC and the Commercial

Parking Facility. To the extent of any inconsistencies between this Master Lease and the LOI, this Master Lease governs.

2.2 Reserved Rights. As contemplated by the LOI, this Master Lease also includes the terms, covenants and conditions for certain reserved rights of City including the: (a) exclusive right of possession and use of the Commercial Parking Facility; (b) right of title and ownership of the Joint Use Facility; and (c) right and option to terminate this Master Lease any time after two hundred forty (240) months after the Opening Date, subject to the terms and conditions described in Sections 3.3, 4.4 and 4.5.

2.3 Related Documents. The LOI further contemplates the execution of the Indenture, Concession Agreements, Sublease Agreements, the Development Agreement, and the Construction Contract contemporaneously with or prior to the execution of this Master Lease, and certain terms, covenants and conditions regarding such documents are contained herein. The LOI also contemplates, and the Parties agree, that a Facility Management Agreement will be executed with a Facility Manager on or before Substantial Completion. To the maximum extent possible, all of the documents referenced in this Section shall be interpreted in harmony to best effect the purposes stated in this Article. To the extent of any irreconcilable conflict, the referenced documents shall have the following order of priority: Indenture, Concession Agreement, Master Lease, Sublease Agreement, Development Agreement, Construction Contract, and Facility Management Agreement.

2.4 Nature of Master Lease. As of the Effective Date, this Master Lease provides for the lease by City of the CONRAC Site to Master Lessee for the purpose of exercising the exclusive right and obligation to develop and construct the Joint Use Facility by Master Lessee to be paid for from proceeds of the Bonds and other funds specified in the Indenture. From and after Substantial Completion and continuing through the Lease Term, this Master Lease provides for the lease by City of the CONRAC to Master Lessee for the purpose of the operation and management of the CONRAC to carry out the exclusive right and obligation to house customer service and quick turnaround operations including ready return stalls and the storage of vehicles of Rental Car Concessions through Sublease Agreements with RACs that are parties to Concession Agreements and that are thereby required to occupy, use and operate the Subleased Premises in the CONRAC under the respective Sublease Agreements. Master Lessee has no responsibility either to recruit or supply rental car companies to become RACS or to persuade any RAC to enter into a Sublease Agreement. Master Lessee shall not discourage rental car companies to become RACS or from entering into a Sublease Agreement.

ARTICLE 3
LEASED PREMISES

3.1 Leased Premises. Pursuant to and in accordance with the authority provided to the City under the Act and subject to all of the terms, covenants and conditions contained in this Master Lease, City hereby grants to Master Lessee, and Master Lessee hereby accepts from City for the Lease Term, the following described real property located at the Airport:

3.1.1 Prior to Substantial Completion.

3.1.1.1 CONRAC Site. Commencing on the Effective Date and continuing for the period of the development and construction of the Joint Use Facility to Substantial Completion, the Leased Premises will consist of the CONRAC Site described as follows:

> That portion of the Airport generally described as the Eastern ½ of Parking Lot A bounded by Lot C to the North, the Airport parking garage and its associated access road to the South, Presidential Boulevard to the East and Lot A landscaping strip to the West; together with a non-exclusive appurtenant road located South of surface Parking Lots B and C and North of Parking Lot A for vehicular ingress and egress to and from the CONRAC Site, all located at the Airport, as more particularly described/depicted on Exhibit A-1, attached to and made a part of this Master Lease, with an appurtenant license to occupy all improvements thereon as constructed under this Master Lease for the purpose of carrying out the development and construction as contemplated herein which license shall expire on Final Completion.

3.1.2 Upon and Following Substantial Completion.

3.1.2.1 CONRAC. Commencing on Substantial Completion and continuing through the Lease Term, the Leased Premises will consist of: (a) the CONRAC, excluding the reserved rights and premises of City as described in Section 3.3; (b) a non-exclusive appurtenant road located South of surface Parking Lots B and C and North of Parking Lot A necessary for vehicular ingress and egress to and from the CONRAC; (c) a non-exclusive walkway approximately sixty (60) feet in width over and across the existing Terminal parking garage located South of the CONRAC running from the Terminal to the CONRAC necessary for pedestrian access to and from the CONRAC; and (d) a non-exclusive right of access with City's prior approval to an area located immediately adjacent to the outside walls of the Joint Use Facility and extending fifteen (15) feet therefrom solely for the purpose of performing Master Lessee's maintenance obligations under this Master Lease, all located at the Airport, as initially described/depicted on Exhibit A-2, attached to and made a part of this Master Lease. The descriptions of the Leased Premises described/depicted on Exhibit A-1 and Exhibit A-2 will be amended upon Final Completion and receipt and approval by City from Master Lessee of a final as-built survey plat and metes and bounds description of the CONRAC Site, including the location and dimensions of the Joint Use Facility on the CONRAC Site, in accordance with Sections 9.6.1.3 and 9.7.

3.2 No Warranty. Master Lessee accepts the Leased Premises when conveyed in their then current condition. Other than warranting the City's clear title to the CONRAC Site as of the Effective Date, City makes no specific warranties, express or implied, concerning the title, condition, or use of the Leased Premises, including those uses authorized by this Master Lease, unless otherwise specified in this Master Lease. Without limiting City's disclaimer of warranty, City and Master Lessee expressly agree that City neither warrants nor bears any responsibility whatsoever, and expressly disclaims and is released from, any and every warranty and

responsibility whatsoever, express or implied, related to the Leased Premises. Master Lessee acknowledges that it has no easements, rights, or privileges, express or implied, in or relating to the Airport other than those specifically granted under this Master Lease.

3.3 Premises Reserved to City. The Leased Premises shall not include, and City reserves for its exclusive use the Commercial Parking Facility, the Parking Management Office in the QTA Facility and an Intermediate Distribution Frame room ("IDF Room") on each floor of the CONRAC which shall contain City's networking equipment for connectivity to the Joint Use Facility, together with the non-exclusive right to use dedicated elevators and stairwells located in the Joint Use Facility and designated roadways necessary for ingress and egress to and from the Commercial Parking Facility, all as initially described/depicted on Exhibit A-3, attached to and made a part of this Master Lease. The description of the Commercial Parking Facility will be modified by amendment to this Master Lease upon Final Completion and receipt and approval by City of a final as-built survey of the Joint Use Facility from Master Lessee in accordance with Sections 9.6.1.3 and 9.7. City and Master Lessee agree to execute an amendment to this Lease to incorporate the final description of the Commercial Parking Facility. Master Lessee acknowledges that the rights granted under this Master Lease shall at all times be subject to City's reserved rights described in this Section and in Sections 2.2, 4.4 and 4.5.

3.4 Ownership and Title to CONRAC Site and Joint Use Facility. At all time during the Lease Term including during the construction of the Joint Use Facility, City shall own and retain fee title to the CONRAC Site and the Joint Use Facility as further provided in Section 10.1.

3.5 Amendment of Lease. After Final Completion and City's approval of the final as-built survey plat and metes and bounds description delivered to City in accordance with Sections 9.6.1.3 and 9.7, Master Lessee and City shall execute an amendment to this Master Lease to identify the Leased Premises, Commercial Parking Facility and the CONRAC Site, and, at City's option, shall execute a summary and memorandum of this Master Lease which may include, among other provisions, the final description of the Leased Premises, the primary terms of this Master Lease and confirmation of City's ownership of the Vested Improvements (the "Memorandum of Lease"). Master Lessee shall not record the Memorandum of Lease or any other document which describes or pertains to CONRAC Site or Leased Premises in the Official Public Records of Travis County, Texas without the prior written consent of City.

ARTICLE 4
USES AND RESERVED RIGHTS

4.1 Permitted and Required Uses. Subject to and in accordance with all present and future Legal Requirements and City Codes and Standards and the terms of this Master Lease, Master Lessee covenants and agrees that it shall use the Leased Premises solely for the following uses and for no other purpose or uses:

4.1.1 Prior to Final Completion, the development and construction of the Joint Use Facility on the CONRAC Site in accordance with the requirements of ARTICLE 9.

4.1.2 Upon Substantial Completion and continuing through the Lease Term, the operation, maintenance and management of the CONRAC for the operation of Rental Car Concessions in accordance with the requirements of ARTICLE 11, ARTICLE 12 and ARTICLE 13 and of the Off-Airport Rental Drop-Off Areas of the CONRAC for drop-off and pickup of customers of off-Airport motor vehicle rental services.

4.1.3 Upon Substantial Completion and continuing through the Lease Term, the sublease of the CONRAC for the operation of Rental Car Concessions by entering into Sublease Agreements with each RAC that is a party to a Concession Agreement (then in effect and not in default) in accordance with the requirements of ARTICLE 14.

4.2 Prohibited Uses and General Standards. Master Lessee shall not use or occupy the Leased Premises, permit the Leased Premises or any part thereof to be used or occupied, or do or permit anything to be done in or upon the Leased Premises, in whole or in part, in a manner that would in any way (a) violate any then-applicable Legal Requirements or City Codes and Standards; (b) violate any of the covenants, agreements, provisions and conditions of this Master Lease, the Concession Agreement or the Sublease Agreement; (c) violate any certificate of occupancy then in force with respect to the Leased Premises; (d) increase the difficulty for City, Master Lessee, the Facility Manager or any RAC to obtain fire or other required insurance, subject to express permission herein granted to conduct fueling in the QTA Facility; (e) constitute a public or private nuisance; (f) in City's reasonable judgment, may impair or interfere with the character, reputation or appearance of the Leased Premises or City, the use of any other City property or City's operation of the Airport; or (g) permit or suffer any waste, damages, disfigurement or injury to or upon the Leased Premises or any part thereof. Master Lessee expressly agrees to comply with all present or future City Codes and Standards. Without limiting the generality of the foregoing, Master Lessee shall neither use nor allow the use of all or any part of the Leased Premises for any of the following:

4.2.1 The outside storage of junk, salvage vehicle parts, non-operational equipment, unused or damaged equipment or material, or solid waste or debris; except to the extent directly related to and in support of an authorized use and on a portion of the Leased Premises visually screened from adjacent properties.

4.2.2 Stripping, wasting, or removing any soil, gravel, or other City-owned material without the written approval of City.

4.2.3 Placing, spilling, or dumping garbage, trash, sewage, refuse, or other waste material except in a waste receptacle City has approved for that purpose or in a waste receptacle designed and provided for that purpose by Master Lessee on the Leased Premises.

4.2.4 Operating an incinerator or burning trash, brush, or other material without the written approval of City.

4.2.5 The establishment or maintenance of any kind of temporary or permanent living quarters.

4.2.6 Selling or dispensing fuel other than to the RACs or to their car rental customers as an integral part of car rental Transactions as provided for in the Sublease

Agreements, or otherwise operating a Commercial Fueling Service, on or off the Leased Premises.

4.2.7 Operating a Valet Parking Service or public parking.

4.2.8 Maintenance and repair of vehicles, including fluid changes and belt replacement, on the Leased Premises; provided however, washing, vacuuming, refueling, changing light bulbs, fuses, wiper blades, changing or repairing leaking or flat tires and similarly quick turnaround activities in the QTA Space is permitted.

4.2.9 Sales of: (i) food and beverages (except for vending machines located within the Exclusive Use Premises of a RAC for the sale of food and beverages exclusively to the employees of the RAC), (ii) news and sundries, (iii) alcohol, (iv) aviation-related equipment and services sales or other activities normally associated with fixed-base-operators, (v) advertising including any sponsorships, or (vi) vehicles.

4.3 Signs. Subject to Master Lessee's compliance with City Codes and Standards, Master Lessee may install and display signage at the CONRAC at all times during the Lease Term to ensure the safe and efficient operation of the Rental Car Concessions by the RACs including wayfinding and directional signage within the CONRAC and on Airport roadways. Except for signs displayed by a RAC within its Exclusive Use Premises regarding the RAC's own products or services or as otherwise specifically permitted by City, Master Lessee shall not attach to or paint on or within the Leased Premises (including the walls, windows, floors and doors thereof) any other signs or other advertising matter, symbols, canopies, or awnings. At the expiration or earlier termination of the Lease Term, all signs, symbols, canopies, or awnings attached or painted by Master Lessee shall be removed by Master Lessee at its own expense, and Master Lessee shall repair any damage or injury to the Leased Premises and correct any unsightly condition caused by the maintenance and removal of such signs, symbols, canopies, or awnings. Master Lessee shall not be permitted to advertise any products and/or services other than those connected to the operation of Rental Car Concessions by the RACs. All advertising connected to the operation of Rental Car Concessions in the CONRAC by the Master Lessee or RACs shall be subject to prior written approval by City.

4.4 Reserved Rights of City.

4.4.1 City reserves for its exclusive use the Commercial Parking Facility, the Parking Management Office in the QTA Facility and an IDF Room on each floor of the CONRAC which shall contain City's networking equipment for connectivity to the Joint Use Facility, together with the non-exclusive right to use dedicated elevators and stairwells located in the Joint Use Facility and designated roadways, ramps and flyovers necessary for ingress and egress to and from the Commercial Parking Facility for use as a City-operated commercial parking facility and such ancillary uses as City deems appropriate or necessary in its sole discretion. City further reserves the right to use the exterior walls of the Joint Use Facility for any advertising and signage City deems appropriate in its sole discretion, excluding only advertising of any provider of ground transportation products or services to or from the Airport such as taxis, shuttles, buses, off-Airport motor vehicle rentals or similar services.

4.4.2 City reserves the right, so long as each exercise of the right does not unreasonably interfere with Master Lessee's Permitted Use of the Leased Premises: (a) to grant to others any right or privilege related to the Airport that City has not specifically and exclusively granted to Master Lessee pursuant to this Master Lease; (b) to grant to third parties or to reserve to City easements or rights-of-way through, on, above, or under the Leased Premises or the Airport; (c) of ingress to and egress from the Leased Premises and the Commercial Parking Facility; and (d) the right as a third-party beneficiary of the Sublease Agreements, the Development Agreement, Construction Contract, and Facility Management Agreement to enforce the same in accordance with their respective terms and to proceed directly against the parties to such agreements, subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party.

4.4.3 Without limitation of the foregoing reserved rights of City, City, and its elected and non-elected officials, officers, employees, agents, representatives, contractors and subcontractors, and furnishers of utilities and other services, shall have the right from time to time to do or permit any of the following, so long as each exercise of the right does not unreasonably interfere with Master Lessee's Permitted Use of the Leased Premises: (a) to construct and maintain existing and future utility and other systems; (b) to enter upon the Leased Premises at all reasonable times and upon reasonable notice (provided no notice shall be required during any real or threatened emergency to life, safety or structural integrity) to inspect any part thereof, and to make such repairs, replacements or alterations thereto as may, in the reasonable opinion of City, be deemed necessary or advisable, but with thirty (30) days prior notice to and opportunity for Master Lessee first to accomplish the same, except in the case of real or threatened emergency to life, safety or structural integrity; (c) of continual access to all facilities including utility and informational technology cables or lines located beneath the surface of the Leased Premises through manholes constructed by Master Lessee or otherwise; (d) to have access to all mail facilities according to the rules and regulations of the United States Postal Service; (e) to restrict the weight, size and location of equipment, furniture, safes, computers, and other heavy articles in or about the Leased Premises (including within the IDF Rooms) and the times and manner any or all such items or fuel may be moved in and out of the Leased Premises, and in any event at Master Lessee's sole risk and responsibility; (f) to perform any acts related to the safety, protection or preservation of the Leased Premises and the Commercial Parking Facility, but with respect to the Leased Premises with thirty (30) days prior notice to and opportunity for Master Lessee first to accomplish the same, except in the case of real or threatened emergency to life, safety and structural integrity; (g) to do or permit to be done any work in or about the Leased Premises, the Commercial Parking Facility or any adjacent or nearby building, land, street or alley; (h) to grant to anyone the exclusive right to conduct any business or render any service in the Leased Premises that does not operate to negatively impinge on the rights of the Master Lessee or its use of the Leased Premises as expressly permitted by this Master Lease; (i) to adopt, amend, modify, rescind or suspend any City rules, regulations, or policies in effect from time to time and to adopt such additional City rules, regulations, or policies as City, in its sole discretion, shall determine to be desirable for the safe, economical and efficient operation of the Leased Premises; (j) to exercise all other rights reserved by City pursuant to the provisions of this Master Lease; and (k) to construct, install, or maintain over, in, under or through the Leased Premises new lines, pipes, mains, wires, cables, utilities, conduits, and equipment; provided, however, in each case in the exercise of any such

rights (a) through (k), City shall not unreasonably interfere with the use, occupancy or operations of Master Lessee or any RAC, to the extent reasonably practicable under the circumstances.

4.5 Termination Option of City. City shall have the absolute right and option, in its sole discretion, at any time after two hundred forty (240) months after the Opening Date:

4.5.1 To terminate this Master Lease upon not less than nine (9) months written notice to Master Lessee and to all RACs if upon such termination City will continue to operate the CONRAC for use for Rental Car Concessions or relet the Leased Premises to a Substitute Master Lessee as provided in Section 22.4 to continue to operate the CONRAC for use for Rental Car Concessions; or

4.5.2 To terminate this Master Lease and all Sublease Agreements upon not less than thirty-six (36) months written notice, to Master Lessee and to all RACs if upon such termination City will convert the CONRAC to a use other than for Rental Car Concessions.

ARTICLE 5
TERM

5.1 Term. Subject to the rights of City pursuant to Section 4.5 and the rights of either Party to terminate this Master Lease pursuant to any provision of this Master Lease expressly allowing termination prior to the expiration of the Lease Term, this Master Lease shall be effective and binding between the Parties as of the Effective Date, and the Lease Term shall commence on the Opening Date and expire on the last day of the three hundred sixtieth (360th) full calendar month after the Opening Date.

5.2 Holding Over. If Master Lessee holds over and remains in possession of the Leased Premises after the expiration, cancellation or termination of this Master Lease, the holding over will not operate as an extension of the term of this Master Lease and shall be subject to the terms of Section 20.2.

ARTICLE 6
RENTS AND FEES

6.1 Base Rent.

6.1.1 Base Rent After Opening Date. For and in consideration of the rights granted by this Master Lease, Master Lessee shall, commencing on the Opening Date, pay to City the Base Rent for the CONRAC for each Lease Agreement Year or portion thereof during the Lease Term. For the Lease Agreement Year commencing on the Opening Date and continuing for the next successive four (4) Lease Agreement Years, the Base Rent shall be nine hundred thousand dollars ($900,000.00) per Lease Agreement Year, calculated at the rate of one dollar and forty-five cents ($1.45) per square foot times six hundred twenty thousand six hundred eighty-nine (620,689) square feet of the CONRAC. The Base Rent shall be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter during the Lease Term as provided in Section 6.1.2. The Base Rent due for an Lease Agreement Year shall be paid to City in advance in monthly installments on the first

(1st) day of each and every month during the Lease Term, at such place as City may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever except as expressly provided in Sections 19.2 and 19.5. If the Opening Date falls on any day other than the first day of a calendar month, Base Rent for the first fractional month prior to the commencement of the first Lease Agreement Year shall be equivalent to a monthly installment to be paid for the first Lease Agreement Year prorated on the basis of the actual number of days in such fractional month and shall be paid with the first monthly payment due upon the commencement of the first Lease Agreement Year. Within thirty (30) days after each fifth (5th) anniversary of the Opening Date, City shall provide to Master Lessee with a statement specifying the Base Rent due hereunder for the next successive five (5) Lease Agreement Years determined in accordance with Section 6.1.2 and the City's basis of calculation of the same. Master Lessee shall commence payment of the Base Rent specified in the statement sixty (60) days after the date of the applicable statement and if the sixtieth (60th) day does not fall on the first (1st) day of the month, then on the first (1st) day of the following month.

6.1.2 Adjustment of Base Rent. On the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter during the Lease Term, the Base Rent provided for in Section 6.1.1 shall be adjusted to reflect any increase in the Consumer Price Index as hereinafter provided. Each of the five (5) Lease Agreement Years following the Opening Date and following a fifth (5th) anniversary of the Opening Date is for purposes of this Section referred to as the "Adjustment Period." The increase in the Base Rent for each Adjustment Period of the Lease Term shall be commensurate with the actual annual cumulative percentage changes in the Consumer Price Index for the immediately preceding Adjustment Period. For example, if during the first Adjustment Period the Consumer Price Index increases by two (2) percent in each of the applicable Lease Agreement Years, the Base Rent for the second Adjustment Period would be nine hundred ninety thousand dollars ($990,000.00). If the calculation of the adjustment for the Base Rent would result in a decrease in the Base Rent from the immediately preceding Adjustment Period, the Base Rent for the present Adjustment Period shall remain the same as for the immediately preceding Adjustment Period. Anything in this Master Lease to the contrary notwithstanding, the Base Rent for an Adjustment Period shall in no event be less than the Base Rent for the immediately preceding Adjustment Period. The adjusted rental shall be the Base Rent of the Leased Premises effective as of the first (1st) day of the succeeding Adjustment Period. Master Lessee shall continue payment of the Base Rent in effect for the expiring Adjustment Period until notified by City of any increase in such Base Rent. Such notification shall include a memorandum showing the calculations used by City in determining the adjusted Base Rent.

6.2 Holdover Rent. If, and for as long as Master Lessee holds over and remains in possession of the Leased Premises after the expiration, cancellation or termination of this Master Lease, Master Lessee shall pay Base Rent in accordance with the terms of Section 20.2.

6.3 Payments. Master Lessee agrees to make all payments of Base Rent and any other rents, charges, fees, or other consideration payable to City required under this Master Lease as follows:

6.3.1 If by check:

City of Austin
Department of Aviation
3600 Presidential Blvd., Suite 411
Austin, TX 78719

or if by electronic transfer of funds:

City of Austin Automated Clearing House
(ACH) transfer of funds to JP Morgan Chase Bank, NA,
221 West Sixth Street, 2nd Floor, Austin, Texas 78701
as follows:

ACH Instructions:
ABA: 111000614
Account Number: 9900075116
Swift Code: CHASUS33
Location: New York, New York
Account Name: City of Austin
Investment Pool Receiving Account

or at such other place or manner as City may direct in writing.

6.3.2 Master Lessee shall make all payments required under this Master Lease in lawful currency of the United States of America. Master Lessee shall make its payments free from any claim, demand, setoff, or counterclaim of any kind against City. All payments of Rent are further subject to the provisions of Section 26.27. Master Lessee's obligation to pay Base Rent and any other rents under this Master Lease is an independent covenant, and no act or circumstance, regardless of whether such act or circumstance constitutes a breach of the Master Lease by City shall release Master Lessee of its obligations to pay Base Rent or any other rents as required by this Master Lease; provided however, nothing contained in this Section 6.3.2 or Master Lessee's non-compliance with the same shall be deemed a waiver by Master Lessee of any other claim or remedy otherwise provided for in this Master Lease or by the City of Master Lessee's obligation to make all payments free from any claim, demand, setoff or counterclaim of any kind against City.

6.4 Late Payment Charges. Master Lessee further agrees that upon default in the timely payment of any Base Rent or any other rents, charges, fees or other consideration payable to City required under this Master Lease, without limitation to any other right or remedy of City because of such default, Master Lessee shall pay to City, a late payment charge equal to five percent (5%) of the amount of such delinquent amount.

6.5 Landlord's Lien. Any Base Rent or other rent that is due and unpaid is secured by a lien in favor of City against Master Lessee's property in the CONRAC.

6.6 Security. Master Lessee shall, upon the Effective Date of this Master Lease, obtain and deliver to City the following to secure Master Lessee's full performance of this Master Lease, including the payment of all fees and other amounts now or hereafter payable to or required to be remitted to City under this Master Lease (the "Security"): a good and sufficient irrevocable stand-by letter of credit in a form approved by City in a stated amount equal to the Security Amount. The form and provisions of the Security and the identity of the issuer thereof, shall at all times be subject to City's approval. The Security shall remain in place at all times throughout the full Lease Term and throughout any holdover period.

6.7 Application of Security. City may apply all or part of the proceeds of the Security to amounts that remain unpaid after the date due to City under this Master Lease. The Security shall remain on deposit with City throughout the Lease Term, and, in addition to any and all other remedies available to it hereunder or otherwise, at any time that City is entitled hereunder to draw on the Security, City shall have the right, in its sole discretion, to draw upon the entire stated amount of such Security and to hold and apply any proceeds of such draw in excess of amounts then due to City as a cash deposit hereunder, and Master Lessee shall, within two (2) Business Days after such draw upon the entire stated amount of the Security, cause a replacement Security that meets the requirements of this ARTICLE 6 to be issued for the benefit of City in the original stated amount of the Security upon which City has drawn (and, upon receipt of such replacement Security, City shall refund to Master Lessee the amount of any excess proceeds of the prior Security then held by City subject to City Council approval, if necessary). Master Lessee hereby agrees to the deposit of any such excess proceeds with City. City shall have no obligation to draw upon the Security, and neither the existence of such right nor the holding of the Security itself shall cure any default or breach on the part of Master Lessee under this Master Lease. Within sixty (60) days after the expiration or earlier termination of the Lease Term and upon request therefor by Master Lessee, City will return the Security to Master Lessee, less any amounts then due from Master Lessee to City under this Master Lease. Master Lessee hereby waives any right to any interest which may be earned or accrued on the proceeds of a draw under the Security during the Lease Term and agrees that City shall have no obligation to hold excess proceeds of a draw under the Security in a segregated account and City may commingle such proceeds with its other funds. No trust relationship is created with respect to the Security.

6.8 Master Lessee's Rent and Operation Reserve. Each Sublease Agreement shall provide that prior to the Substantial Occupancy Date, each RAC shall pay the Rent Reserve Requirement to Master Lessee in an amount equal to twenty-five percent (25%) of the RAC's Pro Rata Share of Base Rent for the period commencing on Opening Date through the end of the first Sublease Agreement Year, and thereafter cause that Rent Reserve Requirement to be maintained in an amount equal to twenty-five percent (25%) of the RAC's Pro Rata Share of Base Rent for the then-current Sublease Agreement Year. The aggregate Rent Reserve Requirements of all RACs shall constitute the Rent reserve portion of Master Lessee's Rent and Operation Reserve which Master Lessee shall be entitled to use for the payment of Base Rent to any extent that RAC monthly payments of their Pro Rata Share of Base Rent are at any time not sufficient to cover the amount of Base Rent to be paid pursuant to this Master Lease. Any use of the Master Lessee's Rent and Operation Reserve due to the failure of a RAC to pay in full its monthly Pro Rata Share of Base Rent shall be charged against that RAC's Rent Reserve

Requirement, but exhaustion of a RAC's Rent Reserve Requirement shall not limit Master Lessee's access to the entire Master Lessee's Rent and Operation Reserve to draw funds to cover any and all shortages in monthly RAC payments to Master Lessee to pay Base Rent.

6.9 City's Security Interest in Accounts.

6.9.1 To further secure Master Lessee's obligations under this Master Lease, Master Lessee grants to City a security interest in the Master Lessee's Rent and Operation Reserve account(s) and any account(s) established for the deposit of Security requirements of the RACs as provided for in each Sublease Agreement, to be effective upon the establishment of any such accounts, and all instruments, documents, agreements and other writings evidencing such accounts, all sums at any time on deposit therein, all sums to become due with respect to such accounts and any and all renewals, replacements and proceeds thereof (the "Account(s)"). Master Lessee agrees to sign and deliver to City within five (5) Business Days of the establishment of any Account any documents or instruments that City considers necessary to obtain, maintain and perfect its security interest in the Account including, without limitation, a deposit account control agreement among Master Lessee, City and the bank with which the Account is established in form and substance acceptable to City. Any such deposit account control agreement shall not limit or impair Master Lessee's free access to the Master Lessee's Rent and Operation Reserve for use to make payments of Rent and O&M Costs except on the occurrence of an Event of Default which is not cured within any applicable cure period. If the Facility Management Agreement provides for any of the Accounts to be established or held in the name of the Facility Manager, Master Lessee shall cause the Facility Manager to grant a security interest in such Accounts to City and to otherwise comply with the requirements of this Section.

6.9.2 Upon the termination of each Sublease Agreement, the City's security interest as stated in Section 6.9.1 as to any portion of the Master Lessee's Rent and Operation Reserve account(s) and any account(s) established for the deposit of Security requirements provided for in the applicable Sublease Agreement held with respect to the subject RAC, not required to satisfy outstanding liabilities of that RAC to Master Lessee, shall be released, and that amount shall be refunded to that RAC by Master Lessee after deduction therefrom and payment to City of all amounts owed to City by or on account of the subject RAC.

6.9.3 Upon the termination of this Master Lease, Master Lessee shall assign the Accounts to City or Substitute Master Lessee, as applicable, utilize the Accounts to fulfill its remaining obligations under this Master Lease or distribute the balances in the Accounts the RACs in accordance with the terms of Section 5.4 of the Sublease Agreements.

6.10 Sublessee Payment of Base Rent. Each Sublease Agreement shall also provide that commencing on the Opening Date and continuing thereafter through the Lease Term, the respective RAC shall pay to Master Lessee one-twelfth (1/12) of its Pro Rata Share of Base Rent for that Lease Agreement Year (or for the first Lease Agreement Year, an equal monthly amount) monthly in advance on the first day of each and every month during the Lease Term, in such manner and place as the Master Lessee may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever.

6.10.1 Upon conclusion of each Lease Agreement Year for which no Base Rent remains unpaid, Master Lessee will submit to City a request for refund of Base Rent paid by Master Lessee for the just-concluded Lease Agreement Year, and City will thereupon submit a requisition to the Trustee for disbursement from the CFC Surplus Fund, as funds may be available therein and according the priority of uses thereof, all as stated in the Indenture pursuant to Sections 4.2.6.2.4(f) and 4.2.6.2.5(g) of the Concession Agreement. Upon receipt of any such reimbursement, Master Lessee shall distribute the same by Pro Rata Share for the period for which the reimbursement is made to all RACs then in Good Standing, apply the same as a credit toward past or future obligations of the RACs, or any combination of those options, and add to the Master Lessee's Rent and Operation Reserve any reimbursement for which any RAC is not eligible due lack of Good Standing.

6.11 RAC O&M and Rent Reserve Fund. The City shall cause to be established a RAC O&M and Rent Reserve Fund pursuant to the Indenture, which shall be funded at the times and in the amounts set forth in the Indenture and Concession Agreement. In the event that a RAC's Rent Reserve Requirement is exhausted and not restored by the RAC within ten (10) days of written notice, Master Lessee shall be entitled to restore Master Lessee's Rent and Operation Reserve by request to City for disbursement from the RAC O&M and Rent Reserve Fund in accordance with the terms of the Indenture. Upon written request of Master Lessee to City for restoration of the Master Lessee's Rent and Operations Reserve from the RAC O&M and Rent Reserve Fund, accompanied by documentation supporting the request and any additional documents required by City, City will submit a requisition to the Trustee in accordance with the Indenture for disbursement from the RAC O&M and Rent Reserve Fund. City may also submit a requisition to the Trustee in accordance with the Indenture for disbursement from the RAC O&M and Rent Reserve Fund to pay any amounts that remain unpaid after the date due under this Master Lease. On the expiration or earlier termination of this Master Lease that does not result in establishment of a Substitute Master Lessee as provided under Sections 21.2.3 or 22.4, City may submit a direction to the Trustee in accordance with the Indenture to transfer any balance remaining in the RAC O&M and Rent Reserve Fund to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund as of the date of the expiration or termination of this Master Lease.

ARTICLE 7
AUDITS AND RECORD RETENTION

7.1 Annual Audit Requirement, CPA Opinion.

7.1.1 Within one hundred twenty (120) days after the end of each Lease Agreement Year, Master Lessee, at its own expense, shall provide to City an audited annual accounting statement of the Master Lessee's Rent due City and O&M Costs for such Lease Agreement Year (each, an "Annual Audited Statement"). The Annual Audited Statement shall be prepared by an independent, licensed Certified Public Accountant, in accordance with generally accepted accounting principles applicable to private entities. The Annual Audited Statement shall include the auditor's opinion on whether the statement of Rent and O&M Reconciliation Reports have been completely and accurately presented, calculated, and reported according to the terms of this Master Lease, and whether Rent due City and O&M Reconciliation

Reports have been completely and accurately calculated and paid according to the terms of this Master Lease. This obligation shall survive termination of this Master Lease.

7.1.2 In the event Master Lessee fails to timely submit its Annual Audited Statement, or the information submitted by Master Lessee within the required timeframe fails to conform to the requirements stated above, and such Annual Audited Statement is not received within fifteen (15) days after receipt of written notice from City, then City may impose on Master Lessee, and Master Lessee shall pay, a non-compliance penalty of thirty dollars ($30.00) per day for each day the Annual Audited Statement is not received after the due date. If the Annual Audited Statement required hereunder is not provided by Master Lessee within one hundred fifty (150) days after the end of the Lease Agreement Year, then City may impose, and Master Lessee shall pay, a noncompliance penalty of one hundred dollars ($100.00) per day for each day the Annual Audited Statement is not received by City after one hundred fifty (150) days after the end of Master Lessee's Lease Agreement Year.

7.2 Records Retention. Master Lessee shall maintain full and accurate records, accounts, books, and data with respect to all business done by it hereunder which shall show all of the construction costs, Rent, and O&M Costs, in sufficient detail to readily permit verification of construction costs, Rent, and O&M Costs by City. Such records shall include all books, records, design and construction agreements, Sublease Agreements, Facility Management Agreement, amendments to agreements, and other documents generated or maintained by Master Lessee concerning or relating to Master Lessee's design, construction, subleasing, operations, repair, and maintenance under the Master Lease, the collection of Sublease Agreement payments, or the calculation of other rents, fees or charges payable under this Master Lease and Sublease Agreements, such as but not limited to general ledgers, trial balances, subsidiary ledgers, Sublease Agreements, and corporate chart of accounts. Master Lessee shall retain all such records, accounts, books, ledgers, journals, business reports, Sublease Agreements, Facility Management Agreement, design and construction documents, and amendments, and all other pertinent data and supporting documentation ("books and records") related to performance under this Master Lease for the longer of: (a) three (3) years after the end of the Lease Agreement Year to which they pertain or until completion of all pending audits or litigation between the parties; or (b) longer retention as required by law or local, state or federal requirements.

7.2.1 Records retention requirements shall survive expiration or earlier termination of this Master Lease.

7.2.2 All subcontractors and RACs of Master Lessee under this Master Lease shall be subject to the same records retention requirements (as contained in Section 7.2) and also to the City's right to audit (as contained in Section 7.3). Master Lessee shall include these same provisions in its subcontracts and Sublease Agreements under this Master Lease.

7.3 City's Auditing Rights. Upon written notice, City or its authorized representatives shall, at any time during the term or within three (3) years after the end of any Lease Agreement Year, have access to, and the right to audit, examine, or reproduce any or all books and records of Master Lessee related to its performance or operation under this Master Lease. Master Lessee shall cooperate fully with any audit or examination initiated by City, and

shall produce all books and records requested for audit to a designated location at the Airport, or in Austin, Texas, within thirty (30) days of the date of written request. To facilitate the inspection of Master Lessee's books and records, documents provided for audit shall be made available in an electronically downloadable format acceptable to City whenever possible. When electronic files do not exist, legible printed copies of books and records must be provided.

7.3.1 If Master Lessee fails to produce all books and records requested for audit within the required timeframe, Master Lessee shall be subject to a noncompliance penalty of fifty dollars ($50.00) per day for each day beyond the thirtieth (30th) day after date of initial written request, and then one hundred dollars ($100.00) per day for each day after forty-five (45) days, until all books and records have been provided for audit as requested. In addition to the penalty, if Master Lessee's books and records have not been provided for audit within forty-five (45) days of audit request, City shall have the right to send its auditor or authorized representative to another location where Master Lessee's books and records are maintained in order to audit, examine, or reproduce books and records. In this event Master Lessee shall pay all reasonable expenses for the audit, including, but not limited to, travel/transportation expenses, food and lodging, and related business expenses.

7.3.2 If the audit reveals that the O&M Costs are less than the Reimbursed O&M Costs as reported by Master Lessee or Facility Manager to City, then Master Lessee shall pay City the overpayment plus a penalty of ten percent (10%) of the overpayment amount within twenty (20) days of written notice by City. If the audit reveals that the O&M Costs are more than the Reimbursed O&M Costs, the underpayment shall be credited to the RACs' O&M Deposit in equal shares.

7.3.3 City's rights and Master Lessee's obligations under this Section shall survive the expiration or earlier termination of this Master Lease.

ARTICLE 8
ISSUANCE OF BONDS; PAYMENT FOR COSTS OF THE PROJECT

8.1 Issuance of Initial Bonds; Rating Agencies. City shall, subject to the terms and conditions of this Master Lease, use reasonable efforts to issue, sell and deliver the Initial Bonds in amounts that are sufficient to pay the Costs of the Project and to fund Bond Obligations due upon the closing of the issuance of the Initial Bonds. To this end, City will require ratings of the Initial Bonds from one or more of the Rating Agencies that are sufficient to support the sale and issuance of the Initial Bonds on terms and conditions acceptable to City. In the event that this Master Lease is executed prior to the issuance of the Initial Bonds and one or more of the Rating Agencies requires amendments, modifications or revisions of, or supplements or deletions to, this Master Lease in order to provide the rating(s) of the Initial Bonds that City determines to be necessary to proceed with the issuance of the Initial Bonds, Master Lessee agrees to make such amendments, modifications or revisions of, or supplements or deletions to, any of the terms, conditions or requirements of this Master Lease as may be reasonably required.

8.2 Issuance of Additional Bonds. City, at its sole discretion after good faith consultation with the Master Lessee and the RACs, shall have the right to issue Additional Bonds for the following purposes: (a) as refunding debt obligations which are used to achieve annual debt service

savings or to achieve terms that City determines are more beneficial to the City than the terms of the Bonds being refunded; (b) to pay any part of the Costs of the Project not fully funded or provided for out of the proceeds of the Initial Bonds; (c) to pay the Costs of additional rental car facilities at the Airport; (d) to pay any costs of any Major Maintenance; (e) subject to any restriction hereunder regarding the use of Customer Facility Charge proceeds and Applicable Laws, to fund any other obligation imposed on City or Master Lessee under this Master Lease; and (f) for any other purpose permitted by the terms of the Indenture.

8.3 No Limitation on City. Nothing in this ARTICLE 8 shall be construed as a limitation of the authority of City to issue bonds for any legal purpose that it elects; instead, any limitation set forth in this ARTICLE 8 shall operate exclusively to limit whether the obligations under any such bond(s) shall be considered Bond Obligations under this Master Lease. Nothing contained in this Master Lease shall be construed as: (a) a limitation of the authority of City to requisition moneys from the Trustee that are on deposit in any fund or account established pursuant to the Indenture and in accordance with and subject to the terms of the Indenture and to use such moneys in accordance with the Indenture, the Concession Agreement and this Master Lease; or (b) an obligation on the part of City to act on any request of the Master Lessee for discretionary requisitions by City of moneys held by the Trustee under the Indenture; or (c) an agreement by City that any reimbursement or disbursement requests by Master Lessee are eligible for reimbursement or disbursement if the Indenture or Concession Agreement provide otherwise.

8.4 Requests for Disbursement from Funds. Master Lessee agrees not to submit requests to City for double payment, reimbursement or refund for the same cost as both a Routine Maintenance costs and as Major Maintenance reimbursable from the Repair and Replacement Fund, or otherwise to request to be paid, reimbursed or refunded more than one hundred percent (100%) of any eligible cost from funds established pursuant to the Indenture.

ARTICLE 9
CONSTRUCTION

9.1 Compliance. Any improvement, construction, alteration, import of material, export of material, or any other alteration or addition to the CONRAC Site as described in this ARTICLE shall be completed in accordance with the provisions of this (1) Master Lease, (2) the 2011 Reimbursement Agreement, (3) the Construction Contract, (4) Legal Requirements, (5) City Codes and Standards and (6) the City Building Permit Requirements.

9.2 Permitting; Planning Requirements. Before Master Lessee undertakes, causes or permits any clearing, excavation, filling, demolition, construction, improvement or other work on the CONRAC Site or delivery of materials or equipment to the CONRAC Site, whether temporary or permanent ("Commencement of Construction"), Master Lessee shall: (a) enter into a Development Agreement with Developer in the form of Exhibit C attached to and made a part of this Master Lease; (b) enter into or cause the Developer to enter into a Construction Contract in the form of Exhibit D attached to and made a part of this Master Lease; (c) obtain City Site Development and Building Permits required for the scope of work to be undertaken (it being expressly understood that phased permitting is approved to allow specified scope to proceed while work toward permits for other scope of work remains ongoing); and (c) otherwise comply with the requirements of City Codes and Standards and this Master Lease, including the

requirements for the submission and approval of the plans and specifications for the Joint Use Facility. Master Lessee, Developer, Design-Builder and others as necessary, shall attend such periodic meetings with City representatives as required by City for the purpose of the review of drawings, plans, finishes and specifications pursuant to City Codes and Standards and this Master Lease, 2011 Reimbursement Agreement, and Construction Contract.

9.2.1 To obtain all applicable permits, Master Lessee shall submit the following to City for the scope of work subject to the respective permit:

9.2.1.1 One (1) complete copy of all work product for the design and construction of the Joint Use Facility in electronic file formats (9CD-R) and prepared with computer-aided design and drawing technology utilizing City's ABIA CAD standards.

9.2.1.2 At least three (3) sets of full-size printed Project drawings, plans and specifications for the Joint Use Facility (in hard copies and electronic format specified by City and which may be submitted in stages depending on the stages or phases of construction) in sufficient detail for City to evaluate the project and its scope, including, as applicable,

9.2.1.2.1 a site plan showing, with horizontal dimensions and elevations, proposed work to be performed and improvements to be constructed on the CONRAC Site, as well as any off-site improvements Master Lessee proposes to perform on the Airport in conjunction with the construction of the Joint Use Facility, including the location of all proposed utility lines and connections, drainage, vehicle parking, landscaping, paths, drainage, roads and easements;

9.2.1.2.2 architectural drawings sufficiently complete for construction, showing front and side elevation views, floor plans for each floor of the Joint Use Facility and dimensions of any proposed structure and the materials, including colors and exterior finishes to be used, finished floor elevation data for each level and maximum elevation (height) of the Joint Use Facility;

9.2.1.2.3 a boundary survey of the CONRAC Site, incorporating any boundary changes previously approved by City, unless such a survey is already on file with City on the date Master Lessee files the City Building Permit application;

9.2.1.2.4 a copy of the fully executed Development Agreement;

9.2.1.2.5 a copy of the fully executed Construction Contract;

9.2.1.2.6 a copy of the schedule for the completion of the construction of the Joint Use Facility and a schedule of values composing the fixed price for the construction in accordance with the Development Agreement and Construction Contract;

9.2.1.2.7 documentation showing that the plans and specifications for the scope of work to be undertaken have received any approval required by other Governmental Authorities having jurisdiction over the proposed Project; and

9.2.1.2.8 copies of all Deliverables required under the 2011 Reimbursement Agreement and Construction Contract in the amount and format specified by City; and

9.2.1.2.9 any additional data or documents reasonably requested by City.

9.2.2 Master Lessee shall provide interim construction plans of the Joint Use Facility at the following milestones:

9.2.2.1 Under the Construction Contract, at thirty percent (30%) and fifty percent (50%) of construction documents (one hundred percent (100%) schematic design and one hundred percent (100%) design development, respectively) to allow for comments by City before City issues any applicable permits to Master Lessee, and thereafter for approval of any proposed Significant Change. The schematic design documents and design development documents may be submitted in stages in advance of the construction of various elements of the Project. (Completed prior to the Effective Date.)

9.2.2.2 Under the Construction Contract, at one hundred percent (100%) of design development drawings, to the extent not previously under Section 9.2.2.1, at ninety-five percent (95%) of construction documents to allow for comments by City before City issues any applicable permits to Master Lessee, and thereafter for approval of any proposed Significant Change. City agrees to review all plans and specifications and comment within fourteen (14) days of the delivery so long as Master Lessee provides at least ten (10) days' notice to City prior to delivery for review.

9.2.3 The approval by City of any construction design or any other provision does not waive Master Lessee's legal responsibility or liability to comply with all Environmental Laws, Legal Requirements and City Codes and Standards, including those concerning the construction, and design of the Joint Use Facility, all of which shall be Master Lessee's sole responsibility. In addition, such review or approval shall not constitute a waiver by City of the right thereafter to require Master Lessee to correct any failure by Master Lessee to comply with any Environmental Laws, Legal Requirements or City Codes and Standards.

9.2.4 If Master Lessee does not obtain a City Building Permit required in Section 9.2 of this ARTICLE for a particular scope of work before beginning that work on the CONRAC Site, City shall, after five (5) days written notice and opportunity to cure (except in the case of real or threatened emergency to life, safety or structural integrity) and when it is in the interest of safe, effective, or efficient operation of the Airport to do so, require Master Lessee to cease or suspend the activity and to submit the application for the City Building Permit and other documentation required under Section 9.2. After review of the application, City shall approve or deny the application. If City grants a City Building Permit, Master Lessee shall, at no cost to City, comply with any requirement that City includes in the approval as necessary to bring the construction into compliance with the City's Building Permit Requirements. If City denies a City Building Permit and if City so directs, Master Lessee shall, at no cost to City,

remove all unauthorized improvements and restore the CONRAC Site to its condition prior to the unauthorized work on the CONRAC Site.

9.3 Performance Bond and Security. Prior to the Commencement of Construction, Master Lessee shall cause the Design-Builder to secure Payment and Performance Bonds in the minimum amount of one hundred percent (100%) of the lump sum price specified in the Construction Contract and naming City and the Bond Trustee as an additional obligee. The Payment and Performance Bonds shall be issued by a company(s) and be in the form(s) acceptable to City in its sole discretion. Originals of the Payment and Performance Bonds and any related documentation requested by City must be delivered to City prior to the Commencement of Construction. Master Lessee may be required to submit a letter of credit, performance bond, deposit, personal guarantee, or other security as a cost of operation if City reasonably determines security is necessary or prudent to ensure performance of all other obligations under this Master Lease. City shall determine the form and amount of the security considering the nature and scope of the construction and the financial responsibility of Master Lessee.

9.4 Construction of Joint Use Facility. After Master Lessee complies with the requirements of Sections 9.2 and 9.3, Master Lessee shall construct, equip and install, or cause to be constructed, equipped and installed, the Joint Use Facility on the CONRAC Site in accordance with the plans and specifications, schedule and budget approved by City, the City Codes and Standards, the City Building Permit Requirements, this Master Lease, the Development Agreement and the Construction Contract, free and clear of all Liens and encumbrances, at no cost to City, subject to Sections 8.1 and in accordance with Section 9.5 hereof. Master Lessee shall ensure that construction activities are closed off from public access and restricted from ground view with construction safety barriers and easily readable signs explaining the construction, as approved by City prior to the Commencement of Construction. Without limitation of the generality of the foregoing:

9.4.1 Upon the Commencement of Construction, Master Lessee shall cause the Design-Builder to provide to City an affidavit of Commencement of Construction in recordable form, and a list of all known contractors, subcontractors and suppliers expected to provide labor or materials and thereafter upon procurement as reflected in the M/WBE Procurement Program Compliance Plan in accordance with Section 25.4.

9.4.2 The construction of the Joint Use Facility shall be Substantially Complete no later than the Deadline for Substantial Completion approved by City. When Substantial Completion of the Joint Use Facility has been obtained:

9.4.2.1 Master Lessee shall notify City, and Master Lessee and City shall schedule and perform within fourteen days a joint punch-list inspection and identify items to be corrected or completed by Final Completion (the "Punch-List Items");

9.4.2.2 Master Lessee shall cause the Design-Builder to provide City with a certified letter indicating that the Joint Use Facility was constructed in accordance with the construction plans and specifications submitted to and approved by City and that installation

of all components is in accordance with all Applicable Laws, Legal Requirements, City Codes and Standards, the City Building Permit Requirements, and the Construction Contract;

9.4.2.3 Master Lessee shall diligently pursue or cause Design-Builder to diligently pursue Final Completion (inclusive of all Punch-List Items identified during the joint punch-list inspection by City and Master Lessee) no later than one hundred twenty (120) days after Substantial Completion;

9.4.2.4 Master Lessee shall turn over to City the Commercial Parking Facility, the IDF Rooms and the Parking Management Office and thereafter City shall have exclusive possession of the same subject to Master Lessee's license to access the premises for purposes of completing Punch-List Items until Final Completion;

9.4.2.5 Master Lessee shall turn over to each RAC its Exclusive Use Premises for purposes of installing the Initial Tenant Improvements provided that nothing herein shall prohibit Master Lessee from providing earlier license to the RACs to enter the Exclusive Use Premises for commencement of such work and shall cause the Initial Tenant Improvements to be substantially completed by the RACs no later than Final Completion and finally completed no later than thirty (30) days after Final Completion to enable the CONRAC to be open for business to the public no later than that date;

9.4.2.6 Master Lessee shall cause the CONRAC to be open for business to the public not later than thirty (30) days after Final Completion; and

9.4.2.7 Master Lessee shall complete all modifications of or enhancements to way-finding signage in the Joint Use Facility no later than ninety (90) days after Final Completion.

9.4.3 The Joint Use Facility shall be constructed using new, quality materials, using only qualified personnel and in a good and workmanlike manner adhering to generally accepted industry standards and practices.

9.4.4 The Joint Use Facility shall be constructed in a manner that will not unreasonably interfere with or disturb daily operations at the Airport or City or its tenants, customers, guests or invitees.

9.4.5 During the construction of the Joint Use Facility, the CONRAC Site shall be kept free of trash and debris, and all construction on the CONRAC Site or performed by Master Lessee at the Airport must be orderly, presentable, and compatible with its use and surroundings and otherwise in compliance with City's Standards.

9.4.6 All portions of the CONRAC Site not directly used for the construction of the Joint Use Facility must be maintained by Master Lessee in a manner that does not attract birds and animals.

9.4.7 Other than the construction of the Joint Use Facility on the CONRAC Site, no building or other permanent structure may be constructed or placed within the boundary line of the CONRAC Site unless City otherwise approves.

9.4.8 If Master Lessee constructs underground improvements, Master Lessee shall appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between the markers are subject to the approval of City.

9.4.9 The CONRAC Site and the Joint Use Facility shall be kept free and clear of all Liens, claims and encumbrances, and all contractors, subcontractors and suppliers providing labor and materials for the construction of the Joint Use Facility shall be timely paid and execute Lien waivers or releases upon payment. Master Lessee shall provide City with Lien waivers or releases from the Developer, Design-Builder, the subcontractors at all tiers, and the suppliers of all labor, materials, work and services for all component parts of the Joint Use Facility with ninety (90) days after the completion thereof in detail acceptable to City to enable City to verify compliance with the requirements of this Master Lease.

9.4.10 On Final Completion, Master Lessee shall obtain and provide to City, proof of all necessary permits and licenses to occupy and operate the Joint Use Facility including a certificate of occupancy.

9.4.11 Master Lessee agrees that any contract for construction, alteration or repair of the Joint Use Facility or for the purchase of material to be used, or for work and labor to be performed within or upon the CONRAC Site, shall be in writing and shall contain provisions to protect City from the claims of any laborers, subcontractors or materialmen against the Joint Use Facility and/or the CONRAC Site and otherwise comply with the requirements of City Codes and Standards. Master Lessee agrees to give City immediate written notice of the placing of any Lien or encumbrance against the Leased Premises and further agrees to extinguish such Lien in accordance with Section 18.2 hereof.

9.4.12 All contracts for the construction of the Joint Use Facility shall require Substantial Completion no later than the Deadline for Substantial Completion within the construction schedule therefor submitted by Master Lessee and accepted by City and shall contain reasonable and lawful provisions for the payment of liquidated damages in the event the Design-Builder fails to complete such construction on a timely basis. Master Lessee shall take all necessary action available under each such construction contract to enforce the timely Substantial Completion of the work covered thereby and in no event later that the Deadline for Substantial Completion. Master Lessee shall pay to City one thousand dollars ($1,000.00) per day for failure to timely Substantially Complete the Joint Use Facility by the Deadline for Substantial Completion.

9.4.13 Master Lessee shall neither seek nor allow the Developer to seek any unearned progress payment from the Bond Trustee for work not accomplished to develop the CONRAC. In addition, Master Lessee shall reduce, and shall require the Developer to reduce, each progress payment request for all design build products, services and work by an itemized percent as retainage in accordance with applicable Texas law, and shall, so long as any indebtedness secured by Customer Facility Charges remains outstanding, abide by all provisions of the Indenture applicable to Master Lessee.

9.5 Project Financing and Payment. The Project shall be financed and paid for with proceeds of the Bonds and other funds described in the Indenture, if any, through requisitions submitted by City to the Trustee in accordance with the Indenture after City's receipt of Pay Applications (described below) from Master Lessee in accordance with the following procedures and requirements:

9.5.1 Master Lessee shall submit to City pay applications for costs of the Project ("Pay Applications") as set forth in the Phase II Final Project Budget ("Project Budget") (as defined in the Development Agreement) on or before a date to be determined, to recur on the same date or day each month (or the next business day if a specific date is designated and falls on a weekend or City holiday) ("Submittal Date") until Final Completion. For each Pay Application, Master Lessee shall: (a) on or before the Submittal Date arrange with City and Developer for on-site review of work performed to-date on the Joint Use Facility pursuant to the Construction Contract; and (b) on the Submittal Date submit to City utilizing the City required format or forms for review at the address specified below (i) an invoice in triplicate original, describing the percentage complete of the Project, together with the amount and nature of all authorized expenses under the Construction Contract to be paid on the percentage of work complete as reasonably determined by the time and materials undertaken to complete the work ("Progress Invoice"), (ii) certification of Master Lessee and Developer that such Progress Invoice has been reviewed and approved by Master Lessee and Developer, (iii) complete copies of the invoices of Design-Builder, the Developer, any other direct contractor to the Developer (collectively "Contractors") and of Master Lessee for which payment is requested under the Progress Invoice (along with any supporting documentation required under the Development Agreement or Construction Contract); (iv) applicable project schedule; (v) project task list or resource allocation plan from the Developer and Design-Builder for services and fees during Phase 2 of the Project; and (vi) as Design-Builder procures work, updated Compliance Plan in accordance with Section 25.4 (the items described in Subsections 9.5.1(b)(i)-(vi) are collectively referred to as the "Pay Application(s)"). Each Pay Application shall be sent or delivered to:

City of Austin Department of Aviation
2716 Spirit of Texas
Austin, Texas 78719
Attn: Janice White, Contract Manager

9.5.2 Master Lessee shall reduce, and shall require Developer to reduce, each Pay Application by an itemized percent of the design and construction work as retainage in accordance with the applicable Texas law, which retainage shall remain held by the Trustee and shall be payable pursuant to a Pay Application submitted by Master Lessee to City and a requisition submitted by City to Trustee no less than thirty (30) days after the later to occur of Final Completion or the date on which all way-finding signage is installed if not installed by Final Completion.

9.5.3 After City's review and approval of each Pay Application, City shall promptly submit a requisition for payment of the same to the Trustee in accordance with the Indenture; provided however, City shall not be required to submit more than one (1) requisition for payment per month. The entire payment or part of any payment otherwise due pursuant to a

Pay Application may be withheld, to be effected by a reduction in the amount requisitioned by City from the Trustee on account of:

(i) delivery of defective, untimely, or non-conforming work by the Design-Builder, Developer or Master Lessee; or

(ii) failure of the Master Lessee to submit proper invoices with all required attachments and supporting documentation.

City shall furnish prompt written notice to Master Lessee of any withholding claimed by City under this Section 9.5.3, which notice shall include identification of the amount withheld and the reason or reasons for such withholding. Upon the cure of the reason or reason(s) for amounts withheld to the satisfaction of City, City shall submit a requisition for payment of the amount withheld to the Trustee in accordance with the Indenture.

9.5.4 Except for any amount expressly identified in the Project Budget as a time and material expense, the respective payment amounts for each of the Contractors and Master Lessee under the Project Budget are each lump sums to be paid according to the percentage complete of the Project as certified by the Design-Builder and confirmed by Developer's cost consultant, and for actual amounts invoiced for the time and material line items, all as submitted with approval by Developer and Master Lessee, reviewed by City's independent cost consultant and approved by City's Contract Manager. A final Pay Application, which shall be deemed to include request for payment of retainage, may be submitted to City after the later to occur of Final Completion or the date on which all way-finding signage is installed if not installed by Final Completion and acceptance of the same in writing by City.

9.5.5 City reserves the right to audit and examine at any reasonable time the books and records of the Contractors, Developer and Master Lessee to the extent necessary, consistent with the industry standards pertaining to lump-sum projects as contemplated under the Development Agreement, to verify the accuracy of any statement, charge, computation or invoice made hereunder, and to recover from any of the Master Lessee, Developer or Contractors any overcharge paid by the City or the Trustee to the Master Lessee, Developer or Contractor. The Master Lessee shall require that Developer and Contractors retain all such records for a period of three (3) years after the Trustee's final payment for the Project or until all audit and litigation matters that City has brought to the attention of the Master Lessee are resolved, whichever is longer. The Master Lessee shall require Developer and the Contractors to agree to refund to City any overpayments disclosed by any such audit. The Master Lessee shall include the provisions of this Section in the Development Agreement and all Contractor agreements entered into in connection with the Project under this Master Lease.

9.5.5.1 City will provide to Master Lessee a Texas sales and use tax certification form.

9.6 Documentation of Final Completion of Construction. Master Lessee shall within sixty (60) days after the Final Completion of construction of the Joint Use Facility, submit to

City written documentation that the construction has been completed as required by this Master Lease including, without limitation, the following:

9.6.1.1 "As built" drawings of the Joint Use Facility (hard copies and electronic format) in full conformance with City's requirements. The "as built" drawings shall include details of all construction disciplines, including electrical (including switch gear and source of permanent power), plumbing, mechanical, architectural and information technology structures, lines and facilities and meets the requirements of the Airport CAD standards.

9.6.1.2 Proof of all necessary permits and licenses to occupy and operate the Joint Use Facility including a certificate of occupancy.

9.6.1.3 An as-built survey of the CONRAC Site and the Joint Use Facility. The as-built survey must establish the location and dimensions of all improvements constructed or installed and any dedications, easements and other encumbrances on the CONRAC Site and must provide bearings and distances to an established survey point in a form consistent with generally accepted professional standards and any special survey instructions issued by City or required by the FAA and meets the requirements of the Airport CAD standards.

9.6.1.4 Affidavit of completion of construction and Lien waiver in recordable form executed by the Design-Builder which shall include certification of payment of all amounts due in connection with the construction of the Joint Use Facility and compliance with the M/WBE Compliance Plan under ARTICLE 25.

9.6.1.5 For any equipment installed, Master Lessee shall deliver to City two (2) hard copy and one PDF format copy of the complete operations and maintenance manuals and warranties therefor.

9.6.2 Master Lessee shall within thirty (30) days after Final Completion submit to City a summary statement of the costs of the design, permitting and construction of the Joint Use Facility as follows:

9.6.2.1 a statement of the costs of the design, permitting and construction of the Joint Use Facility signed by the Developer and Design-Builder; and

9.6.2.2 a notarized affidavit signed by Master Lessee attesting to the costs of the design, permitting and construction.

9.7 Surveys. If the as-built survey required pursuant to Section 9.6.1.3 is not approved by City, Master Lessee shall provide to City for further approval revised as-built survey plat(s) and metes and bounds description(s) incorporating any changes directed by City within ten (10) Business Days of Master Lessee's receipt of notice(s) from City of any required revisions. On City's final approval of the as-built survey plat and metes and bounds description of the CONRAC Site, provided under Section 9.6.1.3, City and Master Lessee shall enter into an amendment to the Master Lease thereby incorporating the same as the descriptions of the CONRAC Site and Leased Premises effective as of Substantial Completion and continuing through the Lease Term.

9.7.1 A Professional Land Surveyor registered in the State of Texas using the then current professional survey standards as established by the Texas Society of Professional Surveyors must conduct all surveying required under this Master Lease. All surveys must be prepared at no cost to City. Master Lessee shall obtain and comply with all reasonable survey instructions from City.

9.8 Failure to Complete Construction. If Master Lessee fails to Substantially Complete the construction of the Joint Use Facility by the Deadline for Substantial Completion, or to submit documentation that the construction has been completed as required by this Master Lease, City may, in addition to the exercise of its remedies as provided in Section 9.4.12 and Section 21.2 or remedies otherwise available to City at law or in equity, draw upon the Security or other security posted by Master Lessee, and/or:

9.8.1.1 after notice and opportunity to cure as set forth in Section 21.1(b), execute the forfeiture of the payment and performance bonds; and/or

9.8.1.2 after notice and opportunity to cure as set forth in Section 21.1(c), pursue specific performance of Master Lessee's obligations under to this Master Lease; and/or

9.8.1.3 after notice and opportunity to cure as set forth in Section 21.1(c), terminate this Master Lease.

9.8.2 Master Lessee agrees that, once Bonds are sold to finance the construction of the Joint Use Facility, Master Lessee must Substantially Complete construction of the Joint Use Facility according to the scope of the Project as of the date of the sale of the Bonds, subject to any changes thereafter by City-approved change orders, and regardless of any increase in cost in excess of the fixed price for the scope of the Project as of the date of the sale of the Bonds.

9.8.3 In the event Master Lessee fails to Substantially Complete the Joint Use Facility for any reason, other than as a result of a material breach of this Master Lease by City, Master Lessee shall, upon demand and at no additional cost or charge to City, deliver to City all Deliverables that were paid for or for which the Developer, Design-Builder or Master Lessee were reimbursed from Bond proceeds or otherwise from proceeds of the Customer Facility Charges. Without diminishing any contractual obligations of the Design-Builder under any other document, such Deliverables shall be accompanied by such licenses and warranties as Master Lessee, the Developer or the Design-Builder possess for the use of the Deliverables. Any privileged materials need not be provided to City as Deliverables. The delivery to City of Deliverables under this Subsection will not satisfy, cure or release a default, if any, of Master Lessee, the Developer or the Design-Builder under this Master Lease or any other document in which City has an interest, relating to the failure.

ARTICLE 10
IMPROVEMENTS AND EQUIPMENT

10.1 Ownership of Improvements and Equipment. Title to the Joint Use Facility, CONRAC Capital Improvements and all other improvements and equipment constructed, placed or installed on the CONRAC Site including, without limitation, the Fuel Facilities (except for aboveground and underground fuel storage tanks) and the QTA Equipment pursuant to ARTICLE 8 of this Master Lease, other than the RAC Property, shall vest in and be the exclusive property of City as the same are being constructed, placed or installed and after completion of construction, placement or installation at all times during the Lease Term and after the expiration or termination of the Lease Term, free and clear of any Liens or encumbrances whatsoever. The foregoing notwithstanding, title to any aboveground and underground fuel storage tanks constituting a part of the Fuel Facilities shall remain with Master Lessee and shall in no event constitute a part of the Vested Improvements. Further, unless expressly rejected by City, title to any additional CONRAC Capital Improvements or other improvements or equipment constructed, placed or installed on the CONRAC Site or as a part of the Joint Use Facility after Final Completion, other than the RAC Property and any aboveground and underground fuel storage tanks, shall upon acceptance by City vest in and be the exclusive property of City as the same are being constructed, placed or installed and after completion of construction, placement and installation at all times during the Lease Term and after the expiration or termination of the Lease Term, free and clear of any Liens or encumbrances whatsoever. The Joint Use Facility, CONRAC Capital Improvements, Fuel Facilities (except for aboveground and underground fuel storage tanks) and QTA Equipment and the other improvements and equipment constructed, placed or installed on the CONRAC Site as described in this Section are hereinafter sometimes referred to as the "Vested Improvements" (as further defined in Attachment 1). Master Lessee hereby warrants and agrees to forever defend original title to the Vested Improvements to City and its successor and assigns throughout and after the expiration or termination of the Lease Term, free and clear of all Liens and encumbrances. On request of City at any time during or after the expiration or termination of the Lease Term, Master Lessee shall execute and deliver to City all documents City may require to perfect its title to the Vested Improvements.

10.2 Interests in Improvements. After Substantial Completion: (a) the CONRAC shall constitute the Leased Premises and be subject to Master Lessee's leasehold interest for the remaining Lease Term and the leasehold interests of the RACs pursuant the Sublease Agreements for the terms of said Sublease Agreements; and (b) the Commercial Parking Facility, the IDF Rooms and Parking Management Office shall be reserved to City for its exclusive use as provided for in Section 3.3.

10.3 Warranty of Fitness and Suitability. Master Lessee warrants to City that the Vested Improvements as of the completion of construction and installation of each of said improvements or equipment will be: safe, habitable, clean, of sound condition structurally and otherwise, free from patent and latent defects, in compliance with all Legal Requirements, City Codes and Standards, City Building Permit Requirements, the Development Agreement and the Construction Contract, and suitability for every purpose and use and in every respect contemplated by this Master Lease as of the Effective Date. Master Lessee expressly waives any

knowledge or notice City may or should reasonably have with respect to any defect in the Vested Improvements. City shall not be deemed to have accepted any such defect notwithstanding any inspection, knowledge or actual or constructive notice, which shall in no way prejudice or impair City's rights under Master Lessee's warranties in this Section or otherwise under this Master Lease or as a third party beneficiary of the Development Agreement or the Construction Contract. Master Lessee's warranties as to the condition of the Vested Improvements as set forth in this Section are in addition to and shall not be construed to extend, enlarge, diminish or replace the warranties provided under the Development Agreement or the Construction Contract. Master Lessee covenants that it will enforce such warranties against the Developer or Design-Builder, as applicable, and acknowledges City's right to enforce the warranties as a third party beneficiary of the Development Agreement and the Construction Contract in accordance with their respective terms and to proceed directly against the parties to such agreements, subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party. Any improvements or equipment not approved and accepted by City, shall be promptly removed by Master Lessee and replaced with improvements or equipment, as applicable, in compliance with Legal Requirements, City Codes and Standards, City Building Permit Requirements, the Development Agreement and the Construction Contract.

10.4 Assignment of Agreements and Warranties. Without modifying, reducing or negating any obligation of Master Lessee under this Master Lease, Master Lessee hereby assigns to City a concurrent, non-exclusive right to enforce the terms of the Development Agreement, the Construction Contract and any other construction contract and/or warranty right of Master Lessee relating to the Vested Improvements (provided, such assignment shall not be applicable to any contract and/or warranty which would, as a result of such assignment, constitute a violation of, or void, the warranty provisions of any such contract or warranty). City, following City's written notice to Master Lessee, shall have the right, but not the obligation, to act on Master Lessee's behalf pursuant to the Development Agreement, the Construction Contract or any construction contract and/or warranty relating to the Vested Improvements subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party. To the extent City exercises a right under this Section, Master Lessee hereby assigns to City any applicable right of Master Lessee to payment or reimbursement from Bond proceeds under the Indenture. Similarly, if Master Lessee fails to enforce the use and repair and maintenance provisions of its Sublease Agreements then, in accordance with Section 12.5.4 and 23.5 of this Master Lease, City shall have the right, but not the obligation, to do so in Master Lessee's name. In accordance with Section 23.5, Master Lessee shall pay to City any cost City incurs to take an action under this Section, which action shall not cure any default of Master Lessee unless City expressly states the same in writing to Master Lessee.

10.5 Alterations. After Final Completion pursuant to ARTICLE 9, Master Lessee shall not make any changes, alterations, additions, substitutions or improvements (collectively, the "**Alterations**") to or upon the Leased Premises or to other improvements located on the CONRAC Site without first obtaining City's prior written approval of each such Alteration and then only in compliance with any and all conditions of such approval. Master Lessee shall otherwise comply with the then-current design and construction procedures of the City hereto in connection with Master Lessee's design and construction of any such Alteration. Any Alteration shall be performed (a) in a good and workmanlike manner; (b) in compliance with all Legal

Requirements and City Codes and Standards; and (c) in a manner that will not unreasonably interfere with or disturb City or its tenants.

10.6 City Review Does Not Relieve Master Lessee. Master Lessee agrees that nothing in City's review or approval of Master Lessee's plans shall create responsibility or liability on the part of City for their completeness, design sufficiency or compliance with all Legal Requirements or City Codes and Standards, all of which shall be Master Lessee's sole responsibility, nor shall such review or approval constitute a waiver by City of the right to thereafter require Master Lessee to correct any failure by Master Lessee to comply with any Legal Requirements or City Codes and Standards.

10.7 As Built Documents. Master Lessee shall deliver to City, not later than thirty (30) days after the completion of any Alterations, full and complete "as built" drawings of such Alterations (hard copies and electronic format specified by City) in full conformance with City's requirements. The "as built" drawings required under this Section shall include details of all construction disciplines, including electrical (including switch gear and source of permanent power), plumbing, mechanical, architectural and information technology structures, lines and facilities. For any equipment installed in conjunction with Alterations, Master Lessee shall deliver to City three (3) copies of the complete operations and maintenance manuals therefor.

10.8 Trade Fixtures. Except for the RAC Property or as otherwise specifically authorized in Sublease Agreements approved by City, Master Lessee shall ensure that all Alterations to the Vested Improvements shall remain with the Vested Improvements, and shall, at the option of City, be considered a part of the Vested Improvements with title vested in City at no cost to City. Master Lessee shall ensure that all Sublease Agreements and other agreements entered into after the date hereof that contemplate or allow Alterations to the Vested Improvements incorporate terms that effectuate this Section and ensure that the removal of Alterations, if approved by City, is effected without impairing the structural integrity or usability of the Vested Improvements. A violation of this Section by a RAC constitutes a violation of this Master Lease.

10.9 Construction. Master Lessee shall ensure that any and all construction, Alterations, repair work, and other work relating to the Vested Improvements or otherwise on the Leased Premises, is carried out in accordance with the Legal Requirements and City Codes and Standards applicable to such work.

10.10 Personal Property. Master Lessee agrees that all personal property brought into the Leased Premises by Master Lessee, or its agents, contractors, employees, invitees, assignees, subtenants or licensees, shall be at the sole risk of Master Lessee. City shall not be liable for theft thereof or for money deposited therein or for any damage thereto, such theft or damage being the sole responsibility of Master Lessee, and MASTER LESSEE HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD CITY, AND ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, SERVANTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, AFFILIATES, SUBSIDIARIES, SUCCESSORS AND ASSIGNS, HARMLESS FROM ANY AND ALL CLAIMS ARISING OR RESULTING DIRECTLY OR INDIRECTLY FROM ANY SUCH THEFT OR DAMAGE EXCEPT TO THE

EXTENT THAT ANY SUCH THEFT OR DAMAGE IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH OFFICIAL, EMPLOYEE OR OFFICER.

10.11 Improvements to Existing City Parking Garage. Notwithstanding any other provision herein, Master Lessee shall have no responsibility for the integrity of the existing parking garage owned by the City located to the South of the Joint Use Facility on which Master Lessee will construct walkway improvements.

ARTICLE 11
OPERATIONS AND MANAGEMENT

11.1 Facility Manager. At all times during the Lease Term, Master Lessee shall retain a qualified and experienced Facility Manager through a Facility Management Agreement in a form approved by the City in writing, to manage the daily operations of the Leased Premises and shall cause the Facility Manager: (a) to manage the daily operations of the Leased Premises in accordance with City Codes and Standards, the Legal Requirements, this Master Lease and the Facility Management Agreement; (b) to employ and retain a sufficient number of qualified personnel to fulfill its obligations under the Facility Management Agreement; (c) to operate, repair and maintain the Leased Premises including the Fuel Facilities and QTA Facility; and (d) to be the point of contact for City for all matters concerning the Leased Premises, assure that a qualified person is available twenty-four (24) hours a day for such purposes and provide to City written notice on the first (1st) day of each month the names and contact information of such persons. References in this Master Lease to the management and operations of the Leased Premises shall mean and include the management and operations of the Fuel Facilities and QTA Facility. References in this Master Lease to obligations and duties of Master Lessee with respect to management and operational matters concerning the Leased Premises shall mean and refer to Master Lessee's primary obligations as the lessee under this Master Lease and/or its obligation to cause the Facility Manager, through the Facility Management Agreement, to perform such management and operational duties. Master Lessee shall ensure that City is a third-party beneficiary of the Facility Management Agreement and has, among other rights thereunder, the right to approve the annual Budget and to enforce all rights and remedies of Master Lessee thereunder. Additionally, the Facility Management Agreement shall state that it may not be modified, amended, terminated or replaced without the prior written consent of City.

11.2 Master Lessee Parties. If required, Master Lessee shall coordinate Master Lessee Parties' operations and activities on the Leased Premises with City to ensure that Master Lessee Parties 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 Leased Premises and the Airport. Master Lessee shall be fully responsible to City for the operations and activities of the Master Lessee Parties on the Leased Premises. Master Lessee shall ensure all Master Lessee Parties comply with the City Codes and Standards, Legal Requirements and operational orders that City issues under any Legal Requirements and any restrictions that City has posted or indicated by sign, signal or other control device, unless otherwise directed by an Airport police officer or other authorized City personnel directing aircraft, vehicle or pedestrian traffic.

11.3 Airport Security. To the extent that activity on the Leased Premises is subject to provisions of the Airport Security Plan and/or Federal security regulations and the City provides written notice of such provisions to Master Lessee, Master Lessee shall ensure that all Master Lessee Parties comply with the Airport Security Plan and all other airport security regulations as adopted or required by the TSA or other Governmental 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 a Master Lessee Party in any manner or form at any time during the Lease Term, Master Lessee immediately shall remedy such breach or assist City, the TSA or other Governmental Authorities in remedying such breach, regardless of the circumstances. City reserves the right to take whatever action that City determines to be necessary to remedy any such breach in the event Master Lessee fails immediately to do so. Master Lessee shall be responsible for the integrity of the controlled access security system of the Airport with respect to the Leased Premises for the Lease Term. Master Lessee also shall take such steps as may be necessary or directed by City to ensure that Master Lessee Parties observe the requirements of this Section. MASTER LESSEE SHALL BE SOLELY AND FULLY RESPONSIBLE FOR, AND SHALL INDEMNIFY AND HOLD CITY, AND ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES HARMLESS FROM AND AGAINST ANY FINES OR PENALTIES IMPOSED ON CITY AS A RESULT OF, ANY BREACH OF AIRPORT SECURITY BY MASTER LESSEE OR ANY MASTER LESSEE PARTY.

11.3.1 Persons employed on certain locations 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. Master Lessee shall cooperate, and cause its existing and prospective employees and contractors to cooperate, with City in conducting such background checks, as may be or may become applicable in accordance with Applicable Law.

11.3.2 Master Lessee shall be responsible for obtaining security badges for entry to the sterile, secured or restricted areas of the Airport, if necessary, for all Master Lessee Parties required to perform Master Lessee's obligations in those areas under this Master Lease. Master Lessee shall be responsible for collecting all security badges issued to Master Lessee or Master Lessee Parties who cease to be employed and returning to City's Department of Aviation in accordance with Applicable Laws and City Codes and Standards. Master Lessee shall pay City the sum of Five Hundred Dollars ($500) for each security badge issued to a Master Lessee Party that is lost, or otherwise not returned as required by applicable TSA Regulations.

11.3.3 Any fine that results from a violation of City's Airport Security Plan, or any applicable Legal Requirement caused by any Master Lessee Party, whether on or off the Leased Premises, will, as between City and Master Lessee, be the sole responsibility of Master Lessee. City may, with notice to Master Lessee, but without diminishing Master Lessee's responsibility, pay fines to the FAA or the TSA on Master Lessee's behalf to meet FAA or TSA deadlines. Within thirty (30) days after receipt of written notice from City, Master Lessee shall reimburse City for any such fines paid by City.

11.3.4 Master Lessee is responsible to ensure that all Master Lessee Parties comply at all times with the Airport Security Plan, as applicable. If the Leased Premises become

included within or adjacent to a Restricted Area(s), Master Lessee shall ensure that only authorized persons enter or remain in the Restricted Area(s). If required by City, TSA or any applicable Legal Requirements, Master Lessee shall erect a security fence in accordance with City Codes and Standards around all or portions of the Leased Premises necessary to provide a security separation between the Leased Premises and any Restricted Area. If the construction of a security fence is required, it must be: (a) tied into City's Airport security fence so as to create a continuous barrier to access; (b) constructed at the sole expense of Master Lessee; and (c) maintained by Master Lessee in an attractive condition.

11.3.5 Access to any Restricted Area by any of Master Lessee Parties shall be subject to the terms of the Airport Security Plan. Master Lessee assumes responsibility for any individual not entitled to unescorted access to a Restricted Area, but given access by any of Master Lessee Parties.

11.3.6 If any security access control card readers are required on the Leased Premises to comply with the Airport Security Plan, Master Lessee shall be responsible to provide the card reader(s), locking device, door/gate controller and communications link to the access control computer, with the cost to be paid by request to City in accordance with Section 12.7 from the Repair and Replacement Fund, and, if such costs are not eligible for reimbursement or if sufficient funds are not available in the Repair and Replacement Fund, then Master Lessee may request that the City approve discretionary disbursement from the CFC Surplus Fund, but shall otherwise be responsible for such costs. City shall have no obligation to act on any request of the Master Lessee for discretionary requisitions by City of moneys from the Trustee. City will be responsible for the installation of the card readers and integration into the Airport's security system. Master Lessee shall be responsible for access control during periods the card reader(s) are inoperative and shall notify City accordingly.

11.3.7 If City requires, or Master Lessee otherwise elects to install, surveillance cameras in the Leased Premises, Master Lessee shall install such cameras at its sole expense, coordinating such installation with City and providing connection to the Airport's security system, if required by City.

11.4 Airport Operations. Master Lessee shall ensure that all Master Lessee Parties perform all construction, repairs, maintenance, remediation and operations and activities authorized under this Master Lease in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport. Master Lessee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. Master Lessee shall immediately notify City of any condition, problem, malfunction or other occurrence that threatens the safety of people or the Airport, harm to public health or the environment, or the safety or integrity of the Leased Premises.

11.5 Radio Interference. Master Lessee shall cause Master Lessee Parties to discontinue the use of any machine or device that interferes with any government-operated transmitters, receivers or navigation aids until the cause of the interference is eliminated if directed to do so by City.

11.6 Birds and Wildlife. Master Lessee acknowledges that a concentration of birds and other wildlife in the immediate vicinity of an Airport may constitute a significant hazard to aircraft operations. Master Lessee shall keep the Leased Premises clean of waste or any other material that might attract birds and animals. Master Lessee accepts full responsibility to maintain the Leased Premises, control operations and activities and take all safe, humane, and prudent measures to prevent birds from gathering on the Leased Premises and prevent other animals from gaining access to the Leased Premises.

11.7 Equipment. Master Lessee shall provide vehicles, equipment, storage space and parking space on the Leased Premises necessary for the operations and activities of Master Lessee Parties on the Leased Premises and to fulfill Master Lessee's obligations under this Master Lease. Such vehicles, equipment, storage space and parking space shall be maintained and managed by Master Lessee at no cost to City and in accordance with all Applicable Laws and must be limited to the Leased Premises and to other areas of the Airport designated in writing by City.

11.8 Water, Ice and Snow Removal. Master Lessee, at no cost to City, shall be responsible for any necessary clearing of water, drainage, ice or snow from the Leased Premises and for providing for the disposal of the same in accordance with all Applicable Laws.

11.9 Heavy Vehicles. If Master Lessee or any of the Master Lessee Parties use heavy trucks or equipment in excess of 7,500 pounds on or transiting to or from the Leased Premises during construction or operation of the facilities on the Leased Premises, Master Lessee shall ensure that the trucks or equipment use only those Airport access routes designated by City and that all trucks and equipment used comply with all applicable weight, width, and length restrictions established by the City Codes and Standards, Applicable Law or otherwise by operational orders issued by City.

11.10 Road Obstructions. If, during Master Lessee's development of the Leased Premises or during the operations or activities of Master Lessee or of the Master Lessee Parties relating to the Leased Premises, it becomes necessary to obstruct any road or other area provided for vehicular traffic, Master Lessee shall, at least seventy-two (72) hours before the placement of an obstruction, obtain the written approval of City and ensure compliance with all related decisions and directions of City by the Master Lessee and the Master Lessee Parties.

11.11 Smoking Regulations. City maintains a no smoking policy for the Terminal and the CONRAC. Master Lessee shall not permit smoking in the CONRAC.

11.12 Key System. Master Lessee, at no cost to the City, shall be responsible for installing and maintaining the lock and key system for the CONRAC including the installation of KNOX boxes.

11.13 Fuel Facilities. Master Lessee shall ensure that the delivery of fuel to the Fuel Facilities at such times and in such manner as City shall direct and in any event at Master Lessee's sole risk and responsibility.

ARTICLE 12
MAJOR MAINTENANCE

12.1 Major Maintenance. At all times during the Lease Term, Master Lessee shall cause the Facility Manager to manage and to cause the performance of all Major Maintenance of the Joint Use Facility (except as hereinafter provided), including the maintenance of the Fuel Facilities and QTA Equipment, at no cost to City, except as provided in Section 12.7. Master Lessee shall ensure that the Facility Management Agreement includes a provision providing that City, among other rights, has the right to approve the annual Budget with respect to Major Maintenance consistent with Section 13.5 regarding procedure for approval of the Budget as well as the right to enforce Master Lessee's rights and remedies under the Facility Management Agreement. Major Maintenance shall include, without limitation, those items described in Exhibit F attached to and made a part of this Master Lease. For avoidance of doubt, **except as hereinafter provided,** Master Lessee shall be responsible for the Major Maintenance: (a) of all aspects of the CONRAC including all IDF Rooms, ramps, access roads, walkways, flyovers, elevators, escalators, stairs, foundation, roof and walls during the entire Lease Term; (b) of all aspects of the Parking Management Office and the Commercial Parking Facility including the elevators and stairwells dedicated to the Commercial Parking Facility for a one (1) year period of warranty by the Design-Builder after Substantial Completion of the Project (the "Warranty Period"); and (c) of all structural aspects (*e.g.*, foundation, roof, walls, load bearing walls, and all other components of the Joint Use Facility that support or are integrated in the core structure and support of the CONRAC) of the Joint Use Facility, including within the Commercial Parking Facility and the Parking Management Office, after the expiration of the Warranty Period for the remainder of the Lease Term. After the expiration of the Warranty Period, City shall be responsible for all non-structural Major Maintenance of the Commercial Parking Facility and the Parking Management Office and of elevators and stairwells dedicated to the Commercial Parking Facility.

12.2 Standards. At no cost to City, except as provided in Section 12.7, Master Lessee shall cause the Facility Manager to perform all Major Maintenance required hereunder for the Leased Premises throughout the Lease Term: (a) in compliance with all Legal Requirements, City Codes and Standards and the requirements of this Master Lease; (b) using quality materials at least equal to the original, and if materially changed from the original, shall be subject to the prior approval of City; (c) using only qualified personnel; and (d) in a good and workmanlike manner adhering to the highest standards of quality. Without limiting the generality of the foregoing, Master Lessee or the Facility Manager through the Facility Management Agreement, as applicable, shall throughout the Lease Term: (i) keep and maintain the Leased Premises, the QTA Equipment, the Fuel Facilities, and all of Master Lessee's equipment and installations therein and the appurtenances thereto including Vested Improvements, lighting, fire suppression, electrical, phone, and data systems, in good condition, working order and repair; (ii) keep and maintain the Leased Premises, the QTA Equipment, the Fuel Facilities and all of Master Lessee's equipment and installations therein and the appurtenances thereto in a neat, clean, safe and sanitary condition, free from infestation of pests and conditions which might result in infestation of pests, provide complete and adequate arrangements for the sanitary handling of all recyclable materials, trash, garbage and other refuse generated in connection with the use of the Leased Premises; (iii) not commit or suffer or allow others to commit or suffer any waste on the Leased

Premises, QTA Equipment or the Fuel Facilities; (iv) require the RACs to repair and maintain all RAC Property in accordance with the terms of the Sublease Agreements; (v) perform any repair and maintenance of any RAC improvements or property that is required of the Master Lessee under the applicable Sublease Agreement; (vi) perform any repairs and maintenance of the Leased Premises, the QTA Equipment or the Fuel Facilities in a manner that will not unreasonably interfere with the operations of the Commercial Parking Facility; and (vii) after consultation with City and approved through a City Building Permit or by City Codes and Standards, make or cause to be made all Major Maintenance and Routine Maintenance to the Leased Premises, the Commercial Parking Facility, the QTA Equipment and Fuel Facilities to the extent provided in Sections 12.1 and 13.1. Master Lessee shall cause the Facility Manager to fulfill the requirements of this Section so as to ensure that on the Termination Date, the Vested Improvements will have remaining a reasonably expected functional life of not less than five (5) years or more.

12.3 No Abatement From Repairs. There shall be no abatement or reduction of any Rent or other obligation of Master Lessee under this Master Lease by reason of making of repairs, alterations and/or improvements to the Leased Premises by Master Lessee or the Facility Manager.

12.4 Quarterly Condition Surveys. City and Master Lessee, together with the Facility Manager, shall conduct an inspection of the Leased Premises quarterly to observe and note the condition of, cleanliness of and existing damage to the Leased Premises and to determine repairs and maintenance required to be performed. In the event of any dispute regarding the repairs and maintenance required to be performed, City's decision shall be final.

12.5 City's Obligations and Master Lessee Waiver. City, at its own expense, shall manage operate and maintain the Commercial Parking Facility and the Parking Management Office, including all janitorial responsibilities for the same from and after Substantial Completion, together with all non-structural Major Maintenance and Routine Maintenance for the same after the Warranty Period (but excluding Punch-List Items, Major Maintenance and non-janitorial Routine Maintenance during the Warranty Period), and shall perform all such operations without unreasonably interfering with Master Lessee's operation of the CONRAC. Except for the obligations of City expressly stated in this Master Lease, Master Lessee expressly waives any right Master Lessee might otherwise enjoy under any law or statute to make repairs to the Joint Use Facility at the expense of City or to hold City responsible for any condition of the Leased Premises or the Joint Use Facility. Without limiting the generality of the foregoing, responsibility for Major Maintenance is allocated as described and provided in Section 12.1.

12.5.1 City shall: (a) have no duty to repair or maintain the Joint Use Facility or any improvements placed at or constituting any portion of the Joint Use Facility except as provided in Sections 12.1 and 12.5; (b) not be liable for any damage or injury, fatal or nonfatal, resulting from any damage, defect or disrepair of any improvements placed at or constituting any portion of the CONRAC; (c) have no duty to make any replacement of any such improvements; and (d) have no duty to repair or maintain any equipment or property of Master Lessee or RACs located within the Joint Use Facility;

12.5.2 All improvements currently existing or installed on the Joint Use Facility and constituting any part of the Joint Use Facility (including building, parking lot, driveway, drive-through, walkway, flyover, or sidewalk improvements, if any, as well as any other improvements constructed by or on behalf of Master Lessee), including the Parking Management Office and the Commercial Parking Facility and the elevators and stairwells dedicated thereto during the Warranty Period, will be repaired and all maintenance thereon will be performed and replacements and renewals thereof will be made solely by Master Lessee in accordance with the requirement of Section 12.2 of this ARTICLE;

12.5.3 All equipment or property of Master Lessee located with the Leased Premises will be repaired and maintained solely by Master Lessee; and

12.5.4 City shall have a right to enter the Leased Premises at all reasonable times including during business hours of Master Lessee and the RACS for the purpose of ascertaining the condition of the Leased Premises or whether Master Lessee is observing and performing the obligations assumed by it under this Master Lease, all without hindrance or molestation from Master Lessee or RACs. City shall also have the right to enter upon the Leased Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Master Lessee's or the Facility Manager's failure to make any such repairs or perform any such work, with the cost to be paid from the Repair and Replacement Fund, but if sufficient funds are not available in the Repair and Replacement Fund or if the costs are not eligible for reimbursement therefrom, the City may pay such costs from the CFC Surplus Fund, to the extent such costs are eligible for reimbursement therefrom, but the Master Lessee shall otherwise be responsible for such costs. The foregoing rights of entry shall be exercisable upon request made on reasonable advance notice to Master Lessee (except that no notice shall be required in the event of any real or threatened emergency) or to the Facility Manager, which notice may be given verbally.

12.6 Maintenance of Walkways. Subject to Section 10.11, Master Lessee shall maintain any sidewalk(s) or walkways leading to the Terminal from the CONRAC and maintain access to and from the CONRAC.

12.7 Repair and Replacement Fund. A Repair and Replacement Fund will be established pursuant to the Indenture and funded by an initial deposit of three million dollars ($3,000,000) in accordance with the Indenture, with additional deposits thereto made in accordance with Section 4.2.6.2.5 of the Concession Agreement, to the extent of available moneys in the CFC Surplus Fund. Disbursements will be made from the Repair and Replacement Fund in accordance with the terms of the Indenture and this Master Lease to reimburse Master Lessee for, or to pay for, the costs of Major Maintenance under the Budget approved by City for each Lease Agreement Year and for other purposes described in the Indenture. After the Warranty Period, upon written request by Master Lessee to City for reimbursement or payment of the costs for Major Maintenance under the Budget approved by City for each Lease Agreement Year, accompanied by documentation supporting the request and any additional documents required by City, if eligible City will submit a requisition to the Trustee in accordance with the Indenture for disbursements from the Repair and Replacement Fund. In addition to City's rights to requisition moneys from the Repair and Replacement Fund

on request of Master Lessee, moneys on deposit in the Repair and Replacement Fund may be utilized by City and the Trustee in accordance with and subject to the terms of the Indenture.

ARTICLE 13
ROUTINE MAINTENANCE, UTILITIES AND OTHER OPERATING COSTS

13.1 Routine Maintenance. At all times during the Lease Term, Master Lessee shall cause the Facility Manager to manage and to cause the performance of all Routine Maintenance of the Joint Use Facility (except as hereinafter provided), including the maintenance of the Fuel Facilities and QTA Equipment, at no cost to City. Master Lessee shall ensure that the Facility Management Agreement includes a provision providing that City, among other rights, has the right to approve the annual Budget with respect to Routine Maintenance consistent with Section 13.5 regarding procedure for approval of the Budget as well as the right to enforce Master Lessee's rights and remedies under the Facility Management Agreement. Routine Maintenance shall include, without limitation, those items described in Exhibit E attached to and made a part of this Master Lease. For avoidance of doubt, Master Lessee shall be responsible for the Routine Maintenance of all aspects of the Joint Use Facility ***excluding*** only (a) janitorial services in the Commercial Parking Facility, the elevators and stairwells dedicated to the Commercial Parking Facility, and the Parking Management Office and (b) all other non-structural Routine Maintenance for the same after the Warranty Period. At no cost to City, Master Lessee shall cause the Facility Manager to perform all Routine Maintenance required hereunder for the Leased Premises throughout the Lease Term and to the extent that Master Lessee is responsible for Routine Maintenance in the Commercial Parking Facility during the Warranty Period in compliance with all of the standards set forth in Section 12.2.

13.2 Utilities. Master Lessee shall (through the Facility Manager), at no cost to the City, arrange for all utilities necessary to service the Leased Premises and promptly pay when due all the Utilities Costs incurred with respect to the Leased Premises.

13.3 Energy Conservation; Recycling. City shall have the right to implement such policies, programs and measures as may be necessary or desirable, in its discretion, for the conservation and/or preservation of energy, energy-related services or other resources, to promote considerations of sustainability, or to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

13.4 City Not Responsible. City shall not be liable in any way to Master Lessee for any failure or defect in the supply or character of electrical energy, water, sewer or other utility service furnished to the Leased Premises by reason of any requirement, act or omission of the public utility providing such service or for any other reason. City shall have the right to shut down electrical or other utility services to the Leased Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations or reconnections or for any other reason with respect to any such utility system (singularly or collectively, the "Utility Work"), regardless of whether the need for such Utility Work arises with respect to the Leased Premises, the Commercial Parking Facility, the CONRAC Site or any other facility at the Airport. Whenever possible, City shall give Master Lessee not less than two (2) days prior notice of any such utility shutdown. City shall not be liable to Master Lessee for any losses, including loss of income or business interruption, resulting from any

interruptions or failure in the supply of any utility to the Leased Premises, except when such losses result from City's gross negligence.

13.5 Budget for O&M Costs. Prior to Substantial Completion and prior to September 1st of each Lease Agreement Year thereafter, and at any other time City deems necessary, the Facility Manager shall submit to Master Lessee and City the Budget for the estimated O&M Costs for the following or current Lease Agreement Year (or for the first Lease Agreement Year, at any point from Substantial Completion to the end of the first Lease Agreement Year) and projected O&M Costs including Major Maintenance for the next five (5) Lease Agreement Years. City shall have the right to approve each annual Budget and shall notify Master Lessee and the Facility Manager within thirty (30) days of its receipt of the same from the Facility Manager if the applicable Budget is not approved and include with the notice details of any items of O&M Costs which are disapproved. The Facility Manager shall within ten (10) days of receipt of City's notice of disapproval submit a revised Budget to City and Master Lessee. If the revised Budget also is disapproved by City, the Facility Manager shall promptly submit further revisions to the Budget until the same is acceptable to the City. City and Master Lessee shall have the right to inspect, in the Facility Manager's offices during usual business hours, the Facility Manager's records regarding the O&M Costs referenced in the Budget. Commencing on Substantial Completion and throughout the Lease Term, Master Lessee shall (through the Facility Manager), at its sole cost and expense, except to the extent approved hereunder for payment from the Repair and Replacement Fund, promptly pay when due all O&M Costs necessary for the operation and maintenance of the Leased Premises. Master Lessee may request reimbursement from the Repair and Replacement Fund in accordance with Section 12.7 for O&M Costs for Major Maintenance performed in accordance with the Budget approved by City for each Lease Agreement Year, but if sufficient funds are not available in the Repair and Replacement Fund, then Master Lessee may request that City approve discretionary disbursement from the CFC Surplus Residual Account of the CFC Surplus Fund, to the extent of available funds, but shall otherwise be responsible for such O&M Costs. City shall have no obligation to act on any request of the Master Lessee for discretionary requisitions by City of moneys from the Trustee.

13.6 RAC Payment for O&M Costs. Each Sublease Agreement shall provide that no later than the Substantial Occupancy Date and continuing thereafter through the Lease Term, the respective RAC shall pay to the Facility Manager one-twelfth (1/12) of its Pro Rata Share of the O&M Costs in the Budget approved by City (or for the first Lease Agreement Year, an equal monthly amount) monthly in advance on the first day of each and every month during the Lease Term, at such place as the Facility Manager may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever. Within one hundred twenty (120) days after the end of each Lease Agreement Year, the Facility Manager shall provide to City, Master Lessee and each RAC a statement (the "O&M Reconciliation Report") showing the total actual O&M Costs for the prior Lease Agreement Year (or for the first Lease Agreement Year, from the Deadline for Substantial Completion to the end of the first Lease Agreement Year), each RAC's Pro Rata Share thereof for such Lease Agreement Year, the O&M Deposit required for the then-current Lease Agreement Year in which such O&M Reconciliation Report is issued, and the then-current balance of the O&M Deposit. In the event that the total of the monthly payments made by each RAC for such Lease Agreement Year (including amounts drawn against the O&M

Deposit) is less than any RAC's actual Pro Rata Share thereof for such Lease Agreement Year, the applicable RAC shall pay the difference within thirty (30) days after receipt of such O&M Reconciliation Report. Any overpayment by a RAC (including any portion of such overpayment paid from the O&M Deposit) shall be credited toward the RAC's Pro Rata Share of the O&M Costs next becoming due or, in the event that the Lease Term has expired (and there is no outstanding default), refunded to the RAC. Notwithstanding the above, any delay or failure of the Facility Manager in computing or billing O&M Costs shall not constitute a waiver of or in any way impair any RAC's obligation to pay the O&M Costs or any other amount hereunder; provided, however, in the event City, Master Lessee or the Facility Manager determines that the Facility Manager has materially under-billed any RAC for any O&M Costs as a result of any error, neglect or unreasonable delay on part of the Facility Manager, the RAC shall establish with the Facility Manager a mutually acceptable schedule for repayment of any unbilled amounts (which schedule shall, in no event, extend beyond the next Lease Agreement Year). In the event of any such delay or failure, the RAC shall continue paying the O&M Costs currently being paid until notified by the Facility Manager of an adjustment.

13.7 O&M Reserve Requirement. Each Sublease Agreement also shall provide that prior to the Substantial Occupancy Date, each RAC shall deposit an O&M Reserve Requirement with the Master Lessee (or Facility Manager if so provided under the Facility Management Agreement) to comprise the O&M Cost component of the Master Lessee's Rent and Operation Reserve and thereafter cause that RAC's O&M Reserve Requirement to be maintained throughout the Lease Term, and the Facility Manager shall be entitled to use the Master Lessee's Rent and Operation Reserve as a charge against each RAC's O&M Reserve Requirement for the payment of that RAC's Pro Rata Share of O&M Costs during an Lease Agreement Year to the extent that RAC's monthly payments of its Pro Rata Share of estimated O&M Costs are at any time not sufficient to cover the amount required during such Lease Agreement Year. Together with the payment of a RAC's Pro Rata Share of O&M Costs that is due on the Substantial Occupancy Date, each RAC shall pay to the Master Lessee or the Facility Manager, as applicable, the O&M Reserve Requirement in the required amount for the first Lease Agreement Year. To the extent that an O&M Reconciliation Report subsequently reflects a deficit in a RAC's O&M Reserve Requirement for the then-current Lease Agreement Year in which such O&M Reconciliation Report is issued, the RAC shall, within thirty (30) days after receipt of the O&M Reconciliation Report, pay to the Master Lessee or Facility Manager, as applicable, the amount of such deficit to cause the RAC's O&M Reserve Requirement to be met in the amount required to be maintained for the then-current Lease Agreement Year.

13.8 CFC Surplus Fund. The City shall cause to be established under the Indenture a CFC Surplus Fund pursuant to the Indenture and Concession Agreement, and deposits thereto and distributions therefrom will be made in accordance with the terms of the Indenture and Concession Agreement. After the close of each Lease Agreement Year, Master Lessee may make a written request to City for reimbursement from the CFC Surplus Fund for: (a) costs of Initial Tenant Improvement Costs totaling not more than six million dollars ($6,000,000), including an allocation to Master Lessee of one hundred twenty thousand dollars ($120,000) for Initial Tenant Improvements in the New Entrant Areas; (b) funding the Repair and Replacement Fund in accordance with Section 4.2.6.2.5 of the Concession Agreement; (c) O&M Costs; (d) Base Rent; or (e) replenishment of the RAC O&M and Rent Reserve Fund, all in accordance

with and subject to the terms of the Indenture and the Concession Agreement. On City's receipt of such written request(s) accompanied by documentation supporting the request(s) and any additional documents reasonably required by City, City will submit a requisition to the Trustee in accordance with the Concession Agreement and the Indenture for disbursements from the CFC Surplus Fund. In addition to City's rights to requisition moneys from the CFC Surplus Fund on request of Master Lessee, City may requisition moneys from the Trustee that are on deposit in the CFC Surplus Residual Account of the CFC Surplus Fund and utilize such moneys in accordance with and subject to the terms of the Indenture and Concession Agreement.

ARTICLE 14
SUBLEASE AGREEMENTS AND ALLOCATED SPACE

14.1 General Provisions Concerning Sublease Agreements. Throughout the Lease Term, Master Lessee shall enter into a Sublease Agreement with each RAC contemporaneously with the execution of a Concession Agreement between the City and the applicable RAC in the form approved by the City in writing. Exhibit G attached hereto and made a part hereof, is the form of Sublease Agreement initially approved by the City and is subject to amendment only by written approval of the City, which approval the City will not unreasonably withhold. Master Lessee may not refuse to enter into a Sublease Agreement with any RAC which is a party to a Concession Agreement in Good Standing with City. Each such Sublease Agreement is subject to prior consent of City which consent will not be unreasonably withheld provided that the proposed form of Sublease Agreement is in the form approved by the City as of the date of its execution and the RAC is not in default under the RAC's Concession Agreement. A request for consent to a Sublease Agreement must be submitted in writing to City for approval. No subleasing other than to a RAC not in default under the RAC's Concession Agreement is permitted.

14.1.1 Each Sublease Agreement shall terminate on either: (a) the same date that the corresponding Concession Agreement expires or terminates; (b) the date the Master Lease terminates unless City affirms the same as a direct lease in accordance with Section 21.2.5 or Section 22.3 or (c) the date the Sublease Agreement is terminated pursuant to any other provision of the Sublease Agreement. Master Lessee shall take action to evict any RAC that fails to vacate the Subleased Premises promptly after its Sublease Agreement expires, terminates or is canceled.

14.1.2 If a RAC fails to collect or remit its Customer Facility Charges, the City shall take action under the Concession Agreement to enforce the obligation to collect and remit the Customer Facility Charges, and the RAC shall be in default of its Sublease Agreement. If City notifies and documents to Master Lessee in writing that a RAC has failed to collect or remit its Customer Facility Charges, Master Lessee shall likewise take immediate action to enforce the Sublease Agreement, including termination of the RAC's Sublease Agreement if not cured.

14.1.3 If a RAC fails to pay its Contingent Fees, the City shall take action under the Concession Agreement to enforce the obligation to collect and remit the Contingent Fees, and the RAC shall be in default of its Sublease Agreement. If City notifies and documents to Master Lessee in writing that a RAC has failed to pay its Contingent Fees, Master Lessee shall

likewise enforce the Sublease Agreement, including termination of the RAC's Sublease Agreement if not cured.

14.1.4 Master Lessee may not terminate a RAC's Sublease Agreement while the RAC's Concession Agreement remains in effect without the prior written consent of City.

14.1.5 Each RAC shall, at its own expense, perform all operation, maintenance, repair, renewal, and replacement functions with respect to its RAC Property and shall, at its own expense, perform all functions necessary to maintain its Exclusive Use Premises in an orderly and clean condition free of trash and debris.

14.1.6 Each RAC must coordinate with Master Lessee and City prior to installing any antenna for wireless communication in the CONRAC.

14.1.7 Each Sublease Agreement must include a provision that all rights and duties imposed under the Sublease Agreement are subject to the terms of this Master Lease, that the Sublease Agreement shall be interpreted to be in all ways consistent with this Master Lease, that the Master Lease shall control in the event of a conflict between the terms of the Sublease Agreement and the Master Lease. The RAC shall be required, at its sole expense, promptly to comply in all material respects with all applicable current and future Legal Requirements regulating the use of or otherwise applicable to the Subleased Premises or to the RAC's use of its Allocated Space and the CONRAC Common Areas. City reserves the right and authority to enforce the obligations of Master Lessee under this Master Lease with respect to the payment of Rent and other amounts due under this Master Lease against either Master Lessee or the RACs directly, but each RAC is subject to such enforcement only with respect to the portion of Rent and other Master Lessee obligations for which that RAC is responsible under its Sublease Agreement.

14.1.8 A RAC may not occupy any portion of the Leased Premises before City consents to the RAC's Sublease Agreement in writing.

14.1.9 A Sublease Agreement may not and does not relieve Master Lessee of responsibility for providing City with evidence of insurance that meets the requirements of this Master Lease, including coverage of the RAC's operations on the Leased Premises.

14.1.10 Consent to a Sublease Agreement by City does not relieve or otherwise alter the obligations of Master Lessee under this Master Lease.

14.1.11 A RAC may not assign all or a portion of a Sublease Agreement, unless its corresponding rights and obligations under the Concession Agreement are assigned contemporaneously, with notice to Master Lessee and prior written consent of City, which consent shall not unreasonably be withheld with respect to an entity owned by, controlled by or under common ownership or control with Concessionaire, and except as provided under Exhibit I, attached hereto and made a part this Master Lease, with respect to any agreement between one or more Sublessees to adjust space occupancy with Master Lessee's written consent.

14.1.12 Master Lessee shall not modify or amend a Sublease Agreement without the consent of City.

14.1.13 Master Lessee shall remit to City a complete copy of all Sublease Agreements and any amendments thereto within twenty (20) days of full execution.

14.2 Allocated Space. Allocated Space covered by each Sublease Agreement shall include: (a) for the exclusive use of the applicable RAC, the Exclusive Use Premises consisting of designated spaces in the CONRAC Counter Areas, the Ready/Return Areas, the QTA Space, the QTA Equipment, the Fuel Facilities and the Storage Area; and (b) the right to use the Common Use Areas on a non-exclusive basis with other RACs unless otherwise agreed to in the applicable Sublease Agreement. The Allocated Space in the Sublease Agreements shall not include any portion of or right to use the Reserved Areas, the IDF Rooms, the Parking Management Office or any other space in the Joint Use Facility or on the CONRAC Site reserved to City pursuant to the terms of this Master Lease. The locations of the CONRAC Counter Areas, the Ready/Return Areas, the QTA Space, the Fuel Facilities, the Storage Areas, the Common Use Areas, the Reserved Areas, the IDF Rooms and the space to be allocated to New Entrants are shown on Exhibit I.

14.2.1 Allocation of Subleased Premises. Master Lessee shall allocate space in the CONRAC for possession by RACs from and after the Substantial Occupancy Date in accordance terms and provisions set forth in Exhibit I.

14.2.2 City Approval. City shall have the right of final approval of any proposed allocation or reallocation of space in the CONRAC. No less than thirty (30) days prior to (a) to Substantial Completion, and (b) at any other time Master Lessee proposes to reallocate space in the CONRAC, Master Lessee shall submit to City the proposed allocation or reallocation of space in the CONRAC for final approval by City. City's approval of the proposed allocation or reallocation shall not to be unreasonably withheld. The Master Lessee's proposed allocation or reallocation shall incorporate City's requirements regarding New Entrants.

14.2.3 New Entrants. City shall have the right to solicit and award Concession Agreements to New Entrants in accordance with the terms of Section 1.1 and Section 5.3 of Exhibit I, to occupy the New Entrant Area, which area, if not allocated for occupancy as of Substantial Completion, Master Lessee shall provide with basic Initial Tenant Improvements using an allocated portion of the amount allowed for reimbursement for Initial Tenant Improvements under Section 13.8. If fewer than two (2) New Entrants are added for the first ten (10) years of the Lease Term, or if any New Entrant has been terminated before the beginning of the second ten (10) years of the Lease Term, such occurrence will not increase the number of New Entrants which the City is entitled to solicit and award Concession Agreement to for the second ten (10) years of the Lease Term. City shall require any New Entrant to meet start-up standards and obligations no lower than previously applied by City to the entry of the RAC that most recently became a Concessionaire at the Airport, with any monetary requirement adjusted for any change in the relevant Consumer Price Index, and to execute a Concession Agreement and Sublease Agreement on the same terms and conditions as those executed by other RACs

except as to actual Subleased Premises. Master Lessee shall designate and allocate a minimum amount of CONRAC Counter Space, QTA Space, Ready/Return Space, and Storage Space for New Entrants in accordance with Exhibit I.

14.2.4 Reallocations. Master Lessee shall reallocate space in the CONRAC in accordance with the terms and provisions set forth in Exhibit I.

14.2.5 Vacant Space. Throughout the Lease Term, Master Lessee shall allocate and reallocate space in the CONRAC in accordance with the terms and provisions set forth in Exhibit I, and City shall be entitled to solicit and award Concession Agreements for vacant space in accordance with Section 5.3 of Exhibit I.

14.2.6 Dispute Resolution. In the event that Master Lessee and the RACs are unable to arrive at a mutually acceptable allocation or reallocation of space in the CONRAC, Master Lessee shall present a final proposal to City for approval. If Master Lessee's final proposal is approved by City, such decision shall be final and binding on Master Lessee and the RACs and not subject to appeal. If Master Lessee's final proposal is not approved by City, Master Lessee shall modify and resubmit the proposal for approval by City.

ARTICLE 15
INDEMNITY AND INSURANCE

15.1 Indemnity.

15.1.1 No Liability of City. Except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of City, the City shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Master Lessee or by others, including all persons directly or indirectly employed by Master Lessee, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Master Lessee, as a result of any condition (including existing or future defects in the Leased Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Master Lessee's use or occupancy of the Leased Premises or of areas adjacent thereto. No elected or non-elected official, employee or officer of City shall have any personal liability with respect to (a) any of the provisions of this Master Lease; (b) any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Master Lessee or by others, including all persons directly or indirectly employed by Master Lessee, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Master Lessee, as a result of any condition (including existing or future defects in the Leased Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Master Lessee's use or occupancy of the Leased Premises or of areas adjacent thereto, except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of such elected or non-elected official, employee, or officer of City; or (c) a default by City hereunder or the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default.

15.1.2 Indemnification by Master Lessee. MASTER LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ITS ELECTED AND NON-ELECTED OFFICIALS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER (COLLECTIVELY, "**CLAIMS**") RESULTING FROM OR CONCERNING THIS MASTER LEASE OR THE CONDUCT OF MASTER LESSEE'S BUSINESS AT THE AIRPORT, TO THE EXTENT ARISING DIRECTLY OR INDIRECTLY, OUT OF (A) ANY BREACH OF THIS MASTER LEASE BY MASTER LESSEE, ITS AGENTS, EMPLOYEES OR CONTRACTORS, (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY MASTER LESSEE HEREUNDER, (C) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF MASTER LESSEE, OR ITS AGENTS, EMPLOYEES OR CONTRACTORS, AND (D) TO THE EXTENT COVERED BY INSURANCE REQUIRED TO BE MAINTAINED BY MASTER LESSEE HEREUNDER, ANY ALLEGED, ESTABLISHED, OR ADMITTED ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES, BUT, TO THE EXTENT ALLOWED BY TEXAS LAW, EXCLUDING CLAIMS TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES AS DETERMINED BY A COURT OF COMPETENT JURISDICTION, PROVIDED THAT THE EXECUTION OF THIS MASTER LEASE WILL NOT BE DEEMED A NEGLIGENT ACT. MASTER LESSEE SHALL ASSUME ON BEHALF OF THE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL CLAIMS AGAINST ANY OF THE INDEMNIFIED PARTIES. MASTER LESSEE MAY CONTEST THE VALIDITY OF ANY CLAIMS, IN THE NAME OF MASTER LESSEE OR THE INDEMNIFIED PARTIES, AS MASTER LESSEE MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY MASTER LESSEE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS MASTER LEASE.

15.2 Release. OTHER THAN TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES, MASTER LESSEE HEREBY RELEASES THE INDEMNIFIED PARTIES WITH RESPECT TO ALL CLAIMS REGARDING ANY ALLEGED, ESTABLISHED OR ADMITTED NEGLIGENT OR WRONGFUL ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES.

15.3 Survival. MASTER LESSEE AND CITY AGREE AND ACKNOWLEDGE THAT Sections 15.1 through 15.3 ARE THE PRODUCT OF MUTUAL NEGOTIATION. Master Lessee's obligations under Sections 15.1 and 15.2 shall survive the expiration or earlier termination of the Lease Term.

15.4 Insurance. Master Lessee shall obtain and keep in force, at its sole cost and expense, during the Lease Term the following types of insurance, in the amounts specified and in the form hereinafter provided:

15.4.1 Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code Title 5.) and minimum policy limits for employers liability of $1,000,000 bodily injury each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

15.4.1.1 A Waiver of Subrogation in favor of the City of Austin, form WC 420304; and

15.4.1.2 A 30 day Notice of Cancellation/Material Change in favor of the City of Austin, form WC 420601.

15.4.2 Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations minimum limit of liability. The policy shall contain the following provisions:

15.4.2.1 Blanket contractual liability coverage;

15.4.2.2 Medical expense coverage with a minimum limit of $5,000 any one person;

15.4.2.3 Fire Legal Liability with a minimum limit of $50,000;

15.4.2.4 Independent Contractors coverage;

15.4.2.5 City of Austin listed as additional insured Form CG 2010;

15.4.2.6 Thirty-day Notice of Cancellation in favor of the City of Austin endorsement CG 0205; and

15.4.2.7 Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin endorsement CG 2404.

15.4.3 Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

15.4.3.1 City of Austin named as additional insured(s), form CA 2048; (and Bond Trustee, if so directed by City)

15.4.3.2 Thirty-day Notice of Cancellation in favor of the City, Form CA 0244; and

15.4.3.3 Waiver of Subrogation endorsement CA 0444.

15.4.4 During the construction of the Joint Use Facility and any subsequent construction of Alterations or repair of the Leased Premises, Master Lessee shall require Design-Builder to maintain builder's risk insurance in an all risk physical loss form in the amount of the Construction Contract, commercial general liability insurance, employer's liability and worker's compensation insurance, and automobile liability insurance in the amounts required by City under the 2011 Reimbursement Agreement. The builder's risk insurance shall continue until the work under the Construction Contract is accepted by City. City shall be a loss payee on the policy. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.

15.4.5 During the construction of the Joint Use Facility, Master Lessee shall require the Design-Builder to provide professional liability insurance in the minimum amount of $5,000,000 and require Design-Builder to maintain Builders' Risk Insurance or Installation Insurance on an all risk physical loss form in the amount of the Construction Contract. Coverage shall continue until the work is accepted by City. City shall be a loss payee on the policy. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.

15.4.6 All Risk Property Insurance. This policy shall provide coverage for the building/structure and all other property owned by the City and leased to the Master Lessee and Concessionaires. The property policy shall provide all risk coverage for 100% replacement cost value as determined by the City. The City shall be named mortgagee or loss payee on the policy as its interest may appear and such policy shall contain a waiver of subrogation endorsement in favor of City and the RACs.

15.5 General Requirements. Master Lessee and its contractors and subcontractors shall not commence operations under this Master Lease until Master Lessee and its contractors and subcontractors have obtained the required insurance and Certificates of Insurance are received and reviewed by City indicating required coverage. If coverage period ends during the Lease Term of this Master Lease, Master Lessee and its contractors and subcontractors must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of this Master Lease.

15.5.1 Approval of insurance by City and the required minimums shall not relieve or decrease the liability or responsibility of Master Lessee hereunder and shall not be construed to be a limitation of liability on the part of Master Lessee.

15.5.2 Master Lessee's and all contractors' and subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or

better. Companies with A.M. Best ratings of A- or better, if required, shall write hazardous materials insurance.

15.5.3 Except as permitted by Section 16.18, Master Lessee will not engage in operations or store any property in the facilities that will cause an increase in the premium rate paid by the Airport for fire and extended coverage insurance or that will cause an increase in the premiums paid for such insurance of other tenants or subtenants in the Airport, unless Master Lessee pays the entire amount of such increase or increases. Further, Master Lessee will not engage in operations or store any property in the Leased Premises which may make void or voidable any such insurance policies.

All endorsements, waivers, and notices of cancellation endorsements, as well as Certificates of Insurance naming City (and Bond Trustee, if so directed by City) as additional insureds shall indicate:

City of Austin/Department of Aviation
Attn: Airport Properties Manager
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

15.5.4 The "other" insurance clause shall not apply to City where City is shown as additional insureds on any policy. It is intended that policies required in this Master Lease, covering both City and Master Lessee, shall be considered primary coverage as applicable. If insurance policies are not written for amounts specified below, Master Lessee shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

15.5.5 In order to ensure compliance with the provisions of this ARTICLE, City shall be entitled, upon request and without expense, to inspect certified copies of Master Lessee's insurance policies and endorsements thereto at the Airport or other location in Austin, Texas reasonably designated by Master Lessee.

15.5.6 The City reserves the right to review the insurance requirements set forth during the Term of this Master Lease and to make commercially reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by City based upon changes in statutory law, court decisions, and the claims history of their industry or the financial condition of the insurance company as well as the Master Lessee.

15.5.7 Master Lessee shall not cause or permit any insurance to lapse or to be canceled during the Lease Term unless replaced by other insurance that satisfies the requirements of this ARTICLE as of the time of lapse or cancellation.

15.5.8 Master Lessee shall pay all premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's shall be disclosed on the Certificate of Insurance.

15.6 Claims Against Master Lessee. If a claim, demand, suit, or other action is made or brought by any person against Master Lessee arising out of or concerning this Master Lease or a Sublease Lease Agreement, Master Lessee shall give written notice thereof, to City within two (2) 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, Master Lessee 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 Director as provided herein, and to the Austin City Attorney, City Hall, 301 West 2nd Street, Austin, Texas 78701.

ARTICLE 16
COMPLIANCE WITH ENVIRONMENTAL LAWS

16.1 Definitions in ARTICLE 16 and ARTICLE 17.

"**Environmental Laws**" shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Water Code, the Texas Hazardous Materials Act, and the Texas Water Quality Control Act.

"**Hazardous Materials**" shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

"**Environmental Claims**" shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup,

remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

"**City**" shall include City's elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

"**Master Lessee**" shall include Master Lessee's directors, officers, agents, employees, contractors, subtenants, customers, invitees, successors, and assigns.

16.2 Compliance. In its operations on the Leased Premises and at the Airport, Master Lessee shall strictly comply with all applicable Environmental Laws, the Airport Environmental Policies and Procedures (including without limitation, the Storm Water Pollution Prevention Plan ("SWPPP") and Spill Response Plan), which are incorporated by reference, and as of the Effective Date of this Master Lease are located on the Airport's website at: http://content.abia.org/environmental/storm_water.html. Without limiting the generality of the foregoing provision, Master Lessee shall not use or store Hazardous Materials on or at the Leased Premises or Airport except as reasonably necessary in the ordinary course of Master Lessee's permitted activities at the Leased Premises and Airport, and then only if such Hazardous Materials are properly labeled and contained as required pursuant to Applicable Laws, and notice of and a copy of the current material safety data sheet is provided to the DOA for each such Hazardous Material. Prior to commencing operations at the Leased Premises or Airport, Master Lessee will complete an Airport baseline environmental questionnaire. Master Lessee shall not discharge, release, or dispose of any Hazardous Materials on the Leased Premises or Airport or surrounding air, lands or waters in violation of Applicable Laws. Master Lessee shall promptly notify City of any Hazardous Material spills, releases, or other discharges by Master Lessee at the Airport in accordance with City's Spill Response Plan and promptly abate, remediate, and remove any the same to the extent required under Applicable Laws. Master Lessee shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental Laws by Master Lessee at the Leased Premises or Airport within ten (10) days after such documents are generated by or received by Master Lessee. If Master Lessee uses, handles, treats, or stores Hazardous Materials at the Leased Premises or Airport, and it is necessary for Master Lessee to arrange for the disposal of the Hazardous Materials, Master Lessee shall comply with any applicable requirement under Applicable Laws to have a contract in place with an EPA or TCEQ approved waste transport or disposal company, and to identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport, and disposal. Complete records of all disposal manifests, receipts and other documentation required by Applicable Laws shall be retained by the Master Lessee and made available to City for review upon request. City shall have the right at any time to enter the Leased Premises to inspect, take samples for testing, and otherwise investigate the Leased Premises for the presence of Hazardous Materials. In exercising its right of access, City shall endeavor to minimize disruption of or interfere with Master Lessee's operations or use of the Leased Premises.

16.3 Responsibility. Master Lessee's Hazardous Materials shall be the responsibility of Master Lessee. Master Lessee shall be liable for and responsible to pay all Environmental

Claims that arise out of or are caused in whole or in part from Master Lessee's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Leased Premises or Airport, the violation of any Environmental Law by Master Lessee, or the failure of Master Lessee to comply with the terms, conditions and covenants of this ARTICLE. If City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Master Lessee's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Leased Premises or the Airport, Master Lessee shall promptly reimburse City for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Master Lessee at the Leased Premises or Airport shall be the responsibility of Master Lessee.

16.4 Indemnity. IN ADDITION TO ANY OTHER INDEMNITIES IN THIS MASTER LEASE, MASTER LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) ARISING OUT OF OR RESULTING IN WHOLE OR IN PART FROM MASTER LESSEE'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF HAZARDOUS MATERIALS ON OR AT THE LEASED PREMISES OR AIRPORT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY MASTER LESSEE, OR THE FAILURE OF MASTER LESSEE TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS ARTICLE.

16.5 Removal. Prior to the expiration or earlier termination of this Master Lease, Master Lessee shall remove or remediate in accordance with applicable Environmental Laws and the Airport Environmental Rules and Policies, all of Master Lessee's Hazardous Materials from the Leased Premises and Airport, and surrounding lands and waters. Unless instructed otherwise by City, Master Lessee shall also, prior to vacating the Leased Premises and Airport and in accordance with Section 20.1, remove all aboveground and underground storage tanks, piping and other equipment which stored Hazardous Materials, or which are contaminated by Hazardous Materials. Master Lessee may request reimbursement for the costs incurred pursuant to this Section 16.5 and included in a City approved Budget from the Repair and Replacement Fund in accordance with Section 12.7, but if sufficient funds are not available in the Repair and Replacement Fund, then Master Lessee may request that the City approve discretionary disbursement from the CFC Surplus Residual Account of the CFC Surplus Fund, to the extent of available funds, but shall otherwise be responsible for such costs. City shall have no obligation to act on any request of the Master Lessee for discretionary requisitions by City of moneys from the Trustee.

16.6 Stormwater Requirements. Master Lessee acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program ("NPDES") and Federal Stormwater Regulations (40 C.F.R. Part 122) and the Texas Pollution Discharge Elimination System Program ("TPDES"). In its operations at the Leased Premises and Airport, Master Lessee shall comply with Applicable Law, including NPDES, TPDES, Federal and State Stormwater Regulations, including any permits thereunder, and the SWPPP.

16.7 Sustainability. Master Lessee shall comply with Applicable Laws pertaining to recycling, energy, and natural resource conservation and management. Master Lessee shall cooperate with City in the implementation of energy conservation, water conservation, and waste minimization programs and policies the City establishes from time to time.

16.8 Survival. The covenants, conditions, and indemnities in this ARTICLE shall survive the expiration or earlier termination of this Master Lease.

16.9 Pre-Lease Environmental Condition. City shall conduct a full and complete Environmental Assessment (the "**Pre-Lease Environmental Evaluation**") of the CONRAC Site prior to or during construction of the Project to identify, to the extent practicable, the nature and extent of Hazardous Materials, if any, present on the CONRAC Site (the "**Pre-Lease Environmental Condition**"). The costs associated with the Pre-Lease Environmental Evaluation and determination of the Pre-Lease Environmental Condition shall be Costs of the Project.

16.10 Hazardous Materials. Master Lessee shall not allow the release, spill, discharge, leak, emission, injection, escape, migration or dumping in, on, about, from or adjacent to the Leased Premises (including storm drains, sanitary sewer system, surface waters, soils, underground waters or air) of any Hazardous Material or other deleterious substance in any manner by any Master Lessee Party that could be a detriment to the Leased Premises or in violation of the Pollution Prevention Plan, the SPCC Plan, any City Codes and Standards, any City Environmental Permit or any of the Environmental Laws. To the extent applicable, Master Lessee shall make available to City upon request copies of all material safety data sheets for all Hazardous Materials used or stored on the Leased Premises by any Master Lessee Party and Master Lessee's U.S. Environmental Protection Agency waste generator number and generator annual hazardous waste reports. To the extent applicable, Master Lessee shall provide City with copies of any environmentally related regulatory permits or approvals (including revisions or renewals) and any material report or notice Master Lessee receives from, or provides to, any Governmental Authority in connection with the handling of Hazardous Materials on the Leased Premises by any Master Lessee Party or the presence, or possible presence, of any Hazardous Material in, on, about, from or adjacent to the Leased Premises. Master Lessee is responsible to report to City any spills or emissions of Hazardous Materials resulting from the acts or omissions of any Master Lessee Party in accordance with the City's Spill Response Plan and to report to the appropriate Governmental Authorities any spills or emissions of Hazardous Materials by any Master Lessee Party that are above reportable quantities as defined by applicable Environmental Laws.

16.11 Pollution Prevention Plan. Master Lessee shall, through the Facility Manager, prepare and implement a Pollution Prevention Plan that addresses measures in effect by Master Lessee to prevent pollution (specifically including storm water) through appropriate pollution prevention and good housekeeping practices and to control and perform immediate removal, investigation, remediation and restoration action in the event of a Release of a Hazardous Material or other deleterious material in connection with the operation of the CONRAC or the CONRAC Site (including the Fuel Facilities) during the Lease Term. The Pollution Prevention Plan shall be (a) provided to City not more than thirty (30) days before the Date of Beneficial

Occupancy, and (b) updated to address future changes in the CONRAC or activities upon the CONRAC Site. The Pollution Prevention Plan shall be updated as needed to address the operations and practices of Master Lessee. The Pollution Prevention Plan shall specifically provide for one or more dedicated persons having responsibility to oversee each underground storage tank refill, including (i) arriving before the tank refill pipe is opened, (ii) watching the entire refill operation, and (iii) observing the fuel provider closing the refill pipes and reloading its hoses onto its truck.

16.12 Spill Prevention Control and Countermeasure Plan. Master Lessee shall, through the Facility Manager, determine whether Section 112.7 of Title 40 of the Code of Federal Regulations is applicable to the CONRAC Site, including the Fuel Facilities, the QTA Equipment and/or their operations, and whether Master Lessee or the RACs are required to prepare an SPCC Plan. This determination must be submitted to City for approval. Preparation of an SPCC Plan shall be the responsibility of Master Lessee or the RACs, as applicable, through the Facility Manager. Any SPCC Plan must be certified by a licensed professional engineer in accordance with all applicable Legal Requirements (specifically including the Environmental Laws).

16.13 Violation of Environmental Laws. If Master Lessee, or the Leased Premises as a result of an act or omission of a Master Lessee Party, is in violation of any Environmental Law concerning the presence or use of Hazardous Materials or the handling or storing of hazardous wastes, Master Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Master Lessee does not act in such a manner, City reserves the right, but not the obligation, to come onto the Leased Premises, to act in place of Master Lessee (and Master Lessee hereby appoints each of City as its agent for such purposes) and to take such action as City deems necessary to ensure compliance or to mitigate the violation. If City has a reasonable belief that a Master Lessee Party is in violation of any of the Environmental Laws, or that a Master Lessee Party's acts or omissions present a threat of violation or a threat of damage to the Leased Premises, City reserves the right to enter onto the Leased Premises and take such corrective or mitigating action as it deems necessary. All reasonable and necessary costs and expenses incurred by City in connection with any such actions shall become immediately due and payable by Master Lessee upon presentation of an invoice therefor. Interest shall accrue on all unpaid sums at the Default Rate.

16.14 Inspection; Test Results. City shall have access to the Leased Premises to conduct (but shall have no obligation to conduct) environmental inspections, including an Environmental Audit, and Master Lessee shall permit City access to the Leased Premises for the purpose of conducting environmental testing, whether in connection with City action taken pursuant to Section 16.13 hereof or for other City purposes; provided, however, except in the event of any real or threatened emergency, (a) such environmental testing by City shall occur only during normal business hours, or at such other times as Master Lessee shall reasonably approve; (b) City provides notice to Master Lessee of its intention to conduct such tests at least five (5) Business Days prior to such date of testing; (c) such testing shall not unreasonably interfere with Master Lessee's normal business operations; and (d) any damages to the Leased Premises caused by the environmental testing conducted by City shall be repaired by City at its sole cost and expense. Master Lessee shall not conduct or permit others to conduct

environmental media testing on the Leased Premises without first obtaining City's prior consent. Master Lessee shall promptly inform City of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Leased Premises whenever the same becomes known to Master Lessee, and Master Lessee shall provide copies thereof to City.

16.15 Removal of Hazardous Materials. Prior to its vacation of the Leased Premises, and in addition to all other requirements under this Master Lease, Master Lessee shall remove and remediate any Hazardous Materials stored, released, spilled, discharged, leaked, emitted, injected, escaped or dumped in, on or about or adjacent to, or that has migrated from, the Leased Premises during the Lease Term or Master Lessee's possession of the Leased Premises as a result of any act or omission of any Master Lessee Party and shall demonstrate such removal to the reasonable satisfaction of City. City shall specifically have the right to insist on appropriate subsurface environmental investigations as part of any such demonstration. This removal and demonstration shall be a condition precedent to City's return of the Security to Master Lessee upon the expiration or earlier termination of the Lease Term. With respect to the removal and remediation of any Hazardous Materials on the Leased Premises, City agrees that it will reasonably approve remediation criteria and investigation, monitoring and remediation activities which comply with Environmental Laws and are consistent with both current commercial/industrial uses at the CONRAC Site as well as City's future development plans for the CONRAC. To the extent that any remediation activities approved by City will occur after the expiration or termination of this Master Lease, City will grant to Master Lessee a non-exclusive, revocable license to access the Leased Premises solely for the purpose of performing any such removals or investigations required by this Section.

16.16 Remedies Not Exclusive. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, City shall be entitled to full reimbursement from Master Lessee whenever City incurs any costs resulting from the use or management of Hazardous Materials on the Leased Premises by a Master Lessee Party, including costs of remedial activities, fines or penalties assessed directly against City, injuries to third Persons or other properties, and loss of revenues resulting from an inability to re-lease or market property due to its environmental condition, even if such loss of revenue occurs after the expiration or earlier termination of the Lease Term.

16.17 Environmental Indemnity. IN ADDITION TO ALL OTHER INDEMNITIES PROVIDED IN THIS MASTER LEASE, MASTER LESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD CITY AND ITS COMMISSIONERS, MEMBERS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, FREE AND HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, REGULATORY DEMANDS, LIABILITIES, FINES, PENALTIES, LOSSES, AND EXPENSES, INCLUDING REMEDIAL COSTS (AND INCLUDING REASONABLE ATTORNEYS' FEES, COSTS AND ALL OTHER REASONABLE LITIGATION EXPENSES WHEN INCURRED AND WHETHER INCURRED IN DEFENSE OF ACTUAL LITIGATION OR IN REASONABLE ANTICIPATION OF LITIGATION), ARISING FROM THE EXISTENCE OR DISCOVERY OF ANY HAZARDOUS MATERIAL ON THE LEASED PREMISES, OR THE MIGRATION OF ANY HAZARDOUS MATERIAL FROM THE LEASED PREMISES TO OTHER

PROPERTIES OR INTO THE SURROUNDING ENVIRONMENT, ARISING OR RESULTING FROM ANY ACT OR OMISSION OF A MASTER LESSEE PARTY, WHETHER (A) MADE, COMMENCED OR INCURRED DURING THE LEASE TERM, OR (B) MADE, COMMENCED OR INCURRED AFTER THE EXPIRATION OR TERMINATION OF THE LEASE TERM IF ARISING OUT OF EVENTS OCCURRING DURING THE LEASE TERM; PROVIDED, HOWEVER, MASTER LESSEE'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS SECTION SHALL NOT APPLY WITH RESPECT TO ANY RELEASE OF A HAZARDOUS MATERIAL CLEARLY ARISING FROM ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES, WHICH DEFECT IS DISCOVERED WITHIN ONE YEAR AFTER THE DATE OF SUBSTANTIAL COMPLETION. MASTER LESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THE LEASE TERM.

16.18 Acknowledgment of Use of Certain Materials. Notwithstanding any other provision of this Master Lease, Master Lessee and City acknowledge and agree that fuel is to be stored in the Fuel Facilities and to be used at the fuel dispensers in the QTA Area, windshield wiper fluids, similar light fluids and cleaning products to be used in or on in the RAC vehicles and cleaning products in de minimus quantities for use in the Leased Premises may and will be stored and used on the Leased Premises, all in the ordinary course of operation of Rental Car Concessions and operation of the CONRAC, subject to compliance with Environmental Laws and other Applicable Laws.

ARTICLE 17
ADDITIONAL ENVIRONMENTAL OBLIGATIONS

17.1 Fuel Facilities.

17.1.1 Facility Manager. Master Lessee shall contract with the Facility Manager under the Facility Management Agreement to operate, maintain and repair the Fuel Facilities. The identity of the Facility Manager and the terms of any agreement or contract with the Facility Manager, including, without limitation, the Facility Management Agreement, shall specifically be subject to City's approval, which City shall not unreasonably withhold so long as such proposed Facility Manager has (a) significant experience in the management and operation of large commercial facilities similar to the Fuel Facilities in a competent and professional manner in accordance with operating standards and policies standard in the industry and with a proven track-record of successful, environmentally compliant operations; and (b) the financial strength and management competency, with personnel having appropriate experience, to operate, maintain and manage the Fuel Facilities. Not less than one hundred twenty (120) days before the Date of Beneficial Occupancy and ninety (90) days before any date on which Master Lessee intends to change the identity of, or the terms of the Facility Management Agreement (other than for default as provided under Section 22.1.4), Master Lessee shall submit to City for its review and approval, such approval not to be unreasonably withheld, such information as City may request regarding the experience, expertise, financial strength and/or operational plan associated with such Facility Manager and a complete copy (including all exhibits or attachments) of the proposed Facility Management Agreement. City's consent to the terms of any such Facility Management Agreement shall not be unreasonably withheld or delayed provided such

agreement: (i) is consistent with the provisions of this Master Lease and does not exceed the Lease Term; (ii) is otherwise consistent with operating agreements customary in the fuel facilities management industry; (iii) provides that the Common Use Areas are managed subject to and in accordance with the terms of this Master Lease; (iv) requires the Facility Manager to defend and indemnify City and Master Lessee, on terms acceptable to City in its sole discretion, from any damages, claims or the like resulting from the acts or omissions of the Facility Manager or from the operation, maintenance and management of the Fuel Facilities; (v) requires the Facility Manager to obtain and maintain insurance of like kind and amount required of Master Lessee as set forth in this Master Lease and each RAC as set forth in the Sublease Agreement and to cause City and Master Lessee to be named as additional insureds under such policies on terms and conditions acceptable to City in its sole discretion; (vi) may not be cancelled or terminated without prior written notice to City and Master Lessee; and (vii) may be assumed by City at its option in the event of a default by Master Lessee or any of the RACs thereunder which has not been cured within any applicable notice and cure period. The Facility Management Agreement shall specifically bind the Facility Manager to those obligations to be performed by the Facility Manager under this Master Lease, and City shall specifically be a third-party beneficiary of any such terms.

17.1.2 Prompt Payment. Master Lessee shall, in a timely fashion, pay all amounts due by Master Lessee under, and otherwise adhere to all covenants, conditions or agreements to be observed or performed by Master Lessee in the Facility Management Agreement. Master Lessee specifically agrees that any failure to pay such amounts due and owing by it or to observe such covenants, conditions or agreements to be observed or performed by Master Lessee and any such failure is not cured within any applicable notice and cure periods, whether or not a default has been declared by the Facility Manager, shall be a default under this Master Lease.

17.1.3 Environmental Assessment. Within forty-five (45) days after any change in the Facility Manager, Master Lessee, at the sole cost and expense of Master Lessee under the Facility Management Agreement with the in-coming or out-going Facility Manager, conduct an Environmental Assessment of the CONRAC Site and specifically the Fuel Facilities to identify, to the extent practicable, the nature and extent of any Hazardous Materials, if any, present on the CONRAC Site since the Pre-Lease Environmental Evaluation or any prior Environmental Assessment pursuant to this Section. Prior to conducting the Environmental Assessment, Master Lessee shall consult with City in the preparation of an assessment plan. The results of the plan will be compiled in a report and shall set forth any change in the environmental condition of the CONRAC Site since the Pre-Lease Environmental Condition or any prior Environmental Assessment pursuant to this Section. Any contamination identified shall be subject to remediation as more particularly set forth in ARTICLE 16 hereof and this ARTICLE 17.

17.1.4 Master Lessee's Responsibilities. Without limiting the responsibility of each RAC for proper use (and liability for improper use) of its allocated fuel dispenser(s), Master Lessee through the Facility Manager shall be entirely responsible to City (a) for the proper operation, maintenance, repair and use of the Fuel Facilities and the payment of all costs and expenses incurred in connection with the operation, maintenance, repair and use of the Fuel

Facilities, and (b) for any spill response, the immediate or other removal, investigation, remediation, restoration and other corrective actions, or site closure associated with a Release of any Hazardous Material from the Fuel Facilities. Immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, Master Lessee shall advise the Facility Manager and City of such Release in accordance with City's Spill Response Plan and with Applicable Laws. In addition, immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, the Facility Manager shall advise Master Lessee and City of such Release in accordance with City's Spill Response Plan and with Applicable Laws. City shall have no liability for, or responsibility for the payment of, any costs, expenses or liabilities incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities or any fees, costs, expenses or reimbursements due to the Facility Manager.

17.1.4.1 In the event of a spill or Release involving a Hazardous Material upon the CONRAC Site and/or any event or mishap that directly threatens the spill or Release of any Hazardous Material upon the CONRAC Site, the Facility Manager will immediately take all necessary action to address such event, spill, Release or other mishap in accordance with the City's Spill Response Plan and Applicable Laws.

17.1.4.2 Master Lessee shall (and through the Sublease Agreements cause the RACs to) conduct all of their activities on, or relating to, the Fuel Facilities: (a) in compliance with the Environmental Laws, the provisions of this Master Lease and the Sublease Agreement, City Codes and Standards and any other Legal Requirements; (b) in cooperation with City in City's efforts to comply with the Environmental Laws; (c) in adherence with Best Management Practices applicable to the RACs' use of the CONRAC Site; and (d) the Fuel Facilities Operations Manual. In the event of a conflict between any provisions of this Master Lease and the Environmental Laws, the more stringent provisions shall govern and control.

17.1.4.3 Master Lessee, through the Facility Manager, shall manage and, as appropriate, secure the Fuel Facilities so as to prevent any violation of the Environmental Laws by any Person on or relating to the Leased Premises. Master Lessee understands that this Master Lease is not a substitute for, but is in addition to, the Legal Requirements already imposed upon Master Lessee by Applicable Laws applicable to the Fuel Facilities.

17.1.5 Necessary Permits. Master Lessee shall (and through the Sublease Agreements cause the RACs to) obtain and maintain all necessary permits or consents required by the Environmental Laws with respect to RACs' use of the Fuel Facilities including obtaining the required certifications, registrations, and licensing for the installation, maintenance, and use of underground storage tanks in accordance with all Applicable Laws. Master Lessee shall promptly furnish City with copies of these permits and consents as they may be issued or renewed from time to time and all material correspondence between Master Lessee or RACs and any permitting agency.

17.1.6 Compliance with Underground Storage Tank Regulations. As to all operations on or about the Airport, Master Lessee shall specifically and diligently comply with all of the requirements set forth in the Fuel Facilities Operations Manual. The requirements in

the Fuel Facilities Operations Manual are in addition to (and not in lieu of or in summary of) any requirements imposed under the Environmental Laws. Master Lessee shall, through the Facility Manager, maintain all records necessary to document that the Fuel Facilities are being operated in compliance with the requirements of the Environmental Laws, the Fuel Facilities Operations Manual, the Pollution Prevention Plan and this Master Lease. Master Lessee shall provide City with copies of such records as set forth in the Fuel Facilities Operations Manual and otherwise promptly following City's request therefor.

17.1.7 Fuel Facilities Operations Manual. Master Lessee shall, through the Facility Manager, prepare the Fuel Facilities Operations Manual. The Fuel Facilities Operations Manual shall be: (a) provided to City not more than thirty (30) days before the Date of Beneficial Occupancy (and not more than thirty (30) days after any update thereof); (b) prepared in coordination with City staff; (c) describes in detail the fuel storage inventory and leak detection systems (d) consistent with warranty requirements and the manufacturer's recommendations with respect to the Fuel Facilities; (e) consistent with the Environmental Laws; (f) consistent with the Pollution Prevention Plan, the SPCC Plan, Best Management Practices and all other Legal Requirements; and (g) updated to address future changes in the design, use or composition of the Fuel Facilities. The Fuel Facilities Operations Manual shall be subject to the prior approval of City and shall be updated as needed, but not less often than annually, to address the operations and practices of the Facility Manager and the RACs.

17.1.8 Environmental Audit. Master Lessee shall, through the Facility Manager, hire an independent third party to conduct an Environmental Audit of the entire CONRAC Site (including the Fuel Facilities) and each RAC's and the Facility Manager's operations, equipment, facilities and fixtures on or about the CONRAC Site every third (3rd) Lease Agreement Year after the Opening Date. Environmental Audit shall be conducted on or about the commencement of each third (3rd) Lease Agreement Year after the Opening Date. Master Lessee shall, through the Facility Manager, review with City, not later than thirty (30) days following the commencement of each such third (3rd) Lease Agreement Year, the results of such Environmental Audit together with a draft plan (including a performance schedule) to complete all repairs, replacements and/or upgrades of the CONRAC Site (including the Fuel Facilities) and associated structures and/or facilities, and all modifications to the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities, all as reasonably recommended by such Environmental Audit. City shall have thirty (30) days within which to comment upon the draft plan, and Master Lessee shall, through the Facility Manager, promptly incorporate any comments of City into a final plan and complete all repairs, replacements and/or upgrades according to the final plan (and performance schedule). Master Lessee shall, through the Facility Manager, also modify the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by such Environmental Audit. Any Alteration on or about the Leased Premises shall be accomplished in accordance with ARTICLE 10 hereof.

17.1.9 Subsequent City Environmental Audit. City shall have the right to conduct its own Environmental Audit of the CONRAC Site and the Facility Manager's operations, equipment, facilities and fixtures on or about the CONRAC Site. Master Lessee shall, through the Facility Manager, provide City with a draft plan (including a performance

schedule) to complete all repairs, replacements and/or upgrades of the CONRAC Site and associated structures and/or facilities located on or about the CONRAC Site and all modifications to the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities, all as reasonably recommended by any such Environmental Audit, not later than thirty (30) days following their receipt of the results thereof. City shall have thirty (30) days within which to review and comment upon the draft plan. Master Lessee shall, through the Facility Manager, promptly incorporate any City comments into a final plan and complete all repairs, replacements and/or upgrades according to the final plan (and performance schedule). Master Lessee shall, through the Facility Manager, also modify the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by any such Environmental Audit. Any Alteration on or about the Leased Premises shall be accomplished in accordance with ARTICLE 10 hereof. In conducting any Environmental Audit, City shall not unreasonably interfere with the business operations of Master Lessee or the RACs and, if it shall damage or otherwise disturb the Leased Premises during such Environmental Audit, City shall restore the Leased Premises to the substantially the same condition as existed prior to the damage.

17.1.10 General Standards. In determining those recommendations incorporated into any Environmental Audit that are reasonable (and therefore to be implemented), all recommendations shall be presumed reasonable unless Master Lessee can demonstrate in a manner acceptable to City that a recommendation (a) is not required by Legal Requirements and (b) the cost of implementing such recommendation significantly outweighs the benefits thereof.

17.2 Environmental Indemnity. MASTER LESSEE SHALL (AND, THROUGH THE FACILITY MANAGEMENT AGREEMENT, CAUSE THE FACILITY MANAGER TO) DEFEND, INDEMNIFY AND HOLD CITY AND ITS COUNCIL MEMBERS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY DAMAGES, CLAIMS OR LIABILITY ARISING OUT OF THE USE OR OCCUPANCY OF THE FUEL FACILITIES ON OR ABOUT THE CONRAC SITE, INCLUDING LIABILITY FOR INVESTIGATION AND REMEDIAL ACTION RELATED TO THE FOLLOWING OR SIMILAR ACTIVITIES OCCURRING DURING THE USE AND/OR OPERATION OF THE FUEL FACILITIES: (A) ANY RELEASES, SPILLS, DISCHARGES, LEAKS, EMISSIONS, INJECTIONS, ESCAPES, DUMPING, GENERATION, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF HAZARDOUS MATERIALS; (B) ANY OTHER DISCHARGE TO SURFACE OR GROUND WATERS; (C) ANY AIR EMISSIONS; AND (D) ANY CONTAMINATION OF SOIL OR GROUND WATERS BENEATH OR ADJACENT TO THE CONRAC SITE, EXCEPT FOR SUCH DAMAGE, CLAIMS OR LIABILITY (I) CAUSED BY CITY OR ITS OFFICERS, AGENTS OR EMPLOYEES, (II) ASSOCIATED WITH THE PRE-LEASE ENVIRONMENTAL CONDITION, (III) CLEARLY ARISING FROM ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES DISCOVERED WITHIN ONE (1) YEAR AFTER THE SUBSTANTIAL COMPLETION, OR (IV) ASSOCIATED WITH ANY HAZARDOUS MATERIAL CLEARLY MIGRATING ONTO THE CONRAC SITE FROM SOME OTHER LOCATION THROUGH NO ACT OR OMISSION OF MASTER LESSEE OR A RAC. With respect to clean-up of any Hazardous Materials on the Leased Premises, City agrees that it will reasonably approve remediation criteria and investigation, monitoring and remediation activities that comply with Environmental Laws

and are consistent with both current commercial/industrial uses at the CONRAC Site, as well as the future development plans of Master Lessee for the CONRAC Site.

17.3 Environmental Certification. Master Lessee shall, through the Facility Manager, provide to City at the commencement of each Lease Agreement Year (other than the first) a written statement (certified by the Facility Manager as true and complete) that, to the best of the knowledge of the Facility Manager, each RAC has, with respect to the CONRAC Site and such RAC's occupation and use of the CONRAC Site, complied with (a) the Pollution Prevention Plan, the SPCC Plan, the terms of all applicable permits, the Fuel Facilities Operations Manual and the Environmental Laws during the preceding Lease Agreement Year, and (b) all directions and recommendations set forth in any previous Environmental Audit as required under Section 17.1.8 or 17.1.9. If the Facility Manager is unable to provide such certification or documentation at such time, then the RACs shall, through the Facility Manager, provide City with a written statement of the steps that are being taken to enable them to provide City with a certification of compliance and all required documentation.

17.4 Financial Assurance. In addition to, and not in lieu of, the Security, Master Lessee shall cause the Facility Manager to provide to City, and to continually maintain throughout the Lease Term, one of the following (the "Financial Assurance"): (a) the Fuel Letter of Credit, or (b) the PL Policy.

17.4.1 The term "Fuel Letter of Credit" shall mean an irrevocable stand-by letter of credit for the benefit of City and Master Lessee in the form approved by City, and drawn on a bank acceptable to City in a stated amount equal to One Million Dollars ($1,000,000.00); provided, however, the stated amount of the Fuel Letter of Credit shall increase by ten percent (10%) over the previously existing amount of the Fuel Letter of Credit upon the commencement of each of the sixth (6th) Lease Agreement Year. The Fuel Letter of Credit shall secure, for the benefit of City, the full and faithful performance of the Environmental Covenants of Master Lessee in this Master Lease and of each RAC in the Sublease Agreements and the full and faithful performance of the Facility Manager and Master Lessee under the terms of the Facility Management Agreement. City may draw upon the Fuel Letter of Credit at any time to satisfy any of the unfulfilled obligations under, to remedy any violation of, or to pay damages for violation of, the Facility Management Agreement or any of the Environmental Covenants under this Master Lease or under any Sublease Agreement, if such amounts are owed to City or are amounts for which City may be held liable or if City has incurred or will incur any costs in connection with such violations. Further, City may draw on the entire Fuel Letter of Credit immediately, without notice to Master Lessee, the RACs or the Facility Manager, upon receipt of a notice of non-renewal of the Fuel Letter of Credit or upon the commencement of a bankruptcy case or other insolvency proceeding with respect to the Facility Manager. If drawn upon, Master Lessee must cause the Fuel Letter of Credit to be replenished in full within five (5) days or Master Lessee will be deemed in violation of this Master Lease, and, in the event of such violation, City shall have available to it all remedies for default under this Master Lease. The proceeds of any such draw upon the Fuel Letter of Credit shall not be considered to be held in trust by City for the benefit of Master Lessee, the RACs or the Facility Manager. Upon replenishment of the Fuel Letter of Credit in full, City shall refund to Master Lessee the amount

of any excess proceeds of the prior Fuel Letter of Credit drawn by City and then held by City subject to City Council approval, if necessary.

17.4.2 The term "PL Policy" shall mean a pollution liability insurance policy (written on a form acceptable to City) naming City as the insured thereunder against the following (and otherwise complying with the requirements of Section 15.5 hereof):

17.4.2.1 claims for bodily injury, personal injury (including, without limitation, claims of emotional distress or fear of cancer) or property damage arising from or relating to any environmental condition on or off the CONRAC Site and arising from or relating to the presence, use, operation or maintenance of the Fuel Facilities;

17.4.2.2 costs, liabilities, expenses, fees, fines, assessments and other obligations arising from or relating to the investigation or remediation of any environmental condition on or off the Leased Premises pursuant to the Environmental Laws (including any work performed pursuant to a voluntary remediation statute, regulation or program) and arising from or relating to the presence, use, operation or maintenance of the Fuel Facilities;

17.4.2.3 costs, liabilities, expenses, fees, fines, assessments and other obligations arising from or relating to the investigation or remediation of any Release of Hazardous Materials at any off-site treatment, storage or disposal facilities used in connection with the operation of the Fuel Facilities;

17.4.2.4 any business interruption suffered by City or a tenant of the Airport to the extent that the business interruption suffered arises from or relates to any environmental condition on or off the CONRAC Site arising from or relating to the presence, use, operation or maintenance of the Fuel Facilities;

17.4.2.5 any loss of value of the CONRAC or the CONRAC Site, to the extent arising from or relating to any environmental condition on or off the CONRAC Site and arising from or relating to the presence, use, operation or maintenance of the Fuel Facilities;

17.4.2.6 costs, liabilities, expenses, fees, fines, assessments and other obligations arising from or relating to the presence, use, operation or maintenance of underground or aboveground storage tanks on the CONRAC Site ; and

17.4.2.7 such other or additional risks and liabilities for which pollution liability insurance coverage is available as specified by City.

17.4.3 The PL Policy shall be on an occurrence basis providing single limit coverage in an amount of not less than Two Million Dollars ($2,000,000.00) per occurrence. Such insurance coverage shall not contain any intra-insured exclusions as between insured Persons and shall contain a minimum One Hundred Thousand Dollars ($100,000.00) sub-limit that covers damage to all property of Master Lessee and the RACs. Any deductibles or self-insured retentions for this insurance coverage that exceed One Hundred Thousand Dollars ($100,000.00) must be disclosed to, and receive the prior approval of City and must be shown on the certificate of insurance evidencing such insurance coverage as required hereunder. The PL

Policy shall provide contractual liability coverage under which the issuing insurance company agrees to insure (a) Master Lessee's obligations under the Environmental Covenants under this Master Lease and the RACs' obligations under the Environmental Covenants of the Sublease Agreement, and (b) any other liability of Master Lessee under this Master Lease or of the RACs under the Sublease Agreement for which the PL Policy would otherwise provide coverage. The PL Policy shall provide primary insurance coverage for City and shall not be contributory with any similar insurance carried by City, whose insurance shall be considered excess insurance only. The PL Policy shall (a) not be altered, modified, cancelled or replaced without thirty (30) days prior notice from the insurer providing the PL Policy to City; (b) provide for a waiver of subrogation by the issuing insurance company as to claims against City and its council members, managers, officers and employees; (c) provide that any "other insurance" clause in the PL Policy shall exclude any policies of insurance maintained by City and that the PL Policy shall not be brought into contribution with any insurance maintained by City; and (d) have a term of not less than one (1) year. City shall have the right to change the terms or amount of the insurance coverages required under the PL Policy if such changes are recommended or imposed by an insurer of, or an insurance broker for City, City's risk manager, or the terms of the Bond Obligations. The PL Policy also shall comply with the requirements of Section 15.5 hereof.

17.4.4 Notwithstanding any provisions of this Master Lease to the contrary, the procurement and maintenance of the Financial Assurance shall not in any way release, waive, limit or otherwise abrogate Master Lessee's obligations under the Environmental Covenants set forth in this Master Lease. The Financial Assurance required by this Master Lease must, unless replaced with like Financial Assurance under a new lease agreement, be maintained until ten (10) years following the end of the Lease Term; provided, however, Master Lessee may, through the Facility Manager, request a reduction in the amount of the Financial Assurance to a dollar amount that would be sufficient to compensate City for any residual environmental costs and liabilities resulting from Hazardous Materials which may remain on or about the CONRAC Site following the expiration or termination of this Master Lease. Master Lessee shall have the burden of showing what would be sufficient to compensate City for any residual environmental costs and liabilities. Any such reduction of the Financial Assurance shall be at the sole discretion of City.

ARTICLE 18
TAXES AND ASSESSMENTS; LIENS

18.1 Payment of Taxes and Assessments. Master Lessee shall pay, or in good faith contest, 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 the Leased Premises, the QTA Equipment, the Fuel Facilities, the personal property of Master Lessee or as a result of this Master Lease, or upon the business conducted by Master Lessee or the RACs on the Leased Premises; and shall maintain in current status all federal, state, and local licenses, and permits required for the operation of the Leased Premises. Master Lessee shall give notice to City if it plans to contests such taxes, charges or fees and provide to City all related documentation and information requested by City. If the nonpayment of any such taxes, charges or fees may result in a lien on the Joint Use Facility, the Airport or personal property of City, Master Lessee shall timely pay or take such action as provided under Applicable Law to avoid or

release any lien that may otherwise attach due to contesting the same. If Master Lessee contests such taxes, charges or fees, City may require Master Lessee to establish and sufficiently fund an escrow account or bond to cover payment of such taxes, charges, or fees, if determined to be due and owing, and Master Lessee shall diligently pursue any such contest to conclusion.

18.2 Liens. Master Lessee agrees not to directly or indirectly create, permit or suffer any Lien to be imposed upon the Leased Premises or any part thereof or upon the QTA Equipment, the Fuel Facilities or furniture, fixtures and equipment owned by Master Lessee as a result of Master Lessee's activities and operations on the Leased Premises. In the event any such Lien is created by or permitted by Master Lessee in violation of this Section, Master Lessee shall immediately: (a) give notice to City of such Lien and provide to City all related documentation and information requested by City; (b) discharge such Lien of record, by payment, bond or as otherwise allowed by Applicable Laws; and (c) provide to City a copy of the recorded release or discharge of such Lien and all related documentation and information requested by City. MASTER LESSEE SHALL ALSO DEFEND (WITH COUNSEL APPROVED BY CITY), FULLY INDEMNIFY AND HOLD ENTIRELY FREE AND HARMLESS CITY FROM ANY ACTION, SUIT OR PROCEEDING THAT MAY BE BROUGHT ON OR FOR THE ENFORCEMENT OF ANY SUCH LIEN.

ARTICLE 19
DAMAGE OR DESTRUCTION; EMINENT DOMAIN

19.1 Short Term Damage. In the event that the Leased Premises or the portion of the Airport of which the Leased Premises are a part are damaged by fire or other casualty, and if the damage can be repaired within thirty (30) days from the date of the occurrence (with repair work and the preparations therefor to be done during regular working hours on regular work days), the Leased Premises shall be repaired with due diligence by Master Lessee. While the repairs are being completed, Master Lessee shall continue to be responsible for the entire Rent that is owed to City hereunder without abatement. If the costs of such repairs are eligible for reimbursement as an item of Major Maintenance from the Repair and Replacement Fund, Master Lessee may request reimbursement for such costs from the Repair and Replacement Fund pursuant to Section 12.7, but if sufficient funds are not available in the Repair and Replacement Fund, then Master Lessee may request that the City approve discretionary disbursement from the CFC Surplus Fund, but shall otherwise be responsible for such costs. City shall have no obligation to act on any request of the Master Lessee for discretionary requisitions by City of moneys from the Trustee.

19.2 Major Damage or Destruction. In the event that the Leased Premises or the portion of the Airport of which the Leased Premises are a part are completely destroyed by fire or other casualty, or damaged to such an extent that the damage cannot be repaired within thirty (30) days of the occurrence, City shall have the option to terminate this Master Lease by notice to Master Lessee within thirty (30) days after the occurrence of any such damage, and such termination shall be effective as of any date not more than sixty (60) days after the occurrence. If City elects to terminate the Master Lease, all insurance proceeds in connection with the loss or damage either received by City or Master Lessee or due from policies for which City is named as the loss payee or an additional insured shall be and remain the sole property of City. Master Lessee shall assign or deliver to City any insurance proceeds in connection with the loss or

damage, except for proceeds for Master Lessee's personal property located in the Leased Premises or business interruption insurance. If City shall elect to continue this Master Lease in effect, Master Lessee shall commence and prosecute with due diligence any work necessary to restore or repair the Leased Premises with the costs of the work to be provided by insurance proceeds received by either Master Lessee or City in connection with the loss or damage, together with funds in the Repair and Replacement Fund and the CFC Surplus Fund. If City fails to notify Master Lessee of its election to terminate this Master Lease as provided in this Section, City shall be deemed to have elected to continue this Master Lease and Master Lessee shall commence and prosecute with due diligence any work necessary to restore or repair the Leased Premises. For the period from the occurrence of any damage to the Leased Premises to the date of substantial completion of the repairs to the Leased Premises (or to the date of termination of this Master Lease if City elects not to continue this Master Lease), the Rent shall be abated in the same proportion that any untenantable portion of the Leased Premises bears to the entire Leased Premises.

19.3 Master Lessee's Improvements. In the event that the Leased Premises or the portion of the Airport of which the Leased Premises are a part are damaged or destroyed by fire or other casualty, Master Lessee shall, at is sole cost and expense, but without waiver of any claim based thereon, be responsible, without regard to the cause of loss, for the repair, restoration and replacement of the furniture, fixtures and equipment owned by Master Lessee located on the Leased Premises. Master Lessee shall complete the repair, restoration and replacement thereof within ninety (90) days after such fire or other casualty in accordance with the requirements of this Master Lease. In the event a fire or casualty causes loss or damage does not materially affect the Common Use Space or the CONRAC, Master Lessee shall continue to be responsible for the entire Rent that is owed to City hereunder without abatement. A fire or casualty shall be deemed to materially affect the CONRAC when Master Lessee and/or RACs are prohibited from operating or doing business with the public due to the loss or damage of the CONRAC.

19.4 Contingent Business Interruption. In the event that Master Lessee's access to the Leased Premises or the portion of the Airport of which the Leased Premises are a part is materially impaired at no fault of Master Lessee for a period exceeding forty-five (45) consecutive days under circumstances not described in Section 19.1 or 19.2, City agrees that the Rent shall be abated in the same proportion that Master Lessee's access to or use of the Leased Premises is impaired, for the period from the date of impairment to the substantial restoration of access and use.

19.5 Condemnation.

19.5.1 If at any time during the Lease Term the entire Leased Premises shall be taken, for any public or quasi-public use under any statute or by right of eminent domain, this Master Lease shall terminate on the date of such taking. If less than all of the Leased Premises shall be so taken and in Master Lessee's reasonable opinion the remaining portion of the Leased Premises is insufficient for the conduct of Master Lessee's business, Master Lessee may terminate this Master Lease by delivering written notice to the City within sixty (60) days after the date Master Lessee received notice of the taking. If Master Lessee exercises its option to terminate, this Master Lease shall end on the date specified in Master Lessee's notice and the

Rent and all other obligations of Master Lessee shall be apportioned and paid to the date of such taking.

19.5.2 If less than all of the Leased Premises shall be taken and, in Master Lessee's reasonable opinion communicated by written notice to the City within sixty (60) days after the date Master Lessee received notice of the taking, Master Lessee is able to gain access to and continue the conduct of its business in the remaining portion of the Leased Premises, this Master Lease shall remain unaffected, except that Master Lessee shall be entitled to a pro rata abatement of Rent based on the proportion that the area of the Leased Premises taken bears to the area of the Leased Premises immediately prior to the taking.

19.5.3 City shall be entitled to receive the entire award or awards in any condemnation proceeding for the CONRAC Site, the Joint Use Facility and the Vested Improvements, and Master Lessee shall not be entitled to receive any part of such award or awards from the City or in the condemnation proceedings; provided however, Master Lessee may pursue and shall be entitled to receive the entire award or awards in any condemnation proceeding for Master Lessee's leasehold interest in the Leased Premises, if any. Master Lessee hereby assigns to the City any and all of Master Lessee's right, title and interest, if any, in or to such award or awards or any part thereof for the CONRAC Site, the Joint Use Facility and the Vested Improvements and to any award or awards for the value of Master Lessee's leasehold interest in the Leased Premises if Master Lessee declines or fails to pursue or make a claim for the same in any condemnation proceeding. This Section 19.5.3 will survive the termination of this Master Lease.

19.5.4 Taking by condemnation or eminent domain hereunder shall include the exercise of any similar governmental power and any sale, transfer or other disposition of the Leased Premises in lieu of or under threat of condemnation.

ARTICLE 20
SURRENDER AND HOLDING OVER

20.1 Surrender. Upon expiration or earlier termination of the Lease Term, Master Lessee shall promptly quit and surrender the Leased Premises and CONRAC Capital Improvements (to the extent City has elected to retain title thereto pursuant to Section 10.1 or other applicable provisions of this Master Lease) broom clean and in good condition and repair, obsolescence and ordinary wear and tear excepted, and deliver to City all keys that it may have to any part of the Leased Premises. Master Lessee shall, at its sole cost and expense, further remove or cause the respective RACs to remove, as applicable the following from the Leased Premises: (a) all of Master Lessee's equipment and trade fixtures or CONRAC Capital Improvements for which City has not elected to retain title to; (b) all of Master Lessee's and the RAC's signs, including company identifiers, operational signs, illuminated directional signs, rental/return signs and stall numbers, and back-wall displays; (c) all control booths, kiosks and security devices for the benefit of Master Lessee or any of the RACs, whether installed by Master Lessee or the RACs; (d) Master Lessee's computer and other electrical equipment; (e) Master Lessee's telephone/data communication lines and associated equipment; (f) any improvements other than the Joint Use Facility structure and CONRAC Capital Improvements,

whether installed at the commencement of the Lease Term or subsequently for which City's consent was conditioned on Master Lessee's removal of such improvements at the expiration or earlier termination of the Lease Term or were rejected on completion of construction pursuant to Section 10.1; and (g) unless instructed otherwise by City, aboveground and underground tanks, piping and other equipment which stored Hazardous Materials or which are contaminated by Hazardous Materials. Unless otherwise specifically agreed by City in writing, Master Lessee shall diligently complete such removal within forty-five (45) days after the expiration or earlier termination of the Lease Term. Upon the removal of any such property, Master Lessee shall promptly repair any and all damage to the Leased Premises caused thereby and reimburse City for City's costs and expenses in removing any such property not removed by Master Lessee and repairing any such damage not repaired by Master Lessee. In the event that the Leased Premises and the CONRAC Capital Improvements are not in the condition required by this Section at the expiration or earlier termination of the Lease Term, City shall have the right to draw against the Security for the funds necessary to restore the Leased Premises and the CONRAC Capital Improvements surrendered to City to such condition. In addition, City shall have the right to draw against the Security for the funds necessary to dispose of any CONRAC Capital Improvements to which City does not take title and to restore any damage to the Leased Premises resulting from such disposition, plus an administrative fee equal to fifteen percent (15%) of the cost of such disposition and restoration if Master Lessee fails to have caused such CONRAC Capital Improvements to be removed from the Leased Premises and the repair of any such damage prior to deadline for removal of the same stated in this Section. The terms of this Section shall survive the expiration or earlier termination of the Lease Term. Master Lessee may request reimbursement for the costs incurred pursuant to this Section 20.1 and included in a City approved Budget from the Repair and Replacement Fund in accordance with Section 12.7, but if sufficient funds are not available in the Repair and Replacement Fund, then Master Lessee may request that the City approve discretionary disbursement from the CFC Surplus Residual Account of the CFC Surplus Fund, to the extent of available funds, but shall otherwise be responsible for such costs. City shall have no obligation to act on any request by the Master Lessee for discretionary requisitions by City of moneys from the Trustee. In the event that City instructs Master Lessee not to remove the aboveground or underground fuel storage tanks and affiliated equipment on termination or expiration of this Master Lease, City will release Master Lessee from any liabilities or indemnities with respect to such facilities if Master Lessee provides City with an Environmental Assessment for such facilities which is approved by City prior to the expiration or termination of this Master Lease. In addition to the Environmental Assessment, Master Lessee shall provide City with documentation acceptable to City verifying that a Release has not occurred on the Leased Premises, or has been remediated to the full extent required under Applicable Law, as of the date of delivery of such documentation.

20.2 Holding Over. IF THE LEASED PREMISES ARE NOT SURRENDERED AS PROVIDED IN THIS ARTICLE 20, MASTER LESSEE SHALL INDEMNIFY AND HOLD CITY HARMLESS AGAINST LOSS OR LIABILITY RESULTING FROM THE DELAY BY MASTER LESSEE IN SO SURRENDERING THE LEASED PREMISES, INCLUDING ANY CLAIMS MADE BY ANY SUCCEEDING OCCUPANT FOUNDED ON SUCH DELAY. Any holding over with the consent of City after expiration or earlier termination of the Lease Term shall not be deemed to operate as an extension or renewal of the Lease Term, but shall be construed to be a tenancy from month-to-month upon the same terms and conditions provided in this Master Lease except that the

Base Rent shall be due and payable to City on the first (1st) day of each month that Master Lessee holds over in the amount of one-twelfth (1/12th) of the Base Rent due during the Lease Agreement Year immediately prior to the expiration, cancellation or termination of the Lease Term. If City does not consent to Master Lessee holding over and remaining in possession of the Leased Premises after the expiration, cancellation, or termination of this Master Lease, Base Rent shall be due and payable to City on the first (1st) day of each month that Master Lessee holds over without City's consent in the amount of one-twelfth (1/12th) of two (2) times the Base Rent due during the Lease Agreement Year immediately prior to the expiration, cancellation or termination of the Lease Term.

20.3 Survival. Master Lessee's obligations under this ARTICLE 20 shall survive the expiration or earlier termination of the Lease Term except as otherwise provided in Section 19.5.1. No modification, termination or surrender to City of this Master Lease or surrender of the Leased Premises or any part thereof, or of any interest therein by Master Lessee, shall be valid or effective unless agreed to and accepted in writing by City, and no act by any representative or agent of City, other than such written agreement and acceptance, shall constitute an acceptance thereof.

20.4 Release of Memorandum of Lease. If a Memorandum of Lease was recorded pursuant to Section 3.5, upon the expiration or earlier termination of this Master Lease, Master Lessee shall execute a release of the Memorandum of Lease in recordable form and deliver the same to City for recordation in the Official Public Records of Travis County, Texas. If Master Lessee fails to execute and deliver such release to City within thirty (30) days of the expiration or earlier termination of this Master Lease, City is hereby authorized to execute the same on behalf of Master Lessee. Master Lessee hereby appoints City and each of its employees its true and lawful attorneys-in-fact to execute and deliver the release of the Memorandum of Lease upon Master Lessee's failure to execute and deliver the same, which power is coupled with an interest and shall be irrevocable.

ARTICLE 21
DEFAULT

21.1 Events of Default. The term "Event of Default" shall mean:

(a) the occurrence of an event described in Section 21.1.8;

(b) the occurrence of any event described in Section 21.1.1, Section 21.1.4, or Section 21.1.5 or that continues for a period of ten (10) days after a Notice of Default is deemed received by Master Lessee in accordance with Section 26.9 hereof; or

(c) the occurrence of any event described in Section 21.1.2, 21.1.3, 21.1.6, 21.1.7, 21.1.9, 21.1.10, 21.1.11 or 21.1.12 that continues for a period of thirty (30) days after a Notice of Default is deemed received by Master Lessee in accordance with Section 26.9 hereof or if such failure cannot reasonably be cured within such thirty (30) day period, Master Lessee fails to commence to cure such failure within such thirty (30) day period and/or thereafter fails to prosecute such cure diligently and continuously to completion within sixty (60) days the Notice of Default is deemed to be received by Master Lessee in accordance with Section 26.9 hereof; provided however, if Master

Lessee's failure to comply with such Sections creates a hazardous condition, the failure must be cured immediately on Master Lessee's receipt of the Notice of Default; or

(d) if City delivers a Notice of Default to Master Lessee in accordance with Section 26.9 regarding the occurrence of any event described in any of Section 21.1.4, Section 21.1.5 or Section 21.1.6 on more than two (2) occasions during any Lease Agreement Year, the subsequent breach of the same term, provision or covenant shall, at the City's option, be an incurable Event of Default. The occurrence of an event described in Section 21.1.8 shall be an incurable Event of Default for which no Notice of Default or opportunity to cure will be given. Any subsequent Notice of Default for the breach of the same term, provision or covenant described in a prior Notice of Default shall not be given until the applicable cure period for the breach described in the prior Notice of Default has lapsed.

21.1.1 Vacating or Abandonment. The vacating or abandonment of the Leased Premises for a period of forty-eight consecutive (48) hours;

21.1.2 Failure to Lease Space in CONRAC. The failure by Master Lessee to enter into valid and binding Sublease Agreements with RACs for space within the CONRAC as required by and according to the terms of Section 14.1;

21.1.3 Failure to Perform Under Agreements. The failure by Master Lessee to observe and perform the covenants, conditions and agreements to be observed or performed by Master Lessee under the 2011 Reimbursement Agreement, Development Agreement, Facility Management Agreement or any Sublease Agreement;

21.1.4 Failure to Make Payments. The failure by Master Lessee to make any payment of Rent or other amounts required by this Master Lease when due;

21.1.5 Failure to Perform under ARTICLE 15. The failure by Master Lessee to observe or perform the covenants, conditions and agreements to be observed or performed by Master Lessee in ARTICLE 15 hereof;

21.1.6 Failure to Perform under ARTICLE 16 and ARTICLE 17. The failure by Master Lessee to observe or perform the covenants, conditions and agreements to be observed or performed by Master Lessee in ARTICLE 16 and ARTICLE 17 hereof;

21.1.7 Failure to Perform Other Covenants, etc. The failure by Master Lessee to observe or perform any other covenant, condition or agreement to be observed or performed by Master Lessee in this Master Lease;

21.1.8 False Financial or Background Statement. The discovery by City that any financial or background statement provided to City by Master Lessee or any successor, grantee or assign of Master Lessee was materially false;

21.1.9 Bankruptcy, *etc.* The filing by or against Master Lessee of a petition in bankruptcy, Master Lessee's being adjudged bankrupt or insolvent by any court, a receiver of the

property of Master Lessee being appointed in any proceeding brought by or against Master Lessee, Master Lessee's making an assignment for the benefit of creditors or any proceeding being commenced to foreclose any mortgage or other lien on Master Lessee's interest in the Leased Premises or on any personal property kept or maintained on the Leased Premises by Master Lessee;

21.1.10 Failure to Abide by all Applicable Laws. The failure by Master Lessee to abide by all applicable laws, ordinances, rules, and regulations of the United States, State of Texas, or the City of Austin;

21.1.11 Event of Default Under Development Agreement, Facility Management Agreement. The occurrence of an "Event of Default" as such term is defined in the 2011 Reimbursement Agreement, Development Agreement, the Facility Management Agreement; or

21.1.12 Failure to File Annual Audited Statement. The failure of Master Lessee to submit its Annual Audited Statement within one hundred twenty (120) days after the end of the Lease Agreement Year shall be a material event of default.

21.2 Remedies. In addition to, and not in lieu or to the exclusion of, any other remedies provided in this Master Lease or to any other remedies available to City at law or in equity, City shall have the remedies specified in this Section upon the occurrence of an Event of Default hereunder.

21.2.1 Right to Terminate Rights of Master Lessee. Whenever any Event of Default has occurred, City shall have the right to terminate this Master Lease and all of Master Lessee's rights hereunder with ten (10) days' notice to Master Lessee. Upon termination, City may re-enter the Leased Premises using such force as may be necessary and remove all persons and property of Master Lessee from the Leased Premises. City will be entitled to recover from Master Lessee all unpaid Rent and any other amount otherwise payable by Master Lessee, or any other payments and damages incurred because of Master Lessee's default including the reasonable and necessary costs of reletting (including any tenant improvements reasonably required, renovations or repairs reasonably required, any advertising reasonably required, any leasing commissions reasonably required, and attorneys' fees and costs reasonably required) (collectively, the "**Termination Damages**"), together with interest on all Termination Damages at the Default Rate, from the date such Termination Damages are incurred by City until paid by Master Lessee.

21.2.2 Master Lessee Retains Liability. In addition to Termination Damages, and notwithstanding termination and re-entry, Master Lessee's liability for all Rent and all other amounts otherwise payable by Master Lessee hereunder, or other charges which, but for termination of this Master Lease, would have become due over the remainder of the Lease Term (collectively, the "**Future Charges**"), will not be extinguished and Master Lessee agrees that City will be entitled, upon termination for default, to collect as additional damages the following (the "**Deficiency**"):

21.2.2.1 An amount equal to the Future Charges, less the amount of actual fees, if any, which City receives during the remainder of the Lease Term from others to whom the Leased Premises may be leased including any fees or rents received from any Substitute Master Lessee, from any RACs, or from any other use in which case such Deficiency will be computed and payable at City's option either in an accelerated lump-sum payment discounted to net present value, or in monthly installments, in advance, on the first day of each calendar month following termination of this Master Lease and continuing until the date on which the Lease Term would have expired but for such termination. Any suit or action brought to collect any portion of Deficiency attributable to any particular month or months shall not in any manner prejudice City's right to collect any portion of the Deficiency by a similar proceeding. For purposes of this Section, "net present value" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank for the region that includes Austin, Texas.

21.2.3 Re-Letting of Leased Premises. In the event this Master Lease is terminated as a result of an Event of Default, except as provided in Section 21.2.5, City shall have no obligation, to re-let the Leased Premises in whole or in part, alone or together with other Leased Premises, upon a termination of this Master Lease. City shall not be liable for, nor will Master Lessee's obligations under this Master Lease be diminished by reason of, any failure by City to re-let the Leased Premises or any failure by City to collect any rent due upon such re-letting. Notwithstanding the foregoing, City and Master Lessee agree that any duty imposed by then Applicable Laws on City to mitigate damages after a default by Master Lessee under this Master Lease and termination of Master Lessee's right to possess of the Leased Premises shall be satisfied in full if City uses reasonable efforts to mitigate damages by reletting the Leased Premises to another master lessee (a "Substitute Master Lessee") in accordance with the following criteria: (a) City shall have no obligation to solicit or entertain negotiations with any Substitute Master Lessee for the Leased Premises until ninety (90) days following the date upon which City obtains full and complete possession of the Leased Premises, including the relinquishment by Master Lessee of any claim to possession of the Leased Premises by written notice from Master Lessee to City, and during such period the obligations of the terminated Master Lessee shall be born directly by the RACs in the same respective proportions as the RACs were then most recently obligated to pay Master Lessee for Base Rent and O&M Costs; (b) City shall not be obligated to lease the Leased Premises to a Substitute Master Lessee for less than the current fair market value of the Leased Premises, as determined by City in its sole discretion, or for less than the then current Base Rent under the Master Lease nor will City be obligated to enter into a new Master Lease for the Leased Premises under other terms and conditions that are unacceptable to City under City's then-current leasing policies; (c) City shall not be obligated to enter into a Master Lease with a Substitute Master Lessee: (1) who is not qualified or willing to perform all of Master Lessee's obligations under this Master Lease; (2) who is an affiliate, parent or subsidiary of Master Lessee; or (3) who does not meet City's reasonable standards for master lessees of the CONRAC as reasonably determined by City; and (d) City shall not be required to expend any amount of money in connection with reletting the Leased Premises or to alter, remodel or otherwise make the Leased Premises suitable for use by a Substitute Master Lessee.

21.2.4 Personal Property of Master Lessee. If upon any re-entry permitted under this Master Lease, there remains any personal property of Master Lessee upon the Leased Premises, City, in its sole discretion, may remove and store such personal property for the account of and at the expense of Master Lessee, or make such personal property available to Substitute Master Lessee for use in connection with this Master Lease or any substitute master lease. All personal property of Master Lessee left on the Leased Premises will be considered permanently abandoned. Master Lessee shall bear all risks associated with the removal and storage of such personal property. Master Lessee shall reimburse City for any and all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. City has the right to sell any personal property not accepted by a Substitute Master Lessee and which has been stored for a period of thirty (30) days or more, unless Master Lessee has tendered reimbursement to City for all expenses incurred in such removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of removal and storage charges, and third to the payment of any other amounts which may then be due and owing from Master Lessee to City. The balance of sale proceeds, if any, will then be paid to Master Lessee. Master Lessee agrees that the foregoing provisions and timeframes are reasonable and in compliance with any applicable provisions of the Uniform Commercial Code.

21.2.5 Status of Sublease Agreements on Event of Default. In the event that this Master Lease is terminated as a result of an Event of Default:

21.2.5.1 reasonably attributable to a material failure of one or more RACs to abide by their obligations under their respective Sublease Agreements or the occurrence of an Event of Default(s) under their respective Sublease Agreements, City, in its sole and absolute discretion, may terminate any or all of the Sublease Agreements to which the Event of Default under the Master Lease is reasonably attributable;

21.2.5.2 not reasonably attributable to a material failure of a RAC to abide by its obligations under its Sublease Agreement or the occurrence of an Event of Default(s) under its Sublease Agreement, subject to Section 22.4 City will affirm the Sublease Agreement of each such RAC as a direct lease between City and the RAC provided that the RAC is then in Good Standing; or

21.2.5.3 as a result of any other Event of Default, City, in its sole and absolute discretion, may terminate any or all of the Sublease Agreements or subject to Section 22.4, affirm any or all as direct leases between City and the applicable RAC.

The determination of whether an Event of Default is reasonably attributable to a Sublease Agreement or not shall be in the sole and absolute discretion of City. In no event shall City be liable or responsible for any obligations under any Sublease Agreement which is affirmed accruing or arising prior to the date of such affirmation.

21.3 Remedies Cumulative. All rights, options and remedies of City contained in this Master Lease shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and 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, whether or not stated in this Master Lease.

ARTICLE 22
TERMINATION

22.1 Termination. This Master Lease may be terminated prior to the Termination Date as follows:

22.1.1 Default. City may terminate this Master Lease upon the occurrence of an Event of Default as provided in Section 21.1 and 21.2.1 hereof.

22.1.2 Termination of Concession Agreement. City may terminate this Master Lease upon the termination of Concession Agreement(s) constituting fifty-one percent (51%) of Market Share pursuant to an event described in Section 13.1 or 14.1 of the Concession Agreement.

22.1.3 Termination of Development Agreement. City may terminate this Master Lease upon the termination of the Development Agreement pursuant to an event of default or exercise of a termination right under the Development Agreement if a substitute contract for development of the Joint Use Facility on terms substantially similar to those under the Development Agreement has not been presented to City for approval or is not thereafter approved.

22.1.4 Termination of Facility Management Agreement. City may terminate this Master Lease upon the termination of the Facility Management Agreement pursuant to an event of default or exercise of a termination right under the Facility Management Agreement, unless Master Lessee has made adequate arrangements to replace the then-current Facility Manager; provided however, Master Lessee must (a) notify the City ten (10) days prior to terminating the existing Facility Management Agreement, and (b) obtain the prior written consent of City to the termination of the existing Facility Management Agreement and the new Facility Management Agreement before entering into the new Facility Management Agreement. If City declines to provide written consent to terminate the existing Facility Management Agreement then in default for matters relating to the operations of the CONRAC, then the City may not terminate this Master Lease on the basis of that default under that existing Facility Management Agreement.

22.1.5 Termination of Construction Contract. City may terminate this Master Lease upon the termination of the Construction Contract pursuant to an event of default or exercise of a termination right under the Construction Contract if a substitute contract for construction of the Joint Use Facility on terms substantially similar to those under the Development Agreement has not been presented to City for approval.

22.1.6 Termination of Sublease Agreements. City may terminate this Master Lease upon the termination of fifty-one percent (51%) of the Sublease Agreements pursuant to an event described in Sections 21.1 or 22.1 of the Sublease Agreements; provided, however, in no event shall Master Lessee be entitled to terminate any Sublease Agreement without the prior

written consent of City. If City declines to provide written consent to terminate any Sublease Agreement then in monetary default, then the City may not terminate this Master Lease on the basis of that default under that subject Sublease Agreement.

22.1.7 Exercise of Option to Terminate. City may terminate this Master Lease upon the City's exercise of its termination option pursuant to Section 4.5.

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

22.1.9 Major Damage or Condemnation. City may terminate this Master Lease upon City's exercise of its termination option pursuant to Section 19.2 in the event the Leased Premises are damaged or destroyed by fire or other casualty. The Master Lease shall terminate if the entire Leased Premises are taken by right of eminent domain as provided in Section 19.5.1. Master Lessee may terminate this Master Lease upon Master Lessee's exercise of its termination option pursuant to Section 19.5.1 if less that all of the Leased Premises are taken by right of eminent domain and the remaining portion of the Leased Premises is insufficient for the conduct of Mater Lessee's business.

22.1.10 City's Other Rights to Terminate. City may terminate this Master Lease upon City's exercise of its termination option pursuant to Sections 26.1 or 26.4.5 or pursuant to the exercise of any other termination option expressly provided for in this Master Lease, but not specifically described in Sections 22.1.1 – 22.1.9.

22.1.11 Master Lessee's Right to Terminate. In addition to any other termination option expressly provided to Master Lessee in this Master Lease, Master Lessee may terminate this Master Lease upon not less than six (6) months written notice to City when the Market Share serving Airport Customers by off-Airport Concessionaires exceeds the Market Share of Concessionaires with Sublease Agreements at the CONRAC. In the event of Master Lessee's termination of this Master Lease pursuant to this Section, City, in its sole and absolute discretion, may terminate or direct Master Lessee to terminate any or all of the Sublease Agreements or subject to Section 22.4, affirm any or all as direct leases between City and the applicable RAC.

22.2 Improvements and Equipment. Subject to the terms of Sections 10.1 and 20.1, upon the expiration or termination of this Master Lease title to all Vested Improvements shall be and remain vested in City and the exclusive property of City, and no Vested Improvements may be removed from the CONRAC Site by the Master Lessee except as provided in this Section. Subject to the terms of Sections 10.1 and 20.1, to the extent City notifies Master Lessee prior to

issuance of the City Building Permit or while improvements are being constructed or equipment is being installed that City will not accept any such improvements or equipment, the City reserves the right to direct Master Lessee to remove the same at any time during the Lease Term or upon expiration or termination of this Master Lease.

22.3 Status of Sublease Agreements on Termination of Master Lease. In the event that this Master Lease is terminated:

22.3.1 as a result of the termination of Concession Agreements constituting fifty-one percent (51%) of Market Share as provided in Section 22.1.2 or fifty-one percent (51%) of the Sublease Agreements in Section 22.1.6 or entry of a court decree as provided in Section 22.1.8, City, in its sole and absolute discretion, may terminate any or all of the remaining Sublease Agreements or, subject to Section 22.4, affirm any or all as direct leases between City and the applicable RAC;

22.3.2 as a result of the termination of the Development Agreement as provided in Section 22.1.3, the Facility Management Agreement as provided in Section 22.1.4 or the Construction Contract as provided in Section 22.1.5, subject to Section 22.4 City will affirm any Sublease Agreement of a RAC in Good Standing at the time of the termination of the Master Lease as a direct lease between City and the applicable RAC, but, in its sole and absolute discretion, may terminate any Sublease Agreement of a RAC not in Good Standing;

22.3.3 pursuant to Section 4.5.1, subject to Section 22.4 City will affirm any Sublease Agreement of a RAC in Good Standing at the time of the termination of the Master Lease as a direct lease between City and the applicable RAC, but, in its sole and absolute discretion, may terminate any Sublease Agreement of a RAC not in Good Standing;

22.3.4 pursuant to Section 4.5.2, City will terminate all Sublease Agreements thirty-six (36) months after written notice of termination to the RACS;

22.3.5 pursuant to the occurrence of an Event of Default pursuant to Section 21.1, except as otherwise provided in Section 21.2.5.2, City, in its sole and absolute discretion, may terminate any or all of the Sublease Agreements or, subject to Section 22.4, affirm any or all as direct leases between City and the applicable RAC;

22.3.6 pursuant to Section 19.2 or 19.5.1, City will terminate all Sublease Agreements; or

22.3.7 pursuant to Section 26.1 or 26.4.5 or pursuant to City's exercise of any other termination option expressly provided for in this Master Lease, but not specifically described in Sections 22.1.1 – 22.1.9, City, in its sole and absolute discretion, may terminate any or all of the Sublease Agreements or, subject to Section 22.4, affirm any or all as direct leases between City and the applicable RAC.

In any case where notice of termination of a Sublease Agreement is required or directed by City prior to the termination of the Master Lease, on direction of City, Master Lessee shall provide notice of termination of the applicable Sublease Agreement in accordance with the terms

of such Sublease Agreement. In no event shall City be liable or responsible for any obligations under any Sublease Agreement which is affirmed accruing or arising prior to the date of such affirmation.

22.4 City's Option to Relet Leased Premises. To the extent that City has an obligation or option to affirm any Sublease Agreement pursuant to Sections 21.2.5, 22.3 or 22.1.11, City shall have the option in lieu thereof to relet the Leased Premises to a Substitute Master Lessee in accordance with the terms of Section 21.2.3. The new master lease with the Substitute Master Lessee shall require the Substitute Master Lessee to assume any Sublease Agreement which the City has an obligation to affirm or that City has opted to affirm or to replace any such Sublease Agreement with a new Sublease Agreement on the same terms. Neither the City nor any Substitute Master Lessee shall be required to affirm, assume or replace any Sublease Agreement of a RAC not in Good Standing.

ARTICLE 23
NO WAIVER; CITY'S RIGHT TO PERFORM

23.1 Receipt of Monies Following Termination. No receipt of monies by City from Master Lessee after the termination or cancellation of this Master Lease in any lawful manner shall (a) reinstate, continue or extend the Lease Term; (b) affect any notice theretofore given to Master Lessee; (c) operate as a waiver of the rights of City to enforce the payment of any Rent or other amount otherwise payable by Master Lessee then due or thereafter falling due; or (d) operate as a waiver of the right of City to recover possession of the Leased Premises by suit, action, proceeding or remedy. Master Lessee agrees that, after the service of notice to terminate the rights of Master Lessee or cancel this Master Lease, or after the commencement of suit, action or summary proceedings or any other remedy, or after a final order or judgment for the possession of the Leased Premises, City may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, remedy, order or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation by Master Lessee and/or Master Lessee's liability hereunder.

23.2 No Waiver of Breach. The failure of City to insist, in any one or more instances, upon a strict performance of any of the covenants of this Master Lease or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of the future performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by City of Rent or other amount otherwise payable by Master Lessee hereunder with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by City of any provision hereof shall be deemed to have been made unless expressed in writing and signed by City. The consent or approval of City to or of any act by Master Lessee requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent to or approval of any subsequent similar acts by Master Lessee.

23.3 No Waiver. The receipt by City of any installment of Rent or other amount otherwise payable by Master Lessee shall not be a waiver of any Rent or other amount otherwise payable by Master Lessee hereunder.

23.4 Application of Payments. City shall have the right to apply any payments made by Master Lessee to the satisfaction of any debt or obligation of Master Lessee to City, in City's sole discretion, regardless of the instructions of Master Lessee as to the application of any such sum (whether such instructions are endorsed upon Master Lessee's check or otherwise), unless otherwise agreed by both parties in writing. The acceptance by City of a check or checks drawn by a Person other than Master Lessee shall in no way affect Master Lessee's liability hereunder (except as a credit against such liability) nor shall it be deemed an approval of any assignment of this Master Lease or subletting by Master Lessee nor a waiver of or impairments of any of City's rights hereunder.

23.5 City's Right to Perform. Upon Master Lessee's failure to perform any obligation or make any payment required of Master Lessee hereunder, City shall, after ten (10) days written notice (provided that no notice shall be required during any real or threatened emergency to life, safety or structural integrity), have the right (but not the obligation) to perform such obligation of Master Lessee on behalf of Master Lessee and/or to make payment on behalf of Master Lessee. Master Lessee shall reimburse City the reasonable cost of City's performing such obligation on Master Lessee's behalf, including reimbursement of any amounts that may be expended by City, plus interest at the Default Rate.

ARTICLE 24
ASSIGNMENT OR SUBLEASE

24.1 Prohibition. Subject to the provisions of ARTICLE 14 regarding Sublease Agreements, Master Lessee shall not, without the prior consent of City, assign or transfer this Master Lease or any interest herein or sublet the whole or any portion of the Leased Premises, nor shall this Master Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without the prior consent of City. If Master Lessee is anything other than an individual, Master Lessee further agrees that if, at any time during the Lease Term, more than one-half (1/2) of the outstanding voting equity interests of Master Lessee shall belong to any Persons other than those which own more than one-half (1/2) of those outstanding voting equity interests at the time of the execution of this Master Lease or members of their immediate families (*i.e.*, a person's spouse, children, grandchildren or siblings or any of the spouses of such person's children, grandchildren or siblings), such change in the ownership of Master Lessee shall be deemed an assignment of this Master Lease within the meaning of this ARTICLE; provided, however, this sentence shall not apply if and to the extent that Master Lessee is a corporation, the outstanding voting stock of which is publicly traded on a recognized security exchange. Master Lessee's entering into any operating agreement, license or other agreement under which a third party is given rights or privileges to enjoy a portion of or to utilize a portion of the Leased Premises shall be an attempted subletting, assignment or transfer within the meaning of this ARTICLE.

24.2 Assignment or Sublease. The terms of this Section are subject to the requirements of ARTICLE 14 hereof.

24.2.1 Deliveries to City. If Master Lessee shall, at any time during the Lease Term, desire to sell, assign or otherwise transfer this Master Lease in whole or in part, or any right or leasehold interest granted to it by this Master Lease, Master Lessee shall, at the time Master Lessee requests the consent of City, deliver to City such information in writing as City may reasonably require with respect to the proposed subtenant, assignee or transferee, including the name, address, nature of business, ownership, financial responsibility and standing of such proposed subtenant, assignee or transferee, together with the proposed form of sublease, assignment or other transfer. Within thirty (30) days after receipt of the information specified above, City shall notify Master Lessee of its election either (a) to consent to the sublease, assignment or transfer or (b) to disapprove the sublease, assignment or transfer.

24.2.2 Additional City Conditions. As a condition for City's consent to any sublease, assignment or other transfer hereunder, City may require that the subtenant, assignee or transferee remit directly to City, on a monthly basis, all monies due to Master Lessee by such subtenant, assignee or transferee. In addition, a condition to City's consent to any sublease, assignment or other transfer of this Master Lease or the Leased Premises shall be the delivery to City of a true copy of the fully executed instrument of sublease, assignment or transfer and an agreement executed by the subtenant, assignee or transferee in form and substance satisfactory to City and expressly enforceable by City, by which the subtenant, assignee or transferee assumes and agrees to be bound by the terms and provisions of this Master Lease and to perform all the obligations of Master Lessee hereunder.

24.2.3 Right to Deal with Assignee or Transferee. In the event of any assignment or other transfer of this Master Lease, Master Lessee and each respective assignor or transferor waive notice of default by the assignee or transferee in possession of the Leased Premises in the payment of Rent or other amounts and in the performance of the covenants and conditions of this Master Lease and agree that City may in each and every instance deal with such assignee or transferee in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Master Lease or modify the same, and in general deal with such assignee or transferee in possession without notice to or consent of any assignor or transferor, including Master Lessee; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Master Lessee and of each respective assignor and transferor.

24.2.4 Attornment. Master Lessee agrees that any sublease will contain a provision to the effect that if there is any termination whatsoever of this Master Lease, then the subtenant, at the request of City, will attorn to City and the subtenancy, if City so requests, shall continue in effect with City. Nothing herein shall be deemed to require City to accept such attornment except as provided in Sections 21.2.5 and 22.3.

24.2.5 Master Lessee's Liability. No assignment or other transfer by Master Lessee of this Master Lease in whole or in part, or any right or leasehold interest granted to it by this Master Lease, and no subletting of the Leased Premises or any portion thereof, shall relieve

Master Lessee of any obligation under this Master Lease, including Master Lessee's obligation to pay all Rent and other amounts due hereunder. Any purported sublease, assignment or other transfer contrary to the provisions hereof without the consent of City shall be void. The consent by City to any subletting, assignment or other transfer hereunder shall not constitute a waiver of the necessity for such consent to any subsequent subletting, assignment or other transfer.

24.2.6 Reimbursement to City. Master Lessee shall reimburse City any reasonable professionals' fees and expenses incurred by City in connection with any request by Master Lessee for consent to any such sublease, assignment or other transfer hereunder.

24.3 Assignment to Successor or Affiliate. Subject to the requirements of Sections 24.2 and 24.4 hereof, City agrees that it will not unreasonably condition or withhold its consent to an assignment or other transfer of this Master Lease to: (a) any corporation or other legal entity which at the time of such assignment or other transfer is the parent or a wholly-owned subsidiary of Master Lessee; (b) any corporation or other legal entity with which Master Lessee may merge or into which it may consolidate; or (c) any Person that may acquire all or substantially all of Master Lessee's rental car business or assets; provided, however, in each instance the surviving, resulting or transferee Person expressly assumes in writing all the obligations of Master Lessee contained in this Master Lease and the surviving, resulting or transferee Person has a consolidated net worth (after giving effect to such consolidation, merger or transfer) at least equal to the greater of (i) the net worth of Master Lessee as of the Effective Date of this Master Lease or (ii) the net worth of Master Lessee immediately prior to such consolidation, merger or transfer. The term "net worth" as used in this Section 24.3 means the difference obtained by subtracting total liabilities from total assets of Master Lessee and all of its subsidiaries in accordance with generally accepted accounting principles.

24.4 Lease in CONRAC Required. Notwithstanding any other terms or provisions of this ARTICLE 24, no proposed subtenant of Master Lessee shall be permitted to use or occupy any portion of the Leased Premises under a sublease for car rental use unless such proposed subtenant executes and Master Lessee delivers to City a Sublease Agreement for space within the CONRAC on substantially the same terms as contained in the form of Sublease Agreement described in Section 14.1, above, or otherwise obtains rights under a Sublease Agreement pursuant to rules, regulations, procedures and requirements established by City. Without limitation of the foregoing, each car rental subtenant of all or any portion of the Leased Premises must agree to collect the Customer Facility Charge in accordance with a Concession Agreement.

24.5 Leasehold Mortgages Not Permitted. Master Lessee shall have no right (a) to convey, pledge or encumber, by deed of trust, mortgage or similar instrument, its leasehold interest in and to the Leased Premises or any improvements or equipment or Vested Improvements constructed, placed or installed by Master Lessee on the CONRAC Site, or (b) to assign this Master Lease as collateral security for any indebtedness of Master Lessee.

ARTICLE 25
DISADVANTAGED BUSINESS ENTERPRISES, M/WBE PROCUREMENT PROGRAM AND WAGE RATES

25.1 ACDBE Program. Except as otherwise determined by the FAA, this Master Lease is a revenue-producing contract awarded to Master Lessee and will result in the provision of goods and services to passengers, patrons and tenants at the Airport. Federal law and regulations impose ACDBE goals upon the performance of this Master Lease by Master Lessee, and City encourages Master Lessee voluntarily to strive to include significant involvement with minority business enterprises in operations under this Master Lease. City has established a goal of six percent (6%) ACDBE participation for this Master Lease. ACDBE participation may be achieved through the purchase of goods and services necessary to conduct a Rental Car Concession business at the Airport from ACDBEs, as further described in the DOT regulations governing ACDBE participation, 49 C.F.R. Part 23.53, as amended or modified from time to time. These goods and services may include the purchase or lease of new vehicles from ACDBE firms. All ACDBE firms initially used to meet this ACDBE goal must be certified as ACDBEs by City prior to the Date of Beneficial Occupancy. Only ACDBE entities that have a direct contract with Master Lessee may be counted toward achievement by Master Lessee of the ACDBE participation goal for this Master Lease.

25.2 ACDBE Program Compliance. Master Lessee has advised City that it will use the ACDBEs described in the ACDBE Participation Schedule in providing the services described therein. Master Lessee agrees that, within thirty (30) days after the expiration of each calendar quarter during the Lease Term, it will provide an ACDBE Quarterly Revenue Report to City describing the dollar value of vehicles and other goods and services purchased by Master Lessee from each ACDBE set forth in the ACDBE Participation Schedule (and each substitute ACDBE obtained pursuant to this Section) calculated in accordance with the requirements of 49 C.F.R. Part 23.53, as amended or modified from time to time. Master Lessee agrees that it also shall submit, within thirty (30) days after the expiration of each calendar quarter during the Lease Term, a report to City, in a form acceptable to City, describing Master Lessee's total dollar value of vehicles and other goods and services purchased by Master Lessee during such quarter. Master Lessee shall have no right to terminate for convenience an ACDBE set forth in the ACDBE Participation Schedule without City's prior consent. If any such ACDBE is terminated by Master Lessee with City's prior consent or because of ACDBE's default under its contractual obligations to Master Lessee, then Master Lessee must make a good faith effort, in accordance with the requirements of 49 C.F.R. Part 23.25(e)1(iii) and (iv), as amended or modified from time to time, and 49 C.F.R. Part 26.53, as amended or modified from time to time, to find another ACDBE to substitute for the original ACDBE to sell the same amount of vehicles and other goods and services under the contact as the ACDBE that was terminated. Master Lessee must implement appropriate mechanisms to ensure compliance with the requirements of the DOT regulations governing ACDBE participation, 49 C.F.R. Part 23.53, as amended or modified from time to time, by all ACDBEs set forth in the ACDBE Participation Schedule. Master Lessee must include in its ACDBE participation program the specific provisions to be inserted into concession agreements, development agreements, construction contracts, subleases and management contracts to ensure compliance with such regulations. Master Lessee's failure to comply with its obligations under this Section shall constitute a default under this Master Lease.

25.3 ACDBE Participation Schedule. In the event of a change in the identity of the ACDBEs participating in the operations under this Master Lease, Master Lessee shall deliver, within ten (10) days after such change, a revised ACDBE Participation Schedule to City in the manner and to the addressees for City specified in accordance with Section 26.9 hereof. A notice by Master Lessee to City to remove a particular ACDBE from the ACDBE Participation Schedule is not sufficient for purposes of this Section. When Master Lessee submits a revised ACDBE Participation Schedule hereunder, Master Lessee must submit a complete revised ACDBE Participation Schedule that includes the required information for all ACDBEs then participating in operations under this Master Lease. Master Lessee also shall send a copy of such revised ACDBE Participation Schedule in the manner provided by Section 26.9 hereof to THE CITY OF AUSTIN, Small and Minority Business Resources, 4201 Ed Bluestein Boulevard, Austin, Texas 78721, Telephone (512) 974-7600, Fax (512) 974-7601.

25.4 Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program. Master Lessee shall comply with the standards and principles of the City Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program, found at Austin City Code Chapters 2-9A, 2-9B, 2-9C, and 2-9D (Procurement Program). Accordingly, Master Lessee shall develop and submit to City an M/WBE Compliance Plan for approval in accordance with the standards and principles of the Procurement Program. Master Lessee will utilize subcontractors, suppliers and consultants that either assist Master Lessee in meeting the M/WBE participation goals, or Master Lessee will demonstrate Good Faith Efforts to meet the goals. The Compliance Plan shall be incorporated into and made a part of this Master Lease for all purposes once approved by City, and a violation by Master Lessee shall be an event of default.

25.5 Wage Rates/Prevailing Wage. As Master Lessee administers procurements to implement this Master Lease, Master Lessee must comply with, and require its contractors and subcontractors supplying construction labor or materials to the Project to comply with, the City's prevailing wage requirements throughout solicitation of any construction contract or procurement of services for the construction of improvements to be built as described in this Master Lease. The City has adopted the general prevailing rate of per diem wages established by the U.S. Department of Labor for work of similar character in the locality in which the work is performed as the minimum per diem wages to be paid in connection with a City public improvement project for the construction of public buildings. The rates the City pays are the rates in effect for Travis County at the time the City advertises these projects for bid. Resolution No. 20080605-047 adopts these same wage rates for public-private projects such as this one in which the City is a participant.

ARTICLE 26
GENERAL PROVISIONS

26.1 Gratuities. City may, by written notice to Master Lessee, terminate this Master Lease without liability if it is determined by City that gratuities were offered or given by the Master Lessee or any agent or representative of Master Lessee to any officer or employee of City with a view toward securing this Master Lease or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance

of this Master Lease. In the event this Master Lease is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights or remedies, to recover or withhold from the Master Lessee the amount of the cost incurred by the Master Lessee in providing such gratuities

26.2 Prohibition Against Personal Interest in Contracts. No officer, employee, contractor, or elected official of City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in this Master Lease resulting from that solicitation. Any willful violation of this provision shall constitute impropriety of office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, express or implied, of the Master Lessee shall render this Master Lease voidable by City.

26.3 Affirmative Action. Master Lessee shall undertake, to the extent applicable, an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to ensure that no person shall, on the grounds of race, creed, color, national origin or sex, be excluded from participating in any employment, contracting or leasing activities covered in 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time. Master Lessee further assures that (a) no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, and (b) it will require that its covered organizations under 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, provide assurances to Master Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to the same effect. Master Lessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, as part of the affirmative action program, and by any federal, state or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order or similar mechanism. Master Lessee agrees that state or local affirmative action plans will be used in lieu of any affirmative action plan or steps required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, only when they fully meet the standards set forth in 14 C.F.R. 152.409, as amended or modified from time to time. Master Lessee agrees to obtain a similar assurance from its covered organizations and to cause them to require a similar assurance from their covered suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time.

26.4 No Discrimination. Master Lessee hereby agrees as follows:

26.4.1 Non-discrimination. As part of the consideration for this Master Lease, Master Lessee covenants and agrees that no person on the grounds of race, color, religion, sex, national origin or ancestry, age, sexual orientation, or gender identity, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in in Master Lessee's operations of the Leased Premises at the Airport. Additionally, Master Lessee shall use all Airport facilities in compliance with all other requirements imposed by, or pursuant to, 49

C.F.R. Part 21, as amended or modified from time to time. Master Lessee covenants and agrees that this provision shall be binding on any successors and assigns of Master Lessee as permitted hereunder.

26.4.2 Employment Decisions. Master Lessee shall comply with Chapters 5-3 and 5-4 of the Austin City Code and will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or ancestry, age, sexual orientation, gender identity, or disability, and Master Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or ancestry, sexual orientation, gender identity, or disability, handicap or creed, including action relating to employment; upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships.

26.4.3 Posting of Notices. Master Lessee will post in conspicuous places, available to its employees and applicants for employment, notices to be provided setting forth the provisions of this Section.

26.4.4 Solicitations and Advertisements for Employment. Master Lessee will, in all solicitations or advertisements for employees placed by or on behalf of Master Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or ancestry, sexual orientation, gender identity, or disability.

26.4.5 Noncompliance. In the event of Master Lessee's noncompliance with the nondiscrimination requirements of this Master Lease after notice under Section 21.1(b) and failure to cure, this Master Lease may be immediately canceled, terminated or suspended, in whole or in part, by City by providing notice of termination to Master Lessee, and Master Lessee may be declared ineligible for further government contracts or federally assisted construction contracts and such other sanctions may be imposed and remedies may be invoked in accordance with Applicable Laws.

26.4.6 Inclusion of Provisions in Master Lessee's Subleases, Contracts and Purchase Orders. Master Lessee will include the provisions of this Section 26.4 in each of its subleases, contracts or purchase orders unless exempted by rules, regulations or orders of the United States Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subtenant, contractor or vendor. Master Lessee will take such action with respect to any sublease, contract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, in the event Master Lessee becomes involved in or is threatened with litigation by a subtenant, contractor or vendor as a result of such direction by the administering agency, Master Lessee may request the United States to enter into such litigation to protect the interests of the United States.

26.5 No Exclusive Right. Nothing herein contained shall be deemed to grant Master Lessee any exclusive right or privilege within the Federal Aviation Act, or the conduct of any

activity at the Airport, except that, subject to the terms and provisions hereof, Master Lessee shall have the right to use the Leased Premises under the provisions of this Master Lease.

26.6 Subordination to Other Agreements. This Master Lease is subject and subordinate to the provisions of any agreement heretofore or hereafter made between City and any other Governmental Authority 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 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 or the FAA's Airport Improvement Program or in order to impose and use passenger facilities charges under 49 U.S.C. Section 40117 or any successor thereto.

26.7 Subordination to City Encumbrances. This Master Lease and all rights of Master Lessee hereunder shall be subject and subordinate to any deed of trust or mortgage lien or security interest encumbering City's interest in the Leased Premises and to any renewal, extension, modification or consolidation of such deed of trust or mortgage or security agreement granting such security interest. However, City hereby represents and warrants that the Leased Premises are free of any such deed of trust or mortgage lien or security interest as of the Effective Date. Master Lessee agrees, at any time, and from time to time, upon not less than twenty (20) days prior notice by City, to execute, acknowledge and deliver to City a statement in writing certifying that this Master Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Rent and other charges have been paid, and stating whether, to the best knowledge of Master Lessee, City is in default in the performance of any covenant, agreement, provision or condition contained in this Master Lease and, if so, specifying each such default of which Master Lessee may have knowledge. City and Master Lessee intend that any such statement delivered pursuant hereto may be relied upon by any prospective mortgagee of City and any purchaser or tenant of the Leased Premises, and such purchaser's or tenant's mortgagee or prospective mortgagee, and by any prospective assignee and its mortgagee or prospective mortgagee. Master Lessee also agrees to execute and deliver from time to time, upon not less than twenty (20) days prior notice by City, such similar estoppel certificates as a lender to City may require with respect to this Master Lease. If Master Lessee fails or refuses to furnish such certificate within the time provided, it will be conclusively presumed that this Master Lease is in full force and effect in accordance with its terms and City is not in default hereunder.

26.8 No Waiver. No waiver of default by either party of any of the terms, covenants or conditions herein to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the other party.

26.9 Notices, Approvals, Consents, *etc.* Except for the provisions of this Master Lease which expressly state that a notice, approval, consent, demand, request or other communication may be communicated verbally, all notices, approvals, consents, demands, requests and other communications required or permitted by this Master Lease must be in writing to be effective

and sent by certified United States Mail, first-class postage prepaid, or by a recognized delivery service that provides registered and verifiable shipment or airbill tracking and delivery record, with costs prepaid, to the addresses set forth below:

To City:

Director of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

With a copy to:

The Airport Properties Manager
Department of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

To Master Lessee:

Austin CONRAC, LLC
c/o UNISON-CRS, Inc.
12130 Colwick
San Antonio, Texas 78216
Attn: Marshall A. Fein, President

To RACs:

Jackie Agan
Properties Director
The Hertz Corporation and
Simply Wheelz LLC dba Advantage Rent A Car
24890 East 78th Avenue
Denver, CO 80249

Monty Merrill
Clearwater Transportation
d/b/a Dollar/Thrifty
9301 Rental Care Lane
Austin, TX 78719

Bridget Biagas
Director - Properties
Central Area
Avis Budget Group, Inc.
P.O. Box 612707
DFW Airport, TX 75261

Richard Radzis

President
Texas Rent-A-Car, LLC
d/b/a ACE Rent-A-Car
2985 Mannheim Road
Des Plaines, IL 60018

Howard Zaroff
Vice President / General Manager
EAN Holdings, LLC
4210 South Congress Avenue
Austin, TX 78745

Wendy Duval
Director
Airport Properties and Relations
Vanguard Car Rental USA, LLC d/b/a
Alamo and National
600 Corporate Park Drive
St. Louis, MO 63105

The person and place to which notices, approvals, consents, demands, requests and other communications are to be sent may be changed by a party hereto upon written notice to the other. A written notice, approval, consent, demand, request or other communication required or permitted hereunder shall be deemed received and effective (i) on the date that is three days after the date on which it is deposited in the United States Mail if sent by certified mail, or (ii) on the date on which the signature receipt is recorded by the recognized delivery service if it is sent by a recognized delivery service.

26.10 Consents and Approvals of City. Whenever any provision of this Master Lease requires the consent or approval of City or provides to City the right to make a determination or judgment, City shall have the absolute and unconditional right to withhold its consent or approval, in its sole discretion, and to make such determination or judgment in its sole discretion on the basis of such factors and considerations as it shall deem relevant (including self-interest), except for those circumstances, if any, where this Master Lease expressly provides that such consent or approval will not be unreasonably withheld or City will make such determination or judgment reasonably.

26.11 Agents for Service of Process. The parties hereto hereby designate the following as their agents for service of process and will waive any objection to service of process if served upon its agent as set forth below:

To City:

City of Austin
City Clerk
301 W. Second St.
Austin, TX 78701

To Master Lessee:

Austin CONRAC, LLC
c/o UNISON-CRS, Inc.
12130 Colwick
San Antonio, Texas 78216
Attn: Marshall A. Fein, President

26.12 Severability. If one or more clauses, Sections or provisions of this Master Lease shall be held to be unlawful, invalid or unenforceable, the parties hereto agree that the material rights of either party hereto shall not be affected thereby except to the extent of such holding, and this Master Lease shall be construed in all respects as if such invalid or unenforceable provision were omitted herefrom.

26.13 Waiver of Anticipated Profits. Master Lessee hereby waives any claim against City and its elected and non-elected officials, officers, employees, agents, servants, representatives, contractors, subcontractors, affiliates, successors and assigns for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Master Lease or any part hereof, or by any judgment or award in any suit or proceeding declaring this Master Lease null, void or voidable or delaying the exercise of any rights under this Master Lease.

26.14 Right of City to Develop Airport. The parties hereto further covenant and agree that City reserves the right to further develop or improve the Airport as City may see fit, regardless of the desires or views of Master Lessee and without interference or hindrance. It is understood that City may from time to time elect to alter, improve or remodel portions of the Airport, and may do so without consultation with or the consent of Master Lessee, except that City will consult with Master Lessee regarding any proposed alterations or improvements that would materially alter access to, or egress from the Joint Use Facility and will not materially alter the Leased Premises without Master Lessee consent. Master Lessee agrees that any temporary inconvenience resulting from any such work by City or its contractors and agents shall not be grounds for reduction of any amount otherwise payable by Master Lessee hereunder.

26.15 Incorporation of Legally Required Provisions. The parties incorporate herein by reference all provisions legally required to be contained herein by any Governmental Authority.

26.16 Limitation of City's Liability. No elected or non-elected official, employee, officer or agent of City shall have (a) any personal liability with respect to any of the provisions of this Master Lease, or (b) any liability for any consequential damages resulting from a default

by City hereunder or from the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default. City shall not have any liability for any consequential damages resulting from a default by City hereunder or from the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default. Master Lessee further agrees not to initiate any involuntary bankruptcy, reorganization, receivership or insolvency proceeding against City.

26.17 Successors and Assigns. This Master Lease shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

26.18 Required Modifications. In the event that a Governmental Authority (other than City) requires modifications or changes to this Master Lease as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Master Lessee shall make or agree to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions, or requirements of this Master Lease as may be reasonably required.

26.19 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Master Lease.

26.20 Understanding of Agreement. The parties hereto acknowledge that they thoroughly read this Master Lease, including any exhibits or attachments hereto, and have sought and received such competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein.

26.21 Legal Interest and Other Charges. Any payment of Rent or any other amount due and payable hereunder that is not paid on the date it is due shall bear interest until paid at the Default Rate. Notwithstanding any provision of this Master Lease to the contrary, it is the intent of City and Master Lessee that City shall not be entitled to receive, collect, reserve or apply, as interest, any amount in excess of the maximum amount of interest permitted to be charged by Applicable Laws. In the event this Master Lease requires a payment of interest that exceeds the maximum amount of interest permitted under Applicable Laws, such interest shall not be received, collected, charged or reserved until such time as that interest, together with all other interest then payable, falls within the maximum amount of interest permitted to be charged under Applicable Laws. In the event City receives any such interest in excess of the maximum amount of interest permitted to be charged under Applicable Laws, the amount that would be excessive interest shall be deemed a partial prepayment of Rent and treated under this Master Lease as such, or, if this Master Lease has expired or terminated, any remaining excess funds shall immediately be paid to Master Lessee.

26.22 Governing Law; Choice of Venue; Waiver of Jury Trial. This Master Lease shall be governed by and construed in accordance with the laws of the State of Texas. Jurisdiction and venue for any action on or related to the terms of this Master Lease shall be exclusively in Travis County, Texas, and the parties irrevocably consent to the personal jurisdiction of such courts over themselves for purposes of determining such action and waive any right to assert a claim of inconvenient forum.

26.23 Dispute Resolution. If a dispute arises out of or relates to this Master Lease, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this Section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. A party may make a written request for a meeting between representatives of each other party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below.

26.23.1 Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Master Lease prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center. The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The parties will share the costs of the mediator equally.

26.23.2 Master Lessee agrees as a condition of this Master Lease that notwithstanding the existence of any dispute between the parties, insofar as is possible under the terms of this Master Lease, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by a Texas court of competent jurisdiction.

26.24 Avigation Easement. City hereby reserves from the Leased Premises, for the use and benefit of itself and its successors and assigns, and the operators, owners and users of Aircraft of all types and for the public in general, a perpetual easement and right-of-way for the free and unobstructed flight and passage of Aircraft by whomsoever owned or operated, in and through the airspace above, over and across the surface of the Leased Premises, together with the right to cause in such airspace such noise, vibration, odors, vapors, particulates, smoke, dust and other effects as may be inherent in the operation of Aircraft for navigation of or flight or passage in and through such airspace, and for the use of such airspace by Aircraft for approaching, landing upon, taking off from, maneuvering about or operating at the Airport. This easement is reserved upon and subject to the following terms and conditions: (a) Master Lessee shall not hereafter use, cause or permit to be used, or suffer use of, the Leased Premises so as: (i) to cause electrical, electronic or other interference with radio, radar, microwave or other similar means of communications between the Airport and any Aircraft; (ii) to adversely affect or impair the ability of operators of Aircraft to distinguish between regularly installed air navigation lights and

visual aids and other lights serving the Airport; or (iii) to cause glare in the eyes of operators of Aircraft approaching or departing the Airport, or to impair visibility in the vicinity of the Airport, or to otherwise endanger the approaching, landing upon, taking off from, maneuvering about or operating of Aircraft on, above and about the Airport; provided, however, that, notwithstanding any contrary provision contained above, Master Lessee shall be permitted to construct and maintain such improvements and to utilize all lighting, finishes and building materials as shall have been submitted to and approved by City; and (b) Master Lessee, for itself and the other Releasing Parties, hereby expressly releases and forever discharges City and its elected and non-elected officials, legal representatives, officers, assigns, associates, employees, agents and all others acting in concert with City, from any and all claims, debts, liabilities, obligations, costs, expenses, actions or demands, vested or contingent, known or unknown, whether in tort, contract or otherwise, that the Releasing Parties may now own or hold, or have any time heretofore owned or held, or may at any other time own or hold, by reason of noises, vibration, odors, vapors, particulates, smoke, dust or other effects as may be inherent in the operation of Aircraft and caused or created by the flight or passage of Aircraft in or through the airspace subject to the easement and right-of-way herein reserved.

26.25 Waiver of Attorneys' Fees. Each party waives any and all rights under law or in equity to seek or recover attorneys' fees from the other party in any civil or administrative litigation or dispute resolution proceeding for the breach of this Master Lease or to enforce any provision of this Master Lease.

26.26 Update of Terms. City shall, without the necessity of an amendment to this Master Lease, have the right to periodically update the requirements set forth in ARTICLE 15 hereto to reflect changes in practices for similar properties or operations either at the Airport or at other comparable airports. City likewise has the right, without the necessity of an amendment to this Master Lease, to make adjustments to this ARTICLE 26 to account for changes in Legal Requirements applicable to the CONRAC or CONRAC Site or the operation of a Rental Car Concession.

26.27 Electronic Funds Transfer. City specifically has the right, at any time, to require Master Lessee to remit any amounts to be remitted or otherwise payable under this Master Lease to be made by electronic funds transfer to an account designated by City from time-to-time.

26.28 Brokers. Master Lessee warrants that it knows of no broker or agent that is or may be entitled to any commission or finder's fee in connection with this Master Lease. MASTER LESSEE SHALL INDEMNIFY AND HOLD CITY HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS) WITH RESPECT TO ANY LEASING COMMISSION OR EQUIVALENT COMPENSATION ALLEGED TO BE OWING ON ACCOUNT OF MASTER LESSEE'S DISCUSSIONS, NEGOTIATIONS AND/OR DEALINGS WITH ANY BROKER OR AGENT. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders.

26.29 Survival of Indemnities and Other Provisions. All indemnities provided in this Master Lease shall survive the expiration or any earlier termination of the Lease Term. Additionally, all provisions which are expressly stated to survive or require or contemplate performance after the expiration or any earlier termination of the Lease Term shall survive the expiration or earlier termination of the Lease Term and continue until expiration of the applicable statute of limitations period. In any litigation or proceeding within the scope of any indemnity provided in this Master Lease, Master Lessee shall, at City's option, defend City at Master Lessee's expense by counsel satisfactory to City.

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

26.31 Entire Agreement; Modification. This Master Lease sets forth all covenants, promises, agreements, conditions and understandings between City and Master Lessee concerning the Leased Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between City and Master Lessee as to the Leased Premises other than as herein set forth. No subsequent alteration, amendment, change or addition to this Master Lease shall be binding upon City or Master Lessee unless reduced to writing and signed by City and Master Lessee.

26.32 Relationship of City and Master Lessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners or joint venture partners, and no provision contained in this Master Lease nor any acts of Master Lessee and City shall be deemed to create any relationship between them other than as provided in this Master Lease.

26.33 Exhibits. **Attachment 1** and **Exhibits A-1, A-2, A-3, B, C, D, E, F, G, H, I, I-1, I-2, I-3, and I-4** are attached to this Master Lease after the signatures and by this reference are incorporated herein.

26.34 Lawful Currency of United States. Any payments made or to be made by Master Lessee under this Master Lease shall be made in the lawful currency of the United States of America.

26.35 Triple Net Lease. This Master Lease constitutes a triple net lease of the Leased Premises and, notwithstanding any language herein to the contrary, it is intended and Master Lessee expressly covenants and agrees that all Rent and other payments herein required to be paid by Master Lessee to City shall be absolutely net payments to City, meaning that during the Lease Term City is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the operation, maintenance, preservation, repair, restoration, or protection of the Leased Premises, or any part thereof, except as otherwise expressly provided in this Master Lease.

26.36 Interpretation. Neither the phrase "at the sole cost of Master Lessee," nor "at its sole cost and expense" nor any other language used in this Master Lease shall be construed or deemed to limit any RAC obligation to Master Lessee under the Sublease Agreements, including the obligation to pay a Pro Rata Share of all Master Lessee costs hereunder, to limit the rights of Master Lessee to enforce its rights under any Sublease Agreement, or to limit any right or claim Master Lessee may have against any third party (other than City, its officers and employees).

[SIGNATURES ON NEXT PAGE]

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

CITY:

APPROVED AS TO FORM:

CITY OF AUSTIN, TEXAS

By:_____
Name:_____
Title: Assistant City Attorney

By:_____
Name:_____
Title: Executive Director of Aviation

MASTER LESSEE:

AUSTIN CONRAC, LLC

By:_____
Name:_____
Title:_____

ATTACHMENT 1

MASTER GLOSSARY

EXHIBIT A-1

DESCRIPTION/DEPICTION OF LEASED PREMISES PRIOR TO SUBSTANTIAL COMPLETION

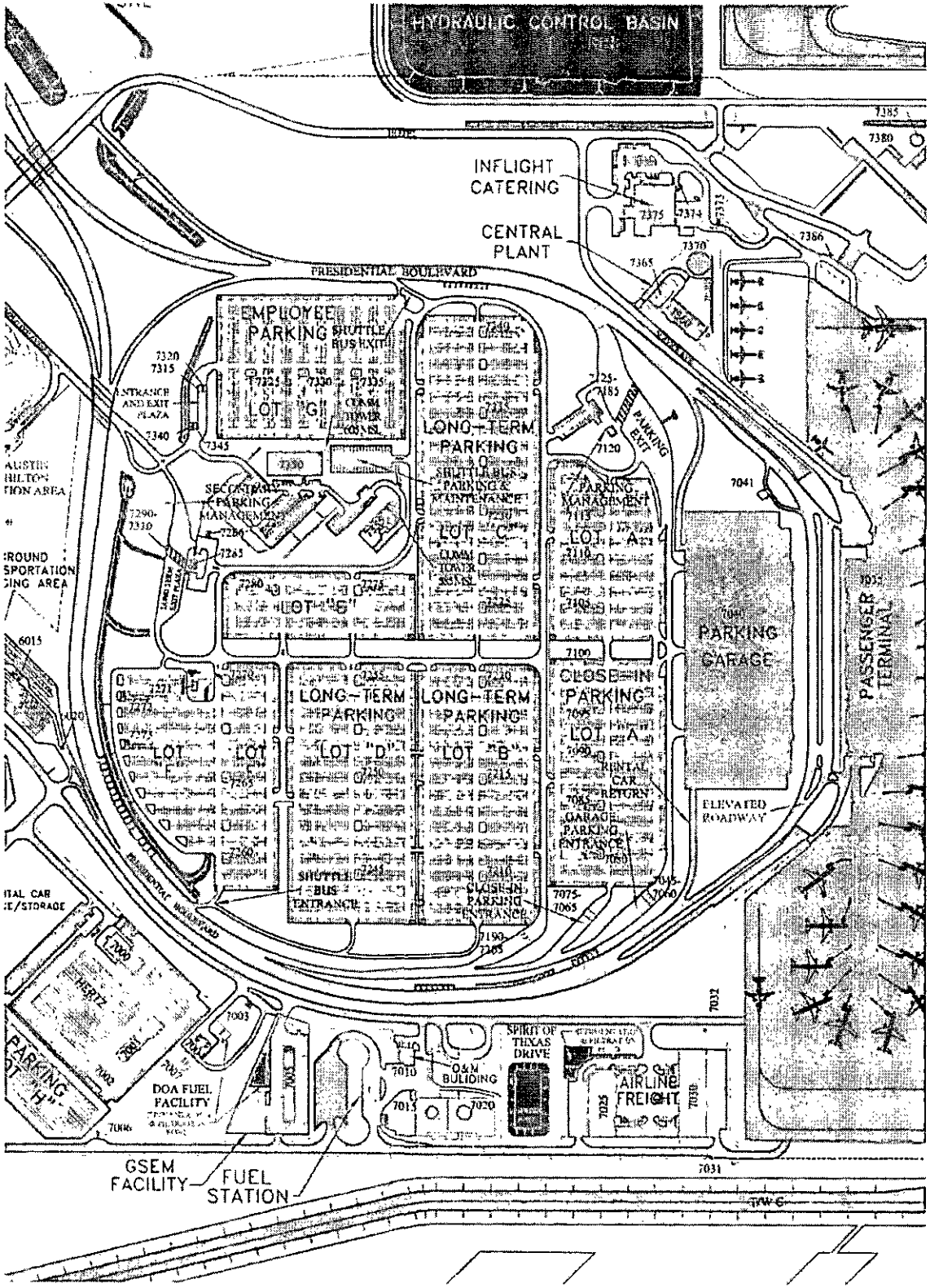
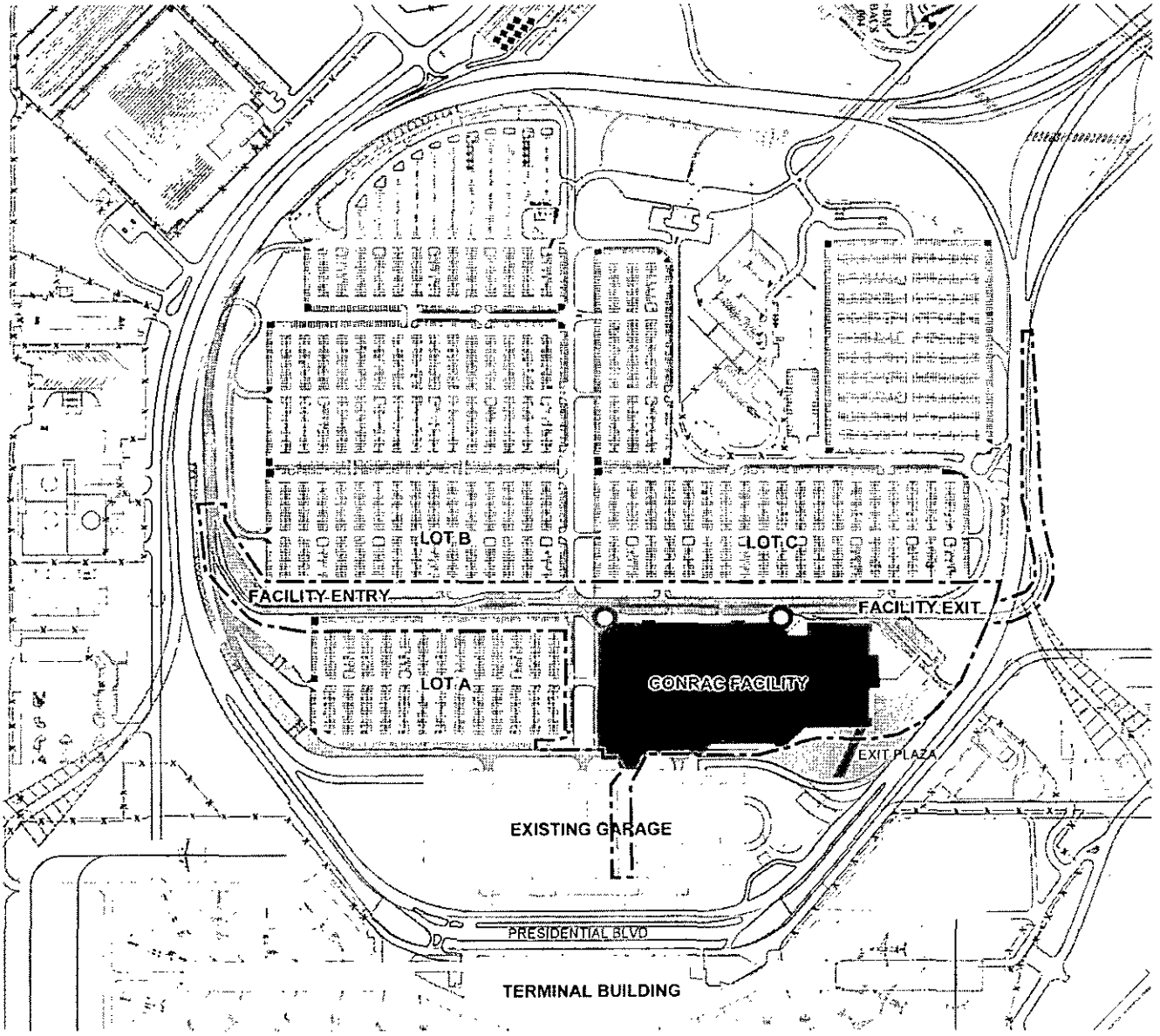
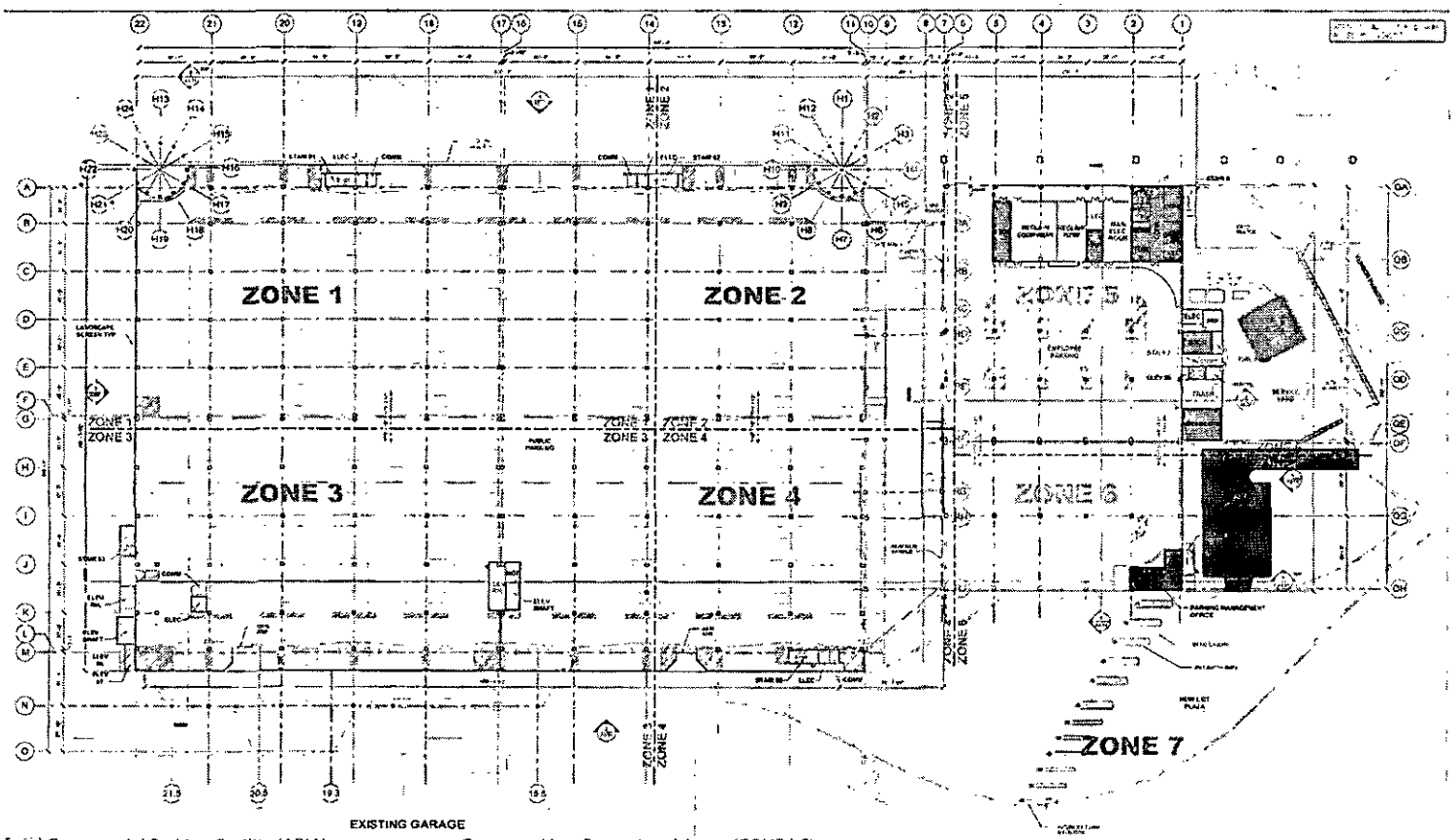

HYDRAULIC CONTROL BASIN
INFLIGHT CATERING
CENTRAL PLANT
PRESIDENTIAL BOULEVARD
EMPLOYEE PARKING
SHUTTLE BUS EXIT
LOT "G"
ENTRANCE AND EXIT PLAZA
SECONDARY PARKING MANAGEMENT
LONG-TERM PARKING
SHUTTLE BUS PARKING & MAINTENANCE
LOT "C"
PARKING EXIT
PARKING MANAGEMENT
LOT "A"
PARKING GARAGE
PASSENGER TERMINAL
ELEVATED ROADWAY
CLOSE-IN PARKING
LOT "A"
RENTAL CAR RETURN
GARAGE PARKING ENTRANCE
LONG-TERM PARKING
LOT "D"
LONG-TERM PARKING
LOT "B"
SHUTTLE BUS ENTRANCE
CLOSE-IN PARKING ENTRANCE
LOT
LOT
HERTZ
PARKING "H"
DOA FUEL FACILITY
O&M BUILDING
SPIRIT OF TEXAS DRIVE
AIRLINE FREIGHT
GSEM FACILITY
FUEL STATION
TAXIWAY G

EXHIBIT A-2

DESCRIPTION/DEPICTION OF LEASED PREMISES AFTER SUBSTANTIAL COMPLETION


LOT B
LOT C
FACILITY ENTRY
FACILITY EXIT
LOT A
CONRAC FACILITY
EXIT PLAZA
EXISTING GARAGE
PRESIDENTIAL BLVD
TERMINAL BUILDING



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

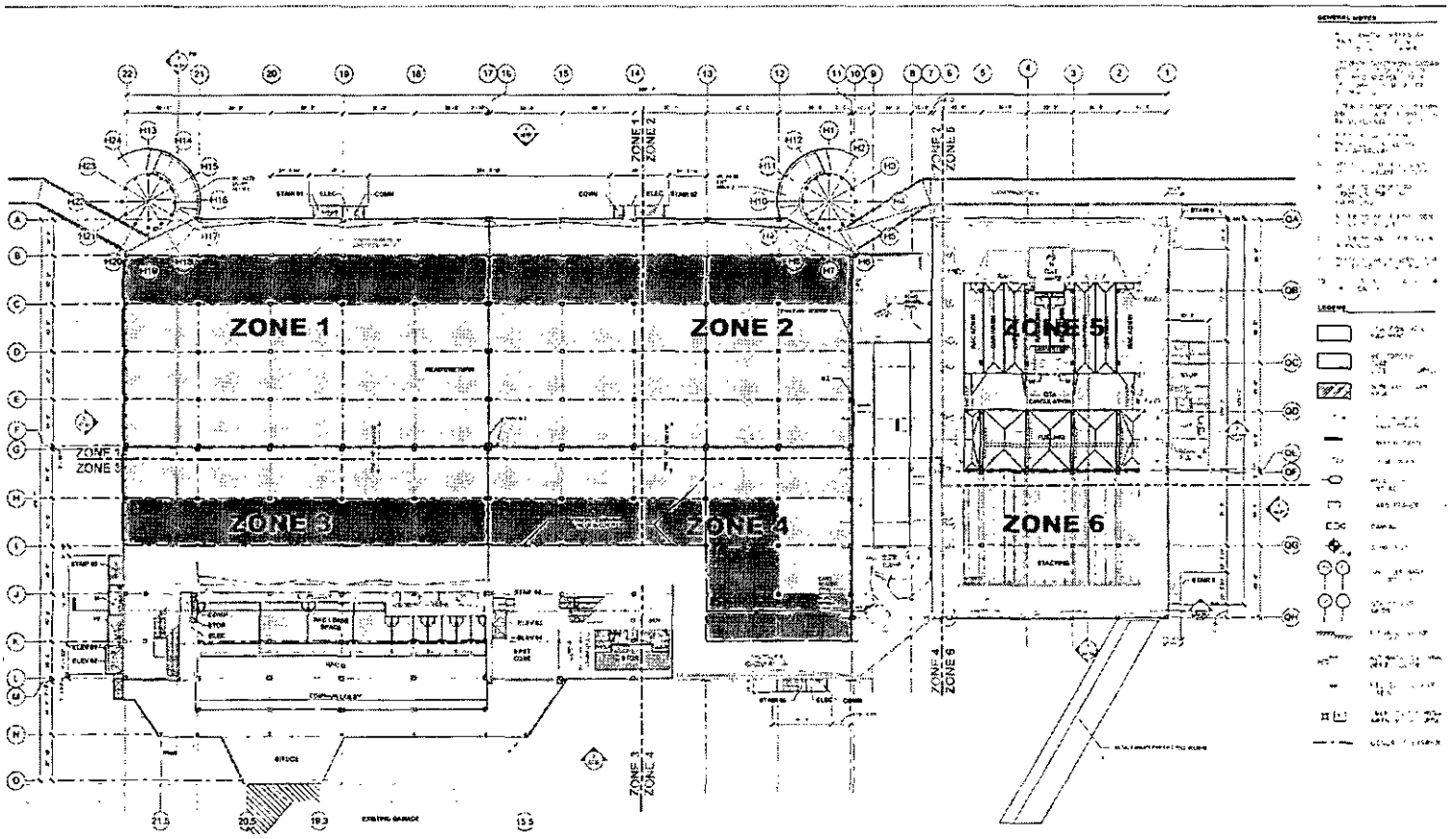
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

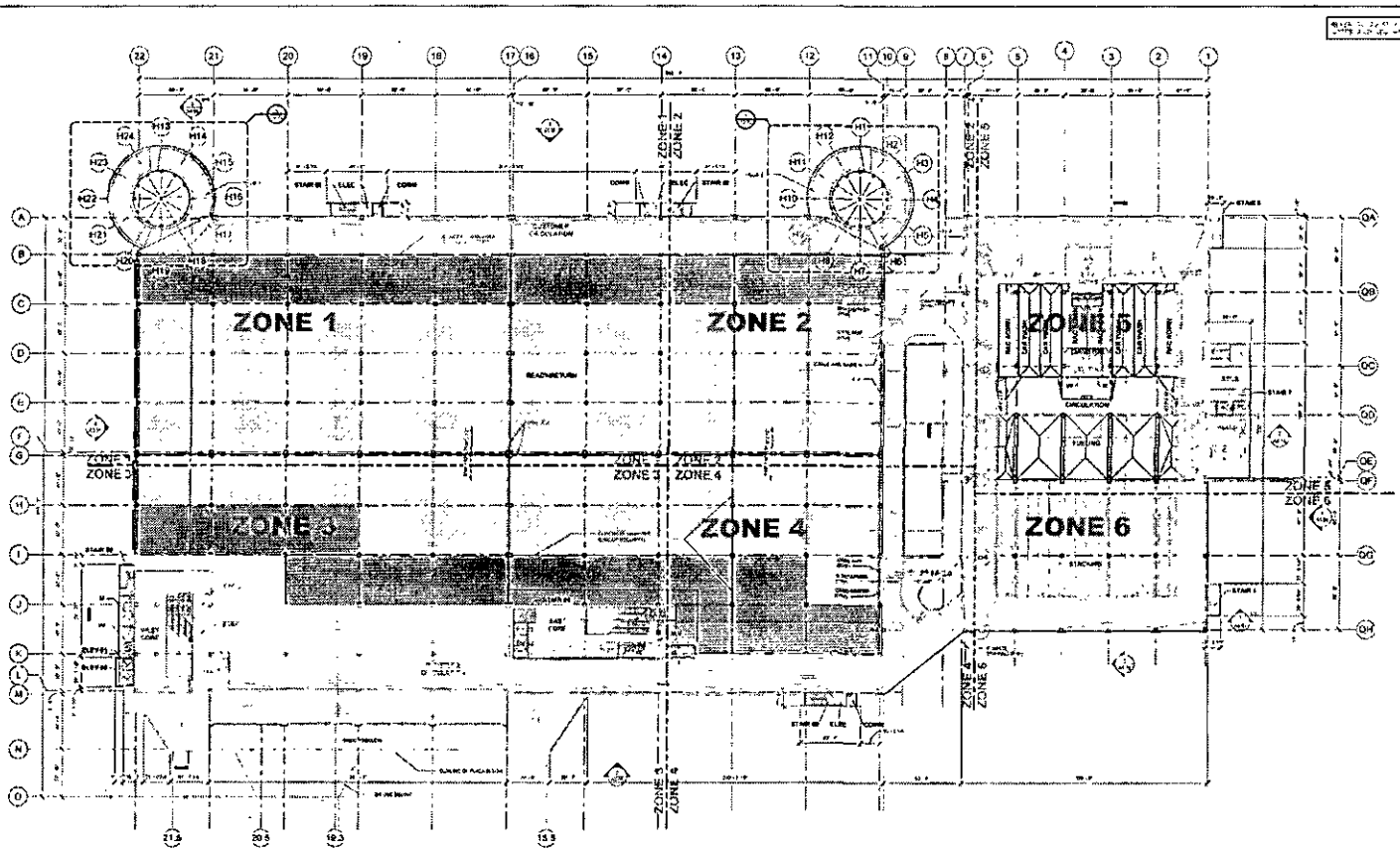
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

pd PFEFFER DESIGN

DW Dermatisi Wong architecture

100% DESIGN DEVELOPMENT SUBMITTAL

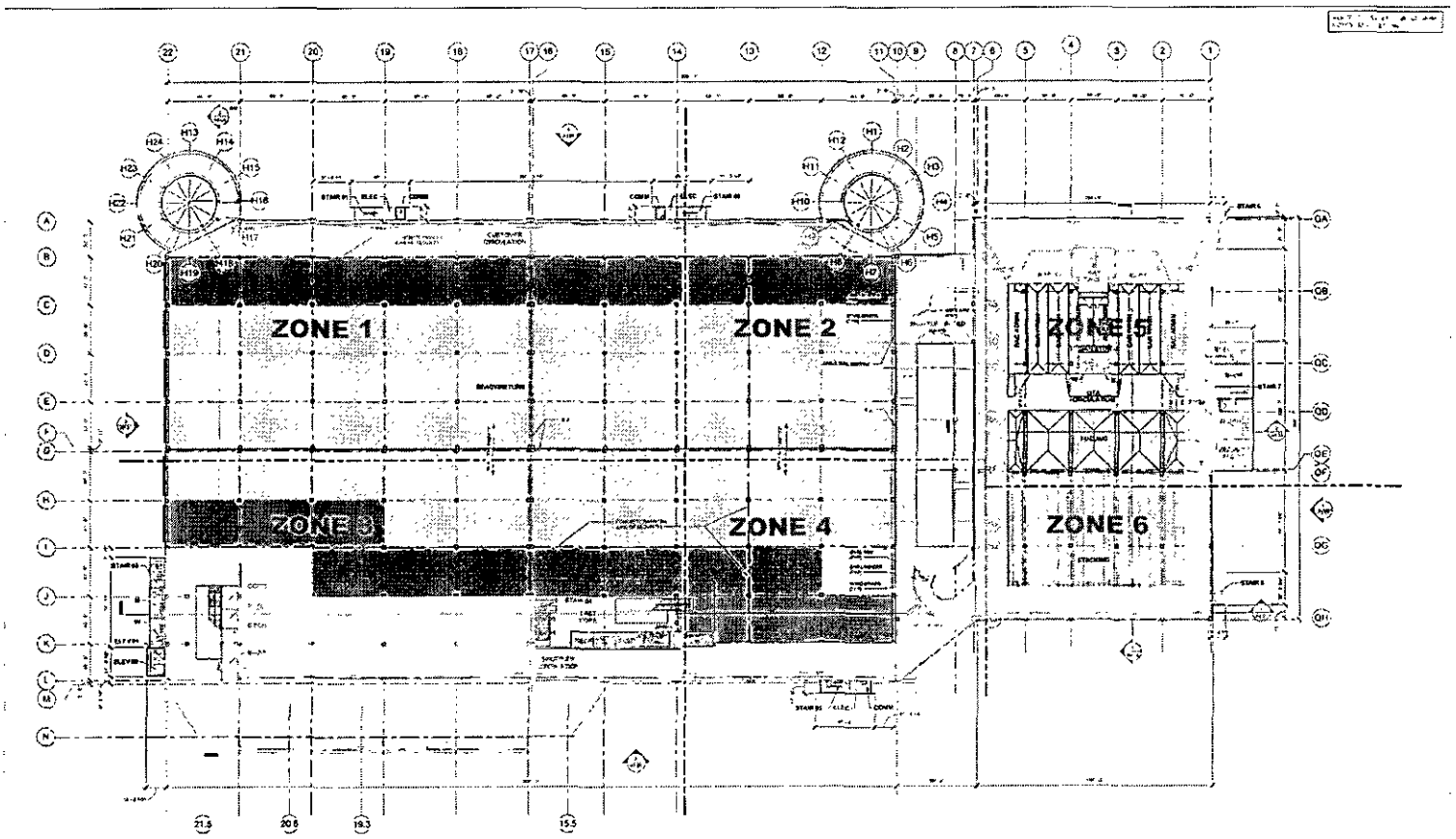
Austin Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

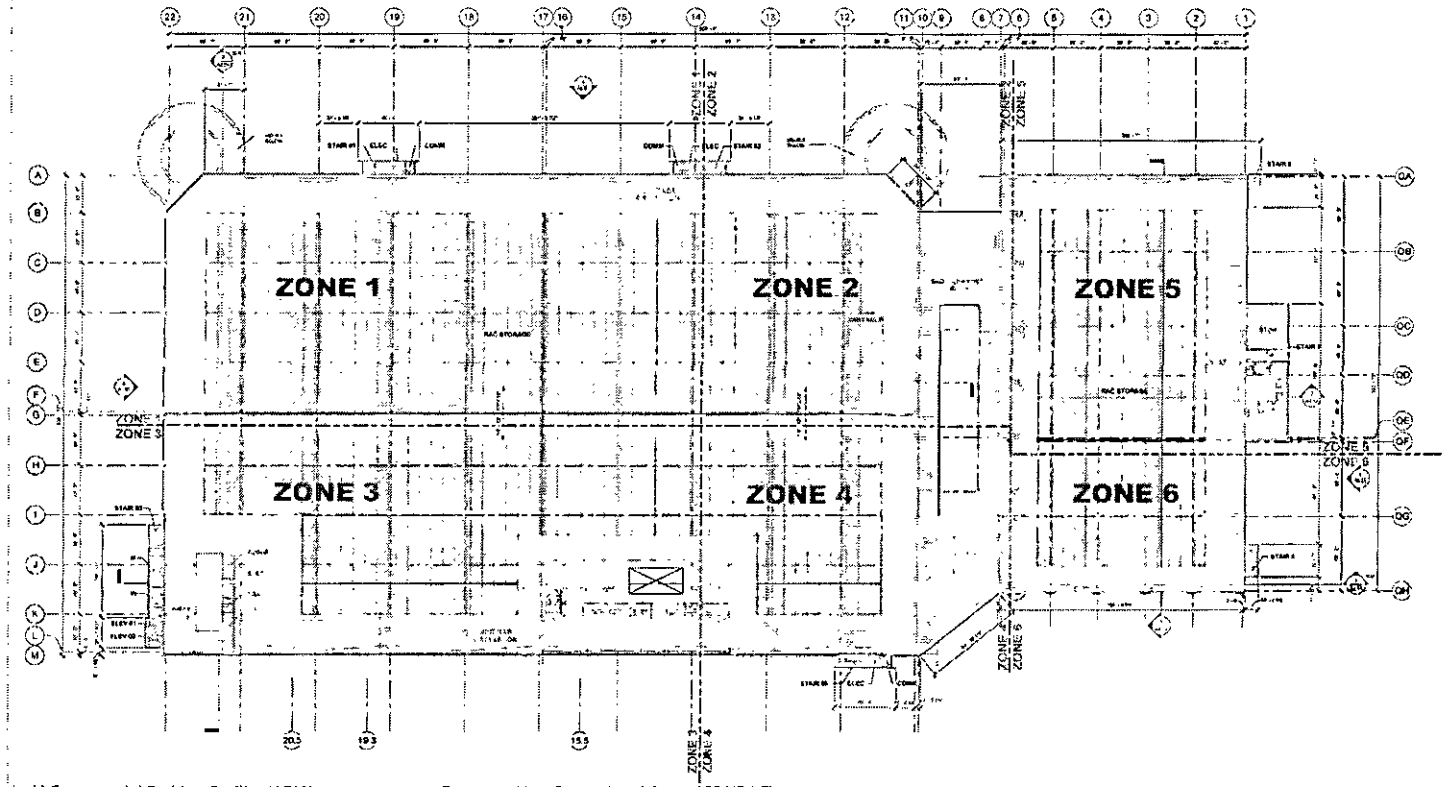
Austin-Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

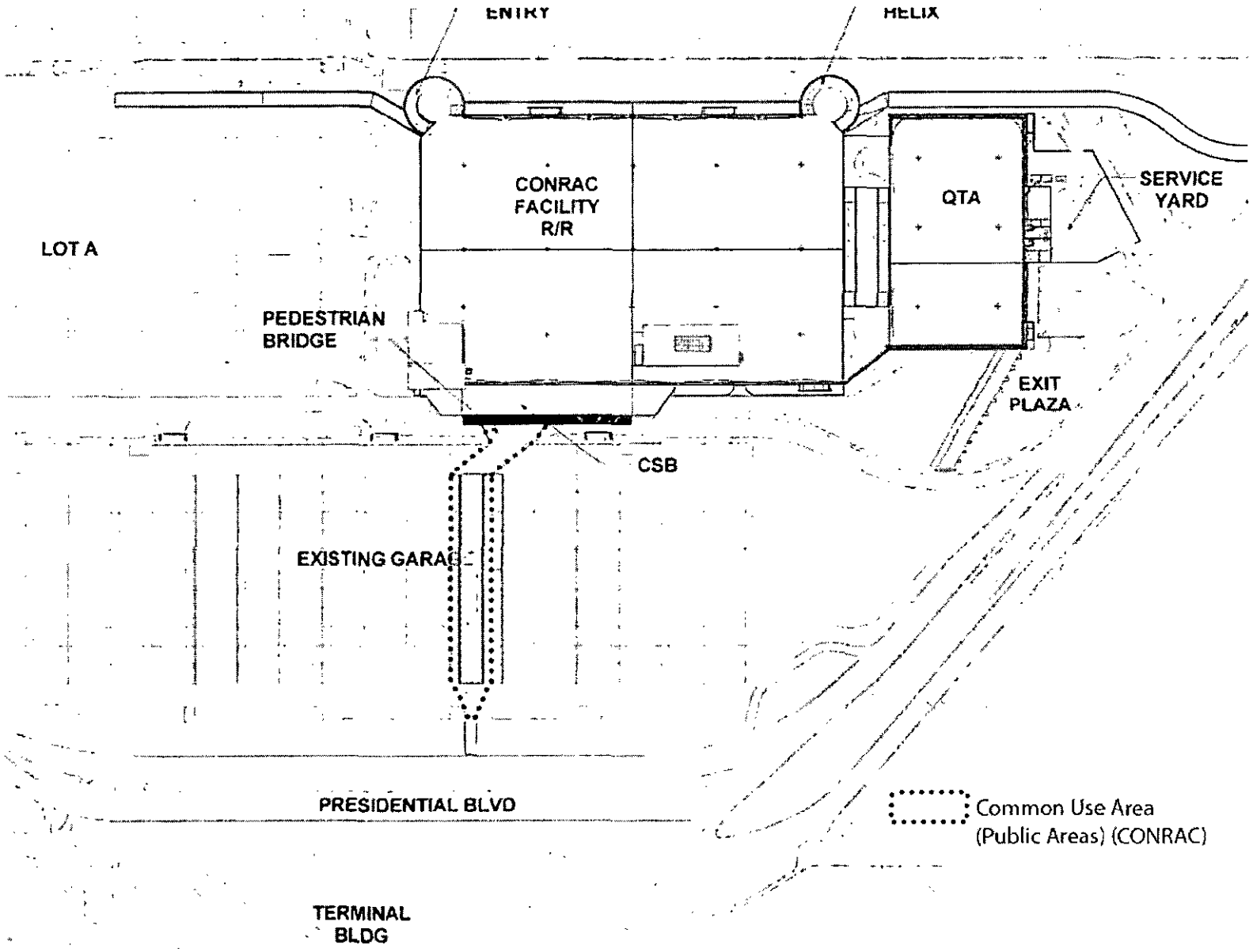
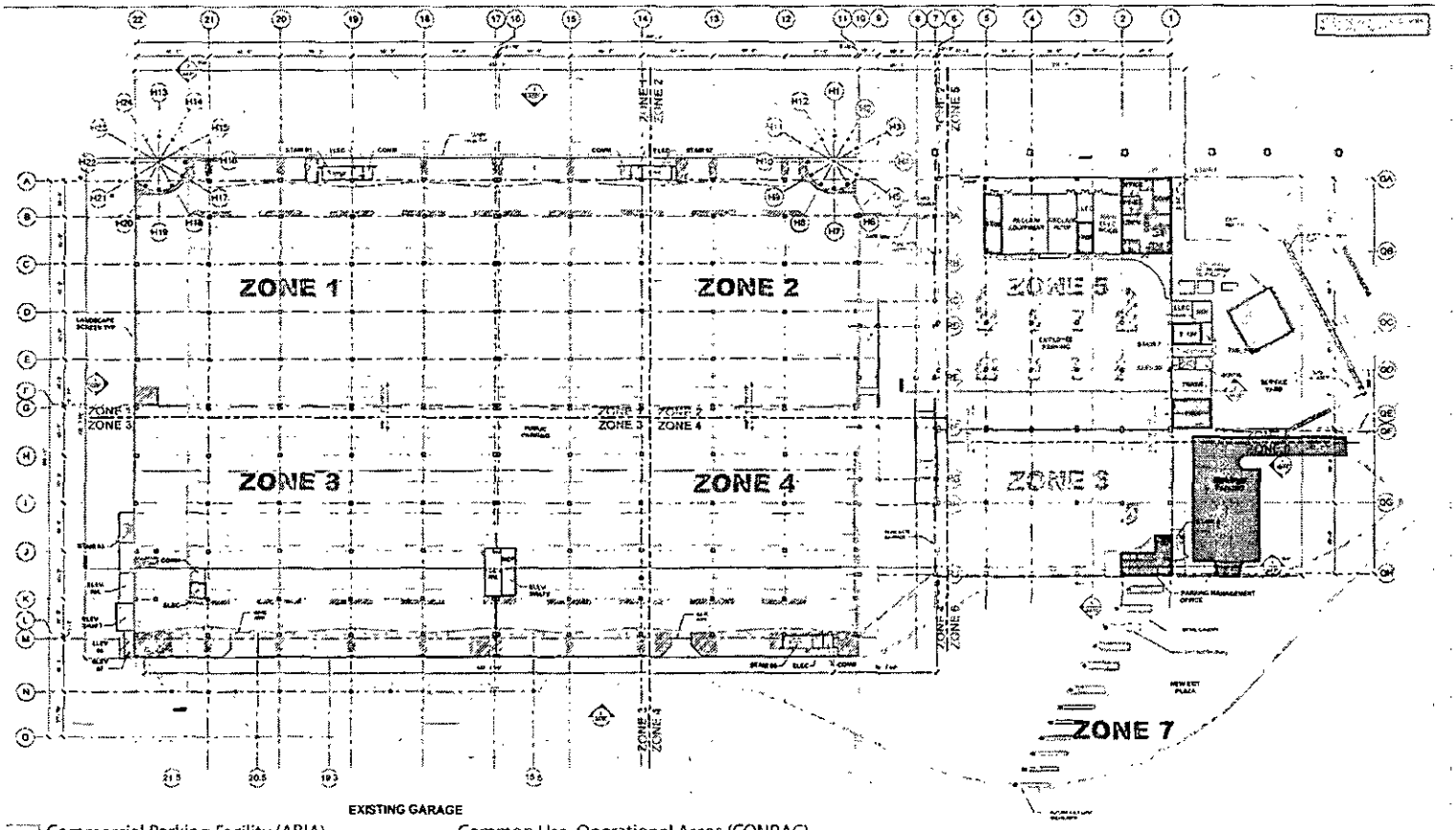

ENTRY
HELIX
CONRAC
FACILITY
R/R
QTA
SERVICE
YARD
LOT A
PEDESTRIAN
BRIDGE
EXIT
PLAZA
CSB
EXISTING GARAGE
PRESIDENTIAL BLVD
Common Use Area
(Public Areas) (CONRAC)
TERMINAL
BLDG

EXHIBIT A-3

DESCRIPTION/DEPICTION OF PREMISES RESERVED TO CITY



EXISTING GARAGE

- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

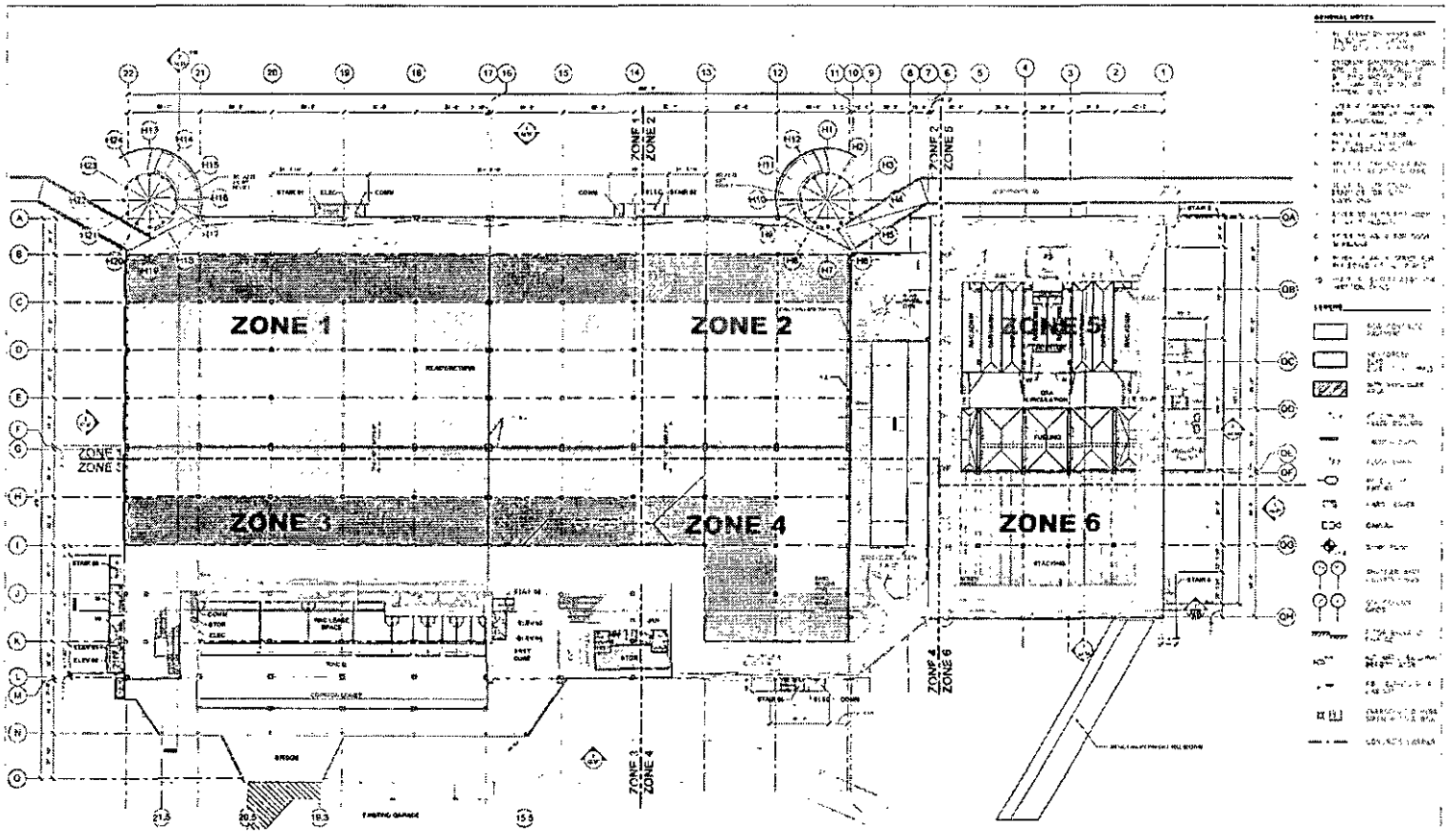
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

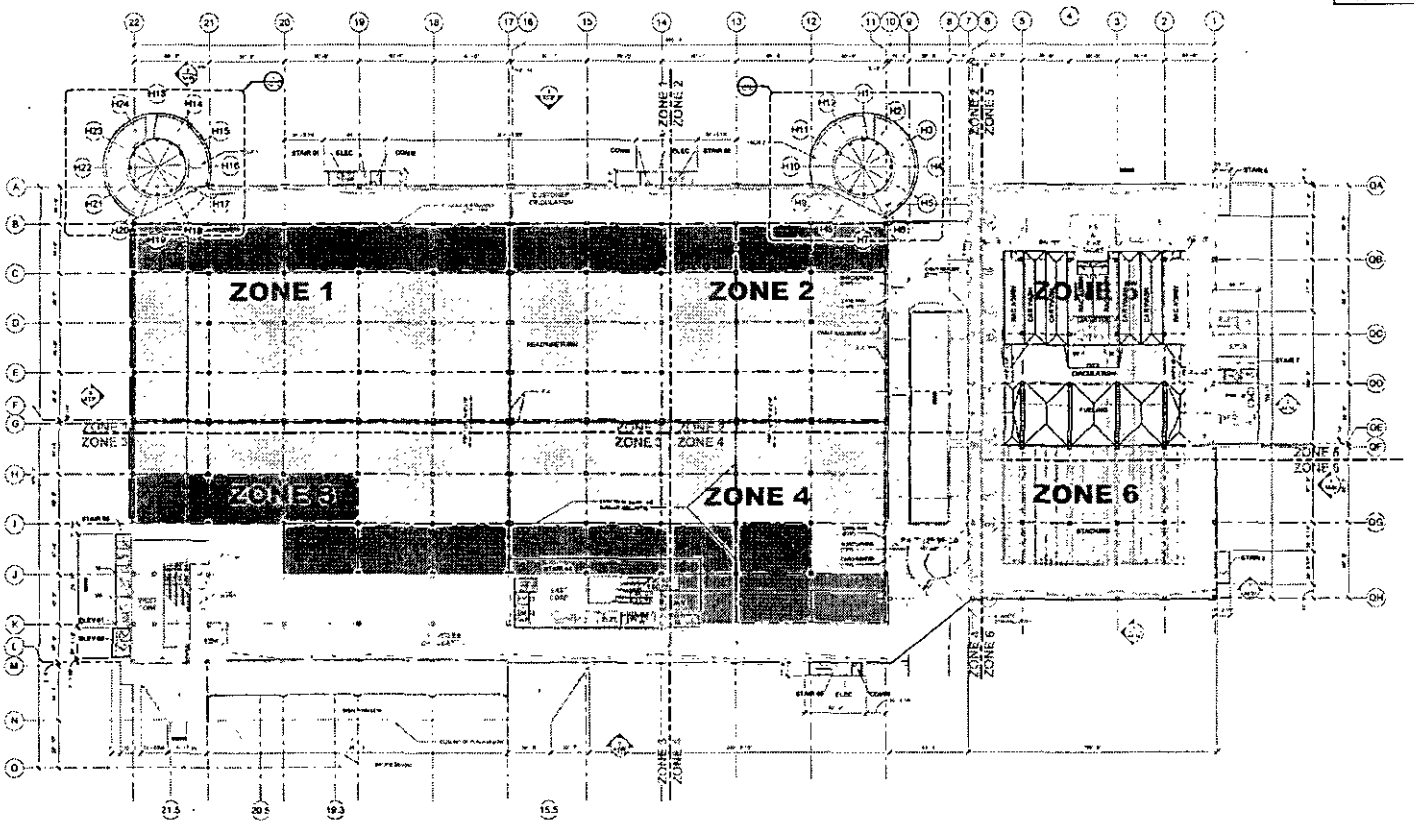
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

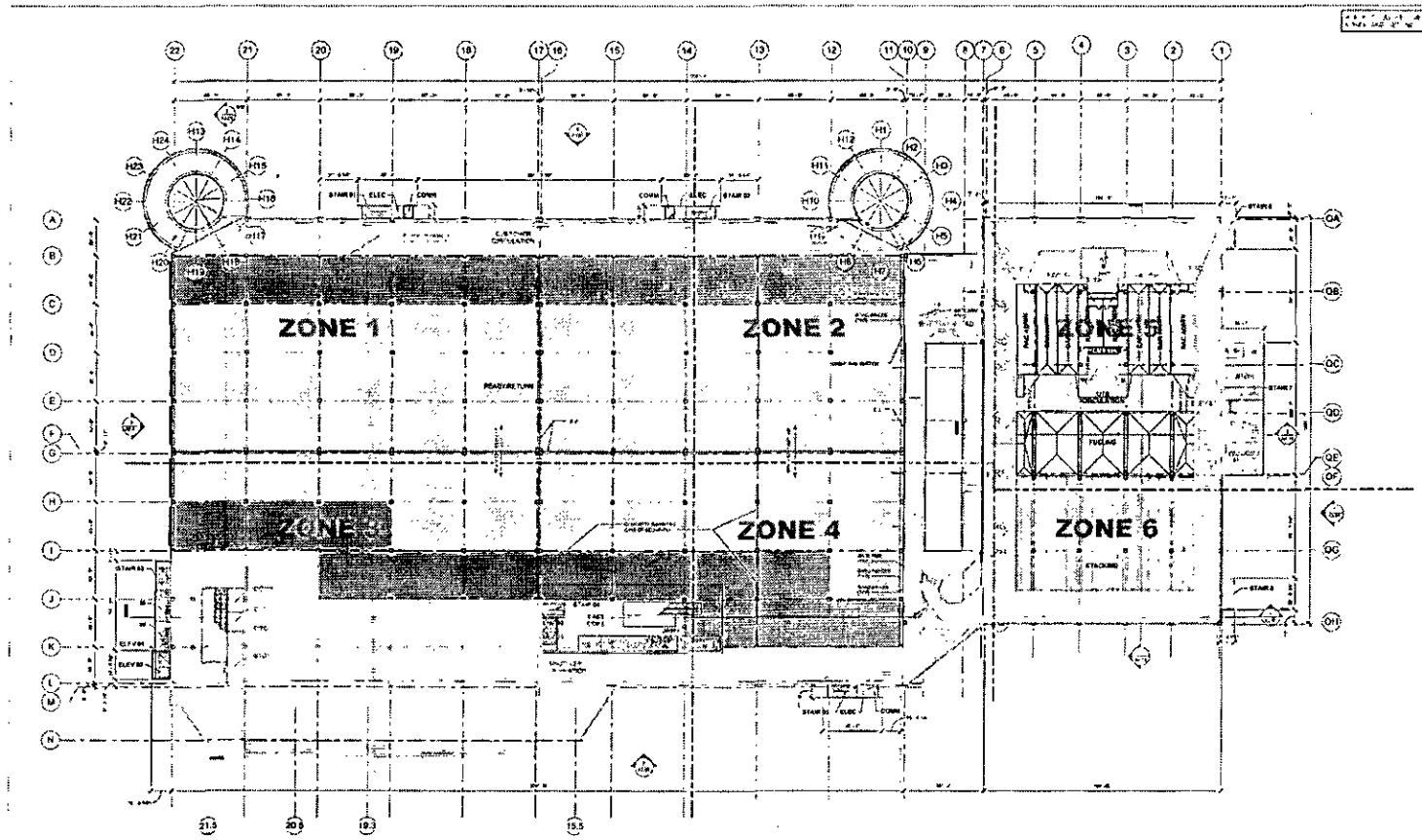
Austin-Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

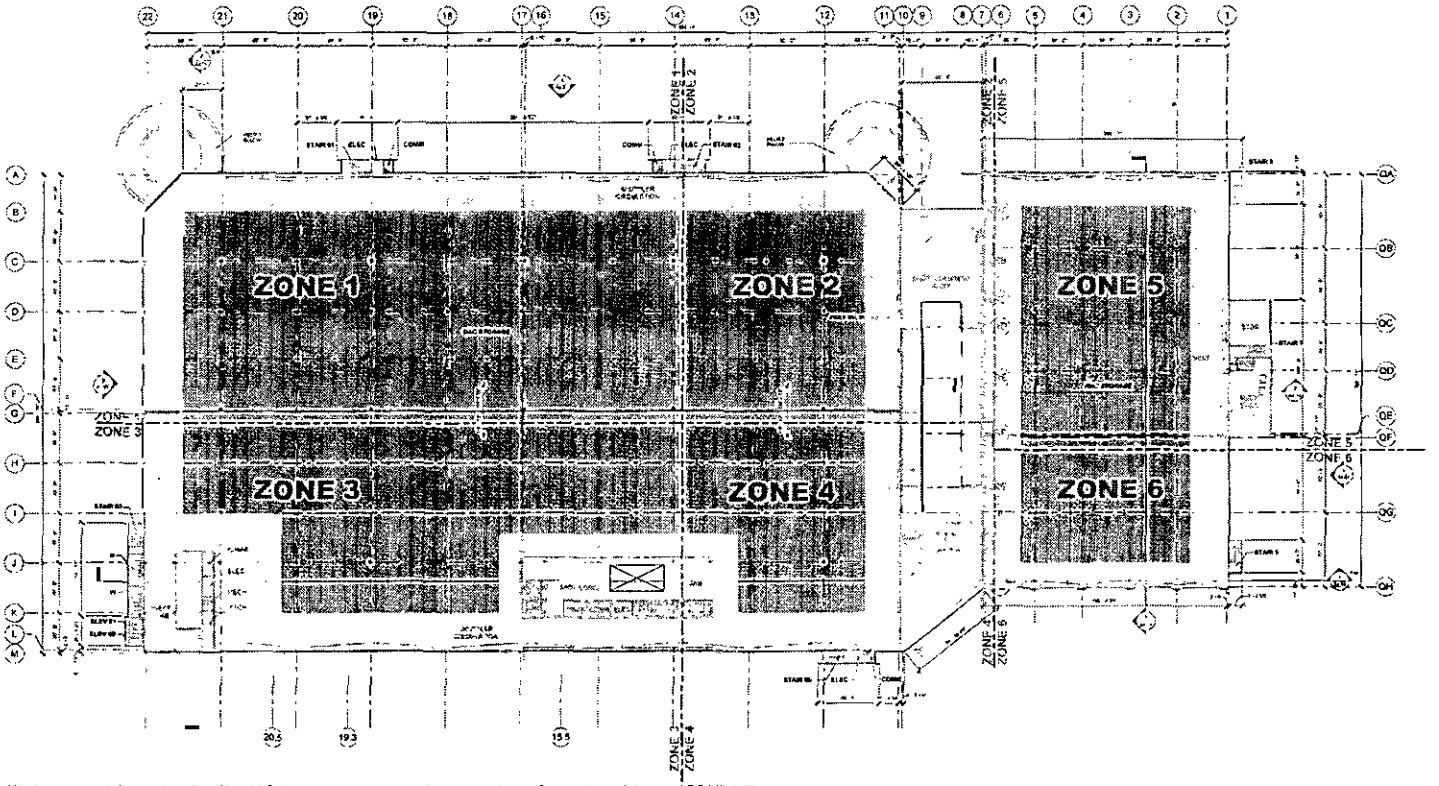
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

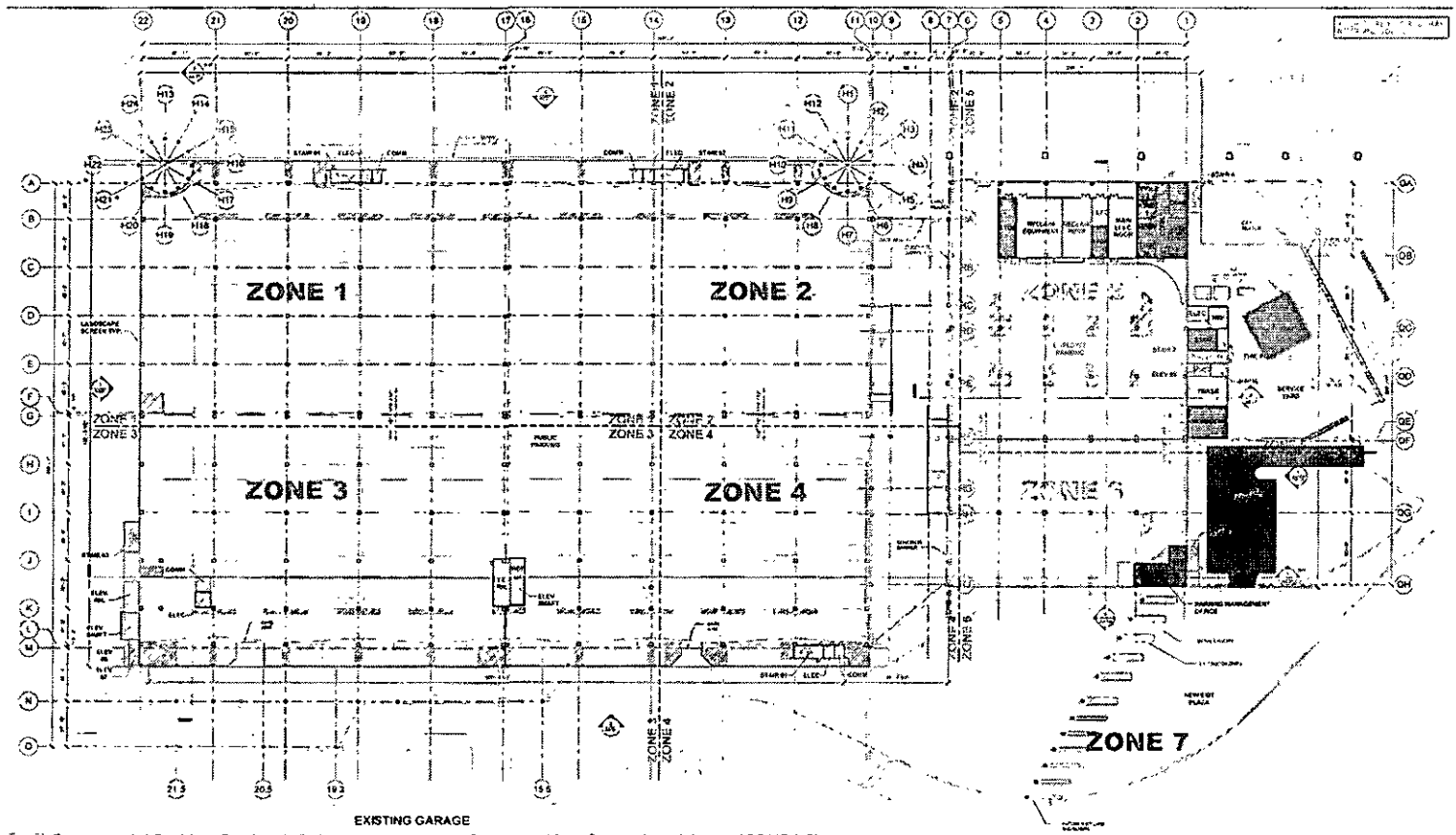
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50



- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

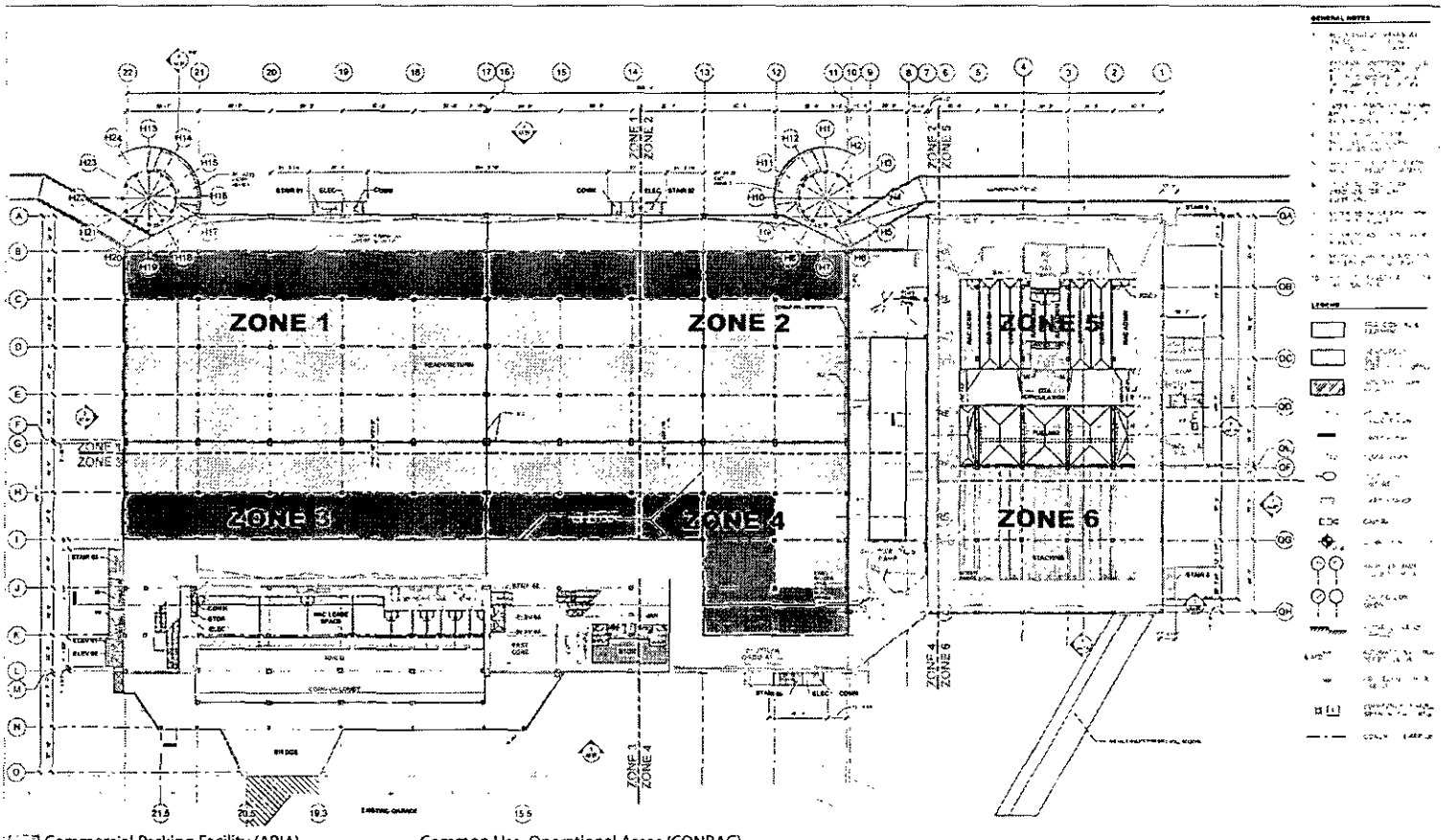
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

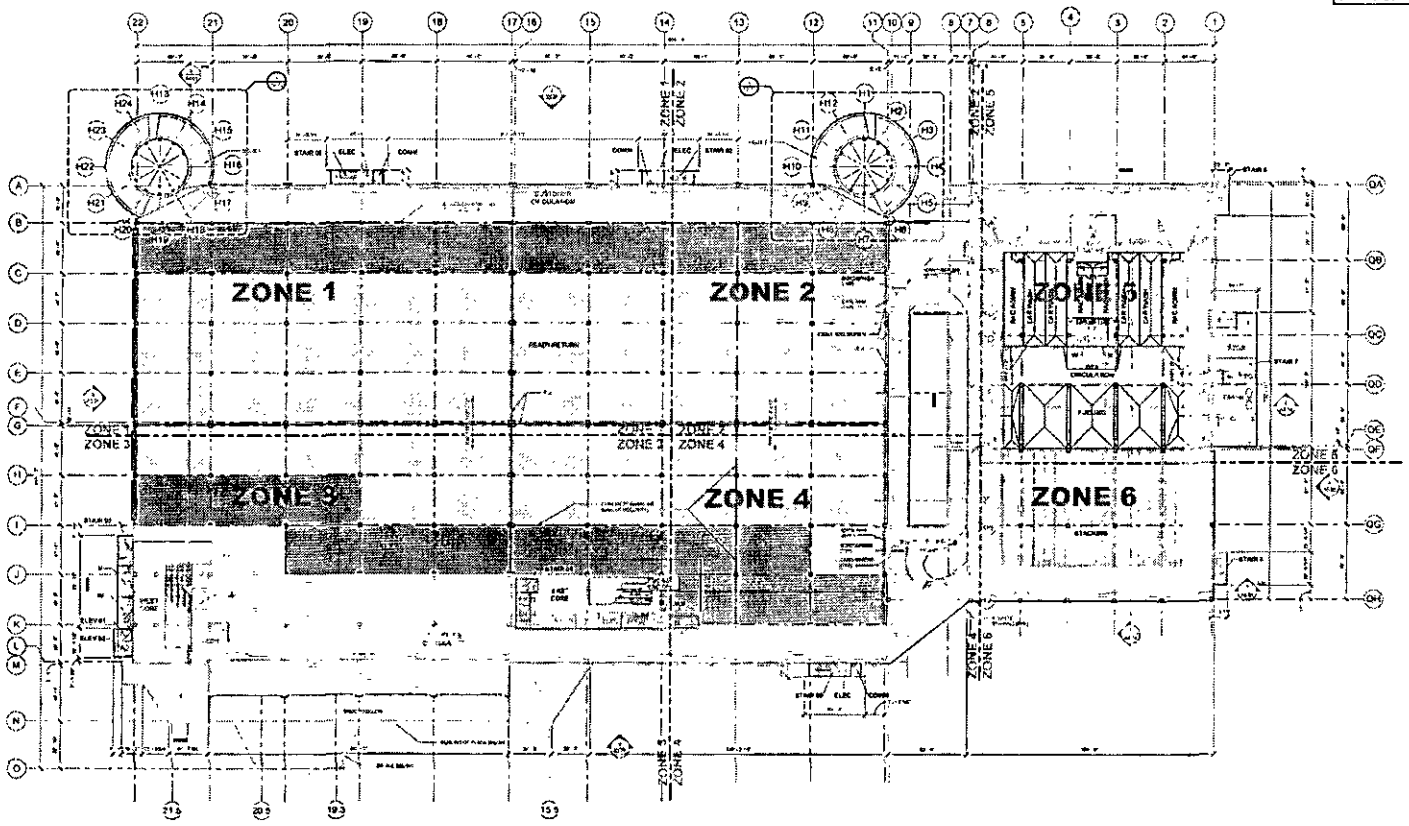
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

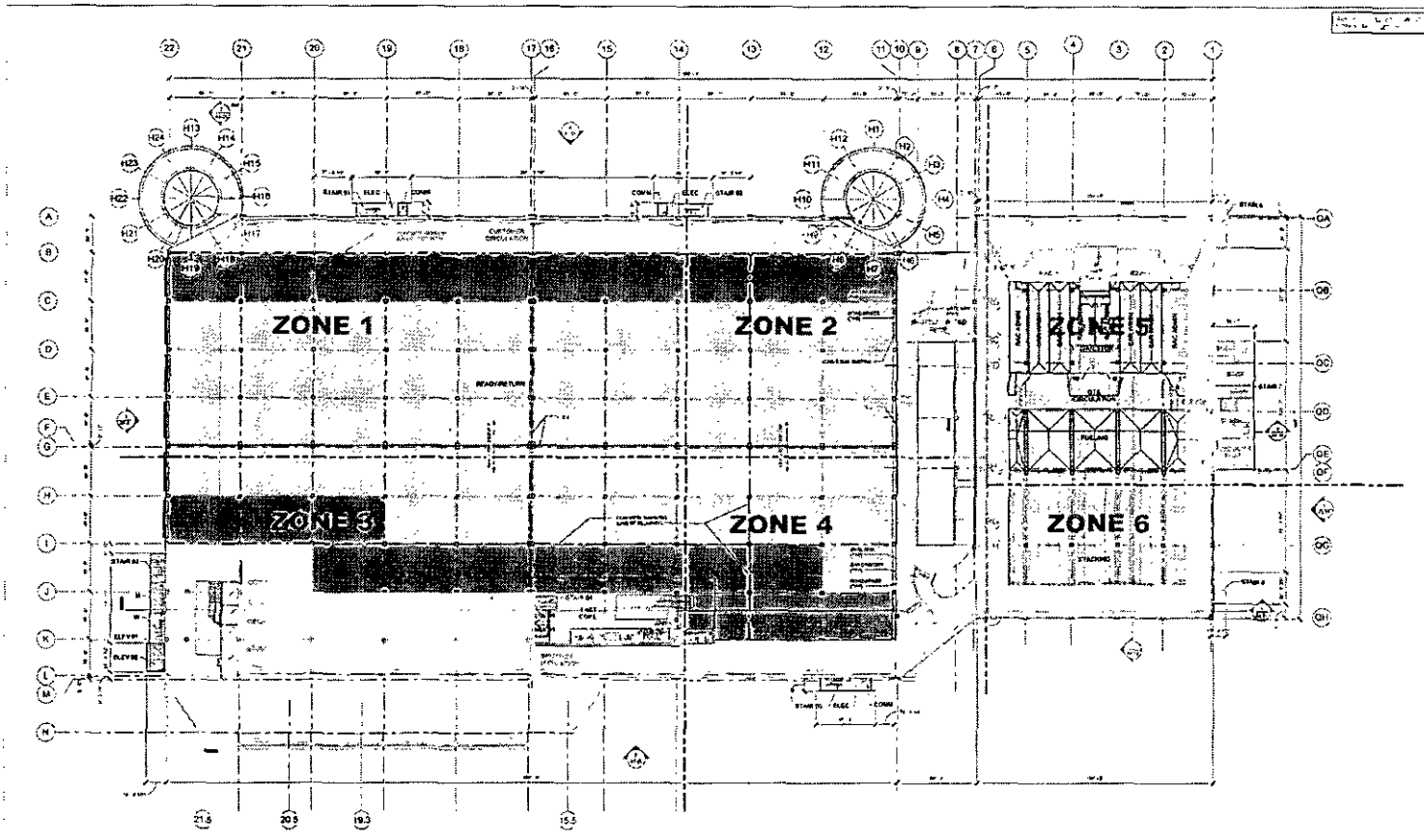
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

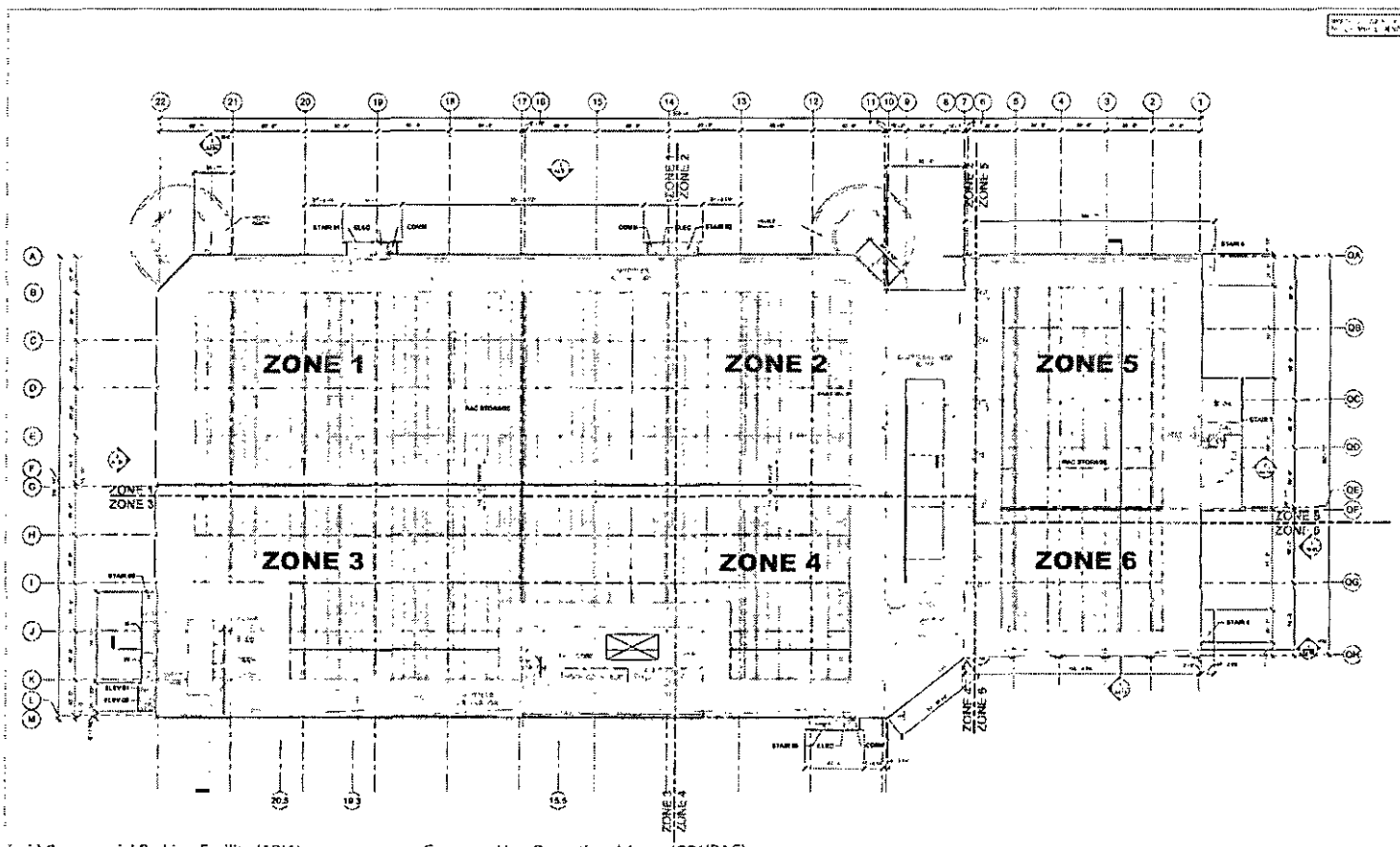
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

EXHIBIT B

RESERVED

EXHIBIT C

FORM OF DEVELOPMENT AGREEMENT

PROJECT DELIVERY AGREEMENT

THIS AGREEMENT made effective as of the 27th day of July, 2011, provided that the 2011 Reimbursement Agreement described in Recital F, below, has been fully executed, is between Austin CONRAC LLC a Texas limited liability company ("**Austin CONRAC**") and Pfeffer Development, LLC, an Alaska limited liability company registered to do business in Texas ("**Developer**").

RECITALS

A. Austin CONRAC is a single purpose entity with a Board of Managers consisting of officers or representatives of rental car companies ("**RACs" or "Participating RACS"**) that have existing concession agreements with the City of Austin, Texas, Department of Aviation, acting by and through its Director of Aviation ("**City**") to operate at the Austin Bergstrom International Airport (the "**Airport**"). The purposes of Austin CONRAC are (i) to assist the Participating RACs and the City as required in connection with the planning, construction and operation of a consolidated rental car facility at the Airport and (ii) engage in any or all lawful business for which limited liability companies may be organized.

B. Developer is a real estate development firm with substantial experience in the development, financing, leasing, managing, and design-build construction of projects including the only privately developed consolidated rental car facility ("CONRAC") in the United States.

C. Austin CONRAC wishes to pursue a development project on Eastern ½ of Parking Lot A, bounded by Lot C to the north, the Airport parking garage and its associated access road to the south, Presidential Boulevard to the east and Lot A landscaping strip to the west, at Airport (the "**Property**").

D. Austin CONRAC wishes to enter into a ground lease with the City for the private development of a new multi-story consolidated rental car facility ("**CONRAC**") at the Airport on behalf of the RACs. The CONRAC generally includes a multi level ready return area, a common customer lobby, a multi-level quick turn-around facility including fueling, car washes, vacuums and associated equipment, roadways, ingress and egress ramps and such other infrastructure as needed to make the CONRAC a first class car rental facility. The Project will also include certain replacement parking as required by the City.

E. The Participating RACS and the City entered into a Reimbursement Agreement dated July 7, 2010 ("**2010 Reimbursement Agreement**") in order to complete preliminary feasibility and client programming and investigative services, which study has been completed and delivered and has provided a basis to proceed to Phase I Development Services.

F. Austin CONRAC has or is about to enter into a subsequent 2011 Reimbursement Agreement for Phase I Consolidated Rental Car Facility effective July 27, 2011 ("**2011 Reimbursement Agreement**") with the City in order to pay for the comprehensive development services described in this Agreement to provide a sound basis for deciding whether to approve financing and construction of the CONRAC.

G. Austin CONRAC, on behalf of the RACs, desires to engage Developer to provide Phase I Development Services for the Project as detailed in this document. Such services shall be compensated from funds provided for under the 2011 Reimbursement Agreement with the City in agreed-upon amounts as set forth in the approved budgets and pay request forms attached to this Agreement.

H. Developer will provide Phase I Development Services, including contracting for design-build services to include schematic and design development drawings and Design-Builder-provided cost estimates and a lump sum cost proposal, third-party cost estimates, project management services, coordination with the City for financing for the Project, and providing due diligence efforts for Austin CONRAC as further set forth in this Agreement. The specific development services required will be identified as part of the Phase I Development Services.

I. Pre-development feasibility study work having been accomplished, development of the Project shall, subject to the qualifications in this Agreement, proceed through a Phase I Development Services stage and, contingent upon a decision to proceed, a Phase II Project Delivery stage, as further set forth in **Sections 3** and **4**, below, respectively. Phase I will (1) produce the information necessary to a decision whether to proceed to construction, (2) provide an opportunity and process for the Parties to assess the viability of the Project and (3) result in a decision whether to proceed to financing, completing the design and constructing the Project or, in the alternative, to terminating the Project after Phase 1 (the "GO or NO GO Decision", i.e., either a "GO Decision" or a "NO GO Decision", respectively) and, in the event of a GO Decision, the closing of a financing transaction. If Phase I results in a decision to proceed, Phase II will consist of the contracts for and actual construction of the Project, under a Phase II Design-Build Contract conditioned upon provision by the City of sufficient financing to complete design and construction of the Project.

J. Austin CONRAC is created as a Texas Limited Liability Company, but is expected to have no source of revenue other than funds received from the City and/or its Bond Trustee for the purposes set out in this Agreement and related agreements with Developer and the City. Accordingly, any obligation of Austin CONRAC to make payments is expressly made subject to Austin CONRAC receiving such funds under its agreements with the City and /or its Bond Trustee. In no case shall any liability or obligation of Austin CONRAC flow through or be chargeable to the Participating RACs. Nothing in this Agreement shall be construed as creating any obligation running from any one or more of the RACs to either of the Parties or to any other person or entity.

K. In anticipation of the completion and execution of the 2011 Reimbursement Agreement and this Agreement, the City issued a Limited Notice to Proceed letter to Austin CONRAC on July 27, 2011, and Austin CONRAC, in turn, issued a Limited Notice to Proceed letter to Developer on August 11, 2011.

In recognition of the recitals, which are material to this Agreement, the Parties hereby agree as follows:

DEFINITIONS AND EXHIBITS

1. Definitions and List of Exhibits.

1.1. Additional Defined Terms. Capitalized words used in this Agreement that are not defined in this **Section 1** shall have the same meaning as the capitalized words under the adapted and modified DBIA Document No. 520 (2nd ed. 2010), Standard Form of Preliminary Agreement Between Developer and Design-Builder, referred to herein as the Phase I Design-Build Contract (**Exhibit 2**),[1] and the incorporated adapted and modified DBIA Document No. 535 (2nd ed. 2010), Standard Form of General Conditions of Contract Between Developer and Design-Builder, (**Exhibit 2.7**). Words of technical usage, even if and where not capitalized, including but not limited to "hazardous materials," "design-builder," "stipulated sum," "owner" or "change orders" shall likewise have a common meaning in this Agreement as in (**Exhibit 2**) and (**Exhibit 2.7**), unless the particular context provides otherwise.

1.2. "Agreement" means this Project Delivery Agreement and any amendments thereto approved and executed by the Parties hereto.

[1] All parenthetical exhibit references are to exhibits attached to, and incorporated by reference into this Agreement.

1.3. "CFCs" means, according to context, Customer Facility Charges imposed by the Airport on car rental transactions at the Airport and required to be collected by the RACs from car rental customers to pay costs of financing, developing, and operating the CONRAC, as well as the collected proceeds of those charges.

1.4. "Design-Builder" means Austin Commercial, L.P., a construction contracting company with experience in both design-build contracting and consolidated rental car facility construction. In the event Austin Commercial, L.P. is replaced with an alternate design-build contractor, "Design-Builder" shall then refer to that alternate design-build contractor.

1.5. "Development Services" means all work and effort described in this Agreement to be performed by or though the Developer to produce information necessary for the RACs, Austin CONRAC, the City, and the Developer to assess the viability of the Project and come to a decision whether to proceed to Phase II Project Delivery or to terminate the Project ("**GO or NO GO Decision**") and, in the event of a GO Decision, the closing of a financing transaction.

1.6. "Effective Date" means the date the terms of this Agreement go into effect, which shall be that date on which the 2011 Reimbursement Agreement becomes effective.

1.7. "**Final Completion**" means the full completion of the CONRAC in accordance with the applicable contract documents and all applicable standards, codes, laws, and ordinances, including the completion of all punch list items, such that all portions of the CONRAC are ready for occupancy and use as intended.

1.8. "**Financing Plan**" means the entire process of financing the Project by the City using both collected and future CFC funding and other funding made available and approved by agreement among the RACs and the City for the purpose of funding the Project costs as shown in the Phase II Final Project Budget developed based on the Pricing Documents. The Plan includes all documentation reasonably necessary to sell such Bonds as may be created in the financing plan, in ready-to-sign format, to allow funding for Phase II of the Project.

1.9. "Lump Sum" means the stipulated amount of money identified in a contract or subcontract for which a party agrees to complete services related to the Project, and which amounts are not subject to modification without the consent of all parties to the contract.

1.10. "Lump Sum Cost Proposal" means a firm dollar price offer by the Design-Builder to complete the design and provide all labor, and materials to complete construction of the Project under the Phase II Design-Build Contract, and is used to refer, according to context, to an initial offer based on the Design-Builder's own cost estimates, a proposed final offer following reconciliation with the third-party cost estimator(s) and a final offer as approved by the Parties in the event of a GO Decision.

1.11. "**Notice to Proceed**" means, as applicable, first the written notice jointly from Austin CONRAC and the City to Developer directing Developer to proceed with the Phase I work and, upon receiving a "Go" from the RACS and the City, a subsequent joint written notice from Austin CONRAC and the City, to Developer directing Developer to proceed with the Phase II work.

1.12. "Parties" means, with respect to this Agreement, Developer and Austin CONRAC, with the City and the Participating RACs as intended third-party beneficiaries. With reference to any other contract or agreement, "parties" means the entities signatory to that contract or agreement.

1.13. "Phase I" means the period and effort for Development Services running until the earlier of the date of (1) issuance of the Phase II Notice to Proceed, (2) issuance of notice of termination or (3) the expiration of all time for a GO or NO GO Decision under **Sections 3.4** and **3.4.1**.

1.14. "Phase I Design-Build Contract" means the agreement between Developer and the Design-Builder for Phase I of the Project, which shall be substantially in the form of the attached adaptation of DBIA Document No. 520 (2nd ed. 2010), Standard Form of Preliminary Agreement Between Developer and Design-Builder, (**Exhibit 2**).

1.15. "Comprehensive Development Budget" means **Exhibit 1,** the schedule of amounts allocated to the various components of each phase of the Project, the Feasibility Phase having been accomplished, the actual Phase I Development Services amounts having been approved for reimbursement under the 2011 Reimbursement Agreement, and the identified Phase II Project Delivery amounts being target amounts to guide development of the Phase I Deliverables.

1.16. "Phase II" means the period of time and effort undertaken after the decision to proceed to Phase II is made and a financing transaction has closed, begins with the issuance of the Phase II Notice to Proceed, includes the

commencement and duration of construction of the Project, and will run until the date of Austin CONRAC's acceptance of Final Completion as set forth in Section 5.2.1 to the Phase II Design-Build Contract (**Exhibit 7**).

1.17. "Phase II Design-Build Contract" means the agreement between Developer and the Design-Builder for Phase II of the Project, which shall be substantially in the form of the adaptation of DBIA Document No. 525 (2010 Edition), Standard Form of Agreement Between Developer and Design-Builder - Lump Sum (**Exhibit 7**).

1.18. "Phase II Final Project Budget" means the schedule of amounts allocated to the various components of each phase of the Project, the Feasibility Phase having been accomplished, the Phase I Development Services amounts that have been approved for reimbursement under the 2011 Reimbursement Agreement, and the Phase II Project Delivery amounts being determined at the conclusion of Phase I based on the Phase I Deliverables and made final for purposes of proceeding to Phase II.

1.19. "Pricing Documents" means the Design Development Documents to be created by the Design-Builder under Section 2.3 of the Phase I Design-Build Contract (**Exhibit 2**), and which shall be that level of design plans and specifications sufficient for the Design-Builder to provide a Lump Sum Cost Proposal for the completion of all design and construction necessary to complete the Project under the terms and conditions of the Phase II Design-Build Contract (**Exhibit 7**).

1.20. "Project" means all work and efforts undertaken or to be undertaken in the feasibility phase, Phase I Development Services and Phase II Project Delivery for the design, financing and construction of the CONRAC as generally described in **Recital D,** above, from the beginning of the feasibility phase through Austin CONRAC's acceptance of Final Completion as set forth in Section 5.2.3 of the Phase II Design-Build Contract (**Exhibit 7**).

1.21. "Project Delivery" means all work and efforts to be undertaken following a decision to proceed and pursuant to a Phase II Notice to Proceed to close on financing, complete design and accomplish construction of the Project to Final Completion.

1.22. "Property" means the Property as described in **Recital C**, above, and is more fully described in the attached drawings and /or surveys.

1.23. "Substantial Completion" means the point at which a Certificate of Occupancy has been issued for the Project by the City, there are no items of uncompleted, nonconforming, deficient or defective work or services that preclude occupancy of the facility by the RACs for the intended purposes, and the Project is made available to the RACs for occupancy to carry out tenant improvements and subsequent operations.

1.24. Exhibits attached to this Agreement—portions and attachments to which may be prepared during Phase I and attached for Phase II after execution–include the following:

Phase I - Development Services

Exhibit 1 Comprehensive Development Budget
Exhibit 2 Phase I Design-Build Contract.
- Exhibit 2.1 Qualifications and Assumptions
- Exhibit 2.2 Program Requirements and Concept Drawings
- Exhibit 2.3 Concept Cost Estimate
- Exhibit 2.4 Design Deliverables Lists
- Exhibit 2.5 Development Services Schedule
- Exhibit 2.6 Schedule of Values and Payment Schedule
- Exhibit 2.6.1 Insurance Requirements (Exhibit B-7 to Phase I Design-Build Contract)
- Exhibit 2.7 Standard Form of General Conditions of Contract Between Developer and Design-Builder, adapted from DBIA Document No. 535 (2nd ed. 2010)
- Exhibit 2.8 Standard Form of Agreement Between Design-Builder and Designer, adapted from DBIA Document No. 540
  - Exhibit 2.8a Design Services
  - Exhibit 2.8b Not Used
  - Exhibit 2.8c Not Used
  - Exhibit 2.8d Not Used
  - Exhibit 2.8e Designers' Compensation and Payment
  - Exhibit 2.8f Insurance Requirements
  - Exhibit 2.8g City of Austin Contract Language (2011 Reimbursement Agreement Provisions)

Exhibit 3 Phase I Developer Schedule of Values and Payment Schedule
- Exhibit 3.1 Consultants and Key Personnel

Phase II - Project Delivery

Upon completion of Phase I and a decision to proceed to Phase II, documents generated during Phase I will be added as Exhibits 4, 5 and 6, and a copy of the finally negotiated and executed Phase II Design Build Contract shall replace the originally attached Exhibit 7 to govern Phase II Project Delivery, as follows:

Exhibit 4	Pricing Documents and Design-Build Lump Sum Cost Proposal (to be generated during Phase I and attached to this Agreement for Phase II)
Exhibit 5	Phase II Final Project Budget (to be generated during Phase I and attached to this Agreement for Phase II)
Exhibit 6	Phase II Project Delivery Schedule (to be generated during Phase I and attached to this Agreement for Phase II)
Exhibit 7	Form of Phase II Design-Build Agreement, (to be adapted from DBIA Document No. 525 **(2nd ed. 2010),** Standard Form of Agreement Between Developer and Design-Builder – Lump Sum) (This form agreement to be replaced for Phase II by a copy of the final accepted agreement between Developer and Design-Builder)

PREDEVELOPMENT PHASE

2. **Feasibility Study.** Predevelopment services, consisting primarily of preparation of a feasibility study, were completed prior to execution of this Agreement.

PHASE I

3. **Phase I – Development Services.**

3.1. Scope of Work. Attached to this Agreement are the Phase I Comprehensive Development Budget (**Exhibit 1**) and the Phase I Design-Build Contract (**Exhibit 2**) for development of the Project as described in the Program Requirements and Concept Drawings (**Exhibit 2.2**) according to the Development Services Schedule (**Exhibit 2.5**), all of which have been prepared under or subsequent to the 2010 Reimbursement Agreement. During Phase I of the Project, Developer and its consultants, including the Design-Builder and the Design-Builder's consultants, use these documents as the basis for developing the Phase I Deliverables to become part of the Phase II Design-Build Contract. Such efforts will require Developer and its consultants, including the Design-Builder and its consultants, to complete or contract to complete the design and development of the Project to a

level of design drawings and specifications, referred to in this Agreement as Pricing Documents, sufficient for the Design Builder to submit a Lump Sum Cost Proposal and for Developer to present a proposed Phase II Design-Build Contract to Austin CONRAC and the City, and to identify all other development costs for the Project and to present a proposed Phase II Final Project Budget, coordinated with the Financing Plan, to Austin CONRAC for a concurrent decision by Austin CONRAC and to the City for their respective decisions as part of the "GO or NO GO Decision." Austin CONRAC, after consulting with and obtaining the approval of the RACs, shall decide whether to approve Developer's execution of the Phase II Design-Build Contract, subject to the City's decision whether to enter into the various agreements required for lease of the site and to provide the financing required for the Project to proceed under the Phase II Design-Build Contract.. The scope of work for Phase I shall include provision by Developer and its Design Builder of the following deliverables (certain of which, as noted, to become, upon acceptance by all Parties, exhibits to this Agreement concurrent with the issuance of a Phase II Notice to Proceed in the event of a "GO" decision): the Pricing Documents and Lump Sum Cost Proposal (to become **Exhibit 4**), a Phase II Final Project Budget (to become **Exhibit 5**), the Phase II Project Delivery Schedule (to become **Exhibit 6**), and the execution form of the Phase II Design-Build Contract (**Exhibit 7**), the draft Financing Documents, and copies of all other agreements between Developer and its other consultants for the design and construction of the Project (collectively, "**Phase I Deliverables**"). The time for delivery of the Phase I Deliverables is established in the Development Services Schedule (**Exhibit 2.5**). Any delay of Austin CONRAC or failure of Austin CONRAC to meet a deadline set by the Development Services Schedule shall extend the time for Developer's performance by an equal number of days for the performance of Phase I work and the deadline to issue the Phase II Notice to Proceed.

3.1.1. Design-Build Lump Sum Cost Proposal. Developer shall contract with the approved Design-Builder and any other necessary consultants to develop a Design-Build Lump Sum Cost Proposal which will identify the cost of the structural features and design elements of the Project, the inclusion of which will not exceed the Phase II Final Project Budget. Austin CONRAC covenants and represents that it will accurately advise Developer of all elements relating to RAC business and operations that the RACs need to have included in the Project as part of the Phase I process. If Austin CONRAC issues a Phase II Notice to Proceed under **Section 3.4**, below, the accepted Design-Build Lump Sum Cost Proposal, as amended under that section, if applicable, shall be attached to this Agreement as part

of **Exhibit 4**, incorporated into the Phase II Design-Build Contract (**Exhibit 7**) in the form finally approved by the Parties, as well as by the Design-Builder and the City, and thereby incorporated into the Phase II Notice to Proceed.

3.1.2. Phase II Final Project Budget. Developer shall develop and provide a proposed Final Project Budget. The proposed Final Project Budget will set forth all Lump Sum cost components and allowance components, including but not limited to the Phase II Lump Sum Development Base Fee and Phase II Lump Sum Development Fee At-Risk amounts, the Lump Sum for the design-build construction of the Project, and all other fees and costs of Austin CONRAC and its consultants required for completion of the Project and inclusive of those cost items required by the City and agreed to by the Parties. Certain items will be on an allowance basis, to be billed at actual cost. The allowance components are identified as such in the Comprehensive Development Budget (**Exhibit 1**). Other costs will be Lump Sum costs or a percentage of the proposed Final Project Budget as specified therein. If Austin CONRAC issues a Phase II Notice to Proceed under **Section 3.4**, below, the accepted PhaseII Final Project Budget, as amended under that section, if applicable, shall be attached to this Agreement as the Phase II Final Project Budget (**Exhibit 5**) and thereby incorporated into the Phase II Notice to Proceed.

3.1.2.1. Budget Line Item. The line items on the Phase II Final Project Budget will include both items that are under the control and the responsibility of Developer, its consultants and the Design-Builder, and items under the direct control and responsibility of Austin CONRAC. After a Phase II Notice to Proceed is executed by Austin CONRAC and approved by Developer, expenditures of both Developer and Austin CONRAC on the line items included in the Phase II Final Project Budget shall be chargeable to the Project up to only the respective amounts allocated to those line items under that budget, unless a modification or equitable adjustment is otherwise allowed by this Agreement.

3.1.3. Pricing Documents. Developer shall develop and provide the Pricing Documents for the Project to reflect the features identified in the Program Requirements as they may be amended for a "GO" decision, and the Phase II Final Project Budget. The design will comply with all required and applicable local, state, and national codes and regulations. The drawings and specifications will be to a level of design sufficient for the

Design-Builder to give a Lump Sum Cost Proposal for completion of the design and provision of all labor, materials and other items necessary to complete construction of the Project. If Austin CONRAC issues the Phase II Notice to Proceed under **Section 3.4**, below, the Pricing Documents, as amended under that section, if applicable, shall be attached to this Agreement as part of **Exhibit 4**, and thereby incorporated into the Phase II Notice to Proceed.

3.1.3.1. Approval of Drawings. Austin CONRAC's approval of the drawings and specifications in the Pricing Documents shall be limited to acknowledging that from Austin CONRAC's review of those documents, Austin CONRAC is not aware of any element or detail causing the building design not to meet Austin CONRAC's Project needs. Austin CONRAC's approval of drawings and specifications shall not constitute a waiver of Austin CONRAC's expectation that the design complies with any applicable codes, statutes, or regulations applicable to the Project. Such compliance shall be the responsibility of Developer and the Design-Builder.

3.1.4. Phase II Project Delivery Schedule. Developer shall develop and provide a proposed Project Delivery Schedule for financing, design completion and construction of the Project. If Austin CONRAC issues the Phase II Notice to Proceed under **Section 3.4**, below, the proposed Project Delivery Schedule, as amended under that section to be consistent with the Phase II Design-Build Contract schedule, as applicable, shall be attached to this Agreement as the Phase II Project Delivery Schedule (**Exhibit 6**) and thereby incorporated into the Phase II Notice To Proceed. The Phase II Project Delivery Schedule shall include the dates for Substantial Completion and Final Completion.

3.1.5. Design-Build Contract. Developer shall develop and provide a Phase II Design-Build Contract for the Project setting forth the obligations of the Design-Builder to undertake the work, the rights and obligations of the Developer, as well as certain rights of Austin CONRAC relating to the design and construction process. At a minimum, the Phase II Design-Build Contract shall identify the Lump Sum for the Project payable to the Design-Builder, identify Project criteria, set forth the Phase II Project Delivery Schedule, set forth the requirements necessary to complete the Project including design, permitting and governmental approval, identify that both Austin CONRAC and the City shall be required signatories to the

Acknowledgement of Substantial Completion, and identify all available remedies to Austin CONRAC should it become necessary to remove the Design-Builder from the Project. The Phase II Design-Build Contract shall be based on the form attached as **Exhibit 7** to this Agreement and approved by Austin CONRAC and the City.

3.1.6. Financing Analyses and Plan. Developer shall cause its exhibits to prepare draft underwriting analyses for the proposed financing of the Project at key milestones. It is a condition of Developer's obligations under this Agreement that the City's consultants will engage in reviewing such analyses and provide comment and feedback. The goal of the financing analyses is to provide real-time updates of likely proceeds from bond underwriting so that the total project costs can be successfully underwritten at the time of any Phase II Notice to Proceed.

3.1.6.1. Financing Commitments. During Phase I Developer will continue to solicit and investigate financing sources while working closely with the City and Austin CONRAC to secure written commitments sufficient to identify full funding of the Phase II Final Project Budget. Prior to Approval of moving forward with a "Go" Decision for Phase II, Developer shall work with the City, as the issuer of bonds, to deliver a full Financing Plan in ready-to-execute documents that will provide for full project funding. The City, Austin CONRAC, Developer and all of their respective financing consultants shall work cooperatively to secure such financing, and the cooperation of the City is a condition of Developer's obligations under this Agreement.

3.1.6.2. Underwriting. Austin CONRAC thru the Developer shall cause the Developer's Underwriting Team as identified in **Exhibit 3.1** to this Agreement (the "Underwriters") to work closely with the City to underwrite the Project and to secure commitments sufficient to provide full funding of the Phase II Final Project Budget. It is intended that the City issue Special Facility Revenue Bonds for which the pledged source of repayment is the proceeds of customer facility charges ("CFCs") imposed on rental car transactions at the Airport. The City of Austin must cooperate in facilitating the financing, and Developer's obligation to proceed with Phase II by issuing a notice to proceed under the Phase II Design-Build Contract shall be conditioned upon the City having actually funded the

Project by closing a sale of bonds that generates the funds required under the Phase II Final Project Budget.

3.1.7. Legal Documentation. Completed execution-ready documents will be necessary for completion of the financial underwriting of the Project, the issuance of the Phase II Notice to Proceed and the sale of bonds. Several documents necessary for the Phase II Notice to Proceed are not in the direct control of Austin CONRAC and its consultants. It is acknowledged that in some areas, completion of the Phase I Deliverables outlined herein are contingent upon the completion of other documentation within schedule by others not party to this Agreement (the amended concession agreement, master leases, sub-leases, etc). The RACs, Austin CONRAC, the consultants, the City, and the City's consultants must work cooperatively to identify and complete the necessary agreements needed to define all aspects of the Project, and it is a condition of Developer's obligations under this Agreement that the City and its consultants do so. At a minimum these shall include those documents identified in Exhibit B to Letter of Intent among the City and the Parties hereto with respect to the Project.

3.2. Austin CONRAC Cost Estimate and Final Design-Build Lump Sum Cost Proposal. Austin CONRAC agrees that it shall retain ABACUS as the Third-Party Cost Estimator to provide independent third-party construction cost estimating and to evaluate the reasonableness of the Design-Builder's Lump Sum Cost Proposal. The Parties are aware that the City intends to retain PGAL as an additional third-party expert for cost estimating and reconciliation. To the extent requested by the City, the Parties will cooperate to incorporate review and input by PGAL into all third-party cost review and reconciliation under this Agreement. Following ABACUS' review of Design-Builder's Lump Sum Cost Proposal and prior to the end of Phase I work, Austin CONRAC and Developer shall, and shall cause, respectively, ABACUS and the Design-Builder to, engage in process to reconcile differences between the ABACUS cost estimate and the Design-Builder's Lump Sum Cost Proposal. Following which Developer shall obtain from the Design-Builder its proposed final Design-Build Lump Sum Cost Proposal.

3.2.1. Alternate Design-Builder. If Austin CONRAC, ABACUS, Developer and the Design-Builder are unable to resolve budget differences after the Design-Builder delivers its final and best price Lump Sum Cost Proposal to Developer after consultation with ABACUS and Austin CONRAC, then to the extent that the Design-Builder's final Lump Sum Cost Proposal exceeds ABACUS's post-reconciliation estimate by more than 1.5%, Austin CONRAC may, in its sole discretion, exercising its

reasonable commercial judgment after affording the Developer a reasonable opportunity to present other adjustments or a rationale for proceeding notwithstanding the difference between the Lump Sum Cost Proposal and the ABACUS estimate, direct Developer to terminate the Design-Builder's contract and seek another design-builder for the Project. In such event, Developer will secure the Design-Build documents from the Design-Builder as allowed under the Design-Build Contract and shall seek an alternate design-builder with experience building CONRAC facilities and satisfactory to Developer and negotiate a Phase II Design-Build Contract with such alternate design-builder on terms acceptable to Developer and Austin CONRAC. Alternatively, Developer may elect not to proceed with another design-builder, in which case Developer shall coordinate and assist Austin CONRAC to have the Design-Builder deliver the Design-Build documents to Austin CONRAC under the limitations as set forth in **Section 7**, below.

3.3. Phase I Costs, Fees and Payment. Costs and fees for Phase I work shall be paid in accordance with this section. Absent a written Austin CONRAC-directed change in the scope of the Phase I work, final billing for the Phase I work shall not exceed the amounts identified in the Phase I Developer Schedule of Values and Payment Schedule (**Exhibit 3**). Phase I costs consist of various line item costs, including a Phase I Lump Sum Development Base Fee and a Phase I Lump Sum Development Fee At–Risk, both of which will be fully earned during the course of proper and timely completion of the Phase I effort and which will be payable in accordance with **Section 3.3.1** and **Section 3.3.2**, below. Nothing in **Sections 3.3** through **3.3.3** of this Agreement, however, shall be construed as negating or impairing Austin CONRAC's rights and remedies in the event Developer materially breaches this Agreement or commits a material misrepresentation relating to it.

3.3.1. Timing of Phase I Cost and Fee Payments. Regardless of whether Austin CONRAC decides to proceed to Phase II, the costs and fees for, Phase I work, including the Phase I Lump Sum Development Base Fee, shall be payable in the amounts as set forth for Phase I in the attached Comprehensive Development Budget. Upon execution of this Agreement, Developer shall be entitled to an initial Base Fee payment for all Phase I work accomplished between completion of the pre-development feasibility study and execution of this Agreement. The balance of the Phase I Lump Sum Development Base Fee shall be paid to Developer on a monthly basis, allocated over the duration of Phase I under the Phase I Development

Services Schedule. The format for Developer pay requests will comply with 2011 Reimbursement Agreement Terms, which the Parties believe to be satisfied by the Phase I Developer Schedule of Values and Payment Schedule (**Exhibit 3**). The payment for the completed percentage of Phase I scope of work as shown on **Exhibit 3** shall be due and owing and paid to Developer within thirty (30) business days of submittal of monthly billing to Austin CONRAC, subject to, and within seven days after, Austin CONRAC's actual receipt of payment from the City and/or the Bond Trustee. Austin CONRAC's obligation to pay shall be dependent upon payment coordination by the City, and Developer may modify the Phase I Developer Schedule of Values and Payment Schedule (**Exhibit 3**) as may be necessary for acceptance by the City under the 2011 Reimbursement Agreement.

3.3.2. Phase I Final Payment. Design-Builder shall submit its final application for Phase I payment to Developer, and Developer, after review and approval, shall submit to Austin CONRAC a final Phase I invoice that includes the Design-Builder's final application for Phase I payment, with a copy to the City. Austin CONRAC shall, in turn, prepare and submit to the City a final Phase I invoice that includes Developer's final Phase I invoice, and, provided that the Design-Builder has satisfied all of the requirements for final payment set forth in Phase I Design-Build Contract, shall promptly pay Developer upon receipt of payment from the City or its trustee in accordance with the 2011 Reimbursement Agreement and applicable requirements of the Texas Prompt Payment statute, if any.

3.3.3. Timing of Payment of Phase I Lump Sum Development Fee At-Risk. If Austin CONRAC and the City elect to proceed to Phase II, the Phase I Lump Sum Development Fee At-Risk as noted on the Comprehensive Development Budget (**Exhibit 1**) shall be paid in full as a lump sum amount from bond proceeds immediately upon completion of the bond sale funding of the Project.

3.4. Approval of Phase I Deliverables and Initial Decision Whether to Proceed to Phase II. Upon delivery of the Phase I Deliverables identified in **Section 3.1**, above, including the reconciliation of the Lump Sum Cost Proposal with ABACUS, and PGAL, as applicable, then Austin CONRAC and the City have the right to review all such documentation and shall, within twenty (20) days of that delivery consult together concerning whether to proceed to Phase II of the Project conditioned upon final Project approval and financing approval by both Austin CONRAC and the City ("**GO Decision**") or not to proceed to Phase II

("**NO GO Decision**"). As a result of that consultation, Austin CONRAC may further negotiate the terms of the Pricing Documents, the Phase II Project scope, the Phase II Final Project Budget, and the Phase II Project Delivery Schedule, and other Phase I Deliverables and provide any revised Phase I Deliverables to the City. Based upon review, consultation, and consideration of any revised Phase I Deliverables, and within the time frame set forth in Phase II Project Delivery Schedule developed during Phase I, Austin CONRAC and the City shall then each, in its respective sole and exclusive discretion, make and issue in writing an initial GO Decision—final and effective only if all Parties concur—or an initial NO GO Decision, effective, subject to any further negotiation and reconsideration under **Section 3.4.1**, below, if issued by any Party.

3.4.1 Final Decision Whether to Proceed to Phase II. If Austin CONRAC or the City renders a "NO GO decision," it shall provide the other Parties with written reasons for such election. The provision of written reasons for any NO GO Decision shall be solely for the purpose of facilitating further discussions between the Parties, and shall not be construed as a limitation upon right of either Austin CONRAC or the City to elect not to proceed to Phase II for any reason in its sole and exclusive discretion. The Parties shall confer to attempt to resolve any differences. If the Parties are unable to resolve their concerns within ten (10) calendar days from the date of Austin CONRAC's election not to proceed, either Developer or Austin CONRAC may terminate this Agreement with written notice to the other. If the Parties agree on a revised set of Phase I Deliverables, upon which basis each NO GO Decision is rescinded in favor of a GO Decision, then the revised Phase I Deliverables shall be incorporated into this Agreement and the resulting Phase II Design-Build Contract and shall be incorporated by reference into a written Phase II Notice to Proceed.

3.5. City and Austin CONRAC Third Party Beneficiary. The City and Austin CONRAC shall be third-party beneficiaries of any contracts between Developer and other entities who perform work on the Phase I of the Project, including the Phase I Design-Build Contract, and any contracts between the Design-Builder and other entities who perform work on the Project. Notwithstanding the above, these rights shall not be interpreted nor relied upon to permit any direct or indirect claims against Austin CONRAC by any of Developer's other contractors or consultants. Such parties shall seek their relief solely as provided in the Design-Build Contract or other applicable agreement.

PHASE II

4. Phase II – Project Delivery.

4.1. Scope of Work. The scope of work for Phase II shall be defined by the Phase II Notice to Proceed and shall include the subsequent completion of design services, securing all necessary land-use, occupancy permits, construction permits and other necessary governmental and regulatory approvals, and the construction and Final Completion of the Project.

4.2. Conditions Precedent to Phase II. The Parties shall not proceed to Phase II unless all of the following conditions precedent are satisfied.

4.2.1. Approved Deliverables. Austin CONRAC and the City have approved the Phase I Deliverables as described in **Section 3.4**, above.

4.2.2. Documents and Site Access. Austin CONRAC, Developer, the City and the Participating RACS have successfully coordinated on Project finance, Project design, and drafting and negotiation over all forms of land leases or amendments to concession agreements as necessary and providing all exclusive site access required for Project construction under the Phase II Design Build Contract.

4.2.3. Phase II Design-Build Contract. Developer and the Design-Builder are able and agree to enter into a Phase II Design-Build Contract in a form conforming substantially with **Exhibit 7** to this Agreement and upon terms acceptable to Austin CONRAC and the City.

4.2.4. Financing and Funding. Austin CONRAC has entered into funding agreement(s) with the City and/or its Trustee providing sufficient funding and financing for the Project sufficient to pay all expenses as set forth in the Phase II Final Project Budget, including reasonable contingency accounts.

4.2.5. Disposition of Contingency Funds. Unless otherwise agreed by Austin CONRAC, the City and Developer, any funds in Phase II Final Project Budget line items expressly identified for contingencies that do not get used for those specific contingency funding purposes shall be applied to pay debt service on Bonds sold under the Financing Plan.

4.3. Written Phase II Notice To Proceed. Upon the satisfaction of all conditions precedent in **Section 4.2**, above, Austin CONRAC shall give Developer its written Phase II Notice to Proceed which, contingent upon actual funding, will satisfy all conditions precedent to Phase II under this Agreement and shall be deemed to incorporate by reference **Exhibits 4, 5, 6 and 7** as attached to this Agreement for Phase II.

4.4. Developer's Phase II Design-Build Contract. Upon receipt of the Phase II Notice to Proceed after satisfaction of the conditions precedent thereto, Developer shall enter into the Phase II Design-Build Contract with the Design-Builder, contingent upon both actual funding though sale of bonds and site access. Developer shall deliver to Austin CONRAC within ten (10) days of the written Phase II Notice to Proceed, an executed form of the Phase II Design-Build Contract, the insurance certificates required for the Project, including builder's all-risk insurance and all insurance required under Exhibit E to the 2011 Reimbursement Agreement (as Exhibit E may be modified for Phase II), and the payment and performance bonds delivered by the Design-Builder. In the event any commercially reasonable adjustments to insurance coverage, limits, and/or exclusions are deemed necessary and prudent by the City in accordance with Exhibit E, Developer shall promptly notify the Austin CONRAC in writing of the increase in the amount of the insurance cost, if any, together with supporting documents, and, unless the City rescinds its direction for the adjustment in insurance coverage, Austin CONRAC shall seek from the City and provide to Developer reimbursement for the increased amount of the insurance cost. Developer shall be the point of contact between the Design-Builder and Austin CONRAC during the Project duration.

4.5. Other Terms. The following terms and covenants apply to the Phase II work.

4.5.1. Payment and Performance Bonds. Austin CONRAC, the City and the Project's financing underwriter (if required by the underwriter) will be named as co-obligees under the 100% payment and performance bonds to be provided by the Design-Builder under the Phase II Design-Build Contract.

4.5.2. City and Austin CONRAC Third Party Beneficiary. The City and Austin CONRAC shall be third-party beneficiaries of any contracts between Developer and other entities who perform work on Phase II of the Project, including the Phase II Design-Build Contract, and any contracts

between the Design-Builder and other entities who perform work on the Project. Notwithstanding the above, these rights shall not be interpreted nor relied upon to permit any direct or indirect claims against Austin CONRAC by any of Developer's other contractors or consultants. Such parties shall seek their relief solely as provided in the Design-Build Contract or other applicable agreement.

4.5.3. Standard of Work/Contractors. All work performed by Developer and the Design-Builder shall be performed in accordance with the professional and industry standards applicable to the Project consistent with other projects in Austin, Texas, of similar complexity, quality and scope, and in accordance with the City's Austin Living Wage standard. To the extent consistent with any City policy made legally applicable to this Project, Developer may use or replace, or consent to the use or replacement, of the Design-Builder, sub-contractor(s) or personnel, and may re-allocate responsibilities as Developer deems necessary or appropriate in order to carry out its responsibilities hereunder with any qualified design-builder, contractors or personnel as Developer deems appropriate in its reasonable judgment. If Developer starts with one design-builder and elects to appoint a different design-builder to take over the Project in place of the original design-builder, Austin CONRAC shall consent to the named design-builder after reasonable due diligence; however, Austin CONRAC's consent to such named design-builder shall not be unreasonably withheld or delayed. This requirement shall not apply to any surety performing under the payment and performance bonds which surety shall remain free to select its own contractors without Austin CONRAC's consent, but which surety shall select its own contractors in compliance with its obligations under its bonds and the governing law of surety.

4.5.4. Site Control. Austin CONRAC shall undertake to obtain from the City timely access to the Project site for the construction of the project in accordance with the Phase II Project Delivery Schedule (to be attached as **Exhibit 6**). Exclusive Project site access is a pre-requisite condition under **Section 4.2**, above, for a fully executed Phase II Design-Build Contract, and a continuing condition of performance. Austin CONRAC reserves for itself, its representatives, and any other assigns, the right to enter upon the Property so long as such entry is coordinated with and through Developer, at any time and for any purpose, so long as Austin CONRAC shall notify Developer and does not interfere with the Design-Builder's use of the Property or construction of the Project. Austin CONRAC and its assigns

shall comply with all necessary job-site safety rules imposed by Developer or Design Builder while present on the Property during construction. This provision should not be construed as relieving the requirement that Developer enforce the obligation under the Phase II Design-Build Contract that Design-Builder be responsible for adopting a jobsite safety program to be implemented and enforced by Design-Builder and its contractors.

4.5.5. Use of Contingency and Disposition of Contingency upon Substantial Completion. The Phase II Final Project Budget (to be attached as **Exhibit 5**) will include one or more Project contingency line items, as well as the Phase II Lump Sum Development Fee At-Risk, which will also serve as a backup project contingency amount. Expenditure of Project contingency line item funds shall be under the control of Developer, with the consent of Austin CONRAC and the City, to pay for certain risks allocated to Austin CONRAC in **Section 4.6.2**, below, (except for **4.6.2.1**) and to pay for Design-Builder initiated change orders to the extent allowable under the Phase II Design-Build Contract.

4.5.5.1. Disposition of Project Contingency. Any Project contingency line item balances not expended for the Project shall be disposed of as agreed under **Section 4.2.5**, above.

4.5.6. Substantial and Final Completion. Final Completion of the work or identified portions, and resolution of all unresolved issues and Claims relating to the Work, shall be achieved no later than one hundred and twenty (120) calendar days following Substantial Completion.

4.6. Phase II Costs, Fees and Payment. Costs and fees for Phase II work shall be payable in accordance with this section. The Phase II costs will consist of all costs identified for Phase II in the Phase II Final Project Budget (to be attached as **Exhibit 5)** as developed in Phase I. The Phase II costs shall include various line item costs, a Phase II Lump Sum Development Base Fee and a Phase II Lump Sum Development Fee At-Risk.

4.6.1. Timing of Phase II Cost and Fee Payments. Phase II costs and fees will be billed to Austin CONRAC in monthly billings based upon the percentage of work complete as reasonably determined by the time and materials undertaken to complete the work and the requirements specified in **Article 7** of the Phase II Design-Build Contract (**Exhibit 7**), and shall be paid within the times set forth therein. The monthly billings by the Design-

Build contractor and other third parties will be submitted to Developer for review and approval as payable, then to Austin CONRAC and the Independent Qualified Professional for review and approval and then to the City as the City may direct.. The Phase II Lump Sum Development Base Fee earned by Developer during Phase II work shall be earned as a percentage of Phase II work completed in accordance with the Phase II Design-Build Contract and paid by Austin CONRAC in conjunction with payments for Design-Builder work in accordance with payment provisions of the Phase II Design-Build Contract. Developer shall be entitled to stop work in the event of a failure to timely pay any earned portion of the Phase II Lump Sum Development Base Fee, except for matters submitted to the dispute resolution process as set forth in **Section 11**, below. However, if the failure to pay prevents Developer from requiring its design-builder to proceed with construction under the Phase II Design-Build Contract, then Developer may, at its risk, suspend work submitted to the dispute resolution process pending resolution of the dispute.

4.6.2. Cost Overruns. The Design-Builder is at risk for cost overruns for construction and design for work that the Design-Builder is obligated to perform within the scope of the Design-Build Contract, except as set forth in this **Section 4.6.2** and subject to the provisions contained in **Recital J**, above.

4.6.2.1. Delayed Phase II Notice to Proceed. Austin CONRAC shall be responsible for cost overruns that result directly and solely from Austin CONRAC's delayed execution of a Phase II Notice to Proceed outside the timeframe set forth for issuing the Phase II Notice to Proceed under the Phase I Design-Build Contract (**Exhibit 2**) or in the Phase II Project Delivery Schedule (to be attached as **Exhibit 6**) to this Agreement. Any cost overruns resulting from such delay, however, must be approved by Austin CONRAC in its Notice to Proceed in order for any obligation to pay for such overruns to be enforceable against Austin CONRAC.

4.6.2.2. Failure to Provide Site Access. Austin CONRAC shall be responsible for cost overruns resulting directly and solely from Austin CONRAC's failure to provide timely and exclusive site access per the requirements of **Section 4.5.4**, above.

4.6.2.3. Changed Site Conditions. Austin CONRAC shall be responsible for payment for cost overruns owing to changes in site conditions as set forth in Article 4 of the modified and adapted DBIA Document No. 535 (2nd ed. 2010), General Conditions of Contract Between Developer and Design-Builder. ("**General Conditions**") **(Exhibit 2.7)**. Any such change will be processed as a change order under the Design-Build Contract and will result in an equitable adjustment of the Phase II Final Project Budget and Phase II Project Delivery Schedule. Increases in the Design-Builder's Lump Sum price due to cost overruns governed by this **Section 4.6.2.3** shall be paid by Austin CONRAC. Contingency funding for changes to site conditions shall be included in the Phase II Final Project Budget as a "Soils Contingency" line item.

4.6.2.4. Regulatory Changes. Austin CONRAC shall be responsible to pay the cost overruns associated with regulatory changes that are attributable to changes in municipal code or regulation between the date of record for the Pricing Documents and the date of issuance of the building permits, or which retroactively affect approvals earlier given under the building permits. Any change in regulatory requirements attributable to changes in municipal code or regulation shall be processed as a change order and shall result in an equitable adjustment of the Phase II Final Project Budget and Phase II Project Delivery Schedule.

4.6.2.5. Scope Increases. Austin CONRAC shall be responsible for cost overruns owing to change orders initiated by Austin CONRAC that increases the scope of the Project and deviates from Pricing Documents.

> **4.6.2.5.1. Use of Contingency for Changes.** During Phase II, Austin CONRAC, the City and Developer may agree to release a portion of a Project contingency line item for Austin CONRAC requested changes. Change order requests will be processed in consultation with the City and in accordance with the procedures set forth in Sections 9.4.1.3 or 9.4.1.4 of the General Conditions (**Exhibit 2.7**). Austin CONRAC's change order request shall be submitted through Developer, signed by both the City and Austin CONRAC, thereby authorizing the change in Phase II Final Project Budget and

Phase II Project Delivery Schedule. Payment for cost overruns caused by Austin CONRAC initiated change orders shall be in compliance with this **Section 4.6**.

4.6.3. Timing of Payment of the Phase II Lump Sum Development Fee At-Risk. If the final Project cost to Austin CONRAC is within the Phase II Final Project Budget (to be attached as **Exhibit 5)** including application of contingency line items, **and** if the date of Substantial Completion is within ninety (90) days of the scheduled date of Substantial Completion as shown on the Phase II Project Delivery Schedule (to be attached as **Exhibit 6**) (except for delays caused by any RAC in completing its Tenant Improvements,) then any Phase II Lump Sum Development Fee At-Risk funds that have not been used or encumbered for Project costs as of Substantial Completion, less (a) one hundred fifty percent (150%) of the estimated cost to complete all work identified on any punch list of work that must be accomplished to achieve Final Completion, and (b) a pro rata portion of the Phase II Lump Sum Development Base Fee and Phase II Lump Sum Development Fee At-Risk corresponding to the cost amount withheld, shall be paid in full, lump sum, to Developer within thirty (30) days of Substantial Completion.

4.6.4. Phase II Final Payment. Design-Builder shall submit its final application for payment to Developer, and Developer, after review and approval, shall submit to Austin CONRAC a final invoice that includes the Design-Builder's final application for payment, with a copy to the City. Austin CONRAC shall, in turn, prepare and submit to the City a final invoice that includes Developer's final invoice, and, provided that the Design-Builder has satisfied all of the requirements for final payment set forth in Phase II Design-Build Contract, Austin CONRAC shall make prompt payment to Developer upon receipt of payment from the City or its trustee in accordance with applicable requirements of the Texas Prompt Payment statute, if any.

GENERAL PROVISIONS

5. **Consent to Assignment.** **The obligations** under this Agreement require in the case of both Parties certain capabilities and characteristics that it would make dealing with a different party a substantial change in the risks and desirability of the Project. Therefore any request for an assignment or delegation of rights under this Agreement (except for normal subcontracting under the design-build

contracts) shall be subject to the prior written review and approval of the other Party, such approval to be withheld in that Party's sole discretion. Notwithstanding the above, Austin CONRAC may assign its rights to a wholly owned subsidiary or affiliate, provided such assignment does not affect the financing for the Project and shall not release Austin CONRAC from its obligations hereunder.

6. **Mutual Obligations.** Each of the Parties covenants and agrees that the other Party has relied in material ways on the expectation and belief that the other Party will continue to proceed with the Project with the other Party consistent with the covenant of good faith and fair dealing. Austin CONRAC recognizes that the Development Services and Project Delivery work identified above are complex and time intensive and will require Developer to engage other professionals in order to deliver the scope of services with enough accuracy and detail necessary to submit an application for financing and information to Austin CONRAC to make an informed decision. Austin CONRAC agrees to work diligently and in cooperation with Developer in order to proceed with the work under Phase I and Phase II. Nothing in this Paragraph obligates Austin CONRAC to advance to Phase II of the Project.

7. **Ownership of Record Documents.** The Design-Builder will maintain the redline drawings during the construction of the Project and one set shall be delivered to each of Austin CONRAC and the City within a reasonable time after the date of Final Completion. Developer will have the architect of record deliver to Austin CONRAC and the City, each one (1) hard copy and an e-version of the final as built drawings and specifications. Developer and Design-Builder shall provide to the City one complete copy of the as built in electronic file formats (CD-R). Drawings shall be prepared with computer-aided design and drawing technology utilizing the City's ABIA CAD Standards, which will be provided to the Design-Builder. Design-Builder shall also provide one (1) set of full-size high quality Mylar and two (2) sets of full size printed Project record drawings, each signed and sealed by the Design-Builder's architect/engineer of record. The record documents shall reflect any changes (field order, change orders, work change directives, etc.) made subsequent to the City's receipt of approved construction documents. Copies of the record documents that may be relied upon by the City are limited to the printed copies that are signed and sealed by the Design-Builder's architect of record. Electronic files of record documents that are furnished by Design-Builder to the City are for convenience of the City. Any other reproductions and other hard copies will be delivered on a reimbursable basis outside of the Phase II Final Project Budget (to be attached as **Exhibit 5**). Austin

CONRAC's right to the design documents shall be as set forth in Article 4 of the Phase I or Phase II Design-Build Contract, as applicable. Austin CONRAC shall have full license rights to use such plans for its future work, remodeling and renovation work of the Project without any further consent from Developer, the Design-Builder, or the architect of record, subject to the provisions of Article 4 to the respective Design-Build Contract.

8. **Records Retention.** Developer shall keep all of its record documents and accounting records of the Project as is usual and customary in the construction industry for not less than five (5) years after the date of Final Completion. Upon written request from Austin CONRAC or the City, such records shall be available to Austin CONRAC and the City or its appointed accounting or auditing representatives for inspection and copying. Prior to destroying or disposing of such records, Developer shall offer the records to Austin CONRAC and the City.

9. **Termination and Default.** This Agreement may be terminated by mutual agreement of the Parties, for convenience, or for default as set forth below.

9.1. Developer Right of Termination for Cause. Developer may terminate this Agreement upon thirty (30) days' written notice upon a material default by Austin CONRAC, unless during such notice period, the default is cured, or if the default is such that it may not reasonably be cured within thirty (30) days, then Austin CONRAC has begun the cure and is diligently prosecuting the cure until its completion. A material default shall not exist as to unpaid funds that are in dispute under **Sections 11** through **11.5.1**, below ("**Disputes Clauses**"), unless and until the funds remain unpaid ten (10) days after the funds are found due and exhaustion of the dispute resolution procedures in the Disputes Clauses. However, to any extent that the failure to pay prevents Developer from requiring its design-builder to proceed with construction under the Phase II Design-Build Contract, then Developer may, suspend work, without liability, to that same extent until the dispute is resolved.

9.2. Austin CONRAC Right of Termination for Cause. Austin CONRAC may terminate this Agreement upon thirty (30) days' written notice upon a material default by Developer, unless during such notice period, the default is cured, or if the default is such that it may not reasonably be cured within thirty (30) days, then Developer has begun the cure and is diligently prosecuting the cure until its completion, or if the default is in dispute, then until resolved under the Disputes Clauses of this Agreement. Notwithstanding the preceding, Austin CONRAC shall also have the rights to take over the work under the terms and

conditions and with the obligations as set forth in Article 6 of the Phase I Design-Build Contract (**Exhibit 2**) and Article 8 of the Phase II Design-Build Contract (**Exhibit 7**); however, if the dispute resolution determination is that Developer was not in default, or that its non performance was excused, then Developer shall be entitled to payment of its applicable Lump Sum Development Base Fee(s) accrued to the date of the dispute resolution and a pro rata percentage of any balance of the applicable Lump Sum Development Fee(s) At-Risk.

9.3. Waiver of Consequential Damages. Upon any default, except for defaults of time of completion, which are addressed by liquidated damages, each of the Parties may seek its actual damages; however, both Parties waive as against the other the right to seek consequential damages and/or exemplary or punitive damages arising from such breach.

9.4. Termination for Convenience. Austin CONRAC shall have the right to terminate this Agreement for convenience under the terms, conditions, and with the obligations as set forth in Article 6 of the Phase I Design-Build Contract and Article 8 of the Phase II Design-Build Contract. Developer shall be entitled to its earned portion of the applicable Lump Sum Development Base Fee(s), in the event of such termination and a pro rata percentage of any balance of the applicable Lump Sum Development Fee(s) At-Risk. Each Design-Build Contract shall provide that Austin CONRAC may terminate it without cause at any time without any obligation by Developer to pay the Design Builder for future lost profits or unabsorbed overhead, but only pay for work performed, cost incurred or legally committed to, or specially fabricated materials ordered prior to the termination date.

10. Alternate Contractor. In the event Developer and Austin CONRAC are unable to agree on an acceptable Phase II Final Project Budget to proceed to Phase II, then Austin CONRAC shall pay to Developer all sums due and owing for the Phase I work completed as set forth in **Section 3**, above, including the Phase I Lump Sum Development Base Fee, and reimburse Developer for any approved expenses advanced on behalf of Austin CONRAC in anticipation of Phase II work. Approved expenses are those expenses described as Phase I costs in the Comprehensive Development Budget (**Exhibit 1**), which are approved by Austin CONRAC upon execution of this Agreement, or any expenses for Phase II work that Austin CONRAC has authorized in writing to keep the Project on schedule prior to the Phase II Notice to Proceed. Austin CONRAC acknowledges that the documents are then to be incomplete and waives any claims against Developer, the Design-Builder and/or architect of record for any errors or omissions in the

documents and Austin CONRAC may use the form of documents most current at that time, subject to the requirements and conditions of **Section 7**, above.

11. **Disputes Between Austin CONRAC and Developer.** In the event of any dispute between Austin CONRAC and Developer arising out of or relating to this Agreement, either Party may institute the dispute resolution procedures set forth herein by written notice also copied to the intended third-party beneficiaries identified in **Section 1.12** of this Agreement. The Parties shall continue performance of their respective obligations hereunder notwithstanding the existence of a dispute, except only for the failure to pay timely for Phase I or Phase II work. Developer will include this Disputes Clause in lieu of the disputes clause set forth in the either Design-Build Contract.

11.1. Initial Meeting to Resolve Disputes. Either of the Parties may from time to time call a special meeting for the resolution of disputes that would have a material impact on the cost or progress of the Project. Such meeting shall be held at Developer's offices in Austin, Texas, or other suitable Austin, Texas, location designated by Developer, within three (3) working days of written request therefore, which request shall specify in reasonable detail the nature of the dispute. Austin CONRAC's Authorized Representative, Developer's Authorized Representative, a representative from the Design-Builder if the issue concerns a matter relating to the Design-Build Contract, and any other person who may be affected in any material respect by the resolution of such dispute shall attend the meeting. The refusal or failure of any affected third party to attend the meeting, if having received at least three (3) working days advance notice of a reasonably clearly stated issue which potentially adversely affects that third party's interests, shall estop that third-party from objecting to the result achieved in good faith at the meeting on that issue, but only to the extent the non-attending third party establishes that no Party or third party in attendance suffered undue prejudice by the third party's failure to attend. Such Authorized Representatives shall have authority to resolve and settle the dispute and shall attempt in good faith to do so.

If it is determined that attendance at a dispute resolution meeting, whether an initial meeting as described above or a mediation as described below, on behalf of the Participating RACs is necessary, the Participating RACs may attend through a single Authorized Representative. To act as the single Authorized Representative for the RACs at such a dispute resolution meeting, the individual shall be so designated in a written resolution signed by an officer of, respectively, each of the Participating RACs, and a true copy of the written resolution signed on behalf of

the Participating RACs shall be made available, upon request, to any other person or entity attending the dispute resolution meeting.

11.2. Mediation. If the dispute has not been resolved within five (5) working days after the special meeting has been held, a mediator, mutually acceptable to the Parties and experienced in design and construction matters shall be appointed. The Parties shall share the cost of the mediator. If the Parties cannot agree on the selection of a mediator within ten days of the decision to proceed to mediation, then either Party may request that the Travis County Dispute Resolution Center select a mediator to serve as a mediator for the Parties. The mediator shall be a lawyer or retired judge competent in the subject matter of the dispute. The mediator shall be given any written statements of the Parties and may review the Project and any relevant documents. The mediator shall call a meeting of the Parties within ten (10) working days after his/her appointment, which meeting shall be attended by Austin CONRAC's Authorized Representative, Developer's Authorized Representative, at the City's option, an authorized representative of the City, and any other person who may be affected in any material respect by the resolution of such dispute. The refusal or failure of any affected third party to attend the meeting, if having received at least three (3) working days advance notice of a reasonably clearly stated issue which potentially adversely affects that third party's interests, shall estop that third-party from objecting to the result achieved in good faith at the meeting on that issue, but only to the extent the non-attending third party establishes that no Party or third party in attendance suffered undue prejudice by the third party's failure to attend. Such Authorized Representatives shall have authority to resolve and settle the dispute and shall attempt in good faith to do so. During such ten (10) day period, the mediator may meet with the Parties separately.

> **11.2.1.** The mediation proceedings shall be conducted under the Texas Alternative Dispute Resolution Act concerning mediations. The comments and/or findings of the mediator, together with any written statements prepared, shall be non-binding, confidential and without prejudice to the rights and remedies of any Party. The entire mediation process shall be completed within twenty (20) working days of the date upon which the initial special meeting is held, unless the Parties agree otherwise in writing. If the dispute is settled through the mediation process, the decision will be implemented by written agreement signed by the Parties.

11.3. Court. In the event mediation fails, then either Party may seek to resolve the dispute in a court of competent jurisdiction located in Austin, Travis County,

Texas. The prevailing Party in such action shall be entitled to payment of its reasonable attorney fees and court costs incurred in the court action itself and in any action necessary to enforce the judgment.

11.4. Other contracts. All contracts that Austin CONRAC or Developer enters into with third parties that implement design or construction of the Project shall be required to include as a term a dispute resolution procedure in substantial compliance with the terms of this **Section 11.**

11.5. Authorized Representative/Notice. Each of the Parties agrees, within ten (10) days of the delivery of a mutual executed copy of this Agreement, to provide notice of its Authorized Representative, including mailing address, phone numbers, fax numbers, and e-mail address, to the other Party.

11.5.1. Notice. All notices sent pursuant to this Agreement shall be in writing and sent by regular, registered or certified mail, postage prepaid, or by hand-delivery to the Parties and, as applicable, to the City and the Participating RACs, as follows:

To Developer:
Pfeffer Development LLC
425 G Street, Suite 210
Anchorage, AK 99501
Attn: Mark Pfeffer

To Austin CONRAC, LLC:
Attn: Marshall A. Fein, President
c/o Unison-CRS, Inc.
12130 Colwick,
San Antonio, Texas 78216

With a copy to:
James E Cousar
Thompson & Knight
98 San Jacinto, Suite 1900
Austin, Texas 78701

To the City
City of Austin
Department of Aviation
3600 Presidential Blvd.
Suite 411
Austin, Texas 07819
Attn: Jim Smith, Director

To the Participating RACs
Jackie Agan, Chairperson
The Participating RACs
c/o The Hertz Corporation
24890 E. 78th Avenue
Denver, Colorado 80249

Either Party or Third-Party Beneficiary may change these persons or addresses by giving notice as provided above. Notice shall be considered given and received on the latest original delivery or attempted delivery date as indicated on the postage or service receipt(s) of all persons and addresses to which notice is to be given. In the event of notice by regular mail, notice shall be deemed received on the fourth business day after posting.

12. **Insurance**. Developer shall require the Design-Builder to carry the insurance as required by the City under the 2011 Reimbursement Agreement and as required by Austin CONRAC, including, for Phase II, all insurance required under **Section 4.4**, above. Developer and Austin CONRAC shall carry such coverage as will meet bond underwriter and City requirements. Developer will also require the Design-Builder to add Austin CONRAC, the City, and Developer as additional insureds under the Design-Builder's policies. In the event that during Phase I any commercially reasonable adjustments to insurance coverage, limits, and/or exclusions are deemed necessary and prudent by the City in accordance with Exhibit E, Developer shall promptly notify Austin CONRAC in writing of the increase in the amount of the insurance cost, if any, together with supporting documents, and, unless the City rescinds its direction for the adjustment in insurance coverage, Austin CONRAC shall seek from the City and provide to Developer reimbursement for the increased amount of the insurance cost in accordance with Section 2 of the 2011 Reimbursement Agreement.

13. **Coordination with Design-Build Contract(s).** This Agreement shall define the obligations and performances of Developer and Austin CONRAC to one another. The Design-Build Contract(s), as entered into, shall define the obligations and performances of Design-Builder and Developer to one another.

13.1. Delay. In the event the Design-Builder shall be entitled to an equitable adjustment of time under either Design-Build Contract due to changes, force majeure, or other reasons as set forth in the respective Design-Build Contract and not the unexcused fault of the Developer, then Developer shall be allowed an equal time extension under this Agreement.

13.2. Liquidated Damages. In the event of any unexcused delay in completion of Phase II of the Project, then Developer shall collect from the Design-Builder the liquidated damages provided for under the Phase II Design-Build Contract, which shall include both a Developer component and an Austin CONRAC component, and shall remit the Austin CONRAC component to Austin CONRAC upon receipt of such funds.. Developer shall not be required to pay any additional liquidated

damages for such delay under this Agreement. Except to any extent that the loss is covered by a surety bond or insurance, such liquidated damages shall be Austin CONRAC's sole and exclusive remedy for delay.

13.3. Warranties. The warranties to be provided after Substantial Completion and acceptance of the Project shall be an obligation owed directly by the Design-Builder and its architects and engineers to Austin CONRAC and its assigns and no other warranty provided by Developer shall be provided nor implied under this Agreement except to any extent explicitly set forth in this Agreement. Beneficial occupancy will be delivered at the time of acceptance of Substantial Completion. Developer's performance shall be complete upon Final Completion of the Project and acceptance of the same by Austin CONRAC, except that Developer shall have a continuing duty to cooperate with Austin CONRAC to take the necessary steps to trigger the proper warranty performance in the event a condition arises after Final Completion which appears to involve a warranty obligation of Design-Builder or one of its contractors.

13.4. Conflicts with Form Agreements. In the event of a conflict between this Agreement and the Design-Build Contract(s), the terms of this Agreement shall control over any printed portions of the respective Design-Build Contract, and the typed or revised provisions of the Design-Build Contract that have been approved by Austin CONRAC and Developer shall control over this Agreement.

13.5. Review and Approval of the Design-Build Contract. Austin CONRAC and Developer shall have the right of review and approval of the form of each Design-Build Contract prior to its execution.

14. General Provisions. The following general provisions shall apply to this Agreement.

14.1. Reasonableness. Except where either of the Parties is entitled explicitly by this Agreement to make a decision in its sole discretion, whenever consent or approval of either of the Parties is required, that Party shall not unreasonably withhold or delay such consent or approval.

14.2. Parties and Successors. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors.

14.3. Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas and venue for dispute resolution shall be Austin, Travis County, Texas.

14.4. Headings and captions. Headings and captions shall have no effect on its interpretation.

14.5. Gender and Number. When required by this Agreement, the singular shall include the plural and the neuter shall include the masculine and the feminine.

14.6. Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions of this Agreement unenforceable, invalid, or illegal.

14.7. Assistance of Counsel. Each Party has negotiated this Agreement with the assistance of counsel and any ambiguity in the Agreement shall not be construed against either Party for having provided the language in question.

15. Additional Provisions.

15.1. Travel Expenses. Austin CONRAC agrees to reimburse Developer's and its consultants' reasonable and actual travel and lodging expenses. Travel and lodging expenses in connection with this Agreement will be reviewed against the City of Austin's Travel Policy as published and maintained by the City of Austin's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations. Notwithstanding the above, total travel and lodging expenses under this Agreement shall be limited to and shall not exceed the amounts budgeted for Phase I in the Comprehensive Development Budget (**Exhibit 1**) and for Phase II in the Phase II Final Project Budget (to be attached as **Exhibit 5**).

15.2. Right to Audit. Austin CONRAC reserves the right to audit and examine at any reasonable time the books and records of Developer and its consultants to the extent necessary, consistent with the industry standards pertaining to lump-sum projects as contemplated under the Project Delivery Agreement and design-build contracts, to verify the accuracy of any statement, charge, computation or invoice made hereunder that is not chargeable under the respective budget as or within a Lump Sum, and to recover from Developer or its consultants any overcharges paid by Austin CONRAC or any trustee under the bond indentures. Developer shall retain all such records for a period of three (3) years after final payment on this Agreement or until all audit and litigation matters that Austin CONRAC has brought to the attention of Developer are resolved, whichever is longer. Developer agrees to refund to Austin CONRAC any overpayments disclosed by any such audit. Developer shall include the provisions of this section in all its consultants' contracts entered into in connection with this Agreement.

15.3. Subcontracting. If Developer has identified any consultant, and if any consultant has identified any subconsultant, in a MBE/WBE Program Compliance Plan, Developer and the respective consultant, as applicable, shall comply with the applicable provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D of the City of Austin Code and the terms of the Compliance Plan as approved by the City (the "Plan"). No subconsultants shall be employed except as provided in the Plan. No subconsultant identified in the Plan may be replaced, unless the substitute has been accepted by Austin CONRAC and the City in writing. No acceptance by Austin CONRAC of any subconsultant shall constitute a waiver of any rights or remedies of Austin CONRAC with respect to defective or incomplete Phase I Deliverables provided by a subconsultant. Developer and its consultants shall be fully responsible to Austin CONRAC for all acts and omissions of Developer and its consultants and any subconsultants just as they are responsible for their own acts and omissions. Nothing herein shall create for the benefit of any Developer consultant or subconsultant a contractual relationship between Austin CONRAC, the City and any consultant or subconsultant, nor shall it create any obligation on the part of the Austin CONRAC to pay or to see to the payment of any moneys due any consultant or subconsultant.

15.4. Warranty. Developer, in its own capacity, warrants and represents that all services to be provided to Austin CONRAC under the Agreement will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry and professional standards and practices, the terms, conditions, and covenants of this Agreement, and all applicable Federal, State and local laws, rules or regulations. Additionally, Developer agrees that this same warranty and covenant shall be required of, and included in all contracts between Developer and, Developer's consultants and any agreements between the consultants and

their subconsultants.

A. Neither Austin CONRAC nor Developer and its consultants may limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. If within a period of one year from the date of Substantial Completion, Austin CONRAC determines that one or more of the above standards was not met in some respect or that one of the above warranties were breached, Developer shall cause the responsible consultant(s) or subconsultant(s) to promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to Austin CONRAC. Developer agrees that it shall include these warranties and covenants in all contracts with its consultants and any agreements between the consultants and their subconsultants. All costs incidental to such additional performance, if any, shall be borne by Developer and its consultants without further reimbursement from Austin CONRAC. Austin CONRAC shall give Developer and its consultants written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair Austin CONRAC's rights under this section.

C. If Developer or any of its consultant is unable or unwilling to perform its services in accordance with the above standard as required by Austin CONRAC, then in addition to any other available remedy, Austin CONRAC may reduce the amount it is required to reimburse Developer under this Agreement, and purchase conforming services from other sources.

D. Notwithstanding anything in the foregoing **Section 15.4** of this Agreement, the warranties as to Phase I Deliverables furnished by Developer, by Design-Builder or by a Consultant are subject to the following:

(1) All drawings, specifications, technical reports and other design documents prepared during Phase I for the purpose of obtaining pricing on material, equipment and other construction costs to develop the lump sum price for Phase II (the "Phase I Design Documents for Pricing") are subject to completion, refinement or modification during the Phase II process of developing and issuing the working drawings and specifications. Any warranty that a design document has been prepared in accordance with the applicable standard of professional care shall apply only to those

design documents that are sealed and issued for construction, and not to the Phase I Design Documents for Pricing, subject to the following: the warranty of compliance with the applicable standard of professional care shall extend to any Phase I Design Document for Pricing, such as a geotechnical report, to the extent it is intended for use by other design professionals and is final for that purpose, as well as to any work product that the Design-Builder or the preparing Consultant has released to use for construction.

(2) The Project is contemplated to be a design-build project. As such, Developer's and Design-Builder's warranty with respect to the degree of completion and level of detail in the Phase I Design Documents for Pricing shall be consistent with the degree of completion and level of detail in design-build documents for lump sum pricing purposes prepared by or for a sophisticated and experienced commercial design-builder with similar past experience with the designer on similar-in-price and type commercial design-build projects. It is understood and agreed that the degree of design and drawing completion with respect to different aspects of the Project will vary widely depending on the elements of the Project involved. The level of detail in the Phase I Design Documents for Pricing will average approximately 50% of construction document completion. Pfeffer shall cause the Design-Builder to warrant the sufficiency of the documents to provide a firm Lump Sum price to complete Phase II construction.

15.5. Warranty Against Infringements. Developer in its own capacity represents and warrants to Austin CONRAC that the Phase I Deliverables will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party. Developer agrees that it shall include these warranties and covenants in all contracts with Developer's consultants and any agreements between the consultants and their subconsultants and shall require them, at their sole expense, to defend, indemnify, and hold Austin CONRAC harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that Austin CONRAC's exercise anywhere in the world of the rights associated with Austin CONRAC's use of the Phase I Deliverables infringes the intellectual property rights of any third party; or (ii) Developer's and its consultants' breach of any representations or warranties stated in this section. Developer and its consultants

shall obtain cross-warranties and cross indemnification from each subconsultant to the same extent as provided in this section.

15.6. Confidentiality. Austin CONRAC, Developer and its consultants may receive access to certain of the City's confidential information (including employee information, trade secrets, confidential know-how, confidential business information, and other information which the City considers confidential) (collectively, "Confidential Information"). Developer, in its own capacity, acknowledges and agrees that the Confidential Information is the valuable property of the City and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City. Developer, in its own capacity (including its employees, its Consultants, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided Developer promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. Developer, in its own capacity, as well as its Consultants agree to use protective measures no less stringent than Developer or Consultants use within their own businesses to protect their own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information. Developer agrees that these warranties and covenants shall be included in all contracts with its consultants and any agreements between the consultants and their subconsultants.

15.7. Ownership and Use of Phase I Deliverables.

A. Subject to Section 23 of the 2011 Reimbursement Agreement on Open Records Requests, the City, Austin CONRAC and Developer shall jointly own all rights, titles, and interests throughout the world in and to the Phase I Deliverables. The Phase I Deliverables, including all plans, drawings, photos, designs, studies, specifications, data, computer programs, schedules, technical reports, or other work products for which Developer is being reimbursed under this Agreement are subject to the right of the City and Austin CONRAC to use, duplicate and disclose such items, in whole or in part, in any manner and for whatever purpose; and, to have others do so. If a Deliverable is copyrightable, Developer and its consultants may copyright it, subject to the rights of the City and Austin CONRAC. The Phase I Deliverables shall not include internal financial documents of the

Participating RACs, Austin CONRAC or Developer proprietary software, programs, or methodologies used to create the Phase I Deliverables. Developer hereby grants, and shall cause the consultants to grant the City and Austin CONRAC a royalty-free, non-exclusive and irrevocable license to reproduce, publish, modify and use the Phase I Deliverables and to authorize others to do so. Developer shall include the provisions of this section in its consultants' contracts, and shall cause the consultants to include these provisions in any subconsultant contracts.

B. Notwithstanding the foregoing or any other provision of this Agreement, Should the City or Austin CONRAC elect to have anyone other than the Consultant or design professional who developed a respective Phase I Design Document for Pricing complete, refine or modify that document for use in constructing Phase II of the Project, or should the City or Austin CONRAC elect to use any Phase I Design Document for Pricing for expansion or modification of the Project, or for a different construction project, the party electing such use shall contract for design services relating to that use so as to place a duty on each design professional involved in such use of a Phase I Design Document independently to achieve conformance with the then applicable standard of professional care without any reliance on whether the Phase I Design Document was previously prepared in a proper manner.

16. **Actions Required of Non-Parties**. As noted in **Section 3.1.7**, above, and elsewhere in this Agreement, some matters necessary to the success of the Project are not within the control of the Parties nor in the control of persons contracted by either Party or its consultants for performance under this Agreement. In each case that a duty or required cooperation of a non-Party/non-contracted person/non-consultant is identified in this Agreement, fulfillment of that duty or cooperation by that person is a condition of Developer's duty to perform any of its related obligations under this Agreement.

17. **Resolution of Liens.** The following shall govern in the event a mechanic's lien ("Lien") is recorded against the Project premises, the Project leasehold, or the Project improvements by the Design-Builder, by any subcontractor, supplier or worker, directly or indirectly, of the Design-Builder, or by any Consultant to the Developer, provided Developer has been paid all sums then due to Developer under this Agreement. Developer, in the event such a Lien is recorded, shall, at its own cost, obtain from a suitable commercial surety and file a lien release bond in proper form and proper amount, afford notice of the bond, and record the bond and notice consistent with the requirements of Texas Property Code sections 53.171, 53.172, 53.173 and 53.174. In addition, Developer shall indemnify and hold

Austin CONRAC harmless from all costs, damages and fees, including reasonable attorneys' fees, which Austin CONRAC incurs as result of the Lien.

18. **Effective Date as to Notice Requirements**. Notwithstanding the Effective Date first stated above, all provisions of this Agreement requiring notice by any Party to any other Party within a stated period following an occurrence or the acquisition of knowledge are effective only as of the date of full execution of this Agreement by all Parties. To the extent any occurrence or knowledge after the Effective Date first stated above but predating such full execution would have required notice by a Party had this Agreement then-been in effect, the Party shall be given the notice within the applicable number of days after receipt of a fully executed copy of this Agreement.

19. **Counterparts and Faxed Signatures**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument. Faxed or electronically transmitted signatures on this Agreement shall be given full effect as original signatures.

This Agreement having been reviewed and approved is executed on the 27th day of January, 2012.

Pfeffer Development, LLC

By: _____
Mark Pfeffer

Austin CONRAC, LLC

By: _____
Marshall A. Fein, COO

ADDENDUM TO
PROJECT DELIVERY AGREEMENT

THIS ADDENDUM, dated January 7, 2013, is to that certain Project Delivery Agreement dated January 27, 2012, by and between Austin CONRAC LLC a Texas limited liability company ("**Austin CONRAC**") and Pfeffer Development, LLC, an Alaska limited liability company registered to do business in Texas ("**Developer**") and made effective as of the 27th day of July, 2011, (the "Agreement"). This Addendum is effective on the date it is fully executed, but Section A is to document and confirm the original intent and requirement of the parties and therefore relates back to the original effective date of the Agreement.

A. **Subcontracting Required.** Developer is specifically required under this Agreement, with such requirement being explicitly stated herein consistent with §171.1011(g) of the Texas Tax Code, to subcontract ***all*** provision of services, labor, and materials that Developer is obligated to provide in connection with design, construction, remodeling, or repair of the Project on the Property (the "Subcontract Work"), ***excepting only*** services provided under the following, for Phase I, the Comprehensive Development Budget (Exhibit 1), and for Phase II, the Phase II Final Project Budget (Exhibit 5):

The amount of Line 10 (PD Legal);
Any balance of Line 35 remaining net of amounts transferred to cover contingency work hereby required to be subcontracted (Developer's Contingency/Success Fee); and
The amount of Line 36 (Developer Base Fee)

(collectively, "Developer Line Items"). Developer is expressly mandated to distribute to others, as flow-through funds, all payment and funds Developer receives from Austin CONRAC or City under this Agreement, other than payment for and in the amounts of the Developer Line Items.

B. **Phase II Exhibits.** The following attached products of Phase I are hereby incorporated as Exhibits to this Agreement:

Exhibit 4 Pricing Documents and Design-Build Lump Sum Cost Proposal (as finally approved)(representative summary pages attached, but full pricing document set incorporated therein by reference)

Exhibit 5 Phase II Final Project Budget

Exhibit 6 Phase II Project Delivery Schedule

Exhibit 7 Form of Phase II Design-Build Agreement

Exhibit 8 General Conditions of Contract, Phase II

C. **Other Provisions Unchanged.** All other provisions of this Agreement remain unchanged.

D. **Counterparts and Faxed Signatures.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument. Faxed or electronically transmitted signatures on this Agreement shall be given full effect as original signatures.

This Agreement having been reviewed and approved is executed on the ____day of _____, 2013.

Pfeffer Development, LLC

By: _____
Mark Pfeffer

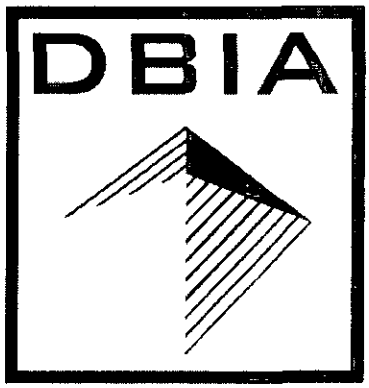
Austin CONRAC, LLC

By: _____
Marshall A. Fein, COO

EXHIBIT D

FORM OF CONSTRUCTION CONTRACT

FINAL 1-6-2013



STANDARD FORM OF AGREEMENT BETWEEN DEVELOPER AND DESIGN-BUILDER - LUMP SUM

Document No. 525
Second Edition, 2010
© Design-Build Institute of America
Washington, DC

Design-Build Institute of America - Contract Documents

LICENSE AGREEMENT

By using the DBIA Contract Documents, you agree to and are bound by the terms of this License Agreement.

1. **License.** The Design-Build Institute of America ("DBIA") provides DBIA Contract Documents and licenses their use worldwide. You acknowledge that DBIA Contract Documents are protected by the copyright laws of the United States. You have a limited nonexclusive license to: (a) Use DBIA Contract Documents on any number of machines owned, leased or rented by your company or organization; (b) Use DBIA Contract Documents in printed form for bona fide contract purposes; and (c) Copy DBIA Contract Documents into any machine-readable or printed form for backup or modification purposes in support of your permitted use.

2. **User Responsibility.** You assume sole responsibility for the selection of specific documents or portions thereof to achieve your intended results, and for the installation, use, and results obtained from the DBIA Contract Documents. You acknowledge that you understand that the text of the DBIA Contract Documents has important legal consequences and that consultation with an attorney is recommended with respect to use or modification of the text. You will not represent that any of the contract documents you generate from DBIA Contract Documents are DBIA documents unless (a) the document text is used without alteration or (b) all additions and changes to, and deletions from, the text are clearly shown.

3. **Copies.** You may not use, copy, modify, or transfer DBIA Contract Documents, or any copy, modification or merged portion, in whole or in part, except as expressly provided for in this license. Reproduction of DBIA Contract Documents in printed or machine-readable format for resale or educational purposes is expressly prohibited. You will reproduce and include DBIA's copyright notice on any printed or machine-readable copy, modification, or portion merged into another document or program.

4. **Transfers.** You may not transfer possession of any copy, modification or merged portion of DBIA Contract Documents to another party, except that a party with whom you are contracting may receive and use such transferred material solely for purposes of its contract with you. You may not sublicense, assign, or transfer this license except as expressly provided in this Agreement, and any attempt to do so is void.

5. **Term.** The license is effective for one year from the date of purchase. DBIA may elect to terminate it earlier, by written notice to you, if you fail to comply with any term or condition of this Agreement.

6. **Limited Warranty.** DBIA warrants the electronic files or other media by which DBIA Contract Documents are furnished to be free from defects in materials and workmanship under normal use during the Term. There is no other warranty of any kind, expressed or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose. Some states do not allow the exclusion of implied warranties, so the above exclusion may not apply to you. This warranty gives you specific legal rights and you may also have other rights which vary from state to state. DBIA does not warrant that the DBIA Contract Documents will meet your requirements or that the operation of DBIA Contract Documents will be uninterrupted or error free.

7. **Limitations of Remedies.** DBIA's entire liability and your exclusive remedy shall be: the replacement of any document not meeting DBIA's "Limited Warranty" which is returned to DBIA with a copy of your receipt, or at DBIA's election, your money will be refunded. In no event will DBIA be liable to you for any damages, including any lost profits, lost savings or other incidental or consequential damages arising out of the use or inability to use DBIA Contract Documents even if DBIA has been advised of the possibility of such damages, or for any claim by any other party. Some states do not allow the limitation or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.

8. **Acknowledgement.** You acknowledge that you have read this agreement, understand it and agree to be bound by its terms and conditions and that it will be governed by the laws of the District of Columbia. You further agree that it is the complete and exclusive statement of your agreement with DBIA which supersedes any proposal or prior agreement, oral or written, and any other communications between the parties relating to the subject matter of this agreement.

INSTRUCTIONS

For DBIA Document No. 525 Standard Form of Agreement Between Developer and Design-Builder - Lump Sum (2010 Edition)

Checklist

Use this Checklist to ensure that the Agreement is fully completed and all exhibits are attached.

_____	Page 1	Developer's name, address and form of business
_____	Page 1	Design-Builder's name, address and form of business
_____	Page 1	Project name and address
_____	Section 2.1.3	Identify other exhibits to the Agreement
_____	Section 4.2	Note the optional provisions that are provided
_____	Section 4.3.2	Complete blanks for additional sum for use of Work Product
_____	Section 5.2.1	Complete blanks for calendar days and note the optional language that is provided
_____	Section 5.2.2	Insert any interim milestones (optional)
_____	Section 5.4	Complete blanks for liquidated damages and note the optional provisions that are provided
_____	Section 5.5	If the parties select the option provided they have to insert an amount
_____	Section 5.6	Complete blanks for early completion bonus and note the optional provision that is provided
_____	Section 5.7	Note the optional provisions that are provided
_____	Section 6.1	Complete blanks for Contract Price
_____	Section 6.2	Insert markups for changes and note optional provisions
_____	Section 6.3.4	Note the optional provision that is provided
_____	Section 6.4.1	Note optional provision
_____	Section 7.1.1	Complete blanks for day of month
_____	Section 7.2.1	Complete blanks for retention percentage and note optional provision
_____	Section 7.4	Complete blanks for interest rate
_____	Section 8.1.3	Choose overhead/profit method for termination for convenience
_____	Section 8.2.1	Complete blanks for percentages
_____	Section 8.2.2	Complete blanks for percentages
_____	Section 9.1.1	Insert Developer's Senior Representative's name, etc. (optional)
_____	Section 9.1.2	Insert Developer's Representative's name, etc. (optional)
_____	Section 9.2.1	Insert Design-Builder's Senior Representative's name, etc. (optional)
_____	Section 9.2.2	Insert Design-Builder's Representative's name, etc. (optional)
_____	Section 10.1	Attach Insurance Exhibit
_____	Section 10.2	Insert amount and conditions of bonds or other security and note the options that are provided
_____	Section 11.1	Insert any other provisions (optional)
_____	Last Page	Developer's and Design-Builder's execution of the Agreement

© 2010 Design-Build Institute of America

General Instructions

No.	Subject	Instruction
1.	Standard Forms	Standard form contracts have long served an important function in the United States and international construction markets. The common purpose of these forms is to provide an economical and convenient way for parties to contract for design and construction services. As standard forms gain acceptance and are used with increased frequency, parties are able to enter into contracts with greater certainty as to their rights and responsibilities.
2.	DBIA Standard Form Contract Documents	Since its formation in 1993, the Design-Build Institute of America ("DBIA") has regularly evaluated the needs of Developers, design-builders, and other parties to the design-build process in preparation for developing its own contract forms. Consistent with DBIA's mission of promulgating best design-build practices, DBIA believes that the design-build contract should reflect a balanced approach to risk that considers the legitimate interests of all parties to the design-build process. DBIA's Standard Form Contract Documents reflect a modern risk allocation approach, allocating each risk to the party best equipped to manage and minimize that risk, with the goal of promoting best design-build practices.
3.	Use of Non-DBIA Documents	To avoid inconsistencies among documents used for the same project, DBIA's Standard Form Contract Documents should not be used in conjunction with non-DBIA documents unless the non-DBIA documents are appropriately modified on the advice of legal counsel. Moreover, care should also be taken when using different editions of the DBIA Standard Form Documents on the same project to ensure consistency.
4.	Legal Consequences	DBIA Standard Form Contract Documents are legally binding contracts with important legal consequences. Contracting parties are advised and encouraged to seek legal counsel in completing or modifying these Documents.
5.	Reproduction	DBIA hereby grants to purchasers a limited license to reproduce its Documents consistent with the License Agreement accompanying these Documents. At least two original versions of the Agreement should be signed by the parties. Any other reproduction of DBIA Documents is strictly prohibited.
6.	Modifications	Effective contracting is accomplished when the parties give specific thought to their contracting goals and then tailor the contract to meet the unique needs of the project and the design-build team. For that reason, these Documents may require modification for various purposes including, for example, to comply with local codes and laws, or to add special terms. DBIA's latest revisions to its Documents provide the parties an opportunity to customize their contractual relationship by selecting various optional contract clauses that may better reflect the unique needs and risks associated with the project. Any modifications to these Documents should be initialed by the parties. At no time should a document be re-typed in its entirety. Re-creating the document violates copyright laws and destroys one of the advantages of standard forms-familiarity with the terms.
7.	Execution	It is good practice to execute two original copies of the Agreement. Only persons authorized to sign for the contracting parties may execute the Agreement.

© 2010 Design-Build Institute of America

Specific Instructions

Section	Title	Instruction
General	Purpose of This Agreement	DBIA Document No. 525 ("Agreement") should be used only when the parties intend that Developer pay Design-Builder a lump sum fixed price for the completion of all design and construction services. There will be greater mutual understanding and cooperation if the lump sum is established based on Developer's Project Criteria that are well defined. If there is uncertainty about Developer's Project Criteria, or it remains to be developed by Developer and Design-Builder jointly, a cost-plus/guaranteed maximum price ("GMP") contracting approach may be more suitable. In such case, the parties should use DBIA Document No. 530.
General	Purpose of These Instructions	These Instructions are not part of this Agreement, but are provided to aid the parties in their understanding of the Agreement and in completing the Agreement.
General	Related Documents	This Agreement shall be used in conjunction with the General Conditions of Contract. Other related Contract Documents are listed in Article 2 of this Agreement.
General	Date	On Page 1, enter the date when both parties reach a final understanding. It is possible, due to logistical reasons, that the dates when the parties execute the Agreement may be different. Once both parties execute the Agreement, the effective date of the Agreement will be the date recorded on Page 1. This date does not, however, determine Contract Time, which is measured according to the terms of Article 5.
General	Parties: Developer and Design-Builder	On Page, 1 enter the legal name and full address of Developer and Design-Builder, as well as the legal form of each entity, e.g., corporation, partnership, limited partnership, limited liability company, or other.
2.1.2	Basis of Design Documents	The Basis of Design Documents are critical in establishing the scope of work. These documents include the Developer's Project Criteria, Design-Builder's Proposal, and the Deviation List, if any, contained in the Design-Builder's Proposal. Prior to the execution of this Agreement, Design-Builder will have submitted its Proposal based on Developer's Project Criteria. To avoid ambiguities or conflicts between Developer's Project Criteria and Design-Builder's Proposal, Design-Builder's Proposal shall specifically list any deviations from Developer's Project Criteria. Design-Builder's Deviation List shall, if accepted by Developer, become a Contract Document and shall have precedence over Developer's Project Criteria.
2.1.5	Construction Documents	After execution of the Agreement, and consistent with the requirements of Section 2.4 of the General Conditions of Contract, Design-Builder will prepare Construction Documents subject to Developer's review and approval.
3.2	Order of Precedence	The Contract Documents are listed in Section 2.1 in the order of their precedence. This hierarchy of documents reflects DBIA's belief that the Basis of Design Documents are critical documents that take precedence over other Contract Documents existing at the time the Agreement is executed. This section also makes clear that if a Deviation List exists it takes precedence over the Developer's Project Criteria. Moreover, Section 2.1.3 recognizes that there may be other exhibits attached to this Agreement. If this is the case, the parties should discuss whether these exhibits should be part of the Basis of Design Documents. If these exhibits are not made part of the Basis of Design Documents, these exhibits will not take priority over the Basis of Design Documents in the event of a conflict.
3.3	Definitions	Terms, words and phrases used in the Agreement shall have the same meanings used in the General Conditions of Contract.

© 2010 Design-Build Institute of America

Section	Title	Instruction
3.4	Design Specification	The Developer is cautioned that if it includes design specifications in its Project Criteria, there is case law holding that the Design-Builder is entitled to rely on such information, and to the extent such information is not accurate, the Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time. Accordingly, the Developer to avoid such potential liability should consider using performance specifications.
4.1	Work Product	This Agreement provides that the Design-Builder shall retain Ownership of the Work Product it produces, but obligates Design-Builder to grant a limited license to Developer to use the Work Product according to the terms and circumstances described in Sections 4.2, 4.3, 4.4 and 4.5.
4.2	Developer's Limited License Upon Payment in Full	Design-Builder shall grant Developer, at Developer's sole risk, a limited license to use the Work Product at the completion of the Work in connection with Developer's occupation of the Project. This Section also provides the parties with the option of transferring Ownership of some or all of the Work Product to the Developer upon payment in full for all Work performed. Generally, where the Developer desires Ownership of Work Product, it is sufficient to transfer Ownership of unique architectural and design elements.
4.3	Developer's Limited License Upon Developer's Termination for Convenience or Design-Builder's Election to Terminate	Developer should not use the Termination for Convenience Clause to obtain Design-Builder's valuable design concepts, and then seek lower bids from other design-builders. Therefore, where Developer terminates this Agreement for its convenience, and then decides to complete the Project with its own or third-party forces, Design-Builder shall grant Developer the rights set forth in Section 4.2, provided Developer pays Design-Builder all amounts due Design-Builder as required by the Contract Documents, including paying Design-Builder an additional sum per Section 4.3.2 for the use of the Work Product. In the event Design-Builder elects to terminate this Agreement for cause, for reasons set forth in Section 11.4 of the General Conditions of Contract, these same conditions apply to Developer's use of the Work Product.
4.3.2	Additional Compensation	To minimize disputes, the parties should negotiate prior to execution of the Agreement the amount Developer shall pay Design-Builder for the use of Design-Builder's Work Product in the event Developer terminates this Agreement for its convenience or Design-Builder elects to terminate this Agreement for cause. Enter this amount.
4.4	Developer's Limited License Upon Design-Builder's Default	If Design-Builder is properly terminated for default, Developer is granted a limited license to use the Work Product, to complete the Project, and Developer shall thereafter have the same rights and obligations as set forth in Section 4.2.
4.5	Developer's Indemnification for Use of Work Product	Developer's use or alteration of the Work Product shall be at its sole risk, and Developer must agree to defend, indemnify and hold harmless Design-Builder and anyone working by or through Design-Builder, including Design Consultants of any tier.
5.1	Date of Commencement	Design-Builder's obligation to commence work is triggered by its receipt of a Notice to Proceed unless the parties mutually agree otherwise.
5.2.1	Substantial Completion of the Entire Work	Enter the calendar days duration by which Substantial Completion has to be achieved. The parties in this Section have the option of modifying the definition of Substantial Completion set forth in the General Conditions of Contract if they want to use a Temporary Certificate of Occupancy as the benchmark. If this option is selected, Substantial Completion will be deemed to be achieved no later than the date a Temporary Certificate of Occupancy is issued if applicable to the Project.

© 2010 Design-Build Institute of America

Section	Title	Instruction
5.2.2	Interim Milestones	It may be that some portions of the Work must be completed in phases or within a prescribed period of time to accommodate Developer's needs. The parties may, at their option, identify these portions of the Work to be completed prior to Substantial Completion of the entire Work. Enter the calendar days, starting from the Date of Commencement, for achieving Substantial Completion of these identified portions of the Work. If these portions of the Work are required to be substantially completed by certain milestone dates, enter those dates. As presently drafted no remedy is provided to the Developer if an interim milestone is not met. If the Developer has special requirements as it relates to interim milestones, the Developer may want to consider a remedy for the Design-Builder's failure to meet an interim milestone, as well as a bonus to the Design-Builder for satisfying such interim milestone.
5.4	Liquidated Damages	Developer should make a good faith evaluation of the amount that is reasonably necessary to compensate it for delay. Developer should not establish liquidated damages to penalize Design-Builder. Section 5.4 establishes a grace period between the Scheduled Substantial Completion Date and the assessment of liquidated damages in order to prevent disputes as to which party bears responsibility for only a few days of delay. The parties should enter the calendar days that may pass following the Scheduled Substantial Completion Date before liquidated damages will be assessed. The parties are also provided the option of establishing liquidated damages if the Design-Builder fails to achieve Final Completion within a specified number of days after Substantial Completion. If this option is selected, the parties have to negotiate the number of days, as well as the liquidated damages amount. The parties in negotiating liquidated damages should keep in mind that the amount of liquidated damages for failing to achieve Final Completion should be a considerably scaled down amount and should reflect the financial harm to the Developer. In no case should the total amount of liquidated damages for the Project exceed an amount that is reasonably necessary to compensate Developer for Project delay. The parties also have the option here of eliminating liquidated damages altogether, in which case the Developer can recover actual damages for Project delay at an amount that is capped by the parties. The Developer is cautioned that even if this option for actual damages is selected it still cannot recover consequential damages, as these are waived under Section 10.5.1 of the General Conditions of Contract.
5.5	Liquidated Damages Cap	The parties can agree to cap liquidated damages for delay at a negotiated amount.
5.6	Early Completion Bonus	If the Project economics justify liquidated damages, then it is appropriate to couple these liquidated damages with an early completion bonus. The parties should enter the number of calendar days prior to the Scheduled Substantial Completion Date that will set the Bonus Date. Also, enter the amount of the bonus to be paid per day that will allow Developer to share with Design-Builder the economic benefits of early completion. The parties also have the option in Section 5.6 of capping the early completion bonus at a negotiated amount.
5.7	Compensation for Force Majeure Events	The parties are provided the opportunity of providing the Design-Builder the right to receive compensation for Force Majeure Events. By selecting this option, the parties agree to modify Section 8.2.2 of the General Conditions of Contract, in which case the parties have to negotiate how many cumulative days of Force Majeure delays must occur before the Design-Builder is entitled to either a negotiated amount per day for delay or the direct costs it has incurred as a result of such delay.
6.1	Contract Price	Enter the lump sum price Developer will pay Design-Builder for the Scope of Work. The Contract Price should compensate Design-Builder for the services it provides and the risk it assumes in providing single point responsibility to Developer.

© 2010 Design-Build Institute of America

Section	Title	Instruction
6.2	Markups for Changes	Enter the markups agreed upon by Design-Builder and Developer to be used for pricing Changes to the Work. Prior to negotiating or agreeing to these markups, both parties should familiarize themselves with Article 9 of the General Conditions of Contract, Changes to the Contract Price and Time. For additive Change Orders, the parties have to negotiate the Fee the Design-Builder will receive. For deductive Change Orders, parties have the option by checking the appropriate box of whether there will be no additional reduction or whether there will be an additional reduction based on a negotiated percentage.
6.3.4	Allowance Value	This section recognizes that the parties may agree that certain items of Work should be treated as an Allowance Item and priced based on Allowance Values. The Allowance Value for which the Design-Builder will be entitled to receive compensation includes direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the Allowance Item. All other costs associated with the Allowance Item, such as design fees, general conditions costs and fee, are deemed to be included in the Contract Price. However, the parties agree that in the event the actual cost of the Allowance Item is greater than or less than the Allowance Value by a negotiated percentage, then Design-Builder's right to Fee and markup shall be determined pursuant to Section 6.2.
6.4	Performance Incentives	There may be performance incentives that will influence Project success. Such incentives may include award fees tied to the Design-Builder achieving certain standards relative to client satisfaction, safety, and personnel retention. The parties are encouraged to discuss the use of such incentives during negotiation of this Agreement. Any agreement on the use of incentives should be set forth in an exhibit attached to this Agreement.
7.1.1	Progress Payments	Enter the day of the month when Design-Builder shall submit its Application for Payment.
7.2.1	Retainage	Enter the percentage Developer will retain from Progress Payments to Design-Builder until fifty percent (50%) of the Work is completed. Developer should recognize that it creates undue hardship to hold retainage on Subcontractors that have completed their work early in the Project. Developer should accordingly consider releasing retainage on Subcontractors that complete work early in the Project, providing that these Subcontractors have satisfactorily performed their portion of the Work. The parties are provided the option of modifying the retainage provision by checking the box. This option excludes from retainage the Design-Builder's General Conditions costs and amounts paid to Design-Builder's Design Consultant. The rationale for selecting this option is that the Design-Builder is obligated to pay its General Conditions costs in full each month and that under the design-bid-build delivery method, the Developer typically does not retain sums from its designer.
7.4	Interest	The parties should enter the rate at which interest will accrue on Design-Builder's payments if unpaid five (5) days after due. Late payment creates a hardship for Design-Builder, its Design Consultants and Subcontractors.
7.5	Record Keeping	The Developer is provided access to Design-Builder's accounting information as it relates to changes of the Work. However, if the parties have agreed to multipliers or markups for changes, the time to challenge and negotiate those percentages is at the time the parties execute the Agreement and not during the Project or after it has been completed. Accordingly, the Developer can at any time audit these percentages only to confirm that such percentage has been properly charged and not to challenge the composition of such percentage.

© 2010 Design-Build Institute of America

Section	Title	Instruction
8.1.3	Termination for Convenience: Overhead and Profit	The parties should choose prior to execution of the Agreement the method that will be used to determine overhead and profit paid to Design-Builder in the event Developer terminates Design-Builder for its convenience. The parties may choose to set percentage rates for overhead and profit prior to execution of the Agreement, or may choose to determine reasonable sums to be paid for overhead and profit at the time of the termination. If the parties choose to set overhead and profit rates prior to execution of the Agreement, the percentages should be entered in Section 8.1.3.
8.2	Termination for Convenience: Additional Payments	Although it is important for Developer to have a process for terminating this Agreement for convenience, the process must consider the interests of Design-Builder. If Developer terminates this Agreement for its own convenience, compensating Design-Builder for its costs will not be adequate because Design-Builder will have committed its resources for a small amount of revenue. Therefore, in addition to the overhead and profit paid in Section 8.1, Developer shall pay Design-Builder an additional sum, calculated as a percentage of the remaining balance of the Contract Price. Enter the percentages Developer shall pay Design-Builder if Developer terminates this Agreement for its own convenience prior to or after the start of construction.
8.3	Termination for Convenience: Developer's Use of Work Product	Developer should not use the Termination for Convenience clause to obtain Design-Builder's valuable design concepts and then seek lower bids from another design-builder. If Developer terminates this Agreement for its own convenience, and chooses to proceed with the Project using Design-Builder's Work Product, Developer should pay an additional sum for the use of Design-Builder's Work Product pursuant to Section 4.3.
Article 9	Representatives of the Parties	Enter the name, title, address and telephone number of Developer's Senior Representative and Developer's Representative at Sections 9.1.1 and 9.1.2, respectively. Enter the name, title, address and telephone number of Design-Builder's Senior Representative and Design-Builder's Representative at Sections 9.2.1 and 9.2.2, respectively. The parties can elect to establish Representatives during the performance of the Project rather than at the time of execution of this Agreement. If Representatives are identified after execution of the Agreement, an appropriate amendment should be made to the Agreement at the time these individuals are designated.
10.1	Insurance	Attach an Insurance Exhibit setting forth in detail the insurance coverages required for the Project. Parties are advised to familiarize themselves with the terms of Article 5 of the General Conditions of Contract, Insurance and Bonds, and to consult their insurance advisor.
10.2	Bonds	Enter the type and amount of bonds or other performance security required for the Project. Where bonding is not required by statute, Developer may want to evaluate the project risks versus the bonding costs in deciding what type of performance security to require.
11.1	Other Provisions	Insert any other provisions. For example, the parties may elect to have disputes resolved through litigation rather than arbitration in which case the optional language in this Section should be included.

© 2010 Design-Build Institute of America

TABLE OF CONTENTS

Article	Name	Page
Article 1	Scope of Work	2
Article 2	Contract Documents	2
Article 3	Interpretation and Intent	3
Article 4	Ownership of Work Product	3
Article 5	Contract Time	5
Article 6	Contract Price	6
Article 7	Procedure for Payment	7
Article 8	Termination for Convenience	8
Article 9	Representative of the Parties	9
Article 10	Bonds and Insurance	10
Article 11	Other Provisions	10

Standard Form of Agreement Between Developer and Design-Builder - Lump Sum

This document has important legal consequences. Consultation with an attorney is recommended with respect to its completion or modification.

This **AGREEMENT** is made as of the date of execution of that certain Bond Purchase Agreement by and between the City of Austin (the "City") and Wells Fargo Capital Markets with respect to the financing of the Joint Use Facility, that date being the _____ day of _____ in the year of 2013 (such "Effective Date" being inserted above by the Escrow Agent designated to hold this document pending such execution, provided, however, that this Agreement shall be void and of no effect if such date is later than February 15, 2013, unless otherwise agreed in writing by the Parties), by and between the following parties, for services in connection with the Project identified below.

DEVELOPER:

(Name and address)

Pfeffer Development, LLC
425 G Street, Suite 210
Anchorage, AK 99501

Texas Registered Agent:

Pfeffer Development, LLC
c/o Stephen M. Dodge, Registered Agent
8909 Spring Lake Drive
Austin, TX 78750-2932

DESIGN-BUILDER:

(Name and address)

Austin Commercial, L.P.
1301 South MoPac Expressway, Suite 310
Austin, TX 78746

PROJECT:

(Include Project name and location as it will appear in the Contract Documents)

Austin-Bergstrom International Airport – Consolidated Rental Car Facility

In consideration of the mutual covenants and obligations contained herein, Developer and Design-Builder agree as set forth herein.

© 2010 Design-Build Institute of America

Article 1

Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents.

1.2 **Duty to Cooperate**. Developer and Design-Builder commit at all times to cooperate fully with each other, and to proceed on that basis to permit each party to realize the benefits afforded under this Agreement.

1.3 **Actions Required of Non-Parties**. Some matters necessary to the success of the Project are not within the control of the Parties nor in the control of persons contracted by either Party or its consultants for performance under this Agreement. In each case that a duty or required cooperation of Austin CONRAC, the City or the RACs is identified in this Agreement, fulfillment of that duty or cooperation by that entity (Austin CONRAC, the City or the RACs, respectively) is a condition of Developer's and Design-Builder's duty to perform any of its related obligations under this Agreement.

Article 2

Contract Documents

2.1 The Contract Documents are comprised of the following:

2.1.1 All written modifications, amendments, minor changes and Change Orders to this Agreement issued in accordance with adapted and modified DBIA Document No. 535 (2010 Edition), *Standard Form of General Conditions of Contract Between Developer and Design-Builder (Phase 2), by and between the Developer and Design-Builder dated January 7, 2013* ("General Conditions of Contract");

2.1.2 The Design Development Documents prepared under the adapted and modified DBIA Form No. 520 (2010 edition), *Standard Form Of Preliminary Agreement Between Developer And Design-Builder*, accepted and approved by the City and Austin CONRAC, LLC ("Austin CONRAC") and executed by and between Developer and Design-Builder as of February 2, 2012 (the "Phase 1 Design-Build Agreement"), including the Developer's Project Criteria, Design-Builder's Lump-Sum Price Proposal and the Deviation List, if any, contained in the Design-Builder's Phase 2 Lump-Sum Price Proposal, as modified by reconciliation dated December 19, 2012, based on a December 17, 2012 submittal, and confirmed January 7, 2013, and which shall specifically identify any and all deviations from Developer's Project Criteria, and which shall be deemed Exhibit A to this Agreement;

2.1.3 This Agreement, including all exhibits and attachments, executed by Developer and Design-Builder (List for example, performance standard requirements, performance incentive requirements, markup exhibits, allowances, or unit prices);

2.1.4 The General Conditions of Contract; and

2.1.5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract.

2.1.6 Contractor's M/WBE Compliance Plan required under Section 11.25 of this Agreement.

© 2010 Design-Build Institute of America

Article 3

Interpretation and Intent

3.1 Design-Builder and Developer, prior to execution of the Agreement, shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents, for any conflicts or ambiguities. Design-Builder and Developer will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement.

3.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after execution of the Agreement, Design-Builder and Developer shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Master Lease shall take precedence followed by the Contract Documents in the order in which they are listed in Section 2.1 hereof. Conflicts existing within Section 2.1.2 shall be resolved by giving precedence first to the Deviation List, if any, then the Developer's Project Criteria, and then the Design-Builder's Proposal.

3.3 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract. Capitalized terms defined neither in this Agreement nor in the General Conditions of Contract shall have the meanings given them in the Master Glossary attached hereto.

3.4 The Contract Documents form the entire agreement between Developer and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents. To the extent not excluded by the context, the term "parties" shall be deemed to include Austin CONRAC, LLC, and the City of Austin, Aviation Department ("City").

Article 4

Ownership of Work Product

4.1 Work Product. Subject to Section 11.39.1 of this Agreement, the City, Austin CONRAC and the Developer shall jointly own all rights, titles, and interests throughout the world in and to all drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Developer under this Agreement ("Work Product"). The Work Product, including the Proposal and all plans, drawings, photos, designs, studies, specifications, data, computer programs, schedules, technical reports, or other work products for which the Design-Builder is being paid under this Agreement are subject to the right of the City, Austin CONRAC and the Developer to use, duplicate and disclose such items, in whole or in part, in any manner and for whatever purpose; and, to have others do so. If any portion of the Work Product is copyrightable, the Consultant that created it may copyright it, subject to the rights of the City, Austin CONRAC and the Developer under this Agreement. The Work Product shall not include internal financial documents of the RACs, Austin CONRAC, the Developer or the Design-Builder or proprietary software, programs, or methodologies used to create the Work Product. The Design-Builder hereby grants, and shall cause the Consultants and subcontractors to grant the City, Austin CONRAC and the Developer a royalty-free, non-exclusive and irrevocable license to reproduce, publish, modify and use the Work Product and to authorize others to do so conditioned on the express understanding that Developer's, Austin CONRAC's

© 2010 Design-Build Institute of America

or the City's alteration of the Work Product without the involvement of Design-Builder is at sole risk of the respective party or third-party beneficiary that directs or authorizes the modification and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on the Developer's obligation to provide the indemnity set forth in Section 4.5 below. The Design-Builder shall include the provisions of this Section in its Consultant contracts, and shall cause each Consultant to include these provisions in any subconsultant contracts.

4.2 Should the City or Austin CONRAC elect to have anyone other than the Consultant or design professional who developed a respective Phase I Design Document for Pricing complete, refine or modify that document for use in constructing Phase II of the Project, or should the City or Austin CONRAC elect to use any Phase I Design Document for Pricing for expansion or modification of the Project, or for a different construction project, the party electing such use shall contract for design services relating to that use so as to place a duty on each design professional involved in such use of a Phase I Design Document independently to achieve conformance with the then applicable standard of professional care without any reliance on whether the Phase I Design Document was previously prepared in a proper manner.

4.3 Developer's Limited License upon Developer's Termination for Convenience or Design-Builder's Election to Terminate. *If Developer terminates this Agreement for its convenience as set forth* in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Developer's right (and thereby Austin CONRAC's and the City's rights) to use the Work Product to complete the Project and subsequently occupy the Project, and Developer shall thereafter have the same rights as set forth in Section 4.2 above, conditioned on the following:

4.3.1 Use of the Work Product is at Developer's sole risk without liability or legal exposure to any Indemnified Party identified in Section 4.1 and on the Developer's obligation to provide the indemnity set forth in Section 4.5 below; and

4.3.2 Developer agrees to pay Design-Builder the additional sum of Zero Dollars ($ 0.00) as compensation for the right to use the Work Product to complete the Project and subsequently use the Work Product in accordance with Section 4.2 if Developer resumes the Project through its employees, agents, or third parties.

4.4 Developer's Limited License upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract, then Design-Builder grants Developer a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Developer shall thereafter have the same rights and obligations as set forth in Section 4.2 above. Notwithstanding the preceding sentence, if it is ultimately determined that Design-Builder was not in default, Developer shall be deemed to have terminated the Agreement for convenience, and Design-Builder shall be entitled to the rights and remedies set forth in Section 4.3 above.

4.5 *Developer's Indemnification for Use of Work Product.* IF DEVELOPER IS REQUIRED TO INDEMNIFY ANY INDEMNIFIED PARTIES BASED ON THE USE OR ALTERATION OF THE WORK PRODUCT UNDER ANY OF THE CIRCUMSTANCES IDENTIFIED IN THIS ARTICLE 4, DEVELOPER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SUCH INDEMNIFIED PARTIES (AND CITY UNLESS SUCH USE OR ALTERATION OF THE WORK PRODUCT IS AT THE REQUEST OF OR BY REQUIREMENT OF CITY OVER THE OBJECTION OF THE DEVELOPER) FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LIABILITIES, LOSSES AND EXPENSES, INCLUDING ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM THE USE OR ALTERATION OF THE WORK PRODUCT.

© 2010 Design-Build Institute of America

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days of Design-Builder's receipt of Developer's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion.

5.2.1 Substantial Completion of the entire Work shall be achieved no later than Seven hundred and Sixty (760) calendar days after the later of the Date of Commencement and the receipt from the City of Austin of the Site Development Permit and possession of the project site, all three being required to determine contract time ("Scheduled Substantial Completion Date").

☒ The parties agree that the definition for Substantial Completion set forth in Section 1.2.18 of the General Conditions of Contract is hereby modified to read as follows:

"**Substantial Completion**" shall mean the stage in the progress of the construction of the Joint Use Facility when the work, or a designated part of the work, is sufficiently complete in accordance with the Development Agreement and this Agreement so that City can occupy the Commercial Parking Facility for its intended use, and Austin CONRAC and RACs can occupy or use the balance of the Joint Use Facility for construction and installation of Tenant Improvements and for building activation for its intended use, all as evidenced by a certificate of Substantial Completion approved by City and a Certificate of Occupancy issued by a City building inspector prior to Substantial Completion. "**Substantial Occupancy Date**" shall mean the date which shall be no later than the date of Substantial Completion, on which Design-Builder, Developer and Austin CONRAC turns over to each RAC its Exclusive Use Premises for purposes of installing the Initial Tenant Improvements and RAC Property in the Exclusive Use Premises and preparing to open for business in the CONRAC on the Opening Date.

5.2.2 Design-Builder understands that if Final Completion is not achieved within One Hundred Twenty (120) days after the Substantial Completion Date, Developer will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Final Completion is not achieved within One hundred and Twenty (120) days of Substantial Completion, Design-Builder shall pay to Developer One Thousand Seven Hundred and Fifty Dollars ($1,750), as liquidated damages for each calendar day that Final Completion is delayed beyond the above-referenced number of days. Liquidated damages shall be shared by the City, Developer and Austin CONRAC in the following manner: One Thousand Dollars ($1,000) to the City, Five Hundred Dollars ($500) to the Developer, and Two Hundred and Fifty Dollars ($250) to Austin CONRAC. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.7 of the General Conditions of Contract.

5.2.3 All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract and Section 5.6 of this Agreement.

5.3 Time is of the Essence. Developer and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, as the same may be modified under Section 5.2.3, above, Developer will suffer damages which are difficult to determine and accurately specify. Design-

© 2010 Design-Build Institute of America

Builder agrees that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Designer-Builder shall pay Developer One Thousand Seven Hundred and Fifty Dollars ($ 1,750) as liquidated damages for each day that Substantial Completion extends beyond the Scheduled Substantial Completion Date..

5.5 Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Developer which are occasioned by any delay in achieving the Contract Time(s).

5.6 In addition, insofar as the Developer, the City of Austin and Austin CONRAC may agree to schedule extensions as provided for under the Project Delivery Agreement, the Design-Builder shall be entitled to extension of the Deadline for Substantial Completion of the same duration. In the event of any extension for any reason authorized herein or in Section 8.2.1 of the General Conditions of Contract, all references herein to the Deadline for Substantial Completion shall be deemed to refer to that extended date.

Because RAC Initial Tenant Improvements are specifically excluded from the definition of Scope of Work and Substantial Completion, The Design-Builder shall likewise be entitled to extension of the Deadline for Substantial Completion for delays in achieving Substantial Completion to the extent the delay is caused by RAC Initial Tenant Improvement work occurring concurrent to the Design-Builder's Work.

Article 6

Contract Price

6.1 Contract Price. Developer shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of **ONE HUNDRED THIRTY-THREE MILLION, FIVE HUNDRED SIXTY-SIX THOUSAND, FIVE HUNDRED and NINETY-THREE Dollars ($133,566,593)** ("Contract Price") Unless otherwise provided in the Contract Documents, the Contract Price is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

6.2 Markups for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Sections 9.4.1.3 or 9.4.1.4 of the General Conditions of Contract, the following markups shall be allowed on such changes:

6.2.1 For additive Change Orders, including additive Change Orders arising from both additive and deductive items, it is agreed that Design-Builder shall receive a Fee of Three point Nine Three percent (3.93%) of the additional costs incurred for that Change Order.

6.2.2 For deductive Change Orders, including deductive Change Orders arising from both additive and deductive items, the deductive amounts shall include:

An amount equal to the sum of Three point Nine Three percent (3.93%) applied to the direct costs of the net reduction (which amount will account for a reduction associated with Design-Builder's Fee).

6.3 Allowance Items and Allowance Values.

6.3.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the Design-Builder's Lump Sum Price Proposal, incorporated as Exhibit A hereto.

6.3.2 Design-Builder and Developer have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance

© 2010 Design-Build Institute of America

Values constitute reasonable estimates for the Allowance Items. Design-Builder and Developer will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

6.3.3 No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Developer. Developer agrees that if Design-Builder is not provided written authorization to proceed on an Allowance Item by the date set forth in the Project schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price, subject to City's prior written approval.

6.3.4 The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and fee, are deemed to be included in the original Contract Price, and are not subject to adjustment, regardless of the actual amount of the Allowance Item.

6.3.5 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.3.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

Article 7

Procedure for Payment

7.1 Progress Payments.

7.1.1 Design-Builder shall submit to Developer on the Twenty-Fifth (25th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract and 11.24 of this Agreement.

7.1.2 Developer shall make prompt payment immediately following Developer receipt of payment from Austin CONRAC, City and/or Trustee based on Developer's receipt from Design-Builder of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract. The Design-Builder and the Developer agree that the payment process set out in Section 11.24 of this Agreement is a significantly improved payment process for this Phase II over the Phase I payment process under the 2011 Reimbursement Agreement, and that no interest on past payment amounts due shall accrue to Design-Builder except to any extent required under the Texas Prompt Payment statute. The Developer may not agree to material variance of financial arrangements under the Development Agreement without prior notice to the Design-Builder.

7.2 Retainage on Progress Payments.

7.2.1 Developer will retain FIVE percent (5%) (or any amount as may be determined to be required in accordance with applicable Texas law) of each Application for Payment provided Developer will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

© 2010 Design-Build Institute of America

7.2.2 In the first Pay Application under Section 11.24 of this Agreement after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Developer shall make request to Austin CONRAC for release to Design-Builder of all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion and (b) all other amounts Developer is entitled to withhold pursuant to Section 6.3 of the General Conditions of Contract.

7.3 Final Payment. Design-Builder shall submit its Final Application for Payment, which shall be deemed to include request for payment of retainage not previously released and paid, to Developer in accordance with Section 6.7 of the General Conditions of Contract. Developer shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within thirty (30) days after Developer's receipt of payment from Austin CONRAC City and/or Trustee, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 Interest. Payments due and unpaid by Developer to Design-Builder, whether progress payments or final payment, shall bear interest commencing THIRTY (30) days after Developer's payment is due at the annual rate of one percentage point more than the most recent Prime Rate as published by the Wall Street Journal, or any comparable source in absence such publication and accruing each month until paid.

7.5 Record Keeping and Finance Controls. With respect to changes in the Work performed on a cost basis by Design-Builder pursuant to the Contract Documents, Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Developer and Developer's accountants shall be afforded access to, and the right to audit from time-to-time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to changes in the Work performed on a cost basis in accordance with the Contract Documents, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Developer and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

Article 8

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Developer may, for its convenience and without cause, elect to terminate this Agreement. In such event, Developer shall request to Austin CONRAC for payment for Design-Builder under Development Agreement Section 9.4 for the following:

8.1.1 All Work executed and for proven loss, cost or expense in connection with the Work;

8.1.2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

© 2010 Design-Build Institute of America

8.1.3 Overhead and profit in the amount of Three point Nine Three percent (3.93%) on the sum of items 8.1.1 and 8.1.2 above.

8.2 [NOT USED]

8.3 If Developer terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Developer's rights to use the Work Product shall be as set forth in Section 4.3 hereof. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 4.

Article 9

Representatives of the Parties

9.1 Developer's Representatives.

9.1.1 Developer designates the individual listed below as its Senior Representative ("Developer's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Mark Pfeffer
Pfeffer Development, LLC
245 G Street, Suite 210
Anchorage, AK 99501

9.1.2 Developer designates the individual listed below as its Developer's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Bob O'Neill, P.E.
Pfeffer Development, LLC
245 G Street, Suite 210
Anchorage, AK 99501

9.2 Design-Builder's Representatives.

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Jack Archer
Austin Commercial, L.P.
1301 South MoPac Expressway, Suite 310
Austin, Texas 78746

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

© 2010 Design-Build Institute of America

Brian Clark
Austin Commercial, L.P.
1301 South MoPac Expressway, Suite 310
Austin, Texas 78746

Article 10

Bonds and Insurance

10.1 Insurance. Design-Builder and Developer shall procure the insurance coverages set forth in the Insurance Exhibit attached as Exhibit B hereto and Section 11.3 below and in accordance with Article 5 of the General Conditions of Contract.

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security per Section 11.2 below:

Performance Bond.

☒ Required ☐ Not Required

Payment Bond.

☒ Required ☐ Not Required

Other Performance Security.

☐ Required ☒ Not Required

Article 11

Other Provisions

11. Other Provisions The following provisions are included as required by or to ensure consistency with the Master Lease or the Development Agreement. Although the following provisions correspond to respective Sections of those respective documents, the parenthetical document references are informational only, and the modified language adapting those provisions to this Agreement—including the designation of Design-Builder to perform of certain specified construction-related obligations—shall govern this Agreement:

11.1 Compliance. Any improvement, construction, alteration, import of material, export of material, or any other alteration or addition to the CONRAC Site as described in this ARTICLE shall be completed in accordance with the provisions of the Master Lease, Legal Requirements, City Codes and Standards and the City Building Permit requirements.

11.2 Performance Bond and Security. Design-Builder to secure Payment and Performance Bonds in the minimum amount of one hundred percent (100%) of the Contract Price specified in this Agreement and naming the City, the Bond Trustee, Developer, and Austin CONRAC, as obligees. The Payment and Performance Bonds shall be issued by a company(s) and be in the form(s) acceptable to City in its sole discretion. Originals of the Payment and Performance Bonds and any related documentation requested

© 2010 Design-Build Institute of America

by City must be delivered to City prior to the Commencement of Construction.

11.3 Insurance (Master Lease Section 15.4.4 and 2011 Reimbursement Agreement Section 9). Design-Builder shall procure and charge against the Contract Price, no less insurance coverages than the specific insurance coverages as set forth in Exhibit B to this Agreement. Design-Builder shall maintain such insurance throughout the course of the Project and for a minimum of one (1) year following Substantial Completion of the Work. A Certificate of Insurance indicating the expiration date of Design-Builder's professional liability insurance is required. In the event any commercially reasonable adjustments to insurance coverage, limits, and/or exclusions are deemed necessary and prudent by the City in accordance with Exhibit B of this Agreement, Design-Builder shall promptly notify the Developer and the City in writing of the increase in the amount of the insurance cost, if any, together with supporting documents, and, unless the City rescinds its direction for the adjustment in insurance coverage, the Developer shall request approval for use of budget contingency to reimburse Design-Builder for the increased amount of the insurance cost.

11.4 Cooperation On Furnishing Work Product. Design-Builder shall cooperate and coordinate with the Developer to ensure that a copy all reports or other Work Product created by or for the Design-Builder under this Agreement are furnished to the City and to Austin CONRAC.

11.5 Success of Project. The success of the proposed Joint Use Facility and balance of the Project is dependent upon its appearance and character as a major facility and its integration as part of the Airport consistent with the Airport Master Plan. The Joint Use Facility and Project design character will be vetted through the City's design process, and approval of the design character for the Joint Use Facility and the balance of the Project will be made by the City in its sole discretion.

11.6 Construction Document Review. (Master Lease Section 9.2.2) Design-Builder shall provide interim construction plans and specification of the Joint Use Facility to Developer for Austin CONRAC and City review at the following milestones:

11.6.1 Under the Phase 1 Design-Build Agreement, at thirty percent (30%) and fifty percent (50%) of construction documents (one hundred percent (100%) schematic design and one hundred percent (100%) design development, respectively) to allow for comments by City before City issues any applicable permits, and thereafter for approval of any proposed Significant Change. (Completed prior to the Effective Date.)

11.6.2 Under this Agreement, at one hundred percent (100%) of design development drawings, to the extent not previously submitted under Section 11.6.1 of this Agreement, at ninety-five percent (95%) of construction documents to allow for comments by City before City issues any applicable permits to Austin CONRAC, and thereafter for approval of any proposed Significant Change. City agrees to review all plans and comment within fourteen (14) days of the delivery so long as Developer provides at least ten (10) days' notice to City prior to delivery for review. "Significant Change" means any change (or related series of changes) to the design of the CONRAC prior to the Date of Beneficial Occupancy that (a) results in an increase in costs in excess of $25,000; (b) materially impacts the overall design of the CONRAC; (c) otherwise impacts the type of space available to the RACs in the CONRAC; or (d) extends the completion date of the CONRAC by more than thirty (30) days.

11.6.3 The approval by City of any design or construction documents or any other provision does not create responsibility or liability on the part of City, Austin CONRAC or Developer for their completeness, design sufficiency or compliance with, nor waive Design-Builder's contractual or legal responsibility or liability to comply, with all Environmental Laws, Legal Requirements and City Codes and Standards, including those concerning the construction and design of the Joint Use Facility, all of which shall be Design-Builder's sole responsibility. In addition, such review or approval shall not constitute a waiver by City of the right thereafter to require Design-Builder to correct any failure by Design-Builder to comply with any Environmental Laws, Legal Requirements or City Codes and Standards.

© 2010 Design-Build Institute of America

11.7 [NOT USED]

11.8 [NOT USED]

11.9 Review & Comments on the Work Product. The schedule for Phase II shall provide ample time for the Developer, Austin CONRAC and the City to review and provide their respective questions and comments concerning Work Product, including but not limited to interim or preliminary Work Product.

11.10 Permitting; Planning Requirements. (Master Lease Sections 9.2 and 9.2.1) Before Design-Builder undertakes, causes or permits any clearing, excavation, filling, demolition, construction, improvement or other work on the CONRAC Site or delivery of materials or equipment to the CONRAC Site, whether temporary or permanent ("Commencement of Construction"), Design-Builder shall (a) obtain City Site Development and Building Permits required for the scope of work to be undertaken (it being expressly understood that phased permitting is approved to allow specified scope to proceed while work toward permits for other scope of work remains ongoing); and (b) otherwise comply with the requirements of City Codes and Standards, including the requirements for the submission and approval of the plans and specifications for the Joint Use Facility. Developer, Design-Builder and others as necessary, shall attend such periodic meetings with City representatives as required by City for the purpose of the review of drawings, plans, finishes and specifications pursuant to City Codes and Standards, the Development Agreement, and this Agreement.

11.10.1 To obtain all applicable permits, Design-Builder shall submit the following to City for the scope of work subject to the respective permit:

11.10.2 One (1) complete copy of all work product for the design and construction of the Joint use Facility in electronic file formats (9CD-R) and prepared with computer-aided design and drawing technology utilizing City's ABIA CAD standards.

11.10.3 In addition to the electronic files, at least three (3) sets of full-size printed Project drawings, plans and specifications for the Joint Use Facility (in hard copies and electronic format specified by City and which may be submitted in stages depending on the stages or phases of construction) in sufficient detail for City to evaluate the project and its scope, including, as applicable,

11.10.3.1 A site plan showing horizontal dimensions and elevations, proposed work to be performed and improvements to be constructed on the CONRAC Site, as well as any off-site improvements Design-Builder proposes to perform on the Airport in conjunction with the construction of the Joint Use Facility, including the location of all proposed utility lines and connections, drainage, vehicle parking, landscaping, paths, drainage, roads and easements;

11.10.3.2 architectural drawings sufficiently complete for construction showing front and side elevation views, floor plans for each floor of the Joint Use Facility and dimensions of any proposed structure and the materials, including colors and exterior finishes to be used, finished floor elevation data for each level and maximum elevation (height) of the Joint Use Facility;

11.10.3.3 a boundary survey of the CONRAC Site, incorporating any boundary changes previously approved by City, unless such a survey is already on file with City on the date Design-Builder files the City Building Permit application;

11.10.3.4 a copy of the schedule for the completion of the construction of the Joint Use Facility and a schedule of values composing the fixed price for the construction.

11.10.3.5 documentation showing that the plans and specifications for the scope of work to be undertaken have received any approval required by other Governmental Authorities having jurisdiction over the proposed Project; and

11.10.3.6 copies of all Deliverables required under the Phase I Design-Build Agreement and this Agreement in the amount and format specified; and

© 2010 Design-Build Institute of America

11.10.3.7 any additional data or documents reasonably requested by City.

11.11 Failure to Obtain City Building Permit. (Master Lease Section 9.2.4) If Design-Builder does not obtain a City Building Permit required in Section 11.10 of this Agreement for a particular scope of work before beginning that work on the CONRAC Site, City may, after five (5) days written notice to Austin CONRAC and opportunity to cure (except in the case of real or threatened emergency to life, safety or structural integrity) and when it is in the interest of safe, effective, or efficient operation of the Airport to do so, require Austin CONRAC, and thereby Design-Builder, to cease or suspend the activity and to submit the application for the City Building Permit and other documentation required under Section 11.10 of this Agreement. After review of the application, City shall approve or deny the application. If City grants a City Building Permit, Design-Builder shall, at no cost to City, Developer or Austin CONRAC comply with any requirement that City includes in the approval as necessary to bring the construction into compliance with the permitting standards of City. If City denies a City Building Permit and if City so directs, Design-Builder shall, at no cost to City, Developer and Austin CONRAC remove all unauthorized improvements and restore the CONRAC Site to its condition prior to the unauthorized work on the CONRAC Site.

11.12 Construction of Joint Use Facility. (Master Lease Section 9.4) After Design-Builder complies with the requirements of Sections 11.6 and 11.10 of this Agreement, Design-Builder shall construct, equip and install, or cause to be constructed, equipped and installed, the Joint Use Facility on the CONRAC Site in accordance with the plans and specifications, schedule and budget approved by Developer and City, the City Codes and Standards, the City Building Permit Requirements and this Agreement, free and clear of all Liens and encumbrances, at no cost to City other than financing and payment for the Project under the Master Lease. Design-Builder shall ensure that construction activities are closed off from public access and ground view with construction safety barriers and easily readable signs explaining the construction, as approved by City prior to the Commencement of Construction. Without limitation of the generality of the foregoing:

11.12.1 Upon the Commencement of Construction, Design-Builder shall provide to City (with copies to Developer and Austin CONRAC) an affidavit of Commencement of Construction in recordable form, and a list of all known contractors, subcontractors and suppliers expected to provide labor or materials and thereafter upon procurement as reflected in the M/WBE Procurement Program Compliance Plan in accordance with Section 11.25 of this Agreement.

11.13 The Joint Use Facility shall be constructed using new, quality materials, using only qualified personnel and in a good and workmanlike manner adhering to generally accepted industry standards and practices. (Master Lease Section 9.4.3)

11.14 The Joint Use Facility shall be constructed in a manner that will not unreasonably interfere with or disturb daily operations at the Airport or City or its tenants, customers, guests or invitees. (Master Lease Section 9.4.4)

11.15 During the construction of the Joint Use Facility, the CONRAC Site shall be kept free of trash and debris, and all construction on the CONRAC Site or performed by Design-Builder at the Airport must be orderly, presentable, and compatible with its use and surroundings and otherwise in compliance with City's Standards. (Master Lease Section 9.4.5)

11.16 All portions of the CONRAC Site not directly used for the construction of the Joint Use Facility must be maintained by Design-Builder in a manner that does not attract birds and animals. (Master Lease Section 9.4.6)

11.17 Other than the construction of the Joint Use Facility on the CONRAC Site, Design-Builder shall not construct or place any building or other permanent structure within the boundary line of the CONRAC Site unless City and Developer otherwise approves. (Master Lease Section 9.4.7)

11.18 In construction of underground improvements, Design-Builder shall appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between the markers are subject to the approval of City. (Master Lease Section 9.4.8)

11.19 Design-Builder shall keep the CONRAC Site and the Joint Use Facility free and clear of all Liens, claims and encumbrances, and all contractors, subcontractors and suppliers providing labor and

© 2010 Design-Build Institute of America

materials for the construction of the Joint Use Facility shall be timely paid and execute Lien waivers or releases upon payment. Design-Builder shall provide Developer with Lien waivers or releases from Design-Builder and the subcontractors at all tiers and suppliers of labor, materials, work and services for all component parts of the Joint Use Facility within sixty (60) days after the completion thereof and receipt of payment therefor, in detail acceptable to City to enable Developer and Austin CONRAC to review and forward the same to the City to verify compliance with the requirements of the this Agreement. (Master Lease Section 9.4.9) In the event that any such Lien is recorded for any portion of the Work for which Design-Builder has been paid is not promptly removed, Design-Builder acknowledges that Developer may be required under the Development Agreement to obtain from a suitable commercial surety and file a lien release bond in proper form and proper amount, afford notice of the bond, and record the bond and notice consistent with the requirements of Texas Property Code sections 53.171, 53.172, 53.173 and 53.174, and additionally to indemnify and hold Austin CONRAC and the City harmless from all costs, damages and fees, including reasonable attorneys' fees, which Austin CONRAC and or the City incurs as result of the Lien. In such case, any such costs incurred by Developer shall be borne and paid or reimbursed by Design-Builder. (Development Agreement Section 17)

11.20 On Final Completion, Design-Builder shall obtain and provide to Developer to forward to City, proof of all necessary permits and licenses to occupy and operate the Joint Use Facility including a certificate of occupancy. (Master Lease Section 9.4.10)

11.21 Design-Builder agrees that any subcontract for construction, alteration or repair of the Joint Use Facility or for the purchase of material to be used, or for work and labor to be performed within or upon the CONRAC Site, shall be in writing and shall contain provisions to protect City from the claims of any laborers, subcontractors or materialmen against the Joint Use Facility and otherwise comply with the requirements of City Codes and Standards. Design-Builder agrees to give Developer and City immediate written notice of the placing of any Lien or encumbrance against the Leased Premises and further agrees to extinguish such Lien in accordance with below:

> **11.21.1** Design-Builder agrees not to directly or indirectly create, permit or suffer any Lien to be imposed upon the Leased Premises or any part thereof or upon the QTA Equipment, the Fuel Facilities or furniture, fixtures and equipment as a result of Design-Builder's activities and operations on the Leased Premises. In the event any such Lien is created by or permitted by Design-Builder in violation of this Section, Design-Builder shall immediately: (a) give notice to Developer and City of such Lien and provide to City all related documentation and information requested by City; (b) discharge such Lien of record, by payment, bond or as otherwise allowed by Applicable Laws; and (c) provide to Developer and City a copy of the recorded release or discharge of such Lien and all related documentation and information requested by City. Design-Builder SHALL ALSO DEFEND (WITH COUNSEL APPROVED BY CITY), FULLY INDEMNIFY AND HOLD ENTIRELY FREE AND HARMLESS DEVELOPER, AUSTIN CONRAC AND CITY FROM ANY ACTION, SUIT OR PROCEEDING THAT MAY BE BROUGHT ON OR FOR THE ENFORCEMENT OF ANY SUCH LIEN. (Master Lease Sections 9.4.11 and 18.2)

11.22 All subcontracts for the construction of the Joint Use Facility shall require Substantial Completion no later than the Deadline for Substantial Completion within the construction schedule therefor submitted by Design-Builder to Developer and accepted by City and shall contain reasonable and lawful provisions for the payment of damages in the event the subcontractor fails to complete such construction on a timely basis. Design-Builder shall take all necessary action available under each such construction subcontract to ensure the timely Substantial Completion of the work and in no event later that the Deadline for Substantial Completion. (Master Lease Sections 9.4.12)

11.23 Design-Builder shall not seek any unearned progress payment for work not accomplished to develop the CONRAC, and acknowledges that Developer shall reduce, each progress payment request for all design build products and services retainage under Section 7.2.1 of this Agreement).

11.24 Project Financing and Payment. (Master Lease Section 9.5) Design-Builder acknowledges that the Project is to be financed and paid for with proceeds of Bonds issued by the City and other funds described in the Indenture, if any, through requisitions submitted by the City to the Trustee in accordance

© 2010 Design-Build Institute of America

with the Indenture after City's receipt of Pay Applications (described below) from Austin CONRAC in accordance with the following procedures and requirements:

11.24.1 Design-Builder shall submit to Developer pay applications for costs of the Project ("Pay Applications") as set forth in the Phase II Final Project Budget ("Project Budget") on or before a date to be determined, to recur on the same date or day each month (or the next business day if a specific date is designated and falls on a weekend or City holiday) ("Submittal Date") until Final Completion. For each Pay Application, Design-Builder shall: (a) on or before the Submittal Date arrange with Developer and the City for on-site review of work performed to-date on the Joint Use Facility pursuant to this Agreement; and (b) on or before the Submittal Date submit to Developer utilizing the City required format or forms for review at the address specified below (i) an invoice in triplicate original, describing the percentage complete of the Project, together with the amount and nature of all authorized expenses under this Agreement to be paid on the percentage of work complete as reasonably determined by the time and materials undertaken to complete the work ("Progress Invoice").

11.24.2 The Developer shall then submit to Austin CONRAC for submittal to the City (i)certification that such Progress Invoice has been reviewed and approved by Developer, (ii) complete copies of the invoice of Design-Builder for which payment is requested under the Progress Invoice (along with any supporting documentation required under the Development Agreement or this Agreement); (iii) applicable project schedule; (iv) project task list or resource allocation plan from the Developer and Design-Builder for services and fees during Phase 2 of the Project; and (v) as Design-Builder procures work, updated Compliance Plan in accordance with Section 11.25 of this Agreement (the items described above are collectively referred to as the "Pay Application(s)").

11.24.4 Developer shall reduce, each Pay Application by a percentage of the design and construction work as retainage in accordance with Section 7.2.1 of this Agreement and the applicable Texas law, which retainage shall remain held by the Trustee and shall be payable pursuant to Pay Applications submitted in accordance with Section 7.2.2 and a Pay Application submitted in accordance with Section 7.3 of this Agreement, the latter to be submitted no more than sixty (60) days after the later to occur of Final Completion or the date on which all way-finding signage is installed if not installed by Final Completion. (Master Lease Section 9.5.2)

11.24.5 The City has agreed under the Master Lease that after the City's review and approval of each Pay Application, the City shall promptly submit a requisition for payment of the same to the Trustee in accordance with the Indenture; provided however, the City shall not be required to submit more than one (1) requisition for payment per month. The entire payment or part of any payment otherwise due pursuant to a Pay Application may be withheld, to be effected by a reduction in the amount requisitioned by City from the Trustee on account of:

Delivery of defective, untimely, or non-conforming work by the Design-Builder, Developer or Austin CONRAC; or

Failure of the Austin CONRAC to submit proper invoices with all required attachments and supporting documentation.

The City has also agreed under the Master Lease that the City shall furnish prompt written notice to Austin CONRAC of any withholding claimed by City as described above, which notice shall include identification of the amount withheld and the reason or reasons for such withholding, and that upon the cure of the reason or reason(s) for amounts withheld to the satisfaction of City, City shall submit a requisition for payment of the amount withheld to the Trustee in accordance with the Indenture. (Master Lease Section 9.5.3)

11.24.6 Except for any amount expressly identified in the Project Budget as a time and material expense, the amount for Design-Builder under Section 6.1 of this Agreement (and identified in the

© 2010 Design-Build Institute of America

final City-approved Project Budget) is a lump sum to be paid according to the percentage complete of the Project as certified by Design-Builder and confirmed by Developer's cost consultant, and for actual amounts invoiced for the time and material line items, all as submitted to and approved by Developer and Austin CONRAC, reviewed by City's independent cost consultant, and approved by City's Contract Manager. As noted in Section 7.3 of this Agreement, a final Pay Application, which shall be deemed to include request for payment of retainage, may be submitted to City after the later to occur of Final Completion or the date on which all way-finding signage is installed if not installed by Final Completion and acceptance of the same in writing by City. (Master Lease Section 9.5.4)

11.24.7 Design-Builder acknowledges that the City has reserved the right to audit and examine at any reasonable time the books and records of the Design-Builder to the extent necessary, consistent with the industry standards pertaining to lump-sum projects as contemplated under the Development Agreement, to verify the accuracy of any statement, charge, computation or invoice made under this Agreement, and to recover from Design-Builder any overcharge paid by the City or the Trustee via Austin CONRAC, and Developer to Design-Builder. Design-Builder shall retain all such records for a period of three (3) years after the Trustee's final payment for the Project or until all audit and litigation matters that City has brought to the attention of the Austin CONRAC are resolved, whichever is longer. Design-Builder agrees to refund to City any overpayments disclosed by any such audit. Design-Builder shall include the provisions of this Section in all Design-Builder agreements entered into in connection with the Project. (Master Lease Section 9.5.5)

11.24.8 The City has agreed to provide to Austin CONRAC a Texas sales and use tax certification form, and Developer shall cause such form to be provided to Design-Builder. (Master Lease Section 9.5.5.1)

11.25 Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program. Design-Builder shall comply with the standards and principles of the City Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program, found at Austin City Code Chapters 2-9A, 2-9B, 2-9C, and 2-9D (Procurement Program). Accordingly, Design-Builder shall develop and submit to City an M/WBE Compliance Plan for approval in accordance with the standards and principles of the Procurement Program. Design-Builder will utilize subcontractors, suppliers and consultants that either assist Design-Builder in meeting the M/WBE participation goals, or Design-Builder will demonstrate Good Faith Efforts to meet the goals. The Compliance Plan is hereby incorporated into and made a part of this Agreement for all purposes once approved by City, and a violation by Design-Builder shall be an event of default.

11.25.1 Subcontracting If the Design-Builder has at any time identified a Subcontractor in a MBE/WBE Program Compliance Plan, the Design-Builder and the Subcontractor shall comply with the applicable provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D of the Austin City Code and the terms of the Compliance Plan as approved by the City (the "Plan"). No Subcontractor shall be employed except as provided in the Plan. No Subcontractor identified in the Plan may be replaced, unless the substitute has been accepted by the City in writing. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective or incomplete Deliverables provided by a Subcontractor. The Design-Builder shall be fully responsible to Developer, the RACs and the City for all acts and omissions of each Subcontractor just as the Design-Builder is responsible for its own acts and omissions. Nothing herein shall create for the benefit of Design-Builder or any Subcontractor a contractual relationship between the City and Design-Builder or the Subcontractor, nor shall it create any direct obligation on the part of the City to pay or to see to the payment of any moneys due the Design-Builder or Subcontractor.

11.25.2 *Public Outreach Communications Plan.* Design-Builder, in cooperation with the Developer and the City, shall develop a public outreach communications plan satisfactory to the City to ensure compliance with the City's MBE/WBE Program Compliance Plan and the Austin

© 2010 Design-Build Institute of America

City Code, including the applicable provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D.

11.26 Substantial Completion. (Master Lease Section 9.4.2) Design-Builder shall cause the construction of the Joint Use Facility to be Substantially Complete no later than the Deadline for Substantial Completion, as stated under Article 5 of this Agreement, and as modified thereunder and approved by City as shown by the City's consent to the attachment of this form of agreement as an exhibit to the Master Lease, with all required permit sign-offs, regulatory inspections and structural components completed, equipment and systems installed and functional and all interior and exterior wall, ceiling and floor finish materials installed excluding only the completion of the Punch-List Items, Initial Tenant Improvements and modifications of or enhancements to way-finding signage as provided below. When Substantial Completion of the Joint Use Facility has been obtained:

11.26.1 Design-Builder shall notify Developer and shall schedule and perform within fourteen days a joint punch-list inspection with Developer, Austin CONRAC and City and identify items to be corrected or completed by Final Completion (the "Punch-List Items");

11.26.2 Design-Builder shall provide Developer with a certified letter indicating that the Joint Use Facility was constructed in accordance with the construction plans and specifications submitted to and approved by City and that installation of all components is in accordance with all Applicable Laws, Legal Requirements, City Codes and Standards, the City Building Permit Requirements, and this Agreement;

11.26.3 Design-Builder shall diligently pursue and achieve Final Completion (inclusive of all Punch-List Items identified during the joint punch-list inspection by Design-Builder, City, Developer and Austin CONRAC) no later than the date provided under Section 5.2.2 of this Agreement;

11.26.4 Design-Builder, Developer, and Austin CONRAC shall turn over to City the first floor of the Joint Use Facility (other than the first floor of the QTA) for City use as the Commercial Parking Facility, as defined in the attached Master Glossary, the IDF Rooms and the Parking Management Office and thereafter City shall have exclusive possession of the same subject to Design-Builder's license to access the premises for purposes of completing Punch-List Items until Final Completion;

11.26.5 Design-Builder, Developer, and Austin CONRAC shall turn over to each RAC its Exclusive Use Premises for purposes of installing the Initial Tenant Improvements (provided that nothing herein shall prohibit Design-Builder from providing earlier license to the RACs to enter the Exclusive Use Premises for commencement of such work) and Design-Builder shall coordinate with the RACs so as not to unreasonably interfere with their efforts to cause the Initial Tenant Improvements to be substantially completed no later than Final Completion;

11.26.6 Design-Builder shall work with Developer, Austin CONRAC and City to complete all modifications of or enhancements to way-finding signage in the Joint Use Facility no later than ninety (90) days after Final Completion.

11.27 Surveys. (Master Lease Section 9.7) If the as-built survey required pursuant to Section 11.29.3, below, is not approved by City, Design-Builder shall provide to City for further approval revised as-built survey plat(s) and metes and bounds description(s) incorporating any changes directed by City within ten (10) Business Days of Design-Builder's receipt of notice(s) from City of any required revisions.

11.27.1 A Professional Land Surveyor registered in the State of Texas using the then current professional survey standards as established by the Texas Society of Professional Surveyors must conduct all surveying required under this Agreement. All surveys must be prepared at no cost to City. Design-Builder shall obtain and comply with all survey instructions from City.

11.28 [NOT USED]

© 2010 Design-Build Institute of America

11.29 Documentation of Final Completion of Construction. (Master Lease Section 9.6) Design-Builder shall within forty-five (45) days after the Final Completion of construction of the Joint Use Facility, submit to Developer written documentation that the construction has been completed as required by this Agreement including, without limitation, the following:

11.29.1 "As built" drawings of the Joint Use Facility (hard copies and electronic format) in full conformance with City's requirements. The "as built" drawings shall include details of all construction disciplines, including electrical (including switch gear and source of permanent power), plumbing, mechanical, architectural and information technology structures, lines and facilities and meets the requirements of the Airport CAD standards.

11.29.2 Proof of all necessary permits and licenses to occupy and operate the Joint Use Facility including a certificate of occupancy.

11.29.3 An as-built survey of the CONRAC Site and the Joint Use Facility. The as-built survey must establish the location and dimensions of all improvements constructed or installed and any dedications, easements and other encumbrances on the CONRAC Site and must provide bearings and distances to an established survey point in a form consistent with generally accepted professional standards and any special survey instructions issued by City or required by the FAA and meets the requirements of the Airport CAD standards.

11.29.4 Affidavit of completion of construction and Lien waiver in recordable form executed by the Design-Builder which shall include certification of payment of all amounts due in connection with the construction of the Joint Use Facility and compliance with the M/WBE Compliance Plan under Section 11. 25 of this Agreement.

11.29.5 For any equipment installed, Design-Builder shall deliver to Developer two (2) hard copies and one PDF format copy of the complete operations and maintenance manuals and warranties therefor.

11.29.6 *Design-Builder shall within twenty (20) days after Final Completion submit to Developer a* summary statement of the costs of the design, permitting and construction of the Joint Use Facility as follows:

11.29.6.1 a statement of the costs of the design, permitting and construction of the Joint Use Facility signed by the Design-Builder.

11.24.9 a notarized affidavit signed by Design-Builder attesting to the costs of the design, permitting and construction.

11.30 [NOT USED]

11.31 [NOT USED]

11.32 Design-Builder agrees that, once Bonds are sold to finance the construction of the Joint Use Facility and this Agreement is fully executed, Design-Builder must complete construction of the Joint Use Facility according to the scope of the Project as of the date of the sale of the Bonds, subject to any *changes thereafter by City-approved written change order executed by Developer and Design-Builder*, and regardless of any increase in cost in excess of the fixed price for the scope of the Project as of the date of the sale of the Bonds. (Master Lease Section 9.8.2)

11.33 In the event Design-Builder fails to complete the Joint Use Facility for any reason, other than as a result of a material breach by City, Design-Builder shall, upon demand and at no additional cost or charge to City, deliver to Developer all Deliverables that were paid for from Bond proceeds or otherwise from proceeds of the Customer Facility Charges. Without diminishing any other contractual obligations of Design-Builder under this or any other document, such Deliverables shall be accompanied by such licenses and warranties as Design-Builder possess for the use of the Deliverables. The delivery of Deliverables under this Section will not satisfy, cure or release a default, if any, of Design-Builder under this Agreement. (Master Lease Section 9.8.3)

© 2010 Design-Build Institute of America

11.34 Ownership of Improvements and Equipment. (Master Lease Section 10.1) Title to the Joint Use Facility, CONRAC Capital Improvements and all other improvements and equipment constructed, placed or installed on the CONRAC Site under this Agreement including, without limitation, the Fuel Facilities (except for aboveground and underground fuel storage tanks, which shall be property of Austin CONRAC), shall vest in and be the exclusive property of City as the same are being constructed, placed or installed and after completion of construction.

11.35 Warranty (Development Agreement Section 15.4) The Design-Builder warrants and represents, that all services to be provided by Design-Builder to the Developer under this Agreement will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of this Agreement, and all applicable Federal, State and local laws, rules or regulations. Additionally, the Design-Builder agrees that these warranties and covenants shall be included in all contracts with Subcontractors and any agreements between the Subcontractors and their Sub-Subcontractors.

A. The Design-Builder does not, and no Subcontractor shall, limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. If within a period of one year from the date of Substantial Completion, the Developer or the City determines that one or more of the above warranties were breached, the Design-Builder shall, or shall cause the responsible Subcontractor to promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the Developer. The Design-Builder agrees that it shall include these warranties and covenants shall be included in all contracts with its Subcontractors and any agreements between the Subcontractors and their Sub-Subcontractors. All costs incidental to such additional performance, if any, shall be borne by the Design-Builder or such Subcontractor without further reimbursement from the Developer. The Developer or the City shall give the respective Subcontractor and Design-Builder written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the Developer's or the City's rights under this section.

C. If the Design-Builder or any Subcontractor is unable or unwilling to perform its services in accordance with the above standard as required by the Developer, then in addition to any other available remedy, the Developer may reduce the amount it is required to pay the Design-Builder under this Agreement, and purchase conforming services from other sources.

11.35.1 Warranty Against Infringements (Development Agreement Section 15.5) The Design-Builder, in its own capacity, represents and warrants to the Developer and the City, that the Deliverables will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party. The Design-Builder agrees that it shall include these warranties and covenants in all contracts with Subcontractors and any agreements between the Subcontractors and their Sub-Subcontractors and shall require them, at their sole expense, to defend, indemnify, and hold the Developer and the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the Developer's or the City's exercise anywhere in the world of the rights associated with the Developer's or the City's use of the Deliverables and Work infringes the intellectual property rights of any third party; or (ii) the Subcontractor's breach of any representations or warranties stated in this Section. Each Subcontractor shall obtain cross-warranties and cross indemnification from each Sub-Subcontractor to the same extent as provided in this Section.

11.35.2 Warranty of Fitness and Suitability. (Master Lease Section 10.3) Design-Builder warrants to Developer and City that the Improvements as of the completion of construction and installation of each of said improvements or equipment will be: safe, habitable, clean, of sound condition structurally and otherwise, free from patent and latent defects, in compliance with all

© 2010 Design-Build Institute of America

Legal Requirements, City Codes and Standards, City Building Permit Requirements, the Master Lease, the Development Agreement and this Agreement, and suitability for every purpose and use and in every respect contemplated by the Design Development Documents as of the effective date of this Agreement . Design-Builder expressly waives any knowledge or notice Developer, Austin CONRAC or City may or should reasonably have with respect to any defect in the Improvements. Neither Developer, Austin CONRAC nor City shall be deemed to have accepted any such defect notwithstanding any inspection, knowledge or actual or constructive notice, which shall in no way prejudice or impair Developer's, Austin CONRAC's or City's rights under Design-Builder's warranties in this Section or as a third party beneficiary of the Development Agreement or this Agreement. Design-Builder acknowledges the City's right to enforce the warranties in this Agreement as a third party beneficiary of this Agreement in accordance with their respective terms and to proceed directly against the parties to this Agreement, subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party. Any improvements or equipment not approved and accepted by City under this Agreement, shall be promptly removed by Design-Builder and replaced with improvements or equipment, as applicable, in compliance with Legal Requirements, City Codes and Standards, City Building Permit Requirements

11.35.3 Assignment of Agreements and Warranties. Without modifying, reducing or negating any obligation of Design-Builder under this Agreement, Design-Builder hereby assigns to City a concurrent, non-exclusive right to enforce the terms of this Agreement and any other construction contract and/or warranty right of Design-Builder relating to the Improvements (provided, such assignment shall not be applicable to any contract and/or warranty which would, as a result of such assignment, constitute a violation of, or void, the warranty provisions of any such contract or warranty). City, following City's written notice to Austin CONRAC, Developer and Design-Builder, shall have the right, but not the obligation, to act on Austin CONRAC's behalf pursuant to this Agreement subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party.

11.36 Improvements to Existing City Parking Garage. (Master Lease Section 10.4) Notwithstanding any other provision herein, Design-Builder shall have no responsibility for the integrity of the existing parking garage owned by the City located to the South of the Joint Use Facility on which Design-Builder will construct walkway improvements. Design-Builder however shall not cause or contribute to any structural damage to the existing parking garage during the construction of improvements thereon.

11.37 [NOT USED]

11.38 Disputes between Design-Builder and Developer. In the event of any dispute arising between Design-Builder and Developer regarding any part of this Agreement or the Parties' obligations or performance hereunder, either Party may institute the dispute resolution procedures set forth herein. The Parties shall continue performance of their respective obligations hereunder notwithstanding the existence of a dispute, except only for the failure to pay timely for Phase II work.

11.38.1 Initial Meeting to Resolve Disputes. Either of the Parties may from time to time call a special meeting for the resolution of disputes that would have a material impact on the cost or progress of the Project. Such meeting shall be held at Design-Builder' s offices in Austin, Texas within three (3) working days after written request therefore, which request shall specify in reasonable detail the nature of the dispute. Austin CONRAC's Authorized Representative, Developer's Authorized Representative, a representative from the Design-Builder, and City's Authorized Representative, and any other person who may be affected in any material respect by the resolution of such dispute must attend the meeting. Such Authorized Representatives shall have authority to settle the dispute and shall attempt in good faith to resolve the dispute.

© 2010 Design-Build Institute of America

If it is determined that attendance on behalf of the RACs is necessary at any such special meeting, the RACs may attend through a single Authorized Representative. To act as the single Authorized Representative for the RACs at such a dispute resolution meeting, the individual shall be so designated in a written resolution signed by an officer of, respectively, each of the RACs, and a true copy of the written resolution signed on behalf of the RACs shall be made available, upon request, to any other person or entity attending the dispute resolution meeting.

City designates the individual below as its Authorized Representative ("City's Authorized Representative") which individual has the authority and responsibility for avoiding and resolving disputes, subject to City Council authorization as necessary.

Jim Smith, Executive Director
City Austin Department of Aviation
3600 Presidential Boulevard, Suite 411
Austin, TX 78719

Developer designates the individual below as its Authorized Representative ("Developer's Authorized Representative") which individual has the authority and responsibility for avoiding and resolving disputes.

Mark Pfeffer
Pfeffer Development, LLC
425 G Street, Suite 210
Anchorage, AK 99501

11.38.2 Mediation. If the dispute has not been resolved within five (5) working days after the special meeting has been held, a mediator, mutually acceptable to the parties and experienced in design and construction matters shall be appointed. The parties shall share the cost of the mediator. If the parties cannot agree on the selection of a mediator within ten days of the decision to proceed to mediation, then either party may request that the Travis County Dispute Resolution Center select a mediator to serve as a mediator for the parties. The mediator shall be a lawyer or retired judge competent in the subject matter of the dispute. The mediator shall be given any written statements of the Parties and may review the Project and any relevant documents. The mediator shall call a meeting of the parties within ten (10) working days after his/her appointment, which meeting shall be attended by Design-Builder's Authorized Representative, Developer's Authorized Representative, Austin CONRAC's Authorized Representative and the City's Authorized Representative, and any other person who may be affected in any material respect by the resolution of such dispute. Such Authorized Representatives shall have authority to settle the dispute and shall attempt in good faith to resolve the dispute. During such ten (10) day period, the mediator may meet with the Parties separately.

> **11.38.2.1** The mediation proceedings shall be conducted under the Texas Alternative Dispute Resolution Act concerning mediations. The comments and/or findings of the mediator, together with any written statements prepared, shall be non-binding, confidential and without prejudice to the rights and remedies of any Party. The entire mediation process shall be completed within twenty (20) working days of the date upon which the initial special meeting is held, unless the Parties agree otherwise in writing. If the dispute is settled through the mediation process, the decision will be implemented by written agreement signed by the parties.

11.38.3 Court. In the event the mediation is not successful, all remaining claims and disputes between Design-Builder and Developer shall be decided by litigation in state or federal Courts in Travis County, Texas, and Design-Builder and Developer agree to submit to the exclusive personal jurisdiction and venue of such courts, provided, however, that if the claims or disputes between Developer and Design-Builder include one or more issues of fact or law common to litigation arising from this Project and involving one or more of the City, Austin CONRAC and the

© 2010 Design-Build Institute of America

RACs, then in that event Developer and Design-Builder agree to join in or be joined in that litigation. The prevailing party in such action shall be entitled to payment of their reasonable attorney fees and court costs incurred in the court action itself and in any action necessary to enforce the judgment, except that in any litigation in which the City of Austin is a party, no attorney's fees shall be awarded against or to the City.

11.39 Confidentiality. Subject to Section 11.39.1, below, Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies it as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the services set forth in this Agreement.

11.39.1 Open Records Requests. The City is expected to use its best efforts to provide timely written notice to the Developer and/or Design-Builder of any request received by the City pursuant to the Texas Public Information Act (the "PIA") requesting (i) internal financial information of the RACs, Developer or Design-Builder, including detailed billing statements from their Sub-Subcontractors, collected, assembled or maintained for the City and to which information the City has contractual access; or (ii) other information held by the City to which RACs, Developer or Design-Builder may assert "confidential business information" or "trade secret" status under the PIA or which has been specifically designated in writing by the RACs, Developer or Design-Builder as "privileged" or" confidential," all for the purpose of providing the RACs, Developer and/or Design-Builder an opportunity to seek to protect such information from disclosure to third parties. The City makes no representation as to how the Attorney General of Texas will rule on any open records request under the PIA, but, subject to the City's obligations under the PIA, the City agrees to withhold disclosure of information covered by this Section until *required to release it by the Attorney General or a court of competent jurisdiction, and to* cooperate with the RACs, the Developer and the Design-Builder in asserting their exemption claims under the PIA.

11.39.2 Confidentiality (Development Agreement Section 15.6). In order to perform under this Agreement, the Design-Builder or a Subcontractor may require access to certain of the City of Austin's confidential information (including trade secrets, confidential know-how, confidential business information, and other information which the City considers confidential) (collectively, "Confidential Information"). The Design-Builder acknowledges and agrees that the Confidential Information is the valuable property of the City and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City. The Design-Builder (including Design-Builder's employees, Subcontractor, agents, or representatives) agrees that it has a separate responsibility to maintain the Confidential Information in its possession or control in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Design-Builder promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Design-Builder agrees to use protective measures no less stringent than Design-Builder uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information. The Design-Builder agrees that these warranties and covenants shall be included in all contracts with its Subcontractors and any agreements between the Subcontractors and their Sub-Subcontractors. The material breach of this section shall be an event of default and the Developer shall have the right to terminate this Agreement for cause.

© 2010 Design-Build Institute of America

11.40 Assignment. Neither Design-Builder nor Developer shall without the written consent of the other party and the City, assign, transfer, or sublet any portion or part of its obligations under this Agreement. Notwithstanding the foregoing, Design-Builder acknowledges that the City and RACs are each third-party beneficiaries of this Agreement and may seek an assignment of this Agreement from Developer, which Developer may grant, without Design-Builder's consent.

11.41 Governing Law. This Agreement shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

11.42 Severability. If any provision or any part of a provision of this Agreement shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to applicable laws by any authority having jurisdiction, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provisions or parts of the provision of this Agreement, which shall remain in full force and effect as if the unenforceable provision or part was deleted.

11.43 Amendments. This Agreement may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of both parties.

11.44 Entire Agreement. This Agreement forms the entire agreement between Developer and Design-Builder. No oral representations or other agreements have been made by the parties except as specifically stated in this Agreement.

11.45 Effective Date as to Notice Requirements. Notwithstanding the Effective Date first stated above, all provisions of this Agreement requiring notice by any Party to any other Party within a stated period following an occurrence or the acquisition of knowledge are effective only as of the date of full execution of this Agreement by all Parties. To the extent any occurrence or knowledge after the Effective Date first stated above but predating such full execution would have required notice by a Party had this Agreement then-been in effect, the Party shall be given the notice within the applicable number of days after receipt of a fully executed copy of this Agreement.

11.46 Indemnity (Master Lease Section 15.1).

11.46.1 No Liability of City. Except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of City, the City shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Design-Builder or by others, including all persons directly or indirectly employed by Design-Builder, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Design-Builder, as a result of any condition (including existing or future defects in the CONRAC Site) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Design-Builder's use or occupancy of the CONRAC Site or of areas adjacent thereto. No elected or non-elected official, employee or officer of City shall have any personal liability with respect to (a) any of the provisions of this Agreement; (b) any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Design-Builder or by others, including all persons directly or indirectly employed by Design-Builder, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Design-Builder, as a result of any condition (including existing or future defects in the CONRAC Site) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Design-Builder's use or occupancy of the CONRAC Site or of areas adjacent thereto, except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of such elected or non-elected official, employee, or officer of City; or (c) a default by City hereunder or the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default.

11.46.2 Indemnification by Design-Builder. DESIGN-BUILDER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS ELECTED AND NON-ELECTED OFFICIALS, DEVELOPER, THE RACS AND AUSTIN CONRAC, AND EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS OF THE CITY, DEVELOPER, THE RACS

© 2010 Design-Build Institute of America

AND AUSTIN CONRAC (COLLECTIVELY, THE "INDEMNIFIED PARTIES"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER (COLLECTIVELY, "CLAIMS") RESULTING FROM OR CONCERNING THIS AGREEMENT OR THE CONDUCT OF DESIGN-BUILDER'S ACTIVITY AT THE AIRPORT, TO THE EXTENT ARISING DIRECTLY OR INDIRECTLY, OUT OF (A) ANY BREACH OF THIS AGREEMENT BY DESIGN-BUILDER, ITS AGENTS, EMPLOYEES OR SUB-CONTRACTORS, (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY DESIGN-BUILDER HEREUNDER, (C) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF DESIGN-BUILDER, OR ITS AGENTS, EMPLOYEES OR CONTRACTORS, AND (D) TO THE EXTENT COVERED BY INSURANCE REQUIRED TO BE MAINTAINED BY DESIGN-BUILDER HEREUNDER, ANY ALLEGED, ESTABLISHED, OR ADMITTED ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES, BUT, TO THE EXTENT ALLOWED BY TEXAS LAW, EXCLUDING CLAIMS TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES AS DETERMINED BY A COURT OF COMPETENT JURISDICTION, PROVIDED THAT THE EXECUTION OF THIS AGREEMENT WILL NOT BE DEEMED A NEGLIGENT ACT. DESIGN-BUILDER SHALL ASSUME ON BEHALF OF THE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL CLAIMS THAT ARE SUBJECT TO DESIGN-BUILDER'S INDEMNITY OBLIGATION AND ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES. DESIGN-BUILDER MAY CONTEST THE VALIDITY OF ANY CLAIMS, IN THE NAME OF DESIGN-BUILDER OR THE INDEMNIFIED PARTIES, AS DESIGN-BUILDER MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY DESIGN-BUILDER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS AGREEMENT.

Maintenance of the insurance required under this Agreement shall not limit the Design-Builder's obligations under this Article. The Design-Builder shall require each Subcontractor to indemnify the City to the same extent as provided in this Article.

11.47 [NOT USED]

11.48 Waiver of Attorneys' Fees. Except with respect to any obligation to indemnify and defend, above, each party waives any and all rights under law or in equity to seek or recover attorneys' fees from the City in any civil or administrative litigation or dispute resolution proceeding for breach of this Agreement or to enforce any provision of this Agreement.

11.49 Gratuities. The City may cancel the agreement for funding the Project without liability if it is determined by the City that gratuities were offered or given by the Developer or Design-Builder or any agent or representative of the Design-Builder to any officer or employee of the City of Austin with a view toward securing that funding agreement or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event that agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Design-Builder in providing such gratuities.

11.50 Prohibition Against Personal Interest in Contracts. No officer, employee, contractor, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Agreement resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Design-Builder shall render the Agreement voidable by the Developer and/or the City.

11.51 Design-Builder shall comply with "Third Party Resolution" Worker Safety (City Ordinance *20110728-106) and Prevailing Wage Rate (City Ordinance 20080605-047) requirements*.

© 2010 Design-Build Institute of America

In executing this Agreement, Developer and Design-Builder each individually represents that it has the necessary financial resources (the Developer's representation relying expressly on monies from the City made available through Austin CONRAC under the Development Agreement) to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

DEVELOPER:	**DESIGN-BUILDER:**
Pfeffer Development, LLC	Austin Commercial, L.P.
_____	_____
(Signature)	*(Signature)*
_____	_____
(Printed Name)	*(Printed Name)*
_____	_____
(Title)	*(Title)*
Date: _____	Date: _____

Caution: You should sign an original DBIA document which has this caution printed in blue. An original assures that changes will not be obscured as may occur when documents are reproduced.

© 2010 Design-Build Institute of America

EXHIBIT A
INSURANCE REQUIREMENTS

1. Insurance. Design-Builder shall obtain and keep in force, at its sole cost and expense, during Construction the following types of insurance, in the amounts specified and in the form hereinafter provided:

1.1.1 Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code Title 5.) and minimum policy limits for employers liability of $1,000,000 bodily injury each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

1.1.1.1 A Waiver of Subrogation in favor of the City of Austin, form WC 420304; and

1.1.1.2 A 30 day Notice of Cancellation/Material Change in favor of the City of Austin, form WC 420601.

1.1.2 Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations minimum limit of liability. The policy shall contain the following provisions:

1.1.2.1 Blanket contractual liability coverage;

1.1.2.2 Medical expense coverage with a minimum limit of $5,000 any one person;

1.1.2.3 Fire Legal Liability with a minimum limit of $50,000;

1.1.2.4 Independent Contractors coverage;

1.1.2.5 City of Austin listed as additional insured Form CG 2010;

1.1.2.6 Thirty-day Notice of Cancellation in favor of the City of Austin endorsement CG 0205; and

1.1.2.7 Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin endorsement CG 2404.

1.1.3 Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

1.1.3.1 City of Austin named as additional insured(s), form CA 2048; (and Bond Trustee, if so directed by City)

1.1.3.2 Thirty-day Notice of Cancellation in favor of the City, Form CA 0244; and

1.1.3.3 Waiver of Subrogation endorsement CA 0444.

1.1.4 During the construction of the CONRAC and Joint Use Facility Design-Builder shall maintain builder's risk insurance in an all risk physical loss form in the amount of the Construction Contract. The builder's risk insurance shall continue until the work under the Construction Contract is accepted by City. City shall be a loss payee on the policy. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.

1.1.5 During the construction of the CONRAC and Joint Use Facility, Design-Builder shall provide professional liability insurance in the minimum amount of $5,000,000. Coverage shall continue until the work is accepted by City. City shall be a loss payee on the policy. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.

1.1.6 All Risk Property Insurance. This policy shall provide coverage for the building/structure and all other property owned by the City and occupied by Design-Builder and shall continue until the work under the Construction Contract is accepted by City. The property policy shall provide all risk coverage for 100% replacement cost value as determined by the City. The City shall be named mortgagee or loss payee on the policy as its interest may appear and such policy shall contain a waiver of subrogation endorsement in favor of City.

General Requirements. Design-Builder and its contractors and subcontractors shall not commence operations under this Construction Contract until Design-Builder and its contractors and subcontractors have obtained the required insurance and Certificates of Insurance are received and reviewed by City indicating required coverage. If coverage period ends during the term of the Construction Contract, Design-Builder and its contractors and subcontractors must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of this Construction Contract.

1.1.7 Approval of insurance by City and the required minimums shall not relieve or decrease the liability or responsibility of Design-Builder hereunder and shall not be construed to be a limitation of liability on the part of Design-Builder.

1.1.8 Design-Builder's and all contractors' and subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Companies with A.M. Best ratings of A- or better, if required, shall write hazardous materials insurance.

All endorsements, waivers, and notices of cancellation endorsements, as well as Certificates of Insurance naming City (and Bond Trustee, if so directed by City) as additional insureds shall indicate:

City of Austin/Department of Aviation
Attn: Airport Properties Manager
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

1.1.9 The "other" insurance clause shall not apply to City where City is shown as additional insureds on any policy. It is intended that policies required in this Construction Contract, covering both City and Design-Builder, shall be considered primary coverage as applicable. If insurance policies are not written for amounts specified below, Design-Builder shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

1.1.10 In order to ensure compliance with the provisions of this Exhibit, City shall be entitled, upon request and without expense, to inspect certified copies of Design-Builders's insurance policies and endorsements thereto at the Airport or other location in Austin, Texas reasonably designated by Desing-Builder.

1.1.11 The City reserves the right to review the insurance requirements set forth during the Term of this Master Lease and to make commercially reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by City based upon changes in statutory law, court decisions, and the claims history of their industry or the financial condition of the insurance company as well as the Master Lessee.

1.1.12 Design-Builder shall not cause or permit any insurance to lapse or to be canceled during the Lease Term unless replaced by other insurance that satisfies the requirements of this Exhibit as of the time of lapse or cancellation.

1.1.13 Design-Builder shall pay all premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's shall be disclosed on the Certificate of Insurance.

Claims Against Design-Builder. If a claim, demand, suit, or other action is made or brought by any person against Design-Builder arising out of or concerning this Construction Contract, Design-Builder shall give written notice thereof, to City within two (2) 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, Design-Builder 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 Director as provided herein, and to the Austin City Attorney, City Hall, 301 West 2nd Street, Austin, Texas 78701.

1-7-2013 Final

STANDARD FORM OF GENERAL CONDITIONS OF CONTRACT BETWEEN DEVELOPER AND DESIGN-BUILDER (Phase 2)

Document No. 535
Second Edition, 2010
© Design-Build Institute of America
Washington, DC

Design-Build Institute of America - Contract Documents

LICENSE AGREEMENT

By using the DBIA Contract Documents, you agree to and are bound by the terms of this License Agreement.

1. **License.** The Design-Build Institute of America ("DBIA") provides DBIA Contract Documents and licenses their use worldwide. You acknowledge that DBIA Contract Documents are protected by the copyright laws of the United States. You have a limited nonexclusive license to: (a) Use DBIA Contract Documents on any number of machines owned, leased or rented by your company or organization; (b) Use DBIA Contract Documents in printed form for bona fide contract purposes; and (c) Copy DBIA Contract Documents into any machine-readable or printed form for backup or modification purposes in support of your permitted use.
2. **User Responsibility.** You assume sole responsibility for the selection of specific documents or portions thereof to achieve your intended results, and for the installation, use, and results obtained from the DBIA Contract Documents. You acknowledge that you understand that the text of the DBIA Contract Documents has important legal consequences and that consultation with an attorney is recommended with respect to use or modification of the text. You will not represent that any of the contract documents you generate from DBIA Contract Documents are DBIA documents unless (a) the document text is used without alteration or (b) all additions and changes to, and deletions from, the text are clearly shown.
3. **Copies.** You may not use, copy, modify, or transfer DBIA Contract Documents, or any copy, modification or merged portion, in whole or in part, except as expressly provided for in this license. Reproduction of DBIA Contract Documents in printed or machine-readable format for resale or educational purposes is expressly prohibited. You will reproduce and include DBIA's copyright notice on any printed or machine-readable copy, modification, or portion merged into another document or program.
4. **Transfers.** You may not transfer possession of any copy, modification or merged portion of DBIA Contract Documents to another party, except that a party with whom you are contracting may receive and use such transferred material solely for purposes of its contract with you. You may not sublicense, assign, or transfer this license except as expressly provided in this Agreement, and any attempt to do so is void.
5. **Term.** The license is effective for one year from the date of purchase. DBIA may elect to terminate it earlier, by written notice to you, if you fail to comply with any term or condition of this Agreement.
6. **Limited Warranty.** DBIA warrants the electronic files or other media by which DBIA Contract Documents are furnished to be free from defects in materials and workmanship under normal use during the Term. There is no other warranty of any kind, expressed or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose. Some states do not allow the exclusion of implied warranties, so the above exclusion may not apply to you. This warranty gives you specific legal rights and you may also have other rights which vary from state to state. DBIA does not warrant that the DBIA Contract Documents will meet your requirements or that the operation of DBIA Contract Documents will be uninterrupted or error free.
7. **Limitations of Remedies.** DBIA's entire liability and your exclusive remedy shall be: the replacement of any document not meeting DBIA's "Limited Warranty" which is returned to DBIA with a copy of your receipt, or at DBIA's election, your money will be refunded. In no event will DBIA be liable to you for any damages, including any lost profits, lost savings or other incidental or consequential damages arising out of the use or inability to use DBIA Contract Documents even if DBIA has been advised of the possibility of such damages, or for any claim by any other party. Some states do not allow the limitation or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.
8. **Acknowledgement.** You acknowledge that you have read this agreement, understand it and agree to be bound by its terms and conditions and that it will be governed by the laws of the District of Columbia. You further agree that it is the complete and exclusive statement of your agreement with DBIA which supersedes any proposal or prior agreement, oral or written, and any other communications between the parties relating to the subject matter of this agreement.

INSTRUCTIONS

For DBIA Document No. 535 Standard Form of General Conditions of Contract Between Developer and Design-Builder (2010 Edition)

General Instructions

No.	Subject	Instruction
1.	Standard Forms	Standard form contracts have long served an important function in the United States and international construction markets. The common purpose of these forms is to provide an economical and convenient way for parties to contract for design and construction services. As standard forms gain acceptance and are used with increased frequency, parties are able to enter into contracts with greater certainty as to their rights and responsibilities.
2.	DBIA Standard Form Contract Documents	Since its formation in 1993, the Design-Build Institute of America (DBIA) has regularly evaluated the needs of Developers, design-builders, and other parties to the design-build process in preparation for developing its own contract forms. Consistent with DBIA's mission of promulgating best design-build practices, DBIA believes that the design-build contract should reflect a balanced approach to risk that considers the legitimate interests of all parties to the design-build process. DBIA's Standard Form Contract Documents reflect a modern risk allocation approach, allocating each risk to the party best equipped to manage and minimize that risk, with the goal of promoting best design-build practices.
3.	Use of Non-DBIA Documents	To avoid inconsistencies among documents used for the same project, DBIA's Standard Form Contract Documents should not be used in conjunction with non-DBIA documents unless the non-DBIA documents are appropriately modified on the advice of legal counsel. Moreover, care should also be taken when using different editions of the DBIA Standard Form Document on the same project to ensure consistency.
4.	Legal Consequences	DBIA Standard Form Contract Documents are legally binding contracts with important legal consequences. Contracting parties are advised and encouraged to seek legal counsel in completing or modifying these Documents.
5.	Reproduction	DBIA hereby grants to purchasers a limited license to reproduce its Documents consistent with the License Agreement accompanying these Documents. At least two original versions of the Agreement should be signed by the parties. Any other reproduction of DBIA Documents is strictly prohibited.
6.	Modifications	Effective contracting is accomplished when the parties give specific thought to their contracting goals and then tailor the contract to meet the unique needs of the project and the design-build team. For that reason, these Documents may require modification for various purposes including, for example, to comply with local codes and laws, or to add special terms. DBIA's latest revisions to its Documents provide the parties an opportunity to customize their contractual relationship by selecting various optional contract clauses that may better reflect the unique needs and risks associated with the project. Any modifications to these Documents should be initialed by the parties. At no time should a document be re-typed in its entirety. Re-creating the document violates copyright laws and destroys one of the advantages of standard forms-familiarity with the terms.
7.	Execution	It is good practice to execute two original copies of the Agreement. Only persons authorized to sign for the contracting parties may execute the Agreement.

© 2010 Design-Build Institute of America

Specific Instructions

Section	Title	Instruction
General	Purpose of This Document	The General Conditions of Contract provide the terms and conditions under which the Work of the Project will be performed. This document accompanies DBIA Document No. 525 and DBIA Document No. 530 (each referred to herein generally as "Agreement"). It may also be incorporated by reference into other related agreements, as between the Design-Builder and the Design Consultant, and the Design-Builder and the Subcontractor.
General	Checklist	The following Sections reference documents that are to be attached to the Agreement: Section 3.5.1 Developer's Permit List *Article 5 Insurance and Bonds* Section 9.4.2 Unit Prices
2.1.3	Schedule	The parties are encouraged, if possible, to agree to a schedule for the execution of the Work upon execution of the Agreement or upon establishing the GMP.
2.2.1	Design Professional Services	The parties should be aware that in addition to requiring compliance with state licensing laws for design professionals, some states also require that the design professional have a corporate professional license.
2.3.1	Standard of Care for Design Professional's Services	Design-Builder's obligation is to deliver a design that meets prevailing industry standards. However, DBIA has provided the parties at Article 11 of the Agreement an optional provision whereby if Developer can identify specific performance standards that can be objectively measured, Design-Builder is obligated to design the Project to satisfy these standards if this optional provision is selected. To avoid any confusion and to ensure that the parties fully understand what their obligations are, the specific performance standards should be clearly identified and should be able to be objectively measured. The Design-Builder should recognize that this is a heightened standard of care that has insurance ramifications that should be discussed with the Design-Builder's insurance advisor.
3.5.1	Government Approvals and Permits	Design-Builder is responsible for obtaining all necessary permits, approvals and licenses, except to the extent specific permits, approvals, and licenses are set forth in a Developer's Permit List, which must be attached as an exhibit to the Agreement. The parties, prior to execution of the Agreement, should discuss which permits, approvals and licenses need to be obtained for the Project and which party is in the best position to do so.
5.1.1	Design-Builder's Insurance Requirements	Design-Builder is obligated to provide insurance coverage from insurance carriers that meet the criteria set forth in the Insurance Exhibit attached to Section 10.1 of the Agreement.
5.1.2	Exclusions to Design-Build	Parties are advised that their standard insurance policies may contain exclusions for the design-build delivery method. This Section 5.1.2 requires that any such exclusions be deleted from the policy.
5.2	Developer's Insurance Requirements	Developer, in addition to providing the insurance set forth in this Section and Section 5.3, is also obligated to procure the insurance coverages for the amounts and consistent with the terms set forth in the Insurance Exhibit made part of the Agreement.
5.4	Bonds and Other Performance Security	Design-Builder is only obligated to provide bonds or other forms of performance security to the extent called for in Section 10.2 of the Agreement.

© 2010 Design-Build Institute of America

Section	Title	Instruction
8.2.2	Compensability for Force Majeure Events	The parties are provided the option in the Agreement of negotiating whether the Design-Builder is entitled to compensation for Force Majeure Events.
9.4.1	Contract Price Adjustments	Unit prices, if established, shall be attached pursuant to Article 2 of the Agreement.
9.4.3	Payment/ Performance of Disputed Services	When Developer disputes Design-Builder's entitlement to a change order or disagrees with Design-Builder regarding the scope of Work, and nevertheless expects Design-Builder to perform the services, Design-Builder's cash flow and ability to complete the Work will be hampered if Developer fails to pay Design-Builder for the disputed services. This Section provides a balanced approach whereby Design-Builder is required to perform the services, but Developer is required to pay fifty percent (50%) of Design-Builder's reasonable estimated direct costs of performing such services until the dispute is settled. By so doing, Developer does not forfeit its right to deny total responsibility for payment, and Design-Builder does not give up its right to demand full payment. The dispute shall be resolved according to Article 10.
Article 10	Contract Adjustments and Disputes	DBIA endorses the use of partnering, negotiation, mediation and arbitration for the prevention and resolution of disputes. The General Conditions of Contract provides for the parties' Representatives and Senior Representatives to attempt to negotiate the dispute or disagreement. If this attempt fails, the dispute shall be submitted to mandatory, non-binding mediation. Any dispute that cannot be resolved by mediation shall then be submitted to binding arbitration, unless the parties elect in the Agreement to submit their dispute to a court of competent jurisdiction.
10.3.4	Arbitration	The prevailing party in any arbitration shall receive reasonable attorneys' fees from the other party. DBIA supports this "loser pays" provision to encourage parties to negotiate or mediate their differences and to minimize the number of frivolous disputes.
10.4	Duty to Continue Performance	Pending the resolution of any dispute or disagreement, both Developer and Design-Builder shall continue to perform their respective duties under the Contract Documents, unless the parties provide otherwise in the Contract Documents.
10.5	Consequential Damages	DBIA believes that it is inappropriate for either Developer or Design-Builder to be responsible to the other for consequential damages arising from the Project. This limitation on consequential damages in no way restricts, however, the payment of liquidated damages, if any, under Article 5 of the Agreement.
11.4	Design-Builder's Right to Terminate for Cause	If Design-Builder properly terminates the Agreement for cause, it shall recover from Developer in the same way as if Developer had terminated the Agreement for convenience under Article 8 of the Agreement. Developer shall pay to Design-Builder its costs, reasonable overhead and profit on the costs, and an additional payment based on a percentage of the remaining balance of the Contract Price, all as more fully set forth in Article 8 of the Agreement.
Article 12	Electronic Data	Design-Builder and Developer shall agree on the software and format for the transmission of Electronic Data. Ownership of Work Product in electronic form is governed by Article 4 of the Agreement. The transmitting party disclaims all warranties with respect to the media transmitting the Electronic Data, but nothing in this Article is intended to negate duties with respect to the standard of care in creating the Electronic Data.

© 2010 Design-Build Institute of America

TABLE OF CONTENTS

Article	Name	Page
Article 1	General	1
Article 2	Design-Builder's Services and Responsibilities	2
Article 3	Developer's Services and Responsibilities	6
Article 4	Hazardous Conditions and Differing Site Conditions	8
Article 5	Insurance and Bonds	9
Article 6	Payment	11
Article 7	Indemnification	13
Article 8	Time	15
Article 9	Changes to the Contract Price and Time	16
Article 10	Contract Adjustments and Disputes	18
Article 11	Stop Work and Termination for Cause	18
Article 12	Electronic Data	20
Article 13	Miscellaneous	22

Article 1

General

1.1 Mutual Obligations and Applicability

1.1.1 *Developer and Design-Builder* commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.1.2 These General Conditions of Contract shall apply to the Phase 2 Design-Build Agreement, as described below.

1.1.3 Nothing in these General Conditions of Contract or otherwise in the contract documents shall be construed as eliminating or reducing the participation of the City of Austin and Austin CONRAC, LLC ("Austin CONRAC") in this Project.

1.2 Basic Definitions

1.2.1 *Agreement* refers to the adapted and modified DBIA Document No. 525 (2010 Edition), *Standard Form of Agreement Between Developer and Design-Builder - Lump Sum* (the "Phase 2 Design-Build Agreement").

1.2.2 *Basis of Design Documents* are as follows: For DBIA Document No. 525, *Standard Form of Agreement Between Developer and Design-Builder – Lump Sum*, the Basis of Design Documents are the Developer's Project Criteria, Design-Builder's Proposal and the Deviation List, if any.

1.2.3 *Construction Documents* are the documents, consisting of Drawings and Specifications, to be prepared or assembled by the Design-Builder consistent with the Basis of Design Documents unless a deviation from the Basis of Design Documents is specifically set forth in a Change Order executed by both the Developer and Design-Builder, and as approved by the City in writing, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.

1.2.4 *Day* or *Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.5 *Design-Build Team* is comprised of the Design-Builder, the Design Consultant, and key Subcontractors identified by the Design-Builder.

1.2.6 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant, but is retained by the Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

1.2.7 *Final Completion* is the date on which all Work is complete in accordance with the Contract Documents, including but not limited to, any items identified in the punch list prepared under Section 6.6.1 and the submission of all documents set forth in Section 6.7.2.

1.2.8 *Force Majeure Events* are those events that are beyond the control of both Design-Builder and Developer, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

1.2.9 *General Conditions of Contract* refer to this amended and modified DBIA Document No.

© 2010 Design-Build Institute of America

535, *Standard Form of General Conditions of Contract Between Developer and Design-Builder Phase 2* (2010 Edition).

1.2.10 [NOT USED]

1.2.11 [NOT USED]

1.2.12 *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.13 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.14 *Developer's Project Criteria* are developed by or for Developer to describe Developer's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Developer's Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, and LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

1.2.15 *Site* or *CONRAC Site* is the land or premises on which the Project is located, including the area on the third floor of the Airport's existing parking garage where the walkway to the Joint Use Facility is to be constructed, as well all areas necessary for construction of the dedicated ramps, roadways and flyovers necessary for ingress and egress and all other associated improvements, all as shown on Exhibit A to these General Conditions of Contract (Exhibit A-1 to the Master Lease).

1.2.16 *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform architectural, engineering, design or other professional or consulting services or to perform any other portion of the Work, and shall include materialmen.

1.2.17 *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.

1.2.18 *Substantial Completion* or *Substantially Complete* (*See* Section 5.2 of the Agreement.)

1.2.19 *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 Design-Builder's Representative shall be reasonably available to Developer and shall have the necessary expertise and experience required to supervise, administer and manage the Work. Design-Builder's Representative shall communicate regularly with Developer and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Developer and Design-Builder.

© 2010 Design-Build Institute of America

2.1.2 Design-Builder shall provide Developer with a monthly status report detailing the progress of the Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Work; and (iv) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.3 Unless a schedule for the execution of the Work has been attached to the Agreement as an exhibit at the time the Agreement is executed, Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Developer's review and response. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Developer information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Developer's review of, and response to, the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services.

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Developer and any Design Consultant.

2.3 Standard of Care for Design Professional Services.

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

2.4 Design Development Services.

2.4.1 Design-Builder and Developer shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Developer may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.4.1. On or about the time of the scheduled submissions, Design-Builder and Developer shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting,

© 2010 Design-Build Institute of America

Developer shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.2 As further set forth in the Agreement, Design-Builder shall submit to Developer Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meetings minutes. The parties shall have a design review meeting to discuss, and Developer shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Developer prior to commencement of construction.

2.4.3 Developer's review and approval of interim design submissions, meeting minutes, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Developer's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Developer.

2.4.4 To the extent not prohibited by the Contract Documents, the Legal Requirements or the City Codes and Standards, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements.

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 Subject to the City's prior written approval, the Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits.

2.6.1 Except as identified in Developer's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6.2 Design-Builder shall provide reasonable assistance to Developer in obtaining those permits, approvals and licenses that are Developer's responsibility.

2.7 Design-Builder's Construction Phase Services.

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Developer or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, administration, management, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-

© 2010 Design-Build Institute of America

Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Developer may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted subject to the City's prior written approval, to the extent that Developer's decision impacts Design-Builder's cost and/or time of performance.

2.7.4 Design-Builder assumes responsibility to Developer for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Developer and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.7.5 Design-Builder shall coordinate the activities of all Subcontractors. If Developer or others perform other work on the Project or at the Site with separate contractors under Developer's or others' control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.7.6 Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Developer to occupy the Project or a portion of the Project for its intended use.

2.8 Design-Builder's Responsibility for Project Safety.

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

2.8.2 Design-Builder and Subcontractors shall comply with all Legal Requirements and City Codes and Standards relating to safety, as well as any Developer-specific safety requirements set forth in the Contract Documents, provided that such Developer-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Developer's Representative and, to the extent mandated by Legal Requirements, to all other government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.8.3 Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements and City Codes and Standards, including those related to health and safety matters, and (ii) taking all necessary measures to

© 2010 Design-Build Institute of America

implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.

2.9 Design-Builder's Warranty.

2.9.1 Design-Builder warrants to Developer that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Developer with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Developer with all manufacturers' warranties upon Substantial Completion.

2.10 Correction of Defective Work.

2.10.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

2.10.2 Design-Builder shall, within seven (7) days of receipt of written notice from Developer that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Developer, in addition to any other remedies provided under the Contract Documents or law, may provide Design-Builder with written notice that Developer will commence correction of such nonconforming Work with its own forces. If Developer does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Developer in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable.

2.10.3 The one-year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Developer or City may have regarding Design-Builder's other obligations under the Contract Documents.

Article 3

Developer's Services and Responsibilities

3.1 *Duty to Cooperate.*

3.1.1 Developer shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

3.1.2 Developer shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder's schedule.

3.1.3 Developer shall give Design-Builder timely notice of any Work that Developer notices to

© 2010 Design-Build Institute of America

be defective or not in compliance with the Contract Documents.

3.2 Furnishing of Services and Information.

3.2.1 Unless expressly stated to the contrary in the Contract Documents, Developer shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

3.2.1.1 Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;

3.2.1.2 Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;

3.2.1.3 Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;

3.2.1.4 A legal description of the Site;

3.2.1.5 To the extent available, record drawings of any existing structures at the Site; and

3.2.1.6 To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

3.2.2 Notwithstanding the foregoing, Design-Builder shall not rely on the foregoing documents to the extent a highly experienced commercial design-build firm would have reason to doubt the accuracy of the information provided, in which case, Design-Builder shall so notify Owner in writing of the information that is reasonably believed to be inaccurate or incorrect or in need of further verification:

3.2.3 Developer is responsible for securing and executing all necessary agreements with adjacent land or property Developers that are necessary to enable Design-Builder to perform the Work. Developer is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information.

3.3.1 Design-Builder acknowledges that Developer will, to any extent requested by Design-Builder, furnish reasonable evidence satisfactory to Design-Builder that Developer has made acceptable arrangements for a source of adequate funds available and committed to fulfill all of Developer's contractual obligations under the Contract Documents

3.3.2 Design-Builder shall cooperate with the reasonable requirements of Developer's lenders or other financial sources including the Bond Trustee and the City. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Developer or Developer's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

3.4 Developer's Representative.

3.4.1 Developer's Representative shall be responsible for providing Developer-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Developer's Representative shall also provide Design-Builder

© 2010 Design-Build Institute of America

with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Developer's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Developer.

3.5 Government Approvals and Permits.

3.5.1 Developer shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Developer's Permit List attached as an exhibit to the Agreement.

3.5.2 Developer shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

3.6 Developer's Separate Contractors.

3.6.1 Developer is responsible for all work performed on the Project or at the Site by separate contractors under Developer's control. Developer shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

Article 4

Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions.

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Developer and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

4.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Developer shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Developer retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Developer must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Developer's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.4 Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions subject to City's prior written approval.

4.1.5 TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DESIGN-BUILDER, DESIGN CONSULTANTS, SUBCONTRACTORS, ANYONE EMPLOYED DIRECTLY OR INDIRECTLY BY ANY OF THEM, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, FROM AND AGAINST

© 2010 Design-Build Institute of America

ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES AND EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, ARISING OUT OF OR RESULTING FROM THE PRESENCE, REMOVAL OR REMEDIATION OF HAZARDOUS CONDITIONS AT THE SITE.

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Developer is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable, or, to any extent caused by Design-Builder, Subcontractors or anyone for whose acts they may be liable, for the spread, intensification or other exacerbation of or secondary contamination from pre-existing Hazardous Conditions at the Site of which Design-Builder is or reasonably should be aware. TO THE FULLEST EXTENT PERMITTED BY LAW, DESIGN-BUILDER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DEVELOPER, AUSTIN CONTRAC AND THE CITY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES AND EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, ARISING OUT OF OR RESULTING FROM THOSE HAZARDOUS CONDITIONS INTRODUCED TO THE SITE BY DESIGN-BUILDER, SUBCONTRACTORS OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE AND, TO ANY EXTENT CAUSED BY DESIGN-BUILDER, SUBCONTRACTORS OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, ARISING OUT OF OR RESULTING FROM THE SPREAD, EXACERBATION, OR SECONDARY CONTAMINATION FROM PRE-EXISTING HAZARDOUS CONDITIONS AT THE SITE OF WHICH DESIGN-BUILDER IS OR REASONABLY SHOULD BE AWARE.

4.2 Differing Site Conditions.

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site, which conditions Design-Builder did not actually learn about before signing the Phase 2 Agreement and should not reasonably have learned about before signing the Phase 2 Agreement, and that are of an unusual nature, and differ materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition and subject to prior written approval by the City.

4.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Developer of such condition, which notice shall not be later than seven (7) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 5

Insurance and Bonds

5.1 Design-Builder's Insurance Requirements.

5.1.1 Intentionally Deleted. (See Section 11.3 of Agreement)]

5.1.2 Design-Builder's professional liability insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.3 Prior to commencing any construction services hereunder, Design-Builder shall provide Developer with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and Design-Builder will issue annual renewal certificates indicating that coverage will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at

© 2010 Design-Build Institute of America

least thirty (30) days prior written notice is given by Design-Builder to Developer. If any of the foregoing insurance coverages are required to remain in force after final payment are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder's information and belief.

5.2 Developer's Liability Insurance.

5.2.1 Developer shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance as set forth in the Insurance Exhibit to the Agreement to protect Developer from claims which may arise from the performance of Developer's obligations under the Contract Documents or Developer's conduct during the course of the Project.

5.3 Property Insurance.

This Section 5.3 applies only to Phase 2.

5.3.1 Design-Builder shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located builder's risk property insurance in an all risk physical loss form covering the entire Work to the full insurable value of the Work, but not less than the Contract Price stated in Section 6.1 of the Agreement, including professional fees, overtime premiums and other insurable expenses incurred to replace or repair the insured property. The property insurance obtained by Design-builder shall provide coverage expressly approved by Developer, Austin CONRAC and the City, and shall include as additional insureds the interests of the City of Austin, Austin CONRAC, Developer, Design-Builder, Design Consultants and Subcontractors of any tier, and shall name the City a loss payee on the policy. Such insurance shall include but not be limited to the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Developer. The Design-Builder is responsible for the payment of any deductibles under the insurance required by this Section 5.3.1; provided, however, that Design-Builder is not barred from seeking to recoup any or all of the deductible from any Subcontractor, Sub-Subcontractor, or any supplier to Design-Builder.

5.3.4 Any loss covered under Design-Builder's property insurance shall be adjusted with the respective claimant and made payable to the respective Named Insured, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

5.3.5 Developer and Design-Builder waive against each other and against each of Developer's separate contractors, the City of Austin, Austin CONRAC, each of the RACs, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Developer shall, where appropriate, require similar waivers of subrogation from Developer's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement. The term "RACs" as used herein shall have the same meaning as that term is used in the Master Glossary attached as an exhibit to the Master Lease , by and between the City of Austin and Austin CONRAC ("Master Lease").

© 2010 Design-Build Institute of America

5.4 Bonds and Other Performance Security.

This Section 5.4 applies only to Phase 2.

5.4.1 If Developer requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

5.4.2 All bonds furnished by Design-Builder shall be in a form satisfactory to Developer, Austin CONRAC and the City, in accordance with the insurance exhibit to the Agreement. The surety shall be a company qualified and registered to conduct business in the state in which the Project is located.

Article 6

Payment

6.1 Schedule of Values.

6.1.1 Unless required by the Developer upon execution of this Agreement, within ten (10) days of execution of the Agreement, Design-Builder shall submit for Developer's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work.

6.1.2 The Developer will timely review and approve the schedule of values so as not to delay the submission of the Design-Builder's first application for payment. The Developer and Design-Builder shall timely resolve any differences so as not to delay the Design-Builder's submission of its first application for payment.

6.2 Monthly Progress Payments.

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for Developer's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Developer is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Developer will receive the equipment and materials free and clear of all liens and encumbrances.

6.2.3 All discounts offered by Subcontractor, Sub-Subcontractors and suppliers to Design-Builder for early payment shall accrue one hundred percent to Design-Builder to the extent Design-Builder advances payment. Unless Developer advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought. Nothing in this section is intended to affect the lump sum Contract Price in the Agreement as may be modified by written Change Orders or other written modifications signed by the Developer and approved by Austin CONRAC and the City.

6.2.4 The Application for Payment shall constitute Design-Builder's representation that the Work described herein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Developer free and clear of all claims, liens, encumbrances, and security interests upon the

© 2010 Design-Build Institute of America

incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

6.2.5 The application for payment process and the payments themselves shall be subject to the terms and conditions of the Section 11.24 of the Agreement.

6.3 Withholding of Payments.

6.3.1 On or before the date established in the Agreement, Developer shall pay Design-Builder all amounts properly due. If Developer determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Developer intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Developer's concerns. Design-Builder and Developer will attempt to resolve Developer's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Developer shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Interest.

6.4.1 All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.5 Design-Builder's Payment Obligations.

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Developer on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Developer, Austin CONRAC and City against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.6 Substantial Completion.

6.6.1 Design-Builder shall notify Developer when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is Substantially Complete. Within fourteen (14) days of Developer's receipt of Design-Builder's notice, Developer and Design-Builder will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, Developer shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Developer's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion. The Certificate of Substantial Completion and the date established for substantial completion of the Project shall be subject to the review and approval of the City of Austin and Austin CONRAC.

6.6.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Developer shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to one point five (1.5) times the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of

© 2010 Design-Build Institute of America

Substantial Completion.

6.6.3 Developer, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Developer have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Developer and Design-Builder agree that Developer's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

6.7 Final Payment.

6.7.1 After receipt of a Final Application for Payment from Design-Builder, Developer shall make final payment by the time required in the Agreement, provided that Design-Builder has achieved Final Completion.

6.7.2 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

6.7.2.1 An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Developer's interests;

6.7.2.2 A general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Developer and remaining unsettled at the time of final payment;

6.7.2.3 Consent of Design-Builder's surety, if any, to final payment;

6.7.2.4 All operating manuals, warranties and other deliverables required by the Contract Documents; and

6.7.2.5 Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

6.7.3 Upon making final payment, Developer waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Developer's or the City's interests, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

6.7.4 Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punch List if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder under Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Developer shall be entitled to withhold from the Final Payment the reasonable value of completion or correction of such deficient work until such work is completed or corrected.

Article 7

Indemnification

7.1 Patent and Copyright Infringement.

7.1.1 Design-Builder shall defend any action or proceeding brought against any one or more of

© 2010 Design-Build Institute of America

Developer, Austin CONRAC, the RACs and the City based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Developer shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. DESIGN-BUILDER SHALL INDEMNIFY AND HOLD HARMLESS DEVELOPER, AUSTIN CONRAC, THE RACS AND THE CITY FROM AND AGAINST ALL DAMAGES AND COSTS, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES AND EXPENSES AWARDED AGAINST DEVELOPER, AUSTIN CONRAC, THE RACS, THE CITY OR DESIGN-BUILDER IN ANY SUCH ACTION OR PROCEEDING. Design-Builder agrees to keep Developer, Austin CONRAC, the RACs and the City, respectively, informed of all developments in the defense of such actions in which that respective entity is a party.

7.1.2 If Developer, Austin CONRAC, the RACs or the City is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Developer and not offered or recommended by Design-Builder to Developer or (ii) arising from modifications to the Work by Developer or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Developer shall defend, indemnify and hold harmless Design-Builder (and City unless the specification or modification is at the request of or required by City over the objection of Developer) to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Developer, Austin CONRAC, the RACs and the City in Section 7.1.1 above.

7.1.4 The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement or violation of any patent or copyright.

7.2 Tax Claim Indemnification.

7.2.1 IF, IN ACCORDANCE WITH DEVELOPER'S DIRECTION, AN EXEMPTION FOR ALL OR PART OF THE WORK IS CLAIMED FOR TAXES, DEVELOPER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DESIGN-BUILDER FROM AND AGAINST ANY LIABILITY, PENALTY, INTEREST, FINE, TAX ASSESSMENT, ATTORNEYS' FEES OR OTHER EXPENSES OR COSTS INCURRED BY DESIGN-BUILDER AS A RESULT OF ANY ACTION TAKEN BY DESIGN-BUILDER IN ACCORDANCE WITH DEVELOPER'S DIRECTIVE. DEVELOPER SHALL FURNISH DESIGN-BUILDER WITH ANY APPLICABLE TAX EXEMPTION CERTIFICATES NECESSARY TO OBTAIN SUCH EXEMPTION, UPON WHICH DESIGN-BUILDER MAY RELY.

7.3 Payment Claim Indemnification.

7.3.1 PROVIDED THAT DEVELOPER IS NOT IN BREACH OF ITS CONTRACTUAL OBLIGATION TO MAKE PAYMENTS TO DESIGN-BUILDER FOR THE WORK, DESIGN-BUILDER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DEVELOPER, AUSTIN CONRAC, THE RACS, AND THE CITY FROM ANY CLAIMS OR MECHANIC'S LIENS BROUGHT AGAINST DEVELOPER, AUSTIN CONRAC, THE RACS, THE CITY OR THE PROJECT AS A RESULT OF THE FAILURE OF DESIGN-BUILDER, OR THOSE FOR WHOSE ACTS IT IS RESPONSIBLE, TO PAY FOR ANY SERVICES, MATERIALS, LABOR, EQUIPMENT, TAXES OR OTHER ITEMS OR OBLIGATIONS FURNISHED OR INCURRED

© 2010 Design-Build Institute of America

FOR OR IN CONNECTION WITH THE WORK. WITHIN THREE (3) DAYS OF RECEIVING WRITTEN NOTICE FROM DEVELOPER, AUSTIN CONRAC, THE RACS OR THE CITY THAT SUCH A CLAIM OR MECHANIC'S LIEN HAS BEEN FILED BASED ON WORK FOR WHICH DESIGN-BUILDER HAS BEEN PAID,, DESIGN-BUILDER SHALL COMMENCE TO TAKE THE STEPS NECESSARY TO DISCHARGE SAID CLAIM OR LIEN, INCLUDING, IF NECESSARY, THE FURNISHING OF A MECHANIC'S LIEN BOND. IF DESIGN-BUILDER FAILS TO DO SO, DEVELOPER, IN ALL CASES, AND AUSTIN CONRAC AND THE RACS AND THE CITY, RESPECTIVELY, AS TO CLAIMS OR LIENS AGAINST THEM OR THEIR RESPECTIVE PROPERTY WILL HAVE THE RIGHT TO DISCHARGE THE CLAIM OR LIEN AND HOLD DESIGN-BUILDER LIABLE FOR COSTS AND EXPENSES INCURRED, INCLUDING ATTORNEYS' FEES.

7.4 Design-Builder's General Indemnification.

7.4.1 [Replaced in its entirety with Section 11.46 of the Agreement]

7.4.2 IF AN EMPLOYEE OF DESIGN-BUILDER, DESIGN CONSULTANTS, SUBCONTRACTORS, ANYONE EMPLOYED DIRECTLY OR INDIRECTLY BY ANY OF THEM OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE HAS A CLAIM AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS, DESIGN-BUILDER'S INDEMNITY OBLIGATION SET FORTH IN SECTION 11.46 OF THE AGREEMENT SHALL NOT BE LIMITED BY ANY LIMITATION ON THE AMOUNT OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE BY OR FOR DESIGN-BUILDER, DESIGN CONSULTANTS, SUBCONTRACTORS, OR OTHER ENTITY UNDER ANY EMPLOYEE BENEFIT ACTS, INCLUDING WORKERS' COMPENSATION OR DISABILITY ACTS.

7.5 Developer's General Indemnification.

7.5.1 DEVELOPER, TO THE FULLEST EXTENT PERMITTED BY LAW, SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND DESIGN-BUILDER, CITY, AND ANY OF DESIGN-BUILDER'S OFFICERS, DIRECTORS, AND EMPLOYEES, FROM AND AGAINST CLAIMS, LOSSES, DAMAGES, LIABILITIES, INCLUDING ATTORNEYS' FEES AND EXPENSES, FOR BODILY INJURY, SICKNESS OR DEATH, AND PROPERTY DAMAGE OR DESTRUCTION (OTHER THAN TO THE WORK ITSELF) TO THE EXTENT RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF DEVELOPER'S SEPARATE CONTRACTORS OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE.

Article 8

Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement.

8.2 Delays to the Work.

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order subject to prior written approval by City. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Developer or anyone under Developer's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, and Force Majeure Events. In particular, in the event that, and for the full length of any period that, the Design-Builder is not

© 2010 Design-Build Institute of America

provided access to and occupancy of any portion of the CONRAC Site on or before the date work in that area is to begin according to the Design-Builder's critical path schedule as agreed to by Developer and City, then with respect to all work in that portion of the CONRAC Site, Design-Builder shall be entitled to an extension of the Deadline for Substantial Completion of the same duration as the period of delayed access with City's prior written approval.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder, provided Design-Builder furnishes Developer with timely notice of claim, shall also be entitled to an appropriate adjustment of the Contract Price for the additional labor, material, equipment, and extended general conditions costs caused by such a delay attributable solely to the acts or omissions of the Developer, any of the Developer's consultants, or by any of their respective agents or employees (the "Compensable Delay"). Design-Builder's written notice specifying the reason or reasons for the Compensable Delay, the probable period of the Compensable Delay, and a reasonable estimate of the additional labor, material, equipment, and extended general conditions costs claimed to be attributable to the Compensable Delay, shall be furnished to Developer within five (5) business days of the commencement of the Compensable Delay.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders.

9.1.1 A Change Order is a written instrument issued after execution of the Agreement signed by Developer and Design-Builder and approved by the City in writing, stating their agreement upon all of the following:

9.1.1.1 The scope of the change in the Work;

9.1.1.2 The amount of the adjustment to the Contract Price; and

9.1.1.3 The extent of the adjustment to the Contract Time(s).

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Developer and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.1.3 If Developer requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

9.2 Work Change Directives.

9.2.1 A Work Change Directive is a written order prepared and signed by Developer and City directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s). Developer has the right to issue a Work Change Directive to order Design-Builder to accelerate the performance of the Work to achieve Substantial Completion before the then Scheduled Substantial Completion Date.

9.2.2 Developer and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

© 2010 Design-Build Institute of America

9.3 Minor Changes in the Work.

9.3.1 Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Developer, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 Contract Price Adjustments.

9.4.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

9.4.1.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

9.4.1.2 A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Developer;

9.4.1.3 Costs, fees and any other markups set forth in the Agreement; or

9.4.1.4 If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Developer issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in the Agreement.

9.4.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Developer or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

9.4.3 If Developer and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Developer, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Developer and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Developer with a good faith estimate of the costs to perform the disputed services in accordance with Developer's interpretations. If the parties are unable to agree and Developer expects Design-Builder to perform the services in accordance with Developer's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Developer issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Developer's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Developer agrees to pay such amounts, with the express understanding that (i) such payment by Developer does not prejudice Developer's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Developer's order is deemed to be a change to the Work.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

© 2010 Design-Build Institute of America

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief.

10.1.1 If either Design-Builder or Developer believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

10.2 Dispute Avoidance and Resolution. – (Replaced by Section 11.38 of the Agreement)

10.3 Intentionally Deleted.

10.4 Duty to Continue Performance.

10.4.1 Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Developer shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Developer.

Article 11

Stop Work and Termination for Cause

11.1 Developer's Right to Stop Work.

11.1.1 Developer may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

11.1.2 Subject to City's prior written approval, Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Developer.

11.2 Developer's Right to Perform and Terminate for Cause.

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Developer, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Developer may provide written notice to Design-Builder that it intends to terminate the Agreement unless the

© 2010 Design-Build Institute of America

problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Developer may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Developer may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Developer may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Developer for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Developer in completing the Work, such excess shall be paid by Developer to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Developer's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Developer. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Developer in connection with the reprocurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Developer improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

11.3 Design-Builder's Right to Stop Work.

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

11.3.1.1 Developer's failure to provide financial assurances as required under Section 3.3 hereof; or

11.3.1.2 Developer's failure to pay substantial amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Developer with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Developer's receipt of Design-Builder's notice. If Developer does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, subject to City's prior written approval, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

11.4 Design-Builder's Right to Terminate for Cause.

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

11.4.1.1 The Work has been stopped for sixty (60) consecutive days, or more than

© 2010 Design-Build Institute of America

ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Developer under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

11.4.1.2 Developer's failure to provide Design-Builder with any information, permits or approvals that are Developer's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Developer has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

11.4.1.3 Developer's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Developer that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Developer's receipt of such notice. If Developer fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Developer of its intent to terminate within an additional seven (7) day period. If Developer, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Developer of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Developer had terminated the Agreement for its convenience under Article 8 of the Agreement.

11.5 Bankruptcy of Developer or Design-Builder.

11.5.1 If either Developer or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

11.5.1.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Electronic Data

12.1 Electronic Data.

© 2010 Design-Build Institute of America

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Developer, Design-Builder and others in electronic media in addition to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

12.2.1 Developer, Design-Builder, and City shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

12.2.2 Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, Ownership of the Electronic Data does not include Ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

12.2.3 By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of Ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

12.3.1 The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error. Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

12.3.2 Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

12.3.3 The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

12.3.4 The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

© 2010 Design-Build Institute of America

Article 13

Miscellaneous

13.1 Intentionally Deleted.

13.2 Assignment.

13.2.1 Neither Design-Builder nor Developer shall, without the written consent of the other and the City assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

13.3 Successorship.

13.3.1 Design-Builder and Developer intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

13.4 Governing Law.

13.4.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

13.5 Severability.

13.5.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

13.6 No Waiver.

13.6.1 The failure of either Design-Builder or Developer to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

13.7 Headings.

13.7.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

13.8 Notice.

13.8.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, or (iii) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

13.9 Amendments.

13.9.1 The Contract Documents may not be changed, altered, or amended in any way except in

© 2010 Design-Build Institute of America

writing signed by a duly authorized representative of each party.

13.10 Payee of Surety Bond Proceeds

13.10 Developer, as obligee on both the performance bond and labor and material payment bond required under Sections 10.2 and 11.2 of the Agreement, hereby designates the City's Bond Trustee as proceeds payee on its behalf, provided that any such funds shall thereby be deemed received on behalf of Developer and Austin CONRAC, LLC, as a credit against any obligation or liability of Developer to Austin CONRAC, LLC and/or the City and of Austin CONRAC, LLC to the City under any of this Agreement, the Development Agreement or the Master Lease and—subject to termination of the Master Lease or Development Agreement—dedicated to costs of and available to Austin CONRAC and Developer for, completion of the Project.

DEVELOPER:	**DESIGN-BUILDER:**
Pfeffer Development, LLC *(Name of Developer)*	Austin Commercial, L.P. *(Name of Design-Builder)*
_____ *(Signature)*	_____ *(Signature)*
_____ *(Printed Name)*	_____ *(Printed Name)*
_____ *(Title)*	_____ *(Title)*
Date: _____	Date: _____

APPROVAL AS TO FORM AND PAYEE OF SURETY BOND PROCEEDS

Austin CONRAC, LLC, as third-party beneficiary of the foregoing General Conditions of Contract and of the Agreement (as defined at Section 1.2.1, above) between the foregoing parties to which the General Conditions of Contract apply, hereby approves the form of each of the Agreement and the foregoing General Conditions of Contract. Austin CONRAC, LLC, as not only third-party beneficiary, but also party to the Development Agreement, and as additional obligee on the performance bond and labor and material payment bond required under Sections 10.2 and 11.2 of the Agreement, likewise designates the City's Bond Trustee as proceeds payee on its behalf, subject to and expressly approving and agreeing to being bound by the terms of Section 13.10, above.

Austin CONRAC, LLC

By:_____

Name:_____

Title:_____

APPROVAL AS TO FORM AND PAYEE OF SURETY BOND PROCEEDS

The City of Austin, Aviation Department, as third-party beneficiary of the foregoing General Conditions of Contract and of the Agreement (as defined at Section 1.2.1, above) between the foregoing parties to which the General Conditions of Contract apply, hereby approves the form of each of the Agreement and the foregoing General Conditions of Contract. The City expressly agrees that any proceeds of the performance bond and labor and material payment bond required under Sections 10.2 and 11.2 of the Agreement, paid to the City's Bond Trustee, shall thereby be deemed received on behalf of Developer

© 2010 Design-Build Institute of America

and Austin CONRAC, LLC, as a credit against any obligation or liability of Developer to Austin CONRAC, LLC and/or the City and of Austin CONRAC, LLC to the City under any of this Agreement, the Development Agreement or the Master Lease and—subject to termination of the Master Lease or Development Agreement—dedicated to costs of and available to Austin CONRAC and Developer for, completion of the Project.

CITY OF AUSTIN, TEXAS

By:_____

Name:_____

Title:_____

© 2010 Design-Build Institute of America

EXHIBIT E

DESCRIPTION OF ROUTINE MAINTENANCE

"Routine Maintenance" shall mean the following: (a) the regular maintenance and repair of the structural components of the CONRAC, including the roof (both structure and any covering/membrane), exterior walls, foundation and building structure, required to keep and maintain such structural components in good order, condition and repair; (b) the regular maintenance and repair of the Common Use Areas including water, snow and ice removal and the pressure washing, resurfacing and repair of roadways, ramps, flyovers, walkways, stairs, and sidewalks included therein and the maintenance and repair of escalators, elevators and moving sidewalks, if any, required to keep and maintain the Common Use Areas in good order, condition and repair; (c) the maintenance and repair of the Reserved Area; (d) the repair and maintenance of the QTA Equipment and the Fuel Facilities; (e) the repair and maintenance of, but not janitorial services for, the Parking Management Office and the Commercial Parking Facility, including the elevators and stairwells dedicated to the Commercial Parking Facility, during the Warranty Period; (f) regular maintenance and replacement of landscaping included in Master Lessee's site plan and installed on or about the CONRAC; and (g) janitorial services, except as noted, in the areas maintained; provided, however, Routine Maintenance shall not include any repairs, replacements or other actions that constitute Major Maintenance. Items of Routine Maintenance include, but are not limited to, the following:

- Utilities
- Sweeping
- Power washing
- Trash pick-up
- Painting
- Light bulb replacements
- Service and repair of fire-alarm system
- Service and repair of security system
- Service maintenance agreements for CONRAC Capital Improvements (excluding Tenant Improvements)
- Insurance premium increases (if any)

EXHIBIT F

DESCRIPTION OF MAJOR MAINTENANCE

Major Maintenance shall mean any repair, replacement or removal of improvements in, of, or to the CONRAC Site or any aspect of the Joint Use Facility during the one (1) year Warranty Period, or in, of or to the CONRAC or any structural aspect of the Joint Use Facility that in either period (a) preserves, extends or restores the useful life of, and is beyond the regular, normal annual or more frequent upkeep of physical property (i.e. land, building, or equipment), or (b) removes improvements at the expiration or termination of the Master Lease, or otherwise at the direction of City. Major Maintenance includes the repair or replacement of failed or failing building components as necessary to return a facility to its currently intended use, to prevent further damage, or to make it compliant with changes in laws, regulations, codes, or standards. Routine Maintenance shall not be considered Major Maintenance. Items of Major Maintenance include, but are not limited to, the following items:

- Removal of above and underground fuel storage tanks if removal is required by City
- Repair or replacement of components such as: roof, boilers, windows, generators, utility distribution systems
- Repair or replacement (except to the extent required due to abuse or neglect by a RAC) of pumps or motors provided as part of the original outfitting of the CONRAC and not as a Tenant Improvement
- Additions or changes to safety systems such as: fire alarms, fire sprinklers, fire exits, or security systems
- Necessary changes to facilities to meet local, state, and federal requirements, codes, and standards
- Repairs or replacement of components that are creating a threat to life, health, and safety of people
- Emergency repairs resulting from storm, flood or fire, and in particular, damage requiring immediate attention to prevent further damage or to restore the use of a facility

EXHIBIT G

FORM OF SUBLEASE AGREEMENT

CONSOLIDATED RENTAL CAR FACILITY

SUBLEASE AGREEMENT

FOR

AUSTIN – BERGSTROM INTERNATIONAL AIRPORT

TABLE OF CONTENTS

Page

ARTICLE 1
DEFINITIONS AND PURPOSE OF SUBLEASE AGREEMENT

1.1 Definitions....1
1.2 Interpretations....1
1.3 RACs....1
1.4 Master Lessee....1
1.5 Master Lease....2
1.6 Sublessee....2
1.7 City....2
1.8 Overview of CONRAC Program....2
1.9 Rent Reserve Requirement and O&M Reserve Requirement....3
1.10 Intent Regarding Contractual Joint and Several Liability....3

ARTICLE 2
CONSTRUCTION

2.1 CONRAC....3
2.2 Tenant Improvements....3
2.3 Permits....4
2.4 Consultations....4
2.5 Master Lessee and City Review....4
2.6 Deadlines....5
2.7 As-Built Documents....6
2.8 Changes to the CONRAC....6
2.9 Additional Facilities....6
2.10 Tenant Improvement Reimbursements....6

ARTICLE 3
LEASE OF SUBLEASED PREMISES

3.1 Lease of Subleased Premises....7
3.2 Reserved Area....8
3.3 Reserved Rights of City....8
3.4 Acceptance of the Subleased Premises....9
3.5 Sublease Agreement Subject To....9

ARTICLE 4
TERM

4.1 Term....9

ARTICLE 5
RENT AND OTHER FINANCIAL OBLIGATIONS

5.1 Base Rent and O&M Costs and Deposits 10
5.2 Additional Financial Obligations 13
5.3 All Financial Obligations as Rent 14
5.4 Disposition of Master Lessee's Rent and Operation Reserve and Security Account 14

ARTICLE 6
REMITTANCE; LATE PAYMENT

6.1 Remittance Address 14
6.2 Late Payment Charge 14
6.3 Payments 15
6.4 Special Action in Event of Non-Payment 15

ARTICLE 7
ACCOUNTING PROCEDURES; AUDIT

7.1 Accounting Procedures 15
7.2 Audits 15

ARTICLE 8
SECURITY

8.1 Security 15
8.2 Application of Security 16

ARTICLE 9
USE

9.1 Use of Subleased Premises 16
9.2 General Standards Governing Use of Subleased Premises 17
9.3 Restricted Areas 18
9.4 Signs 18
9.5 Operations 18
9.6 Airport Operations 18
9.7 Concession Agreement 18
9.8 Heavy Vehicles 19
9.9 Road Obstructions 19

ARTICLE 10
REALLOCATION OF EXCLUSIVE USE AREAS

10.1 Reallocation of Exclusive Use Areas Among RACs 19
10.2 Reallocation Upon Early Termination of Rights to Exclusive Use Areas 19
10.3 Reallocation Costs 20

ARTICLE 11
ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

11.1 Alterations 20
11.2 As Built Documents 20
11.3 Trade Fixtures 20

ARTICLE 12
REAL AND PERSONAL PROPERTY TAXES

12.1 Payment of Taxes by Sublessee 21
12.2 Sublessee's Personal Property Taxes 21
12.3 Tax Contests 21

ARTICLE 13
REPAIR AND MAINTENANCE

13.1 Repair and Maintenance by Sublessee 22
13.2 Insurance Proceeds 23
13.3 Repair and Maintenance by Facility Manager 23
13.4 No Abatement From Repairs 24
13.5 Quarterly Condition Surveys 24

ARTICLE 14
UTILITIES AND OTHER OPERATING COSTS

14.1 Utilities Costs 24
14.2 Energy Conservation; Recycling 25
14.3 Master Lessee and City Not Responsible 25

ARTICLE 15
INDEMNITY AND INSURANCE

15.1 Indemnity 25
15.2 Release 27
15.3 Survival 27
15.4 Insurance 27
15.5 General Requirements 29
15.6 Claims Against Sublessee 30
15.7 Master Lessee's Insurance 30

ARTICLE 16
COMPLIANCE WITH ENVIRONMENTAL LAWS

16.1 Definitions in Article 16 and Article 17 31
16.2 Compliance 32
16.3 Responsibility 32
16.4 Environmental Claims Indemnity 33

16.5 Removal 33
16.6 Stormwater Requirements 34
16.7 Sustainability 34
16.8 Survival 34
16.9 Pre-Lease Environmental Condition 34
16.10 Hazardous Materials 34
16.11 Pollution Prevention Plan 35
16.12 Spill Prevention Control and Countermeasure Plan 35
16.13 Violation of Environmental Laws 35
16.14 Inspection; Test Results 35
16.15 Removal of Hazardous Materials 36
16.16 Remedies Not Exclusive 36
16.17 Environmental Indemnity 37
16.18 Acknowledgement of Use of Certain Materials 38

ARTICLE 17
FUEL FACILITIES AND MANAGEMENT

17.1 Fuel Facilities 38
17.2 Fuel and Environmental Responsibilities 38
17.3 Fuel Facilities Management 38
17.4 Fuel Supply 40
17.5 Financial Assurances 40
17.6 Environmental Assessment 40
17.7 Master Lessee's Responsibilities 40
17.8 Necessary Permits 41
17.9 Environmental Audit 41
17.10 Subsequent City Environmental Audit 42
17.11 General Standards 42
17.12 Environmental Indemnity 42
17.13 Environmental Certification 44

ARTICLE 18
DAMAGE OR DESTRUCTION; EMINENT DOMAIN

18.1 Minor Damage 44
18.2 Major Damage or Destruction 44
18.3 Sublessee's Improvements 45
18.4 Contingent Business Interruption 45
18.5 Condemnation 45

ARTICLE 19
SURRENDER AND HOLDING OVER

19.1 Surrender 46
19.2 Holding Over 47
19.3 Survival 47

ARTICLE 20
IMPAIRMENT OF TITLE

20.1 Liens....48

ARTICLE 21
DEFAULT

21.1 Events of Default....48
21.2 Remedies....50
21.3 Remedies Cumulative....51

ARTICLE 22
TERMINATION

22.1 Termination....51
22.2 Survival of Sublessee's Obligations....52
22.3 Improvements and Equipment....52
22.4 Affirmation of Sublease Agreement....53

ARTICLE 23
NO WAIVER; MASTER LESSEE'S RIGHT TO PERFORM

23.1 Receipt of Monies Following Termination....53
23.2 No Waiver of Breach....54
23.3 No Waiver....54
23.4 Application of Payments....54
23.5 Master Lessee's Right to Perform....54

ARTICLE 24
ASSIGNMENT OR SUBLEASE

24.1 Prohibition....55
24.2 Assignment or Sublease....55
24.3 Assignment to Successor or Affiliate....57
24.4 Lease in CONRAC Required....57
24.5 Leasehold Mortgages Not Permitted....57

ARTICLE 25
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISES AND M/WBE PROGRAM

25.1 ACDBE Program Compliance....57
25.2 M/WBE Compliance Plan....57

ARTICLE 26
GENERAL PROVISIONS

26.1 Gratuities....58
26.2 Prohibition Against Personal Interest in Contracts....58
26.3 Affirmative Action....58
26.4 No Discrimination....58
26.5 No Exclusive Right....60
26.6 Subordination to Other Agreements....60
26.7 Subordination to City Encumbrances....60
26.8 No Waiver....60
26.9 Notices, Approvals, Consents, etc....61
26.10 Consents and Approvals of City....62
26.11 Agents for Service of Process....62
26.12 Severability....62
26.13 Waiver of Anticipated Profits....62
26.14 Right of City to Develop Airport....63
26.15 Incorporation of Legally Required Provisions....63
26.16 Limitation of City's Liability....63
26.17 Successors and Assigns....63
26.18 Required Modifications....63
26.19 Time is of the Essence....63
26.20 Understanding of Agreement....63
26.21 Legal Interest and Other Charges....63
26.22 Governing Law; Choice of Venue; Waiver of Jury Trial....64
26.23 Dispute Resolution....64
26.24 Avigation Easement....65
26.25 Waiver of Attorneys' Fees....65
26.26 Update of Terms....65
26.27 Brokers....66
26.28 Survival of Indemnities and Other Provisions....66
26.29 Submission of Agreement....66
26.30 Entire Agreement; Modification....66
26.31 Relationship of City and Sublessee....66
26.32 Exhibits....67
26.33 Lawful Currency of United States....67

ARTICLE 27
MASTER LEASE AND CITY AS THIRD PARTY BENEFICIARY

27.1 Master Lease Incorporation....67
27.2 Master Lease Rights and Remedies....67
27.3 Termination of Master Lease....67
27.4 Limitation of Liability....68
27.5 City as Third Party Beneficiary....68
27.6 Sublessee Employees....69

Attachment 1 – Master Glossary
Exhibit A – Description of CONRAC
Exhibit B – Design and Construction Procedures for Initial Tenant Improvements
Exhibit C-1 – Depiction of Exclusive Use Premises
Exhibit C-2 – Common Use Operational Areas
Exhibit D –Depiction of Reserved Areas
Exhibit E –Space Allocation and Reallocation

CONSOLIDATED RENTAL CAR FACILITY

SUBLEASE AGREEMENT

THIS CONSOLIDATED RENTAL CAR FACILITY SUBLEASE AGREEMENT (the "**Sublease Agreement**") is made as of the _____ day of _____ (the "**Effective Date**"), by and among AUSTIN CONRAC, LLC, a Texas limited liability company (the "**Master Lessee**") and _____ (the "**Sublessee**"). Master Lessee and Sublessee may be referred to herein individually as a "**Party**" and collectively as the "**Parties.**"

For and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

ARTICLE 1
DEFINITIONS AND PURPOSE OF SUBLEASE AGREEMENT

1.1 Definitions. Capitalized terms utilized in this Sublease Agreement and its exhibits shall have the respective meanings set forth in **Attachment 1** hereto, except that a term otherwise defined in this Sublease Agreement will apply to the term as used in this Sublease Agreement.

1.2 Interpretations. All terms defined in this Sublease Agreement and all pronouns used in this Sublease Agreement shall, unless the context clearly requires otherwise, be deemed to apply equally to the singular and plural forms and to all genders. The term "or" is specifically used in its logical sense and, as such, is satisfied whenever one or more of its operands are true. 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 at the time applicable; (b) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Sublease 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 Sublease 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 Sublease Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

1.3 RACs. Sublessee is one of the RACs, each of which is party with City to a Concession Agreement that requires it to operate a Rental Car Concession in and from the CONRAC. To the extent that this Sublease Agreement describes duties or obligations of the RACs or imposes any such duties or obligations upon each of the RACs, Sublessee acknowledges and agrees that Sublessee shall be liable and responsible for performing such duties and obligations, but only to the extent of its Pro Rata Share.

1.4 Master Lessee. Master Lessee as of the Effective Date was formed at the request of certain RACs prior to development of the CONRAC and has made itself subject to the direction of a board of managers ("Board of Managers") composed of a representative of each

RAC that is party to a certain Participation Agreement dated as of January 10, 2008 "Participation Agreement." Decisions of the Board of Managers, including approval of rules and standards of occupancy and operation with which Sublessee and all other RACs shall be obligated to comply, are made according to vote of a "Majority in Interest of the Managers" (or "MII"), defined to mean the affirmative vote of managers representing at least sixty percent (60%) of the total Market Share among the RACs represented on the Board of Managers and at least two-thirds (2/3) of the RACs represented on the Board of Managers (provided that representatives of only RACs party to and in good standing under the Participation Agreement are entitled to a vote and only such RACs are counted in calculating total Market Share or number of RACs represented on the Board of Managers), except to the extent the Board of Managers (by the approval of a Majority in Interest) delegates authority to a committee of Managers. Upon the Effective Date of this Sublease Agreement, Sublessee shall

1.4.1 be entitled to (i) become a party to the Participation Agreement, if not already such a party, and (ii) designate a representative to serve on the Board of Managers entitled to vote in any vote of the Board of Managers; and

1.4.2 be subject to and bound by all duly made decisions of the Board of Managers neither made in nor resulting in a violation of law, whether or not Sublessee is party to the Participation Agreement, represented on the Board of Managers or had a representative participate in the vote; provided however,

1.4.3 this Section 1.4 shall have no force or effect in the event that City exercises its option(s) as set forth in Sections 22.4 and 27.3 unless City otherwise agrees in writing.

1.5 Master Lease. Pursuant to the terms of the Master Lease, Master Lessee has agreed to: (a) develop and construct the Joint Use Facility which includes the CONRAC as described/depicted on **Exhibit A** hereto; (b) lease the CONRAC from City; (c) engage the Facility Manager through the Facility Management Agreement to manage all operations of and activities in the CONRAC; and (d) enter into Sublease Agreements for space in the CONRAC with each RAC that is a party to a Concession Agreement that is in Good Standing with City.

1.6 Sublessee. Sublessee is a party is to a Concession Agreement that is in Good Standing with City and desires to sublease from Master Lessee the Subleased Premises hereinafter described on the terms and conditions set forth in this Sublease Agreement.

1.7 City. City is the owner of the CONRAC Site, the CONRAC and all other improvements on the CONRAC Site (except as provided in the Master Lease), a party to the Master Lease and the Concession Agreement and is a third-party beneficiary of this Sublease Agreement as further provided in Article 27.5.

1.8 Overview of CONRAC Program. As more particularly described herein and in **Exhibit E** hereto, each RAC party to a Sublease Agreement shall have rights to Allocated Space in the CONRAC generally determined according to Market Share. Upon establishment of its Allocated Space pursuant to **Exhibit E**, each RAC shall be obligated to pay its Pro Rata Share (based on its percentage of total subleased space of all RACs) of both Rent under the Master

Lease and O&M Costs (for operation and maintenance of the CONRAC generally). In addition Sublessee shall be obligated to pay Sublessee Direct Costs (as defined in Sections 13.3.1(a) and 13.3.1(b)). The Master Lessee is required under the Master Lease to retain a Facility Manager to carry out or contract for operation and maintenance of the CONRAC. Master Lessee reserves the right to delegate any or all of its functions, rights and responsibilities hereunder to the Facility Manager. To any extent that Master Lessee so provides in the Facility Management Agreement copied to Sublessee, or otherwise informs Sublessee in writing after prior notice to and written consent of City, references to Master Lessee herein with respect to any function, right or responsibility of Master Lessee so delegated shall be deemed to refer to the Facility Manager. The overview provided in this Section 1.8 is for general interpretive guidance only. Any conflict between this Section and any other provision hereof or the Master Lease, including any exhibit hereto or thereto, shall be resolved in favor of the other provision.

1.9 Rent Reserve Requirement and O&M Reserve Requirement. In addition to each RAC's obligation to pay its Pro Rata Share of Rent and O&M Costs and its Sublessee Direct Costs, this Sublease Agreement requires each RAC, prior to occupancy of or activity in the CONRAC to pay to Master Lessee, and maintain credited to Sublessee's account with Master Lessee at all times thereafter (a) an amount equal to twenty-five percent (25%) of Sublessee's Pro Rata Share of O&M Costs for each then-current Sublease Agreement Year (the O&M Reserve Requirement under Section 5.1.6), (b) an amount equal to fifty percent (50%) of Sublessee's Pro Rata Share of Base Rent for each then-current Sublease Agreement Year (one half being the Rent Reserve Requirement under Section 5.1.2, and the other being Security under Section 8.1) and (c) a fuel deposit in an amount to be established under the Facility Management Agreement.

1.10 Intent Regarding Contractual Joint and Several Liability. It is the intent and understanding of Master Lessee and the Sublessee that Sublessee does not contract under this Sublease Agreement to bear joint and several liability with other RACs or New Entrants that may also execute a Sublease Agreement with Master Lessee, except to any extent created as a matter of law rather than as a matter of contract. Nothing contained in this Section shall be construed or deemed as a waiver by City of its rights to pursue any remedy available to it at law or in equity for claims against any RAC or RACs either jointly or severally.

ARTICLE 2
CONSTRUCTION

2.1 CONRAC. Master Lessee shall construct or cause the construction of the CONRAC in accordance with the terms of the Master Lease and the Development Agreement and Construction Contract attached thereto.

2.2 Tenant Improvements. Except to the extent included in the construction of the CONRAC by Master Lessee pursuant to the terms of the Master Lease, Sublessee, at its sole expense (except to the extent that costs incurred are eligible for reimbursement under Section 4.2.6.2.3 and 4.2.6.2.4(g) of the Concession Agreement), shall be responsible for designing, furnishing, constructing and installing all improvements and fixtures within Sublessee's Exclusive Use Premises that Sublessee deems necessary or desirable in connection with Sublessee's operation of a Rental Car Concession in and from the CONRAC (the "**Initial**

Tenant Improvements"). Sublessee shall comply with the design and construction procedures described in **Exhibit B** hereto, and shall design, construct and install the Initial Tenant Improvements (i) in a professional and workmanlike manner using new, quality materials and qualified personnel adhering to the highest standards of quality; (ii) in accordance with the plans, specifications and schedule approved by Master Lessee and City; (iii) in compliance with all Legal Requirements and City Codes and Standards, (iv) free and clear of all liens, encumbrances and security interests; (v) free and clear of all trash and debris; and (vi) in a manner that will not unreasonably interfere with or disturb daily operations at the Airport or City or its tenants, customers, guests or invitees. Upon Substantial Completion of the CONRAC base building, Master Lessee shall by written notice to Sublessee, give Sublessee access to Sublessee's Exclusive Use Premises to construct and install the Initial Tenant Improvements and the RAC Property, that access date being the Substantial Occupancy Date, and continuing for the one hundred twenty (120) day period thereafter through the Date of Beneficial Occupancy (the "**Initial Tenant Improvements Construction Period.**") Sublessee shall have no right of use or occupancy of the Subleased Premises prior to the Substantial Occupancy Date, but may be given earlier access to begin Initial Tenant Improvements, subject to all terms of the Master Lease and this Sublease Agreement, at the sole discretion of the Master Lessee.

2.3 Permits. Master Lessee shall obtain all necessary permits associated with construction of the CONRAC, including a certificate of occupancy prior to the Date of Beneficial Occupancy provided, however, Master Lessee shall not be responsible for permits associated with the Initial Tenant Improvements or Sublessee's operations within the CONRAC. Before Sublessee may undertake any construction or installation of the Initial Tenant Improvements, Sublessee shall obtain all required permits and otherwise comply with the requirements of the City Codes and Standards.

2.4 Consultations. Sublessee shall from time to time consult with Master Lessee, the Developer and the Design Builder during the design and construction of the CONRAC to obtain required field measurements and to identify the source of temporary power (if any) required for temporary facilities and/or construction build-out of the Initial Tenant Improvements. Master Lessee shall have no obligation to design, construct, or install any improvements or fixtures within Sublessee's Exclusive Use Premises that are not included within the Construction Contract for the construction of the CONRAC as set forth in Master Lease. Sublessee, along with Sublessee's third-party design professionals and others as necessary, shall attend construction progress meetings to coordinate construction activities with City, Master Lessee, the Developer, and the Design Builder and shall attend such periodic meetings with City representatives as required by City and Master Lessee for the purpose of the review of drawings, plans, finishes and specifications pursuant to City Codes and Standards.

2.5 Master Lessee and City Review. Sublessee agrees that nothing in Master Lessee's or City's review or approval of Sublessee's plans and specifications, either for Initial Tenant Improvements or Alterations under Article 11, shall create responsibility or liability on the part of Master Lessee or City for their completeness, design sufficiency or compliance with Legal Requirements or City Codes and Standards, all of which shall be Sublessee's sole responsibility. In addition, such review or approval shall not constitute a waiver by Master Lessee or City of the right thereafter to require Sublessee to correct any failure by Sublessee to comply with any Legal Requirements or City Codes and Standards.

2.6 Deadlines.

2.6.1 Tenant Improvement Substantial Completion. Sublessee shall cause all of Sublessee's Initial Tenant Improvements to be substantially completed no later than the Date of Beneficial Occupancy, with all required permit sign-offs and regulatory inspections, equipment, signage and systems installed and functional and all interior and exterior wall, ceiling and floor finish materials installed. Sublessee shall notify Master Lessee and City when substantial completion of the Initial Tenant Improvements has been achieved, and Sublessee, Master Lessee, and City shall schedule and perform a joint punch-list inspection. Sublessee's third-party design professionals shall provide Master Lessee and City with a certified letter of acceptance indicating that the Initial Tenant Improvements were constructed in accordance with the construction plans and specifications submitted to and approved by Master Lessee and City as may be modified by written change orders submitted to and approved by Master Lessee and City, and that installation of all components is in accordance with all Legal Requirements and the City Codes and Standards.

2.6.2 Final Completion. Notwithstanding that Sublessee has substantially completed the Initial Tenant Improvements by the Date of Beneficial Occupancy, Sublessee shall diligently pursue all of its Initial Tenant Improvements to final completion (inclusive of all punch-list items identified during the joint punch-list inspection and certified letter of acceptance described in Section 2.6.1 hereof), and shall completely finish the Initial Tenant Improvements no later than thirty (30) days after the Date of Beneficial Occupancy.

2.6.3 Opening Date. Sublessee acknowledges and agrees that Master Lessee and City will require all RACs including Sublessee to commence rental car operations from the CONRAC on the Opening Date regardless of whether Sublessee has completed its Initial Tenant Improvements, including all punch-list items. Therefore, Sublessee shall have installed all furniture, trade fixtures and office equipment, shall have completed all systems/process testing, and otherwise shall be fully and completely ready to commence operations from the CONRAC not later than the Opening Date, and shall commence rental car operations from the CONRAC on the Opening Date regardless of whether Sublessee has completed its Initial Tenant Improvements. Sublessee specifically acknowledges and agrees that the one hundred twenty (120) day Initial Tenant Improvements Construction Period, plus a thirty (30) day burn-in period thereafter, provides adequate time for the design, installation, construction and testing of Sublessee's Initial Tenant Improvements (including installation of any temporary facilities required), and training required for Sublessee to commence rental car operations from the CONRAC on the Opening Date. Sublessee shall pay to Master Lessee two hundred dollars ($200.00) per day as liquidated damages for failure to timely complete its Initial Tenant Improvements by the Opening Date.

2.6.4 Deadline Adjustment. Notwithstanding anything above, Master Lessee, with prior written consent of City, may adjust any deadline stated above by written notice to Sublessee, provided that Master Lessee will not shorten the total Initial Tenant Improvements Construction Period.

2.6.5 Vacate Terminal and Kiosks. Sublessee, at its sole cost and expense, shall vacate Sublessee's leased premises and kiosks in the Airport Terminal and on the third

floor of the existing parking garage covered by its Prior Concession Agreement in broom clean and good condition and repair, obsolescence and ordinary wear and tear excepted, and remove all of its personal property therefrom. Sublessee shall complete such vacation of its leased premises in the Airport Terminal not later than ten (10) days after the Opening Date unless vacated earlier in accordance with the terms of the Prior Concession Agreement, and shall complete such vacation of its leased premises on the third floor of the existing parking garage not later than fourteen (14) days after the Opening Date.

2.7 As-Built Documents. Sublessee shall deliver to Master Lessee and City, not later than thirty (30) days after the Opening Date, complete "as built" drawings of the Initial Tenant Improvements (in hard copies and electronic format specified by City) in full conformance with Master Lessee's and City's requirements. For any equipment installed, Sublessee shall deliver to Master Lessee and City two copies of the complete operations and maintenance manuals therefor. The "as built" drawings required under this Section 2.7 shall include details of all construction disciplines, including electrical (including switch gear and source of permanent power), plumbing, mechanical, architectural and information technology structures, lines and facilities.

2.8 Changes to the CONRAC. Master Lessee may, with notice to Sublessee and opportunity to comment, but without any requirement for the consent or approval of Sublessee, make any minor changes to the CONRAC that will not materially adversely affect the nature or operation of the CONRAC or Sublessee's operations within the CONRAC and that Master Lessee or City consider necessary or advisable.

2.9 Additional Facilities. Master Lessee may elect to construct and install additional facilities or improvements to the CONRAC as follows: Master Lessee may, with notice to Sublessee and opportunity to comment, but without any requirement for the consent or approval of Sublessee, construct and install additional facilities for any of the following reasons: (a) the additional facility is required by a Governmental Authority or by City pursuant to the Master Lease; (b) the additional facility is of an emergency nature, which, if not made, would substantially impair the current safe operation of the CONRAC or the CONRAC Site; (c) the additional facility is to repair or replace the CONRAC or the CONRAC Site as a result of damage or destruction by fire or other casualty; (d) the additional facility is necessary to upgrade security, safety or to make repairs, replacements or improvements to roads, walkways or equipment providing safe access to and from the CONRAC or the CONRAC Site (e) upon City prior approval the additional facility is necessary to accommodate one or more New Entrants so as to prevent unnecessary disruption or relocation of one or more of the existing RACs; and (f) the additional facility is made to settle claims or lawsuits, satisfy judgments or comply with judicial or administrative orders against Master Lessee arising from or relating to its design, construction, ownership, maintenance or use of the CONRAC or the CONRAC Site. In the event any such additional facilities become necessary, Master Lessee shall promptly provide to Sublessee notice of the need thereof, and Sublessee shall have an opportunity to provide comment concerning the proposed additional facilities, but no Sublessee objection shall operate to limit or delay the construction or installation of such additional facilities.

2.10 Tenant Improvement Reimbursements. Under the terms of the Master Lease and Concession Agreement, City has agreed to reimburse certain costs of Initial Tenant

Improvements paid by Sublessee and each other RAC during the course of construction in an aggregate total amount not to exceed six million dollars ($6,000,000) to be allocated among and paid proportionately to each RAC, subject to an allocation to Master Lessee of one hundred twenty thousand dollars ($120,000) for Initial Tenant Improvements in the New Entrant Areas. Sublessee shall receive reimbursement paid by Master Lessee only to the extent and at such time as Master Lessee receives funds for such purpose from City as follows:

2.10.1 To request reimbursement, Sublessee shall provide documentation satisfactory to City that the claimed costs were actually incurred, that the work consisted of Initial Tenant Improvements in the CONRAC and was completed and paid for, and that reimbursement is requested according to City requirements. Sublessee's claim for reimbursement shall include a copy of a paid invoice, billing or cancelled check for each cost claimed, attached to a certified statement that all amounts claimed were paid to third-party design professionals, vendors or contractors. No amount will be paid to Sublessee for its own in-house costs and expenses. The total claim by and reimbursement to Sublessee shall not exceed the lesser of (1) the qualifying costs of Initial Tenant Improvements made and properly documented in a timely claim by Sublessee and (2) Sublessee's Market Share multiplied times five million, eight hundred eighty thousand dollars ($5,880,000).

2.10.2 Sublessee shall submit its fully documented claim for reimbursement no later than one hundred fifty (150) days after the Opening Date. Any request made more than one hundred fifty (150) days after the Opening Date will not be considered or paid.

2.10.3 Master Lessee shall compile Sublessee's claim for reimbursement with the requests from all other RACs and forward the compiled requests to City for approval and forwarding to the Trustee for disbursement pursuant to the Indenture. Upon receipt of funds from the Trustee to reimburse approved claims, Master Lessee shall promptly disburse the same, pro rata among the approved claim amounts.

2.10.4 Although CFCs are projected to generate sufficient funds to pay Initial Tenant Improvement reimbursements within three (3) years after the Opening Date, timely submitted and approved claims will be paid as and whenever Master Lessee receives the funds requisitioned by City pursuant to the Concession Agreement from the Trustee pursuant to the Indenture. Any funds not timely claimed shall be retained in the CFC Surplus Fund in accordance with the terms of the Indenture and Concession Agreement.

2.10.5 Reimbursement to Sublessee shall under no circumstance exceed Sublessee's Market Share multiplied times five million, eight hundred eighty thousand dollars ($5,880,000), regardless of the total costs or expenses paid or owed by Sublessee for Initial Tenant Improvements or any unclaimed balance of funds otherwise available for such claims. Subsequent Tenant Improvements shall not be eligible for reimbursement under this Section.

ARTICLE 3
LEASE OF SUBLEASED PREMISES

3.1 Lease of Subleased Premises. Subject to all of the terms, covenants and conditions contained in this Sublease Agreement and the Master Lease, the management and

requirements of the Facility Manager, the Legal Requirements and the City Codes and Standards, Master Lessee hereby grants to Sublessee, and Sublessee hereby accepts from Master Lessee, the following rights and privileges with respect to occupancy, use and operation in the CONRAC for the Sublease Term, which rights and privileges are collectively hereafter referred to as the "**Subleased Premises**":

3.1.1 Exclusive Use Premises. Master Lessee hereby subleases to Sublessee the Exclusive Use Premises identified in **Exhibit C-1** hereto for the exclusive use of Sublessee except to any extent designated on **Exhibit C-1** as shared with another specified RAC; provided, however, the Exclusive Use Premises shall be subject to modification as a result of a reallocation of space within the CONRAC among the RACs as set forth in Article 10 hereof.

3.1.2 Common Use Operational Areas. Master Lessee hereby subleases to Sublessee an undivided, non-exclusive right to use and occupy the following, in common with the other RACs, for non-public operational uses: Shuttler Ramps, the QTA service elevator and restrooms, Customer Service Building hallways and restrooms and other such portions of the QTA Facility that are neither exclusively allocated nor Reserved Area, and Vendor Parking Area (collectively, the "**Common Use Operational Areas**") as depicted or described in **Exhibit C-2**. Sublessee and its employees and other authorized individuals (but not the public), shall be entitled to use the Common Use Operational Areas in common with the other RACs and in a manner so as not to impair the equivalent use and enjoyment by the other RACs or the maintenance and repair activities of the Master Lessee or the Facility Manager.

3.1.3 Common Use Areas. Master Lessee also hereby grants to Sublessee the non-exclusive right and privilege, for the benefit of Sublessee and its employees, patrons, invitees, suppliers and other authorized individuals, to use the Common Use Areas (other than the Common Use Operational Areas) in common with other RACs and occupants of the CONRAC during the Sublease Term, together with the non-exclusive right and privilege to use the elevated ramps, roadways and flyovers appurtenant to the CONRAC and easements, roadways and walkways as described in **Exhibit A-2** of the Master Lease for ingress to and egress from the Subleased Premises.

3.2 Reserved Area. Master Lessee specifically reserves to itself the Reserved Area identified in **Exhibit D** hereto. Master Lessee may utilize the Reserved Area, or permit the Reserved Area to be utilized, exclusively for the use of Master Lessee or the Facility Manager or any of their respective employees, agents or contractors, engaged in the management and operation of the CONRAC. Master Lessee further reserves to itself the right to increase or decrease the Reserved Area (and correspondingly, the Common Use Area and the Common Use Operational Areas) after thirty (30) days prior notice to Sublessee so long as doing so does not materially and adversely affect Sublessee's operation of its Rental Car Concession.

3.3 Reserved Rights of City. Sublessee acknowledges that this Sublease Agreement and the Subleased Premises are fully subject to Sections 3.3 and 4.4 of the Master Lease, whereby the City has reserved premises and certain rights relating to the CONRAC, along with all other terms, conditions and provisions of the Master Lease.

3.4 Acceptance of the Subleased Premises. Sublessee's acceptance and occupancy of the Subleased Premises on the Substantial Occupancy Date for purposes of completing the Initial Tenant Improvements shall mean that Sublessee has accepted the Subleased Premises in their then-present condition "as is, where is and with all faults."

3.5 Sublease Agreement Subject To. Sublessee acknowledges that the rights granted under this Sublease Agreement shall at all times be subject to (a) Master Lessee's reserved rights described in Section 3.2 hereof or as otherwise described in this Sublease Agreement; (b) City's reserved rights described in Section 3.3 hereof or as otherwise described in this Sublease Agreement or in the Master Lease; and (c) the Master Lease as further provided in Article 27 hereof.

ARTICLE 4
TERM

4.1 Term.

4.1.1 Sublease Term. This Sublease Agreement shall be effective and binding between the parties as of the Effective Date conditioned upon Sublessee then being party in Good Standing to a Concession Agreement in effect with City. The Sublease Term shall commence on the Opening Date and unless earlier terminated or extended pursuant to the provisions of this Sublease Agreement, shall extend until the last day of the eleventh (11th) Sublease Agreement Year.

4.1.2 Renewals. Subject to any termination right of Master Lessee or City as described in Section 4.1.5 and Article 22, and so long as the Sublessee is in Good Standing under this Sublease Agreement and the Sublessee's Concession Agreement, if the City agrees in its sole discretion to extend the Concession Term pursuant to Section 3.2 of the Concession Agreement or to enter into a successor agreement with Sublessee authorizing Sublessee to operate its Rental Car Concession at the Airport, the Sublease Term shall automatically be extended for the same period of time; provided however, the Sublease Term shall not extend beyond the Lease Term in any event.

4.1.3 Termination Upon Expiration or Termination of Concession Agreement. At expiration of Sublessee's Concession Agreement without renewal or continuation by consent of City or replacement by a successor agreement with the City authorizing Sublessee to operate its Rental Car Concession at the Airport, and upon any other termination of the Concession Agreement, this Sublease Agreement shall, without regard to any default or lack of default hereunder, on written direction of City to Master Lessee terminate on ten (10) days written notice to Sublessee.

4.1.4 City's Approval Rights. The Sublease Term may not be terminated early or extended without the prior written consent of City.

4.1.5 Termination of Master Lease. Sublessee acknowledges that City has the right to terminate the Master Lease pursuant to various provisions thereof including without limitation, the absolute right and option to terminate the Master Lease at any time after two

hundred forty (240) months after the Opening Date as further provided in Section 4.5 of the Master Lease. In the event of the termination of the Master Lease pursuant to any provision thereof, this Sublease Agreement shall either (i) be terminated; (ii) become a direct lease between City and Sublessee, or (iii) become a sublease under a master lease to a Substitute Master Lessee, to the extent required or provided in Sections 21.2.5, 22.3 and/or 22.4 of the Master Lease and as further provided in Sections 22.1.2 and 27.3 below.

ARTICLE 5
RENT AND OTHER FINANCIAL OBLIGATIONS

5.1 Base Rent and O&M Costs and Deposits.

5.1.1 Base Rent. For and in consideration of the rights granted by this Sublease Agreement, Sublessee shall, commencing on the Opening Date and continuing each Sublease Agreement Year or portion thereof during the Sublease Term, pay to Master Lessee, or to the Facility Manager as Master Lessee may direct, Sublessee's Pro Rata Share of Base Rent due under the Master Lease, the amount of which is initially nine hundred thousand dollars ($900,000) and subject to adjustment under Section 6.1.2 thereof, for the respective Lease Agreement Year. The Pro Rata Share of Base Rent due for a Sublease Agreement Year shall be paid to Master Lessee in equal monthly installments in advance on the first day of each and every month of that Sublease Agreement Year, at such place and in such manner as Master Lessee may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever. If the Opening Date falls on any day other than the first day of a calendar month, the Pro Rata Share of Base Rent for the first fractional month prior to the commencement of the first Sublease Agreement Year shall be equivalent to a monthly installment to be paid for the first Sublease Agreement Year prorated on the basis of the actual number of days in such fractional month and shall be paid on or before the Opening Date. Prior to commencement of each Sublease Agreement Year, Master Lessee shall provide to Sublessee a statement specifying the Pro Rata Share of Base Rent due hereunder for such Sublease Agreement Year. Master Lessee shall reasonably endeavor to provide this notice not less than thirty (30) days prior to the commencement of each Sublease Agreement Year.

5.1.2 Rent Reserve Requirement.

5.1.2.1 Prior to the Substantial Occupancy Date, Sublessee shall pay to Master Lessee, a Rent Reserve Requirement in an amount equal to twenty-five percent (25%) of Sublessee's Pro Rata Share of Base Rent for the period commencing on the Opening Date through the end of the first Sublease Agreement Year, and thereafter cause Sublessee's Rent Reserve Requirement to be maintained in an amount equal to twenty-five percent (25%) of Sublessee's Pro Rata Share of Base Rent for each then-current Sublease Agreement Year (in addition to a like amount as Security under Section 8.1). The aggregated Rent Reserve Requirements of all RACs shall constitute the rent portion of Master Lessee's Rent and Operation Reserve, which Master Lessee shall be entitled to use for the payment of Base Rent to any extent that the aggregate RAC Pro Rata Share payments of Base Rent for a month are at any time not sufficient to cover the amount of Base Rent to be paid for that month. Sublessee expressly acknowledges and consents to Master Lessee's aggregation and comingling of its Rent Reserve Requirement and O&M Reserve Requirement with all other RAC Rent Reserve

Requirements and O&M Reserve Requirements, which shall be tracked and accounted for with respect to Sublessee and each other RAC, but shall be not be considered property of or held in trust for Sublessee or any other RAC, but shall constitute a Master Lessee reserve account.

5.1.2.2 Any draw on Master Lessee's Rent and Operation Reserve due to the failure of Sublessee to pay in full its Pro Rata Share of Base Rent for any month shall be charged against the requirement with respect to Sublessee. Any such draw will not be deemed to cure the nonpayment or relieve Sublessee of any payment obligation. Exhaustion of the Rent Reserve Requirement tracked with respect to Sublessee or any other RAC shall not limit Master Lessee's access to the entire Master Lessee's Rent and Operation Reserve to draw funds to cover any and all shortages in monthly RAC payments to pay monthly Base Rent.

5.1.3 Reserve Requirement Restoration. Sublessee shall, within thirty (30) days after receipt of written notice that, (i) any charge against either the Rent Reserve Requirement tracked with respect to Sublessee as described Section 5.1.2.1 or the O&M Reserve Requirement tracked with respect to Sublessee as described in Section 5.1.6.1, creates a deficit in Sublessee's required Rent Reserve Requirement or O&M Reserve Requirement for the then-current Sublease Agreement Year, or (ii) Master Lessee has drawn further from the Master Lessee's Rent and Operation Reserve due to Sublessee's nonpayment and exhaustion of either such requirement, pay to Master Lessee the full amount of such requirement deficit(s) together with the full amount of any further draws from Master Lessee's Rent and Operation Reserve due to Sublessee's nonpayment. Amounts paid shall be applied first to any amounts drawn from Master Lessee's Rent and Operation Reserve beyond the requirements tracked with respect to Sublessee and, upon full restoration of the same, to Sublessee's required Rent Reserve Requirement, and then to Sublessee's required O&M Reserve Requirement pursuant to Section 5.1.6.1 for the then-current Sublease Agreement Year.

5.1.4 RAC O&M and Rent Reserve Fund. The City has committed in the Master Lease to cause to be established a RAC O&M and Rent Reserve Fund pursuant to the Indenture. In the event that Sublessee fails to make monthly payments of Rent and/or O&M Costs in full when due and the Rent Reserve Requirement or O&M Reserve Requirement with respect to Sublessee is exhausted and not restored by Sublessee within thirty (30) days after written notice from Master Lessee, Master Lessee shall be entitled to submit a request to City for disbursement from the RAC O&M and Rent Reserve Fund in accordance with the terms of the Indenture for the full amount of deficits in the Master Lessee's Rent and Operation Reserve occasioned by Sublessee's failure to make its monthly Rent and/or O&M Costs payments in full when due. Upon any such disbursement from the RAC O&M and Rent Reserve Fund in accordance with the Indenture, Sublessee shall be liable to Master Lessee and City for the full amount disbursed by the Trustee from the RAC O&M and Rent Reserve Fund on account of Sublessee's failure to make its monthly Rent and/or O&M Costs payments in full when due and any amount collected will, after payment of costs of enforcement and collection, be paid to the Trustee for redeposit to the RAC O&M and Rent Reserve Fund.

5.1.5 O&M Costs. Sublessee acknowledges and agrees that Master Lessee shall retain the Facility Manager to manage, and to cause the performance of, the Maintenance of the CONRAC, the QTA Equipment and the Fuel Facilities, and Sublessee, along with the other

RACs, shall each pay its respective Pro Rata Share of the O&M Costs as more specifically described in this Section 5.1.5.

5.1.5.1 The Facility Management Agreement, which shall be subject to prior review and comment by Sublessee and approval by City, shall require the Facility Manager to prepare and submit to Master Lessee and Sublessee not less than forty-five (45) days prior to the Substantial Occupancy Date for the period beginning with that date and running through the end of the first Sublease Agreement Year, and prior to the commencement of each Sublease Agreement Year thereafter, an itemized Budget detailing expected O&M Costs, including a reasonable contingency amount, for the coming Sublease Agreement Year and projected O&M Costs for the next five (5) Sublease Agreement Years. Both the proposed Budget and the final approved Budget for each year shall include a statement of the dollar amount to be requested as a disbursement from the Repair and Replacement Fund for eligible Major Maintenance in accordance with the Indenture, the dollar amount of Sublessee's Pro Rata Share of the budgeted O&M Costs for that Sublease Agreement Year, as both an annual amount and a pro-rated monthly amount, the amount of Sublessee Direct Costs expected to be chargeable to Sublessee, as both an annual amount and a pro-rated monthly amount, along with Sublessee's O&M Reserve Requirement for that year. The procedure for development review and approval of the Budget each year, as well as for adjustment of a Budget during a Sublease Agreement Year, if necessary, shall be stated in the Facility Management Agreement.

5.1.5.2 Sublessee shall, commencing on the Substantial Occupancy Date and continuing thereafter through the Sublease Term, pay to the Facility Manager one-twelfth (1/12) of Sublessee's Pro Rata Share of the budgeted O&M Costs (or for the first Sublease Agreement Year, the corresponding prorated monthly amount) monthly in advance on the first day of each and every month during the Sublease Term, at such place as the Facility Manager may designate, without any prior demand, and without any abatement, deduction or set-off whatsoever.

5.1.5.3 Within one hundred twenty (120) days after the end of each Sublease Agreement Year, the Facility Manager shall provide to Sublessee an O&M Reconciliation Report showing the total actual O&M Costs for the prior Sublease Agreement Year (or for the first Sublease Agreement Year, from the Substantial Occupancy Date to the end of the first Sublease Agreement Year), Sublessee's Pro Rata Share thereof for such Sublease Agreement Year, the prior year's use and then-current balance of the Sublessee's O&M Reserve Requirement and any amount required to restore or increase the Sublessee's O&M Reserve Requirement to the requirement for the then-current Sublease Agreement Year in which such O&M Reconciliation Report is issued. In the event that the total of the monthly payments made by Sublessee for the prior Sublease Agreement Year was less than Sublessee's actual Pro Rata Share thereof for such Sublease Agreement Year, Sublessee shall pay the difference within thirty (30) days after receipt of such O&M Reconciliation Report. Any overpayment by Sublessee (including any portion of such overpayment paid from the O&M Reserve Requirement) shall be credited toward the next payment due of Sublessee's Pro Rata Share of O&M Costs, in the event that the Sublease Term has expired (and there is no outstanding default), refunded to Sublessee. Notwithstanding the above, any delay or failure of the Facility Manager in computing or billing O&M Costs shall not constitute a waiver of or in any way impair Sublessee's obligation to pay its Pro Rata Share of O&M Costs or any other amount hereunder; provided, however, in the

event Master Lessee or the Facility Manager determines that the Facility Manager has materially under-billed Sublessee for any O&M Costs as a result of any error, neglect or unreasonable delay on part of the Facility Manager, Sublessee shall establish with the Facility Manager a mutually acceptable schedule for repayment of any unbilled amounts (which schedule shall, in no event, extend beyond the next Sublease Agreement Year). In the event of any such delay or failure, Sublessee shall continue paying its Pro Rata Share of O&M Costs currently being paid until notified by the Facility Manager of an adjustment.

5.1.6 O&M Reserve Requirement.

5.1.6.1 Prior to the Substantial Occupancy Date, Sublessee shall pay to Master Lessee, an O&M Reserve Requirement in an amount equal to twenty-five percent (25%) of Sublessee's Pro Rata Share of O&M Costs budgeted for the period commencing on the Substantial Occupancy Date through the end of the first Sublease Agreement Year, and thereafter cause Sublessee's O&M Reserve Requirement to be maintained in an amount equal to twenty-five percent (25%) of Sublessee's Pro Rata Share of O&M Costs budgeted for each then-current Sublease Agreement Year. The aggregated O&M Reserve Requirements of all RACs shall constitute the operations portion of Master Lessee's Rent and Operation Reserve, which Master Lessee shall be entitled to use for the payment of budgeted O&M Costs to any extent that the aggregate RAC Pro Rata Share payments of O&M Costs budgeted for a month are at any time less than the budgeted O&M Costs amount for that month. Sublessee expressly acknowledges and consents to Master Lessee's aggregation and comingling of its O&M Reserve Requirement with all other RAC Rent Reserve Requirements and O&M Reserve Requirements, which shall be tracked and accounted for with respect to Sublessee and each other RAC, but shall be not be considered property of or held in trust for the Sublessee or any other RAC, but shall constitute a Master Lessee reserve account.

5.1.6.2 Any draw on Master Lessee's Rent and Operation Reserve due to the failure of Sublessee to pay in full its Pro Rata Share of budgeted O&M Costs for any month shall be charged against the requirement with respect to Sublessee. Any such draw will not be deemed to cure the nonpayment or relieve Sublessee of any payment obligation. Exhaustion of the O&M Reserve Requirement tracked with respect to Sublessee or any other RAC shall not limit Master Lessee's access to the entire Master Lessee's Rent and Operation Reserve to draw funds to cover any and all shortages in monthly RAC payments to pay budgeted monthly O&M Costs; provided however, any such draw(s) shall not be debited against any other RAC's O&M Reserve Requirement, and Master Lessee shall be entitled to restore Master Lessee's Rent and Operation Reserve by request to City for disbursement from the RAC O&M and Rent Reserve Fund in accordance with the Indenture and Section 5.1.4 hereof.

5.1.7 Holdover Rent. If Sublessee holds over and remains in possession of the Subleased Premises after the expiration, cancellation or termination of this Sublease Agreement, Sublessee shall pay holdover rent and O&M Costs on an allocated basis in accordance with the terms of Section 19.2 hereof.

5.2 Additional Financial Obligations. Additional financial obligations of Sublessee may appear in other provisions of this Sublease Agreement, specifically including Article 13 and Article 14 hereof.

5.3 All Financial Obligations as Rent. All financial obligations of Sublessee hereunder, whether directed to be paid to Master Lessee the Facility Manager or a third-party, shall collectively be deemed be rent under this Sublease Agreement.

5.4 Disposition of Master Lessee's Rent and Operation Reserve and Security Account. In the event that the Master Lease is terminated pursuant to Section 4.5.1 or pursuant to Article 22 of the Master Lease, and City will continue to operate the CONRAC for Rental Car Concessions or relet the CONRAC to a Substitute Master Lessee, Master Lessee shall transfer and assign all rights of Master Lessee in and to the Master Lessee's Rent and Operation Reserve and any account(s) maintained for the deposit of the Security to City or the Substitute Master Lessee, as applicable. In the event that the Master Lease is terminated pursuant to Section 4.5.2 or pursuant to Article 22 of the Master Lease and City will not continue to operate the CONRAC for Rental Car Concessions or relet the CONRAC to a Substitute Master Lessee, Master Lessee shall be entitled to use any balance remaining in the Master Lessee's Rent and Operation Reserve to the extent Repair and Replacement Fund moneys are not available to Master Lessee in a sufficient amount to fulfill its remaining obligations under the Master Lease including, without limitation, any obligation to remove aboveground and underground fuel storage tanks, with any remaining balance of Master Lessee's Rent and Operation Reserve to be distributed thereafter among the RACs in proportion to their respective most recent Rent and O&M Reserve Requirements hereunder after deduction therefrom and payment to City of any amounts owed to City by or on account of the applicable RAC(s). Any such deductions shall be made from the applicable RAC(s)' Rent and O&M Reserve Requirement tracked and accounted for with respect to the applicable RAC(s).

ARTICLE 6
REMITTANCE; LATE PAYMENT

6.1 Remittance Address. Any and all payments due to Master Lessee by Sublessee shall be remitted to the following address: Austin CONRAC, LLC, c/o UNISON-CRS, Inc., 12130 Colwick, San Antonio, Texas 78216, Attn: Marshall A. Fein, President, or at such other place as Master Lessee may direct in writing. Any and all payments due to City by Sublessee under this Sublease Agreement shall be remitted in accordance with the Concession Agreement. Any and all payments due to the Facility Manager by Sublessee shall be remitted to the address stated in the Facility Management Agreement or such other place as the Facility Manager may direct in writing. Determination of whether a particular type of payment required to be made by Sublessee hereunder is to be made to Master Lessee, to Facility Manager, or directly to third-party vendors, shall, to the extent practicable, be made by Master Lessee so as to avoid joint and several liability and to avoid or minimize tax liability, while at the same time giving effect to the intent of Section 4.2.6.2 of the Concession Agreement with respect to RAC reimbursement from the CFC Surplus Fund for RAC payments for Master Lease Rent and for O&M Costs.

6.2 Late Payment Charge. If any remittance of payment due from Sublessee to Master Lessee or the Facility Manager is not received by the Master Lessee or the Facility Manager, respectively, when due, Sublessee shall pay to Master Lessee or the Facility Manager, as applicable, in addition to the delinquent amount owing a late payment charge equal to five percent (5%) of such delinquent amount, regardless of whether or not a Notice of Default has been given by Master Lessee or a notice of nonpayment has been given by the Facility Manager.

6.3 Payments. Sublessee shall make all payments it is required to make under this Sublease Agreement in lawful currency of the United States of America. Sublessee shall make each payment free from any claim, demand, setoff or counterclaim of any kind against the payee, but without waiver of any valid claim. Sublessee's agreements to pay its Pro Rata Share of Base Rent and O&M Costs and any other rents under this Sublease Agreement are independent covenants, and no act or circumstance, regardless of whether such act or circumstance constitutes a breach of this Sublease Agreement by Master Lessee shall release of Sublessee of its obligations to pay its Pro Rata Share of Base Rent, O&M Costs or any other rents as required by this Sublease Agreement.

6.4 Special Action in Event of Non-Payment. In the event Sublessee fails to pay within thirty (30) days of invoicing for any Sublessee Direct Cost or for other work at its request or for its exclusive or shared benefit performed by or through the Facility Manager, or fails to make any other payment owed by Sublessee hereunder within thirty (30) days of the date due then the Facility Manager, with the Consent of Master Lessee, may, in addition to any other remedies which may be available to the Facility Manager or Master Lessee it, enter the Exclusive Use Premises (without such entering causing or constituting a cancellation of this Sublease Agreement or an interference with the possession of the Subleased Premises), and lock or otherwise disable any or all fuel dispensers allocated to Sublessee.

ARTICLE 7
ACCOUNTING PROCEDURES; AUDIT

7.1 Accounting Procedures. Sublessee covenants and agrees that it will establish and maintain as a requirement of this Sublease Agreement all books and record required under Article 6 of the Concession Agreement and this Sublease Agreement, and retain such records for the period of time required by the Concession Agreement.

7.2 Audits. Sublessee shall provide to City Annual Audit Statements as required by the Concession Agreement. Representative(s) designated by City shall be allowed to inspect and audit Sublessee's books of accounts and records in accordance with the terms of the Concession Agreement.

ARTICLE 8
SECURITY

8.1 Security. In addition to the Rent Reserve Requirement and O&M Reserve Requirement that Sublessee is required to pay to Master Lessee hereunder to secure Sublessee's payment of all rent under this Sublease Agreement, including Base Rent, O&M Costs, fees and other amounts now or hereafter payable to or required to be remitted to Master Lessee, to the Facility Manager or to a third-party vendor, to further secure Sublessee's full performance of this Sublease Agreement, Sublessee shall deliver to Master Lessee on or before the Substantial Occupancy Date as Sublessee's contribution to Master Lessee's security requirement under Section 6.6 of the Master Lease cash (the "**Security**") in the amount of Sublessee's Pro Rata Share (determined as of the Substantial Occupancy Date) of the Security Amount, and subject to adjustment each Master Lease Agreement Year. The Security shall remain in place at all times throughout the full Sublease Term and throughout any holdover period.

8.2 Application of Security. Sublessee understands and agrees that the function of the Security under Section 8.1 is to fund Sublessee's share of Master Lessee's security requirement under Master Lease Section 6.6. Sublessee understands and agrees further that City may apply all or part of the proceeds of the Security to unpaid and delinquent amounts due under the Master Lease, and otherwise deal with the Security entirely as provided in Section 6.7 of the Master Lease. The Security shall remain on deposit with Master Lessee throughout the Sublease Term and shall remain at all times subject to Section 6.7 of the Master Lease and Sublessee shall, within two (2) Business Days after written notice of any City draw upon all or part of Master Lessee's security under the Master Lease, cause a replacement Security that meets the requirements of this Article 8 to be issued for the benefit of Master Lessee to restore the Security to Sublessee's Pro Rata Share of the Security Amount. To any extent that City, upon receipt of restored security under the Master Lease, refunds to Master Lessee the amount of any excess proceeds of the prior Master Lease security then held by City, then so long as Sublessee's Security is fully restored, Master Lessee shall refund to Sublessee its Pro Rata Share of the refund received from City. After the expiration or earlier termination of the Sublease Term and upon request therefor by Sublessee, Master Lessee shall request release of the Security from City, if required and in any event without impairing or diminishing the Security required under Section 6.6 of the Master Lease, and upon and to the extent of receipt thereof promptly return the Security to Sublessee, less any amounts then due from or liability of Sublessee to Master Lessee under this Sublease Agreement. Sublessee hereby waives any right to any interest which may be earned or accrued on the proceeds of a draw under the Security during the Sublease Term and agrees that neither City nor Master Lessee shall have any obligation to hold excess proceeds of a draw under the Security in a segregated account but both City and Master Lessee may commingle such proceeds with other funds. No trust relationship is created with respect to the Security.

ARTICLE 9
USE

9.1 Use of Subleased Premises. Subject to and in accordance with all present and future Legal Requirements and City Codes and Standards, Sublessee covenants and agrees that it shall use the Subleased Premises solely for the purpose of operating the non-exclusive Rental Car Concession authorized under and in accordance with all requirements and limitations of Sublessee's Concession Agreement and for no other purpose, use or activity, including any activity prohibited under Master Lease Section 4.2, unless Sublessee obtains the prior written consent of Master Lessee and City. City may grant or withhold its consent in its sole and absolute discretion. Sublessee shall not, under any circumstances, use the Subleased Premises for performing vehicle maintenance or repair other than washing, vacuuming, refueling, changing light bulbs, fuses, wiper blades, changing or repairing leaking or flat tires and similarly quick turnaround activities in the QTA Space permitted under Master Lease Section 4.2.8, and shall limit such activities to only the portion of the QTA Space subleased to Sublessee as a part of its Exclusive Use Premises and in strict compliance with all of the requirements of this Sublease Agreement. Sublessee also shall not, under any circumstances, use the Subleased Premises for the retail sale of any vehicles or the storage of damaged vehicles. Sublessee shall not use any portion of the Commercial Parking Facility located on the ground floor of the Joint Use Facility in connection with its Rental Car Concession operations. Sublessee's employees, agents and representatives shall park their personal vehicles only in space in the CONRAC

expressly authorized in writing by Master Lessee for Sublessee's use for that purpose or in Airport parking lots (whether public or employee parking) subject to payment of any applicable rates or charges. All provisions regarding restrictions and requirements for the use of and conduct within the Leased Premises set forth in the Concession Agreement and Master Lease are incorporated herein by reference, and Sublessee covenants and agrees that it is bound and will abide by the same without assuming thereby direct responsibility for Master Lessee's affirmative responsibilities thereunder. Without limiting the generality of the foregoing, the following uses are specifically prohibited unless City's prior written approval is obtained:

9.1.1 Food and beverage sales other than food and beverage vending machine sales to Sublessee's employees in Sublessee's Exclusive Use Premises;

9.1.2 News and sundry sales;

9.1.3 Alcohol or tobacco sales;

9.1.4 Aviation-related equipment and services sales or other activities normally associated with fixed-base-operators;

9.1.5 Advertising sales;

9.1.6 Vehicle sales;

9.1.7 Selling or dispensing fuel other than to Sublessee's vehicles and its car rental customers as an integral part of car rental Transactions as provided for in the Sublease Agreements, or otherwise operating a Commercial Fueling Service, on or off the Subleased Premises;

9.1.8 Storage, dispensing or sale of fuel not provided through the Fuel Facilities.

9.2 General Standards Governing Use of Subleased Premises. Sublessee shall not use or occupy the Subleased Premises, permit the Subleased Premises or any part thereof to be used or occupied, or do or permit anything to be done in or upon the Subleased Premises, in whole or in part, in a manner that would in any way (a) violate any then-applicable Legal Requirements or City Codes and Standards; (b) violate any of the covenants, agreements, provisions and conditions of this Sublease Agreement or the terms and provisions of the Master Lease or the Concession Agreement; (c) violate any certificate of occupancy then in force with respect to the CONRAC or the Subleased Premises; (d) increase the difficulty for Master Lessee, City, the Facility Manager or any other Sublessee to obtain fire or other required insurance; or (e) constitute a public or private nuisance. Sublessee specifically agrees to comply with all present and future City Codes and Standards and City's decisions and operational orders regarding operations, activities, safety and security matters and general use of the Subleased Premises. Sublessee shall not use or occupy the Subleased Premises or permit the Subleased Premises to be used or occupied, in whole or in part, in a manner which may impair or interfere with (i) the character, reputation or appearance of the Subleased Premises, the CONRAC, the Airport or City, or (ii) the use of the CONRAC by any other Sublessees or the use by the City or any of its agents, employees, tenants, invitees or Airport Customers of the Commercial Parking Facility or

any other Airport property. Sublessee shall not do or permit or suffer any waste, damages, disfigurement or injury to or upon the Subleased Premises or any part thereof.

9.3 Restricted Areas. Access to any Restricted Area by Sublessee shall be subject to the terms of the Airport Security Plan. Sublessee assumes responsibility for any individual not entitled to unescorted access to a Restricted Area to which Sublessee gives that individual access.

9.4 Signs. Subject to Sublessee's compliance with City Codes and Standards, Sublessee's may install and display signage within its Exclusive Use Premises at the CONRAC at all times during the Sublease Term to ensure the safe and efficient operation of Sublessee's Rental Car Concession. Except within its Exclusive Use Premises and relating directly to Sublessees own products and services offered in the CONRAC or otherwise as specifically permitted by Master Lessee and City in writing, Sublessee shall not attach to or paint on or within the Subleased Premises (including the walls, windows and doors thereof) any signs or other advertising matter, symbols, canopies, or awnings. At the expiration or earlier termination of the Sublease Term, all signs, symbols, canopies, or awnings attached or painted by Sublessee shall be removed by Sublessee at its own expense, and Sublessee shall repair any damage or injury to the Subleased Premises and correct any unsightly condition caused by the maintenance and removal of such signs, symbols, canopies, or awnings. Sublessee shall not be permitted to advertise any products and/or services other than those of Sublessee connected to the operation of its Rental Car Concession, and then only as approved in advance in writing by Master Lessee and City.

9.5 Operations. Concession operations must be conducted in a safe, clean, orderly and inviting condition at all times. Trash or debris shall not be allowed to accumulate or be stored on any portion of the Subleased Premises other than in receptacles designated for that use by Master Lessee or the Facility Manager. Similarly, no loud, boisterous or otherwise improper actions or language shall be permitted within or about the Subleased Premises. No radio or television or other similar device shall be installed in any portion of the Subleased Premises open to the public without first obtaining the approval of Master Lessee and City. No antenna or aerial shall be erected on the roof, interior walls or exterior walls of the Subleased Premises without first obtaining the approval of Master Lessee and City.

9.6 Airport Operations. Sublessee shall perform all construction, repairs, maintenance, remediation and operations and activities authorized under this Sublease Agreement in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport. Sublessee shall employ qualified personal and maintain equipment sufficient for the purposes of this provision. Sublessee shall immediately notify City and Master Lessee of any condition, problem, malfunction or other occurrence that Sublessee reasonably knows to be an imminent threat to the safety of the people of the Airport, harm to public health or the environment, or the safety or integrity of the Subleased Premises.

9.7 Concession Agreement. Sublessee acknowledges that, notwithstanding anything to the contrary in this Sublease Agreement, Sublessee shall have the right to operate a Rental Car

Concession within the Subleased Premises only in full compliance at all times with its Concession Agreement and in Good Standing with City.

9.8 Heavy Vehicles. If Sublessee uses heavy trucks or equipment in excess 7,500 pounds on or transiting to or from the Subleased Premises during construction or operation of the facilities on the Subleased Premises, Sublessee shall ensure that the trucks or equipment use only those Airport access routes designated by City and that all trucks and equipment used comply with all applicable weight, width and length restrictions established by the City Codes and Standards, Applicable Law or otherwise by operational order issued by City.

9.9 Road Obstructions. If, during Sublessee's development of the Subleased Premises or during the operations or activities of Sublessee relating to the Subleased Premises, it becomes necessary to obstruct any road or other area provided for vehicular traffic, Sublessee shall, at least seventy-two (72) hours before the placement of an obstruction, obtain the written approval of City and ensure compliance with all related decisions and directions of City with regard to this Section.

ARTICLE 10
REALLOCATION OF EXCLUSIVE USE AREAS

10.1 Reallocation of Exclusive Use Areas Among RACs. The term "Exclusive Use Areas" means those portions of the CONRAC described or depicted in **Exhibit I** to the Master Lease and includes the CONRAC Counter Areas and Office Space, Ready/Return Areas and the Storage Areas, allocated QTA Space and assigned Fuel Facilities to be subleased to the RACs on an exclusive basis from time to time. Section 14.2 of the Master Lease sets forth certain requirements for Sublessee's allocation of the Exclusive Use Areas. **Exhibit E** hereto describes or depicts the Exclusive Use Areas and the Exclusive Use Premises initially allocated to Sublessee, to each other RAC, and reserved for New Entrants as of the Substantial Occupancy Date. Master Lessee shall have the right to modify the Exclusive Use Premises allocated to each Sublessee in conjunction with a reallocation among all Sublessees and New Entrants of the Exclusive Use Areas on the time intervals, and in the manner, more specifically set forth in **Exhibit E** hereto and in accordance with the terms of Section 14.2 of the Master Lease.

10.2 Reallocation Upon Early Termination of Rights to Exclusive Use Areas. In the event that Sublessee's right to sublease portions of the Exclusive Use Areas under this Sublease Agreement expires or is terminated (whether by default, rejection in bankruptcy or otherwise), Master Lessee may reallocate the vacated space within the Exclusive Use Areas among the then-remaining RACs or sublease such vacated space to a New Entrant if City elects to solicit for a New Entrant, and in either case in the manner set forth in **Exhibit E** and in accordance with Section 14.2 of the Master Lease. In determining how to reallocate such vacated space in the Exclusive Use Areas, Master Lessee may consider such information and circumstances as it deems relevant, including the space needs of the remaining Sublessees or New Entrants, their locations and the efficiency and effective operation of the CONRAC. To any extent and for any period that any Exclusive Use Area is not subleased to any RAC, Master Lessee shall recalculate and increase the Pro Rata Share of Rent and O&M Costs due under the Sublease Agreements with all RACs to account for and include the Pro Rata Share of Rent and O&M Costs attributable to the vacant space to the end that all Rent and O&M Costs obligations of Master Lessee under

the Master Lease shall be apportioned to Exclusive Use Premises then covered by Sublease Agreements.

10.3 Reallocation Costs. The costs associated with any reallocation of space within the Exclusive Use Areas shall be paid by the RAC(s) affected by such reallocation, as provided under **Exhibit E**.

ARTICLE 11
ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

11.1 Alterations. After completion of the Initial Tenant Improvements pursuant to Section 2.2 hereof, Sublessee shall not make any changes, alterations, additions, substitutions or improvements (collectively, "**Alterations**") to or upon the Subleased Premises without first obtaining Master Lessee's and City's prior approval of each such Alteration and then only in compliance with any and all conditions of such approvals. Sublessee shall otherwise comply with the design, construction and opening procedures required by Master Lessee or City in connection with Sublessee's design and construction of any such Alteration. Any Alteration shall be performed (a) in a good and workmanlike manner; (b) in compliance with all Legal Requirements and City Codes and Standards; (c) in a manner that will not unreasonably interfere with or disturb Master Lessee, the other Sublessees, City or any of its agents, employees, tenants, invitees or Airport Customers; and (d) otherwise in accordance with the requirements of Sections 2.2 through 2.5 of this Sublease Agreement.

11.2 As Built Documents. Sublessee shall deliver to Master Lessee and City, not later than thirty (30) days after the completion of any Alterations, full and complete "as built" drawings of such Alterations (in hard copies and electronic format specified by Master Lessee and City) in full conformance with Master Lessee's and City's requirements. For any equipment installed, Sublessee shall deliver to Master Lessee and City two copies of the complete operations and maintenance manuals therefor. The "as built" drawings required under this Section 11.2 shall include details of all construction disciplines, including electrical (including switch gear and source of permanent power), plumbing, mechanical, architectural and information technology structures, lines and facilities.

11.3 Trade Fixtures. Except to the extent provided in repair or substitution of any improvements to the CONRAC by Master Lessee, Sublessee shall retain ownership of: (a) all trade fixtures and business equipment and furnishings from time to time installed by Sublessee at its expense; and (b) all Initial Tenant Improvements, Alterations and/or other improvements that Sublessee is required to remove upon the expiration or earlier termination of the Sublease Term pursuant to Section 19.1 hereof. Sublessee may remove any of such fixtures, equipment or furnishings at any time during the Sublease Term and shall remove all thereof prior to the expiration or earlier termination of the Sublease Term. Any such property not removed at the expiration or earlier termination of the Sublease Term shall, at the election of Master Lessee, become the property of Master Lessee without payment to Sublessee, or shall be deemed abandoned and removed by Master Lessee, at Sublessee's expense. Upon the removal of any such property, Sublessee shall promptly repair any and all damage to the Subleased Premises caused thereby or reimburse Master Lessee for Master Lessee's costs and expenses in removing any such property not removed by Sublessee and repairing any such damage not repaired by

Sublessee. The terms of this Section 11.3 shall survive the expiration or earlier termination of the Sublease Term. Notwithstanding the foregoing, however, this Section is expressly subject to Master Lease Section 10.8, incorporated herein by this reference, and under which, among other things, Alterations to City's Vested Improvements may, at the option of City, be considered a part of the Vested Improvements with title vested in City at no cost to City, and removal, if approved by City, must be effected without impairing the structural integrity or usability of the Vested Improvements.

ARTICLE 12
REAL AND PERSONAL PROPERTY TAXES

12.1 Payment of Taxes by Sublessee. Sublessee shall be liable for, and shall timely pay or cause to be paid throughout the Sublease Term, all license fees and all taxes payable for, or on account of, the Rental Car Concession and all taxes on the personal property of Sublessee located within or upon or used in connection with the Subleased Premises. Further, Sublessee shall pay through its monthly payment of O&M Costs its Pro Rata Share of any and all taxes, charges and assessments levied on the land, the buildings, any improvements, fixtures and equipment and all other real or personal property constituting or located within or upon the CONRAC, and any assessments or charges levied in lieu of any such taxes, charges or assessments, and any taxes levied on the leasing of the Subleased Premises or any portion thereof, or measured by the rents or other charges collected hereunder, whether imposed on Master Lessee or Sublessee, except that Sublessee shall pay directly any taxes levied with respect to Sublessee's personal property as provided below and no tax levied on RAC-owned personal property will be aggregated or allocated by Pro Rata Share. Unless otherwise provided in the then-current Budget approved by Master Lessee and City, all such taxes, charges and assessments imposed on Master Lessee and for which Master Lessee is or will be entitled to reimbursement from Sublessee shall be payable by Sublessee to Master Lessee at least fifteen (15) days prior to the due dates of the respective amounts involved; provided, however, Sublessee shall be entitled to a minimum of thirty (30) days' notice of the amounts payable by it.

12.2 Sublessee's Personal Property Taxes. Sublessee shall pay or cause to be paid, prior to delinquency, any and all taxes, charges and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in or upon the Subleased Premises by Sublessee. If any such taxes, charges or assessments with respect to Sublessee's personal property or trade fixtures are levied against Master Lessee or Master Lessee's property, and if Master Lessee pays such taxes, charges or assessments (including to the extent based upon an increased assessment against Master Lessee or Master Lessee's property), Sublessee shall, upon demand, reimburse to Master Lessee the amounts so paid by Master Lessee.

12.3 Tax Contests. Nothing in this Article 12 shall be construed to limit the right of Sublessee or Master Lessee to contest the imposition, assessment or amount of any tax, provided that Master Lessee or Sublessee, as applicable, give notice to City of its plans to contest such taxes, charges or fees and provide to City all related documentation and information requested by City. If nonpayment of any such taxes, charges or fees may result in a Lien on the Joint Use Facility, the Airport or the Vested Property of City, Master Lessee or Sublessee, as applicable, shall timely pay or take such action as provided under Applicable Law to avoid or release any Lien that may otherwise attach due to contesting the same. If Master Lessee or Sublessee

contests such taxes, charges or fees, they shall diligently pursue any such contest to conclusion or settlement.

ARTICLE 13
REPAIR AND MAINTENANCE

13.1 Repair and Maintenance by Sublessee.

13.1.1 Generally. Commencing on the Date of Beneficial Occupancy and continuing thereafter during the Sublease Term, Sublessee shall (a) keep and maintain, at Sublessee's sole cost and expense, Sublessee's Initial Tenant Improvements, Alterations completed by Sublessee, and all of Sublessee's equipment and installations therein and the appurtenances thereto, in good order, condition and repair; (b) subject to the performance of Major Maintenance and non-janitorial Routine Maintenance by the Facility Manager, keep and maintain the Exclusive Use Premises at all times in a neat, clean, safe and sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of, pests, provide complete and adequate arrangements for the sanitary handling of all trash, garbage and other refuse generated in connection with the use of the Exclusive Use Premises, and remove all water, snow and ice from the Exclusive Use Premises; (c) pay to Master Lessee or the Facility Manager as Sublessee Direct Costs, all costs of maintain and repairing all facilities and equipment within or directly and exclusively serving Sublessee's Exclusive Use Premises as described in Section 13.3.1(a) and excepting only common CONRAC electrical, plumbing and HVAC systems; and (d) keep and maintain any RAC Property owned by Sublessee in the CONRAC in good order, condition and repair. As used in this Section 13.1.1, the word "pests" shall include rodents, insects and birds in numbers to the extent that a nuisance or safety hazard is created.

13.1.2 Master Lessee's Right to Enter. Notwithstanding the terms of Section 13.1.1 hereof, in the event Sublessee fails (a) to commence, within ten (10) days after notice from Master Lessee (or the Facility Manager to the extent authorized under the Facility Management Agreement) or City, to do any maintenance or repair work required to be done by Sublessee under the provisions of this Sublease Agreement, (b) to diligently continue to completion any such work as required under this Sublease Agreement; then Master Lessee, City or the Facility Manager may, at its option, and in addition to any other remedies which may be available to it, enter the Exclusive Use Premises (without such entering causing or constituting a cancellation of this Sublease Agreement or an interference with the possession of the Subleased Premises), and repair, maintain, replace or rebuild all or any part of the Exclusive Use Premises and do all things reasonably necessary to accomplish the work required, and the cost and expense (specifically including an allocation of Master Lessee and/or the Facility Manager's administrative costs) shall be payable by Sublessee to Master Lessee, City or the Facility Manager, as the case may be. In the event that Master Lessee, City or the Facility Manager, or any of their respective officers, employees, agents or contractors, undertakes any work hereunder, Sublessee hereby waives any claim for damages, consequential or otherwise, as a result thereof. The foregoing shall in no way affect or alter the primary obligations of Sublessee as set forth in this Sublease Agreement, and shall not impose or be construed to impose upon Master Lessee, City or the Facility Manager any obligation to maintain the Exclusive Use Premises other than as specifically provided in this Sublease Agreement.

13.1.3 Standards. Sublessee shall perform all maintenance, repairs or replacements required hereunder (a) in compliance with all Legal Requirements, City Codes and Standards and the requirements of this Sublease Agreement; (b) using quality materials at least equal to the original, and if materially changed from the original, shall be subject to the prior approval of Master Lessee and City; (c) using only qualified personnel; and (d) in a good and workmanlike manner, adhering to the highest standards of quality.

13.2 Insurance Proceeds. To the extent that Master Lessee receives any insurance proceeds under the policy of property insurance paid for as part of the O&M Costs for damage to any element(s) on or about the CONRAC or CONRAC Site for which the obligation for the repair belongs to Sublessee under Section 13.2, Master Lessee agrees to apply such insurance proceeds to the costs of such repairs or replacement, or to make such insurance proceeds available to Sublessee; provided, however, in the event that Sublessee accepts such funds, Sublessee shall then be required to adhere to any Legal Requirements by which Master Lessee otherwise would have been bound if it had undertaken the repairs.

13.3 Repair and Maintenance by Facility Manager. Pursuant to the Master Lease, Master Lessee shall retain the Facility Manager and shall cause the Facility Manager to manage and to cause the performance of the Routine Maintenance and Major Maintenance, with the cost thereof included in the Budget.

13.3.1 Routine Maintenance. The cost of Routine Maintenance shall be paid for by the Sublessee and the other RACs on a Pro Rata Share basis as part of the monthly O&M payment. Sublessee also shall pay within thirty (30) days after receipt of an invoice therefor from the Facility Manager or as otherwise determined under the Facility Management Agreement, together with interest on all such sums remaining unpaid after the date dues according to the terms of the Facility Management Agreement, the following costs (the "Sublessee Direct Costs"):

(a) the cost of goods or services not part of O&M Costs provided by or through Facility Manager directly to Sublessee or its Exclusive Use Premises by or through the Facility Manger in support of Sublessee's car rental operations (such as consumable and other group-purchased products and maintenance and repairs to RAC operational equipment such as car washes and vacuum equipment allocated exclusively, or on a specifically shared basis to Sublessee (as distinct from CONRAC system equipment); and

(b) any maintenance, repair or replacement, whether Routine or Major required by reason of the neglect, carelessness or misuse of Sublessee or its employees, agents, invitees, licensees or contractors.

13.3.2 Major Maintenance. The cost of Major Maintenance shall be included in the Budget and if the Budget is approved by the City, funded from the Repair and Replacement Fund to the extent funds are available therein. When Master Lessee undertakes such work, it shall so notify Sublessee and will proceed diligently to complete such work. To the extent that the cost of any Major Maintenance planned for a Sublease Agreement Year is not funded through the Repair and Replacement Fund, the cost of such Major Maintenance

(including a reasonable charge for Master Lessee's administrative cost) shall be included within the portion of the Budget to be paid by the RACs based on Pro Rata Share for such Sublease Agreement Year.

13.3.3 Work Request by Sublessee. If requested to do so in writing by Sublessee, the Facility Manager may agree to manage or perform any maintenance, repairs or restoration work that is Sublessee's responsibility under Section 13.1 hereof; provided, however, in the event the Facility Manager manages or performs such work, Sublessee shall make arrangements acceptable to the Facility Manager for an advance deposit of working funds and payment of all costs and expenses of such work, including any applicable Facility Manager administrative fee, within thirty (30) days after invoice therefor by the Facility Manager.

13.4 No Abatement From Repairs. There shall be no abatement or reduction of any Pro Rata Share of Base Rent, O&M, or other obligation of Sublessee under this Sublease Agreement or the Concession Agreement by reason of the making of repairs, alterations and/or improvements to the CONRAC or the CONRAC Site by Master Lessee, City, Sublessee, the Facility Manager or otherwise.

13.5 Quarterly Condition Surveys. Master Lessee and the RACs, together with the Facility Manager, shall conduct an inspection of the CONRAC and CONRAC Site quarterly to observe and note the condition of, cleanliness of and existing damage to the CONRAC and CONRAC Site and to determine repairs and maintenance required to be performed. Master Lessee shall give the City notice of the scheduled time for any such inspections, and the City shall have the right to participate in the inspections. Any dispute regarding the repairs and maintenance required to be performed shall be put to an MII vote, but subject to a superseding determination by City that additional repairs and maintenance must be performed, in which case City's decision shall be final.

ARTICLE 14
UTILITIES AND OTHER OPERATING COSTS

14.1 Utilities Costs. Sublessee shall pay, as part of the O&M Cost Budget, its Pro Rata Share of all Utilities Costs incurred for utilities used or consumed with respect to the CONRAC that are provided through meters and/or utility connections provided by City or Master Lessee and not separately metered to any RAC, plus any Utilities Costs separately metered for any portion of Sublessee's Exclusive Use Premises. O&M Costs shall include all Utilities Costs for the CONRAC, except for the Utilities Costs incurred with respect to any separately metered portion of RAC Exclusive Use Premises Sublessee shall not install separate meters or other utility connections to be used or consumed within the CONRAC without the prior written approval by Master Lessee and City. Sublessee covenants and agrees that, at all times, the use of electric current by Sublessee shall never exceed the capacity of existing feeders and wiring to the applicable portion of the Subleased Premises and that Sublessee shall make no alterations or additions to the electric equipment and/or appliances serving the Subleased Premises without the prior written consent of Master Lessee and City in each instance. All telecommunications connections serving the Subleased Premises in the CONRAC and expenses therefor, both hard-wired and wireless, are the responsibility of Sublessee and must be installed or completed through existing cables. Unless otherwise agreed by Master Lessee and City, Sublessee shall

participate in City's "Shared Tenant Services Program for Telecommunications" on City's private phone system offered to all tenants of the CONRAC at rates established by City. Access to City's fiber optic backbone and/or neutral wireless system shall be available to Sublessee at rates established by City from time to time.

14.2 Energy Conservation; Recycling. Master Lessee and City shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in their discretion, for the conservation and/or preservation of energy, energy-related services or other resources, to promote considerations of sustainability, or to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

14.3 Master Lessee and City Not Responsible. Master Lessee and City shall not be liable in any way to Sublessee for any failure, defect, suitability or sufficiency in the supply or character of electrical energy, water, sewer or other utility service furnished to the Subleased Premises by reason of any requirement, act or omission of the public utility providing such service or for any other reason. Master Lessee and City shall have the right to shut down electrical or other utility services to the Subleased Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations or reconnections or for any other reason with respect to any such utility system (singularly or collectively, the "**Utility Work**"), regardless of whether the need for such Utility Work arises with respect to the Subleased Premises, any other part of the CONRAC, the CONRAC Site or any other facility at the Airport. Whenever possible, Master Lessee shall give Sublessee not less than two (2) days prior notice of any such utility shutdown. Master Lessee and City shall not be liable to Sublessee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Subleased Premises provided that the foregoing shall not absolve Master Lessee or City from responsibility for its own respective gross negligent, reckless or intentional tortious act or omission. City shall a continual right of access to the Subleased Premises for purposes of access to all facilities including utility and informational technology cables or lines located beneath the surface of the Subleased Premises through manholes constructed by Master Lessee or otherwise.

ARTICLE 15
INDEMNITY AND INSURANCE

15.1 Indemnity.

15.1.1 No Liability of City. Except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of City, City shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Sublessee or by others, including all persons directly or indirectly employed by Sublessee, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Sublessee, as a result of any condition (including existing or future defects in the Subleased Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Sublessee's use or occupancy of the Subleased Premises or of areas adjacent thereto. No elected or non-elected official, employee or officer of City shall have any personal liability with respect to (a) any of the provisions of this Sublease Agreement; (b) any injury (including death) to any persons

or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Sublessee or by others, including all persons directly or indirectly employed by Sublessee, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Sublessee, as a result of any condition (including existing or future defects in the Subleased Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Sublessee's use or occupancy of the Subleased Premises or of areas adjacent thereto, except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of such elected or non-elected official, employee or officer of City; or (c) a default by City hereunder or the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default.

15.1.2 Indemnification of City by Sublessee. SUBLESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ITS ELECTED AND NON-ELECTED OFFICIALS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER (COLLECTIVELY, "**CLAIMS**") RESULTING FROM OR CONCERNING THIS SUBLEASE AGREEMENT OR THE CONDUCT OF SUBLESSEE'S BUSINESS AT THE AIRPORT, TO THE EXTENT ARISING DIRECTLY OR INDIRECTLY, OUT OF (A) ANY BREACH OF THIS SUBLEASE AGREEMENT BY SUBLESSEE, ITS AGENTS, EMPLOYEES OR CONTRACTORS, (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY SUBLESSEE HEREUNDER, (C) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF SUBLESSEE, OR ITS THEIR AGENTS, EMPLOYEES OR CONTRACTORS, AND (D) TO THE EXTENT COVERED BY INSURANCE REQUIRED TO BE MAINTAINED BY SUBLESSEE HEREUNDER, ANY ALLEGED, ESTABLISHED, OR ADMITTED ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES, BUT, TO THE EXTENT ALLOWED BY TEXAS LAW, EXCLUDING CLAIMS TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES AS DETERMINED BY A COURT OF COMPETENT JURISDICTION, PROVIDED THAT THE EXECUTION OF THIS SUBLEASE AGREEMENT WILL NOT BE DEEMED A NEGLIGENT ACT. SUBLESSEE SHALL ASSUME ON BEHALF OF THE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL CLAIMS AGAINST ANY OF THE INDEMNIFIED PARTIES. SUBLESSEE MAY CONTEST THE VALIDITY OF ANY SUCH CLAIMS, IN THE NAME OF SUBLESSEE OR THE INDEMNIFIED PARTIES, AS SUBLESSEE MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY SUBLESSEE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS SUBLEASE AGREEMENT.

15.1.3 Indemnification of Master Lessee by Sublessee. MASTER LESSEE AND ITS EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS ARE ALSO INCLUDED WITHIN THE DEFINITION OF "INDEMNIFIED PARTIES" UNDER THIS SECTION 15.1, provided that with respect to only each Indemnified Party that is

Master Lessee, or an employee, agent, representative, successor or assign of Master Lessee: (a) the phrase "TO THE EXTENT ARISING DIRECTLY OR INDIRECTLY, OUT OF" in Section 15.1.2 is replaced by "TO THE EXTENT CAUSED BY"; and (b) the language of "(D)" of the first sentence of Section 15.1.2 does not apply. In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

15.1.4 Indemnification of Sublessee by Master Lessee. MASTER LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SUBLESSEE AND ITS EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**SUBLESSEE INDEMNIFIED PARTIES**"), FROM AND AGAINST ALL CLAIMS RESULTING FROM OR CONCERNING THIS SUBLEASE AGREEMENT OR THE CONDUCT OF MASTER LESSEE'S BUSINESS AT THE AIRPORT, TO THE EXTENT CAUSED BY (A) ANY BREACH OF THIS SUBLEASE AGREEMENT BY MASTER LESSEE, ITS AGENTS, EMPLOYEES OR CONTRACTORS, (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY MASTER LESSEE HEREUNDER, AND (C) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF MASTER LESSEE, OR ITS AGENTS, EMPLOYEES OR CONTRACTORS. MASTER LESSEE SHALL ASSUME ON BEHALF OF THE SUBLESSEE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL SUCH CLAIMS AGAINST ANY OF THE SUBLESSEE INDEMNIFIED PARTIES. MASTER LESSEE MAY CONTEST THE VALIDITY OF ANY SUCH CLAIMS, IN THE NAME OF MASTER LESSEE OR THE SUBLESSEE INDEMNIFIED PARTIES, AS MASTER LESSEE MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY MASTER LESSEE. THE PROVISIONS OF THIS SECTION 15.2 SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS SUBLEASE AGREEMENT. In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

15.2 Release. OTHER THAN TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES, SUBLESSEE HEREBY RELEASES THE INDEMNIFIED PARTIES WITH RESPECT TO ALL CLAIMS REGARDING ANY ALLEGED, ESTABLISHED OR ADMITTED NEGLIGENT OR WRONGFUL ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES.

15.3 Survival. SUBLESSEE AND MASTER LESSEE AGREE AND ACKNOWLEDGE THAT Sections 15.1 through 15.3 ARE THE PRODUCT OF MUTUAL NEGOTIATION. Sublessee's obligations under Section 15.1 through 15.3 shall survive the expiration or earlier termination of the Sublease Term.

15.4 Insurance. Sublessee shall obtain and keep in force, at its sole cost and expense, during the Sublease Term the following types of insurance, in the amounts specified and in the form hereinafter provided:

15.4.1 Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code Title 5.) and minimum policy limits for employers liability of $1,000,000 bodily injury each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

15.4.1.1 A Waiver of Subrogation in favor of the City of Austin and Master Lessee, form WC 420304; and

15.4.1.2 A 30 day Notice of Cancellation/Material Change in favor of the City of Austin and Master Lessee, form WC 420601.

15.4.2 Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations minimum limit of liability. The policy shall contain the following provisions:

15.4.2.1 Blanket contractual liability coverage;

15.4.2.2 Medical expense coverage with a minimum limit of $5,000 any one person;

15.4.2.3 Fire Legal Liability with a minimum limit of $50,000;

15.4.2.4 Independent Contractors coverage;

15.4.2.5 City of Austin and Master Lessee listed as additional insured; form CG 2010;

15.4.2.6 Thirty-day Notice of Cancellation in favor of the City of Austin and Master Lessee, endorsement CG 0205; and

15.4.2.7 Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin and Master Lessee, endorsement CG 2404.

15.4.3 Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

15.4.3.1 City of Austin and Master Lessee (and Bond Trustee if so directed by City) named as additional insured(s), form CA 2048;

15.4.3.2 Thirty-day Notice of Cancellation in favor of the City and Master Lessee, form CA 0244; and

15.4.3.3 Waiver of Subrogation endorsement CA 0444.

15.4.4 All Risk Property Insurance for all Initial Tenant Improvements, any Alterations constructed by Sublessee in the CONRAC and all of the RAC's Property for 100% of the replacement cost value. The Sublessee shall be named as loss payee on the policy and such policy shall contain a waiver of subrogation endorsement in favor of City and Master Lessee.

15.5 General Requirements. Sublessee and its contractors and subcontractors shall not commence operations under this Sublease Agreement until Sublessee and its contractors and subcontractors have obtained the required insurance and Certificates of Insurance are received and reviewed by City and Master Lessee indicating required coverage. If coverage period ends during the Sublease Term of this Sublease Agreement, Sublessee and its contractors and subcontractors must, prior to the end of the coverage period, forward a new Certificate of Insurance to City and Master Lessee as verification of continuing coverage for the duration of this Sublease Agreement.

15.5.1 Approval of insurance by City and Master Lessee and the required minimums shall not relieve or decrease the liability or responsibility of Sublessee hereunder and shall not be construed to be a limitation of liability on the part of Sublessee.

15.5.2 Sublessee's and all contractors' and subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Companies with A.M. Best ratings of A- or better, if required, shall write hazardous materials insurance. This section shall not be deemed to prohibit self-insurance, provided that self-insurance shall not be acceptable except to any extent that Sublessee provides to City documentation of any Sublessee self-insurance program that City, in its sole discretion, accepts as evidencing substantial equivalency to the insurance policies, terms and financial soundness described hereunder.

15.5.3 Except as permitted by Section 16.18, Sublessee will not engage in operations or store any property in the facilities that will cause an increase in the premium rate paid by the Airport for fire and extended coverage insurance or that will cause an increase in the premiums paid for such insurance of other tenants or subtenants in the Airport, unless Sublessee pays the entire amount of such increase or increases. Further, Sublessee will not engage in operations or store any property in the Subleased Premises which may make void or voidable any such insurance policies.

All endorsements, waivers, and notices of cancellation endorsements, as well as Certificates of Insurance naming City (and Bond Trustee, if so directed by City) as additional insured(s) shall indicate:

City of Austin/Department of Aviation
Attn: Airport Property Manager
3600 Presidential Boulevard
Austin, Texas 78719

15.5.4 The "other" insurance clause shall not apply to City where City is shown as additional insured on any policy or to Master Lessee where Master Lessee is shown as

additional insured on any policy. It is intended that policies required in this Sublease Agreement, covering City, Master Lessee and Sublessee, shall be considered primary coverage as applicable. If insurance policies are not written for amounts specified below, Sublessee shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

15.5.5 In order to ensure compliance with the provisions of this Article, City and Master Lessee shall be entitled, upon request and without expense, to inspect certified copies of Sublessee's insurance policies and endorsements thereto at the Airport or other location in Austin, Texas reasonably designated by Sublessee.

15.5.6 The Master Lessee reserves and City is hereby granted the right to review the insurance requirements set forth during the Term of this Sublease Agreement and to make commercially reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by City or Master Lessee based upon changes in statutory law, court decisions, and the claims history of their industry or the financial condition of the insurance company as well as the Sublessee, provided that Master Lessee shall not lessen any limit requirement or coverage requirement under the Master Lease or allow any exclusions without express written consent by City.

15.5.7 Sublessee shall not cause or permit any insurance to lapse or to be canceled during the Sublease Term unless replaced by other insurance that satisfies the requirements of this Article as of the time of lapse or cancellation.

15.5.8 Sublessee shall pay all premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's shall be disclosed on the Certificate of Insurance.

15.6 Claims Against Sublessee. If a claim, demand, suit, or other action is made or brought by any person against Sublessee arising out of or concerning this Sublease Agreement, Sublessee shall give written notice thereof, to City and Master Lessee within two (2) 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, Sublessee 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 Director as provided herein, and to the Austin City Attorney, City Hall, 301 West 2nd Street, Austin, Texas 78701. Notice under this Section to Master Lessee shall be given to the notice address provided under Section 26.9.

15.7 Master Lessee's Insurance. Master Lessee shall maintain all insurance required of it under the Master Lease with coverage amounts not less than specified therein. Master Lessee's Commercial General Liability Insurance, Business Automobile Liability Insurance, and any Pollution Liability Insurance and Umbrella policy, shall each name Sublessee as additional insured, and Master Lessee's All Risk Property Insurance shall contain a waiver of subrogation endorsement in favor of Concessionaire. For any claim or demand triggering coverage under

both Master Lessee-maintained insurance and Sublessee-maintained insurance, Master Lessee's insurance shall be primary except as follows: The Sublessee-maintained insurance shall be primary if the claim or demand is alleged to have occurred within Sublessee's Exclusive Use Space and there are no allegations of active negligence or wrongdoing against Master Lessee or any of its employees, agents, vendors or invitees arising from Master Lessee's operations or Master Lessee's use of the Leased Premises. In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

ARTICLE 16
COMPLIANCE WITH ENVIRONMENTAL LAWS

16.1 Definitions in Article 16 and Article 17.

"**Environmental Laws**" shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Hazardous Materials Act, and the Texas Water Quality Control Act.

"**Hazardous Materials**" shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

"**Environmental Claims**" shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

"**City**" shall include City's elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

"**Sublessee**" shall include Sublessee's directors, officers, agents, employees, contractors, subtenants, customers, invitees, successors, and assigns.

16.2 Compliance. In its operations on the Subleased Premises and at the Airport, Sublessee shall strictly comply with all applicable Environmental Laws, the Airport Environmental Policies and Procedures (including without limitation, the Storm Water Pollution Prevention Plan ("SWPPP") and Spill Response Plan), which are incorporated by reference, and as of the Effective Date of this Sublease Agreement are located on the Airport's website at: www.ci.austin.tx.us/austinairport/swppp.htm. Without limiting the generality of the foregoing provision, Sublessee shall not use or store Hazardous Materials on or at the Subleased Premises or Airport except as reasonably necessary in the ordinary course of Sublessee's permitted activities at the Subleased Premises and Airport, and then only if such Hazardous Materials are properly labeled and contained as required pursuant to Applicable Laws, and notice of and a copy of the current material safety data sheet is provided to the DOA for each such Hazardous Material. Prior to commencing operations at the Subleased Premises or Airport, Sublessee will complete an Airport baseline environmental questionnaire. Sublessee shall not discharge, release, or dispose of any Hazardous Materials on the Subleased Premises or Airport or surrounding air, lands or waters in violation of Applicable Laws. Sublessee shall promptly notify City of any Hazardous Material spills, releases, or other discharges by Sublessee at the Airport in accordance with City's Spill Response Plan and promptly abate, remediate, and remove any the same to the extent required under Applicable Laws. Sublessee shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental Laws by Sublessee at the Subleased Premises or Airport within ten (10) days after such documents are generated by or received by Sublessee. If Sublessee uses, handles, treats, or stores Hazardous Materials at the Subleased Premises or Airport, and it is necessary for Sublessee to arrange for the disposal of the Hazardous Materials, Sublessee shall comply with any applicable requirement under Applicable Laws to have a contract in place with an EPA or TCEQ approved waste transport or disposal company, and to identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport, and disposal. Complete records of all disposal manifests, receipts and other documentation required by Applicable Law shall be retained by the Sublessee and made available to City for review upon request. City shall have the right at any time to enter the Subleased Premises to inspect, take samples for testing, and otherwise investigate the Subleased Premises for the presence of Hazardous Materials. In exercising its right of access, City shall endeavor to minimize disruption of or interfere with Sublessee's operations or use of the Subleased Premises.

16.3 Responsibility. Sublessee's Hazardous Materials shall be the responsibility of Sublessee. Sublessee shall be liable for and responsible to pay all Environmental Claims that arise out of or are caused in whole or in part from Sublessee's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Subleased Premises or Airport, the violation of any Environmental Law by Sublessee, or the failure of Sublessee to comply with the terms, conditions and covenants of this Article. If City or Master Lessee incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Sublessee's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Subleased Premises or the Airport, Sublessee shall promptly reimburse City or Master Lessee, as applicable, for such costs upon demand. All reporting requirements under

Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Sublessee at the Subleased Premises or Airport shall be the responsibility of Sublessee.

16.4 Environmental Claims Indemnity.

16.4.1 IN ADDITION TO ANY OTHER INDEMNITIES IN THIS SUBLEASE AGREEMENT, SUBLESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS (A) CITY FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) ARISING OUT OF OR RESULTING IN WHOLE OR IN PART FROM SUBLESSEE'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF HAZARDOUS MATERIALS ON OR AT THE SUBLEASED PREMISES OR AIRPORT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY SUBLESSEE, OR THE FAILURE OF SUBLESSEE TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS ARTICLE AND (B) MASTER LESSEE FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) TO THE EXTENT ARISING OUT OF OR RESULTING FROM SUBLESSEE'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF HAZARDOUS MATERIALS ON OR AT THE SUBLEASED PREMISES OR AIRPORT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY SUBLESSEE, OR THE FAILURE OF SUBLESSEE TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS ARTICLE.

16.4.2 By Master Lessee. IN ADDITION TO ANY OTHER INDEMNITIES IN THIS SUBLEASE AGREEMENT, MASTER LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SUBLESSEE FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) WITH RESPECT TO THE LEASED PREMISES (INCLUDING, WITHOUT LIMITATION, THE SUBLEASED PREMISES) TO THE EXTENT SUCH ENVIRONMENTAL CLAIMS ARISE OUT OF OR RESULT FROM MASTER LESSEE'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF HAZARDOUS MATERIALS ON OR AT THE LEASED PREMISES OR AIRPORT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY MASTER LESSEE, OR THE FAILURE OF MASTER LESSEE TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS ARTICLE. In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

16.5 Removal. Prior to the expiration or earlier termination of this Sublease Agreement, Sublessee shall remove or remediate in accordance with applicable Environmental Laws and the Airport Environmental Rules and Policies, all of Sublessee's Hazardous Materials from the Subleased Premises and, if Sublessee is ceasing to operate at Airport, then from Airport, and surrounding lands and waters. Unless instructed otherwise by City, Sublessee shall also, prior to vacating the Subleased Premises and Airport, remove all aboveground and underground storage tanks, piping and other equipment, if any, installed by or on behalf of Sublessee in the CONRAC which stored Hazardous Materials, or which are contaminated by Hazardous

Materials, provided that Sublessee shall not at any time install or have installed any such storage tanks, piping or other equipment without express prior written consent of both Master Lessee and City.

16.6 Stormwater Requirements. Sublessee acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program ("NPDES") and Federal Stormwater Regulations (40 CFR Part 122) and the Texas Pollution Discharge Elimination System Program ("TPDES"). In its operations at the Subleased Premises and Airport, Sublessee shall comply with Applicable Law, including NPDES, TPDES, Federal and State Stormwater Regulations, including any permits thereunder, and the SWPPP.

16.7 Sustainability. Sublessee shall comply with Applicable Laws pertaining to recycling, energy, and natural resource conservation and management. Sublessee shall cooperate with City and Master Lessee in the implementation of energy conservation, water conservation, and waste minimization programs and policies the Master Lessee or City establishes from time to time.

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

16.9 Pre-Lease Environmental Condition. Sublessee acknowledges that City has or will conduct a full and complete Environmental Assessment (the "**Pre-Lease Environmental Evaluation**") of the CONRAC Site prior to or during construction of the CONRAC to identify, to the extent practicable, the nature and extent of Hazardous Materials, if any, present on the CONRAC Site (the "**Pre-Lease Environmental Condition**"). The costs associated with the Pre-Lease Environmental Evaluation and determination of the Pre-Lease Environmental Condition shall be Costs of the Project.

16.10 Hazardous Materials. Sublessee shall not allow the release, spill, discharge, leak, emission, injection, escape, migration or dumping in, on, about, from or adjacent to the Subleased Premises (including storm drains, sanitary sewer system, surface waters, soils, underground waters or air) of any Hazardous Material or other deleterious substance in any manner by any Sublessee Party that could be a detriment to the Subleased Premises or in violation of the Pollution Prevention Plan, the SPCC Plan, any City Codes and Standards, any City Environmental Permit or any of the Environmental Laws. To the extent applicable, Sublessee shall make available to City and Master Lessee upon request copies of all material safety data sheets for all Hazardous Materials used or stored on the Subleased Premises by any Sublessee Party and Sublessee's U.S. Environmental Protection Agency waste generator number and generator annual hazardous waste reports. To the extent applicable, Sublessee shall provide City and Master Lessee with copies of any environmentally related regulatory permits or approvals (including revisions or renewals) and any material report or notice Sublessee receives from, or provides to, any Governmental Authority in connection with the handling of Hazardous Materials on the Subleased Premises by any Sublessee Party or the presence, or possible presence, of any Hazardous Material in, on, about, from or adjacent to the Subleased Premises. Sublessee is responsible to report to City and Master Lessee any spills or emissions of Hazardous Materials resulting from the acts or omissions of any Sublessee Party in accordance with the City's Spill Response Plan and to report to the appropriate Governmental Authorities any spills

or emissions of Hazardous Materials by any Sublessee Party that are above reportable quantities as defined by applicable Environmental Laws.

16.11 Pollution Prevention Plan. Sublessee shall, through the Facility Manager, prepare and implement a Pollution Prevention Plan that addresses measures in effect by Sublessee to prevent pollution (specifically including storm water) through appropriate pollution prevention and good housekeeping practices and to control and perform immediate removal, investigation, remediation and restoration action in the event of a Release of a Hazardous Material or other deleterious material in connection with the operation of the Subleased Premises (including the Fuel Facilities) during the Sublease Term. The Master Lessee shall cause the Facility Manager to provide the Pollution Prevention Plan to City and Master Lessee not more than thirty (30) days before the Date of Beneficial Occupancy, and Sublessee shall be responsible to cause it to be updated to address future changes in the Subleased Premises or activities, operations and practices of Sublessee upon the Subleased Premises.

16.12 Spill Prevention Control and Countermeasure Plan. Sublessee shall, through the Facility Manager, determine whether Section 112.7 of Title 40 of the Code of Federal Regulations is applicable to the Sublessee's Exclusive Use Premises, its RAC Property and/or its operations, and whether Sublessee is required to prepare an SPCC Plan. This determination must be submitted to City for approval, with a copy to Master Lessee. Preparation of any Sublessee SPCC Plan shall be the responsibility of Sublessee, but may be accomplished by arrangements with the Facility Manager. Any SPCC Plan must be certified by a licensed professional engineer in accordance with all applicable Legal Requirements (specifically including the Environmental Laws) and an up-to-date copy thereof shall be furnished at all times to the Facility Manager.

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

16.14 Inspection; Test Results. City and Master Lessee shall each have access to the Subleased Premises to conduct (but shall have no obligation to conduct) environmental inspections, including an Environmental Audit, and Sublessee shall permit City and Master Lessee access to the Subleased Premises for the purpose of conducting environmental testing, whether in connection with City or Master Lessee action taken pursuant to Section 16.13 hereof

or for other City or Master Lessee purposes; provided, however, except in the event of any real or threatened emergency, (a) such environmental testing by City or Master Lessee shall occur only during normal business hours, or at such other times as Sublessee shall reasonably approve; (b) City or Master Lessee provides notice to Sublessee of its intention to conduct such tests at least five (5) Business Days prior to such date of testing; (c) such testing shall not unreasonably interfere with Sublessee's normal business operations; and (d) any damages to the Subleased Premises caused by the environmental testing conducted by City shall be repaired by City at its sole cost and expense and any damages to the Subleased Premises caused by the environmental testing conducted by Master Lessee shall be repaired by Master Lessee, at no cost and expense to Sublessee (other than Sublessee's Pro Rate Share of O&M Costs). Sublessee shall not conduct or permit others to conduct environmental media testing on the Subleased Premises without first obtaining City's and Master Lessee's prior consent. Sublessee shall promptly inform City and Master Lessee of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Subleased Premises whenever the same becomes known to Sublessee, and Sublessee shall provide copies thereof to City and Master Lessee.

16.15 Removal of Hazardous Materials. Prior to its vacation of the Subleased Premises, and in addition to all other requirements under this Sublease Agreement, Sublessee shall remove and remediate any Hazardous Materials stored, released, spilled, discharged, leaked, emitted, injected, escaped or dumped in, on or about or adjacent to, or that has migrated from, the Subleased Premises during the Sublease Term or Sublessee's possession of the Subleased Premises as a result of any act or omission of any Sublessee Party and shall demonstrate such removal to the reasonable satisfaction of City and Master Lessee. City and Master Lessee shall specifically have the right to insist on appropriate subsurface environmental investigations as part of any such demonstration. This removal and demonstration shall be a condition precedent to Master Lessee's return of the Security to Sublessee upon the expiration or earlier termination of the Sublease Term. With respect to the removal and remediation of any Hazardous Materials on the Subleased Premises, Master Lessee agrees that it will and City has committed that it will reasonably approve remediation criteria and investigation, monitoring and remediation activities which comply with Environmental Laws and are consistent with both current commercial/industrial uses at the Subleased Premises as well as City's future development plans for the Subleased Premises. To the extent that any remediation activities approved by City will occur after the expiration or termination of this Sublease Agreement, City or Master Lessee, as applicable, will grant to Sublessee a non-exclusive revocable license to access the Subleased Premises solely for the purpose of performing any such removals or investigations required by this Section.

16.16 Remedies Not Exclusive. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, City and Master Lessee shall be entitled to full reimbursement from Sublessee whenever City or Master Lessee incurs any costs resulting from the use or management of Hazardous Materials on the Subleased Premises by a Sublessee Party, including costs of remedial activities, fines or penalties assessed directly against City or Master Lessee, injuries to third Persons or other properties, and loss of revenues resulting from an inability to re-lease or market property due to its environmental condition, even if such loss of revenue occurs after the expiration or earlier termination of the Sublease Term.

16.17 Environmental Indemnity.

16.17.1 By Sublessee. IN ADDITION TO ALL OTHER INDEMNITIES PROVIDED IN THIS SUBLEASE AGREEMENT, SUBLESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD CITY AND ITS ELECTED OFFICIALS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, AND MASTER LESSEE AND ITS MEMBERS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, FREE AND HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, REGULATORY DEMANDS, LIABILITIES, FINES, PENALTIES, LOSSES, AND EXPENSES, INCLUDING REMEDIAL COSTS (AND INCLUDING REASONABLE ATTORNEYS' FEES, COSTS AND ALL OTHER REASONABLE LITIGATION EXPENSES WHEN INCURRED AND WHETHER INCURRED IN DEFENSE OF ACTUAL LITIGATION OR IN REASONABLE ANTICIPATION OF LITIGATION), ARISING FROM THE EXISTENCE OR DISCOVERY OF ANY HAZARDOUS MATERIAL ON THE SUBLEASED PREMISES, OR THE MIGRATION OF ANY HAZARDOUS MATERIAL FROM THE SUBLEASED PREMISES TO OTHER PROPERTIES OR INTO THE SURROUNDING ENVIRONMENT, ARISING OR RESULTING FROM ANY ACT OR OMISSION OF A SUBLESSEE PARTY, WHETHER (A) MADE, COMMENCED OR INCURRED DURING THE SUBLEASE TERM, OR (B) MADE, COMMENCED OR INCURRED AFTER THE EXPIRATION OR TERMINATION OF THE SUBLEASE TERM IF ARISING OUT OF EVENTS OCCURRING DURING THE SUBLEASE TERM; PROVIDED, HOWEVER, SUBLESSEE'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS SECTION SHALL NOT APPLY WITH RESPECT TO ANY RELEASE OF A HAZARDOUS MATERIAL CLEARLY ARISING OUT OF ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES, WHICH DEFECT IS DISCOVERED WITHIN ONE YEAR AFTER THE SUBSTANTIAL OCCUPANCY DATE. SUBLESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THE SUBLEASE TERM. WITH RESPECT TO MASTER LESSEE ONLY, "ARISING FROM" IN THIS SECTION 16.17.1 SHALL BE REPLACED BY "TO THE EXTENT ARISING FROM" AND "ARISING OR RESULTING FROM ANY ACT OR OMISSION" IN THIS SECTION 16.17.1 SHALL BE REPLACED BY "TO THE EXTENT ARISING OR RESULTING FROM ANY NEGLIGENT OR GROSSLY NEGLIGENT ACT OR OMISSION OR ANY WILLFUL MISCONDUCT." In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, the last sentence of this Section shall be null and void and not applicable as to City.

16.17.2 By Master Lessee. IN ADDITION TO ALL OTHER INDEMNITIES PROVIDED IN THIS SUBLEASE AGREEMENT, MASTER LESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD SUBLESSEE AND ITS MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, FREE AND HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, REGULATORY DEMANDS, LIABILITIES, FINES, PENALTIES, LOSSES, AND EXPENSES, INCLUDING REMEDIAL COSTS (AND INCLUDING REASONABLE ATTORNEYS' FEES, COSTS AND ALL OTHER REASONABLE LITIGATION EXPENSES WHEN INCURRED AND WHETHER INCURRED IN DEFENSE OF ACTUAL LITIGATION OR IN REASONABLE ANTICIPATION OF LITIGATION), TO THE EXTENT ARISING FROM THE EXISTENCE OR DISCOVERY OF ANY HAZARDOUS MATERIAL ON THE LEASED PREMISES, OR THE MIGRATION OF ANY

HAZARDOUS MATERIAL FROM THE LEASED PREMISES TO OTHER PROPERTIES OR INTO THE SURROUNDING ENVIRONMENT, TO THE EXTENT ARISING OR RESULTING FROM ANY ACT OR OMISSION OF A MASTER LESSEE PARTY, WHETHER (A) MADE, COMMENCED OR INCURRED PRIOR TO OR DURING THE SUBLEASE TERM, OR (B) MADE, COMMENCED OR INCURRED AFTER THE EXPIRATION OR TERMINATION OF THE SUBLEASE TERM IF ARISING OUT OF EVENTS OCCURRING DURING THE SUBLEASE TERM. MASTER LESSEE'S OBLIGATIONS UNDER THIS SECTION 16.18 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THE SUBLEASE TERM. In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

16.18 Acknowledgement of Use of Certain Materials. Notwithstanding any other provision of this Sublease Agreement, Sublessee, Master Lessee and City acknowledge and agree that fuel to be used at the fuel dispensers in the QTA Facility, windshield wiper fluids, similar light fluids and cleaning products to be used on or in Sublessee's vehicles and cleaning products in de minimus quantities for use in the Subleased Premises may and will all be stored and used in the Subleased Premises in the ordinary course of the operation of Sublessee's Rental Car Concession, subject to compliance with Environmental Laws and other Applicable Laws.

ARTICLE 17
FUEL FACILITIES AND MANAGEMENT

17.1 Fuel Facilities. Master Lessee, as part of the construction of the CONRAC, shall build, install and equip gasoline Fuel Facilities in the QTA Facility for the use and benefit of the CONRAC and the RACs. The Fuel Facilities shall include aboveground and underground fuel tanks, piping, automated fuel leak sensors, dispensers and appropriate equipment to support the fueling of rental cars. In accordance with the allocation plan and procedures depicted and described in **Exhibit E**, Sublessee shall be allocated one or more specific fuel dispensers to fuel its rental cars, preferably on the level of the QTA that corresponds to its ready/return spaces, but always on the same QTA level as its car wash(es). Sublessee is hereby given a license to make beneficial use of the Fuel Facilities that support its allocated dispenser(s), provided that all portions of the Fuel Facilities other than the Sublessee's specifically designated dispenser(s) shall at all times remain Reserved Area in the exclusive operational control of the Master Lessee *through the Facility Manager.*

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

17.3 Fuel Facilities Management. Master Lessee shall require the proposed Facility Manager to operate, maintain and repair the Fuel Facilities, under its contract with the Master Lessee. The identity of the Facility Manager and the terms and conditions of any agreement or contract with the Facility Manager, including the Facility Management Agreement shall be

subject to City approval, which approval shall not be unreasonably withheld so long as the proposed Facility Manager has (a) significant experience in the management and operation of commercial fueling facilities similar in nature and scale to the Fuel Facilities in the CONRAC in a competent and professional manner in accordance with operating standards and policies standard in the industry and with a proven track record of successful, environmentally compliant operations, and (b) the financial strength and management competency, with personnel having appropriate experience, to operate, maintain, manage and repair the Fuel Facilities. In accordance with Section 17.1 of the Master Lease, before any date on which Master Lessee intends to change the identity of, or the terms of the Facility Management Agreement as it relates to the Fuel Facilities, Master Lessee shall submit to City for its review and approval, such approval not to be unreasonably withheld.

17.3.1 Any contract with the Facility Manager as it relates to the Fuel Facilities shall satisfy the following minimum parameters:

(a) Be consistent with the Master Lease;

(b) Not exceed the Lease Term;

(c) Provide for the management and maintenance of Common Use Areas and Common Use Operational Areas in accordance with Master Lease and allocation of costs in accordance with the budgeting procedures described herein for each Sublease Agreement Year;

(d) Require the Facility Manager to maintain a training program and conduct proper reporting, testing, and inspections of the Fuel Facilities;

(e) Require the Facility Manager to abide by and follow City Codes and Standards, including rules relating to the Airport, all applicable Environmental Laws, laws and regulations relating to safety and security and all requirements of the Master Lease, Applicable Laws and any other Legal Requirements.

(f) Require the Facility Manager to obtain and maintain insurance of like kind, amount, terms and conditions required of Master Lessee under the Master Lease and naming not only City, but also the Master Lessee and the RACs, and the respective officers, employees and agents of each, as additional insureds and loss payees under such policies on terms and conditions acceptable to City in its sole discretion;

(g) Require the Facility Manager to indemnify and defend the City, Master Lessee and the RACs, on terms acceptable to the City in its sole discretion, from any damages, claims or the like resulting from its acts or omissions and from the operation, maintenance, and management of the Fuel Facilities;

(h) Consistent with operating agreements customary in the fuel facilities management industry;

(i) May not be cancelled or terminated without prior written notice to City and Master Lessee;

(j) May be assumed by City at its option in the event of a default by Master Lessee or any of the RACs thereunder which has not been cured within any applicable notice and cure period.; and

(k) City shall be specifically named as a third-party beneficiary of the Facility Management Agreement.

17.3.2 All insurance purchased shall provide that it cannot be cancelled or terminated without 30 days prior notice to Master Lessee and City, and all indemnities shall continue upon any termination of the Facility Management contract through the date ten (10) days after every similar indemnity in the Master Lease ceases to be enforceable.

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

17.5 Financial Assurances. Master Lessee shall be responsible to provide Financial Assurance to City as required under Master Lease Section 17.4, and Sublessee shall cooperate with Master Lessee's and the Facility Manager's obligations to meet the Financial Assurance requirements. Sublessee shall be responsible for the cost of Master Lessee's Financial Assurance through Pro Rata Share monthly O&M Cost payments and/or an additional deposit as determined by Master Lessee. Sublessee shall also pay any advance payment or deposit and any other amounts that that Master Lessee or the Facility Manager deems necessary and prudent to ensure a reliable supply of fuel sufficient for all RACs in Good Standing at the CONRAC.

17.6 Environmental Assessment. Within forty-five (45) days after any change in the Facility Manager and/or the Master Lessee, Master Lessee, at the sole cost and expense of Master Lessee under the Facility Management Agreement with the in-coming or out-going Facility Manager and/or the Master Lessee, conduct an Environmental Assessment of the CONRAC Site and specifically the Fuel Facilities to identify, to the extent practicable, the nature and extent of any Hazardous Materials Release, if any, present on the CONRAC Site since the Pre-Lease Environmental Evaluation or any prior Environmental Assessment pursuant to this Section. Prior to conducting the Environmental Assessment, Master Lessee shall consult with City in the preparation of an assessment plan. The results of the plan will be compiled in a report and shall set forth any change in the environmental condition of the CONRAC Site since the Pre-Lease Environmental Condition or any prior Environmental Assessment pursuant to this Section. Any contamination identified shall be subject to remediation as more particularly set forth in Article 16 hereof and this Article.

17.7 Master Lessee's Responsibilities. Without limiting the responsibility of Sublessee for proper use of, for payment of or liability for improper use of, Sublessee Direct Costs relating

to its allocated fuel dispenser(s), Master Lessee through the Facility Manager shall otherwise be responsible for the proper operation, maintenance, repair and use of the Fuel Facilities and the payment of all costs and expenses incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities as O&M Costs allocated to the RACs by Pro Rata Share, except for the cost of fuel allocated to the RACs according to consumption. Also without limiting Sublessee's responsibility for its own acts or omissions, Master Lessee, through the Facility Manager, also shall be entirely responsible for any spill response, the immediate or other removal, investigation, remediation, restoration and other corrective actions, or site closure associated with a Release of any Hazardous Material from the Fuel Facilities. Immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, Master Lessee shall advise the Facility Manager and City of such Release in accordance with the City's Spill Response Plan. In addition, immediately upon becoming aware that a Release of any Hazardous Material from the Fuel Facilities has occurred, the Facility Manager shall advise Master Lessee and City of such Release in accordance with the City's Spill Response Plan. City shall have no liability for, or responsibility for the payment of, any costs, expenses or liabilities incurred in connection with the operation, maintenance, repair and use of the Fuel Facilities or any fees, costs, expenses or reimbursements due to the Facility Manager.

17.7.1 In the event of any spill or Release involving any Hazardous Material upon the CONRAC Site and/or any event or mishap that directly threatens the spill or Release of any Hazardous Material upon the CONRAC Site, the Facility Manager will immediately take all necessary action to address such event, spill, Release or other mishap in accordance with the City's Spill Response Plan and Applicable Laws.

17.7.2 Sublessee shall conduct all of its activities on, or relating to, the Fuel Facilities: (a) in compliance with the Environmental Laws, the provisions of this Sublease Agreement, City Codes and Standards and any other Legal Requirements; (b) in cooperation with City in City's efforts to comply with the Environmental Laws; (c) in adherence with Best Management Practices applicable to the RACs' use of the CONRAC Site; and (d) the Fuel Facilities Operations Manual. In the event of a conflict between any provisions of this Sublease Agreement and the Environmental Laws, the more stringent provisions shall govern and control.

17.8 Necessary Permits. Sublessee shall obtain and maintain any and all necessary permits or consents required by the Environmental Laws with respect to its use of the Fuel Facilities. Sublessee shall promptly furnish Master Lessee and City with copies of these permits and consents as they may be issued or renewed from time to time and all material correspondence between Sublessee and any permitting agency.

17.9 Environmental Audit. Master Lessee shall, through the Facility Manager, hire an independent third party to conduct an Environmental Audit of the entire CONRAC Site (including the Fuel Facilities) and each RAC's and the Facility Manager's operations, equipment, facilities and fixtures on or about the CONRAC Site every third (3rd) Lease Agreement Year after the Opening Date. The Environmental Audit shall be conducted on or about the commencement of each third (3rd) Sublease Agreement Year. Master Lessee shall, through the Facility Manager, review with City, not later than thirty (30) days following the commencement of each such third (3rd) Lease Agreement Year, the results of such Environmental Audit together with a draft plan (including a performance schedule) to complete

all repairs, replacements and/or upgrades of the CONRAC Site (including the Fuel Facilities) and associated structures and/or facilities, and all modifications to the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities, all as reasonably recommended by such Environmental Audit. City shall have thirty (30) days within which to comment upon the draft plan, and Master Lessee shall, through the Facility Manager, promptly incorporate any comments of City into a final plan and complete all repairs, replacements and/or upgrades according to the final plan (and performance schedule). Master Lessee shall, through the Facility Manager, also modify the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by such Environmental Audit. Any Alteration on or about the Subleased Premises shall be accomplished in accordance with Article 2 hereof (except in regards to deadlines and reimbursement applicable only to Initial Tenant Improvements).

17.10 Subsequent City Environmental Audit. City shall have the right to conduct its own Environmental Audit of the CONRAC Site and the Facility Manager's operations, equipment, facilities and fixtures on or about the CONRAC Site. Master Lessee shall, through the Facility Manager, provide City with a draft plan (including a performance schedule) to complete all repairs, replacements and/or upgrades of the CONRAC Site and associated structures and/or facilities located on or about the CONRAC Site and all modifications to the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities, all as reasonably recommended by any such Environmental Audit, not later than thirty (30) days following their receipt of the results thereof. City shall have thirty (30) days within which to review and comment upon the draft plan. Master Lessee shall, through the Facility Manager, promptly incorporate any City comments into a final plan and complete all repairs, replacements and/or upgrades according to the final plan (and performance schedule). Master Lessee shall, through the Facility Manager, also modify the Fuel Facility Operations Manual or other operational plans and procedures associated with the Fuel Facilities as reasonably recommended by any such Environmental Audit. Any Alteration on or about the Subleased Premises shall be accomplished in accordance with Article 2 hereof. In conducting any Environmental Audit, City shall not unreasonably interfere with the business operations of Master Lessee or the RACs and, if it shall damage or otherwise disturb the Subleased Premises during such Environmental Audit, City shall restore the Subleased Premises to the substantially the same condition as existed prior to the damage.

17.11 General Standards. In determining those recommendations incorporated into any Environmental Audit that are reasonable (and therefore to be implemented), all recommendations shall be presumed reasonable unless Master Lessee can demonstrate in a manner acceptable to City that a recommendation (a) is not required by Legal Requirements and (b) the cost of implementing such recommendation significantly outweighs the benefits thereof.

17.12 Environmental Indemnity.

17.12.1 By Sublessee. SUBLESSEE SHALL DEFEND, INDEMNIFY AND HOLD MASTER LESSEE AND CITY AND ITS COUNCIL MEMBERS, MANAGERS, OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY DAMAGES, CLAIMS OR LIABILITY ARISING OUT OF ANY SUBLESSEE PARTY'S USE OF THE FUEL FACILITIES ON OR ABOUT THE CONRAC SITE OR OCCUPANCY OF THE FUEL

FACILITIES ON OR ABOUT THE SUBLEASED PREMISES, INCLUDING LIABILITY FOR INVESTIGATION AND REMEDIAL ACTION RELATED TO THE FOLLOWING OR SIMILAR ACTIVITIES OCCURRING DURING AND BY REASON OF ANY SUBLESSEE PARTY'S USE AND/OR OPERATION OF THE FUEL FACILITIES: (A) ANY RELEASES, SPILLS, DISCHARGES, LEAKS, EMISSIONS, INJECTIONS, ESCAPES, DUMPING, GENERATION, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF HAZARDOUS MATERIALS; (B) ANY OTHER DISCHARGE TO SURFACE OR GROUND WATERS; (C) ANY AIR EMISSIONS; AND (D) ANY CONTAMINATION OF SOIL OR GROUND WATERS BENEATH OR ADJACENT TO THE CONRAC SITE, EXCEPT FOR SUCH DAMAGE, CLAIMS OR LIABILITY (I) CAUSED BY MASTER LESSEE, THE FACILITY MANAGER, CITY OR ITS OFFICERS, AGENTS OR EMPLOYEES, (II) ASSOCIATED WITH THE PRE-LEASE ENVIRONMENTAL CONDITION, (III) CLEARLY ARISING FROM ANY CONSTRUCTION DEFECT IN THE FUEL FACILITIES DISCOVERED WITHIN ONE (1) YEAR AFTER SUBSTANTIAL COMPLETION, OR (IV) ASSOCIATED WITH ANY HAZARDOUS MATERIAL CLEARLY MIGRATING ONTO THE CONRAC SITE FROM SOME OTHER LOCATION THROUGH NO ACT OR OMISSION OF SUBLESSEE. WITH RESPECT TO CLEAN-UP OF ANY HAZARDOUS MATERIALS ON THE SUBLEASED PREMISES, CITY HAS AGREED THAT IT WILL REASONABLY APPROVE, AND MASTER LESSEE AGREES THAT IT WILL NOT OBJECT TO, REMEDIATION CRITERIA AND INVESTIGATION, MONITORING AND REMEDIATION ACTIVITIES THAT COMPLY WITH ENVIRONMENTAL LAWS AND ARE CONSISTENT WITH BOTH CURRENT COMMERCIAL/INDUSTRIAL USES AT THE CONRAC SITE, AS WELL AS THE FUTURE DEVELOPMENT PLANS OF MASTER LESSEE FOR THE CONRAC SITE. WITH RESPECT TO MASTER LESSEE ONLY, "ARISING OUT OF" IN THIS SECTION 17.12.1 SHALL MEAN "TO THE EXTENT ARISING OUT OF." In the event that this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, the last sentence of this Section 17.12.1 shall be null and void and not applicable as to City.

17.12.2 By Master Lessee. MASTER LESSEE SHALL DEFEND, INDEMNIFY AND HOLD SUBLESSEE ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY DAMAGES, CLAIMS OR LIABILITY TO THE EXTENT ARISING OUT OF ANY MASTER LESSEE PARTY'S USE OR OCCUPANCY OF THE FUEL FACILITIES ON OR ABOUT THE CONRAC SITE, INCLUDING LIABILITY FOR INVESTIGATION AND REMEDIAL ACTION RELATED TO THE FOLLOWING OR SIMILAR ACTIVITIES OCCURRING DURING ANY MASTER LESSEE PARTY'S USE AND/OR OPERATION OF THE FUEL FACILITIES: (A) ANY RELEASES, SPILLS, DISCHARGES, LEAKS, EMISSIONS, INJECTIONS, ESCAPES, DUMPING, GENERATION, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF HAZARDOUS MATERIALS; (B) ANY OTHER DISCHARGE TO SURFACE OR GROUND WATERS; (C) ANY AIR EMISSIONS; AND (D) ANY CONTAMINATION OF SOIL OR GROUND WATERS BENEATH OR ADJACENT TO THE CONRAC SITE, EXCEPT FOR SUCH DAMAGE, CLAIMS OR LIABILITY (I) CAUSED BY SUBLESSEE OR ITS OFFICERS, AGENTS OR EMPLOYEES, (II) ASSOCIATED WITH THE PRE-LEASE ENVIRONMENTAL CONDITION, OR (III) ASSOCIATED WITH ANY HAZARDOUS MATERIAL CLEARLY MIGRATING ONTO THE CONRAC SITE FROM SOME OTHER LOCATION THROUGH NO ACT OR OMISSION OF MASTER LESSEE. In the event that

this Sublease Agreement becomes, and for so long as it remains, a direct lease between City and Sublessee, this Section shall be null and void and not applicable as to City.

17.13 Environmental Certification. Sublessee shall provide to Master Lessee at the commencement of each Sublease Agreement Year (other than the first) a written statement that Sublessee's occupation and use of the CONRAC Site, complied with (a) the Pollution Prevention Plan, the SPCC Plan, the terms of all applicable permits, the Fuel Facilities Operations Manual and the Environmental Laws during the preceding Sublease Agreement Year, and (b) all directions and recommendations set forth in any previous Environmental Audit. If Master Lessee is unable to provide such certification or documentation to City in accordance with Section 17.3 of the Master Lease, then the RACs shall, through the Facility Manager, provide City with a written statement of the steps that are being taken to enable them to provide City with a certification of compliance and all required documentation.

ARTICLE 18
DAMAGE OR DESTRUCTION; EMINENT DOMAIN

18.1 Minor Damage. In the event that the Subleased Premises or the portion of the CONRAC of which the Subleased Premises are a part are damaged by fire or other casualty, and if the damage can be repaired within thirty (30) days from the date of the occurrence (with repair work and the preparations therefor to be done during regular working hours on regular work days), the Subleased Premises (but excluding the Initial Tenant Improvements, Alterations by Sublessee, RAC Property and the furniture, fixtures and equipment owned by Sublessee pursuant to Section 11.3 hereof) shall be repaired with due diligence by Master Lessee in accordance with Master Lease Section 19.1. While the repairs are being completed, Sublessee shall continue to pay its Pro Rata Share of Base Rent and O&M Costs and all other amounts owed to Master Lessee hereunder without abatement.

18.2 Major Damage or Destruction. In the event that the Subleased Premises or the portion of the CONRAC of which the Subleased Premises are a part are completely destroyed by fire or other casualty, or damaged to such an extent that the damage cannot be repaired within thirty (30) days of the occurrence, City has reserved the option to terminate the Master Lease, and thereby this Sublease Agreement, by notice to Master Lessee and Sublessee within thirty (30) days after the occurrence of any such damage, and such termination shall be effective as of any date not more than sixty (60) days after the occurrence. If City elects to terminate the Master Lease, under Master Lease Section 19.2, all insurance proceeds in connection with the loss or damage either received by City or Master Lessee or due from policies for which City is named as the loss payee or an additional insured shall be and remain the sole property of City. If City shall elect to continue the Master Lease and this Sublease Agreement in effect, Master Lessee shall commence and prosecute with due diligence any work necessary to restore or repair the Subleased Premises (but excluding the Initial Tenant Improvements, Alterations by Sublessee, RAC Property and the furniture, fixtures and equipment owned by Sublessee pursuant to Section 11.3 hereof), with the costs of the work to be provided by insurance proceeds received by either Master Lessee or City in connection with the loss or damage, together with funds in the Repair and Replacement Fund and the CFC Surplus Fund pursuant to Master Lease Section 19.2. If City fails to notify Sublessee of its election to terminate the Master Lease and this Sublease Agreement as provided in this Section 18.2, City shall be deemed to have elected to continue the

Master Lease and this Sublease Agreement. For the period from the occurrence of any damage to the Subleased Premises to the date of substantial completion of the repairs to the Subleased Premises (or to the date of termination of the Master Lease and this Sublease Agreement if City elects not to continue the Master Lease and this Sublease Agreement), the Pro Rata Share of Base Rent shall be abated in the same proportion that any untenantable portion of the Sublessee's Exclusive Use Premises bears to Sublessee's entire Exclusive Use Premises. Sublessee shall be responsible for a reasonable share of the Utilities Costs otherwise payable for the CONRAC to account for the amounts consumed in the completion of the repairs.

18.3 Sublessee's Improvements. In the event that the Subleased Premises or the portion of the CONRAC of which the Subleased Premises are a part are damaged or destroyed by fire or other casualty, Sublessee shall, at is sole cost and expense, be responsible, without regard to the cause of loss, for the repair, restoration and replacement of the Initial Tenant Improvements, Alterations by Sublessee, RAC Property and the furniture, fixtures and equipment owned by Sublessee. Sublessee shall complete the repair, restoration and replacement thereof within thirty (30) days in the case of minor damage and ninety (90) days in the case of major damage after such fire or other casualty in accordance with the requirements of this Sublease Agreement. In the event a fire or casualty causes loss or damage to Sublessee's Initial Tenant Improvements or Alterations, but does not materially affect the Common Use Areas, the CONRAC or the CONRAC Site, Sublessee shall continue to be responsible for the entire Pro Rata Share of Base Rent that is owed to Master Lessee hereunder without abatement. A fire or casualty shall be deemed to materially affect the Common Use Areas, the CONRAC or the CONRAC Site when Sublessee is prohibited from operating or doing business with the public for a period of thirty (30) consecutive days.

18.4 Contingent Business Interruption. In the event that Sublessee's access to or use of the Subleased Premises or the portion of the CONRAC of which the Subleased Premises are a part is materially impaired for a period exceeding forty-five (45) days under circumstances that give rise to rent abatement to Master Lessee under Section 19.4 of the Master Lease, Sublessee shall benefit on a Pro Rata Share basis in any rent abatement allowed by City under Section 19.4 of the Master Lease, but otherwise shall not be abated.

18.5 Condemnation.

18.5.1 If at any time during the Sublease Term the entire Subleased Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain this Sublease Agreement shall terminate on the date of such taking. If less than all of the Subleased Premises shall be so taken and in Master Lessee's and Sublessee's reasonable opinion the remaining portion of the Subleased Premises is insufficient for the conduct of Sublessee's business, Master Lessee and Sublessee, with the prior written consent of City which consent may not be unreasonably withheld, may terminate this Sublease Agreement within sixty (60) days after the date Master Lessee received notice of the taking. If Master Lessee and Sublessee exercise the option to terminate, with the prior written consent of City, this Sublease Agreement shall end on the date the Sublease Agreement is terminated, and the Sublessee's Pro Rata Share of Base Rent shall be apportioned and paid to the date of such taking.

18.5.2 If less than all of the Subleased Premises shall be taken and, in Master Lessee's and Sublessee's reasonable opinion communicated by written notice to the City within sixty (60) days after the date Master Lessee received notice of the taking, Sublessee is able to gain access to and continue the conduct of its business in the remaining portion of the Subleased Premises, this Sublease Agreement shall remain unaffected, except that Sublessee shall be entitled to a pro rata abatement of its Pro Rata Share of Base Rent based on the proportion that the area of the Subleased Premises taken bears to the area of the Subleased Premises immediately prior to the taking.

18.5.3 City shall be entitled to receive the entire award or awards in any condemnation proceeding for the CONRAC Site, the Joint Use Facility and the Vested Improvements, and Sublessee shall not be entitled to receive any part of such award or awards from the City or in the condemnation proceedings; provided however, Sublessee may pursue and shall be entitled to receive the entire aware or awards in any condemnation proceeding for Sublessee's leasehold interest, if any, in the Subleased Premises. Sublessee hereby assigns to City any and all of Sublessee's right, title and interest, if any, in or to such award or awards or any part thereof for the CONRAC Site, the Joint Use Facility and the Vested Improvements and to any award or awards for the value of Sublessee's leasehold interest in the Subleased Premises if Sublessee, or Master Lessee on behalf of Sublessee, declines or fails to pursue or make a claim for the same in any condemnation proceeding. This Section 18.5.3 will survive the termination of this Sublease Agreement.

18.5.4 Taking by condemnation or eminent domain hereunder shall include the exercise of any similar governmental power and any sale, transfer or other disposition of the Subleased Premises in lieu of or under threat of condemnation.

ARTICLE 19
SURRENDER AND HOLDING OVER

19.1 Surrender. Upon expiration or earlier termination of the Sublease Term, Sublessee shall promptly quit and surrender the Subleased Premises in good condition and repair, normal wear and tear excepted, and deliver to Master Lessee all keys that it may have to any part of the Subleased Premises. Sublessee shall, at its sole cost and expense, remove its RAC Property including, without limitation, the following from the Subleased Premises: (a) all of Sublessee's equipment and trade fixtures; (b) all of Sublessee's signs, including company identifiers, operational signs, illuminated directional signs, rental/return signs and stall numbers, and back-wall displays; (c) all control booths, kiosks and security devices for the benefit of Sublessee, whether installed by Sublessee or Sublessee's predecessors-in-interest; (d) Sublessee's computer and other electrical equipment; (e) Sublessee's telephone/data communication lines and associated equipment; (f) Sublessee's vehicle cleaning equipment, if any, together with all structures, enclosures and piping associated with such systems; (g) any improvements, whether installed at the commencement of the Sublease Term or subsequently for which City's consent was conditioned on Sublessee's removal of such improvements at the expiration or earlier termination of the Sublease Term; and (h) unless instructed otherwise by City, remove any equipment which stored Hazardous Materials or which are contaminated by Hazardous Materials. Unless otherwise specifically agreed by Master Lessee and City in writing, Sublessee shall diligently complete such removal within thirty (30) days after the

expiration or earlier termination of the Sublease Term. Upon the removal of any such property, Sublessee shall promptly repair any and all damage to the Subleased Premises caused thereby and reimburse Master Lessee or City, as applicable, for their costs and expenses in removing any such property not removed by Sublessee and repairing any such damage not repaired by Sublessee. In the event that the Subleased Premises are not in the condition required by this Section at the expiration or earlier termination of the Sublease Term, Master Lessee shall have the right to draw against the Security for the funds necessary to restore the Subleased Premises to the required condition and/or for the funds necessary to dispose of Sublessee's property described above. The terms of this Section 19.1 shall survive the expiration or earlier termination of the Sublease Term.

19.2 Holding Over. IF THE SUBLEASED PREMISES ARE NOT SURRENDERED AS PROVIDED IN THIS ARTICLE 19, SUBLESSEE SHALL INDEMNIFY AND HOLD MASTER LESSEE AND CITY HARMLESS AGAINST LOSS OR LIABILITY RESULTING FROM THE DELAY BY SUBLESSEE IN SO SURRENDERING THE SUBLEASED PREMISES, INCLUDING ANY CLAIMS MADE BY ANY SUCCEEDING OCCUPANT FOUNDED ON SUCH DELAY. Any holding over with the consent of Master Lessee after expiration or earlier termination of the Sublease Term shall be construed to be a tenancy from month-to-month upon the same terms and conditions provided in this Sublease Agreement. Any holding over without the consent of Master Lessee after expiration or earlier termination of the Sublease Term shall be construed to be tenancy at sufferance upon the same terms and conditions provided in this Sublease Agreement, except that the Pro Rata Share of Base Rent and of O&M Costs shall be due and payable to Master Lessee on the first (1st) day of each month that Sublessee holds over in the amount of one-twelfth (1/12th) of the Pro Rata Share of Base Rent and of O&M Costs due during the greater of the then-current Sublease Agreement Year or the Sublease Agreement Year immediately prior to the expiration, cancellation, or termination of the Sublease Term. If Master Lessee does not consent to Sublessee holding over and remaining in possession of the Subleased Premises after the expiration, cancellation, or termination of this Sublease Agreement, the Pro Rata Share of Base Rent and of O&M Costs shall be due and payable to Master Lessee on the first (1st) day of each month that Sublessee holds over without Master Lessee's consent in the amount of one-twelfth (1/12th) of two (2) times the Pro Rata Share of Base Rent and of O&M Costs due during the Sublease Agreement Year immediately prior to the expiration, cancellation or termination of the Sublease Term and Master Lessee shall retain any surplus Rent Reserve Requirement and O&M Reserve Requirement of Sublessee in Master Lessee's Rent and Operation Reserve.

19.3 Survival. Sublessee's obligations under this Article 19 shall survive the expiration or earlier termination of the Sublease Term. No modification, termination or surrender to Master Lessee of this Sublease Agreement or surrender of the Subleased Premises or any part thereof, or of any interest therein by Sublessee, shall be valid or effective unless agreed to and accepted in writing by Master Lessee and City, and no act by any representative or agent of Master Lessee or City, other than such written agreement and acceptance, shall constitute an acceptance thereof.

ARTICLE 20
IMPAIRMENT OF TITLE

20.1 Liens. Sublessee will not directly or indirectly create, or permit to be created or exist, any Lien upon the Subleased Premises or any portion thereof or upon any Initial Tenant Improvements or Alterations. In the event any such Lien is created by or permitted by Sublessee in violation of this Section 20.1, Sublessee shall immediately: (a) give notice to Master Lessee and City of such Lien and provide to Master Lessee and City all related documentation and information requested by Master Lessee or City; (b) discharge such Lien of record, by payment, bond or as otherwise allowed by Applicable Laws; and (c) provide to Master Lessee and City a copy of the recorded release or discharge of such Lien and all related documentation and information requested by Master Lessee or City. SUBLESSEE SHALL ALSO DEFEND (WITH COUNSEL APPROVED BY MASTER LESSEE AND CITY), FULLY INDEMNIFY AND HOLD ENTIRELY FREE AND HARMLESS MASTER LESSEE AND CITY FROM ANY ACTION, SUIT OR PROCEEDING THAT MAY BE BROUGHT ON OR FOR THE ENFORCEMENT OF ANY SUCH LIEN. Nothing in this Section 20.1 shall, however, be interpreted as a limitation on Sublessee's ability to lease and/or finance its vehicle fleet and pledge, encumber or otherwise hypothecate title to its vehicles for such purpose; and Master Lessee expressly hereby subordinates, in favor of any such vehicle lessor or lender, any interest it may have in such vehicles, whether arising under this Sublease Agreement or as a matter of law.

ARTICLE 21
DEFAULT

21.1 Events of Default. The term "**Event of Default**" shall mean:

(a) the occurrence of an event described in Section 21.1.8;

(b) the occurrence of any event described in Section 21.1.1, 21.1.2, 21.1.3, 21.1.4 or Section 21.1.5 that continues for a period of ten (10) days after a Notice of Default is deemed received by Sublessee in accordance with Section 26.9 hereof; or

(c) the occurrence of any event described in Section 21.1.6, 21.1.7, 21.1.9, 21.1.10, or 21.1.11 that continues for a period of thirty (30) days after a Notice of Default is deemed received by Sublessee in accordance with Section 26.9 hereof or if such failure cannot reasonably be cured within such thirty (30) day period, Sublessee fails to commence to cure such failure within such thirty (30) day period and/or thereafter fails to prosecute such cure diligently and continuously to completion within sixty (60) days the Notice of Default is deemed to be received by Sublessee in accordance with Section 26.9 hereof; provided however, if Sublessee's failure to comply with such Sections creates a hazardous condition, the failure must be cured immediately on Sublessee's receipt of the Notice of Default; or

(d) if Master Lessee delivers a Notice of Default to Sublessee in accordance with Section 26.9 regarding the occurrence of an event described in any of Sections 21.1.1 through 21.1.11 (except Section 21.1.8) on more than two (2) occasions during any Sublease Agreement Year, the subsequent breach of the same term, provision or

covenant may, at the Master Lessee's option with the approval of City, be an incurable Event of Default. The occurrence of an event described in Section 21.1.8 shall, at Master Lessee's option with the approval of City, be an incurable Event of Default for which no Notice of Default or opportunity to cure will be given. Any subsequent Notice of Default for the breach of the same term, provision or covenant described in a prior Notice of Default shall not be given until the applicable cure period for the breach described in the prior Notice of Default has lapsed.

21.1.1 Vacating or Abandonment. The vacating or abandonment of the Subleased Premises for a period of forty-eight (48) consecutive hours;

21.1.2 Failure to Enter Concession Agreement. The failure by Sublessee to enter into or maintain a valid and binding Concession Agreement with City pursuant to rules, regulations, procedures and requirements established by City;

21.1.3 Failure to Perform Under Concession Agreement. The occurrence of an "Event of Default" as such term is defined in the Concession Agreement or the failure by Sublessee to otherwise observe and perform the covenants, conditions and agreements to be observed or performed by Sublessee under the Concession Agreement or any other agreement between Sublessee and City.

21.1.4 Failure to Make Payments. The failure by Sublessee to make any payment when due of its Pro Rata Share of Base Rent, its Pro Rata Share of O&M Costs or any other amount Sublessee is obligated to pay under this Sublease Agreement;

21.1.5 Failure to Perform under Article 15. The failure by Sublessee to observe or perform the covenants, conditions and agreements to be observed or performed by Sublessee in Article 15;

21.1.6 Failure to Perform under Article 16 and Article 17. The failure by Sublessee to observe or perform the covenants, conditions and agreements to be observed or performed by Sublessee in Article 16 and Article 17 hereof;

21.1.7 Failure to Perform Other Covenants, etc. The failure by Sublessee to observe or perform any covenant, condition or agreement required to be observed or performed by Sublessee under this Sublease Agreement;

21.1.8 False Financial or Background Statement. The discovery by Master Lessee or City that any financial or background statement provided to Master Lessee or City by Sublessee or any successor, grantee or assign of Sublessee was either knowingly materially false or unknowingly materially false and the correct information would have affected the eligibility of the Sublessee or a successor, grantee or assign of Sublessee for a Sublease Agreement;

21.1.9 Bankruptcy, *etc.* The filing by or against Sublessee of a petition in bankruptcy, Sublessee's being adjudged bankrupt or insolvent by any court, a receiver of the property of Sublessee being appointed in any proceeding brought by or against Sublessee, Sublessee's making an assignment for the benefit of creditors or any proceeding being commenced to foreclose any mortgage or other lien on Sublessee's interest in the Subleased

Premises or on any personal property kept or maintained on the Subleased Premises by Sublessee;

21.1.10 Failure to Abide by all Applicable Laws. The failure by Sublessee to abide by all Applicable Laws; and

21.1.11 Failure to File Annual Audited Statement. The failure of Sublessee to submit its annual audited statement within ninety (90) days after the end of the Concession Agreement Year shall be a material event of default.

21.2 Remedies. In addition to, and not in lieu or to the exclusion of, any other remedies provided in this Sublease Agreement or to any other remedies available to Master Lessee at law or in equity, Master Lessee shall have the remedies specified in this Article upon the occurrence of an Event of Default hereunder provided that Master Lessee first provides City ten (10) day prior written notice to pursue any such remedies. Additionally, Sublessee acknowledges that Master Lessee shall be entitled to pursue any remedies to which the City is legally entitled and directs Master Lessee in writing to pursue upon the occurrence of an Event of Default.

21.2.1 Right to Terminate. Whenever any Event of Default is continuing hereunder, Master Lessee, with the prior written consent of City, shall have the right to terminate this Sublease Agreement and all of Sublessee's rights hereunder upon ten (10) days written notice to Sublessee. Upon termination, Master Lessee may re-enter the Subleased Premises using such force as may be necessary and remove all persons and property of Sublessee from the Subleased Premises. Master Lessee will be entitled to recover from Sublessee all unpaid Pro Rata Share of Base Rent and any other amount otherwise payable by Sublessee, or any other payments and damages incurred because of Sublessee's default including the reasonable and necessary costs of re-letting (including any tenant improvements reasonably required, renovations or repairs reasonably required, any advertising reasonably required, and attorneys' fees and costs reasonably required) (collectively, the "**Termination Damages**"), together with interest on all Termination Damages at the Default Rate, from the date such Termination Damages are incurred by Master Lessee until paid by Sublessee.

21.2.2 Sublessee Retains Liability. In addition to Termination Damages, and notwithstanding termination and re-entry, Sublessee's liability for all of the Pro Rata Share of Base Rent and O&M Costs and all other amounts otherwise payable by Sublessee hereunder, or other charges which, but for termination of this Sublease Agreement, would have become due over the remainder of the Sublease Term (collectively, the "**Future Charges**"), will not be extinguished and Sublessee agrees that Master Lessee will be entitled, upon termination for default, to collect as additional damages the following (the "**Deficiency**"):

21.2.2.1 An amount equal to the Future Charges, less the amount of actual fees, if any, which Master Lessee receives during the remainder of the Sublease Term from others to whom the Subleased Premises may be leased (but without reduction for amounts collected through Pro Rata Shares of other RACs that do not lease or occupy the Subleased Premises), in which case such Deficiency will be computed and payable at Master Lessee's option either in an accelerated lump-sum payment discounted to net present value, or in monthly

installments, in advance, on the first day of each calendar month following termination of this Sublease Agreement and continuing until the date on which the Sublease Term would have expired but for such termination. Any suit or action brought to collect any portion of Deficiency attributable to any particular month or months shall not in any manner prejudice Master Lessee's right to collect any portion of the Deficiency by a similar proceeding. For purposes of this Section, "net present value" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank for the region that includes Austin, Texas.

21.2.3 Re-Letting of Subleased Premises. In the event this Sublease Agreement is terminated as a result of an Event of Default, Master Lessee shall have an obligation to offer the Subleased Premises for re-let or re-allocation in accordance with the terms of **Exhibit I**, to the Master Lease.

21.2.4 Personal Property of Sublessee. If upon any re-entry permitted under this Sublease Agreement, there remains any personal property of Sublessee upon the Subleased Premises, all such personal property will be considered permanently abandoned and subject to immediate sale or disposal as provided below with no obligation for holding first or opportunity for redemption. Nevertheless, Master Lessee may, in its sole discretion, remove and store such personal property for the account of, at the sole risk of, and at the expense of Sublessee. If Master Lessee so elects, Sublessee shall reimburse Master Lessee for all expenses incurred in connection with removal and storage as a condition of regaining possession of the personal property. Master Lessee has the right to sell any personal property, which has been stored for a period of thirty (30) days or more, unless Sublessee has tendered reimbursement to Master Lessee for all expenses incurred in such removal and storage and any and all outstanding obligations of Sublessee to Master Lessee. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of removal and storage charges, and third to the payment of any other amounts which may then be due and owing from Sublessee to Master Lessee. The balance of sale proceeds, if any, will then be paid to Sublessee. Sublessee agrees that the foregoing provisions and timeframes are reasonable and in compliance with any applicable provisions of the Uniform Commercial Code.

21.3 Remedies Cumulative. All rights, options and remedies of Master Lessee contained in this Sublease Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and Master Lessee 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, whether or not stated in this Sublease Agreement.

ARTICLE 22
TERMINATION

22.1 Termination. This Sublease Agreement may be terminated prior to the Termination Date by Master Lessee on written direction of City or with the City's prior written consent or directly by City on the termination of the Master Lease as follows:

22.1.1 Default. Master Lessee may terminate this Sublease Agreement upon the occurrence of an Event of Default as provided in Sections 21.1 and 21.2 hereof.

22.1.2 Termination of Master Lease. Master Lessee on written direction of City or City, as applicable, may terminate this Sublease Agreement on the termination of the Master Lease as provided in Sections 21.2.5 and/or Section 22.3 of the Master Lease and as further provided in Section 27.3 below.

22.1.3 Court Decree. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by Master Lessee of any of its material obligations under this Sublease Agreement, then either party hereto after obtaining City's prior written consent, may terminate this Sublease Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Sublessee is not in default under any of the provisions of this Sublease Agreement on the effective date of such termination, any Pro Rata Share of Base Rent or other payments prepaid by Sublessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Sublessee.

22.1.4 Major Damage or Condemnation. This Sublease Agreement shall terminate: (a) upon City's exercise of its termination option pursuant to Section 19.2 of the Master Lease in the event the Leased Premises and Subleased Premises are damaged or destroyed by fire or other casualty; (b) if the entire Subleased Premises are taken by right of eminent domain as provided in Section 18.5.1; or (c) upon Master Lessee's exercise of its termination option pursuant to Section 19.5.1 of Master Lease if less than all of the Leased Premises are taken by right of eminent domain and the remaining portion of the Leased Premises is insufficient for the conduct of Master Lessee's business.

22.1.5 Master Lessee's Other Rights or Obligations to Terminate. On written direction of City, Master Lessee shall terminate this Sublease Agreement pursuant to Sections 26.1 or 26.4.5 or pursuant to the exercise of any other termination option expressly provided for in this Sublease Agreement or the Master Lease, but not specifically described in Sections 21.1.1 – 22.1.5 of this Sublease Agreement.

22.2 Survival of Sublessee's Obligations. Notwithstanding the termination of this Sublease Agreement prior to the expiration of the Sublease Term, Sublessee's indemnity, removal and remediation obligations and liabilities among other obligations and liabilities pursuant to Article 15, Article 16 and Article 17, and any other provision that corresponds or relates to a provision of the Master Lease or obligation or liability of Master Lessee that survives termination of the Master Lease, shall survive; provided, however, Sublessee's obligations to maintain insurance during the Sublease Term pursuant to Article 15 shall not survive termination of this Sublease Agreement.

22.3 Improvements and Equipment. Upon the expiration or termination of this Sublease Agreement title to all Vested Improvements shall be and remain vested in City and the exclusive property of City, and no Vested Improvements may be removed from the CONRAC Site by the Sublessee except as provided in this Section. To the extent City notifies Sublessee prior to or while the Initial Tenant Improvements are being constructed or equipment is being installed that City will not accept any such improvements or equipment, the City may direct Sublessee to remove the same upon expiration or termination of this Sublease Agreement.

22.4 Affirmation of Sublease Agreement. Pursuant to Sections 21.2.5, 22.1.11, 22.3 and/or 22.4 of the Master Lease, on the termination of the Master Lease this Sublease Agreement may be terminated, affirmed as a direct lease between City and Sublessee or be assigned to a Substitute Master Lessee provided that Sublessee is then in Good Standing and that other conditions of the referenced Sections are met.

22.4.1 If this Sublease Agreement is affirmed by City as a direct lease between City and Sublessee, in no event shall City be liable or responsible for any obligations of Master Lessee accruing or arising prior to the date of such affirmation of this Sublease Agreement, except that to the extent that Master Lessee transfers over to City moneys received from Sublessee under this Sublease Agreement not yet expended and net of any fees duly payable to Master Lessee, then City shall be responsible for accrued Master Lessee obligations to the limited extent of such moneys received by City. In addition, upon the termination of the Master Lease and affirmation of this Sublease Agreement by City as a direct lease between City and Sublessee, any portion of the Master Lessee's Rent and Operation Reserve, and Sublessee's Security transferred to City and held with respect to Sublessee, net of any amount required to satisfy outstanding liabilities of Sublessee, shall be released to Sublessee upon Sublessee's establishment of replacement Security in favor of City.

22.4.2 If this Sublease Agreement is assigned to a Substitute Master Lessee, in no event shall Substitute Master Lessee be liable or responsible for any obligations of Master Lessee accruing or arising prior to the date of such affirmation or assignment of this Sublease Agreement, except that Master Lessee shall transfer to any Substitute Master Lessee, in addition to the Master Lessee's Rent and Operation Reserve as provided under Section 5.4, the Security and all other all monies received from the Sublessee under this Sublease Agreement and not yet expended, net of any fees duly payable to Master Lessee, and the Substitute Master Lessee shall be responsible for accrued Master Lessee obligations to the limited extent of such monies received.

22.4.3 Sublessee acknowledges and agrees that: (a) Master Lessee has no obligations to Sublessee with respect to the preconditions for the City's affirmation or assignment of this Sublease Agreement pursuant to Section 21.2.5, 22.3 or 22.4 of the Master Lease; (b) any affirmation by City of a direct lease relationship with Sublessee or assignment to a Substitute Master Lessee shall not be relieve Sublessee of any responsibility or obligation, but every such responsibility and obligation shall be owed directly to City or to the Substitute Master Lessee, as applicable, by Sublessee's attornment; and (c) Sublessee shall execute any writing City reasonably requests to document Sublessee's attornment to City or to a Substitute Master Lessee as further provided in Section 27.3 below.

ARTICLE 23
NO WAIVER; MASTER LESSEE'S RIGHT TO PERFORM

23.1 Receipt of Monies Following Termination. No receipt of monies by Master Lessee from Sublessee after the termination or cancellation of this Sublease Agreement in any lawful manner shall (a) reinstate, continue or extend the Sublease Term; (b) affect any notice theretofore given to Sublessee; (c) operate as a waiver of the rights of Master Lessee to enforce the payment of any Pro Rata Share of Base Rent, O&M Costs or other amount otherwise payable

by Sublessee then due or thereafter falling due; or (d) operate as a waiver of the right of Master Lessee to recover possession of the Subleased Premises by suit, action, proceeding or remedy. Sublessee agrees that, after the service of notice to terminate or cancel this Sublease Agreement, or after the commencement of suit, action or summary proceedings or any other remedy, or after a final order or judgment for the possession of the Subleased Premises, Master Lessee may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, remedy, order or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation by Sublessee and/or Sublessee's liability hereunder.

23.2 No Waiver of Breach. The failure of Master Lessee to insist, in any one or more instances, upon a strict performance of any of the covenants of this Sublease Agreement or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of the future performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by Master Lessee of the Pro Rata Share of Base Rent, O&M Costs or other amount otherwise payable by Sublessee hereunder with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Master Lessee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Master Lessee. The consent or approval of Master Lessee or City to or of any act by Sublessee requiring City's consent or approval shall not be deemed to waive or render unnecessary Master Lessee's or City's consent to or approval of any subsequent similar acts by Sublessee.

23.3 No Waiver. The receipt by Master Lessee of any installment of Pro Rata Share of Base Rent, O&M Costs or other amount otherwise payable by Sublessee shall not be a waiver of any Pro Rata Share of Base Rent, O&M Costs or other amount otherwise payable by Sublessee hereunder.

23.4 Application of Payments. Master Lessee shall have the right to apply any payments made by Sublessee to the satisfaction of any debt or obligation of Sublessee to Master Lessee, in Master Lessee's sole discretion, regardless of the instructions of Sublessee as to the application of any such sum (whether such instructions are endorsed upon Sublessee's check or otherwise), unless otherwise agreed by both parties in writing. The acceptance by Master Lessee of a check or checks drawn by a Person other than Sublessee shall in no way affect Sublessee's liability hereunder nor shall it be deemed an approval of any assignment of this Sublease Agreement or subletting by Sublessee.

23.5 Master Lessee's Right to Perform. Upon Sublessee's failure to perform any obligation or make any payment required of Sublessee hereunder, Master Lessee shall have the right (but not the obligation) to perform such obligation of Sublessee on behalf of Sublessee and/or to make payment on behalf of Sublessee. Sublessee shall reimburse Master Lessee the reasonable cost of Master Lessee's performing such obligation on Sublessee's behalf, including reimbursement of any amounts that may be expended by Master Lessee, plus interest at the Default Rate, within thirty (30) days of receipt of notice of such action by Master Lessee.

ARTICLE 24
ASSIGNMENT OR SUBLEASE

24.1 Prohibition. Sublessee shall not, without the prior consent of Master Lessee and City, assign or transfer this Sublease Agreement or any interest herein or sublet the whole or any portion of the Subleased Premises, other than to any extent allowed in and under the terms of **Exhibit E**, nor shall this Sublease Agreement or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without the prior consent of Master Lessee and City. If Sublessee is anything other than an individual, Sublessee further agrees that if, at any time during the Sublease Term, more than one-half (1/2) of the outstanding voting equity interests of Sublessee shall belong to any Persons other than those which own more than one-half (1/2) of those outstanding voting equity interests at the time of the execution of this Sublease Agreement or members of their immediate families (*i.e.*, a person's spouse, children, grandchildren or siblings or any of the spouses of such person's children, grandchildren or siblings), such change in the ownership of Sublessee shall be deemed an assignment of this Sublease Agreement within the meaning of this Article; provided, however, this sentence shall not apply if and to the extent that Sublessee is a corporation, the outstanding voting stock of which is publicly traded on a recognized security exchange. Sublessee's entering into any operating agreement, license or other agreement under which a third party is given rights or privileges to enjoy a portion of or to utilize a portion of the Subleased Premises shall be deemed to constitute a subletting, assignment or transfer within the meaning of this Article.

24.2 Assignment or Sublease. This Sublease Agreement is assignable only to an assignee of Sublessee's Concession Agreement with the approval of City under Article 16 of the Concession Agreement, and any request for assignment of the Concession Agreement shall be deemed a request for assignment also of this Sublease Agreement.

24.2.1 Deliveries to Master Lessee and City. If Sublessee shall, at any time during the Sublease Term, desires to sell, assign or otherwise transfer this Sublease Agreement in whole or in part, or any right or leasehold interest granted to it by this Sublease Agreement, Sublessee shall, at the time Sublessee requests the consent of Master Lessee and City, deliver to Master Lessee and City such information in writing as Master Lessee and City may reasonably require with respect to the proposed subtenant, assignee or transferee, including the name, address, nature of business, ownership, financial responsibility and standing of such proposed subtenant, assignee or transferee, together with the proposed form of sublease, assignment or other transfer. Within thirty (30) days after receipt of the information specified above, Master Lessee and City shall notify Sublessee of their respective elections either (a) to consent to the sublease, assignment or transfer or (b) to disapprove the sublease, assignment or transfer. If either the Master Lessee or the City disapproves the sublease, assignment or transfer, Sublessee shall not proceed with the sublease, assignment or transfer.

24.2.2 Additional Conditions. As a condition for Master Lessee's consent to any sublease, assignment or other transfer hereunder, Master Lessee may require that the subtenant, assignee or transferee remit directly to Master Lessee, on a monthly basis, all monies due to Sublessee by such subtenant, assignee or transferee. In addition, a condition to Master Lessee's and City's consent to any sublease, assignment or other transfer of this Sublease

Agreement or the Subleased Premises shall be the delivery to Master Lessee and City of a true copy of the fully executed instrument of sublease, assignment or transfer and an agreement executed by the subtenant, assignee or transferee in form and substance satisfactory to Master Lessee and City and expressly enforceable by Master Lessee and/or City, by which the subtenant, assignee or transferee assumes and agrees to be bound by the terms and provisions of this Sublease Agreement and to perform all the obligations of Sublessee hereunder. Further conditions to City's consent to any sublease, assignment or other transfer of this Sublease Agreement or the Subleased Premises shall be the execution by any such subtenant, assignee or transferee of a Concession Agreement and the inclusion third-party beneficiary provisions comparable to those in Section 27.5 herein.

24.2.3 Right to Deal with Assignee or Transferee. In the event of any assignment or other transfer of this Sublease Agreement, Sublessee and each respective assignor or transferor waive notice of default by the assignee or transferee in possession of the Subleased Premises in the payment of Pro Rata Share of Base Rent, O&M Costs or other amounts due hereunder and in the performance of the covenants and conditions of this Sublease Agreement and agree that Master Lessee may in each and every instance deal with such assignee or transferee in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Sublease Agreement or modify the same, and in general deal with such assignee or transferee in possession without notice to or consent of any assignor or transferor, including Sublessee; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Sublessee and of each respective assignor and transferor.

24.2.4 Attornment. Sublessee agrees that any sublease will contain a provision to the effect that if there is any termination whatsoever of this Sublease Agreement or the Master Lease, then the subtenant, at the request of City, will attorn to City and the subtenancy, if City so requests, shall continue in effect with City. Nothing herein shall be deemed to require City to accept such attornment, except as may be expressly stated.

24.2.5 Sublessee's Liability. No assignment or other transfer by Sublessee of this Sublease Agreement in whole or in part, or any right or leasehold interest granted to it by this Sublease Agreement, and no subletting of the Subleased Premises or any portion thereof, shall relieve Sublessee of any obligation under this Sublease Agreement, including Sublessee's obligation to pay all Pro Rata Share of Base Rent and O&M Costs and other amounts due hereunder. Any purported sublease, assignment or other transfer contrary to the provisions hereof without the consent of Master Lessee and City shall be void. The consent by Master Lessee or City to any subletting, assignment or other transfer hereunder shall not constitute a waiver of the necessity for such consent to any subsequent subletting, assignment or other transfer.

24.2.6 Reimbursement to City. Sublessee shall reimburse Master Lessee and City any reasonable professionals' fees and expenses incurred by Master Lessee and City in connection with any request by Sublessee for consent to any such sublease, assignment or other transfer hereunder.

24.3 Assignment to Successor or Affiliate. Subject to the requirements of Section 24.4 hereof, Master Lessee and City agree that neither will not unreasonably condition or withhold its consent to an assignment or other transfer of this Sublease Agreement to: (a) any corporation or other legal entity which at the time of such assignment or other transfer is the parent or a wholly-owned subsidiary of Sublessee; (b) any corporation or other legal entity with which Sublessee may merge or into which it may consolidate; or (c) any Person that may acquire all or substantially all of Sublessee's rental car business or assets; provided, however, in each instance the surviving, resulting or transferee Person expressly assumes in writing all the obligations of Sublessee contained in this Sublease Agreement and the surviving, resulting or transferee Person has a consolidated net worth (after giving effect to such consolidation, merger or transfer) at least equal to the greater of (i) the net worth of Sublessee as of the Effective Date of this Sublease Agreement or (ii) the net worth of Sublessee immediately prior to such consolidation, merger or transfer. The term "net worth" as used in this Section 24.3 means the difference obtained by subtracting total liabilities from total assets of Sublessee and all of its subsidiaries in accordance with generally accepted accounting principles.

24.4 Lease in CONRAC Required. Notwithstanding any other terms or provisions of this Article 24, no proposed subtenant of Sublessee shall be permitted to use or occupy any portion of the Subleased Premises under a sublease unless such proposed subtenant, executes and delivers to Master Lessee and City a Sublease Agreement for space within the CONRAC on substantially the same terms as contained this Sublease Agreement or otherwise obtains rights under a Sublease Agreement pursuant to rules, regulations, procedures and requirements established by City. Without limitation of the foregoing, each subtenant of all or any portion of the Subleased Premises must enter into and agree to collect the Customer Facility Charge in accordance with a Concession Agreement.

24.5 Leasehold Mortgages Not Permitted. Sublessee shall have no right (a) to convey, pledge or encumber, by deed of trust, mortgage or similar instrument, its leasehold interest in and to the Subleased Premises or any Initial Tenant Improvements, Alterations or other improvements or equipment constructed, placed or installed by Sublessee on the Subleased Premises, or (b) to assign this Sublease Agreement as collateral security for any indebtedness of Sublessee.

ARTICLE 25
AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISES AND M/WBE PROGRAM

25.1 ACDBE Program Compliance. Sublessee shall comply with all requirements of the City's ACDBE Program strictly in accordance with the terms of Sections 17.1-17.3 of the Concession Agreement.

25.2 M/WBE Compliance Plan. Sublessee shall comply with the requirements of the City's M/WBE Procurement Program as set forth in Section 17.4 of the Concession Agreement.

ARTICLE 26
GENERAL PROVISIONS

26.1 Gratuities. Master Lessee may, by written notice to Sublessee at the written direction of City, terminate this Sublease Agreement without liability if it is determined by City that gratuities were offered or given by the Sublessee or any agent or representative of Sublessee to any officer or employee of City with a view toward securing this Sublease Agreement or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of this Sublease Agreement. In the event this Sublease Agreement is terminated pursuant to this provision, the City shall be entitled, in addition to any other rights or remedies, to recover or withhold from the Sublessee the amount of the cost incurred by the Sublessee in providing such gratuities

26.2 Prohibition Against Personal Interest in Contracts. No officer, employee, contractor, or elected official of City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in this Sublease Agreement resulting from that solicitation. Any willful violation of this provision shall constitute impropriety of office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, express or implied, of the Sublessee shall render this Sublease Agreement voidable by Master Lessee at the written direction of City.

26.3 Affirmative Action. Sublessee shall undertake, to the extent applicable, an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to ensure that no person shall, on the grounds of race, creed, color, national origin or sex, be excluded from participating in any employment, contracting or leasing activities covered in 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time. Sublessee further assures that (a) no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, and (b) it will require that its covered organizations under 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, provide assurances to Sublessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to the same effect. Sublessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, as part of the affirmative action program, and by any federal, state or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order or similar mechanism. Sublessee agrees that state or local affirmative action plans will be used in lieu of any affirmative action plan or steps required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, only when they fully meet the standards set forth in 14 C.F.R. 152.409, as amended or modified from time to time. Sublessee agrees to obtain a similar assurance from its covered organizations and to cause them to require a similar assurance from their covered suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time.

26.4 No Discrimination. Sublessee hereby agrees as follows:

26.4.1 Non-discrimination. As part of the consideration for this Sublease Agreement, Sublessee covenants and agrees that no person on the grounds of race, color, religion, sex, national origin or ancestry, age, sexual orientation, or gender identity, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in Sublessee's operations of the Subleased Premises at the Airport. Additionally, Sublessee shall use all Airport facilities in compliance with all other requirements imposed by, or pursuant to, 49 C.F.R. Part 21, as amended or modified from time to time. Sublessee covenants and agrees that this provision shall be binding on any successors and assigns of Sublessee as permitted hereunder.

26.4.2 Employment Decisions. Sublessee shall comply with Chapters 5-3 and 5-4 of the Austin City Code and will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or ancestry, age, sexual orientation, gender identity, or disability, and Sublessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or ancestry, sexual orientation, gender identity, or disability, handicap or creed, including action relating to employment; upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships.

26.4.3 Posting of Notices. Sublessee will post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Section.

26.4.4 Solicitations and Advertisements for Employment. Sublessee will, in all solicitations or advertisements for employees placed by or on behalf of Sublessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or ancestry, sexual orientation, gender identity, or disability.

26.4.5 Noncompliance. In the event of Sublessee's noncompliance with the nondiscrimination requirements of this Sublease Agreement, this Sublease Agreement may be immediately canceled, terminated or suspended, in whole or in part, by Master Lessee at the written direction of City by providing notice of termination to Sublessee, and Sublessee may be declared ineligible for further government contracts or federally assisted construction contracts and such other sanctions may be imposed and remedies may be invoked in accordance with Applicable Laws.

26.4.6 Inclusion of Provisions in Sublessee's Subleases, Contracts and Purchase Orders. Sublessee will include the provisions of this Section 26.4 in each of its subleases, vendor contracts or purchase orders unless exempted by rules, regulations or orders of the United States Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subtenant, contractor or vendor. Sublessee will take such action with respect to any sublease, contract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, in the event Sublessee becomes involved in or is threatened with litigation by a contractor or vendor as a result of such direction by the

administering agency, Sublessee may request the United States to enter into such litigation to protect the interests of the United States.

26.5 No Exclusive Right. Nothing herein contained shall be deemed to grant Sublessee any exclusive right or privilege within the Federal Aviation Act, or the conduct of any activity at the Airport, except that, subject to the terms and provisions hereof, Sublessee shall have the right to use the Subleased Premises under the provisions of this Sublease Agreement.

26.6 Subordination to Other Agreements. This Sublease Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between City and any other Governmental Authority 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 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 or the FAA's Airport Improvement Program or in order to impose and use passenger facilities charges under 49 U.S.C. Section 40117 or any successor thereto.

26.7 Subordination to City Encumbrances. This Sublease Agreement and all rights of Sublessee hereunder shall be subject and subordinate to any deed of trust or mortgage lien or security interest encumbering City's interest in the Subleased Premises and to any renewal, extension, modification or consolidation of such deed of trust or mortgage or security agreement granting such security interest. Sublessee agrees, at any time, and from time to time, upon not less than twenty (20) days prior notice by Master Lessee or City, to execute, acknowledge and deliver to Master Lessee or City, as applicable, a statement in writing certifying that this Sublease Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Pro Rata Share of Base Rent and O&M Costs and other charges have been paid, and stating whether, to the best knowledge of Sublessee, Master Lessee is in default in the performance of any covenant, agreement, provision or condition contained in this Sublease Agreement and, if so, specifying each such default of which Sublessee may have knowledge. Master Lessee and Sublessee intend, and acknowledge that City intends, that any such statement delivered pursuant hereto may be relied upon by any prospective mortgagee of City, lender to or assignee of Master Lessee, any purchaser or tenant of the Subleased Premises, and such purchaser's or tenant's mortgagee or prospective mortgagee, and by any prospective assignee and its mortgagee or prospective mortgagee. Sublessee also agrees to execute and deliver from time to time, upon not less than twenty (20) days prior notice by Master Lessee or City, such similar estoppel certificates as a lender to Master Lessee or City may require with respect to this Sublease Agreement. If Sublessee fails or refuses to furnish such certificate within the time provided, it will be conclusively presumed that this Sublease Agreement is in full force and effect in accordance with its terms and Master Lessee is not in default hereunder.

26.8 No Waiver. No waiver of default by either party of any of the terms, covenants or conditions herein to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the other party.

26.9 Notices, Approvals, Consents, *etc.* Except for the provisions of this Sublease Agreement which expressly state that a notice, approval, consent, demand, request or other communication may be communicated verbally, all notices, approvals, consents, demands, requests and other communications required or permitted by this Sublease Agreement must be in writing to be effective and sent by certified United States Mail, first-class postage prepaid, or by a recognized delivery service that provides registered and verifiable shipment or airbill tracking and delivery record, with costs prepaid, to the addresses set forth below:

To Master Lessee:
Austin CONRAC, LLC
c/o UNISON-CRS, INC.
12130 Colwick
San Antonio, TX 78216
Attn: Marshall A. Fein, President

To City:
Director of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

With a copy to:

The Airport Properties Manager
Department of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

To Sublessee:
_____
_____
_____
Attn: _____

With a copy to:
_____
_____
_____
_____

The person and place to which notices, approvals, consents, demands, requests and other communications are to be sent may be changed by a party hereto upon written notice to the other. A written notice, approval, consent, demand, request or other communication required or

permitted hereunder shall be deemed received and effective (i) on the date that is three days after the date on which it is deposited in the United States Mail if sent by certified mail, or (ii) on the date on which the signature receipt is recorded by the recognized delivery service if it is sent by a recognized delivery service.

26.10 Consents and Approvals of City. Whenever any provision of this Sublease Agreement requires the consent or approval of City or provides to City the right to make a determination or judgment, City shall have the absolute and unconditional right to withhold its consent or approval, in its sole discretion, and to make such determination or judgment in its sole discretion on the basis of such factors and considerations as it shall deem relevant (including self-interest), except for those circumstances, if any, where this Sublease Agreement expressly provides that such consent or approval will not be unreasonably withheld or City will make such determination or judgment reasonably.

26.11 Agents for Service of Process. The parties hereto hereby designate the following as their agents for service of process and will waive any objection to service of process if served upon its agent as set forth below:

To City:	City of Austin City Clerk 301 W. Second St. Austin, TX 78701
To Master Lessee:	Austin CONRAC, LLC c/o UNISON-CRS, INC. 12130 Colwick San Antonio, TX 78216 Attn: Marshall A. Fein, President
To Sublessee:	_____ _____ _____

26.12 Severability. If one or more clauses, sections or provisions of this Sublease Agreement shall be held to be unlawful, invalid or unenforceable, the parties hereto agree that the material rights of either party hereto shall not be affected thereby except to the extent of such holding, and this Sublease Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted herefrom.

26.13 Waiver of Anticipated Profits. Sublessee hereby waives any claim against City and its elected and non-elected officials, officers, employees, agents, servants, representatives, contractors, subcontractors, affiliates, successors and assigns for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Sublease Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Sublease Agreement null, void or voidable or delaying the exercise of any rights under this Sublease Agreement.

26.14 Right of City to Develop Airport. The parties hereto further covenant and agree that City has the right to further develop or improve the Airport as City may see fit, regardless of the desires or views of Sublessee and without interference or hindrance. It is understood that City may from time to time elect to alter, improve or remodel portions of the Airport and/or Airport. Sublessee agrees that any temporary inconvenience resulting from any such work by City or its contractors and agents shall not be grounds for reduction of any amount otherwise payable by Sublessee hereunder.

26.15 Incorporation of Legally Required Provisions. The parties incorporate herein by reference all provisions legally required to be contained herein by any Governmental Authority.

26.16 Limitation of City's Liability. No elected and non-elected official, employee, officer or agent of City shall have (a) any personal liability with respect to any of the provisions of this Sublease Agreement, or (b) any liability for any consequential damages resulting from a default by City hereunder or from the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default. City shall not have any liability for any consequential damages resulting from a default by City hereunder or from the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default. Sublessee further agrees not to initiate or participate in any involuntary bankruptcy, reorganization, receivership or insolvency proceeding against City.

26.17 Successors and Assigns. This Sublease Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

26.18 Required Modifications. In the event that a Governmental Authority (other than City) requires modifications or changes to this Sublease Agreement as a condition precedent to the granting of federal funds for the improvement of the Airport, or otherwise, Sublessee shall make or agree to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions, or requirements of this Sublease Agreement as may be reasonably required.

26.19 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Sublease Agreement.

26.20 Understanding of Agreement. The parties hereto acknowledge that they thoroughly read this Sublease Agreement, including any exhibits or attachments hereto, and have sought and received such competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein.

26.21 Legal Interest and Other Charges. Any payment of Pro Rata Share of Base Rent, O&M Costs or any other amount due and payable hereunder that is not paid on the date it is due be thereby be increased by an administrative fee of twenty-five dollars ($25) per day after the date due and shall bear interest until paid at the Default Rate. Notwithstanding any provision of this Sublease Agreement to the contrary, it is the intent of Master Lessee and Sublessee that Master Lessee shall not be entitled to receive, collect, reserve or apply, as interest, any amount in excess of the maximum amount of interest permitted to be charged by Applicable Laws. In the event this Sublease Agreement requires a payment of interest that exceeds the maximum amount

of interest permitted under Applicable Laws, such interest shall not be received, collected, charged or reserved until such time as that interest, together with all other interest then payable, falls within the maximum amount of interest permitted to be charged under Applicable Laws. In the event Master Lessee receives any such interest in excess of the maximum amount of interest permitted to be charged under Applicable Laws, the amount that would be excessive interest shall be deemed a partial prepayment of Pro Rata Share of Base Rent or O&M Costs and treated under this Sublease Agreement as such, or, if this Sublease Agreement has expired or terminated, any remaining excess funds shall immediately be paid to Sublessee.

26.22 Governing Law; Choice of Venue; Waiver of Jury Trial. This Sublease Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Jurisdiction and venue for any action on or related to the terms of this Sublease Agreement shall be exclusively in Travis County, Texas, and the parties irrevocably consent to the personal jurisdiction of such courts over themselves for purposes of determining such action and waive any right to assert a claim of inconvenient forum.

26.23 Dispute Resolution. If a dispute arises out of or relates to this Sublease Agreement, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this Section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. A party may make a written request for a meeting between representatives of each other party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making Sublessee regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below.

26.23.1 Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Sublease Agreement prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center. The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The parties will share the costs of the mediator equally.

26.23.2 Sublessee agrees as a condition of this Sublease Agreement that notwithstanding the existence of any dispute between the parties, insofar as is possible under the terms of the Concession Agreement, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by a Texas court of competent jurisdiction.

26.24 Avigation Easement. In the Master Lease, City reserved from the Subleased Premises, for the use and benefit of itself and its successors and assigns, and the operators, owners and users of Aircraft of all types and for the public in general, a perpetual easement and right-of-way for the free and unobstructed flight and passage of Aircraft by whomsoever owned or operated, in and through the airspace above, over and across the surface of the Subleased Premises, together with the right to cause in such airspace such noise, vibration, odors, vapors, particulates, smoke, dust and other effects as may be inherent in the operation of Aircraft for navigation of or flight or passage in and through such airspace, and for the use of such airspace by Aircraft for approaching, landing upon, taking off from, maneuvering about or operating at the Airport. This easement was reserved upon and subject to the following terms and conditions: (a) Sublessee shall not hereafter use, cause or permit to be used, or suffer use of, the Subleased Premises so as: (i) to cause electrical, electronic or other interference with radio, radar, microwave or other similar means of communications between the Airport and any Aircraft; (ii) to adversely affect or impair the ability of operators of Aircraft to distinguish between regularly installed air navigation lights and visual aids and other lights serving the Airport; or (iii) to cause glare in the eyes of operators of Aircraft approaching or departing the Airport, or to impair visibility in the vicinity of the Airport, or to otherwise endanger the approaching, landing upon, taking off from, maneuvering about or operating of Aircraft on, above and about the Airport; provided, however, that, notwithstanding any contrary provision contained above, Sublessee shall be permitted to construct and maintain such improvements and to utilize all lighting, finishes and building materials as shall have been submitted to and approved by City; and (b) Sublessee, for itself and the other Releasing Parties, hereby expressly releases and forever discharges City and its elected and non-elected officials, legal representatives, officers, assigns, associates, employees, agents and all others acting in concert with City, from any and all claims, debts, liabilities, obligations, costs, expenses, actions or demands, vested or contingent, known or unknown, whether in tort, contract or otherwise, that the Releasing Parties may now own or hold, or have any time heretofore owned or held, or may at any other time own or hold, by reason of noises, vibration, odors, vapors, particulates, smoke, dust or other effects as may be inherent in the operation of Aircraft and caused or created by the flight or passage of Aircraft in or through the airspace subject to the easement and right-of-way herein reserved.

26.25 Waiver of Attorneys' Fees. Each Party shall be entitled to seek and recover attorneys' fees from the other Party in any civil or administrative litigation or dispute resolution proceeding for the breach of this Sublease Agreement or to enforce any provision of this Sublease Agreement. In the event that the Master Lease is terminated and this Sublease Agreement is affirmed by City as a direct lease, effective as of that date City and Sublessee each waive any and all rights under law or in equity to seek or recover attorneys' fees from the other party in any civil or administrative litigation or dispute resolution proceeding for the breach of this Sublease Agreement or to enforce any provision of this Sublease Agreement.

26.26 Update of Terms. Master Lessee shall, at the direction of City and without the necessity of an amendment to this Sublease Agreement, have the right to periodically update the requirements set forth in Article 15 hereto to reflect changes in practices for similar properties or operations either at the Airport or at other comparable airports. Master Lessee shall, at the direction of City likewise have the right, without the necessity of an amendment to this Sublease Agreement, to make adjustments to this Article 26 to account for changes in Legal Requirements

applicable to the Subleased Premises, the CONRAC or CONRAC Site or the operation of a Rental Car Concession.

26.27 Brokers. Sublessee warrants that it knows of no broker or agent that is or may be entitled to any commission or finder's fee in connection with this Sublease Agreement. SUBLESSEE SHALL INDEMNIFY AND HOLD CITY HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS) WITH RESPECT TO ANY LEASING COMMISSION OR EQUIVALENT COMPENSATION ALLEGED TO BE OWING ON ACCOUNT OF SUBLESSEE'S DISCUSSIONS, NEGOTIATIONS AND/OR DEALINGS WITH ANY BROKER OR AGENT. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders.

26.28 Survival of Indemnities and Other Provisions. All indemnities provided in this Sublease Agreement shall survive the expiration or any earlier termination of the Sublease Term. Additionally, all provisions which are expressly stated to survive or require or contemplate performance after the expiration or any earlier termination of the Sublease Term shall survive the expiration or earlier termination of the Sublease Term. In any litigation or proceeding within the scope of any indemnity provided to City in this Sublease Agreement, Sublessee shall, at City's option, defend City at Sublessee's expense by counsel satisfactory to City. In any litigation or proceeding within the scope of any indemnity provided to Master Lessee in this Sublease Agreement, Sublessee shall, at Master Lessee's option, defend Master Lessee at Sublessee's expense by counsel satisfactory to Master Lessee.

26.29 Submission of Agreement. The submission of this Sublease Agreement for examination and negotiation does not constitute an offer to lease or a reservation of or option to lease the Subleased Premises. This Sublease Agreement shall become effective and binding only upon execution and delivery hereof by Master Lessee, City and Sublessee. No act or omission of any officer, employee or agent of Master Lessee, City or Sublessee shall alter, change or modify any of the provisions hereof.

26.30 Entire Agreement; Modification. This Sublease Agreement sets forth all covenants, promises, agreements, conditions and understandings between Master Lessee and Sublessee concerning the Subleased Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between Master Lessee and Sublessee as to the Subleased Premises other than as herein set forth. No subsequent alteration, amendment, change or addition to this Sublease Agreement shall be binding upon Master Lessee or Sublessee unless reduced to writing and signed by Master Lessee and Sublessee and shall be consented to in writing by City.

26.31 Relationship of City and Sublessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners or joint venture partners, and no provision contained in this Sublease Agreement nor any acts of Sublessee or Master Lessee shall be deemed to create any relationship between them other than as provided in this Sublease Agreement.

26.32 Exhibits. **Attachment 1** and **Exhibits A, B, C-1, C-2, D and E** are attached to this Sublease Agreement after the signatures and by this reference are incorporated herein.

26.33 Lawful Currency of United States. Any payments made or to be made by Sublessee under this Sublease Agreement shall be made in the lawful currency of the United States of America.

ARTICLE 27
MASTER LEASE AND CITY AS THIRD PARTY BENEFICIARY

27.1 Master Lease Incorporation. The terms and conditions of the Master Lease are incorporated into this Sublease Agreement by reference for all purposes, and this Sublease Agreement is subject to all of the terms and conditions of the Master Lease with the same force and effect as if fully set forth herein at length. Sublessee, by Sublessee's execution of this Sublease Agreement, acknowledges that: (a) Master Lessee has furnished Sublessee with a fully executed copy of the Master Lease; (b) Sublessee has examined the Master Lease and is familiar with its terms; (c) Sublessee hereby agrees to assume, perform and comply in all respects with the terms and conditions of the Master Lease insofar as the same are applicable to the Subleased Premises; and (d) Sublessee shall not commit any act or omission that will violate any of the provisions of the Master Lease. Master Lessee likewise agrees to abide by and to fully perform each of Master Lessee's obligations under the Master Lease.

27.2 Master Lease Rights and Remedies. As between Master Lessee and Sublessee, Master Lessee shall be entitled to all of the rights and remedies reserved by and granted to the landlord in the Master Lease as if Master Lessee was the "landlord" under the Master Lease and Sublessee was the "tenant" under the Master Lease. Such rights and remedies are incorporated into this Sublease Agreement by reference for all purposes.

27.3 Termination of Master Lease. This Sublease Agreement is subject and subordinate to all of the terms, covenants and conditions of the Master Lease and to all of the rights of City under the Master Lease. Notwithstanding any other provision of this Sublease Agreement to the contrary, as between City and Sublessee, upon termination of the Master Lease for any reason whatsoever, the Sublease Agreement shall, as provided in Sections 21.2.5, 22.3 and/or 22.4 of the Master Lease, as applicable, and as further provided in Sections 4.1.4 and 22.1.2 hereof, either (i) be terminated; (ii) become a sublease under a master lease to a Substitute Master Lessee in which event Sublessee shall attorn to the Substitute Master Lessee as the Master Lessee under this Sublease Agreement, except that the Substitute Master Lessee shall have no liability for acts, omissions or defaults by Sublessee or the original Master Lessee prior to such attornment; or (iii) become a direct lease between City and Sublessee, in which event Sublessee shall attorn to City as the "sublessor" or Master Lessee under this Sublease Agreement, except that City shall have no liability for acts, omissions or defaults by Sublessee or Master Lessee prior to such attornment. If City elects to or is required to proceed pursuant to clause (iii) of the preceding sentence, then Sublessee shall attorn to City as the "sublessor" or Master Lessee under this Sublease Agreement, except that City will not be (a) liable for any Pro Rata Share of Base Rent, O&M Costs or other sums paid by Sublessee to Master Lessee more than one month in advance, any Rent Reserve Requirements or O&M Reserve Requirements paid to Master Lessee or any Security paid or provided by Sublessee to Master Lessee, with

respect to which Sublessee shall look solely to Master Lessee for refund or reimbursement unless same has been transferred to City by Master Lessee; (b) liable for any acts or omissions of Master Lessee or for any defaults by Master Lessee under the Sublease Agreement or any other written agreement by and between Master Lessee and Sublessee; (c) subject to any counterclaims, defenses or offsets that Sublessee may have against Master Lessee; (d) bound by any changes or modifications made to the Sublease Agreement without the prior written consent of City, which consent City may withhold in its sole and absolute discretion; (e) obligated in any manner with respect to the transfer, delivery, use or condition of any furniture, equipment or personal property in the Subleased Premises which Master Lessee agreed would be transferred to Sublessee or which Master Lessee agreed could be used by Sublessee during the Sublease Term; (f) liable for the payment of any improvement allowance, or any other payment, credit, offset or amount due from Master Lessee to Sublessee under the Sublease Agreement or any other written agreement by and between Master Lessee and Sublessee; (g) be obligated to perform any work in the Subleased Premises or to prepare it for occupancy; and (h) be bound by any provision of the Sublease Agreement that increases City's duties, obligations or liabilities to Sublessee beyond those owed by City to Master Lessee under the Master Lease, expressly including insurance, indemnity and any other obligation stated in Sections 15.1.3, 15.1.4, 15.7, 16.4.2, 16.17.2 and 17.12.2, the language following "AND (B)" in Section 16.4.1, and the last sentence of each of Sections 16.17.1 and 17.12.1. The provisions of this Section 27.3 shall be self-operative, and no further instrument shall be required to give effect to this Section; provided, however, Sublessee shall execute and deliver to City any instruments City may reasonably request to evidence and confirm an attornment by Sublessee.

27.4 Limitation of Liability. Notwithstanding any provision of the Master Lease or this Sublease Agreement to the contrary, City shall not be liable to Sublessee, or any of its agents, employees, servants or invitees, for any damage to persons or property due to the condition or design or any defect in the Subleased Premises, the CONRAC or its mechanical systems which may exist or subsequently occur. Sublessee with respect to itself and its agents, employees, servants and invitees, expressly assumes all risks and damage to persons and property, either proximate or remote, by the reason of the present or future condition of the Subleased Premises or the CONRAC.

27.5 City as Third Party Beneficiary. By execution of this Sublease Agreement, Master Lessee and Sublessee acknowledge and agree that City is a third party beneficiary of this Sublease Agreement for all intents and purposes. Master Lessee and Sublessee further acknowledge and agree that this Sublease Agreement shall not be amended, modified, extended or terminated without the prior written consent of City. In its capacity as a third party beneficiary, City shall have the right to receive all notices and communications which Master Lessee is entitled to receive under this Sublease Agreement and the full right, power and authority to enforce any or all provisions of this Sublease Agreement for its own benefit as though City were Master Lessee under this Sublease Agreement, subject first to reasonable good faith efforts to coordinate enforcement through any non-breaching primary party. City is joining in the execution of this Sublease Agreement to evidence its consent to the same in its capacity as the landlord under the Master Lease and in its capacity as the third-party beneficiary of this Sublease Agreement.

27.6 Sublessee Employees. Any and all references herein to "employees" of Sublessee shall extend to and include all personnel engaged to participate in Sublessee operations at the Airport on a contract basis.

[SIGNATURES ON NEXT PAGE]

SIGNATURES

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

MASTER LESSEE

AUSTIN CONRAC, LLC

By:_____,
Its Sole Member/Manager

By:_____
Name:_____
Title:_____

SUBLESSEE

_____

By:_____
Name:_____
Title:_____

CITY

CITY OF AUSTIN, TEXAS

APPROVED AS TO FORM:

_____

By:_____
Name:_____
Title:_____

[ACKNOWLEDGEMENTS ON NEXT PAGE]

STATE OF TEXAS

COUNTY OF TRAVIS

Before me, the undersigned a Notary Public on this _____day of _____, 2012 personally appeared _____, the _____ of _____which is the sole member/manager of AUSTIN CONRAC, LLC, a Texas limited liability company, on behalf of said entity.

Witness my hand and seal, at office in Austin, Texas, this _____ day of _____, 2012.

_____
NOTARY PUBLIC
My Commission Expires:_____

[SEAL]

STATE OF TEXAS

COUNTY OF TRAVIS

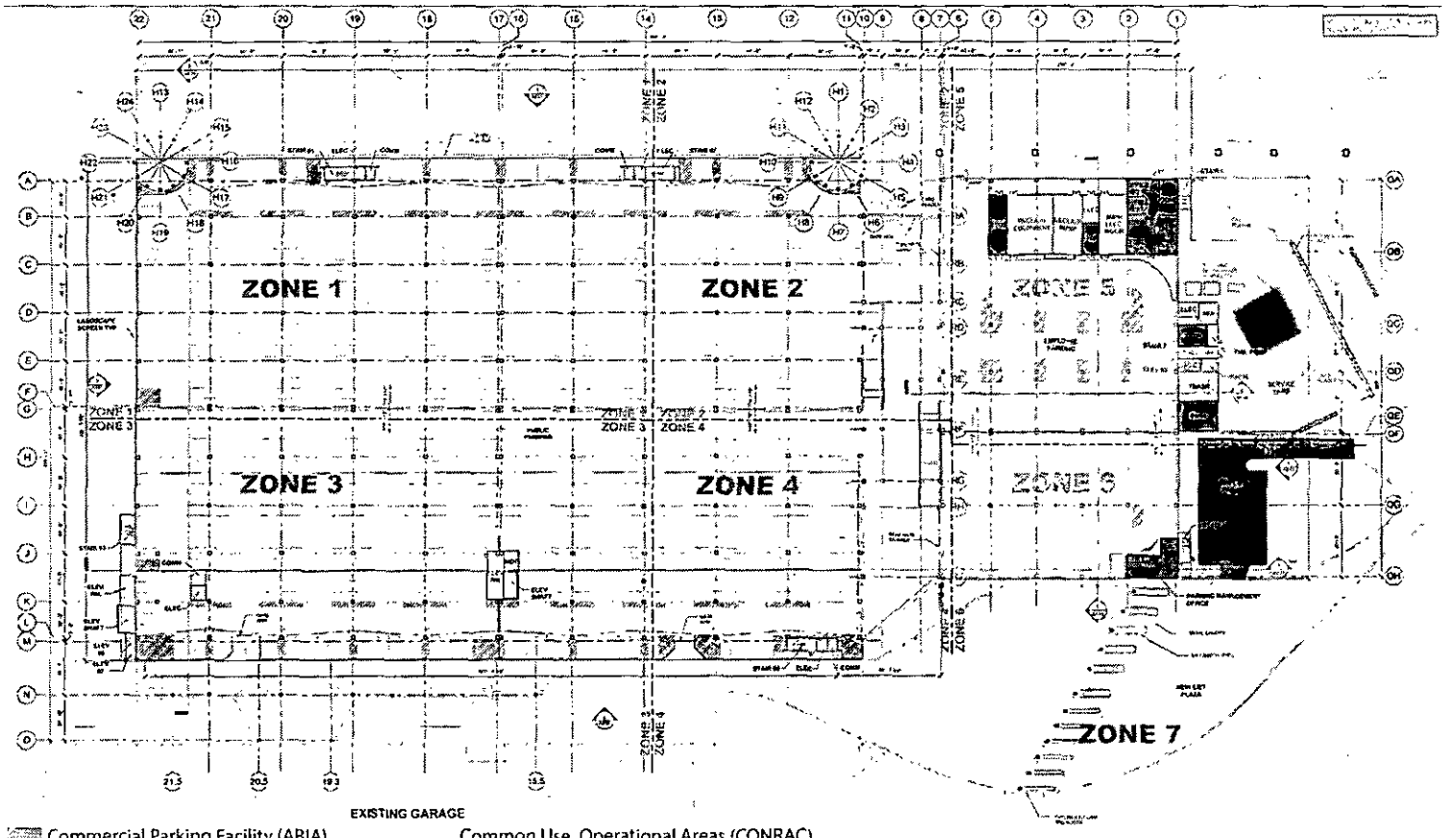
Before me, the undersigned a Notary Public on this _____day of _____, 2012 personally appeared _____, the _____ of _____ which is the sole member/manager of _____, a _____, on behalf of said entity.

Witness my hand and seal, at office in Austin, Texas, this _____ day of _____, 2012.

_____
NOTARY PUBLIC
My Commission Expires:_____

[SEAL]

EXHIBIT A



- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

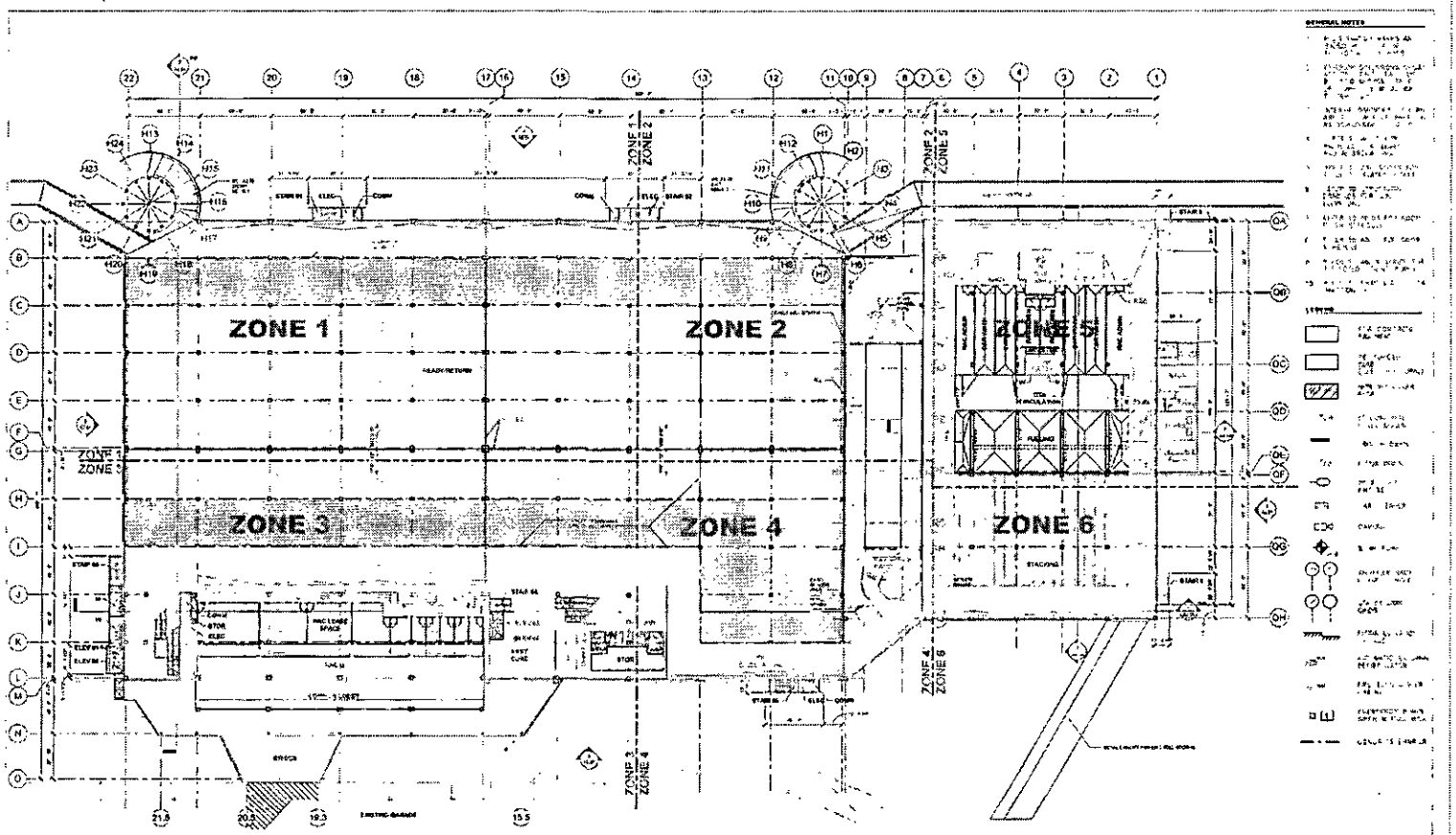
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

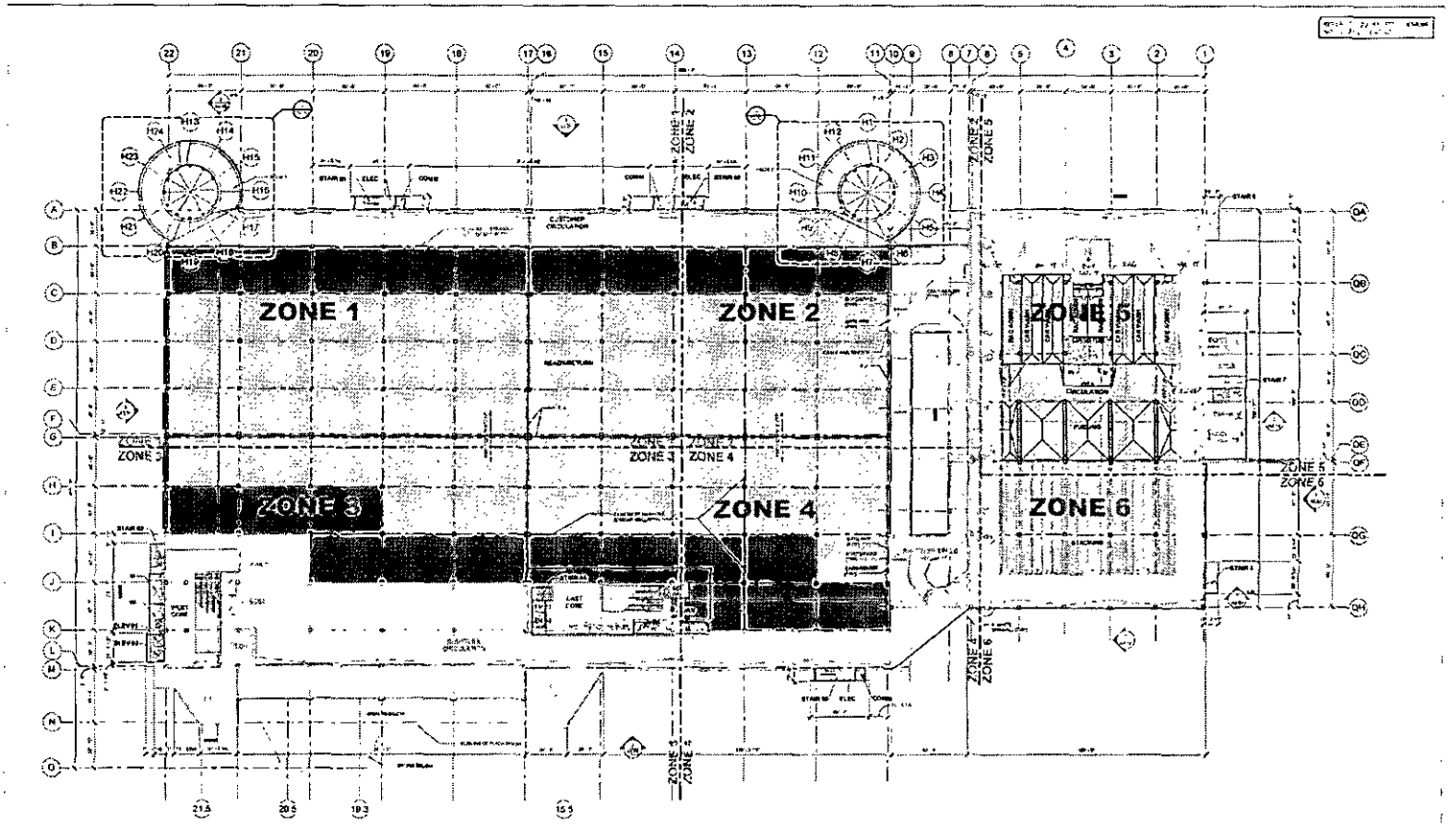
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

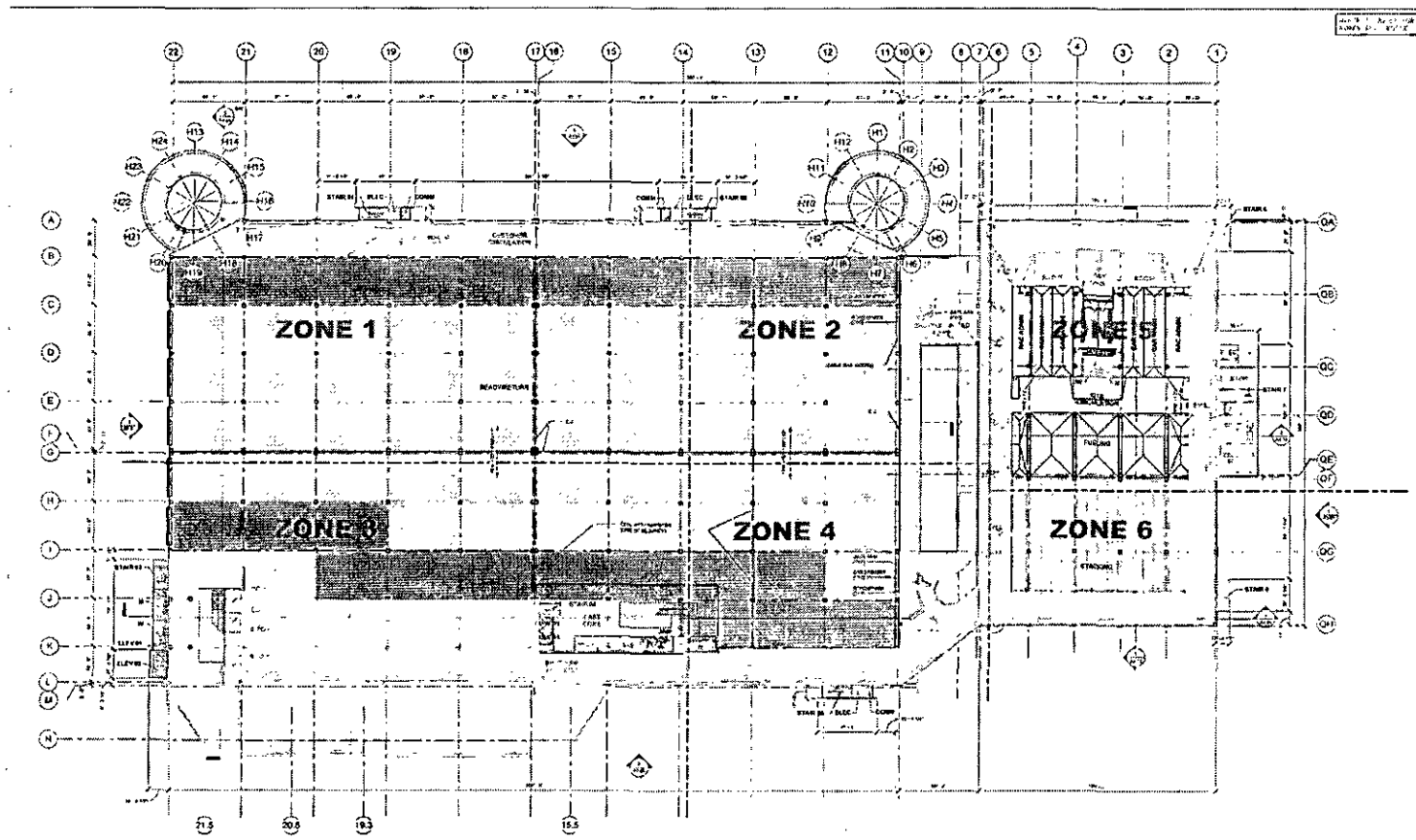
Austin-Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

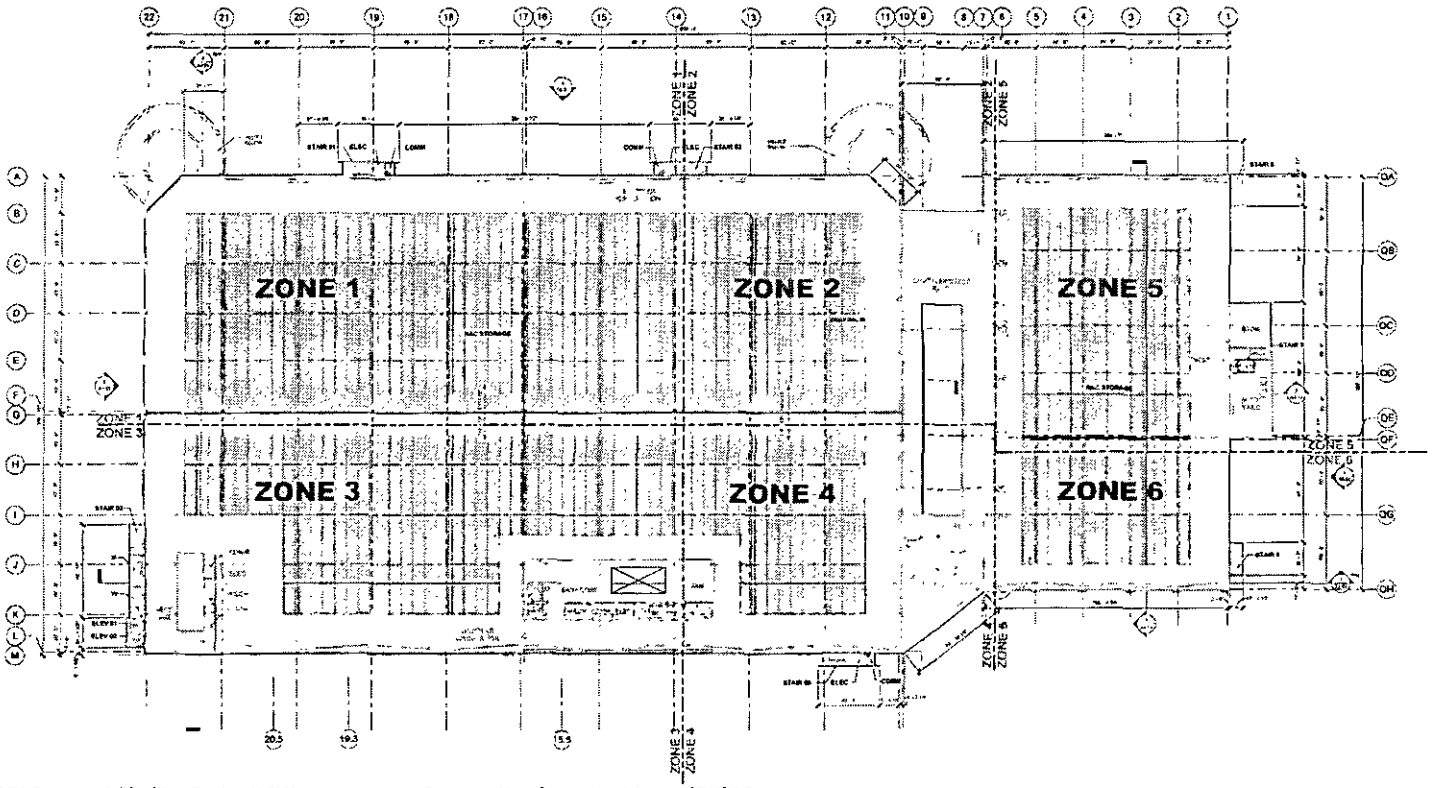
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

41H LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

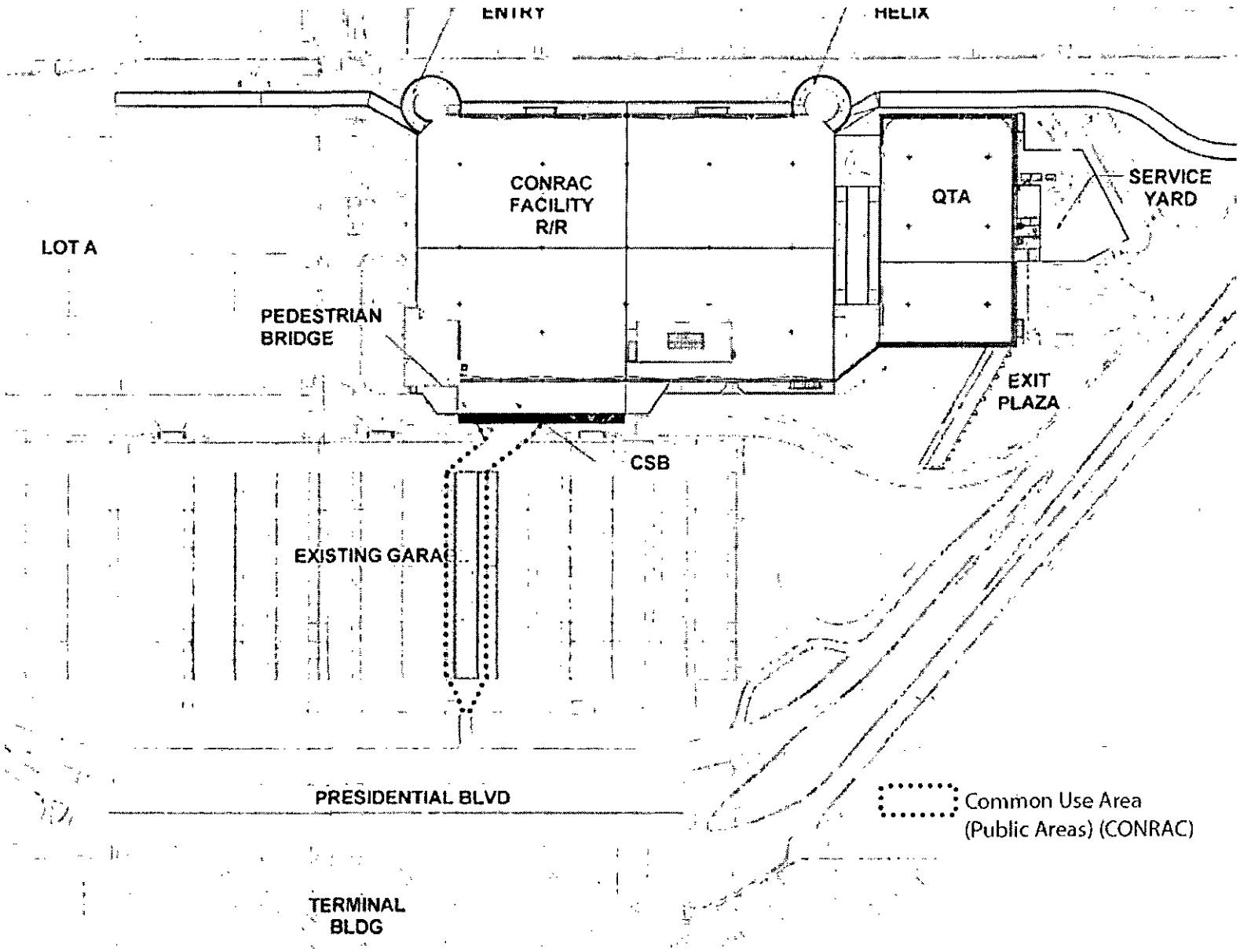
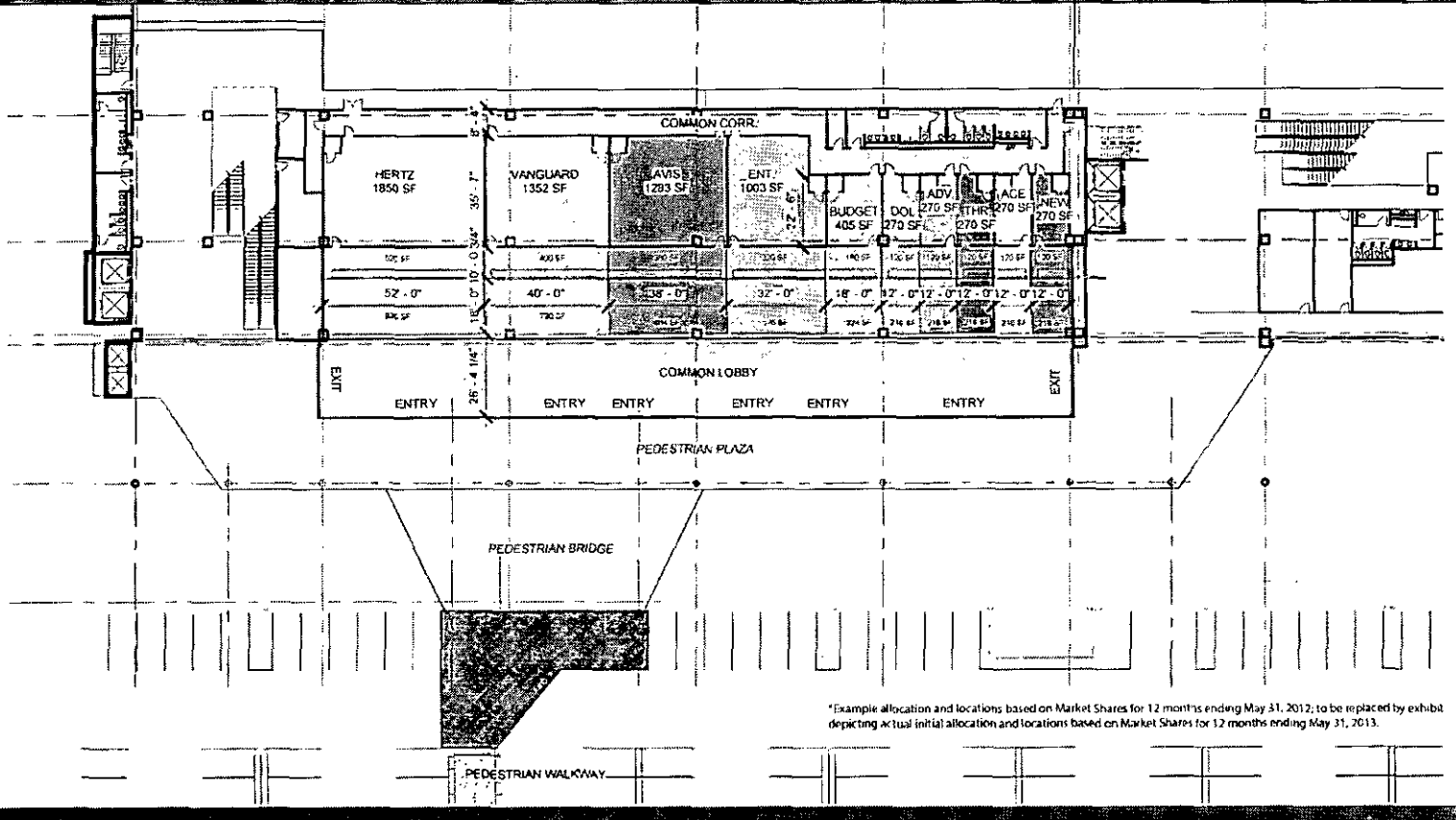

ENTRY
HELIX
CONRAC
FACILITY
R/R
QTA
SERVICE
YARD
LOT A
PEDESTRIAN
BRIDGE
EXIT
PLAZA
CSB
EXISTING GARAGE
PRESIDENTIAL BLVD
TERMINAL
BLDG
Common Use Area
(Public Areas) (CONRAC)

EXHIBIT B

(Reserved)

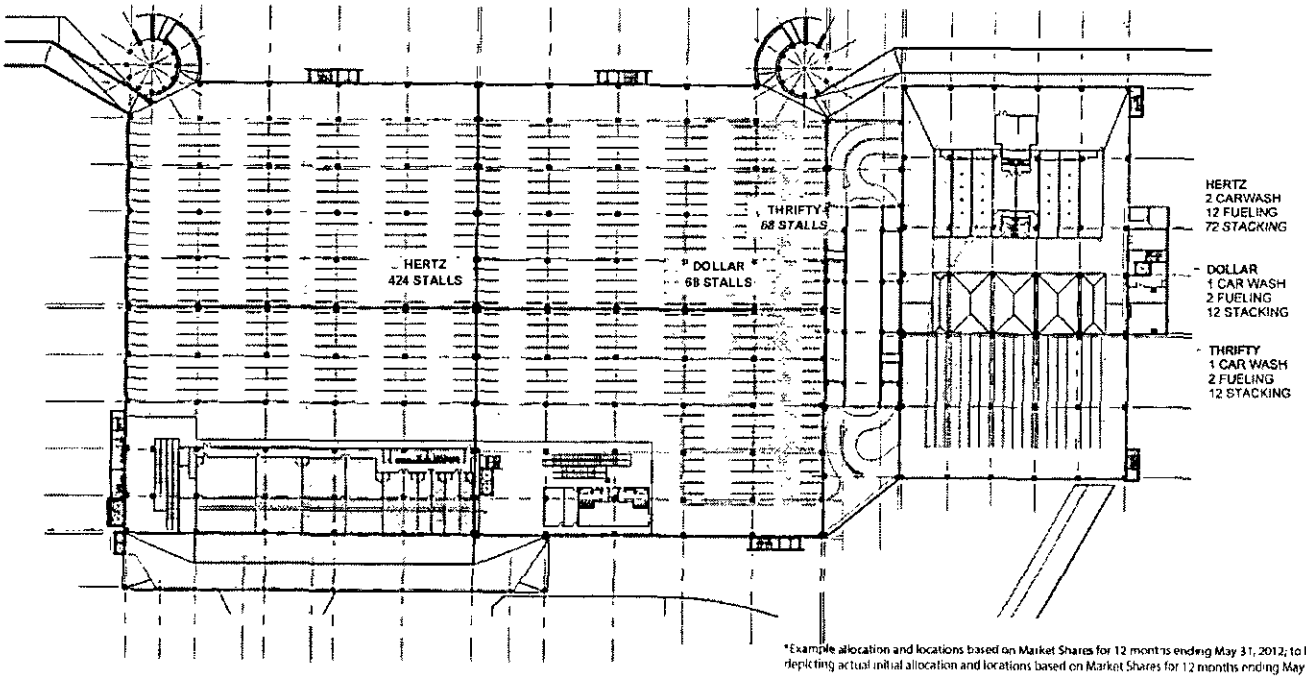
EXHIBIT C-1

CSB ALLOCATION FLOOR PLAN



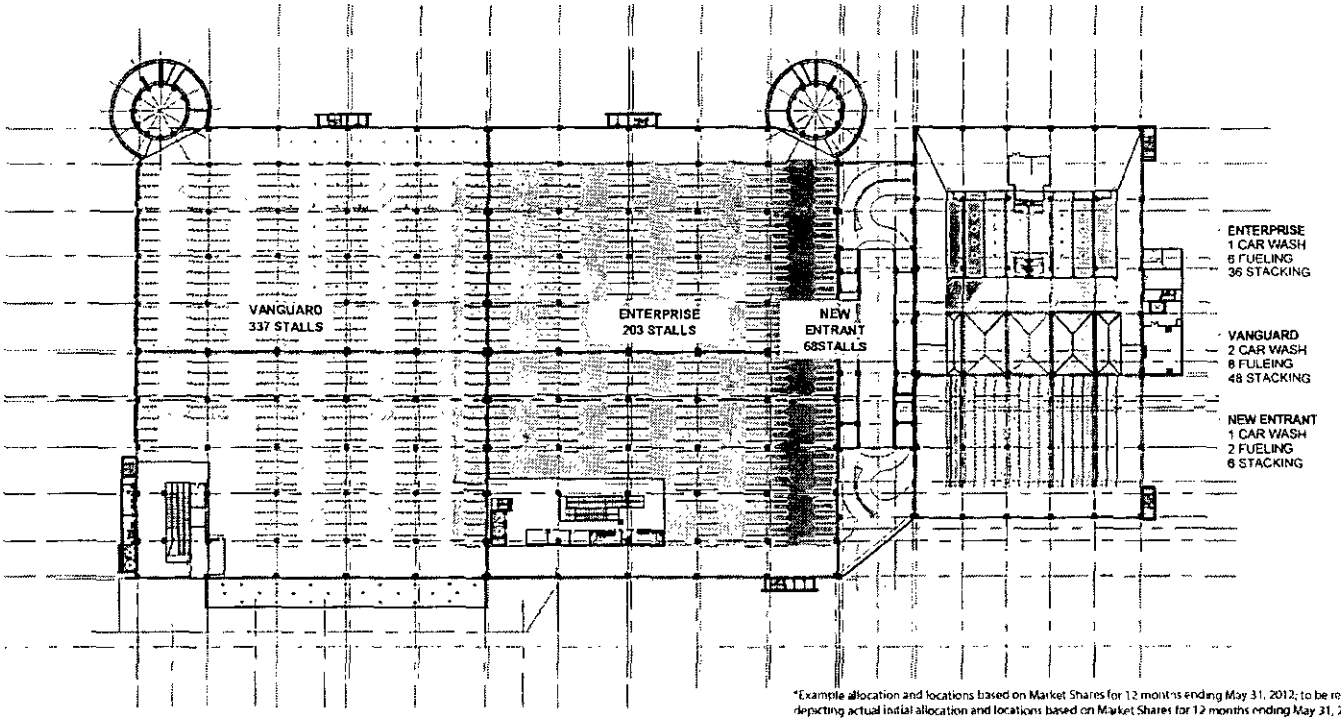
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



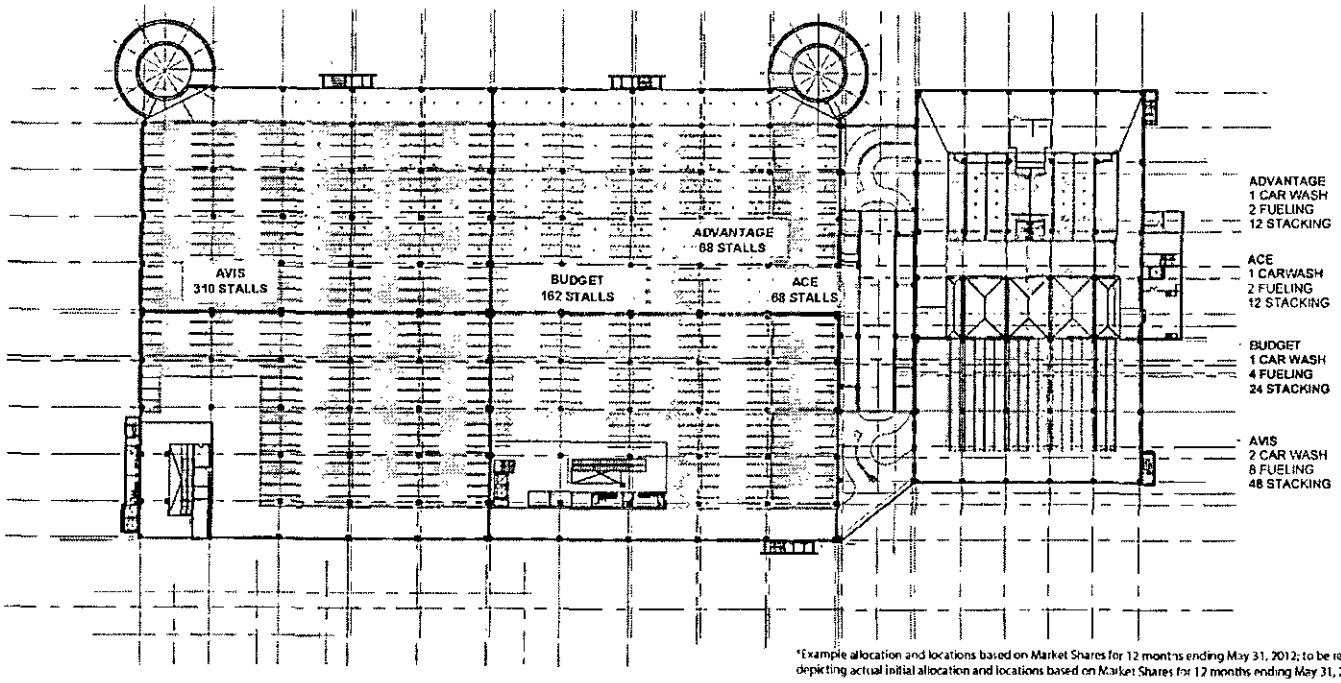
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



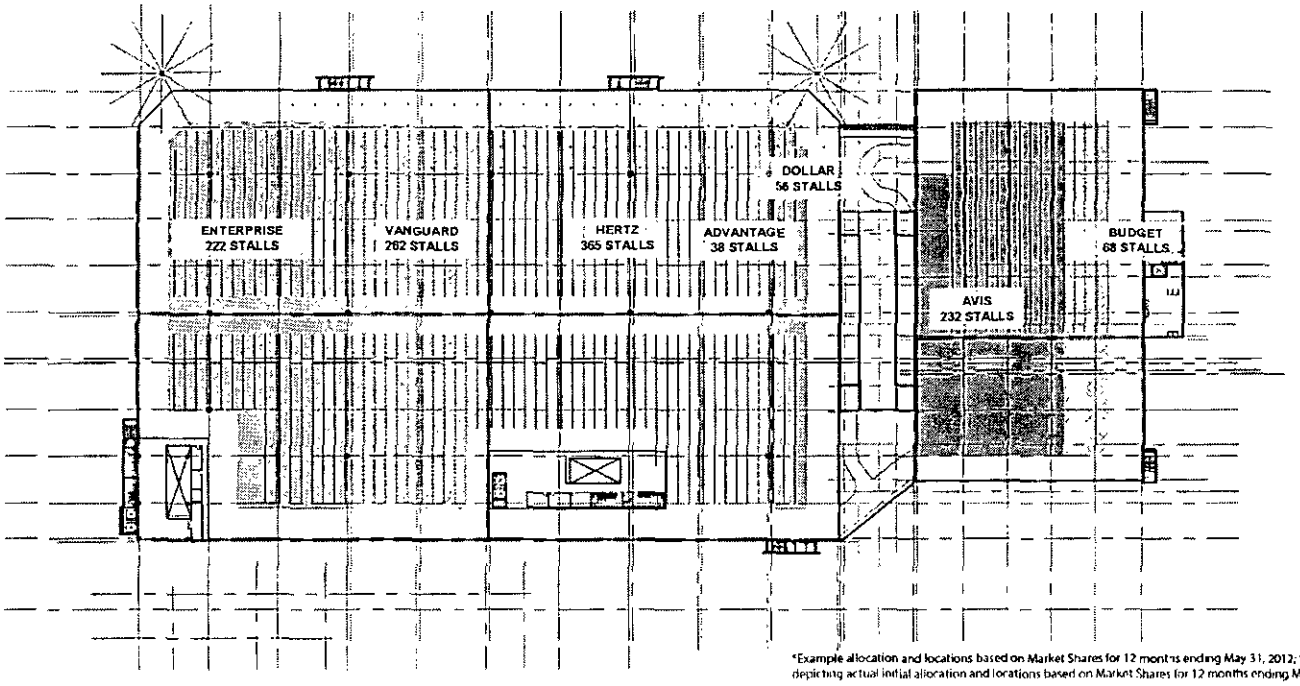
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



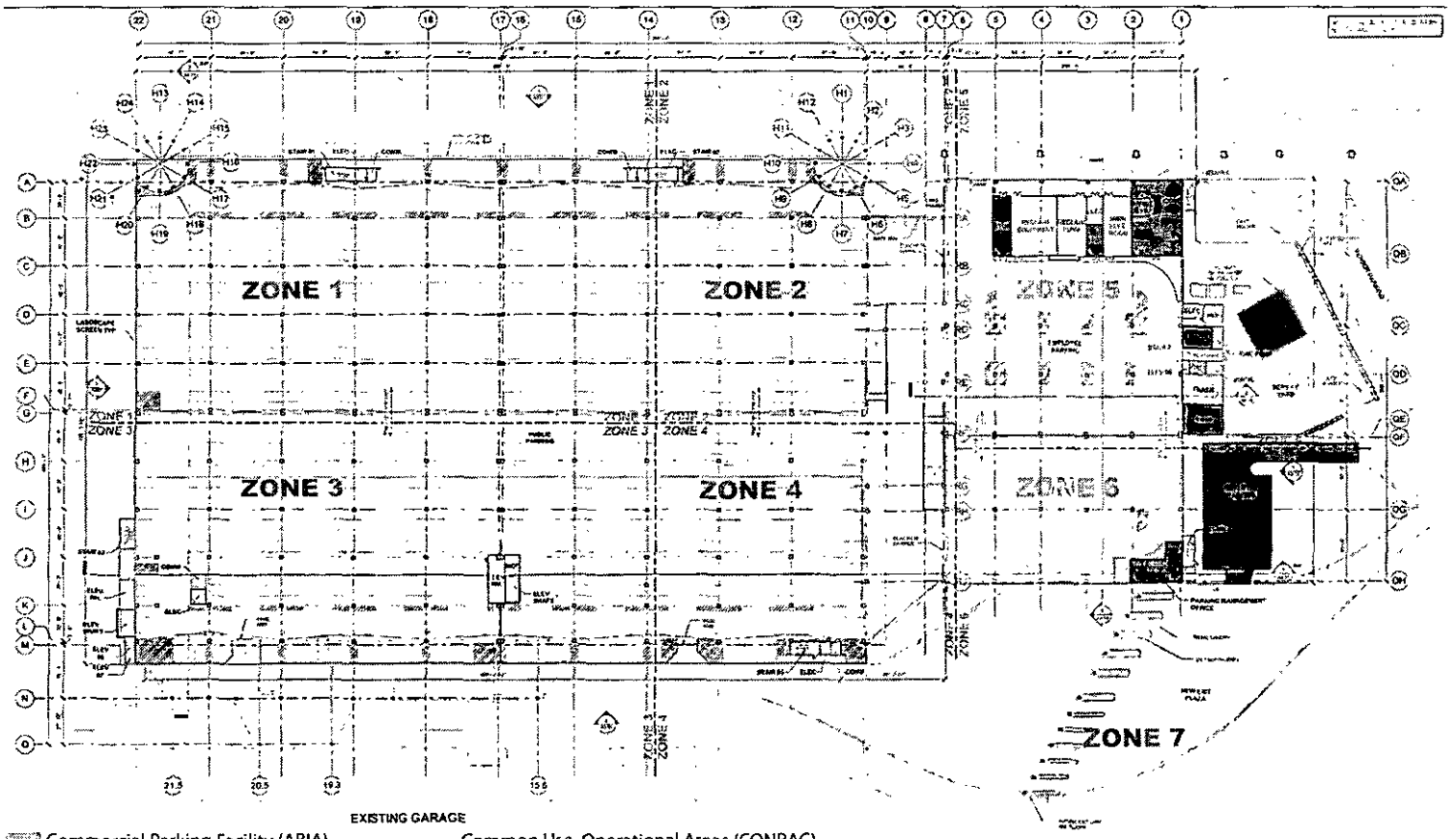
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013

EXHIBIT C-2



EXISTING GARAGE

- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

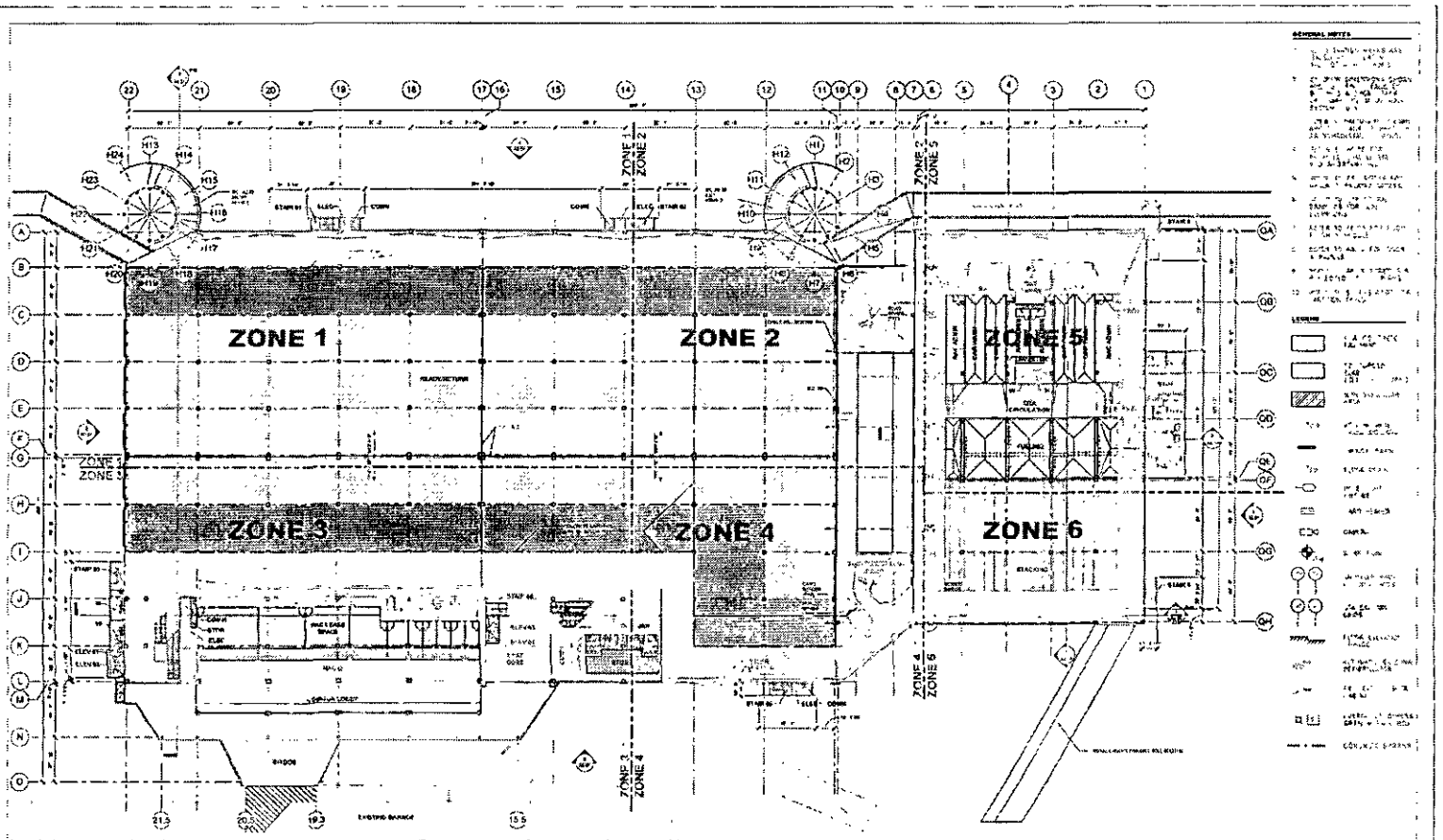
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

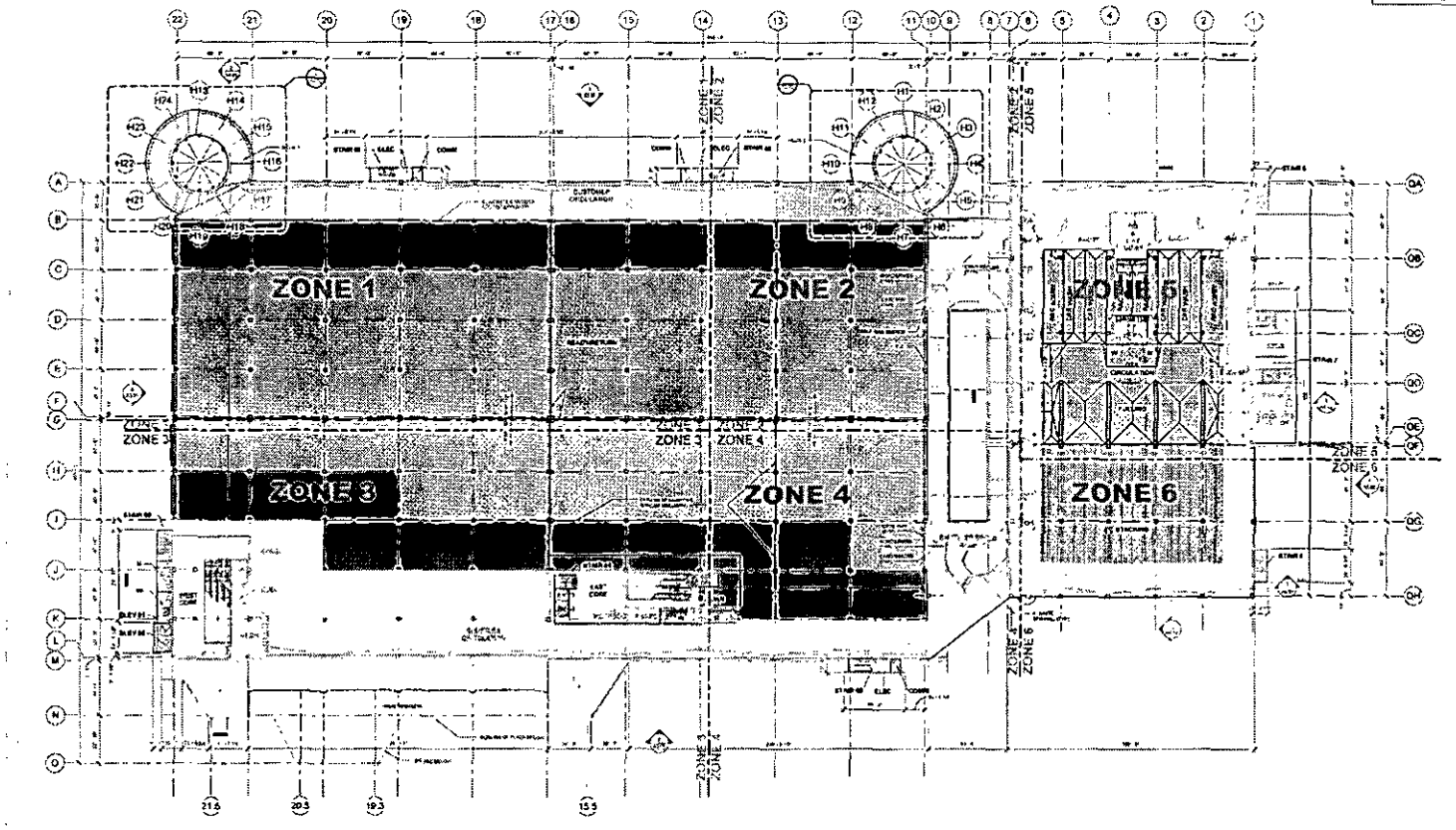
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

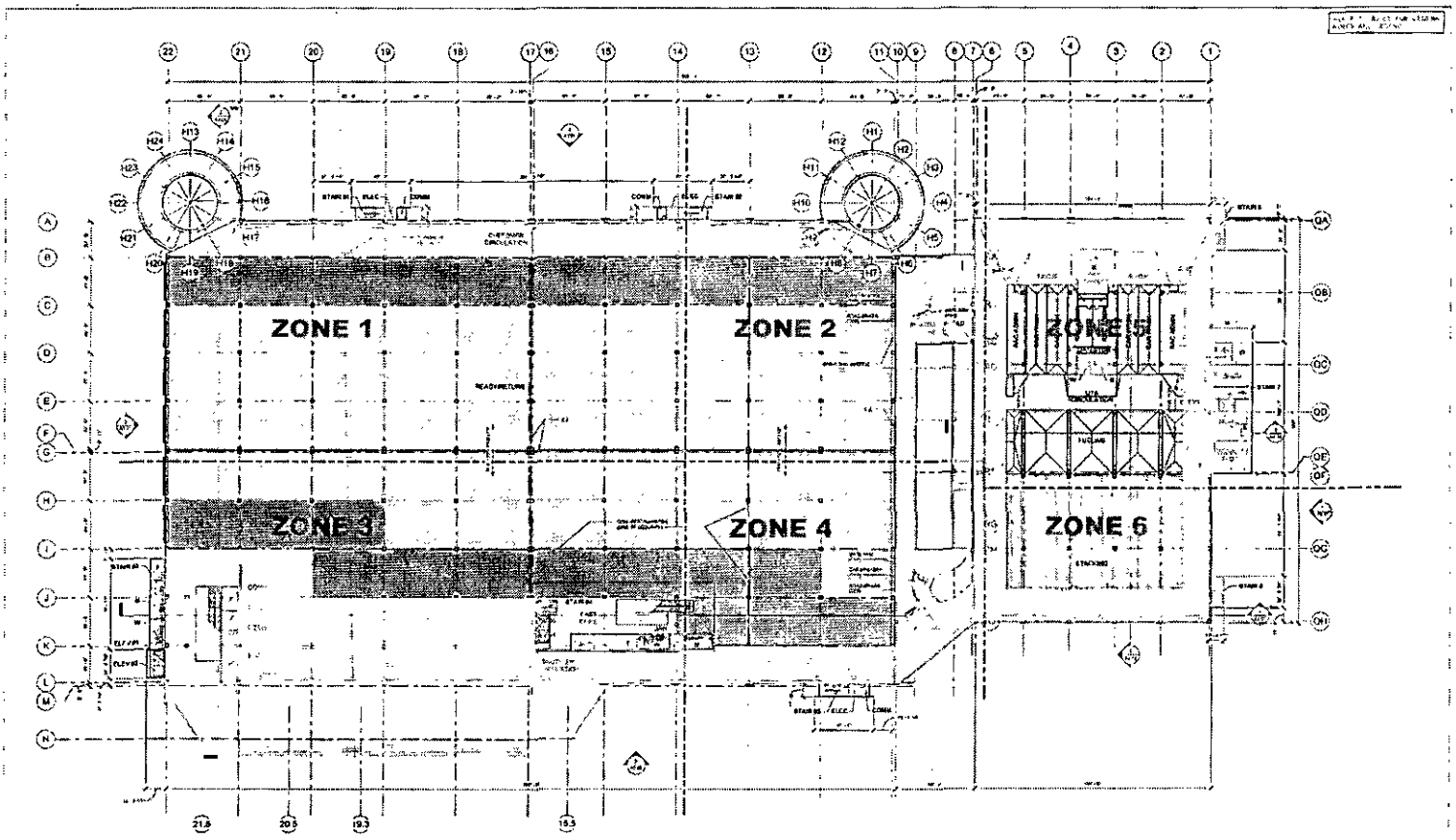
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

PFEFFER

DW Demattei Wong architecture

100% DESIGN DEVELOPMENT SUBMITTAL

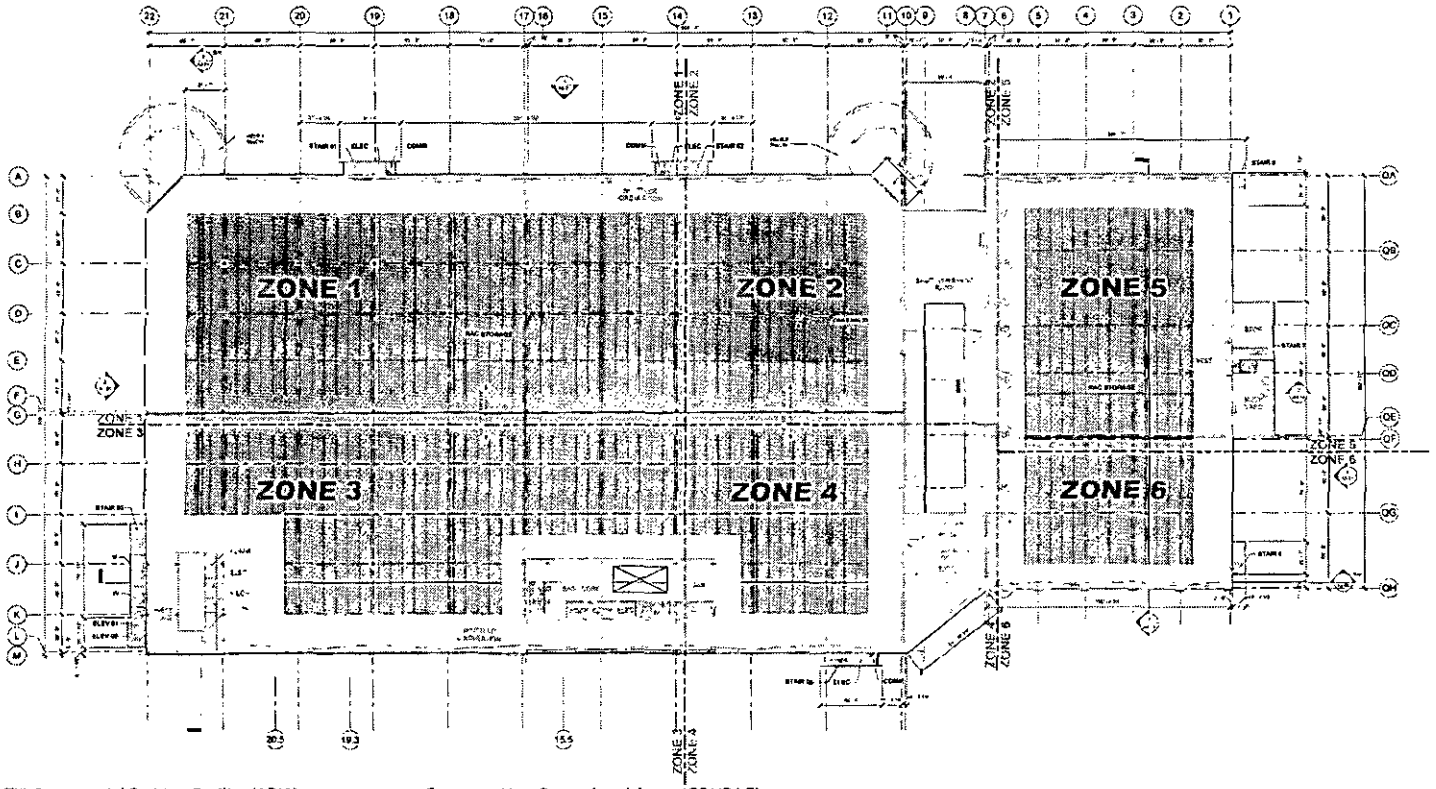
Austin-Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

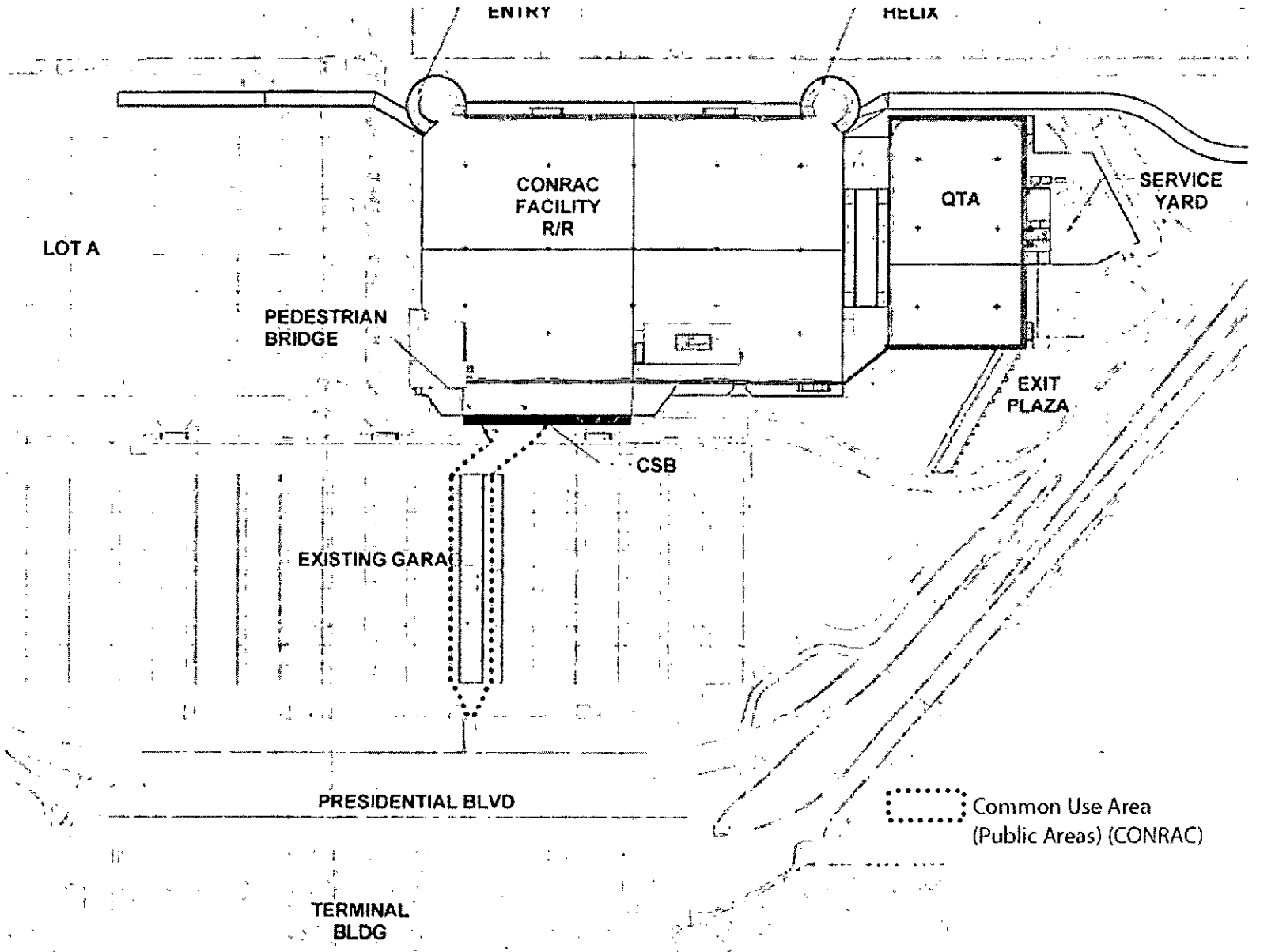
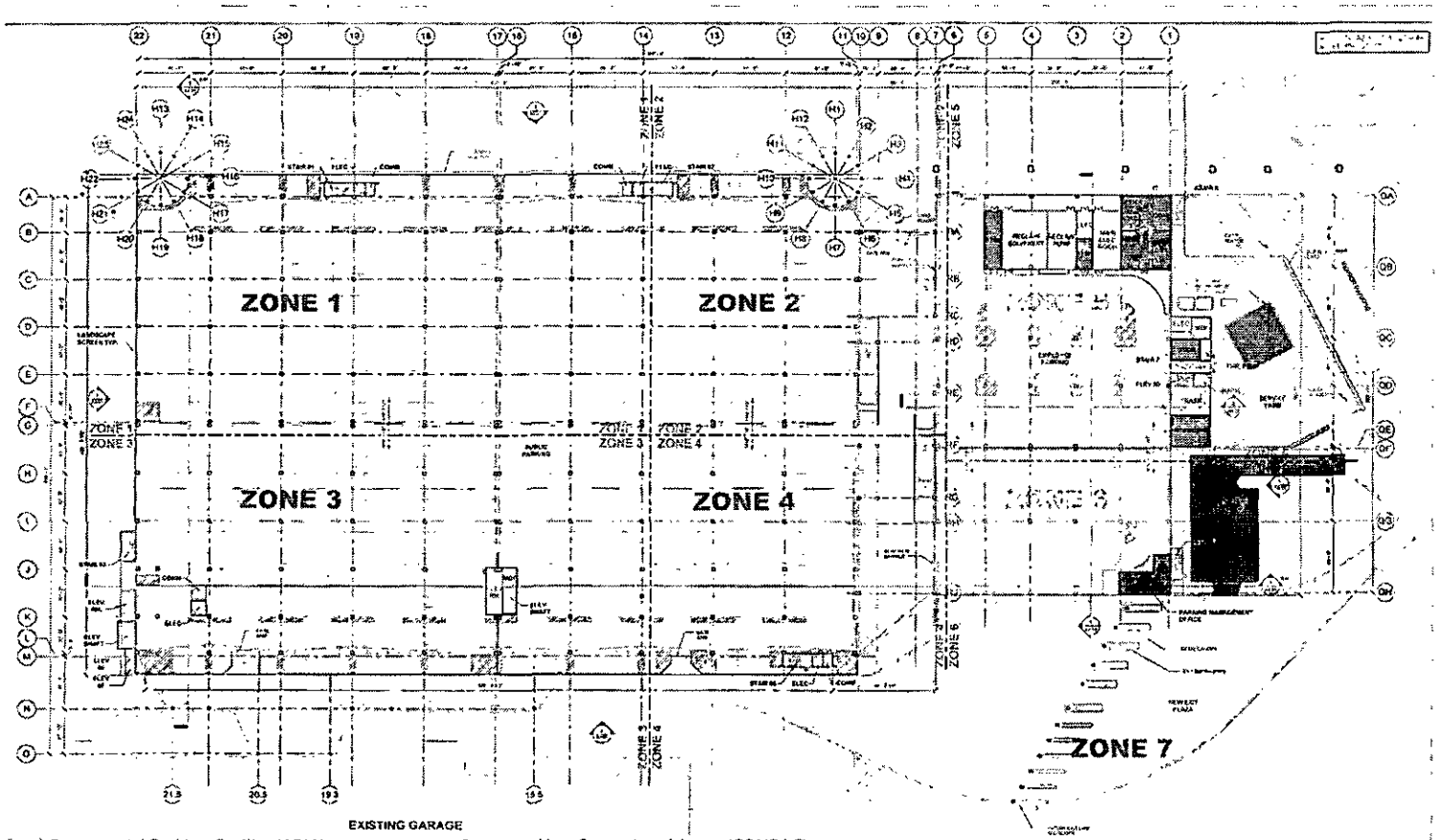

ENTRY
HELIX
CONRAC
FACILITY
R/R
QTA
SERVICE
YARD
LOT A
PEDESTRIAN
BRIDGE
EXIT
PLAZA
CSB
EXISTING GARAGE
PRESIDENTIAL BLVD
TERMINAL
BLDG
Common Use Area
(Public Areas) (CONRAC)

EXHIBIT D



- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

pfeffer

Demattei Wong Architecture

100% DESIGN DEVELOPMENT SUBMITTAL

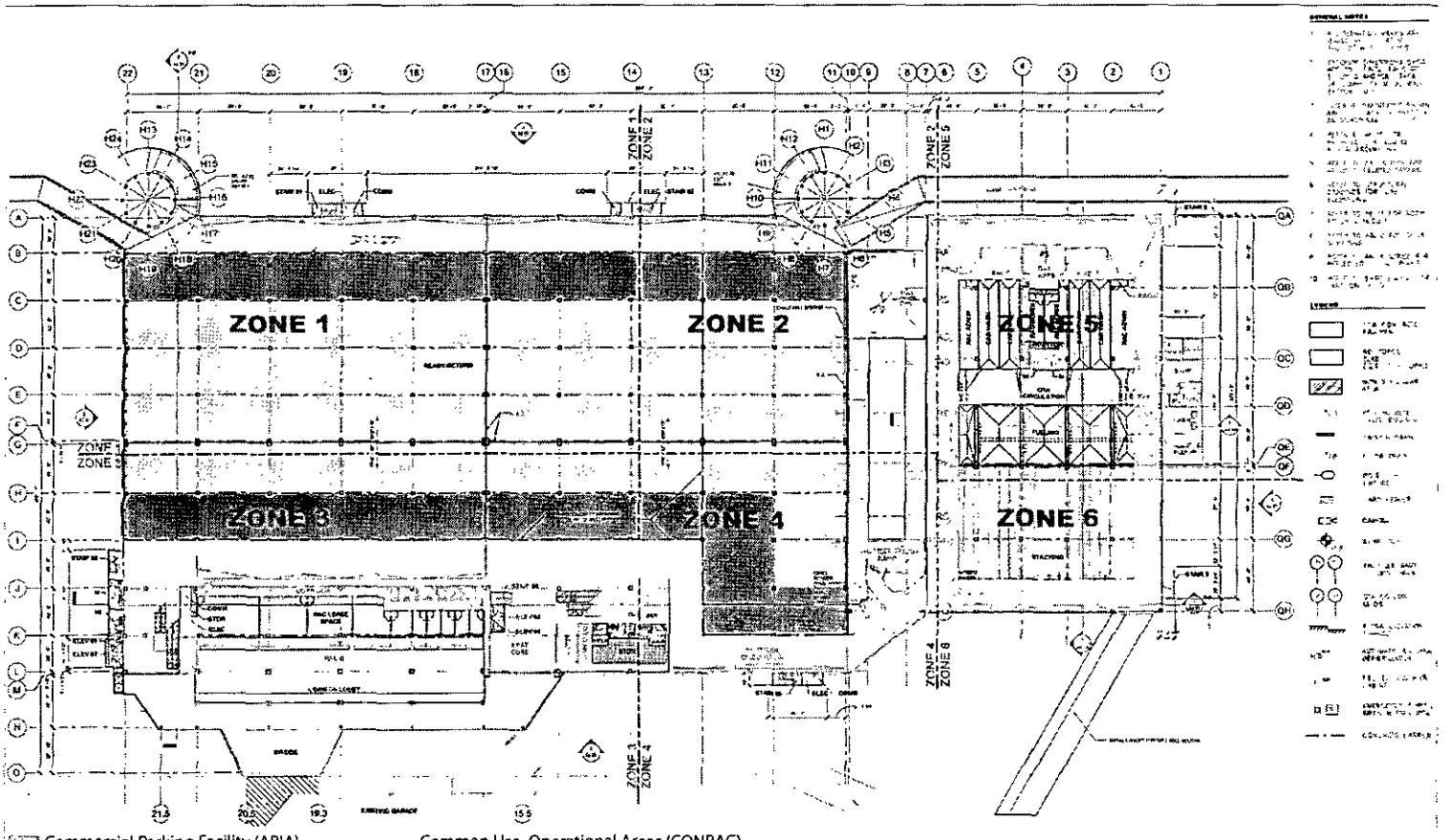
Austin Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

pd PFEFFER

DW Demarnel Wong architecture

100% DESIGN DEVELOPMENT SUBMITTAL

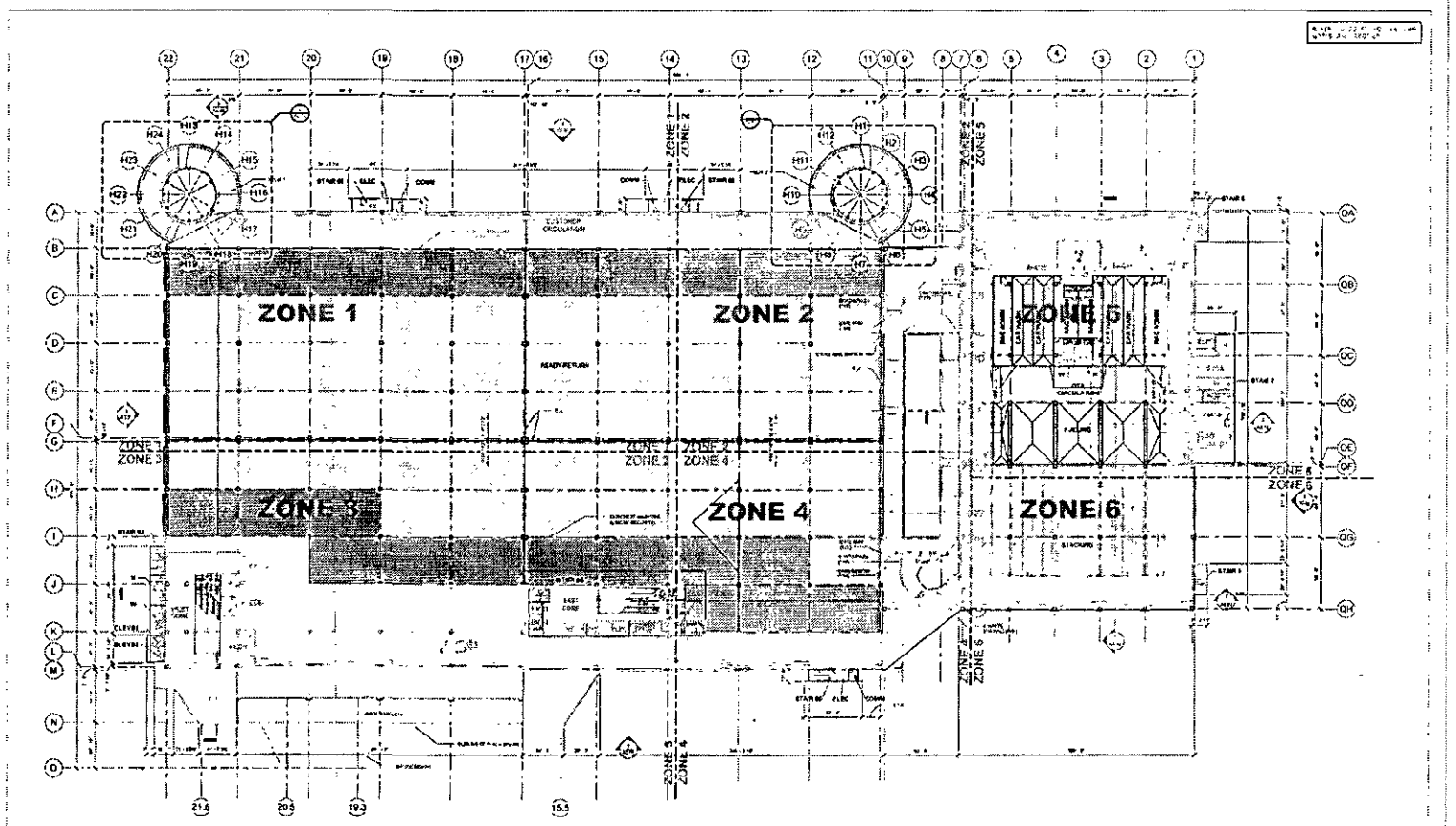
Austin-Bergstrom International Airport

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

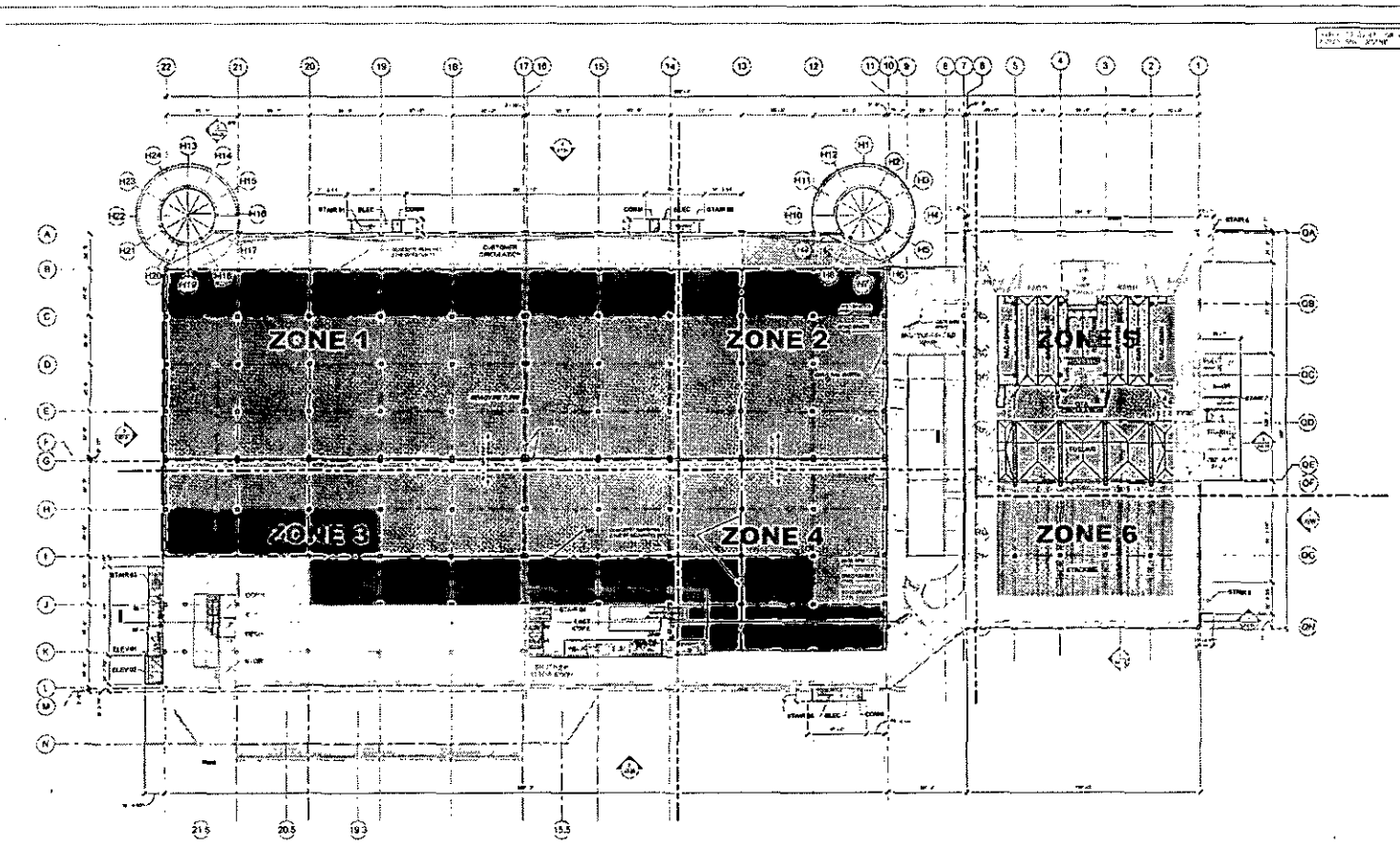
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

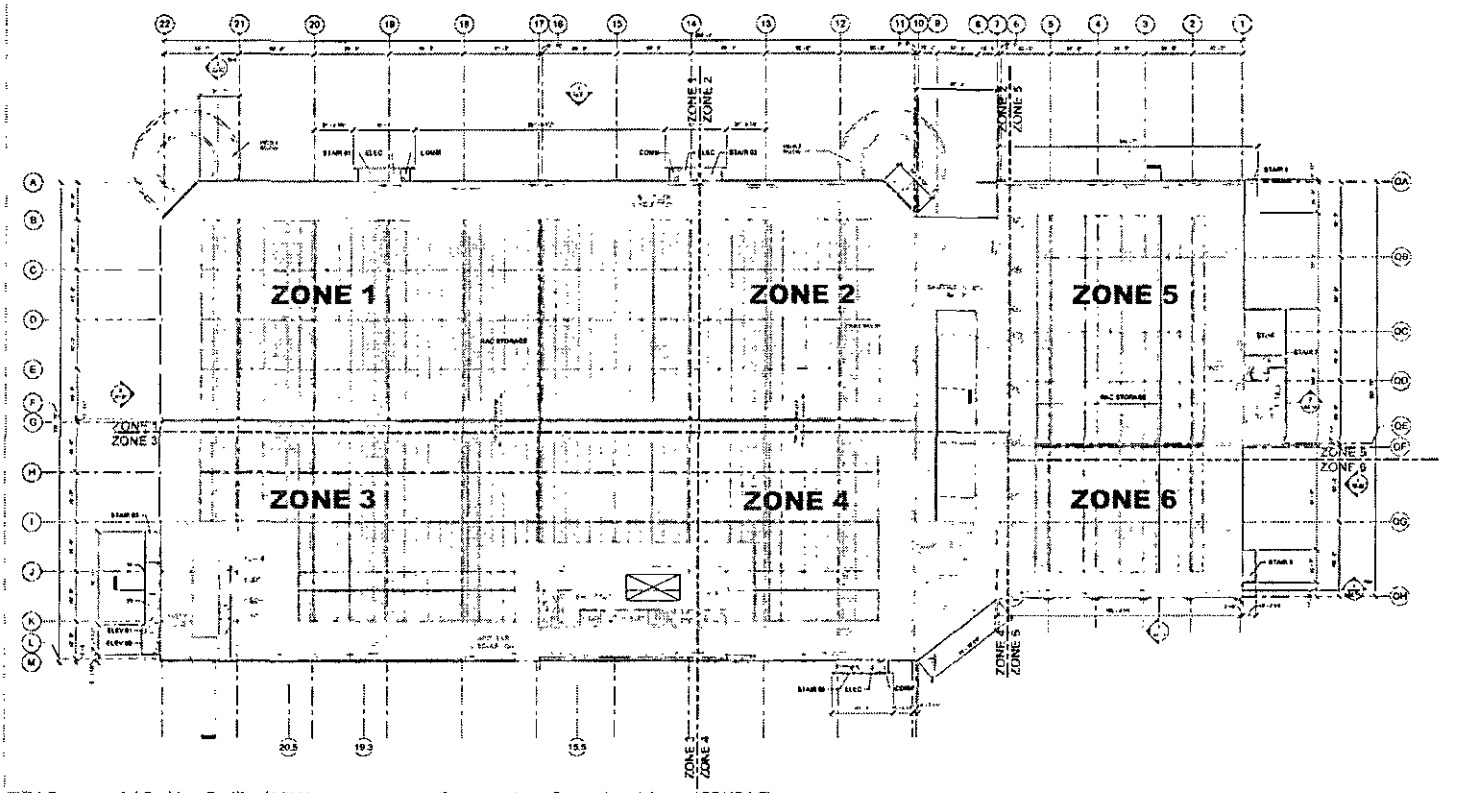
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

EXHIBIT E

EXHIBIT E

SPACE LOCATION, ALLOCATION AND REALLOCATION METHODOLOGY

This Exhibit E is attached to and made a part of the Master Lease and shall be an attachment to each Sublease Agreement with each RAC to identify the location and size of the RACs' initial Exclusive Use Premises in the CONRAC and to bind each RAC to the terms of this Exhibit E. All terms in this Exhibit E not otherwise defined herein shall have the meanings set forth in the Master Glossary attached to the Master Lease and each Sublease Agreement as Attachment 1.

1. Initial Space Location and Allocation. As of the Effective Date, the Parties to the Master Lease and to all Sublease Agreements to be executed more or less contemporaneously with the Master Lease agree that the initial location and allocations of space in the CONRAC have been determined by negotiation among all the parties and that each RAC is leasing space generally proportionate to its Market Share, with accepted variations based on practical considerations relating to layout of the CONRAC and the number and size of various units of allocation (*e.g.* Ready/Return Space, CONRAC Counter Space, Storage Space, QTA Space and Fuel Facilities). The initial location of the Subleased Premises where each initial RAC shall operate its Rental Car Concession is shown on the attached color copies of Exhibits "E-1," "E-2," "E-3," and "E-4" attached hereto and made a part hereof, and will be revised on or before May 31, 2013 and incorporated into each Sublease Agreement by amendment, subject to approval by City.

    1.1. On Exhibit H to the Master Lease, a portion of the CONRAC is specifically designated to provide lease space for up to two (2) New Entrants ("New Entrant Areas"). The New Entrant Area for the first ten (10) years after the Opening Date consists of one shared Ready/Return bay, one shared car wash bay and shared use of two designated fueling positions/nozzles and vacuums in the QTA Facility, twelve (12) linear feet of shared counter space and corresponding office space in the Customer Service Building ("CSB") and any storage space on the 5th floor of the CONRAC ("Level 5") necessary to bring total New Entrant stalls to that percentage of the stalls in the CONRAC proportionate to the New Entrant's (or Entrants') Market Share, and Master Lessee shall reserve or arrange for comparable New Entrant Areas for up to two (2) additional New Entrants during the second ten (10) years of the Lease Term City shall have the right to award up to two (2) Rental Car Concessions to New Entrants during the first ten (10) years of the Lease Term and up to two (2) additional New Entrants during the second ten (10) years of the Lease Term. Any and all New Entrants added during a particular ten (10) year Lease Term shall share the New Entrant space through the end of that ten (10) year Lease Term, regardless of the number of years remaining in that that period of Lease Term.

2. The Exclusive Use Areas depicted as to their initial location and the allocation in the Attachments, shall be reallocated on the following frequencies:

Exhibit	Type of Space/ Area	Allocation or Location	Annually	Every Five Years	Every Ten Years
E-1	Customer Service Building CONRAC Counter Space	Allocation			X
		Location			X
	Customer Service Building Office Space	Allocation			X
		Location			X
E-2	Ready/Return Areas	Allocation		X	X
		Location			X
E-3	QTA Space	Allocation		X	X
		Location			X
E-4	Level 5 Storage Areas	Allocation	X	X	X
		Location		X	X

2.1 Certain principles have been agreed to and shall be taken into consideration in the initial allocation and future reallocations of subleased space within the CONRAC including, without limitation, the following:

2.1.1 Space shall be reallocated generally along Market Share lines based on each RAC's payment of Concession Fees to City as a percentage of all RAC Concession Fees paid to City for the twelve (12) consecutive calendar months ending sixty (60) days before the scheduled date of reallocation according to the frequencies above.

2.1.2 The frequency for all reallocations and relocations shall run on a Concession Agreement Year basis, starting on the Opening Date.

2.1.3 Whenever there is a requirement to make a new allocation determination and to provide an opportunity to the RACs to select additional or different space, the order of selection shall be by a Market Share with the RAC/Sublessee with the largest Market Share having the first choice, the second largest Market Share having the second choice, etc. The RAC with the smallest Market Share shall choose last. All RAC selections must be guided by the principles and limitations stated in this Exhibit E and are subject to review and adjustment by Master Lessee to better satisfy these principles which

assumes one RAC for each existing Concession Agreement and subject to re-evaluation otherwise.

2.1.4 No RAC may build any Initial Tenant Improvements or any other improvements that Master Lessee and City have not approved in writing or that is likely to cause unnecessary expense to another company when required to move during a reallocation of space.

2.1.5 No RAC may build any tenant improvement that Master Lessee determines would prohibit or unreasonably impair the visibility of a neighboring RAC's directional signage or kiosks or build on common walkways available to all customers of the facility.

2.1.6 Each RAC shall occupy its initially allocated Exclusive Use Premises until reallocation, and reallocated space thereafter until each subsequent reallocation.

2.1.7 Except as approved by Master Lessee, which approval shall not be unreasonably withheld or delayed, no RAC shall have Ready/Return Space on more than one (1) floor plate nor have direct customer access from the elevator banks on more than one (1) floor plate. Unless otherwise agreed by the affected RACs, each RAC's Exclusive Use Premises, other than the initial New Entrant Areas, shall have

(a) At least twelve (12) linear feet of frontage counter space;

(b) Not less than one (1) Ready/Return bay and no partial Ready/Return bays or Ready/Return bays separated from each other;

(c) Ready/Return Space reasonably close to an elevator/escalator core;

(d) At least one (1) car wash, except that a RAC with less than five percent (5%) Market Share (a "Small Market Share RAC") may be required to share a car wash with one or more other Small Market Share RAC; and

(e) At least two (2) fueling positions/nozzles.

2.1.8 Nothing in this Exhibit E shall prevent two (2) or more RACs from adjusting Ready/Return Space or Storage Space by mutual agreement as long as the adjustment does not adversely affect traffic on a floor plate, overload the QTA Space, or adversely affect customer flow or operation of the CONRAC, is approved in advance by Master Lessee, and all costs are fully paid for by the RACs that are party to the mutual agreement. Master Lessee shall provide written notice to City no later than ten (10) days of Master Lessee's approval of such adjustment.

2.1.9 Customer access to Level 5 is limited and customer presence is prohibited. Retail operations shall not occur on Level 5 unless, and until, City, Master Lessee and all RACs agree in writing to an amendment to this provision.

2.1.10 Each RAC shall be responsible, at no cost to City or the Master Lessee, for the installation or removal of all RAC Property, including antennas, kiosks, security equipment and signage, during any reallocation event.

2.1.11 Reallocation shall not require replacement of the attached initial allocation and location Exhibits E-1 – E-4, but shall be documented by Master Lessee's issuance to the RACs of up-dated City-approved allocation/location drawings by an addendum. Such addendum shall be effective as of a stated date in such addendum that is not less than fifteen (15) nor more than thirty (30) days from the date of its distribution to the RACs in the case of annual reallocations and not less than thirty (30) nor more than sixty (60) days from the date of its distribution to the RACs in the case of five- (5) and ten (10) year reallocations and relocations, if any. RACs shall each work to reduce customer disruption during reallocation events

3. Reallocation of Space: Reallocation of space shall be generally proportionate to Market Share of the RACs as described above. Reallocation of space shall be administered by Master Lessee with the approval and consent of City, which shall not be unreasonably denied or delayed. Confirm standard is acceptable to City.

3.1 In the event that Master Lessee and the RACs are unable to arrive at a mutually acceptable allocation or reallocation of space in any area of the CONRAC by the deadline in Section 2.1.11 above. Master Lessee shall present a final proposal to City for approval. If Master Lessee's final proposal is approved by City, such decision shall be final and binding on Master Lessee and RACs and not subject to further appeal. If Master Lessee's final proposal is not approved by City, Master Lessee shall modify it and resubmit the proposal for approval by City.

3.2 During the tenth (10th) Lease Agreement Year and twentieth (20th) Lease Agreement Year, all spaces in the CONRAC are subject to reallocation and relocation. Any New Entrants added during either the first or second ten (10) year term of the Master Lease shall be included in the reallocation of all spaces.

3.3 Ready/Return Space (Exhibit E-2). To avoid the cost of more frequent reallocation of Ready/Return Space, annual increases or decreases in the allocation of Storage Areas on Level 5, which is shared by all RACs, shall be used to maintain aggregate proportionality of parking spaces.

3.3.1 Beginning on day one (1) of the second Concession Agreement Year, and each year thereafter, deviations in the Market Share proportionality of Ready/Return Space allocations, shall be corrected by increases or decreases in allocated Level 5 Storage Spaces such that the combined total of Ready/Return Spaces and Storage Spaces of each RAC are as proportionate to Market Share as possible.

3.3.2 At five (5) year intervals from the Opening Date, Ready/Return Space shall be reallocated to generally meet Market Share percentages as reasonably practical without relocating any RAC to a different floor plate, or otherwise violating the principles stated in this Exhibit E.

3.3.3 General proportionality of space to Market Share is the goal of allocations of Levels 2, 3 and 4, but is not the goal on Level 5, except to the extent Levels 2, 3, and 4 Ready/Return Space proportionality is achieved every fifth (5th) year without need to use Level 5 Storage Space to correct for deviations. Allocation of all floors will be by full bays and lanes, rather than by dividing bays or lanes among RACs except within the initial New Entrant Areas.

3.4 Customer Service Building (Exhibit E-1). Market Share percentages shall be used to determine the relative percentage of counter space available to each RAC, however, no company (other than those in the New Entrant Areas) shall have less than twelve (12) linear feet of counter space and no incremental change in length of counter shall occur in increments of less than four (4) linear feet. Back office space shall roughly match, to the degree available, the proportion of linear counter space allocated to each RAC.

3.5 QTA Space (Exhibit E-3). Market Share percentages shall be the guideline for allocating QTA Space and facilities, keeping in mind there is a finite and reduced number of units of each type of space available for use in the QTA Facility. Except for initial New Entrants or as otherwise agreed, each RAC shall, to the extent possible, have and use fueling, and car wash allotments as stated in Section 2.1.7 (d) and (e). To the extent possible, RACs shall have designated car washes and fueling positions for security and direct control. As feasible, fuel dispensers and car washes shall be designated for use by specific companies during each QTA Space reallocation process. Small Market Share RACs and any New Entrants may be required to share car wash facilities and may be limited to a single fueling position/nozzle.

3.6 Storage Space on Level 5 (Exhibit E-4). Level 5 is for storage of ready/return vehicles and may not be used for employee-owned vehicles or any use incompatible with the Joint Use Facility.

4. New Entrants. New Entrants shall initially occupy, upon execution of a Concession Agreement and a Sublease Agreement, a shared area of space set aside as a New Entrant Area for operations within the CONRAC. If there are two (2) New Entrants, they shall share the space. If there is only one New Entrant, it shall be able to occupy one half of the New Entrant space until another new entrant qualifies to operate in the CONRAC.

4.1 At the end of the tenth 10th Lease Agreement Year, when all space within the CONRAC is reallocated and RACs can chose (or be required by an election of a larger Market Share RAC) to relocate, New Entrants shall fully participate in accordance with their Market Share pursuant to Section 2.1.3 herein.

5. Vacant Space: RACs who no longer have a Concession Agreement (whether by expiration, voluntary termination or termination by default or cross-default with another agreement) shall vacate the CONRAC immediately, and/or shall be evicted and removed, if necessary, in accordance with applicable Sublease Agreements. Vacant space shall be reallocated within thirty (30) days based upon the principles stated in this Exhibit E.

5.1 Master Lessee shall reallocate vacant Ready/Return Space, whether vacant due to departure of a RAC or due to the absence of one or more New Entrants, to the first RAC in Good Standing that agrees to sublease the space upon sequential offering of the space in the following priority order (1) to the RAC occupying a portion of the same floor plate and having the lowest ratio of Ready/Return Spaces to Storage Spaces of all RACs occupying that floor plate, (2) to each other RAC occupying a portion of that floor plate in the order of next lowest to highest ratio of Ready/Return Spaces to Storage Spaces, and (3) to each other subleasing RAC, regardless of the location of its subleased premises, in order of Market Share, from highest to lowest, all subject to the approval of City which shall not be unreasonably withheld, delayed or denied. If an RAC accepts vacant Ready/Return Space, its Pro Rata Share shall be recalculated based on its new total Exclusive Use Space, and its allocation of Storage Space on Level 5 shall thereby be reduced by one stall for each additional Ready/Return Space it receives, and Level 5 shall be reallocated.

5.2 Master Lessee shall endeavor to reallocate the vacated space within thirty (30) days. Master Lessee shall recalculate Pro Rata Shares for Rent and O&M Costs as necessary to account for the assumption of space.

5.3 If any vacated space is not reallocated within thirty (30) days of the date the same is vacated, City shall have the right to solicit an additional New Entrant to occupy the vacated space.

5.4 To collect sufficient funds to pay City all Rent and to cover all O&M Costs as required by the Master Lease, for any period of time during which any space is vacant that would otherwise be designated for Exclusive Use Premises, Master Lessee shall recalculate and increase proportionately the Pro Rata Share of Rent and O&M Costs due under the Sublease Agreements to account for and include the Pro Rata Share of Rent and O&M Costs attributable to the vacant space to the end that all Rent and O&M Costs obligations of Master Lessee under the Master Lease shall be apportioned to Exclusive Use Premises then covered by Sublease Agreements.

6. Rent and Costs of Reallocations

6.1 Rent. The Master Lessee is obligated to pay Rent in accordance with the terms of the Master Lease. Each RAC shall be responsible and pay Master Lessee for its Pro Rata Share of Rent, which rent may change from time to time and is subject to adjustment as provided in Section 5.2 or 5.4.

6.2 Costs of Reallocations. During any reallocation event described above, the following distribution of costs shall occur. To the extent that such costs are eligible for reimbursement from the CFC Surplus Fund, Master Lessee shall submit a written

request to City for reimbursement of such costs from the CFC Surplus Fund pursuant to Section 13.8 of the Master Lease. In the event the costs associated with the reallocations are not eligible for reimbursement from the CFC Surplus Fund or if there are insufficient funds in the CFC Surplus Fund to reimburse such costs, then

6.2.1 At each reallocation period for Ready/Return Areas and Level 5 Storage Areas, the Sublessees shall each pay for their own costs of reallocation.

6.2.2 Upon the reallocation of space for the CSB and the QTA Facility, as well as any floor plate changes hereunder, subject to eligibility and availability of funds in the Repair and Replacement Fund to pay for the space changes, any unfunded costs shall be the expense of the relocating RACs which shall bear their own costs of relocation so that no non-moving RAC will be required to pay the costs of moving another RAC.

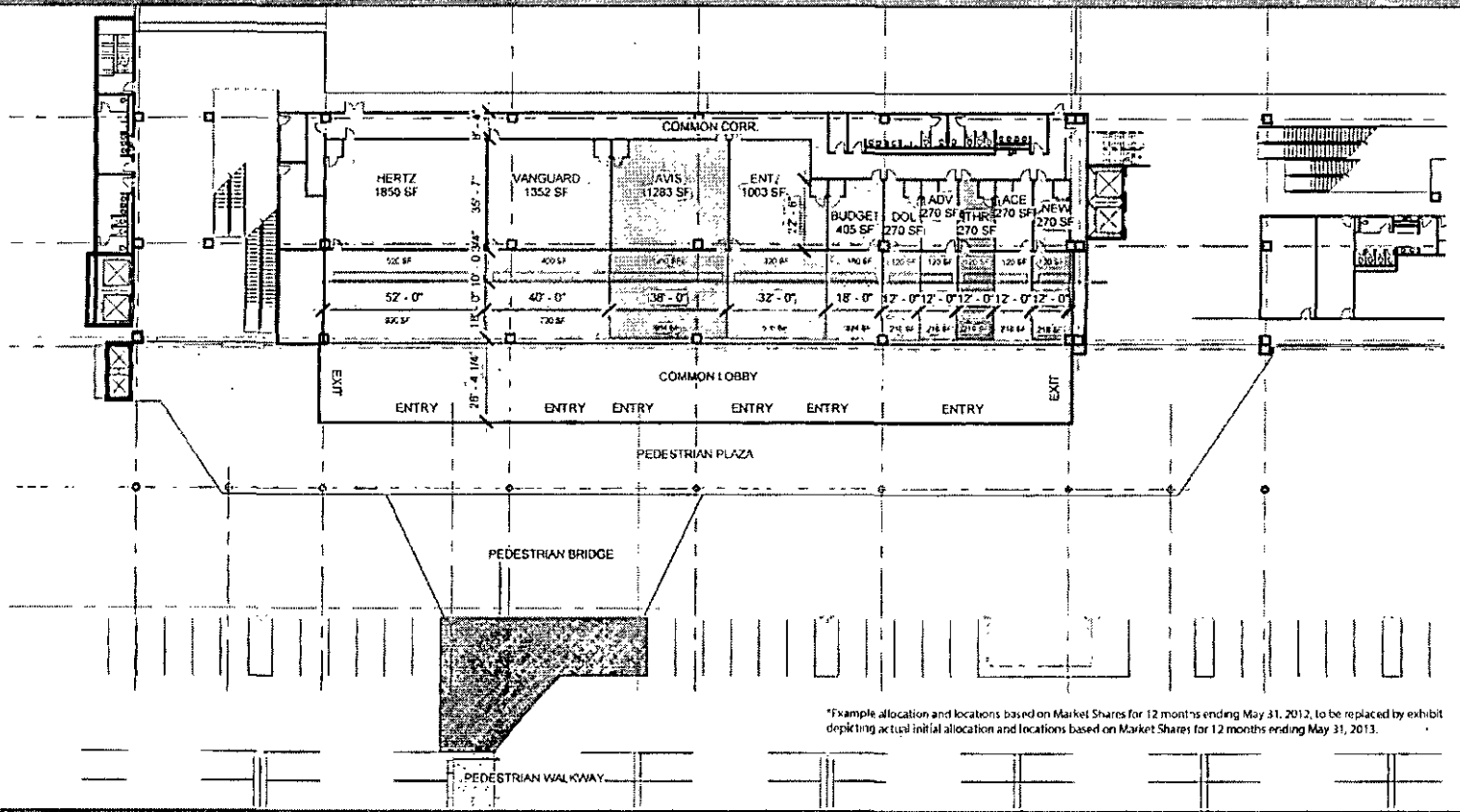
6.2.3 Two (2) or more RACs may agree to exchange space, spaces or locations during the Sublease Term. In any such event, the individual costs of such changes shall be borne by the RACs incurring the costs. Prior approval by the Master Lessee is required.

6.2.4 If in the tenth (10th) Sublease Agreement Year of the Sublease Agreements, a floor plate relocation is required to meet the Market Share formula for distribution of space, if eligible for reimbursement from the Repair and Replacement Fund, the Master Lessee shall submit a written request to City for reimbursement of such costs from the Repair and Replacement Fund pursuant to Section 12.7 of the Master Lease. In the event such costs are not eligible for reimbursement from the Repair and Replacement Fund or if there are insufficient funds in the Repair and Replacement Fund to reimburse such costs, then the costs shall be borne by the affected RACs.

6.2.5 In adding New Entrants to operate within the CONRAC after the tenth (10th) Lease Agreement Year, if there is insufficient room due to the car rental market growth, Master Lessee may request that City approve discretionary disbursement from either from the CFC Surplus Fund or the Repair and Replacement Fund or approve the sale of Additional Bonds or use of other funding available to City, sufficient to make infrastructure changes for, or the creation of, additional space in the CONRAC to accommodate New Entrants without diminishing the operating space of the then existing incumbent RACs and to effect the reallocation and relocation of RACs for the subsequent ten (10) year period. If City determines that such costs are not eligible for reimbursement from the Repair and Replacement Fund or the CFC Surplus Fund or if eligible, but sufficient funds are not available in the Repair and Replacement Fund or the CFC Surplus Fund or not available through the issuance of Additional Bonds, then Master Lessee shall be not be responsible for such costs.

EXHIBIT E-1

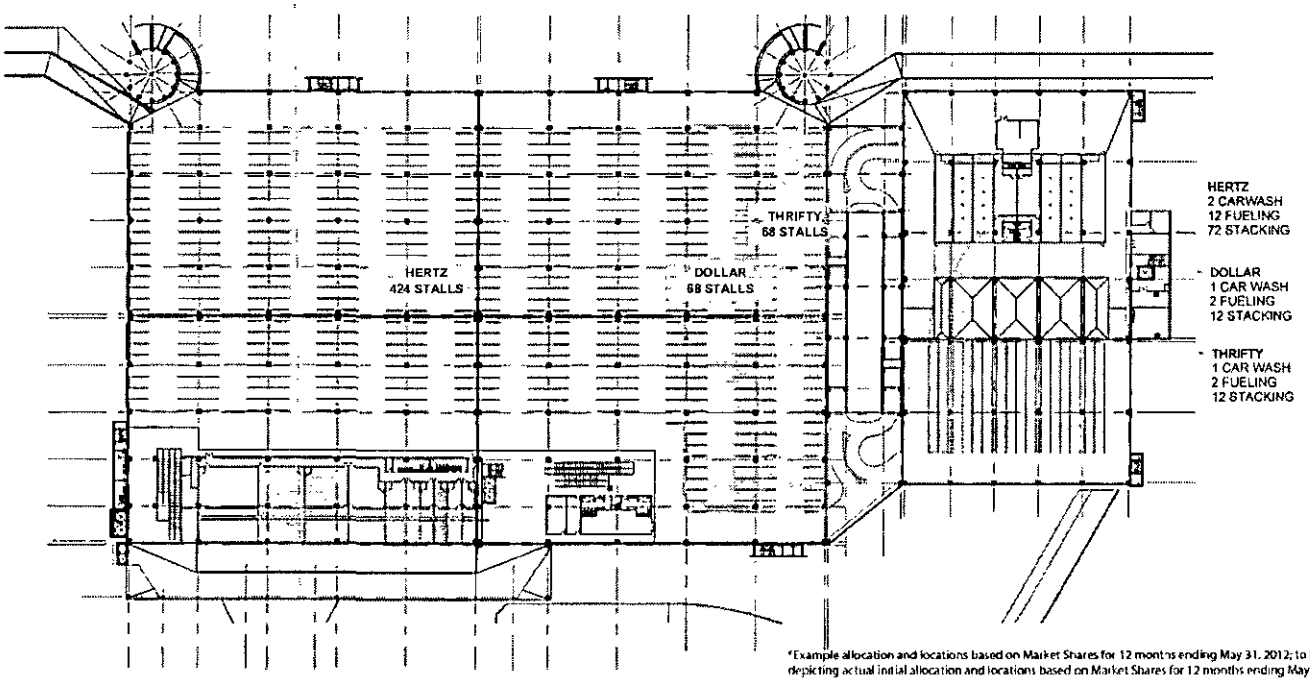
CSB ALLOCATION FLOOR PLAN



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012, to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

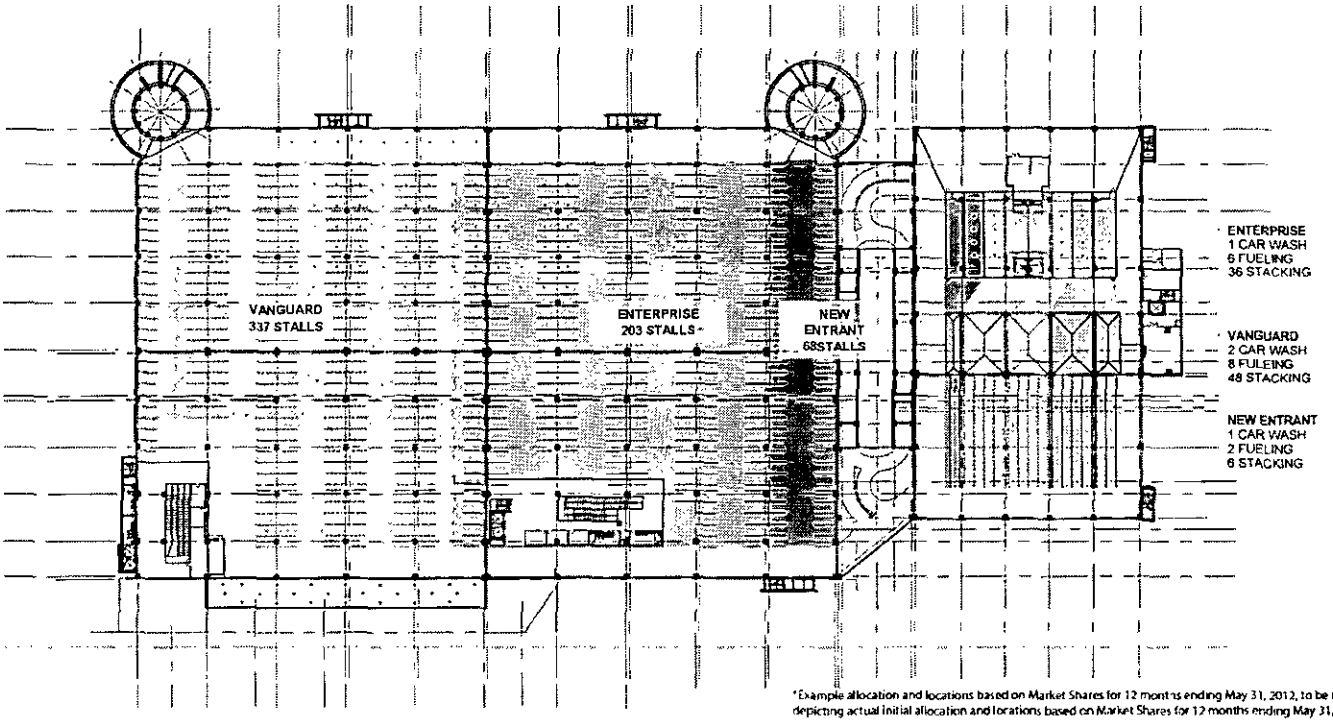
EXHIBIT E-2

ALLOCATION SCHEME A*



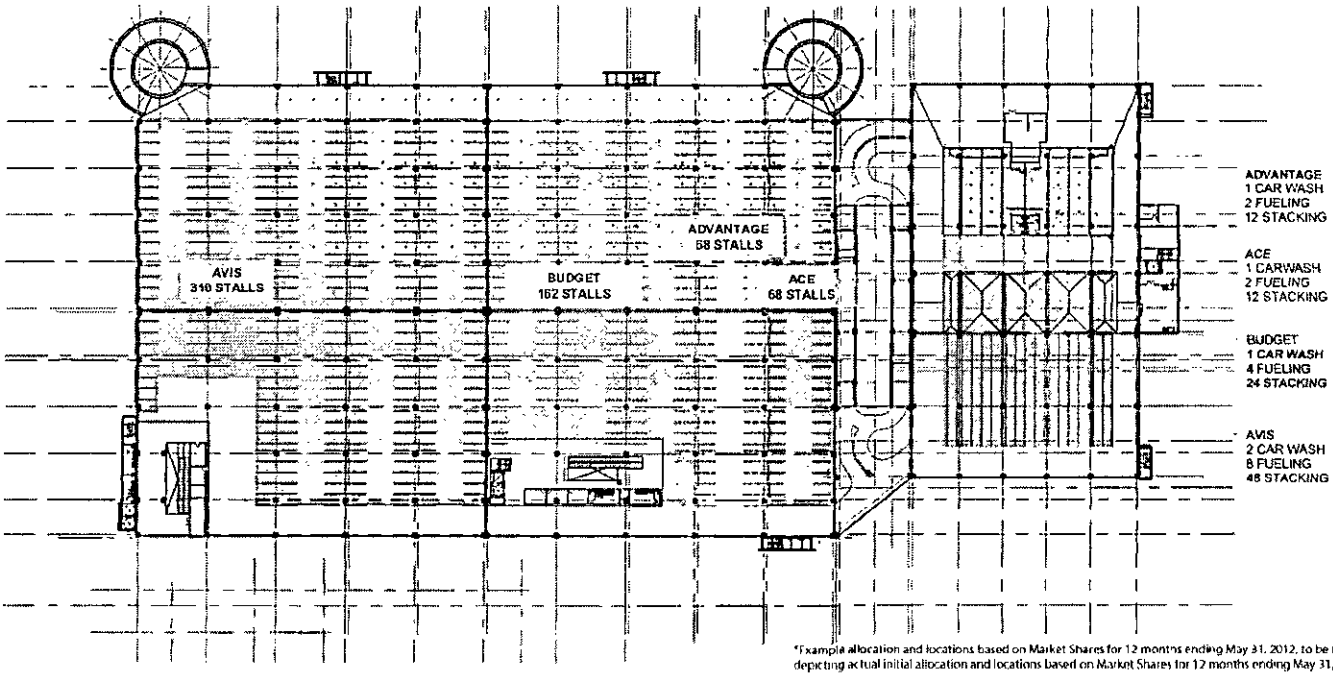
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012, to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

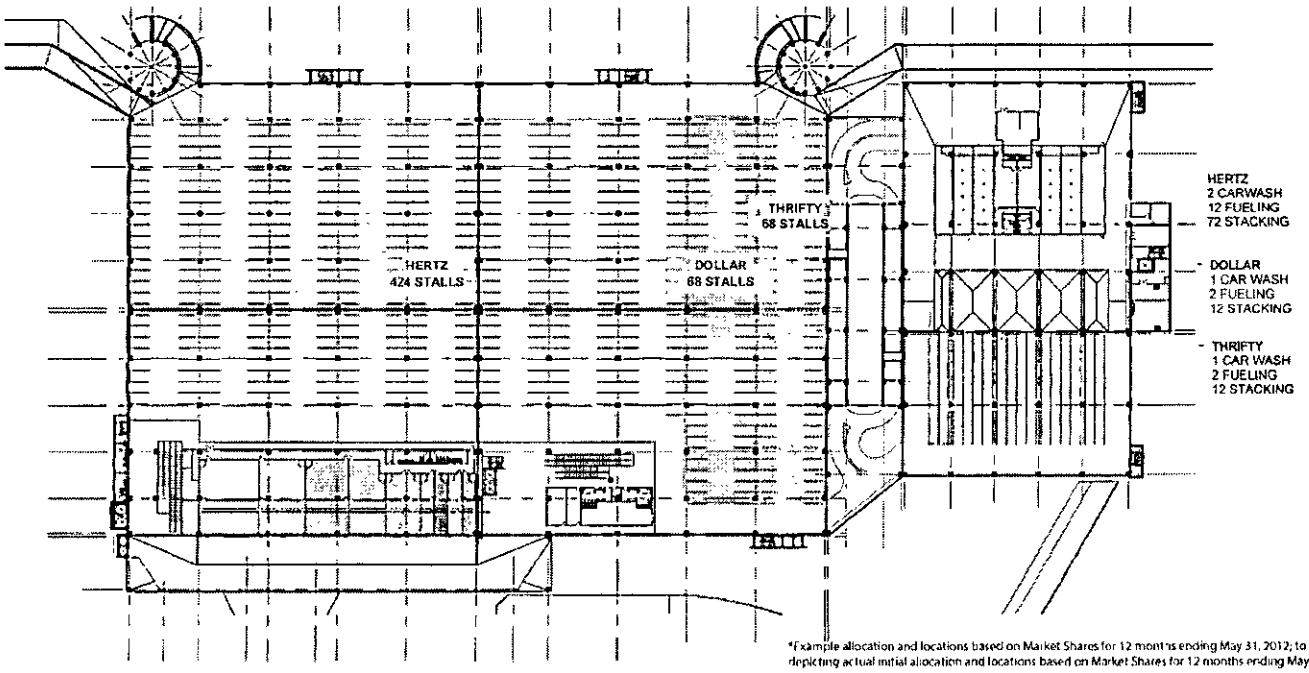
ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012, to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

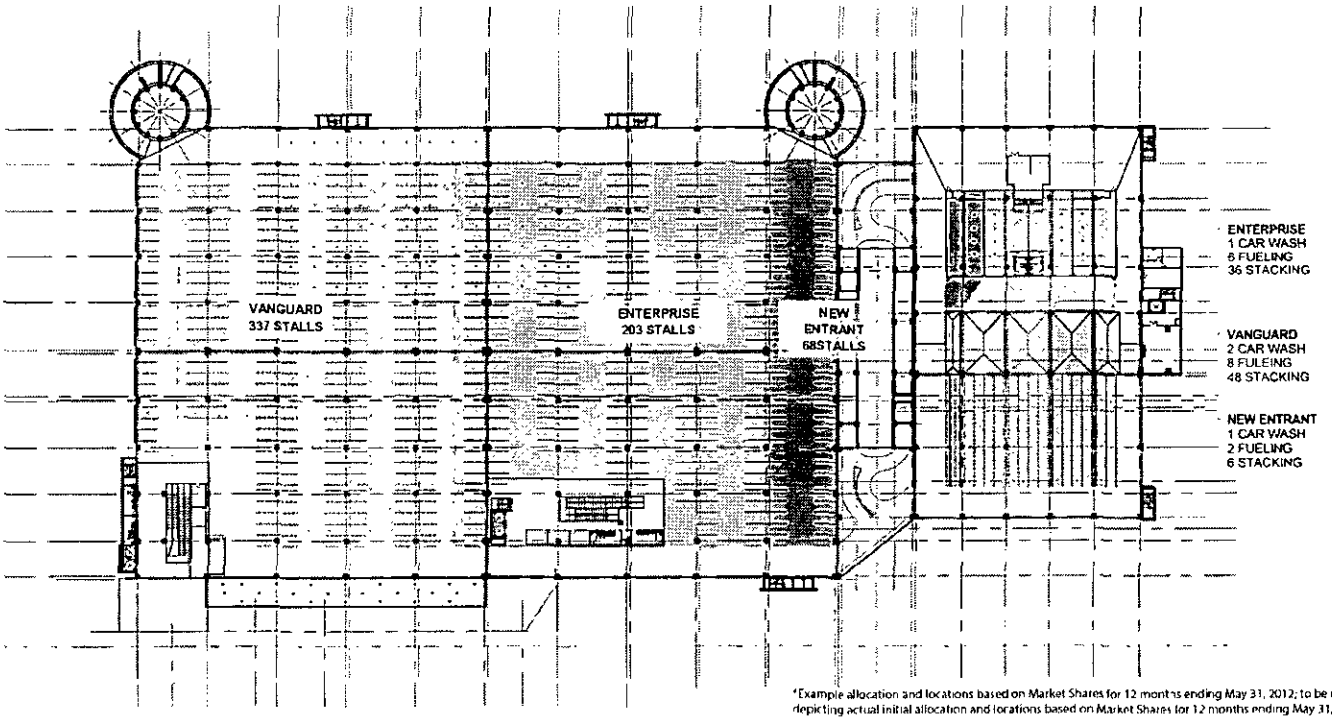
EXHIBIT E-3

ALLOCATION SCHEME A



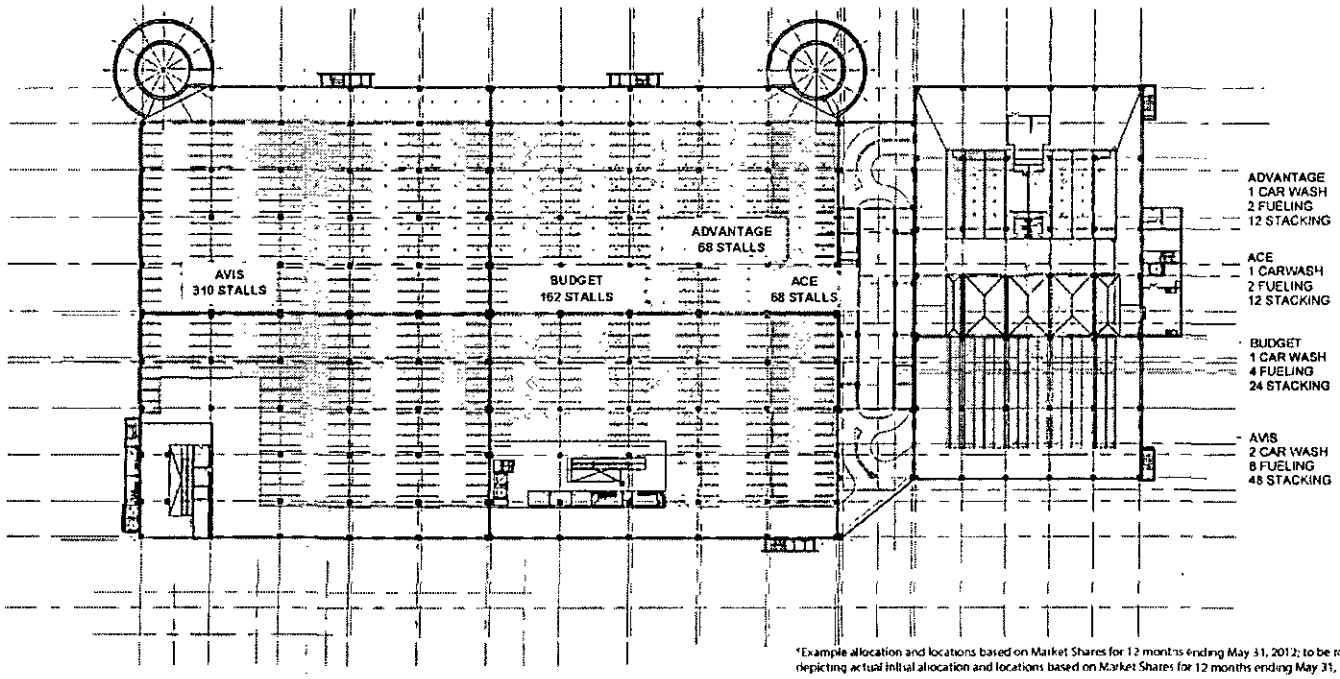
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

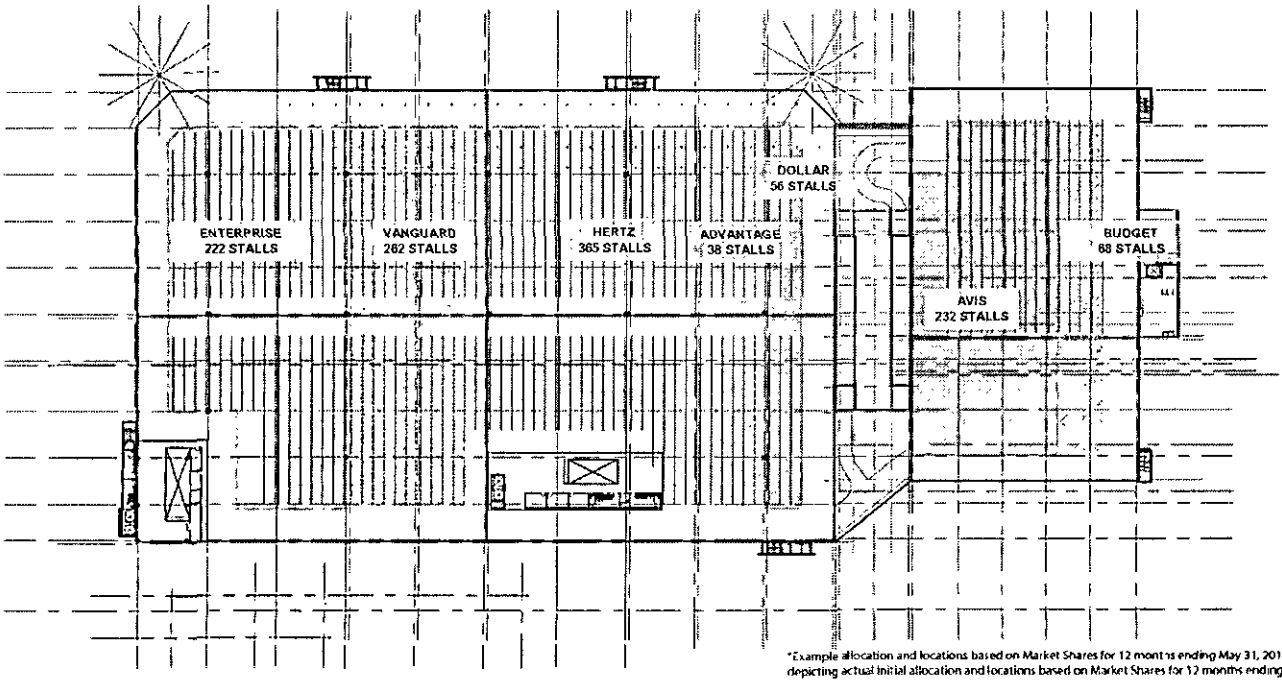
ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

EXHIBIT E-4

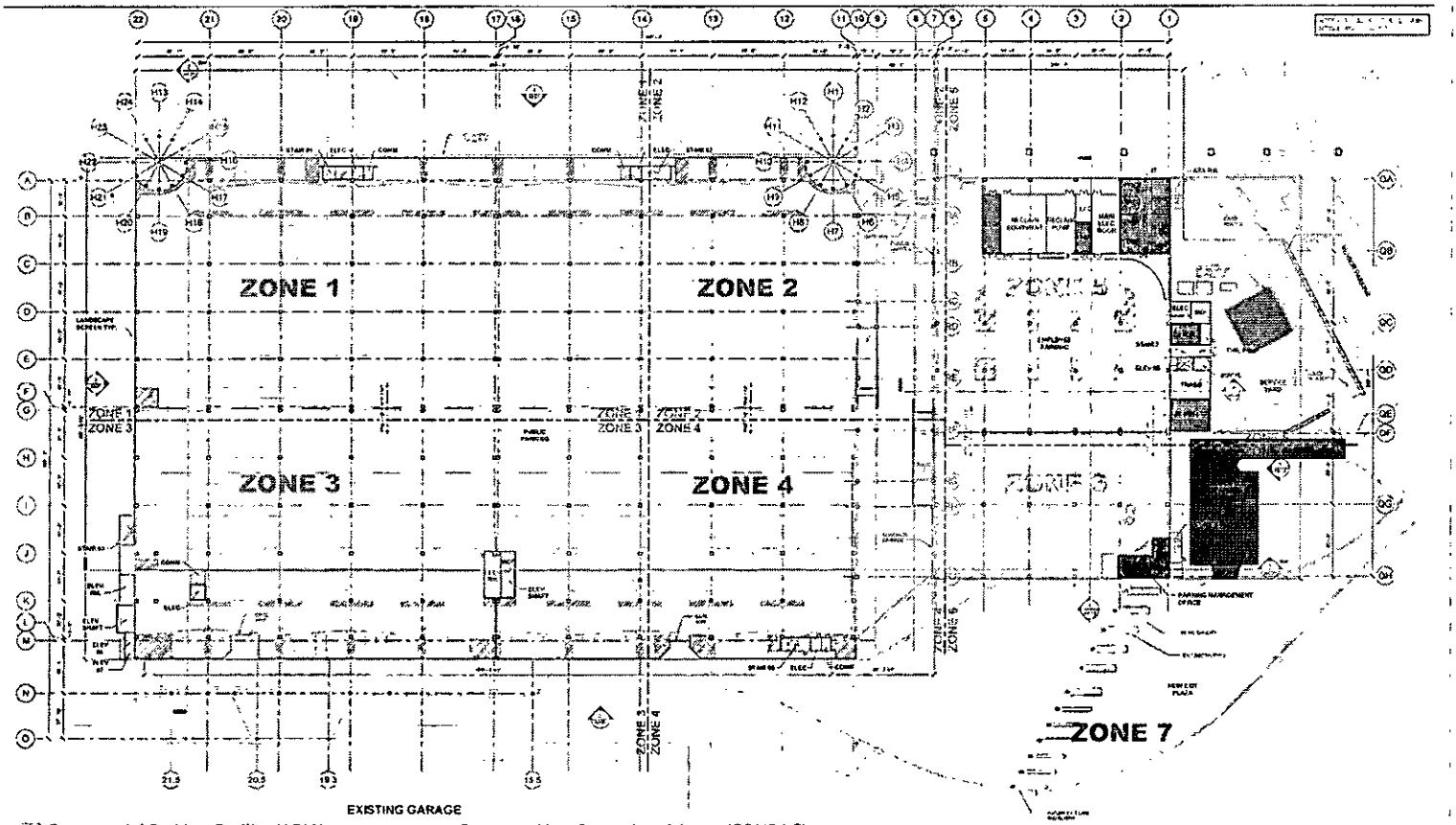
ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

EXHIBIT H

DEPICTION OF DESIGNATED AREAS AND SPACES IN JOINT USE FACILITY



- Commercial Parking Facility (ABIA)
- Parking Management Office (ABIA)
- Exclusive Areas (CONRAC)
- Common Use Areas (public areas) (CONRAC)
- Common Use Operational Areas (CONRAC)
- Reserved Area (CONRAC)
- IDF Rooms (ABIA)

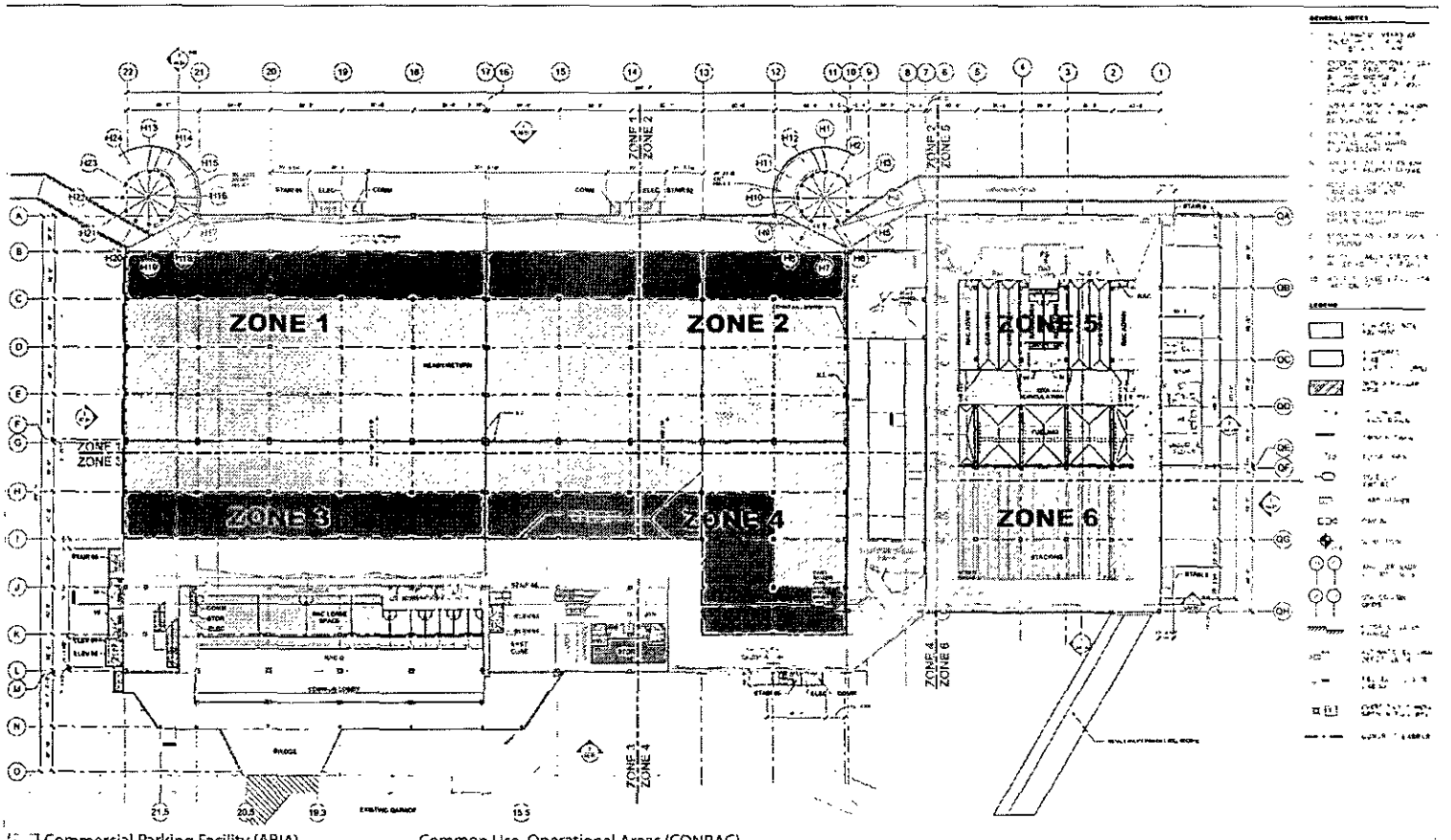
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

GROUND LEVEL OVERALL FLOOR PLAN

A2.10



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

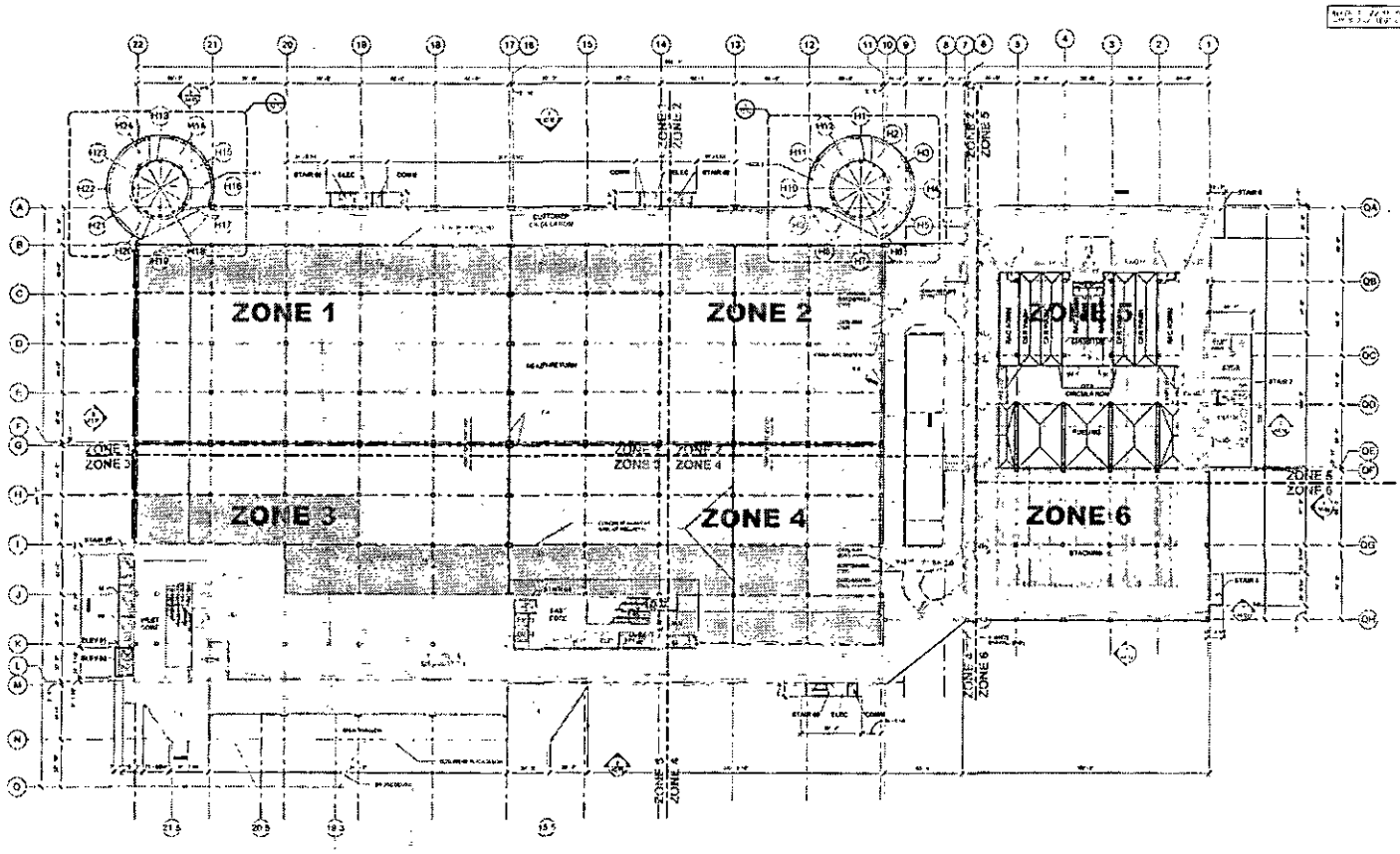
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

2ND LEVEL OVERALL FLOOR PLAN

A2.20



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

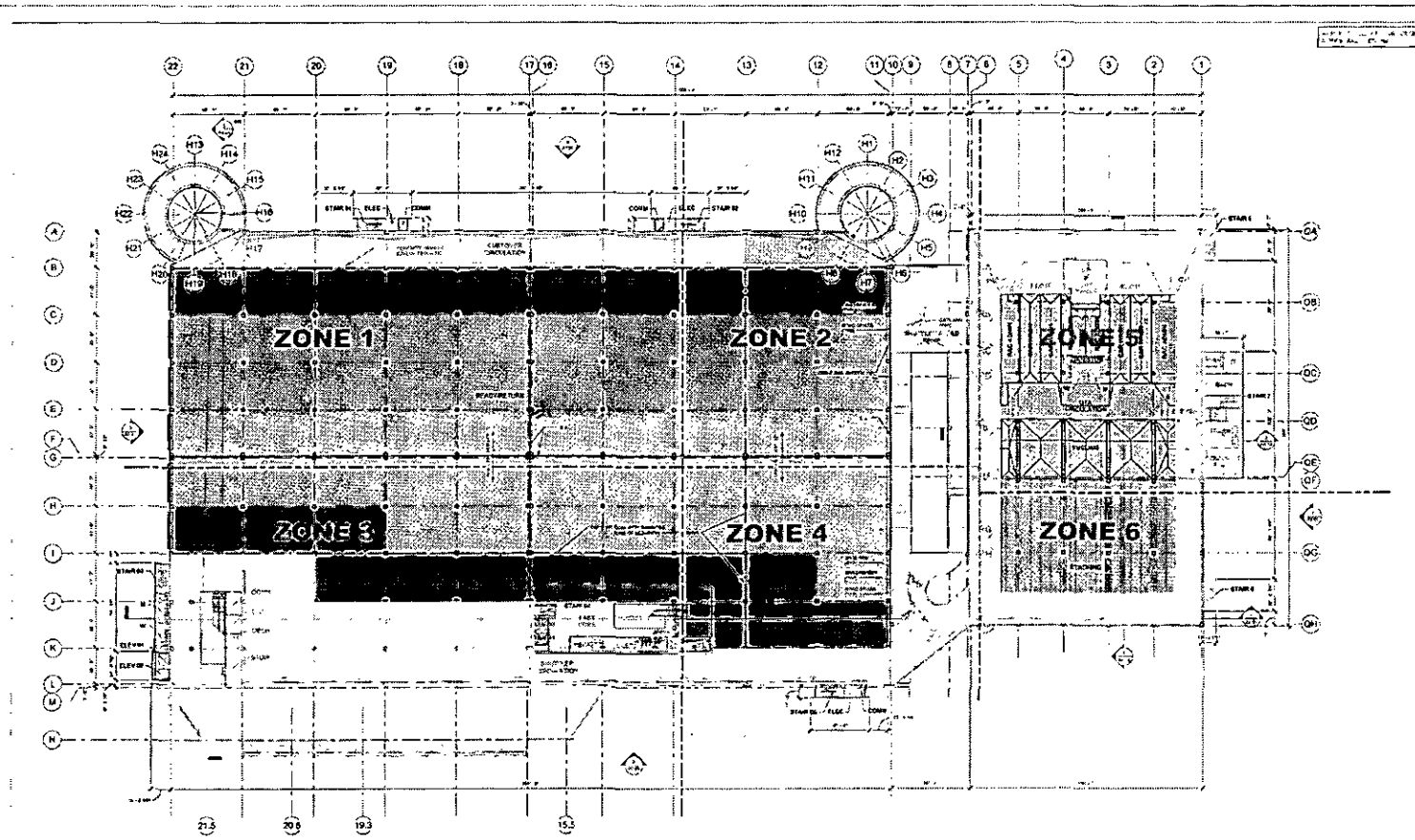
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

3RD LEVEL OVERALL FLOOR PLAN

A2.30



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

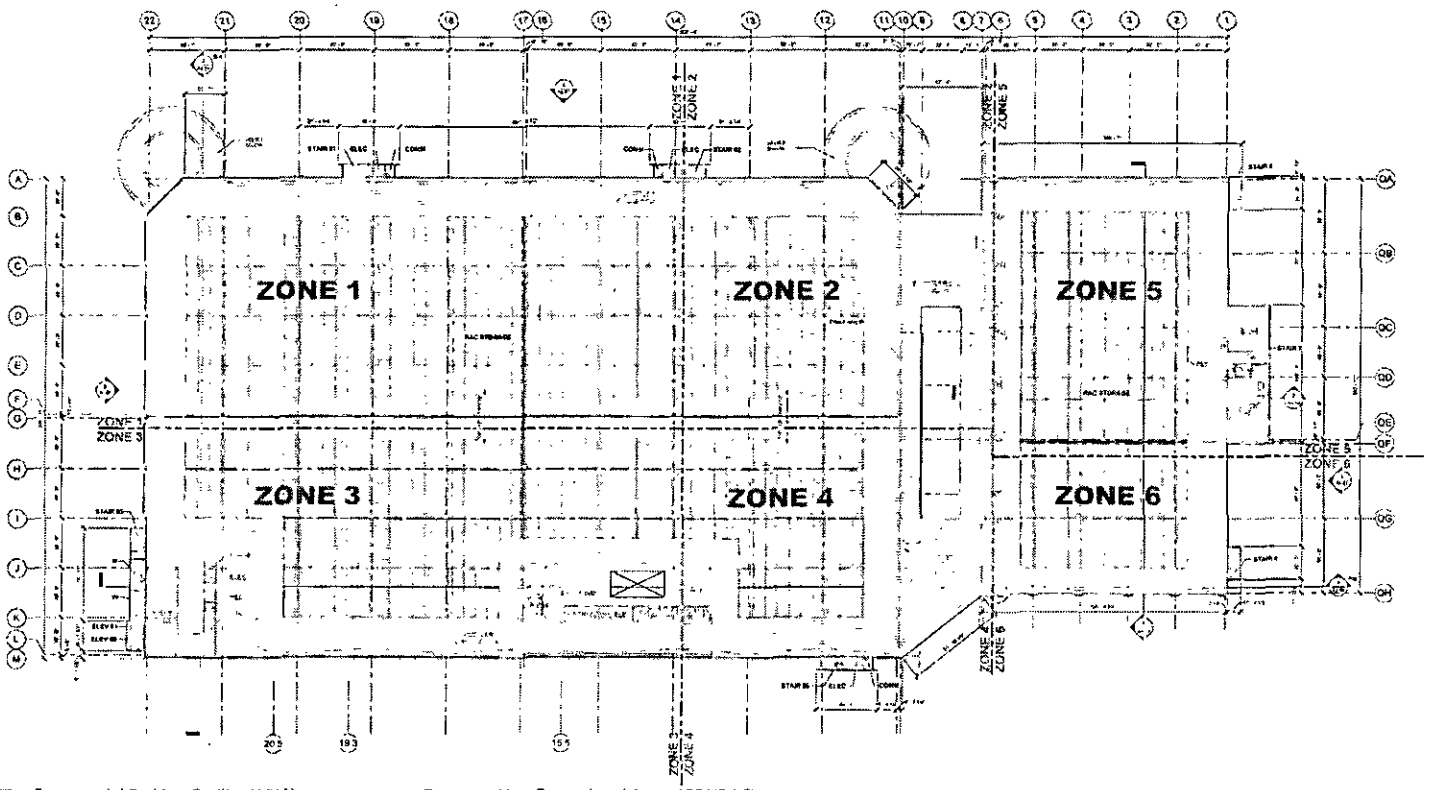
100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

4TH LEVEL OVERALL FLOOR PLAN

A2.40



Commercial Parking Facility (ABIA)
Parking Management Office (ABIA)
Exclusive Areas (CONRAC)
Common Use Areas (public areas) (CONRAC)
Common Use Operational Areas (CONRAC)
Reserved Area (CONRAC)
IDF Rooms (ABIA)

100% DESIGN DEVELOPMENT SUBMITTAL

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

AUSTIN-BERGSTROM
INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY

5TH LEVEL OVERALL FLOOR PLAN

A2.50

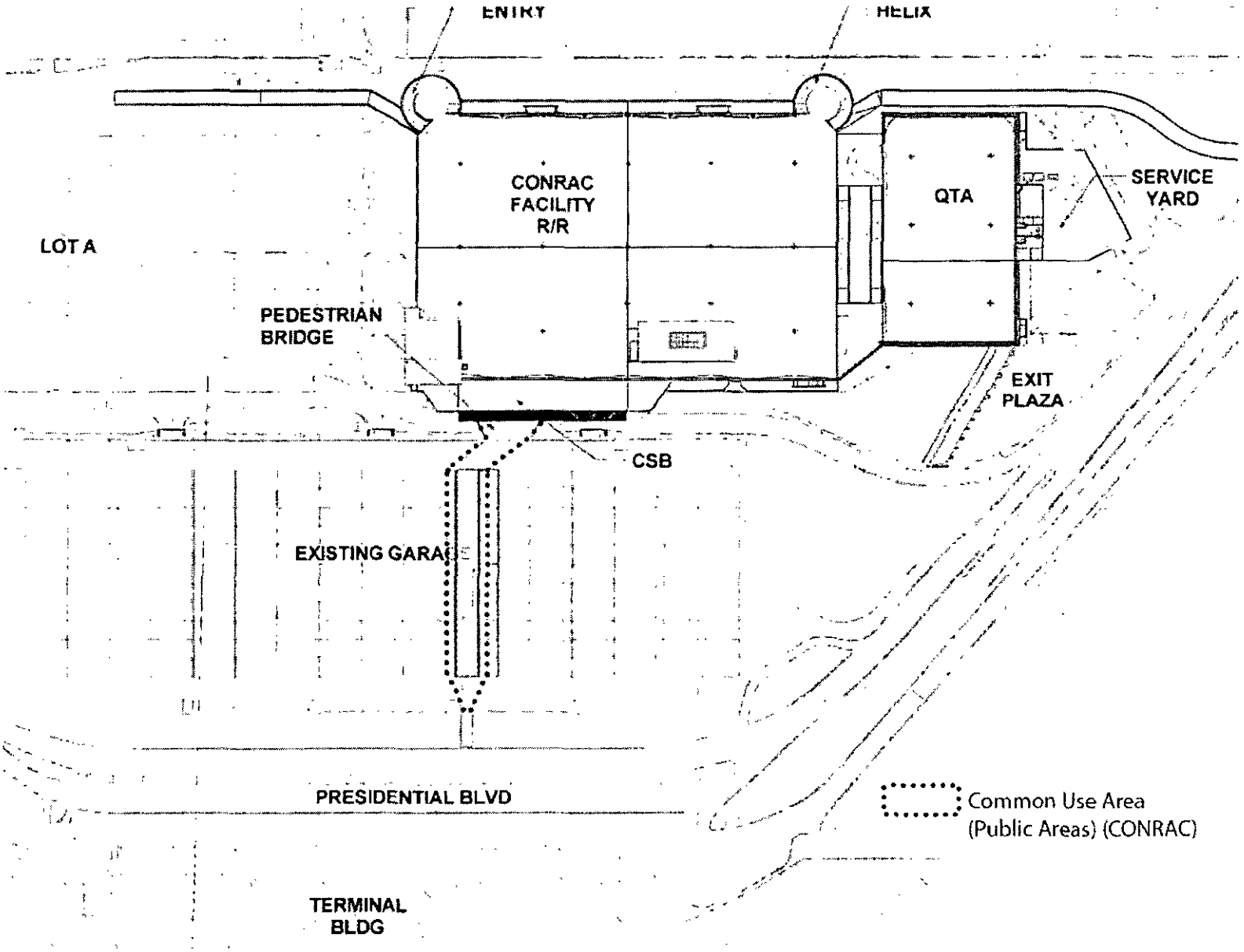

ENTRY
HELIX
CONRAC
FACILITY
R/R
QTA
SERVICE
YARD
LOT A
PEDESTRIAN
BRIDGE
EXIT
PLAZA
CSB
EXISTING GARAGE
PRESIDENTIAL BLVD
TERMINAL
BLDG
Common Use Area
(Public Areas) (CONRAC)

EXHIBIT I

SPACE LOCATION, ALLOCATION AND REALLOCATION METHODOLOGY

This Exhibit I is attached to and made a part of the Master Lease and shall be an attachment to each Sublease Agreement with each RAC to identify the location and size of the RACs' initial Exclusive Use Premises in the CONRAC and to bind each RAC to the terms of this Exhibit I. All terms in this Exhibit I not otherwise defined herein shall have the meanings set forth in the Master Glossary attached to the Master Lease and each Sublease Agreement as Attachment 1.

1. Initial Space Location and Allocation. As of the Effective Date, the Parties to the Master Lease and to all Sublease Agreements to be executed more or less contemporaneously with the Master Lease agree that the initial location and allocations of space in the CONRAC have been determined by negotiation among all the parties and that each RAC is leasing space generally proportionate to its Market Share, with accepted variations based on practical considerations relating to layout of the CONRAC and the number and size of various units of allocation (*e.g.* Ready/Return Space, CONRAC Counter Space, Storage Space, QTA Space and Fuel Facilities). The initial location of the Subleased Premises where each initial RAC shall operate its Rental Car Concession is shown on the attached color copies of Exhibits "I-1," "I-2," "I-3," and "I-4" attached hereto and made a part hereof, and will be revised on or before May 31, 2013 and incorporated into each Sublease Agreement by amendment, subject to approval by City.

   1.1. On Exhibit H to the Master Lease, a portion of the CONRAC is specifically designated to provide lease space for up to two (2) New Entrants ("New Entrant Areas"). The New Entrant Area for the first ten (10) years after the Opening Date consists of one shared Ready/Return bay, one shared car wash bay and shared use of two designated fueling positions/nozzles and vacuums in the QTA Facility, twelve (12) linear feet of shared counter space and corresponding office space in the Customer Service Building ("CSB") and any storage space on the 5th floor of the CONRAC ("Level 5") necessary to bring total New Entrant stalls to that percentage of the stalls in the CONRAC proportionate to the New Entrant's (or Entrants') Market Share, and Master Lessee shall reserve or arrange for comparable New Entrant Areas for up to two (2) additional New Entrants during the second ten (10) years of the Lease Term City shall have the right to award up to two (2) Rental Car Concessions to New Entrants during the first ten (10) years of the Lease Term and up to two (2) additional New Entrants during the second ten (10) years of the Lease Term. Any and all New Entrants added during a particular ten (10) year Lease Term shall share the New Entrant space through the end of that ten (10) year Lease Term, regardless of the number of years remaining in that that period of Lease Term.

2. The Exclusive Use Areas depicted as to their initial location and the allocation in the Attachments, shall be reallocated on the following frequencies:

Exhibit	Type of Space/ Area	Allocation or Location	Annually	Every Five Years	Every Ten Years
I-1	Customer Service Building CONRAC Counter Space	Allocation			X
		Location			X
	Customer Service Building Office Space	Allocation			X
		Location			X
I-2	Ready/Return Areas	Allocation		X	X
		Location			X
I-3	QTA Space	Allocation		X	X
		Location			X
I-4	Level 5 Storage Areas	Allocation	X	X	X
		Location		X	X

2.1 Certain principles have been agreed to and shall be taken into consideration in the initial allocation and future reallocations of subleased space within the CONRAC including, without limitation, the following:

2.1.1 Space shall be reallocated generally along Market Share lines based on each RAC's payment of Concession Fees to City as a percentage of all RAC Concession Fees paid to City for the twelve (12) consecutive calendar months ending sixty (60) days before the scheduled date of reallocation according to the frequencies above.

2.1.2 The frequency for all reallocations and relocations shall run on a Concession Agreement Year basis, starting on the Opening Date.

2.1.3 Whenever there is a requirement to make a new allocation determination and to provide an opportunity to the RACs to select additional or different space, the order of selection shall be by a Market Share with the RAC/Concessionaire with the largest Market Share having the first choice, the second largest Market Share having the second choice, etc. The RAC with the smallest Market Share shall choose last. All RAC selections must

be guided by the principles and limitations stated in this Exhibit I and are subject to review and adjustment by Master Lessee to better satisfy these principles which assumes one RAC for each existing Concession Agreement and subject to re-evaluation otherwise.

2.1.4 No RAC may build any Initial Tenant Improvements or any other improvements that Master Lessee and City have not approved in writing or that is likely to cause unnecessary expense to another company when required to move during a reallocation of space.

2.1.5 No RAC may build any tenant improvement that Master Lessee determines would prohibit or unreasonably impair the visibility of a neighboring RAC's directional signage or kiosks or build on common walkways available to all customers of the facility.

2.1.6 Each RAC shall occupy its initially allocated Exclusive Use Premises until reallocation, and reallocated space thereafter until each subsequent reallocation.

2.1.7 Except as approved by Master Lessee, which approval shall not be unreasonably withheld or delayed, no RAC shall have Ready/Return Space on more than one (1) floor plate nor have direct customer access from the elevator banks on more than one (1) floor plate. Unless otherwise agreed by the affected RACs, each RAC's Exclusive Use Premises, other than the initial New Entrant Areas, shall have

(a) At least twelve (12) linear feet of frontage counter space;

(b) Not less than one (1) Ready/Return bay and no partial Ready/Return bays or Ready/Return bays separated from each other;

(c) Ready/Return Space reasonably close to an elevator/escalator core;

(d) At least one (1) car wash, except that a RAC with less than five percent (5%) Market Share (a "Small Market Share RAC") may be required to share a car wash with one or more other Small Market Share RAC; and

(e) At least two (2) fueling positions/nozzles.

2.1.8 Nothing in this Exhibit I shall prevent two (2) or more RACs from adjusting Ready/Return Space or Storage Space by mutual agreement as long as the adjustment does not adversely affect traffic on a floor plate, overload the QTA Space, or adversely affect customer flow or operation of the CONRAC, is approved in advance by Master Lessee, and all costs are fully paid for by the RACs that are party to the mutual agreement.

Master Lessee shall provide written notice to City no later than ten (10) days of Master Lessee's approval of such adjustment.

2.1.9 Customer access to Level 5 is limited and customer presence is prohibited. Retail operations shall not occur on Level 5 unless, and until, City, Master Lessee and all RACs agree in writing to an amendment to this provision.

2.1.10 Each RAC shall be responsible, at no cost to City or the Master Lessee, for the installation or removal of all RAC Property, including antennas, kiosks, security equipment and signage, during any reallocation event.

2.1.11 Reallocation shall not require replacement of the attached initial allocation and location Exhibits I-1 – I-4, but shall be documented by Master Lessee's issuance to the RACs of up-dated City-approved allocation/location drawings by an addendum. Such addendum shall be effective as of a stated date in such addendum that is not less than fifteen (15) nor more than thirty (30) days from the date of its distribution to the RACs in the case of annual reallocations and not less than thirty (30) nor more than sixty (60) days from the date of its distribution to the RACs in the case of five (5) and ten (10) year reallocations and relocations, if any. RACs shall each work to reduce customer disruption during reallocation events

3. Reallocation of Space: Reallocation of space shall be generally proportionate to Market Share of the RACs as described above. Reallocation of space shall be administered by Master Lessee with the approval and consent of City, which shall not be unreasonably denied or delayed. Confirm standard is acceptable to City.

3.1 In the event that Master Lessee and the RACs are unable to arrive at a mutually acceptable allocation or reallocation of space in any area of the CONRAC by the deadline in Section 2.1.11 above. Master Lessee shall present a final proposal to City for approval. If Master Lessee's final proposal is approved by City, such decision shall be final and binding on Master Lessee and RACs and not subject to further appeal. If Master Lessee's final proposal is not approved by City, Master Lessee shall modify it and resubmit the proposal for approval by City.

3.2 During the tenth (10th) Lease Agreement Year and twentieth (20th) Lease Agreement Year, all spaces in the CONRAC are subject to reallocation and relocation. Any New Entrants added during either the first or second ten (10) year term of the Master Lease shall be included in the reallocation of all spaces.

3.3 Ready/Return Space (Exhibit I-2). To avoid the cost of more frequent reallocation of Ready/Return Space, annual increases or decreases in the allocation of Storage Areas on Level 5, which is shared by all RACs, shall be used to maintain aggregate proportionality of parking spaces.

3.3.1 Beginning on day one (1) of the second Concession Agreement Year, and each year thereafter, deviations in the Market Share proportionality of Ready/Return Space allocations, shall be corrected by increases or decreases in allocated Level 5 Storage Spaces such that the combined total of Ready/Return Spaces and Storage Spaces of each RAC are as proportionate to Market Share as possible.

3.3.2 At five (5) year intervals from the Opening Date, Ready/Return Space shall be reallocated to generally meet Market Share percentages as reasonably practical without relocating any RAC to a different floor plate, or otherwise violating the principles stated in this Exhibit I.

3.3.3 General proportionality of space to Market Share is the goal of allocations of Levels 2, 3 and 4, but is not the goal on Level 5, except to the extent Levels 2, 3, and 4 Ready/Return Space proportionality is achieved every fifth (5th) year without need to use Level 5 Storage Space to correct for deviations. Allocation of all floors will be by full bays and lanes, rather than by dividing bays or lanes among RACs except within the initial New Entrant Areas.

3.4 Customer Service Building (Exhibit I-1). Market Share percentages shall be used to determine the relative percentage of counter space available to each RAC, however, no company (other than those in the New Entrant Areas) shall have less than twelve (12) linear feet of counter space and no incremental change in length of counter shall occur in increments of less than four (4) linear feet. Back office space shall roughly match, to the degree available, the proportion of linear counter space allocated to each RAC.

3.5 QTA Space (Exhibit I-3). Market Share percentages shall be the guideline for allocating QTA Space and facilities, keeping in mind there is a finite and reduced number of units of each type of space available for use in the QTA Facility. Except for initial New Entrants or as otherwise agreed, each RAC shall, to the extent possible, have and use fueling, and car wash allotments as stated in Section 2.1.7 (d) and (e). To the extent possible, RACs shall have designated car washes and fueling positions for security and direct control. As feasible, fuel dispensers and car washes shall be designated for use by specific companies during each QTA Space reallocation process. Small Market Share RACs and any New Entrants may be required to share car wash facilities and may be limited to a single fueling position/nozzle.

3.6 Storage Space on Level 5 (Exhibit I-4). Level 5 is for storage of ready/return vehicles and may not be used for employee-owned vehicles or any use incompatible with the Joint Use Facility

4. New Entrants. New Entrants shall initially occupy, upon execution of a Concession Agreement and a Sublease Agreement, a shared area of space set aside as a New Entrant

Area for operations within the CONRAC. If there are two (2) New Entrants, they shall share the space. If there is only one New Entrant, it shall be able to occupy one half of the New Entrant space until another new entrant qualifies to operate in the CONRAC.

4.1 At the end of the tenth 10th Lease Agreement Year, when all space within the CONRAC is reallocated and RACs can chose (or be required by an election of a larger Market Share RAC) to relocate, New Entrants shall fully participate in accordance with their Market Share pursuant to Section 2.1.3 herein.

5. Vacant Space: RACs who no longer have a Concession Agreement (whether by expiration, voluntary termination or termination by default or cross-default with another agreement) shall vacate the CONRAC immediately, and/or shall be evicted and removed, if necessary, in accordance with applicable Sublease Agreements. Vacant space shall be reallocated within thirty (30) days based upon the principles stated in this Exhibit I.

5.1 Master Lessee shall reallocate vacant Ready/Return Space, whether vacant due to departure of a RAC or due to the absence of one or more New Entrants, to the first RAC in Good Standing that agrees to sublease the space upon sequential offering of the space in the following priority order (1) to the RAC occupying a portion of the same floor plate and having the lowest ratio of Ready/Return Spaces to Storage Spaces of all RACs occupying that floor plate, (2) to each other RAC occupying a portion of that floor plate in the order of next lowest to highest ratio of Ready/Return Spaces to Storage Spaces, and (3) to each other subleasing RAC, regardless of the location of its subleased premises, in order of Market Share, from highest to lowest, all subject to the approval of City which shall not be unreasonably withheld, delayed or denied. If an RAC accepts vacant Ready/Return Space, its Pro Rata Share shall be recalculated based on its new total Exclusive Use Space, and its allocation of Storage Space on Level 5 shall thereby be reduced by one stall for each additional Ready/Return Space it receives, and Level 5 shall be reallocated.

5.2 Master Lessee shall endeavor to reallocate the vacated space within thirty (30) days. Master Lessee shall recalculate Pro Rata Shares for Rent and O&M Costs as necessary to account for the assumption of space.

5.3 If any vacated space is not reallocated within thirty (30) days of the date the same is vacated, City shall have the right to solicit an additional New Entrant to occupy the vacated space.

5.4 To collect sufficient funds to pay City all Rent and to cover all O&M Costs as required by the Master Lease, for any period of time during which any space is vacant that would otherwise be designated for Exclusive Use Premises, Master Lessee shall recalculate and increase proportionately the Pro Rata Share of Rent and O&M Costs due under the Sublease Agreements to account for and include the Pro Rata Share of Rent and O&M Costs attributable to the vacant space to the end that all Rent and O&M Costs obligations of Master Lessee under the Master

Lease shall be apportioned to Exclusive Use Premises then covered by Sublease Agreements.

6. Rent and Costs of Reallocations

6.1 Rent. The Master Lessee is obligated to pay Rent in accordance with the terms of the Master Lease. Each RAC shall be responsible and pay Master Lessee for its Pro Rata Share of Rent, which rent may change from time to time and is subject to adjustment as provided in Section 5.2 or 5.4.

6.2 Costs of Reallocations. During any reallocation event described above, the following distribution of costs shall occur. To the extent that such costs are eligible for reimbursement from the CFC Surplus Fund, Master Lessee shall submit a written request to City for reimbursement of such costs from the CFC Surplus Fund pursuant to Section 13.8 of the Master Lease. In the event the costs associated with the reallocations are not eligible for reimbursement from the CFC Surplus Fund or if there are insufficient funds in the CFC Surplus Fund to reimburse such costs, then

6.2.1 At each reallocation period for Ready/Return Areas and Level 5 Storage Areas, the Concessionaires shall each pay for their own costs of reallocation.

6.2.2 Upon the reallocation of space for the CSB and the QTA Facility, as well as any floor plate changes hereunder, subject to eligibility and availability of funds in the Repair and Replacement Fund to pay for the space changes, any unfunded costs shall be the expense of the relocating RACs which shall bear their own costs of relocation so that no non-moving RAC will be required to pay the costs of moving another RAC.

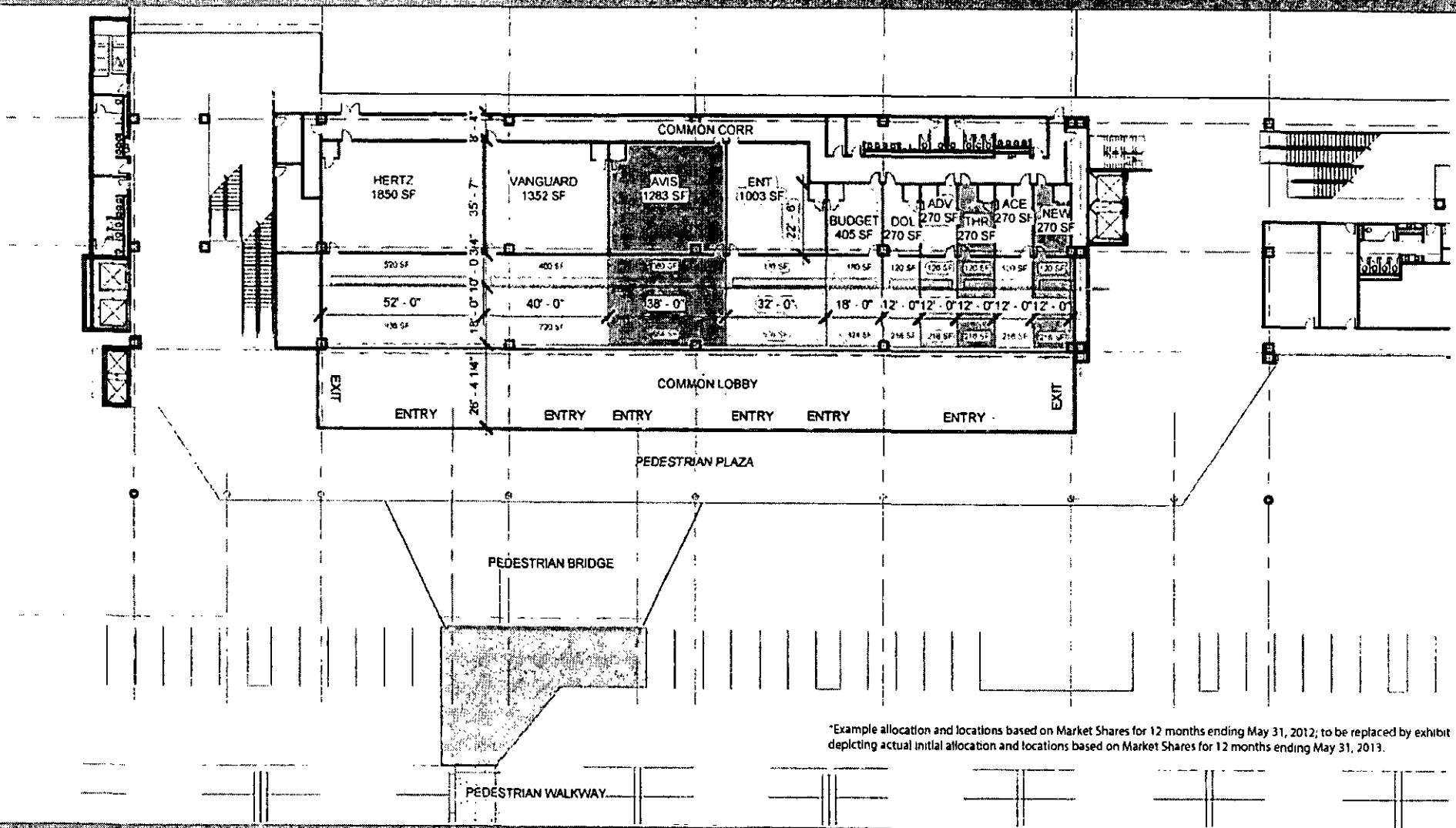
6.2.3 Two (2) or more RACs may agree to exchange space, spaces or locations during the Sublease Term. In any such event, the individual costs of such changes shall be borne by the RACs incurring the costs. Prior approval by the Master Lessee is required.

6.2.4 If in the tenth (10th) Sublease Agreement Year of the Sublease Agreements, a floor plate relocation is required to meet the Market Share formula for distribution of space, if eligible for reimbursement from the Repair and Replacement Fund, the Master Lessee shall submit a written request to City for reimbursement of such costs from the Repair and Replacement Fund pursuant to Section 12.7 of the Master Lease. In the event such costs are not eligible for reimbursement from the Repair and Replacement Fund or if there are insufficient funds in the Repair and Replacement Fund to reimburse such costs, then the costs shall be borne by the affected RACs.

6.2.5 In adding New Entrants to operate within the CONRAC after the tenth (10th) Lease Agreement Year, if there is insufficient room due to the car rental market growth, Master Lessee may request that City approve discretionary disbursement from either from the CFC Surplus Fund or the Repair and Replacement Fund or approve the sale of Additional Bonds or use of other funding available to City, sufficient to make infrastructure changes for, or the creation of, additional space in the CONRAC to accommodate for New Entrants without diminishing the operating space of the then existing incumbent RACs and to effect the reallocation and relocation of RACs for the subsequent ten (10) year period. If City determines that such costs are not eligible for reimbursement from the Repair and Replacement Fund or the CFC Surplus Fund or if eligible, but sufficient funds are not available in the Repair and Replacement Fund or the CFC Surplus Fund or not available through the issuance of Additional Bonds, then Master Lessee shall be not be responsible for such costs.

EXHIBIT I-1

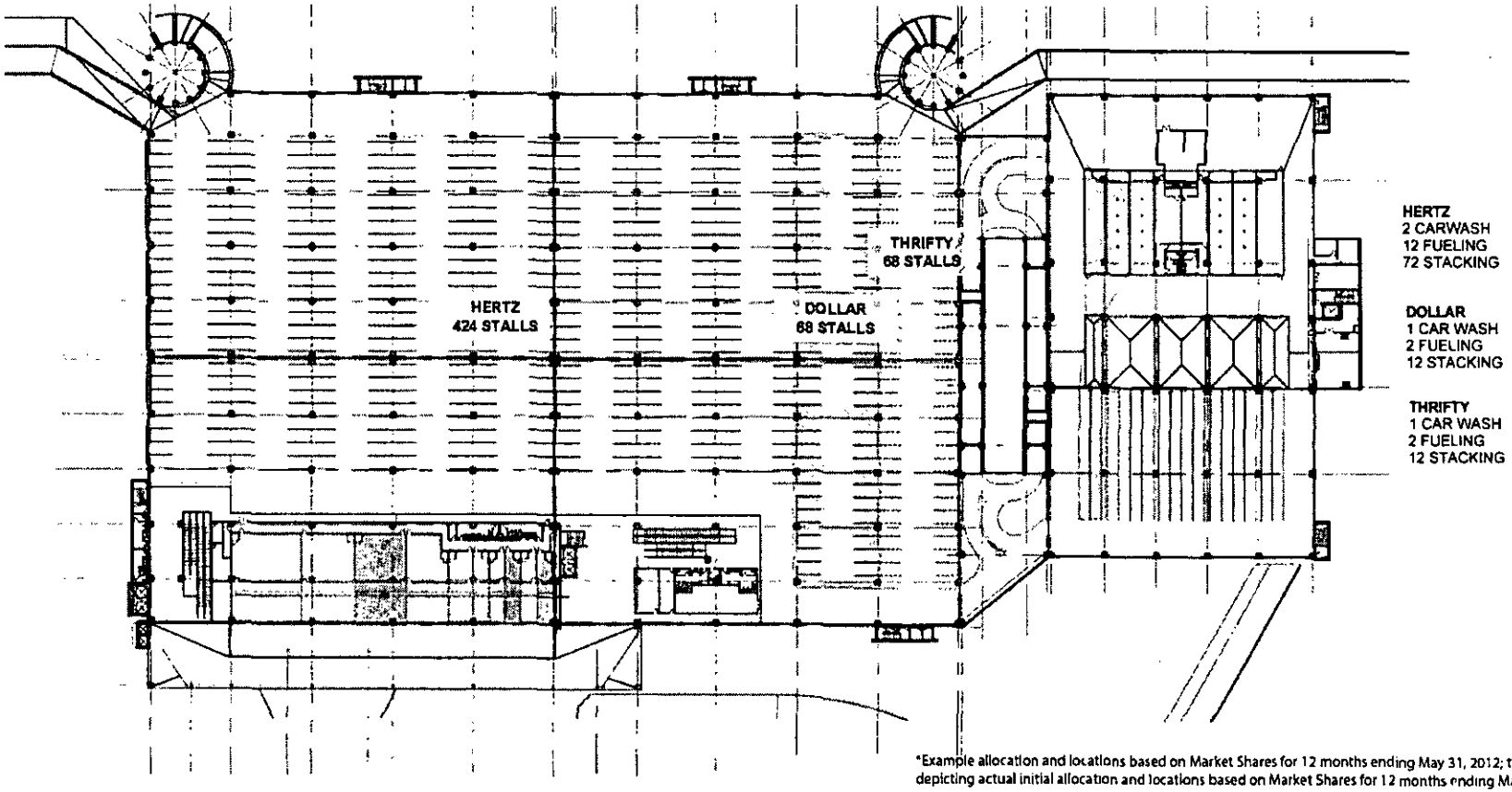
CSB ALLOCATION FLOOR PLAN



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

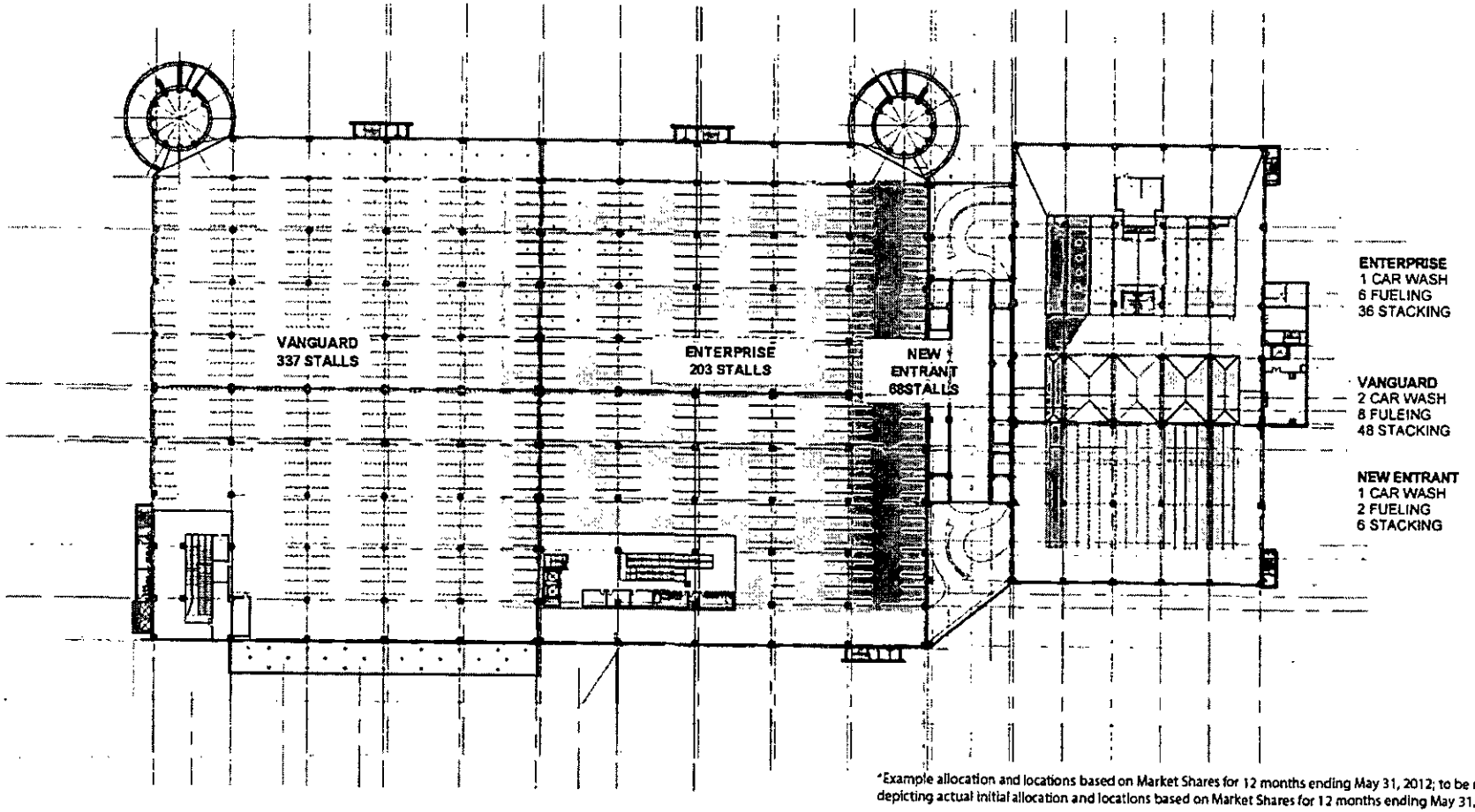
EXHIBIT I-2

ALLOCATION SCHEME A



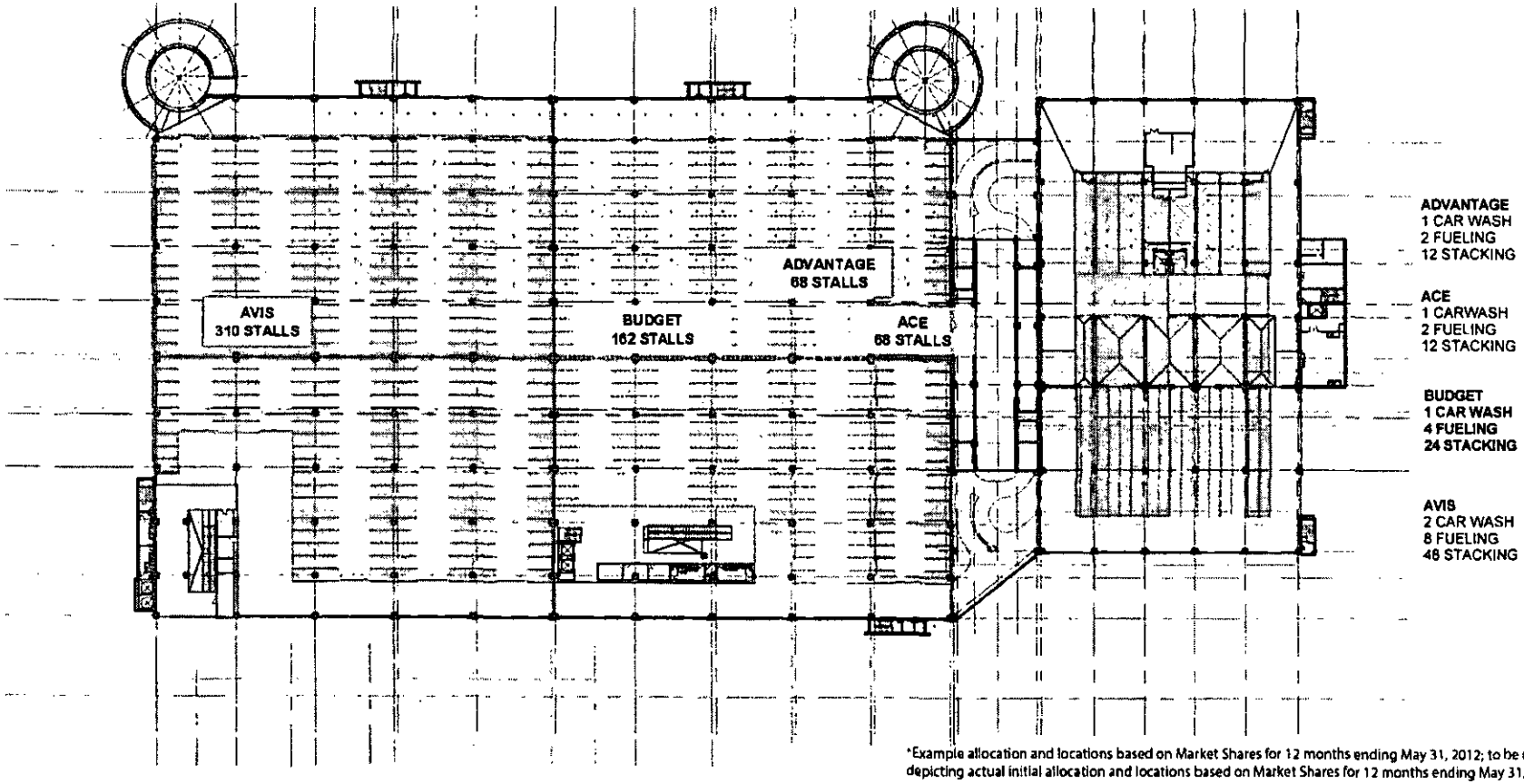
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

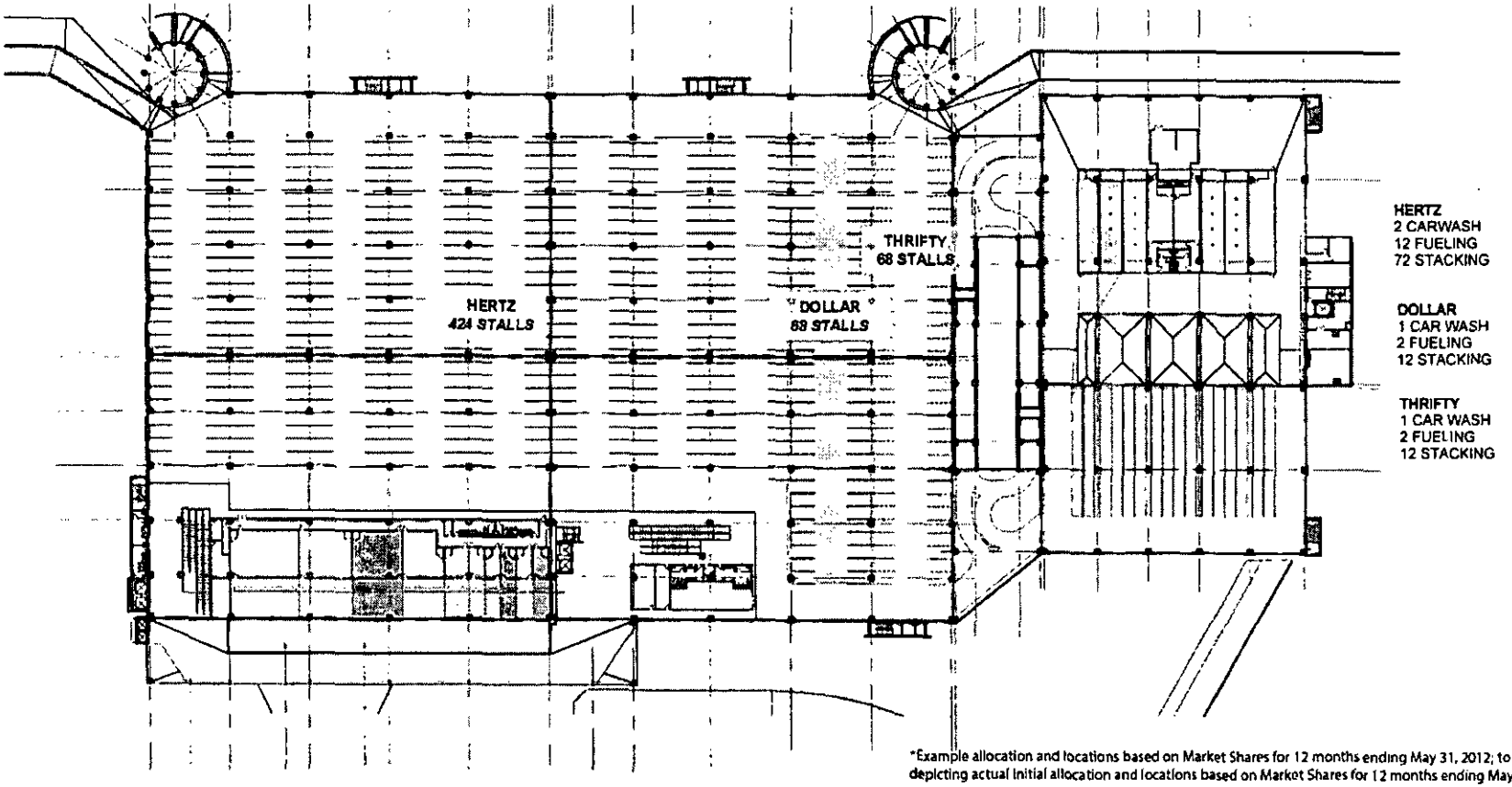
ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

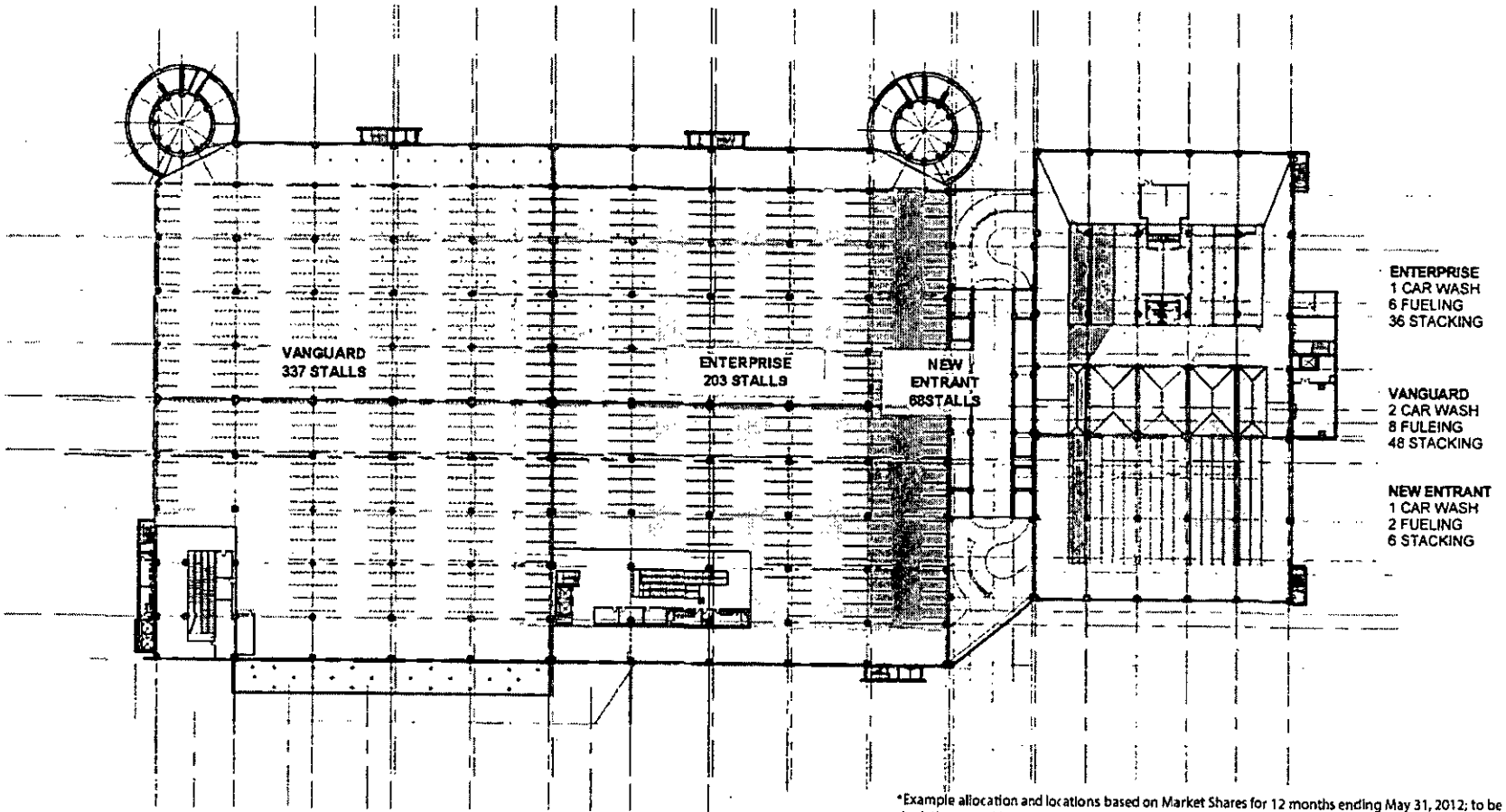
EXHIBIT I-3

ALLOCATION SCHEME A



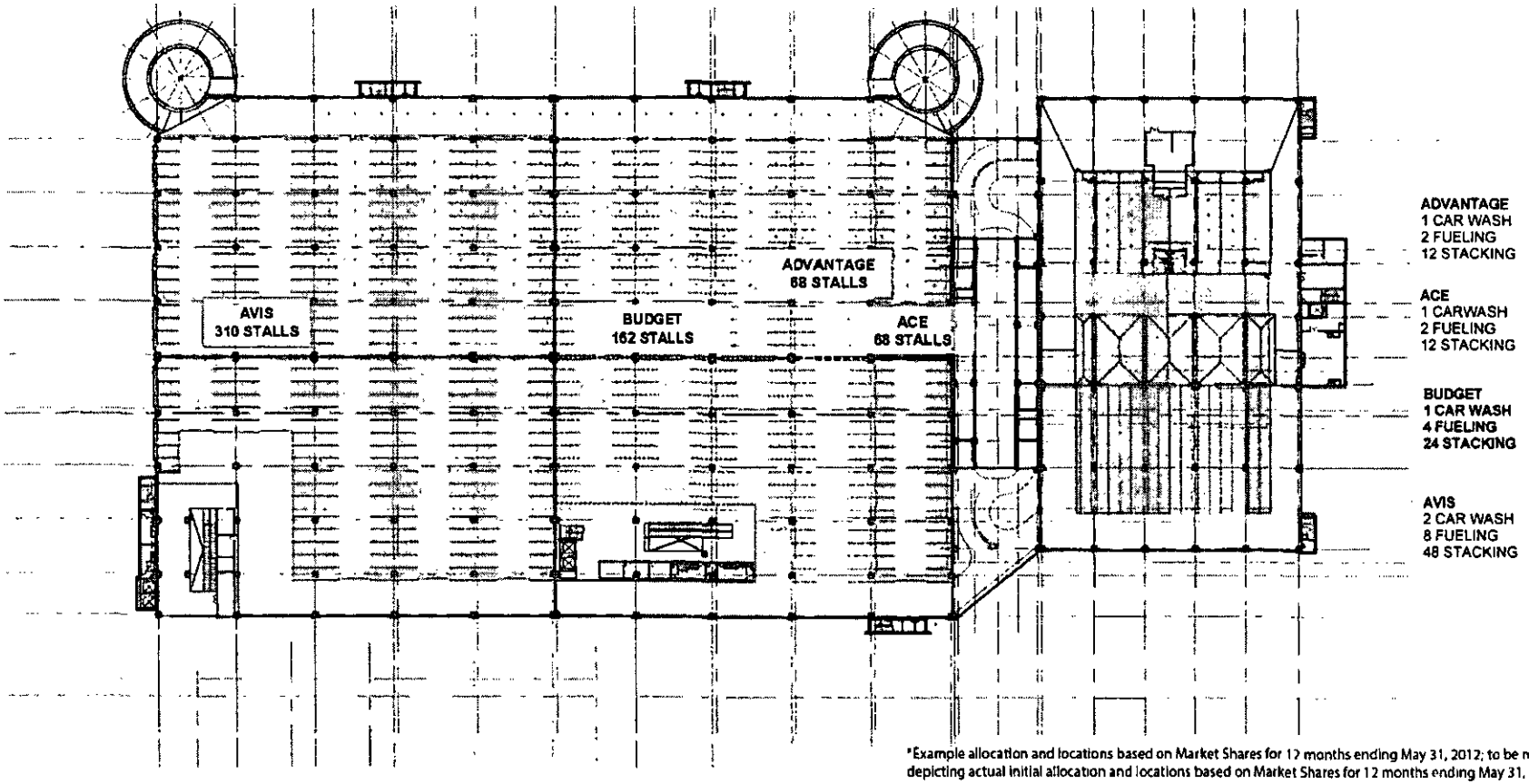
*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

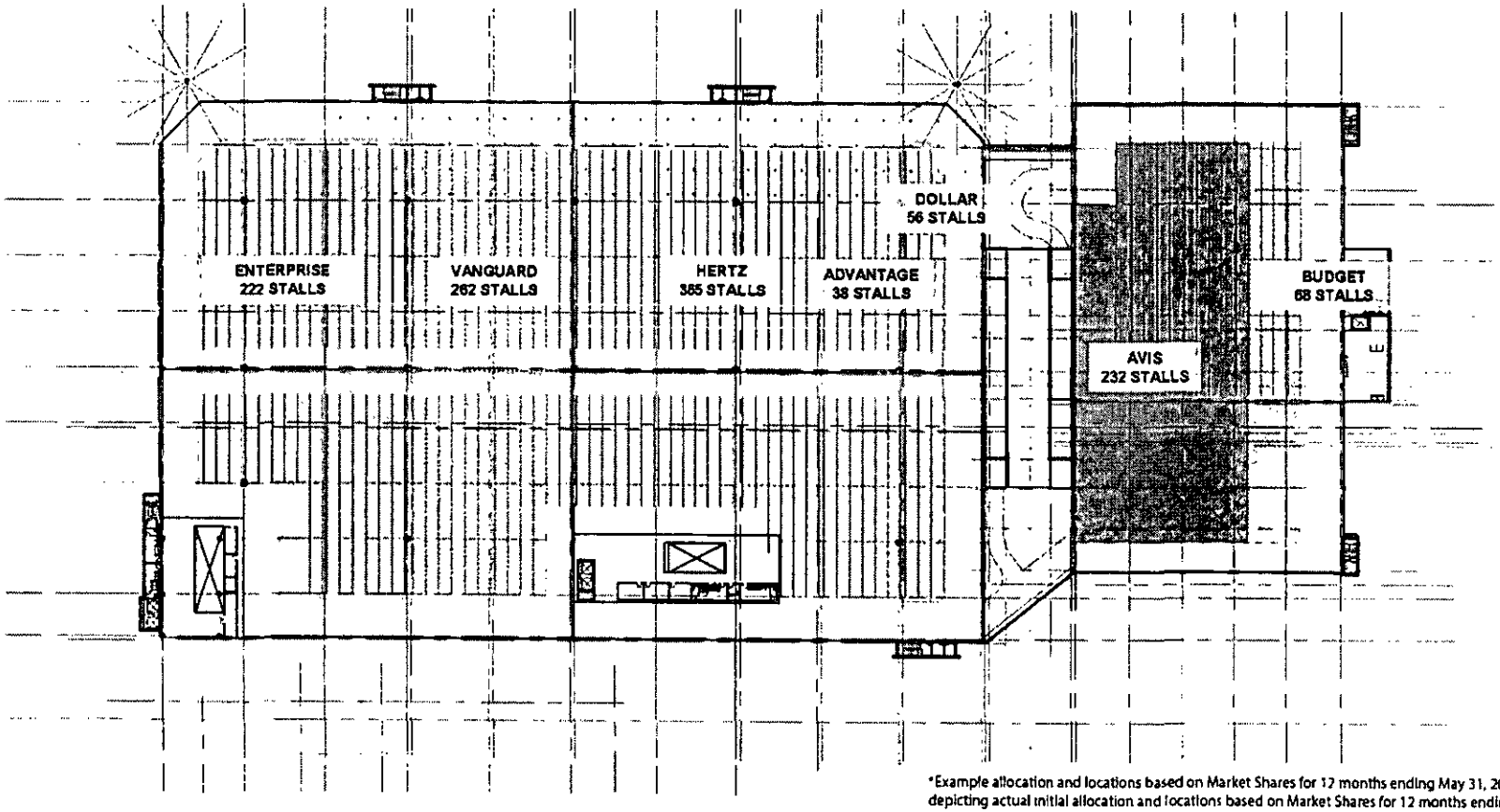
ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

EXHIBIT I-4

ALLOCATION SCHEME A



*Example allocation and locations based on Market Shares for 12 months ending May 31, 2012; to be replaced by exhibit depicting actual initial allocation and locations based on Market Shares for 12 months ending May 31, 2013.

Exhibit E

[Concession Agreement]

RENTAL CAR CONCESSION AGREEMENT

FOR

AUSTIN - BERGSTROM INTERNATIONAL AIRPORT

TABLE OF CONTENTS

Page

ARTICLE 1
DEFINITIONS

1.1 Definitions....1
1.2 Interpretations....1
1.3 Related Documents....1

ARTICLE 2
GRANT OF CONCESSION

2.1 Grant of Concession....1

ARTICLE 3
TERM

3.1 Term....2
3.2 Renewals....2
3.3 Prior Concession Agreement....2

ARTICLE 4
FEEs AND PAYMENTS

4.1 Concession Fee....3
4.2 Obligation to Collect and Remit CFCs....8
4.3 Contingent Fee....15
4.4 Monthly Revenue Reports....15
4.5 Security Deposit....16

ARTICLE 5
REMITTANCE; LATE PAYMENT

5.1 Remittance Address....17
5.2 Late Payment....18

ARTICLE 6
AUDITS AND RECORD RETENTION

6.1 Annual Audit Requirement by Concessionaire, CPA Opinion....18
6.2 Records Retention....19
6.3 City's Auditing Rights....19

ARTICLE 7
[reserved]

ARTICLE 8
STANDARDS OF OPERATION

8.1 First Class Service 20
8.2 Multi-Branding 22
8.3 Airport Security 23
8.4 Concessionaire Otherwise Responsible 24

ARTICLE 9
SMOKING REGULATIONS

9.1 Smoking Regulations 24

ARTICLE 10
INDEMNITY AND INSURANCE

10.1 Indemnity 24
10.2 Insurance 26
10.3 General Requirements 27
10.4 Claims Against Concessionaire 28

ARTICLE 11
ENVIRONMENTAL PROTECTION

11.1 Definitions in this ARTICLE 11: 29
11.2 Compliance 29
11.3 Responsibility 30
11.4 Indemnity 30
11.5 Removal 31
11.6 Stormwater Requirements 31
11.7 Sustainability 31
11.8 Survival 31

ARTICLE 12
TAXES AND ASSESSMENTS; LIENS

12.1 Payment of Taxes and Assessments 32

ARTICLE 13
DEFAULT

13.1 Events of Default 32
13.2 Remedies 33
13.3 Remedies Cumulative 35
13.4 City Default 35

13.5 Concessionaire's Right to Terminate for Other Events 35

ARTICLE 14
TERMINATION

14.1 Termination 36

ARTICLE 15
NO WAIVER; CITY'S RIGHT TO PERFORM

15.1 Receipt of Monies Following Termination 37
15.2 No Waiver of Breach 37
15.3 No Waiver 37
15.4 Application of Payments 37
15.5 City's Right to Perform 37

ARTICLE 16
ASSIGNMENT OR SUBLEASE

16.1 Prohibition 38
16.2 Assignment 38
16.3 Assignment to Successor or Affiliate 39
16.4 Lease in CONRAC Required 40

ARTICLE 17
AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISES

17.1 ACDBE Program 40
17.2 ACDBE Program Compliance 40
17.3 ACDBE Participation Schedule 41
17.4 Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program 41

ARTICLE 18
GENERAL PROVISIONS

18.1 Gratuities 42
18.2 Prohibition Against Personal Interest in Contracts 42
18.3 Affirmative Action 42
18.4 No Discrimination 42
18.5 No Exclusive Right 43
18.6 Subordination to Other Agreements 43
18.7 Subordination to City Encumbrances 43
18.8 No Waiver 44
18.9 Notices, Approvals, Consents, etc. 44
18.10 Consents and Approvals of City 45
18.11 Agents for Service of Process 45

18.12 Severability 46
18.13 Waiver of Anticipated Profits 46
18.14 Right of City to Develop Airport 46
18.15 Incorporation of Legally Required Provisions 46
18.16 Limitation of City's Liability 46
18.17 Successors and Assigns 46
18.18 Required Modifications 46
18.19 Time is of the Essence 46
18.20 Understanding of Agreement 47
18.21 Legal Interest and Other Charges 47
18.22 Holding Over 47
18.23 Governing Law; Choice of Venue; Waiver of Jury Trial 47
18.24 Dispute Resolution 47
18.25 [Reserved] 48
18.26 Waiver of Attorneys' Fees 48
18.27 Update of Terms 48
18.28 Representations and Warranties by City 48
18.29 Representations and Warranties by Concessionaire 49
18.30 Survival of Indemnities 50
18.31 Submission of Agreement 50
18.32 Entire Agreement; Modification 50
18.33 Relationship of City and Concessionaire 50
18.34 Most Favored Nations 50
18.35 Exhibits 51
18.36 Lawful Currency of United States 51

Attachment 1: Definitions
Exhibit A: Monthly Revenue Report (By Location)
Exhibit A-1: Monthly Revenue Report (Summary)
Exhibit B: Brands
Exhibit C: ACDBE Participation Report
Exhibit D: ACDBE Quarterly Revenue Report

RENTAL CAR CONCESSION AGREEMENT

THIS RENTAL CAR CONCESSION AGREEMENT (this "Concession Agreement") is made as of the ____ day of _____, 20__, by and between **THE CITY OF AUSTIN, TEXAS** (the "City"), acting through its Executive Director of Aviation ("Director") and _____, a _____ corporation (the "Concessionaire") authorized to do business in the State of Texas.

For and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. Definitions of defined terms utilized in this Concession Agreement and not otherwise defined herein are set forth in **Attachment 1** hereto. The definitions for other defined terms are set forth in other parts of this Concession Agreement including the Exhibits.

1.2 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. The term "or" is specifically used in its logical sense and, as such, is satisfied whenever one or more of its operands are true. 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 at 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.

1.3 Related Documents. This Concession Agreement contains references to the Indenture, the Master Lease and the Concessionaire's Sublease Agreement. To the extent of any irreconcilable conflict between the terms and provisions of this Concession Agreement and the terms and provisions of the documents referenced in the preceding sentence, this Concession Agreement and such documents shall have the following order of priority: the Indenture, this Concession Agreement, the Master Lease and the Concessionaire's Sublease Agreement.

ARTICLE 2
GRANT OF CONCESSION

2.1 Grant of Concession. City hereby awards and grants to Concessionaire, and Concessionaire hereby accepts, the right and the obligation to operate a Rental Car Concession at the Airport during the Concession Term on a nonexclusive basis for the purpose of arranging

rental vehicle and related services for Airport Customers where such services are furnished by Concessionaire. The concession rights and privileges granted and awarded to Concessionaire are expressly made subject to all of the terms, covenants and conditions of this Concession Agreement and the Sublease Agreement. Concessionaire specifically acknowledges and understands that City intends to grant Rental Car Concessions to other Persons. The award of concession rights and privileges to such other concessionaires 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 concessionaire constitute a violation hereof.

ARTICLE 3
TERM

3.1 Term. This Concession Agreement shall be effective, and binding between the parties, as of the date first signed by City and Concessionaire. The term of this Concession Agreement (the "Concession Term"), however, shall commence on the Opening Date and, unless earlier terminated pursuant to the provisions of this Concession Agreement, shall extend for an initial period of eleven (11) Concession Agreement Years.

3.2 Renewals. The City in its sole discretion may agree in writing to extend the Concession Term for up to two additional five (5) year periods; provided, that the Master Lessee is not in default under the Master Lease and the Concessionaire (1) provides the City with written notice of its request to renew nine (9) months before the expiration of the Term, and (2) is not in default under this Concession Agreement, the Sublease Agreement, or the Service Center Lease.

3.3 Prior Concession Agreement. The City and Concessionaire 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 Opening Date, 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 not be terminated, 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 Opening Date. Without limiting the generality of the foregoing, Concessionaire consents to the pledge of the CFCs and Parking Garage Rentals (as each such term is defined in the Prior Concession Agreement) for the payment of the Bonds and agrees to remit such CFCs and Parking Garage Rentals, on and after the effective date of this Concession Agreement, to the Trustee in accordance with the terms of this Concession Agreement for deposit in the Revenue Fund established under the Indenture for the Bonds. For the avoidance of doubt, Concessionaire acknowledges and agrees that the Concessionaire's failure to collect and remit the proceeds of the CFC (as defined in the Prior Concession Agreement) when due as required by Section 4.2 hereof shall constitute an Event of Default under this Concession Agreement and an event of default under the Prior Concession Agreement, and the City shall be entitled to exercise any right or remedy with respect thereto under this Concession Agreement and the Prior Concession Agreement, all in accordance with their respective terms. Concessionaire, at its sole cost and expense, shall vacate the Concessionaire's leased premises and kiosks in the Airport Terminal

and on the third floor of the existing parking garage covered by its Prior Concession Agreement in broom clean and good condition and repair, obsolescence and ordinary wear and tear excepted, and remove all of its personal property therefrom. Concessionaire shall complete such vacation of its leased premises in the Airport Terminal not later than ten (10) days after the Opening Date, unless vacated earlier in accordance with the terms of the Prior Concession Agreement, and shall complete such vacation of its leased premises on the third floor of the existing parking garage not later than fourteen (14) days after the Opening Date. Concessionaire further agrees to remit to the Trustee any CFCs (as defined in the Prior Concession Agreement) charged prior to the Opening Date that are not collected until after the Opening Date, notwithstanding any termination of the Prior Concession Agreement.

ARTICLE 4
FEES AND PAYMENTS

4.1 Concession Fee. Concessionaire shall pay to City, for the concession rights and privileges granted herein, in the manner provided in this ARTICLE 4, an amount for each Concession Agreement Year (the "Concession Fee") equal to the greater of the following: (a) the Minimum Annual Guaranteed Concession Fee for such Concession Agreement Year; or (b) a percentage fee (the "Percentage Fee") equal to ten percent (10%) (the "Required Percentage") of its Gross Receipts for such Concession Agreement Year.

4.1.1 The Minimum Annual Guaranteed Concession Fee. For the first Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be eighty-five percent (85%) of the Concession Fee (as defined in the Prior Concession Agreement) due for the last twelve months under the Prior Concession Agreement, prorated for the number of months in the first Concession Agreement Year. For the second Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be eighty-five percent (85%) of the Concession Fee (as defined in the Prior Concession Agreement) due for the last twelve months under the Prior Concession Agreement. For the third Concession Agreement Year and for the eight (8) Concession Agreement Years following the third Concession Agreement Year, the Minimum Annual Guaranteed Concession Fee shall be an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year but in no event shall it be less than the Minimum Annual Guaranteed Concession Fee set for the third Concession Agreement Year. If the Concession Agreement is renewed in accordance with Section 3.2, for each of the Concession Agreement Years following the renewal, the Minimum Annual Guaranteed Concession Fee shall be an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year but in no event shall it be less than the Minimum Annual Guaranteed Concession Fee set for the twelfth (12th) Concession Agreement Year. The Minimum Annual Guaranteed Concession Fee shall remain in effect until the subsequent renewal, if any, of the Concession Agreement.

4.1.2 Percentage Fee. City may adjust the Required Percentage every five (5) Concession Agreement 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 Concessionaire in writing of the new Required Percentage, as well as the data used in calculating such amount, sixty (60) days prior to commencement of the Concession Agreement Year. In no event shall the Required Percentage be less than ten percent (10%) of Gross Receipts per Concession Agreement Year.

4.1.3 Overpayment/Underpayment of Concession Fee. If the aggregate Concession Fee due for any Concession Agreement Year exceeds the greater of (i) the Minimum Annual Guaranteed Concession Fee applicable to such Concession Agreement Year; or (ii) a Percentage Fee equal to the Required Percentage of its Gross Receipts for such Concession Agreement Year the over-payment shall be credited to Concessionaire's account as City may determine; provided, however, in no event shall Concessionaire take a credit against any subsequent Concession Fee or other payment owed to City for any such overpayment without the prior approval of City. Concessionaire shall have no right to set-off or off-set any Concession Fee or other payment owed to City under this Concession Agreement against any amounts that may be payable by City to Concessionaire unless such credit is issued by the City. If the aggregate Concession Fee payments made for any Concession Agreement Year is less than the greater of either (i) the Minimum Annual Guaranteed Concession Fee applicable to such Concession Agreement Year, or (ii) the Required Percentage of Concessionaire's Gross Receipts for such Concession Agreement Year, Concessionaire shall pay the balance due to City within thirty (30) days after receipt of invoice.

4.1.4 Gross Receipts. "Gross Receipts" shall mean the total amount actually charged to customers by Concessionaire for or in connection with rental car agreements it secures through its operations at the Airport or derives from the rental of vehicles to persons picked up at the Airport by or on behalf of Concessionaire. "Gross Receipts" as used herein includes all monies or other consideration paid or payable to Concessionaire for all sales made and services performed for cash or credit 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 Concessionaire's customers, (b) whether the vehicles or other products are returned to Airport or to some other location or (c) the manner in which the reservation, rental or contract was made or executed (i.e., by what mode, means or process); and regardless of whether or not customer was an airline passenger, resides locally, or used any other Airport services; and shall include monies paid or payable for any vehicles originally rented at Airport but renewed at or from another location.

4.1.4.1 For the avoidance of doubt, and not as a limitation on the general applicability of the foregoing definition it is agreed and understood that Gross Receipts expressly include, but are not limited to:

4.1.4.1.1 Fees for the rental or leasing of vehicles pursuant to daily or time charges and/or mileage charges and fees;

4.1.4.1.2 All bundled unit rate or daily rate charges as charged the customer on the rental agreement (no unbundling permitted);

4.1.4.1.3 Fees charged customers for Concessionaire's recoupment of airport concession fees;

4.1.4.1.4 Fees charged customers for Concessionaire's recoupment of vehicle tax, title and licensing or registration fees for its fleet vehicles;

4.1.4.1.5 Fees for any and all fuel options charged customers such as, but not limited to, prepayment of fuel, refueling (including charges for fuel and charges for refueling services), and any other charges related to fuel, fuel replacement, and/or servicing;

4.1.4.1.6 Fees generated from customers that are picked-up by Concessionaire or its agents at the Airport;

4.1.4.1.7 Premiums and any and all other fees and charges for acceptance of any and all types of insurance and/or insurance supplements, including personal accident insurance, personal effects insurance, baggage insurance, personal effects protection insurance, liability insurance, liability insurance supplements, medical protections and coverages, etc., without limitation;

4.1.4.1.8 Fees and charges of all types for acceptance of insurance waivers or loss or damage waivers of all types, such as, but not limited to, loss damage waiver, collision damage waiver, partial waivers, windshield damage waivers, etc., without limitation;

4.1.4.1.9 Fees and charges for vehicle upgrades and exchanges;

4.1.4.1.10 Inter-city fees and drop charges;

4.1.4.1.11 Fees and charges for additional equipment, communications and technology, including car seats, car racks, radios, phones, navigation, Wi-Fi, satellite services, sound systems, etc.;

4.1.4.1.12 Fees and charges for any and all miscellaneous items and services, including additional drivers, drivers under a certain age, keys, cleaning of vehicles, roadside assistance, towing, valet services, etc., without limitation;

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

4.1.4.1.14 Additional fees charged customers for participation in frequent flyer and other frequent traveler programs;

4.1.4.1.15 Fees charged customers for carbon offset or other environmental programs;

4.1.4.1.16 Fees generated from contracted services with other Airport concessionaires and users, or any other third parties;

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

4.1.4.1.18 [Reserved]; and

4.1.4.1.19 Any and all other fees and charges charged to customer, and all other receipts, compensation, revenue and other consideration received or accrued to Concessionaire, Concessionaire's franchisor or any other affiliated person or entity for or on account of the subject Rental Car Concession, its operations, or its fleet vehicles, unless specifically excluded herein.

4.1.4.2 Concessionaire may exclude from Gross Receipts only the following "Allowable Exclusions:"

4.1.4.2.1 Customer Facility Charges;

4.1.4.2.2 Federal, State, City or other local/municipal motor vehicle rental tax, or sales or use taxes levied on the rental transaction or the sale to the customer of ancillary products or services, which are required by law to be charged to customers and remitted to the taxing authority. These taxes shall be separately stated (separate line item) and computed on the rental agreements and identified for the customer. It is agreed and understood that neither the CFC nor the Concession Fees payable by Concessionaire hereunder constitute a tax;

4.1.4.2.3 Monies received by Concessionaire as reimbursement or compensation for actual damages to or loss or conversion of vehicles rented to customers at Airport, whether paid by customer, insurance company or other third party. This exclusion does NOT include charges for any type of insurance or waiver option sold to customers by Concessionaire such as, but not limited to, loss damage waiver, collision damage waiver and any and all other types;

4.1.4.2.4 Any local or national discounts provided to customers at the time of rental, separately stated on the customer's rental agreement, and discount taken on customer's receipt upon vehicle return; provided, however that any discount, dividend, rebate or other reduction in charges applied retroactively (i.e., after completion of the rental transaction at the time of vehicle return), including volume discounts and other corporate business

incentive programs of Concessionaire (e.g., corporate/commercial discounts or dividends) are not an Allowable Exclusion from Gross Receipts.

4.1.4.3 Credit Transactions. Concessionaire may conduct all or part of its business on a credit basis, provided that the risk of such operation shall be borne solely by Concessionaire. Concessionaire shall pay Concession Fees on such credit transactions, and report all sales, charges and receipts, both cash and credit, in its monthly statement to City.

4.1.5 Payment of Concession Fee. On or before the first day of each month of the Concession Term, Concessionaire, without demand or notice, shall pay a monthly installment of the Minimum Annual Guaranteed Concession Fee due hereunder equal to one-twelfth (1/12) of the Minimum Annual Guaranteed Concession Fee specified herein for the Concession Agreement Year in which such month occurs.

4.1.6 Remittance. Concessionaire shall remit to City, on or before the 20th day of each month without demand or notice, the excess, if any, between the monthly installment of Minimum Annual Guaranteed Concession Fee paid for the preceding month and the Percentage Fee due for such preceding month.

4.1.7 Recovery of Concession Fee. Concessionaire acknowledges that Concession Fee payments by Concessionaire to City under this Concession Agreement are for Concessionaire's privilege to use the Airport facilities and are not fees imposed by City upon Concessionaire's customers. The City does not require, but will not prohibit a separate charge by Concessionaire for the Concession Fee on customer invoices or rental agreements (the "Recovery Fee"); provided, that if the Concessionaire charges a separate Recovery Fee, the Concessionaire shall include a separate statement of and charge for the Concession Fee on customer invoices or rental agreements and such Recovery Fee shall meet all of the following conditions: (a) such Recovery Fee must be titled "Concession Recovery Fee," "Concession Recoupment Fee" or such other similar name first approved by City in writing; (b) the Recovery Fee must be shown on the customer rental car agreement and invoiced with other Concessionaire charges (*i.e.*, "above the tax line"); (c) the Recovery Fee as stated on the invoice and charged to the customer shall be no more than 11.11% except that in the event that the Percentage Fee is adjusted under Section 4.1.2 to an amount greater than ten percent (10%), the maximum Recovery Fee shall be the Percentage Fee divided by the quantity one minus the Percentage Fee, (e.g., if the Percentage Fee is 10%, then the maximum Recovery Fee is .1/(1-.1) = .1/.9 = 11.11%; if the Percentage Fee is 10.5%, then the maximum Recovery Fee is .105/(1-.105) = .105/.895 = 11.73%, etc.); (d) Concessionaire shall neither identify, treat or refer to the Recovery Fee as a tax; and (e) Concessionaire shall comply with all Legal Requirements, including Federal Trade Commission requirements. Concessionaire shall never directly or indirectly state or imply that the City is requiring the collection of the Recovery Fee.

4.1.8 Abatement of Minimum Annual Guaranteed Concession Fee. Notwithstanding the foregoing requirements of this Section 4.1, the obligation of Concessionaire to pay monthly installments of the Minimum Annual Guaranteed Concession Fee pursuant to this Section 4.1 (but not the obligation of Concessionaire to pay the Percentage Fee as required by Section 4.1) may be abated by City in its sole discretion upon written request submitted by

Concessionaire to the Director and upon written approval of the Director upon the occurrence of one of the following:

4.1.8.1 Decline in Passenger Count. The number of passengers deplaning on scheduled airline flights at the Airport during any three consecutive reporting months shall be less than seventy-five percent (75%) of the number of such deplaning passengers in the same consecutive reporting months of the preceding Concession Agreement Year (the "Passenger Count"); or

4.1.8.2 Adverse Effect of Other Circumstances. Concessionaire demonstrates to City, in a manner that City in its sole discretion determines to be satisfactory, that Concessionaire's Gross Receipts have materially diminished through no fault of Concessionaire during a period of at least thirty (30) consecutive days and City determines that the operation of Concessionaire's Rental Car Concession at the Airport has been adversely affected for such period by shortages or other disruptions in the supply of automobiles, gasoline or other goods necessary for its operations through no fault of Concessionaire.

4.1.9 Period of Abatement. In the event that the payment of monthly installments of the Minimum Annual Guaranteed Concession Fee is abated pursuant to this Section 4.1, the period of abatement shall be specified by the Director, in its sole discretion.

4.2 Obligation to Collect and Remit CFCs. In addition to the Concession Fees, the Concessionaire shall collect a Customer Facility Charge in accordance with the terms hereof and remit such amounts collected to the Trustee, as the assignee of City, for deposit in the Revenue Fund in accordance with, and for the purposes specified in, the Bond Ordinance and Indenture, including without limitation, payment of the principal of, premium, if any, and interest on the Bonds. Concessionaire shall remit the CFCs monthly to the Trustee on or before the 20th day of each month for the preceding calendar month of operations. CFCs do not constitute a Gross Receipt.

4.2.1 Trust Property. CFCs collected by the Concessionaire are due, payable and deemed paid to the Trustee immediately upon the collection thereof by the Concessionaire, and pending the actual remittance thereof to the Trustee, such amounts are and shall be property in which the Concessionaire holds only a possessory interest as agent of the Trustee and not an equitable interest. CFCs collected by the Concessionaire, whether prior to or after remittance to the Trustee under this Section 4.2 are pledged for the payment of the Bonds, and the Concessionaire hereby consents to such pledge. The Concessionaire acknowledges the Trustee's security interest in the CFCs as the Trustee's agent under Section 9.313 of the Texas Business and Commerce Code and Section 1208 of the Texas Government Code. Prior to remittance to the Trustee, CFC revenue collected by the Concessionaire shall be held in trust by the Concessionaire as agent for the benefit of the Trustee. All CFC revenue collected and held by the Concessionaire shall be considered the property of the Trustee. The Trustee shall provide notice of receipt of CFCs to the City in accordance with the terms of the Indenture.

4.2.2 Rental Customer Contracts. The CFC shall be identified on a separate line on the rental car customer contract, after taxes, and described on the rental car customer contract as the "ABIA Rental Car Facility Fee." The current CFC per day amount shall be indicated on

the customer contract. The CFC shall not be combined with any other fee or charge on the same line of the customer contract or statement of charges. CFCs shall not be included in calculations of state and local taxes due, or any other fees or surcharges imposed by Concessionaire, including, but not limited to, any "airport concession recovery fee" or other reimbursement fees charged by Concessionaire.

4.2.3 Collection of CFCs. The CFC shall be the amount determined by the Director for all rental car companies doing business on the Airport and occupying the CONRAC. Concessionaire shall charge and collect CFCs from all rental car customers, **without exception**. For the avoidance of doubt, and not as a limitation on the universal applicability of the preceding sentence, Concessionaire shall charge and collect CFCs from customers receiving complimentary or discounted car rental under the Concessionaire's bona fide marketing plans, customers whose rentals are tax exempt, regardless of whether customer was an airline passenger to or from the Airport, and regardless of whether the rental reservation or contract was made by phone, internet, in person, or in any other manner or from any other location.

4.2.4 Accounting Records for CFC. Concessionaire shall maintain records and controls which are sufficient to demonstrate the correctness of the CFC revenue collected by the Concessionaire and the amount of CFC revenue paid to the Trustee. CFC collections shall be recorded by Concessionaire in a separate account and not combined with any other receipts or charges in Concessionaire's accounting system. The records shall be available for inspection, audit, and examination at all times by the Director and any designee thereof, as well as the Trustee or City, or their duly authorized representatives upon not less than one Business Days' prior written notice.

4.2.5 Initial Amount of CFC. The initial CFC effective as of the Effective Date is Five Dollars and Ninety-Five Cents ($5.95) for each day, or partial day, of each rental and shall be levied on the rental at the Airport of any rental car. Each twenty-four (24) hour period or fraction thereof within the rental period shall constitute a separate day for which the CFC must be levied and collected.

4.2.6 CFC Adjustment. The CFC shall be reviewed at least annually and may be adjusted periodically by the Director, in his sole discretion, for any reason, including, without limitation, to (i) meet all covenants or requirements with respect to the Bonds on a current and ongoing basis and (ii) ensure that projected revenue from the CFC, together with projected revenue from Contingent Fee, as described below, is at least equal to the amount required to meet the applicable revenue covenants under the Indenture. The Director has the right, but not the obligation, to consider a CFC level sufficient to fund the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund set forth in Section 4.2.6.2. The Director shall give Concessionaire sixty (60) days' written notice prior to implementing a change in the CFC.

4.2.6.1 The City shall engage an independent consultant selected by the City to evaluate and recommend to City whether to adjust the CFC annually, whether upwards or downwards, such that the CFC level will be sufficient so that the projected CFC revenues will meet the applicable revenue covenants under the Indenture. The independent consultant's analysis will also include a proposed CFC rate that will be sufficient to fund the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund set forth in Section

4.2.6.2. City shall communicate with Concessionaire the independent consultant's findings and allow the Concessionaire to provide any additional information prior to City making a final determination on adjusting the CFC. Fees for the independent consultant shall be paid from CFC revenues.

4.2.6.2 The parties agree that the Indenture shall establish funds and accounts held by the Trustee for the benefit of the bondholders, including the CFC Surplus Fund, and within the CFC Surplus Fund, the CFC Surplus Annual Disbursement Account and the CFC Surplus Residual Account. In the event the combined total amount of CFCs collected and any Contingent Fees required to be paid under Section 4.3 hereof, together with any other amounts required to be deposited in the Revenue Fund, exceeds the amount required to fund the amounts specified in Sections 5.2(b)(i), (ii), (iii) and (iv) of the Indenture, the excess amounts shall be deposited in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund in accordance with the terms of the Indenture. Subject to Sections 4.2.6.3, 4.2.6.4, and 4.2.6.5, the amounts, if any, credited to the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

4.2.6.2.1 For the period beginning on the Effective Date of this Concession Agreement and ending on September 30, 2013, and for each Fiscal Year thereafter until the Opening Date, to the City a total amount of $913,000 each Fiscal Year, with such amount to be prorated for any partial Fiscal Year in the manner determined by the City;

4.2.6.2.2 Upon the Opening Date, to the RAC O&M and Rent Reserve Fund an amount up to $2,100,000;

4.2.6.2.3 Within six (6) months from the Opening Date, to the Master Lessee up to $6,000,000 to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees prior to the date of reimbursement as long as, after making such payment, sufficient funds remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to pay the amount reasonably estimated by the City to be necessary to pay all amounts to be paid under Section 4.2.6.2.4 (excluding any amounts to be paid under Section 4.2.6.2.4(g)) for such Fiscal Year and to provide for a minimum of $1,000,000 to remain in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund after giving effect to the estimated payments to be made under Section 4.2.6.2.4, as described below;

4.2.6.2.4 Beginning on the Opening Date and ending in the Fiscal Year ending September 30, 2018, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in such order of priority:

(a) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(b) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index, with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City;

(c) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to $350,000, with such amount to be increased two percent (2%) annually each Fiscal Year (with such increase to begin with the second full Fiscal Year following the Opening Date) and with such amount for the Fiscal Year in which the Opening Date occurs to be prorated in the manner determined by the City, for the following purposes:

(i) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(ii) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(d) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(e) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by CFC funds or reimbursed or paid from the Repair and Replacement Fund;

(f) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(g) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by CFC funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum

of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this Section 4.2.6.2.4(g).

4.2.6.2.5 Beginning in the Fiscal Year ending September 30, 2019, and for each Fiscal Year thereafter until the Bonds are no longer outstanding, the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund shall be used to pay the following in the following order of priority:

(a) Annually, $750,000 to the Repair and Replacement Fund, with such amount to be adjusted every year as determined by the City in its sole and absolute discretion;

(b) Annually, to reimburse the Concessionaires for any Contingent Fees paid prior to the date of reimbursement;

(c) Annually, to the City a total of $470,000, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index;

(d) Annually, to each of the City and the Master Lessee, respectively, on a one-for-one (1:1 or equally pro-rata) basis, an amount up to the amount set forth in Section 4.2.6.2.4 (after giving effect to each annual increase as specified therein), with such amount to be increased two percent (2%) annually each Fiscal Year, for the following purposes:

(i) to the City to reimburse the City for operation and maintenance costs of the Commercial Parking Facility and related improvements paid by the City prior to the date of reimbursement; and

(ii) to the Master Lessee to reimburse the Master Lessee for O&M Costs paid by the Master Lessee prior to the date of reimbursement.

(e) Annually, to the RAC O&M and Rent Reserve Fund, as needed to restore the balance in such fund to $2,100,000;

(f) Annually, to the Master Lessee the amount necessary to reimburse the Master Lessee for any remaining O&M Costs approved by the City and paid by the Master Lessee prior to the date of reimbursement and not previously reimbursed by CFC funds or reimbursed or paid from the Repair and Replacement Fund;

(g) Annually, to the Master Lessee an amount up to $900,000 to reimburse the Master Lessee for Base Rent paid prior to the date of reimbursement, with such amount to be adjusted on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter to reflect any increase in the actual annual cumulative percentage changes in the Consumer Price Index; and

(h) To the Master Lessee the remaining balance, if any, to be used by the Master Lessee to reimburse the Sublessees for Initial Tenant Improvements paid for by the Sublessees, not previously reimbursed by CFC funds, and not exceeding a total reimbursement of $6,000,000 total for Initial Tenant Improvements, so long as a minimum of $1,000,000 remains in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, after giving effect to the payments made under this Section 4.2.6.2.5(h).

4.2.6.3 (a) All disbursements to be made from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund pursuant to Section 4.2.6.2 shall be made annually after the end of each subject Fiscal Year by the Trustee through the City's submission of disbursement requests to the Trustee on or before November 15 following the end of each such Fiscal Year in accordance with the terms of the Indenture; provided, that the City shall submit disbursement requests to the Trustee (i) no later than the fifteenth (15th) day following the Opening Date for the disbursement to be made pursuant to Section 4.2.6.2.2, and (ii) no later than the last day of the seventh (7th) month following the Opening Date for the disbursements to be made pursuant to Section 4.2.6.2.3.

(b) All disbursements to be made pursuant to Section 4.2.6.2.3 shall be made only for the costs specified in such Section that have been incurred and paid by the Sublessees on or before the last day of the sixth (6th) month following the Opening Date.

(c) All disbursements to be made pursuant to Sections 4.2.6.2.4 and 4.2.6.2.5 to the City, Master Lessee, Concessionaire or Sublessees as a reimbursement of costs incurred by any such Person shall be made only for such costs specified in Sections 4.2.6.2.4 and 4.2.6.2.5 that have been incurred by each such Person during the subject Fiscal Year and paid by each such Person for the period beginning on the first day of such Fiscal Year and ending on October 31 of the immediately succeeding Fiscal Year; provided, that in the event any such costs are not reimbursed on account of insufficient moneys being available therefor in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, such unreimbursed costs shall be eligible for reimbursement in accordance with the terms of Section 4.2.6.3(d) below. The City may require the Master Lessee, Concessionaire and Sublessees to submit appropriate supporting documentation to the City in order for the City to determine the eligibility of such costs to be paid from the CFC Surplus Fund.

(d) In the event any disbursements to be made pursuant to Section 4.2.6.2 may not be made in full on account of insufficient moneys being available therefor in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, the unpaid portion of any such specified or requested disbursement (i) shall be payable by the Trustee from the CFC Surplus Residual Account of the CFC Surplus Fund, to the extent funds are available therein, through the City's submission of disbursement requests to the Trustee on or before November 15 following the end of the applicable Fiscal Year in accordance with the terms of the Indenture, and (ii) if sufficient moneys are not available in the CFC Surplus Residual Account of the CFC Surplus Fund to pay such unpaid portion, are eligible to be paid in connection with the respective annual disbursement request submitted by the City to the Trustee for any subsequent Fiscal Year, in each case, subject in all respects to the priority for such disbursements set forth in Section 4.2.6.2.

4.2.6.4 On or before the last day of each November, beginning November 2013, the City shall submit an annual disbursement request to the Trustee, in accordance with the terms of the Indenture, directing the Trustee to transfer, from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund to the CFC Surplus Residual Account of the CFC Surplus Fund, the amount on deposit in the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund, as of November 15 of such year, that exceeds the amount specified in the disbursement request submitted by the City to the Trustee to be disbursed by the Trustee from the CFC Surplus Annual Disbursement Account of the CFC Surplus Fund for such year, if any. Concessionaire agrees that, in addition to the purposes of the CFC Surplus Residual Account of the CFC Surplus Fund specified in Section 4.2.6.3(d) above, moneys credited to the CFC Surplus Residual Account of the CFC Surplus Fund may be used at the discretion of the City to (i) pay the principal of, redemption premium, if any, and any sinking fund requirement and interest on the Bonds on the payment date therefor, (ii) restore any deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Debt Service Coverage Fund or the Repair and Replacement Fund, (iii) purchase, defease, or retire Bonds; provided, that the Debt Service Reserve Fund and the Debt Service Coverage Fund are fully funded; (iv) make final payments for the retirement or defeasance of Bonds; (v) expand, repair or improve the Joint Use Facility or the CONRAC Site, and (vi) expand, repair or improve, or pay any other costs of, rental car facilities, including any costs associated with the relocation of rental car facilities.

4.2.6.5 If at any time the Master Lease is terminated and the City enters into leases or other agreements directly with the Concessionaires with respect to the use of the Subleased Premises, the parties hereto agree that (i) all payments or disbursements to be made from the CFC Surplus Fund to the Master Lessee pursuant to Sections 4.2.6.2.4 and 4.2.6.2.5 shall be made instead to each Concessionaire in its capacity as lessee in accordance with the terms of the lease between the City and the respective Concessionaire, and (ii) the transfers to be made from the CFC Surplus Fund to the RAC O&M and Rent Reserve Fund pursuant to Sections 4.2.6.2.4(d) and 4.2.6.2.5(e) shall be disregarded and of no force or effect.

4.2.7 Separate CFC Account. In the event that Concessionaire materially fails to collect or remit to the Trustee CFCs substantially in accordance with this Concession Agreement, and such failure continues for ten (10) days after receipt of written notice, then in

addition to any other right or remedy available to City, the Director may, by written notice, require Concessionaire to establish a separate CFC trust account, into which Concessionaire shall deposit each business day all CFCs collected by Concessionaire or its agents or employees (the "CFC Trust Account") for the benefit of City and the Trustee. The CFC Trust Account shall be held by an independent third party bank trustee reasonably acceptable to City. The CFC Trust Account shall be separate from and not commingled with any other Concessionaire funds, including CFCs collected on behalf of other airports. Any amounts required to be remitted to the Trustee under this Section 4.2.7 shall be paid by such independent third party bank trustee to the Trustee on or before the date specified in Section 4.2 hereof. Funds in the CFC Trust Account shall be invested solely in instruments issued or guaranteed by the United States Government or any of its agencies, or federally insured bank certificates of deposit. Any income earned on funds in the CFC Trust Account after the date of required remittance to the Trustee shall be the property of the Trustee and shall be paid immediately to the Trustee.

4.3 Contingent Fee. If, in any Concession Agreement Year, the projected amount collected through CFCs is expected to be insufficient to meet the applicable revenue covenants under the Indenture, Concessionaire agrees to pay an additional fee at the times and in the same manner CFC fees are to be paid as required by the terms of this Concession Agreement, in an amount determined by the City in its sole discretion (after allocating the amount of the additional fee among all Rental Car Concessionaires based upon their Pro Rata Share that shall be sufficient to provide funds in an amount at least equal to the difference between the projected CFC collections for such year, and the amount necessary to meet the applicable covenants under the Indenture, which additional fee shall be referred to herein as a "Contingent Fee." In addition, if all or any part of the CFC fee fails to survive a challenge in a court of competent jurisdiction, then the stricken portion(s) of the CFC will be replaced, as appropriate, with a Contingent Fee in an amount determined by the City in its sole discretion that is at least equal to the amount that would otherwise be provided by the CFC and sufficient to meet the applicable covenants under the Indenture. In the event all or any part of the CFC fails to survive a challenge in a court of competent jurisdiction, all references to the CFC in this Concession Agreement shall be interpreted to mean both the CFC and the Contingent Fee, or the Contingent Fee, as applicable.

4.4 Monthly Revenue Reports. Beginning with the second (2nd) full month of the first Concession Agreement Year and ending on the month following the final month of the Concession Term, Concessionaire shall, on or before the 20th day of each month, submit to City a Monthly Revenue Report in the form of the **Exhibit A** hereto (which may be amended by City from time to time) that details the total Gross Receipts for such preceding month for each location where Concessionaire operates its Rental Car Concession at the Airport, including but not limited to CONRAC, Fixed Base Operators, and hotels on the Airport and a Monthly Revenue Report in the form of the Exhibit A-1 hereto (which may be amended by City from time to time) that summarizes Concessionaire's total Gross Receipts for such preceding month from all of its locations where Concessionaire operates its Rental Car Concession at the Airport. If City shall not receive the Monthly Revenue Report by the 20th day of each month, Concessionaire shall pay a late fee of $50.00 (Fifty dollars) per day until the Monthly Revenue Report is received by City. The Monthly Revenue Report shall include:

4.4.1 Concessionaire's entire Gross Receipts for the prior calendar month;

4.4.2 any Allowable Exclusions from Gross Receipts (but only to the extent expressly authorized under Section 4.1.4.2 of this Concession Agreement) itemized separately with corresponding dollar amounts;

4.4.3 the number of rental transactions and rental transaction days occurring during the calendar month;

4.4.4 the total amount of CFCs collected for the reporting month; and

4.4.5 is certified and signed by an authorized official of the Concessionaire.

4.4.6 to the extent permitted by applicable law, the number of rental transactions and rental Transaction Days by Concessionaire shall be maintained by the City as confidential commercial information, subject to applicable public information, open records, or freedom of information laws. Aggregate totals of such rental transactions and rental Transaction Days by all concessionaires may be provided as public information by City.

4.5 Security Deposit. Upon the Opening Date, Concessionaire shall deposit with City the sum equal to three months' of Concession Fees and CFCs paid by Concessionaire to City under the Prior Concession Agreement, calculated based upon the three-month period next preceding the Opening Date, to be held by City as security for Concessionaire's full, faithful, and timely performance of its obligations under this Concession Agreement (the "Security Deposit"). The Security Deposit shall be in the form of cash or an irrevocable letter of credit. The letter of credit must be in a form, and drawn on a bank, acceptable to City, and must remain in effect throughout the term of the Concession Agreement and for a period of ninety (90) days thereafter. If a letter of credit expires in accordance with its terms prior to such time, Concessionaire must provide a replacement letter of credit to City at least thirty (30) days before its expiration date.

4.5.1 As the fees and charges adjust during the term of this Concession Agreement, City shall periodically review the adequacy of the Security Deposit, and may, by written notice to Concessionaire, increase the required amount of the Security Deposit. Such notice shall include a calculation of the revised Security Deposit, which shall not exceed three months' total estimated Concession Fees due and payable by Concessionaire under this Concession Agreement. Concessionaire shall within twenty (20) Business Days of receipt of such written notice from City increasing the Security Deposit, deposit the additional amount with City by cash, certified check, or supplemental letter of credit.

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

4.5.3 City shall return the Security Deposit to Concessionaire, less any amounts applied by City under Section 4.5.2 above, within ninety (90) days after the termination of this Concession Agreement.

ARTICLE 5
REMITTANCE; LATE PAYMENT

5.1 Remittance Address.

Any and all payments due to the Trustee by the Concessionaire shall be remitted to:

If by check:

Deutsche Bank National Trust Company
Global Transaction Banking
100 Plaza One, 6th Floor
MS: JCY03-0699
Jersey City, NJ 07311

or if by electronic transfer of funds:

Deutsche Bank
ABA #021-001-033
A/C #01419647
REF: PORT S80316.1
City of Austin Rental Car
Attn: Debra Schwalb

Any and all payments due to City by Concessionaire shall be remitted as follows:

If by check:

City of Austin
Department of Aviation
3600 Presidential Blvd., Suite 411
Austin, Texas 78719

or if by electronic transfer of funds:

City of Austin Automated Clearing House
(ACH) transfer of funds to JP Morgan Chase Bank, NA,
221 West Sixth Street, 2nd Floor, Austin, Texas 78701
as follows:

ACH Instructions:
ABA: 111000614
Account Number: 9900075116
Swift Code: CHASUS33
Location: New York, New York
Account Name: City of Austin
Investment Pool Receiving Account

or at such other place as City may direct in writing.

5.2 Late Payment. If any payment payable by Concessionaire under this Concession Agreement, including the payment of CFCs to Trustee, is not made by Concessionaire within ten (10) days of when due, Concessionaire shall pay to City, to compensate City for the costs of processing delinquent payments, a late payment charge equal to fifty dollars ($50.00) in addition to the delinquent payment then owing, regardless of whether or not a Notice of Default has been given by City. In addition, if such delinquent payment and late charge are not received within thirty (30) days of the original due date, Concessionaire shall further pay interest on such delinquent payment/remittance and late charge thereafter at the Default Rate. City and Concessionaire recognize that the damages which City will suffer as a result of Concessionaire'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 Concessionaire's late payment. This provision shall not relieve Concessionaire from payment of amounts due hereunder at the time and in the manner herein specified.

ARTICLE 6
AUDITS AND RECORD RETENTION

6.1 Annual Audit Requirement by Concessionaire, CPA Opinion.

6.1.1 Within ninety (90) days after the end of each Concession Agreement Year, Concessionaire, at its own expense, shall provide to City an audited annual accounting statement of the Concessionaire's Gross Receipts and Concession Fees due City and the CFCs due the Trustee for such Concession Agreement Year (each, an "Annual Audit Statement"). The Annual Audit Statement shall be prepared by an independent, licensed Certified Public Accountant, in accordance with generally accepted accounting principles applicable to private entities. The Annual Audit Statement shall include an opinion on whether the statement of CFCs, Gross Receipts, and Concession Fees have 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. This obligation shall survive termination of this Concession Agreement.

6.1.2 In the event Concessionaire fails to timely submit its Annual Audit Statement, or the information submitted by Concessionaire within the required timeframe fails to conform to the requirements stated above, and such Annual Audit Statement is not received within ten (10) days after receipt of written notice from City, then City may impose on Concessionaire, and Concessionaire shall pay, a non-compliance penalty of fifty dollars ($50.00) per day for each day the Annual Audit Statement is not received after the due date. If the Annual Audit Statement required hereunder is not provided by Concessionaire within 120 days after the end of the Concession Agreement Year, then City may impose, and Concessionaire shall pay, a noncompliance penalty of one hundred dollars ($100.00) per day for each day the Annual Audit Statement is not received by City after 120 days after the end of Concessionaire's Concession Agreement Year.

6.2 Records Retention. Concessionaire shall maintain full and accurate records, accounts, books, and data with respect to business done by it hereunder which shall show all of the Gross Receipts, in sufficient detail to readily permit verification of Gross Receipts and revenues (including, without limitation, CFCs) by City. Such records shall include all books, records and documents generated or maintained by Concessionaire concerning or relating to Concessionaire's operations under this Concession Agreement, the collection of CFCs, or the calculation of Gross Receipts and the Concession Fees or other rents, fees or charges payable under this Concession Agreement, such as general ledgers, sales journals, daily sales reports, detailed daily reports, cash register tapes, trial balances, sales tax reports, subsidiary ledgers, daily journals, original and closed rental agreements, corporate chart of accounts, and lists of all rental locations on the Airport. Concessionaire shall retain all such records, accounts, books, ledgers, journals, business reports, rental agreements, and all other pertinent data and supporting documentation ("books and records") for the longer of three (3) years after the end of the Concession Agreement Year to which they pertain or until completion of all pending audits or litigation between the parties.

6.3 City's Auditing Rights. Upon written notice, City or its authorized representatives shall, at any time during the Concession Term or within three years after the end of any Concession Agreement Year, have access to, and the right to audit, examine, or reproduce any or all books and records of Concessionaire related to performance under this Concession Agreement. Concessionaire shall cooperate fully with any audit or examination initiated by City, and shall produce all books and records requested for audit to a designated location at the Airport, or in Austin, Texas, within thirty (30) days of the date of written request. To facilitate the inspection of Concessionaire's books and records, documents provided for audit shall be made available in an electronically downloadable format acceptable to City whenever possible. When electronic files do not exist, legible printed copies of books and records must be provided.

If Concessionaire fails to produce all books and records requested for audit within the required timeframe, Concessionaire shall be subject to a noncompliance penalty of fifty dollars ($50.00) per day for each day beyond the twentieth day after date of written request, and then one hundred dollars ($100.00) per day for each day after forty-five (45) days, until all books and records have been provided for audit as requested. In addition to the penalty, if Concessionaire's books and records have not been provided for audit within forty-five (45) days of audit request, City shall have the right to send its auditor or authorized representative to another location where Concessionaire's books and records are maintained in order to audit, examine or reproduce books and records. In this event Concessionaire shall pay all reasonable expenses for the audit, including, but not limited to, travel/transportation expenses, food and lodging, and related business expenses.

If the audit reveals that additional fees are due City, Concessionaire shall pay such additional fees, plus interest from the date such fees were originally due and payable at the Default Rate, within twenty (20) days after receipt of written notice from City. If the audit reveals that Concessionaire has overpaid the fees due City, such overpayment shall be refunded by City.

If the audit reveals a discrepancy (underreporting by Concessionaire) of five percent (5%) or more between Concessionaire's Gross Receipts as reported by Concessionaire to City and

those determined by City audit, then Concessionaire shall also pay City an underreporting penalty of 7% of the additional fees due City within twenty (20) days of written notice by City.

City's rights and Concessionaire's obligations under this Section shall survive the expiration or earlier termination of this Concession Agreement.

ARTICLE 7
[RESERVED]

ARTICLE 8
STANDARDS OF OPERATION

8.1 First Class Service. Concessionaire shall ensure that its Rental Car Concession is operated, at a minimum, in conformance with the following standards:

8.1.1 General Standards of Operation.

8.1.1.1 Concessionaire shall provide the highest degree and standards of quality of services to the patrons of the Airport. Concessionaire 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.

8.1.1.2 Concessionaire 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 Airport.

8.1.1.3 Traveler's checks and credit cards must be acceptable forms of payment for rental transactions.

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

8.1.1.5 Concessionaire shall not engage in activities that will divert Airport Customers from Concessionaire's Rental Car Concession for any purpose whatsoever, including the writing of sales agreements for an Airport Customer at any of Concessionaire's other rental car operations not located on the Airport. If City believes, in its opinion, that Concessionaire is engaging in such a diversion of activity, it reserves the right to inspect any relevant Concessionaire records, including records from operations other than Concessionaire's Rental Car Concession. Concessionaire shall refer any customers and/or rental contracts that Concessionaire is unable to accommodate to other Airport concessionaires.

8.1.1.6 Service must be provided promptly and efficiently and on a fair, equal and not unlawfully discriminatory basis to all patrons of the Airport.

8.1.1.7 If City receives and forwards to Concessionaire any complaint concerning Concessionaire's operation of its Rental Car Concession, Concessionaire 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.

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

8.1.2 Personnel.

8.1.2.1 Concessionaire 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 Concessionaire's Rental Car Concession. Concessionaire shall train all of its employees in the proper operation of its business and compliance with Legal Requirements, City Standards and the provisions of this Concession Agreement, and the provision of good service to customers. Concessionaire shall ensure that all employees, contractors and agents conduct themselves in a professional and courteous manner at all times. To the extent required by City, Concessionaire also shall cause its employees to participate in any customer-service training program established by City for some or all concessionaires operating within the CONRAC.

8.1.2.2 The operation of Concessionaire'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. Concessionaire's operation of its Rental Car Concession must be adequately staffed with sufficient and well-trained personnel who shall be courteous at all times. All employees must wear their nametags and Airport identification badges at all times while performing their duties if required in the area in which the employee is working under the terms of Section 8.3 hereof.

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

8.1.2.4 Concessionaire 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 Concessionaire under this Concession Agreement. City shall be the sole judge of whether conduct amounts to a violation of this Section 8.1.2.4. Upon written notice from City, Concessionaire shall take all necessary steps to immediately eliminate conduct in violation of this Section 8.1.2.4 and to prevent its recurrence.

8.1.2.5 Concessionaire shall provide City a list of Concessionaire'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.

8.1.2.6 Employees of Concessionaire shall be permitted to park their personal vehicles in the employee surface parking areas designated by City from time to time, subject to the same terms and conditions of use as are applicable to employees of other tenants at the Airport and other concessionaires using the employee surface parking areas at the Airport.

8.1.3 Hours of Operation. Unless otherwise approved by City, Concessionaire's Rental Car Concession shall remain open and staffed seven (7) days a week, at least 30 minutes 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 Concessionaire's control; provided, however, Concessionaire shall extend the closing time of its Rental Car Concession operations to accommodate air traffic delays and schedule changes.

8.1.4 Rental Vehicles. Concessionaire shall maintain, at Concessionaire's sole expense, all vehicles used in its Rental Car Concession in good, safe and operative order, free from known mechanical defects, and in clean, neat and attractive condition, inside and outside. Rental vehicles must not be more than three model years old. Notwithstanding the foregoing, Concessionaire may offer for rental antique, vintage, classic or other luxury or prestige vehicles or handicapped-operated vehicles ("designated vehicles"). City shall have the right to prohibit Concessionaire from offering for rental any such designated vehicle that City determines not to meet the mechanical or appearance standards described in this Section 8.1.4. Concessionaire shall use it best efforts to have available a sufficient number of vehicles to meet all reasonably foreseeable demands of the traveling public. Concessionaire 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 strictly observe all posted speed limits and other traffic and safety signs.

8.1.5 Road Obstructions. If, during the Concessionaire's operations or activities authorized under this Concession Agreement, it becomes necessary to obstruct any road or other area provided for vehicular traffic, Concessionaire shall, at least seventy-two (72) hours before the placement of an obstruction, obtain the written approval of the City. The Concessionaire shall comply with the related decisions and directions of the City in respect to this subsection.

8.2 Multi-Branding. Subject to the provisions regarding assignment in ARTICLE 16, Concessionaire shall be prohibited from operating at the Airport under any brand name or trade

name other than the brand name(s) or trade name(s) identified in **Exhibit B** hereto. During the Concession Term, Concessionaire shall operate and maintain all signage only under the brand or trade name(s) set forth in **Exhibit B** hereto. No other brand or trade name shall be used or displayed by Concessionaire at the Airport or upon the Leased Premises during the Concession Term. Except as provided herein, the operation of multiple brand or trade names by Concessionaire under this Concession Agreement is prohibited.

8.2.1 If Concessionaire utilizes any particular brand or trade name under a license or franchise agreement, Concessionaire represents and warrants to City that Concessionaire has been granted the right to use any such brand or trade name that may be used at the Leased Premises for the entire term of this Concession Agreement, pursuant to a franchise or license agreement (the "Franchise Agreement") with the brand or trade name owner (a "Franchisor"). At City's request, Concessionaire agrees to provide City with a copy of the Franchise Agreement and reasonable evidence that such agreement remains in full force and effect. Concessionaire agrees that the termination of Concessionaire's right either to use Concessionaire's brand or trade name at the Leased Premises or to conduct a Rental Car Concession at the Leased Premises of the type then conducted by or under license from the Franchisor of such brand or trade name shall constitute a material breach of Concessionaire's obligations under this Concession Agreement.

8.3 Airport Security. Employees, agents and representatives of Concessionaire and its respective contractors and subcontractors shall comply with the Airport Security Plan to the extent applicable and all other applicable airport security regulations as adopted or required by the TSA or other Governmental 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, contractor or subcontractor of Concessionaire in any manner or form at any time during the Concession Term, Concessionaire immediately shall remedy such breach or assist City, the TSA or other Governmental Authorities in remedying such breach, regardless of the circumstances. City reserves the right to take whatever action that City determines to be necessary to remedy any such breach in the event Concessionaire fails immediately to do so. Concessionaire shall maintain the integrity of the controlled access security system of the Airport for the Concession Term. Concessionaire 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 8.3. CONCESSIONAIRE SHALL BE SOLELY AND FULLY RESPONSIBLE FOR, AND SHALL INDEMNIFY AND HOLD CITY, AND ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES HARMLESS FROM AND AGAINST ANY FINES OR PENALTIES IMPOSED ON CITY AS A RESULT OF, ANY BREACH OF AIRPORT SECURITY BY CONCESSIONAIRE, OR ITS OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SERVANTS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS, ASSIGNS AND SUPPLIERS.

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. Concessionaire shall cooperate, and cause its existing and prospective employees and contractors to cooperate, with City in conducting such background checks in accordance with Applicable Law.

Concessionaire shall be responsible for obtaining security badges for entry to the sterile, secured or restricted areas of the Airport, if necessary, for all Concessionaire and Concessionaire contractor personnel required to enter into such area to perform Concessionaire's obligations under this Concession Agreement. Concessionaire shall be responsible for collecting all security badges issued to Concessionaire or Concessionaire contractor personnel who cease to be employed and returning to City's Department of Aviation in accordance with Applicable Laws and Airport policies. Concessionaire shall pay City the sum of Five Hundred Dollars ($500) for each security badge issued to a Concessionaire employee or Concessionaire contractor employee that is lost, or otherwise not returned as required by applicable Transportation Security Regulations.

8.4 Concessionaire Otherwise Responsible. Concessionaire shall otherwise 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 Concessionaire 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 Concessionaire.

ARTICLE 9
SMOKING REGULATIONS

9.1 Smoking Regulations. City maintains a no smoking policy for the Terminal and the CONRAC. Smoking shall not be permitted in the CONRAC.

ARTICLE 10
INDEMNITY AND INSURANCE

10.1 Indemnity.

10.1.1 No Liability of City. Except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of City, City shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Concessionaire or by others, including all persons directly or indirectly employed by Concessionaire, or any agents, contractors, subcontractors, subtenants, licensees or invitees of Concessionaire, as a result of any condition (including existing or future defects in the Leased Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Concessionaire's use or occupancy of the Leased Premises or of areas adjacent thereto. No elected or non-elected official, employee or officer of City shall have any personal liability with respect to (a) any of the provisions of this Concession Agreement; (b) any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Concessionaire or by others, including all persons directly or indirectly employed by Concessionaire, or any agents, contractors, subcontractors, licensees or invitees of Concessionaire, as a result of any condition (including existing or future defects in the Leased Premises) or occurrence (including failure or interruption of utility service) whatsoever

related in any way to Concessionaire's use or occupancy of the Leased Premises or of areas adjacent thereto, except to the extent any such injury or damage is caused by the gross negligence or willful misconduct of such elected or non-elected official, employee, or officer of City; or (c) a default by City hereunder or the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default.

10.1.2 Indemnification by Concessionaire.

10.1.2.1 CONCESSIONAIRE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ITS ELECTED AND NON-ELECTED OFFICIALS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER (COLLECTIVELY, "**CLAIMS**") RESULTING FROM OR CONCERNING THIS CONCESSION AGREEMENT OR THE CONDUCT OF CONCESSIONAIRE'S BUSINESS AT THE AIRPORT, TO THE EXTENT ARISING DIRECTLY OR INDIRECTLY, OUT OF (A) ANY BREACH OF THIS CONCESSION AGREEMENT BY CONCESSIONAIRE, ITS AGENTS, EMPLOYEES OR CONTRACTORS, (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY CONCESSIONAIRE HEREUNDER, (C) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF CONCESSIONAIRE, OR ITS AGENTS, EMPLOYEES OR CONTRACTORS, AND (D) TO THE EXTENT COVERED BY INSURANCE REQUIRED TO BE MAINTAINED BY CONCESSIONAIRE HEREUNDER, ANY ALLEGED, ESTABLISHED, OR ADMITTED ACT OR OMISSION OF THE INDEMNIFIED PARTIES, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE INDEMNIFIED PARTIES, BUT, TO THE EXTENT ALLOWED BY TEXAS LAW, EXCLUDING CLAIMS TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES AS DETERMINED BY A COURT OF COMPETENT JURISDICTION, PROVIDED THAT THE EXECUTION OF THIS CONCESSION AGREEMENT WILL NOT BE DEEMED A NEGLIGENT ACT. CONCESSIONAIRE SHALL ASSUME ON BEHALF OF THE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL CLAIMS AGAINST ANY OF THE INDEMNIFIED PARTIES. CONCESSIONAIRE MAY CONTEST THE VALIDITY OF ANY CLAIMS, IN THE NAME OF CONCESSIONAIRE OR THE INDEMNIFIED PARTIES, AS CONCESSIONAIRE MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY CONCESSIONAIRE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS CONCESSION AGREEMENT.

10.1.2.2 Release. Other than to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties, Concessionaire hereby releases the Indemnified Parties with respect to all Claims regarding any alleged, established or admitted negligent or wrongful act or omission of the Indemnified Parties, including all claims caused by the negligence or strict liability of the Indemnified Parties.

10.1.3 Survival. CONCESSIONAIRE AND CITY AGREE AND ACKNOWLEDGE THAT THIS SECTION 10.1 IS THE PRODUCT OF MUTUAL NEGOTIATION. Concessionaire's obligations under this SECTION 10.1 shall survive the expiration or earlier termination of the Concession Term.

10.2 Insurance. Concessionaire shall obtain and keep in force, at its sole cost and expense, during the Concession Term the following types of insurance, in the amounts specified and in the form hereinafter provided:

10.2.1 Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code Title 5.) and minimum policy limits for employers liability of $1,000,000 bodily injury each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

10.2.1.1 A Waiver of Subrogation in favor of the City of Austin, form WC 420304; and

10.2.1.2 A 30 day Notice of Cancellation/Material Change in favor of the City of Austin, form WC 420601.

10.2.2 Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations minimum limit of liability. The policy shall contain the following provisions:

10.2.2.1 Blanket contractual liability coverage;

10.2.2.2 Medical expense coverage with a minimum limit of $5,000 any one person;

10.2.2.3 Fire Legal Liability with a minimum limit of $50,000;

10.2.2.4 Independent Contractors coverage;

10.2.2.5 City of Austin listed as additional insured;

10.2.2.6 Thirty-day Notice of Cancellation in favor of the City of Austin endorsement CG 0205; and

10.2.2.7 Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin endorsement CG 2404.

10.2.3 Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

10.2.3.1 City of Austin named as additional insured(s), form TE 9901B; (and Bond Trustee, if so directed by City);

10.2.3.2 Thirty-day Notice of Cancellation in favor of the City, Form TE 0202A; and

10.2.3.3 Waiver of Subrogation endorsement TE 2046A.

10.2.4 All Risk Property Insurance for all Initial Tenant Improvements, any Alterations constructed by Concessionaire in the CONRAC and all of the RAC's Property for 100% of the replacement cost value. The Concessionaire shall be named as loss payee on the policy.

10.3 General Requirements.

10.3.1 Concessionaire and its contractors and subcontractors shall not commence operations under this Concession Agreement until Concessionaire and its contractors and subcontractors have obtained the required insurance and Certificates of Insurance are received and reviewed by City indicating required coverage. If coverage period ends during the Term of this Concession Agreement, Concessionaire and its contractors and subcontractors must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of this Concession Agreement.

10.3.2 Approval of insurance by City and the required minimums shall not relieve or decrease the liability or responsibility of Concessionaire hereunder and shall not be construed to be a limitation of liability on the part of Concessionaire.

10.3.3 Concessionaire's and all its contractors' and subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Companies with A.M. Best ratings of A- or better, if required, shall write hazardous materials insurance. Workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund shall be acceptable.

10.3.4 Concessionaire will not engage in operations or store any property in the facilities that will cause an increase in the premium rate paid by the Airport for fire and extended coverage insurance or that will cause an increase in the premiums paid for such insurance of other tenants or subtenants in the Airport, unless Concessionaire pays the entire amount of such increase or increases. Further, Concessionaire will not engage in operations or store any property in the facilities which may make void or voidable any such insurance policies.

All endorsements, waivers, and notices of cancellation endorsements, as well as Certificates of Insurance naming City (and Bond Trustee, if so directed by City) as additional insureds shall indicate:

City of Austin/Department of Aviation
Attn: Airport Properties Manager
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

10.3.5 The "other" insurance clause shall not apply to City where City is shown as additional insureds on any policy. It is intended that policies required in this Concession Agreement, covering both City and Concessionaire, shall be considered primary coverage as applicable. If insurance policies are not written for amounts specified below, Concessionaire shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

10.3.6 In order to ensure compliance with the provisions of this Article, City shall be entitled, upon request and without expense, to inspect certified copies of Concessionaire's insurance policies and endorsements thereto at the Airport or other location in Austin, Texas reasonably designated by Concessionaire.

10.3.7 The City reserves the right to review the insurance requirements set forth during the Term of this Concession Agreement and to make commercially reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by City based upon changes in statutory law, court decisions, and the claims history of their industry or the financial condition of the insurance company as well as the Concessionaire.

10.3.8 Concessionaire shall not cause or permit any insurance to lapse or to be canceled during the Term of this Concession Agreement unless replaced by other insurance that satisfies the requirements of this Article as of the time of lapse or cancellation.

10.3.9 Concessionaire shall pay all premiums, deductibles and self-insured retention's, if any, stated in policies. All deductibles or self-insured retention's shall be disclosed on the Certificate of Insurance.

10.4 Claims Against Concessionaire.

If a claim, demand, suit, or other action is made or brought by any person against Concessionaire arising out of or concerning this Concession Agreement, or the Rental Car Concession, Concessionaire shall give written notice thereof, to City within two (2) 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, Concessionaire 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 Director as provided herein, and to the Austin City Attorney, City Hall, 301 West 2nd Street, Austin, Texas 78701.

ARTICLE 11
ENVIRONMENTAL PROTECTION

11.1 Definitions in this ARTICLE 11:

"Environmental Laws" - shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Water Code, the Texas Hazardous Materials Act, and the Texas Water Quality Control Act.

"Hazardous Materials" - shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

"Environmental Claims" – shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

"City" – shall include City's elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

"Concessionaire" - shall include Concessionaire's directors, officers, agents, employees, contractors, customers, invitees, successors, and assigns.

11.2 Compliance. In its operations at the Airport, Concessionaire shall strictly comply with all applicable Environmental Laws, the Airport Environmental Policies and Procedures (including without limitation, the Storm Water Pollution Prevention Plan ("SWPPP") and Spill Response Plan), which are incorporated by reference, and as of the Effective Date of this Concession Agreement are located on the Airport's website at: http://content.abia.org/environmental/storm_water.html. Without limiting the generality of the foregoing provision, Concessionaire shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Concessionaire's permitted

activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained as required pursuant to Applicable Laws, and notice of and a copy of the current material safety data sheet is provided to the DOA for each such Hazardous Material. Prior to commencing operations at the Airport, Concessionaire will complete an Airport baseline environmental questionnaire. Concessionaire shall not discharge, cause or allow a Release, or dispose of any Hazardous Materials on the Airport or surrounding air, lands or waters in violation of Applicable Laws. Concessionaire shall promptly notify City of any Hazardous Material spills, releases, or other discharges by Concessionaire at the Airport in accordance with City's Spill Response Plan and promptly abate, remediate, and remove any the same to the extent required under Applicable Laws. Concessionaire shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental Laws by Concessionaire at the Airport within ten (10) days after such documents are generated by or received by Concessionaire. If Concessionaire uses, handles, treats, or stores Hazardous Materials at the Airport, and it is necessary for Concessionaire to arrange for the disposal of the Hazardous Materials, Concessionaire shall comply with any applicable requirement under Applicable Laws to have a contract in place with an EPA or TCEQ approved waste transport or disposal company, and to identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport, and disposal. Complete records of all disposal manifests, receipts and other documentation required by Applicable Laws shall be retained by the Concessionaire and made available to City for review upon request. City shall have the right at any time to enter the Leased Premises to inspect, take samples for testing, and otherwise investigate the Leased Premises for the presence of Hazardous Materials. In exercising its right of access, City shall endeavor to minimize disruption of or interfere with Concessionaire's operations or use of the Leased Premises.

11.3 Responsibility. Concessionaire's Hazardous Materials shall be the responsibility of Concessionaire. Concessionaire shall be liable for and responsible to pay all Environmental Claims that arise out of or are caused in whole or in part from Concessionaire's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport, the violation of any Environmental Law by Concessionaire, or the failure of Concessionaire to comply with the terms, conditions and covenants of this Article. If City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Concessionaire's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Airport, Concessionaire shall promptly reimburse City for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Concessionaire at the Airport shall be the responsibility of Concessionaire.

11.4 Indemnity. IN ADDITION TO ANY OTHER INDEMNITIES IN THIS CONCESSION AGREEMENT, CONCESSIONAIRE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) ARISING OUT OF OR RESULTING IN WHOLE OR IN PART FROM CONCESSIONAIRE'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF HAZARDOUS MATERIALS ON OR AT THE AIRPORT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY

CONCESSIONAIRE, OR THE FAILURE OF CONCESSIONAIRE TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS ARTICLE.

11.5 Removal. Prior to the expiration or earlier termination of the Concession Agreement or the Sublease Agreement, Concessionaire shall remove or remediate in accordance with applicable Environmental Laws and the Airport Environmental Rules and Policies, all of Concessionaire's Hazardous Materials from the Airport, and surrounding lands and waters. Unless instructed otherwise by City, Concessionaire shall also, prior to vacating the Subleased Premises and Airport, remove all aboveground and underground storage tanks, piping and other equipment, if any, installed by or on behalf of Concessionaire in the CONRAC which stored Hazardous Materials, or which are contaminated by Hazardous Materials, provided that Concessionaire shall not at any time install or have installed any such storage tanks, piping or other equipment without express prior written consent of City. Fuel Facilities installed by or on behalf of the Master Lessee as part of original development of the CONRAC or in the course of maintenance or improvement thereafter by Master Lessee, shall not be considered installed by or on behalf of Concessionaire for purposes of this Section.

11.6 Stormwater Requirements. Concessionaire acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program ("NPDES") and Federal Stormwater Regulations (40 C.F.R. Part 122) and the Texas Pollution Discharge Elimination System Program ("TPDES"). In its operations at the Airport, Concessionaire shall comply with Applicable Law, including NPDES, TPDES, Federal and State Stormwater Regulations, including any permits thereunder, and the SWPPP.

11.7 Sustainability. Concessionaire shall comply with Applicable Laws pertaining to recycling, energy, and natural resource conservation and management. Concessionaire shall cooperate with City in the implementation of energy conservation, water conservation, and waste minimization programs and policies the City establishes from time to time.

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

ARTICLE 12
TAXES AND ASSESSMENTS; LIENS

12.1 Payment of Taxes and Assessments. Concessionaire shall pay, or in good faith contest, 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 Concessionaire as a result of this Concession Agreement, or upon the business conducted by Concessionaire on the Airport; and shall maintain in current status all federal, state, and local licenses, and permits required for the operation of the Concession granted under this Concession Agreement. If Concessionaire contests such taxes, charges or fees, City may require Concessionaire to establish *and sufficiently fund an escrow account bond to cover payment of such taxes, charges, or fees, if* determined to be due and owing.

ARTICLE 13
DEFAULT

13.1 Events of Default. The term "Event of Default" shall mean the occurrence of any of the following events:

13.1.1 Vacating or Abandonment. The vacating or abandonment of the portion of the CONRAC subleased by Concessionaire pursuant to the Sublease Agreement for a period of forty-eight (48) consecutive hours;

13.1.2 Failure to Lease Space in CONRAC. The failure by Concessionaire to enter into a valid and binding Sublease Agreement for space within the CONRAC on substantially the same terms as contained in the Master Lease pursuant to rules, regulations, procedures and requirements established by City;

13.1.3 Failure to Remit Customer Facility Charge. The failure by Concessionaire to collect and remit the proceeds of the Customer Facility Charge when due as required by Section 4.2 hereof;

13.1.4 Failure to Make Payments. The failure by Concessionaire to make any payment of Concession Fees or other amount required by this Concession Agreement, or the Sublease Agreement when due (other than as provided in Section 13.1.3 hereof) and such failure continues for ten (10) days after a Notice of Default is deemed to be received by Concessionaire in accordance with Section 18.9 hereof;

13.1.5 Failure to Perform under ARTICLE 10. The failure by Concessionaire to observe or perform the covenants, conditions and agreements to be observed or performed by Concessionaire in ARTICLE 10 hereof and such failure continues for ten (10) days after a Notice of Default is deemed to be received by Concessionaire in accordance with Section 18.9 hereof;

13.1.6 Failure to Perform under ARTICLE 11. The failure by Concessionaire to observe or perform the covenants, conditions and agreements to be observed or performed by Concessionaire in ARTICLE 11 hereof;

13.1.7 Failure to Perform Other Covenants, etc. The failure by Concessionaire to observe or perform any covenant, condition or agreement to be observed or performed by Concessionaire in this Concession Agreement (other than as provided in Sections 13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.1.5, 13.1.8, 13.1.9, 13.1.11, and 13.1.12 hereof) and such failure continues for thirty (30) days after a Notice of Default is deemed to be received by Concessionaire in accordance with Section 18.9 hereof;

13.1.8 False Financial or Background Statement. The discovery by City that any financial or background statement provided to City by Concessionaire or any successor, grantee or assign of Concessionaire was materially false;

13.1.9 Bankruptcy, *etc.* The filing by or against Concessionaire of a petition in bankruptcy, Concessionaire's being adjudged bankrupt or insolvent by any court, a receiver of the property of Concessionaire being appointed in any proceeding brought by or against Concessionaire, Concessionaire's making an assignment for the benefit of creditors or any proceeding being commenced to foreclose any mortgage or other lien on Concessionaire's interest in the Leased Premises or on any personal property kept or maintained on the Subleased Premises by Concessionaire;

13.1.10 Failure to Abide by all Applicable Laws. The failure by Concessionaire to abide by all applicable laws, ordinances, rules, and regulations of the United States, State of Texas, or the City of Austin, and if such failure should continue for a period of thirty (30) days after receipt by Concessionaire of written notice of such failure; and

13.1.11 Event of Default Under the Sublease Agreement. The occurrence of an "Event of Default" under Concessionaire's Sublease Agreement.

13.1.12 Failure to File Annual Audit Statement. The failure of Concessionaire to submit its annual audited statement within one hundred fifty (150) days after the end of the Concession Agreement Year shall be a material event of default.

13.2 Remedies. In addition to, and not in lieu or to the exclusion of, any other remedies provided in this Concession Agreement or to any other remedies available to City at law or in equity, City shall have the remedies specified in this Section 13.2 upon the occurrence of an Event of Default hereunder.

13.2.1 Right to Terminate. Whenever any Event of Default is continuing hereunder, City shall have the right to terminate this Concession Agreement and all of Concessionaire's rights by giving at least ten (10) calendar days written notice to Concessionaire. Upon termination, the Sublease shall also be in default and the Master Lessee may re-enter the Subleased Premises using such force as may be necessary and remove all persons and property of Concessionaire from the CONRAC. City will be entitled to recover from Concessionaire all unpaid Concession Fees and any other amount otherwise payable by Concessionaire, or any other payments and damages incurred because of Concessionaire's default including the reasonable and necessary costs of re-letting (including any tenant improvements reasonably required, renovations or repairs reasonably required, any advertising reasonably required, any leasing commissions reasonably required, and attorneys' fees and costs reasonably required)

(collectively, the "Concession Termination Damages"), together with interest on all Concession Termination Damages at the Default Rate, from the date such Concession Termination Damages are incurred by City until paid by Concessionaire.

13.2.2 Concessionaire Retains Liability. In addition to Concession Termination Damages, and notwithstanding termination and re-entry, Concessionaire's liability for all Concession Fees and all other amounts otherwise payable by Concessionaire hereunder, or other charges which, but for termination of this Concession Agreement, would have become due over the remainder of the Concession Term (collectively, the "Concession Future Charges"), will not be extinguished and Concessionaire agrees that City will be entitled, upon termination for default, to collect as additional damages the following (the "Concession Deficiency"):

13.2.2.1 An amount equal to the Concession Future Charges, less the amount of actual fees, if any, which City receives during the remainder of the Concession Term from others to whom the CONRAC may be leased, in which case such Concession Deficiency will be computed and payable at City's option either in an accelerated lump-sum payment discounted to net present value, or in monthly installments, in advance, on the first day of each calendar month following termination of this Concession Agreement and continuing until the date on which the Concession Term would have expired but for such termination. Any suit or action brought to collect any portion of Concession Deficiency attributable to any particular month or months shall not in any manner prejudice City's right to collect any portion of Concession Deficiency by a similar proceeding. For purposes of this Section 13.2.2.1, "net present value" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank for the region that includes Austin, Texas; or

13.2.2.2 An amount equal to Concession Future Charges less the aggregate fair value of the Concession Fees over the remaining Concession Term, reduced to net present value. In this case, the Concession Deficiency must be paid to City in one lump sum, on demand, and will bear interest at the Default Rate until paid. For purposes of this Section 13.2.2.2, "net present value" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank for the region that includes Austin, Texas.

13.2.3 Re-Letting of Leased Premises. In the event this Concession Agreement is terminated as a result of an Event of Default, City shall have no obligation to cause the Leased Premises to be re-let in whole or in part, alone or together with other premises, upon a termination of this Concession Agreement. City shall not be liable for, nor will Concessionaire's obligations under this Concession Agreement be diminished by reason of, any failure by City to cause the Leased Premises to be re-let or any failure by City to collect any rent due upon such re-letting.

13.2.4 Personal Property of Concessionaire. If upon any re-entry permitted under this Concession Agreement, there remains any personal property of Concessionaire upon the Leased Premises, the Master Lessee, in its sole discretion, may and shall, at the direction of the City, remove and store such personal property for the account of and at the expense of Concessionaire. Concessionaire shall bear all risks associated with the removal and storage of

such personal property. Concessionaire shall reimburse City for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. In accordance with Texas law, the City has the right to sell any personal property, which has been stored for a period of thirty (30) days or more, unless Concessionaire has tendered reimbursement to City for all expenses incurred in such removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of removal and storage charges, third to the payment of any other amounts which may then be due and owing from Concessionaire to City, and fourth to the payment of any other amounts which may then be due and owing from the Concessionaire to the Master Lessee. The balance of sale proceeds, if any, will then be paid to Concessionaire.

13.3 Remedies Cumulative. All rights, options and remedies of 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 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, whether or not stated in this Concession Agreement.

13.4 City Default.

13.4.1 The City shall be in default under this Concession Agreement in the event:

13.4.1.1 The City fails to substantially perform any material term, covenant or condition of this Concession Agreement, and such default is not cured by the City within thirty (30) days after receipt of written notice from Concessionaire; provided, however, should the nature of the default be such that it is not curable within such thirty (30) day period, the City shall be deemed to have cured such default, if within such thirty (30) day period it shall commence the cure and thereafter diligently prosecute the same to completion; or

13.4.1.2 The City permanently abandons the Airport as a commercial passenger airport,

13.4.2 Upon the happening of a City Default, and the passage of the time periods described, Concessionaire may, in addition to other rights or remedies available under applicable law, terminate this Concession Agreement by giving written notice thereof to the City at least thirty (30) days in advance of the date upon which termination is to be effective,

13.5 Concessionaire's Right to Terminate for Other Events.

13.5.1 Provided that Concessionaire is not itself in default under this Concession Agreement, Concessionaire may terminate this Concession Agreement upon the happening of anyone or more of the following events by giving the City written notice at least thirty (30) prior to the effective date of termination:

13.5.1.1 The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereto, in such a manner as to substantially restrict Concessionaire for a period of at least one year from operating thereon,

13.5.1.2 Issuance by any court of competent jurisdiction of an injunction in any way preventing or restricting the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days,

13.5.1.3 The inability of Concessionaire or its customers to use, for a period of ninety (90) consecutive days, the Airport, the CONRAC or any substantial part thereof due to enactment or enforcement of any Applicable Law, or because of an event of Force Majeure, or

13.5.1.4 The permanent cessation of all scheduled airline service from the Airport for any reason other than abandonment by the City.

13.5.2 In the event Concessionaire terminates this Concession Agreement under this Section 13.5, Contingent Fees and Concession Fees due hereunder shall be payable only to date of termination. Upon such termination, as Concessionaire's exclusive remedy, the City shall pay to Concessionaire the depreciated net book value of its leasehold improvements which cannot be removed from the Leased Premises.

ARTICLE 14
TERMINATION

14.1 Termination. This Concession Agreement may be terminated in advance of its scheduled expiration date as follows:

14.1.1 Default. City may terminate this Concession Agreement upon the occurrence of an Event of Default as provided in Section 13.1 hereof.

14.1.2 Termination of Master Lease. City may terminate this Concession Agreement upon the termination of the Master Lease pursuant to an event described in Section 22.1 of the Master Lease.

14.1.3 Termination of Sublease Agreement. City may terminate this Concession Agreement upon the termination of the Sublease Agreement pursuant to an event described in Section 22.1 of the Sublease Agreement.

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

ARTICLE 15
NO WAIVER; CITY'S RIGHT TO PERFORM

15.1 Receipt of Monies Following Termination. No receipt of monies by City from Concessionaire after the termination or cancellation of this Concession Agreement in any lawful manner shall (a) reinstate, continue or extend the Concession Term; (b) affect any notice theretofore given to Concessionaire; (c) operate as a waiver of the rights of City to enforce the payment of any Concession Fees or other amount otherwise payable by Concessionaire then due or thereafter falling due; or (d) operate as a waiver of any right of City to recover possession of the Subleased Premises by suit, action, proceeding or remedy. Concessionaire agrees that, after the service of notice to terminate or cancel this Concession Agreement, or after the commencement of suit, action or summary proceedings or any other remedy, or after a final order or judgment for the possession of the Subleased Premises, City may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, remedy, order or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation by Concessionaire and/or Concessionaire's liability hereunder.

15.2 No Waiver of Breach. The failure of City to insist, in any one or more instances, upon a strict performance of any of the covenants of this Concession Agreement or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of the future performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by City of Concession Fees or other amount otherwise payable by Concessionaire hereunder with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by City of any provision hereof shall be deemed to have been made unless expressed in writing and signed by City. The consent or approval of City to or of any act by Concessionaire requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent to or approval of any subsequent similar acts by Concessionaire.

15.3 No Waiver. The receipt by City of any installment of Concession Fees or other amount otherwise payable by Concessionaire shall not be a waiver of any Concession Fees or other amount otherwise payable by Concessionaire hereunder.

15.4 Application of Payments. City shall have the right to apply any payments made by Concessionaire to the satisfaction of any debt or obligation of Concessionaire to City, in City's sole discretion, regardless of the instructions of Concessionaire as to the application of any such sum (whether such instructions are endorsed upon Concessionaire's check or otherwise), unless otherwise agreed by both parties in writing. The acceptance by City of a check or checks drawn by a Person other than Concessionaire shall in no way affect Concessionaire's liability hereunder nor shall it be deemed an approval of any assignment of this Concession Agreement or subletting by Concessionaire.

15.5 City's Right to Perform. Upon Concessionaire's failure to perform any obligation or make any payment required of Concessionaire hereunder, City shall have the right (but not the obligation) to perform such obligation of Concessionaire on behalf of Concessionaire and/or to make payment on behalf of Concessionaire. Concessionaire shall reimburse City the reasonable

cost of City's performing such obligation on Concessionaire's behalf, including reimbursement of any amounts that may be expended by City, plus interest at the Default Rate.

ARTICLE 16
ASSIGNMENT OR SUBLEASE

16.1 Prohibition. Subject to Section 16.2 hereof, Concessionaire shall not, without the prior consent of City, assign or transfer this Concession Agreement or any interest herein or sublet the whole or any portion of the Leased Premises, nor shall this Concession Agreement or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without the prior consent of City. If Concessionaire is anything other than an individual, Concessionaire further agrees that if, at any time during the Concession Term, more than one-half (1/2) of the outstanding voting equity interests of Concessionaire shall belong to any Persons other than those which own more than one-half (1/2) of those outstanding voting equity interests at the time of the execution of this Concession Agreement or members of their immediate families (*i.e.*, a person's spouse, children, grandchildren or siblings or any of the spouses of such person's children, grandchildren or siblings), such change in the ownership of Concessionaire shall be deemed an assignment of this Concession Agreement within the meaning of this ARTICLE 16; provided, however, this sentence shall not apply if and to the extent that Concessionaire is a corporation, the outstanding voting stock of which is publicly traded on a recognized security exchange. Concessionaire's entering into any operating agreement, license or other agreement under which a third party is given rights or privileges to enjoy a portion of Concessionaire's Rental Car Concession or to utilize a portion of the Leased Premises shall be an attempted subletting, assignment or transfer within the meaning of this ARTICLE 16.

16.2 Assignment. The terms of this Section are subject to the requirements of Section 16.4 hereof.

16.2.1 Deliveries to City. If Concessionaire shall, at any time during the Concession Term, desire to sell, assign or otherwise transfer this Concession Agreement in whole or in part, or any right granted to it by this Concession Agreement, Concessionaire shall, at the time Concessionaire requests the consent of City, deliver to City such information in writing as City may reasonably require with respect to the proposed assignee or transferee, including the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee or transferee, together with the proposed form of assignment or other transfer. Within thirty (30) days after receipt of the information specified above, City shall notify Concessionaire of its election either (a) to consent to the assignment or transfer or (b) to disapprove the assignment or transfer.

16.2.2 Additional City Conditions. As a condition for City's consent to any assignment or other transfer hereunder, City may require that the assignee or transferee remit directly to City, on a monthly basis, all monies due to Concessionaire for such assignment or transfer of rights hereunder by such assignee or transferee and shall be credited by City to the obligations of Concessionaire to the City under this Concession Agreement. In addition, a condition to City's consent to any assignment or other transfer of this Concession Agreement shall be the delivery to City of a true copy of the fully executed instrument of assignment or

transfer and an agreement executed by the assignee or transferee in form and substance satisfactory to City and expressly enforceable by City, by which the assignee or transferee assumes and agrees to be bound by the terms and provisions of this Concession Agreement and to perform all the obligations of Concessionaire hereunder.

16.2.3 Right to Deal with Assignee or Transferee. In the event of any assignment or other transfer of this Concession Agreement, Concessionaire and each respective assignor or transferor waive notice of default by the assignee or transferee in possession of the Leased Premises in the payment of Concession Fees or other amounts and in the performance of the covenants and conditions of this Concession Agreement and agree that City may in each and every instance deal with such assignee or transferee in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Concession Agreement or modify the same, and in general deal with such assignee or transferee in possession without notice to or consent of any assignor or transferor, including Concessionaire; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Concessionaire and of each respective assignor and transferor.

16.2.4 Attornment. Concessionaire agrees that any sublease will contain a provision to the effect that if there is any termination whatsoever of this Concession Agreement, then the subtenant, at the request of City, will attorn to City and the subtenancy, if City so requests, shall continue in effect with City. Nothing herein shall be deemed to require City to accept such attornment.

16.2.5 Concessionaire's Liability. No assignment or other transfer by Concessionaire of this Concession Agreement in whole or in part, or any right or leasehold interest granted to it by this Concession Agreement, and no subletting of the Leased Premises or any portion thereof, shall relieve Concessionaire of any obligation under this Concession Agreement, including Concessionaire's obligation to pay all Concession Fees and other amounts due hereunder prior to the date of the transfer. Any purported sublease, assignment or other transfer contrary to the provisions hereof without the consent of City shall be void. The consent by City to any subletting, assignment or other transfer hereunder shall not constitute a waiver of the necessity for such consent to any subsequent subletting, assignment or other transfer.

16.2.6 Reimbursement to City. Concessionaire shall reimburse City any reasonable professionals' fees and expenses incurred by City in connection with any request by Concessionaire for consent to any such sublease, assignment or other transfer hereunder.

16.3 Assignment to Successor or Affiliate. Subject to the requirements of Section 16.4 hereof, City agrees that it will not unreasonably condition or withhold its consent to an assignment or other transfer of this Concession Agreement to: (a) any corporation or other legal entity which at the time of such assignment or other transfer is the parent or a wholly-owned subsidiary of Concessionaire; (b) any corporation or other legal entity with which Concessionaire may merge or into which it may consolidate; or (c) any Person that may acquire all or substantially all of Concessionaire's rental car business or assets; provided, however, in each instance the surviving, resulting or transferee Person expressly assumes in writing all the obligations of Concessionaire contained in this Concession Agreement and the surviving, resulting or transferee Person has a consolidated net worth (after giving effect to such

consolidation, merger or transfer) at least equal to the greater of (i) the net worth of Concessionaire as of the date of this Concession Agreement or (ii) the net worth of Concessionaire immediately prior to such consolidation, merger or transfer. The term "net worth" as used in this Section 16.3 means the difference obtained by subtracting total liabilities from total assets of Concessionaire and all of its subsidiaries in accordance with generally accepted accounting principles.

16.4 Lease in CONRAC Required. Notwithstanding any other terms or provisions of this ARTICLE 16, no proposed subtenant, assignee or other transferee of Concessionaire shall be permitted to succeed to Concessionaire's rights hereunder or to use or occupy any portion of the Leased Premises under a sublease unless such proposed subtenant, assignee or transferee executes and delivers to City a copy of the Sublease Agreement with the Master Lessee for space within the CONRAC on substantially the same terms as contained in the Master Lease or otherwise obtains rights under a Sublease Agreement pursuant to rules, regulations, procedures and requirements established by City. Without limitation of the foregoing, each subtenant of all or any portion of the Leased Premises or an assignee or other transferee of Concessionaire hereunder must agree to collect the Customer Facility Charge in accordance with this Concession Agreement.

ARTICLE 17
AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISES

17.1 ACDBE Program. This Concession Agreement is a revenue-producing contract awarded to Concessionaire and will result in the provision of goods and services to passengers, patrons and tenants at the Airport. Federal law and regulations impose ACDBE goals upon the performance of this Concession Agreement by Concessionaire, and City encourages Concessionaire voluntarily to strive to include significant involvement with ACDBE business enterprises in operations under this Concession Agreement. City has established a goal of six percent (6.0%) ACDBE participation for this Concession Agreement. ACDBE participation may be achieved through the purchase of goods and services necessary to conduct a Rental Car Concession business at the Airport from ACDBEs, as further described in the DOT regulations governing ACDBE participation, 49 C.F.R. Part 23.53, as amended or modified from time to time. These goods and services may include the purchase or lease of new vehicles from ACDBE firms. All ACDBE firms initially used to meet this ACDBE goal must be certified as ACDBEs by City prior to the Commencement Date. Only ACDBE entities that have a direct contract with Concessionaire may be counted toward achievement by Concessionaire of the ACDBE participation goal for this Concession Agreement.

17.2 ACDBE Program Compliance. Concessionaire has advised City that it will use the ACDBEs described in the ACDBE Participation Schedule in providing the services described therein. Concessionaire agrees that, within thirty (30) days after the expiration of each calendar quarter during the Concession Term, it will provide an ACDBE Quarterly Revenue Report to City describing the dollar value of vehicles and other goods and services purchased by Concessionaire from each ACDBE set forth in the ACDBE Participation Schedule (and each substitute ACDBE obtained pursuant to this Section 17.2) calculated in accordance with the requirements of 49 C.F.R. Part 23.53, as amended or modified from time to time.

Concessionaire agrees that it also shall submit, within thirty (30) days after the expiration of each calendar quarter during the Concession Term, a report to City, in a form acceptable to City, describing Concessionaire's total dollar value of vehicles and other goods and services purchased by Concessionaire during such quarter. Concessionaire shall have no right to terminate for convenience an ACDBE set forth in the ACDBE Participation Schedule without City's prior consent. If any such ACDBE is terminated by Concessionaire with City's prior consent or because of ACDBE's default under its contractual obligations to Concessionaire, then Concessionaire must make a good faith effort, in accordance with the requirements of 49 C.F.R. Part 23.25(e)1(iii) and (iv), as amended or modified from time to time, and 49 C.F.R. Part 26.53, as amended or modified from time to time, to find another ACDBE to substitute for the original ACDBE to sell the same amount of vehicles and other goods and services under the contact as the ACDBE that was terminated. Concessionaire must implement appropriate mechanisms to ensure compliance with the requirements of the DOT regulations governing ACDBE participation, 49 C.F.R. Part 23.53, as amended or modified from time to time, by all ACDBEs set forth in the ACDBE Participation Schedule. Concessionaire must include in its ACDBE participation program the specific provisions to be inserted into concession agreements and management contracts to ensure compliance with such regulations. Concessionaire's failure to comply with its obligations under this Section 17.2 shall constitute a default under this Concession Agreement.

17.3 ACDBE Participation Schedule. In the event of a change in the identity of the ACDBEs participating in the operations under this Concession Agreement, Concessionaire shall deliver, within ten (10) Business Days after such change, a revised ACDBE Participation Schedule to City in the manner and to the addressees for City specified in accordance with Section 18.9 hereof. A notice by Concessionaire to City to remove a particular ACDBE from the ACDBE Participation Schedule is not sufficient for purposes of this Section 17.3. When Concessionaire submits a revised ACDBE Participation Schedule hereunder, Concessionaire must submit a complete revised ACDBE Participation Schedule that includes the required information for all ACDBEs then participating in operations under this Concession Agreement. Concessionaire also shall send a copy of such revised ACDBE Participation Schedule in the manner provided by Section 18.9 hereof to THE CITY OF AUSTIN, Small and Minority Business Resources, 4201 Ed Bluestein Boulevard, Austin, Texas 78721, Telephone (512) 974-7600, Fax (512) 974-7601.

17.4 Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program. Concessionaire shall comply with the standards and principles of the City Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program, found at Austin City Code Chapters 2-9A, 2-9B, 2-9C, and 2-9D (Procurement Program). Accordingly, Concessionaire shall develop and submit to City an M/WBE Compliance Plan for approval in accordance with the standards and principles of the Procurement Program. Concessionaire will utilize subcontractors, suppliers and consultants that either assist Concessionaire in meeting the M/WBE participation goals, or Concessionaire will demonstrate Good Faith Efforts to meet the goals. The Compliance Plan shall be incorporated into and made a part of this Concession Agreement for all purposes once approved by City, and a violation by Concessionaire shall be an Event of Default.

ARTICLE 18
GENERAL PROVISIONS

18.1 Gratuities. City may, by written notice to Concessionaire, terminate this Concession Agreement without liability if it is determined by City that gratuities were offered or given by the Concessionaire or any agent or representative of Concessionaire to any officer or employee of City with a view toward securing this Concession Agreement or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of this Concession Agreement. In the event this Concession Agreement is terminated by the City pursuant to this provision, the City shall be entitled, in additional to any other rights or remedies, to recover or withhold from the Concessionaire the amount of the cost incurred by the Concessionaire in providing such gratuities.

18.2 Prohibition Against Personal Interest in Contracts. No officer, employee, contractor, or elected official of City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in this Concession Agreement resulting from that solicitation. Any willful violation of this provision shall constitute impropriety of office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, express or implied, of the Concessionaire shall render this Concession Agreement voidable by City.

18.3 Affirmative Action. Concessionaire shall undertake, to the extent applicable, an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to ensure that no person shall, on the grounds of race, creed, color, national origin or sex, be excluded from participating in any employment, contracting or leasing activities covered in 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time. Concessionaire further assures that (a) no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, and (b) it will require that its covered organizations under 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, provide assurances to Concessionaire that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, to the same effect. Concessionaire agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, as part of the affirmative action program, and by any federal, state or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order or similar mechanism. Concessionaire agrees that state or local affirmative action plans will be used in lieu of any affirmative action plan or steps required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time, only when they fully meet the standards set forth in 14 C.F.R. 152.409, as amended or modified from time to time. Concessionaire agrees to obtain a similar assurance from its covered organizations and to cause them to require a similar assurance from their covered suborganizations, as required by 14 C.F.R. Part 152, Subpart E, as amended or modified from time to time.

18.4 No Discrimination. Concessionaire hereby agrees as follows:

18.4.1 Non-discrimination. As part of the consideration for this Concession Agreement, Concessionaire covenants and agrees that no person on the grounds of race, color, religion, sex, national origin or ancestry, age, sexual orientation, or gender identity, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in Concessionaire's operation of its Rental Car Concession at the Airport. Additionally, Concessionaire shall use all Airport facilities in compliance with all other requirements imposed by, or pursuant to, 49 C.F.R. Part 21, as amended or modified from time to time. Concessionaire covenants and agrees that this provision shall be binding on any successors and assigns of Concessionaire as permitted hereunder.

18.4.2 Employment Decisions. Concessionaire shall comply with Chapters 5-3 and 5-4 of the Austin City Code and will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or ancestry, age, sexual orientation, gender identity, or disability, and Concessionaire will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or ancestry, sexual orientation, gender identity, or disability, handicap or creed, including action relating to employment; upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships;

18.4.3 Posting of Notices. Concessionaire will post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Section 18.4; and

18.4.4 Solicitations and Advertisements for Employment. Concessionaire will, in all solicitations or advertisements for employees placed by or on behalf of Concessionaire, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or ancestry, sexual orientation, gender identity, or disability;

18.5 No Exclusive Right. Nothing herein contained shall be deemed to grant Concessionaire any exclusive right or privilege within the Federal Aviation Act, or the conduct of any activity at the Airport, except that, subject to the terms and provisions hereof, Concessionaire shall have the right to use the Leased Premises under the provisions of this Concession Agreement.

18.6 Subordination to Other Agreements. This Concession Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between City and any other Governmental Authority 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 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 or the FAA's Airport Improvement Program or in order to impose and use passenger facilities charges under 49 U.S.C. Section 40117 or any successor thereto.

18.7 Subordination to City Encumbrances. This Concession Agreement and all rights of Concessionaire hereunder shall be subject and subordinate to any deed of trust or mortgage

lien or security interest encumbering City's interest in the Leased Premises and to any renewal, extension, modification or consolidation of such deed of trust or mortgage or security agreement granting such security interest. Concessionaire agrees, at any time, and from time to time, upon not less than twenty (20) days prior notice by City, to execute, acknowledge and deliver to City a statement in writing certifying that this Concession Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Concession Fees and other charges have been paid, and stating whether, to the best knowledge of Concessionaire, City is in default in the performance of any covenant, agreement, provision or condition contained in this Concession Agreement and, if so, specifying each such default of which Concessionaire may have knowledge. City and Concessionaire intend that any such statement delivered pursuant hereto may be relied upon by any prospective mortgagee of City and any purchaser or tenant of the Leased Premises, and such purchaser's or tenant's mortgagee or prospective mortgagee, and by any prospective assignee and its mortgagee or prospective mortgagee. Concessionaire also agrees to execute and deliver from time to time, upon not less than twenty (20) days prior notice by City, such similar estoppel certificates as a lender to City may require with respect to this Concession Agreement. If Concessionaire fails or refuses to furnish such certificate within the time provided, it will be conclusively presumed that this Concession Agreement is in full force and effect in accordance with its terms and City is not in default hereunder.

18.8 No Waiver. No waiver of default by either party of any of the terms, covenants or conditions herein to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the other party.

18.9 Notices, Approvals, Consents, *etc.*. Except for the provisions of this Concession Agreement which expressly state that a notice, approval, consent, demand, request or other communication may be communicated verbally, all notices, approvals, consents, demands, requests and other communications required or permitted by this Concession Agreement must be in writing to be effective and sent by certified United States Mail, first-class postage prepaid, or by a recognized delivery service that provides registered and verifiable shipment or airbill tracking and delivery record, with costs prepaid, to the addresses set forth below:

To City:

Director of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

With a copy to:

The Airport Properties Manager
Department of Aviation
THE CITY OF AUSTIN
Austin - Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

To Concessionaire:

_____

_____

_____

Attn: _____

With a copy to:

_____

_____

_____

_____

The person and place to which notices, approvals, consents, demands, requests and other communications are to be sent may be changed by a party hereto upon written notice to the other. A written notice, approval, consent, demand, request or other communication required or permitted hereunder shall be deemed received and effective (i) on the date that is three days after the date on which it is deposited in the United States Mail if sent by certified mail, or (ii) on the date on which the signature receipt is recorded by the recognized delivery service if it is sent by a recognized delivery service.

18.10 Consents and Approvals of City. Whenever any provision of this Concession Agreement requires the consent or approval of City or provides to City the right to make a determination or judgment, City shall have the absolute and unconditional right to withhold its consent or approval, in its sole discretion, and to make such determination or judgment in its sole discretion on the basis of such factors and considerations as it shall deem relevant (including self-interest), except for those circumstances, if any, where this Concession Agreement expressly provides that such consent or approval will not be unreasonably withheld or City will make such determination or judgment reasonably.

18.11 Agents for Service of Process. The parties hereto hereby designate the following as their agents for service of process and will waive any objection to service of process if served upon its agent as set forth below:

To City:

City of Austin
City Clerk
301 W. Second St.
Austin, TX 78701

To Concessionaire:

_____

_____

18.12 Severability. If one or more clauses, sections or provisions of this Concession Agreement shall be held to be unlawful, invalid or unenforceable, the parties hereto agree that the material rights of either party hereto shall not be affected thereby except to the extent of such holding, and this Concession Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted herefrom.

18.13 Waiver of Anticipated Profits. Concessionaire hereby waives any claim against City and its elected and non-elected officials, officers, employees, agents, servants, representatives, contractors, subcontractors, affiliates, successors and assigns for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Concession Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Concession Agreement null, void or voidable or delaying the exercise of any rights under this Concession Agreement.

18.14 Right of City to Develop Airport. The parties hereto further covenant and agree that City reserves the right to further develop or improve the Airport as City may see fit, regardless of the desires or views of Concessionaire and without interference or hindrance. It is understood that City may from time to time elect to alter, improve or remodel portions of the Airport. Concessionaire agrees that any temporary inconvenience resulting from any such work by City or its contractors and agents shall not be grounds for reduction of any amount otherwise payable by Concessionaire hereunder.

18.15 Incorporation of Legally Required Provisions. The parties incorporate herein by reference all provisions legally required to be contained herein by any Governmental Authority.

18.16 Limitation of City's Liability. Neither City nor any elected and non-elected official, employee, officer or agent thereof shall have (a) any personal liability with respect to any of the provisions of this Concession Agreement, or (b) any liability for any consequential damages resulting from a default by City hereunder or from the exercise by City of any of its remedies hereunder upon the occurrence of an Event of Default. Concessionaire further agrees not to initiate or participate in initiation of any involuntary bankruptcy, reorganization, receivership or insolvency proceeding against City.

18.17 Successors and Assigns. This Concession Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

18.18 Required Modifications. In the event that a Governmental Authority (other than City) requires modifications or changes to this Concession Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Concessionaire shall make or agree to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions, or requirements of this Concession Agreement as may be reasonably required.

18.19 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Concession Agreement.

18.20 Understanding of Agreement. The parties hereto acknowledge that they thoroughly read this Concession Agreement, including any exhibits or attachments hereto, and have sought and received such competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein.

18.21 Legal Interest and Other Charges. Any payment of Concession Fees or any other amount due and payable hereunder that is not paid on the date it is due shall bear interest until paid at the Default Rate. Notwithstanding any provision of this Concession Agreement to the contrary, it is the intent of City and Concessionaire that City shall not be entitled to receive, collect, reserve or apply, as interest, any amount in excess of the maximum amount of interest permitted to be charged by Applicable Laws. In the event this Concession Agreement requires a payment of interest that exceeds the maximum amount of interest permitted under Applicable Laws, such interest shall not be received, collected, charged or reserved until such time as that interest, together with all other interest then payable, falls within the maximum amount of interest permitted to be charged under Applicable Laws. In the event City receives any such interest in excess of the maximum amount of interest permitted to be charged under Applicable Laws, the amount that would be excessive interest shall be deemed a partial prepayment of Concession Fees and treated under this Concession Agreement as such, or, if this Concession Agreement has expired or terminated, any remaining excess funds shall immediately be paid to Concessionaire.

18.22 Holding Over. Any holding over by Concessionaire after the expiration or earlier termination of the Concession Term shall not be deemed to operate as an extension or renewal of the Concession Term, but shall only create a tenancy from month-to-month which may be terminated by City at any time.

18.23 Governing Law; Choice of Venue; Waiver of Jury Trial. This Concession Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Jurisdiction and venue for any action on or related to the terms of this Concession Agreement shall be exclusively in Travis County, Texas, and the parties irrevocably consent to the personal jurisdiction of such courts over themselves for purposes of determining such action and waive any right to assert a claim of inconvenient forum.

18.24 Dispute Resolution. If a dispute arises out of or relates to this Concession Agreement, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. A party may make a written request for a meeting between representatives of each other party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below.

18.24.1 Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below. If the

efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Concession Agreement prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center. The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The parties will share the costs of the mediator equally.

18.24.2 Concessionaire agrees as a condition of this Concession Agreement that notwithstanding the existence of any dispute between the parties, insofar as is possible under the terms of the Concession Agreement, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by a Texas court of competent jurisdiction.

18.25 [Reserved].

18.26 Waiver of Attorneys' Fees. Each party waives any and all rights under law or in equity to seek or recover attorneys' fees from the other party in any civil or administrative litigation or dispute resolution proceeding for the breach of this Concession Agreement or to enforce any provision of this Concession Agreement.

18.27 Update of Terms. City shall, without the necessity of an amendment to this Concession Agreement, have the right to periodically update the requirements set forth in Section 11.2 hereof and **Exhibits A, A-1, C, and D** hereto to reflect changes in practices for similar properties or operations either at the Airport or at other comparable airports. City likewise has the right, without the necessity of an amendment to this Concession Agreement, to make adjustments to this ARTICLE 17 to account for changes in Legal Requirements applicable to the CONRAC or CONRAC Site or the operation of a Rental Car Concession.

18.28 Representations and Warranties by City. City makes the following representations and warranties as the basis for the undertakings on its part herein contained:

18.28.1 City is a duly existing home-rule municipality under the laws of the State, and has the power to enter into the transactions contemplated by this Concession Agreement and to carry out its obligations hereunder.

18.28.2 City is the owner of the Airport.

18.28.3 City has taken all action and has complied with all provisions of law with respect to the execution, delivery and performance of this Concession Agreement, and the due authorization of the consummation of the transactions contemplated hereby, and this Concession Agreement has been duly executed and delivered by, and constitutes the valid and legally binding agreement of, City, enforceable against City in accordance with its terms.

18.28.4 Neither the execution and delivery of this Concession Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Concession Agreement, violate any law or regulation, or any judicial order, judgment, decree, or injunction, conflict with or results in a breach of any of the terms, conditions or provisions of any resolution, ordinance, or any agreement or instrument to which City is now a party or by which it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of City under the terms of any instrument or agreement.

18.28.5 There is no litigation now pending or, to City's knowledge, threatened challenging the powers of City or its City Council or in any way affecting this Concession Agreement.

18.29 Representations and Warranties by Concessionaire. Concessionaire makes the following representations and warranties as the basis for the undertakings on its part herein contained:

18.29.1 Concessionaire is a corporation duly organized under the laws of the State of _____ and duly qualified to do business in the State of Texas, is in good standing in the State of Texas, has power to execute and enter into this Concession Agreement and by proper corporate action has been duly authorized to execute and deliver this Concession Agreement.

18.29.2 This Concession Agreement has been duly executed and delivered by duly authorized officers of Concessionaire, and constitutes a valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms.

18.29.3 No approvals or consents, other than those that have been or will in normal course be obtained, are necessary in order for Concessionaire to execute and deliver this Concession Agreement.

18.29.4 To Concessionaire's knowledge, there is no litigation now pending or, threatened, challenging the corporate existence of Concessionaire nor any pending or, threatened action or proceeding before any court or administrative agency that individually (or in the aggregate in the case of any group of related lawsuits) is expected to have a material adverse effect on the financial condition of Concessionaire or the ability of Concessionaire to perform its obligations under this Concession Agreement or the Prior Concession Agreement.

18.29.5 Neither the execution and delivery of this Concession Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Concession Agreement, will conflict with or result in a material breach of the Articles of Incorporation or Bylaws of Concessionaire or any of the terms, conditions, or provisions of any indenture, agreement or other instrument to which Concessionaire is now a party or by which it is bound, or constitute a material default under any of the foregoing, or result in the creation or imposition of any material lien, charge, or

encumbrance of any nature whatsoever upon any of the property or assets of Concessionaire under the terms of any instrument or agreement.

18.29.6 Concessionaire has duly and validly obtained all material certificates, licenses, and permits from all public authorities, both federal and state, required to enable Concessionaire to carry on its business as it is now conducted and to enter into this Concession Agreement.

18.29.7 To Concessionaire's knowledge at the time Concessionaire executes this Concession Agreement, no event has occurred and no condition currently exists, which constitutes or may, with the passage of time or the giving of notice, or both, constitute an Event of Default with respect to or on the part of Concessionaire under this Concession Agreement or a default or an event of default under the Prior Concession Agreement or that could materially adversely affect the ability of Concessionaire to perform its obligations hereunder or under the Prior Concession Agreement.

18.30 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, Concessionaire shall, at City's option, defend City at Concessionaire's expense by counsel satisfactory to City.

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

18.32 Entire Agreement; Modification. This Concession Agreement sets forth all covenants, promises, agreements, conditions and understandings between City and Concessionaire concerning the operation of the Rental Car Concession, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between City and Concessionaire as to the operation of the Rental Car Concession other than as herein set forth. No subsequent alteration, amendment, change or addition to this Concession Agreement shall be binding upon City or Concessionaire unless reduced to writing and signed by City and Concessionaire.

18.33 Relationship of City and Concessionaire. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners or joint venture partners, and no provision contained in this Concession Agreement nor any acts of Concessionaire and City shall be deemed to create any relationship between them other than as provided in this Concession Agreement.

18.34 Most Favored Nations. During the Term of the Concession Agreement, City agrees not to offer terms to other rental car concessionaires on terms more favorable than those

contained in this Concession Agreement. If City enters into an agreement on terms more favorable than those contained herein, the more favorable terms shall be offered to Concessionaire and at Concessionaire's election this Concession Agreement shall be modified to reflect the more favorable terms as contained in such other agreement.

18.35 Exhibits. **Attachment 1** and **Exhibits A, A-1, B, C and D** are attached to this Concession Agreement after the signatures and by this reference are incorporated herein.

18.36 Lawful Currency of United States. Any payments made or to be made by Concessionaire under this Concession Agreement shall be made in the lawful currency of the United States of America.

[SIGNATURES ON NEXT PAGE]

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

APPROVED AS TO FORM:

By:_____
Name:_____
Title: Assistant City Attorney

CITY OF AUSTIN, TEXAS

By:_____
Name:_____
Title: Executive Director of Aviation

[Concessionaire]

By:_____
Name:_____
Title:_____

Attachment 1

Master Glossary

Unless otherwise specifically provided in any agreement to which this **Attachment 1** is attached, the following terms shall have the meanings specified below (such definitions to be applicable equally to singular and plural nouns and verbs of any tense).

"**2011 Reimbursement Agreement**" shall mean that certain agreement dated January 26, 2012 by and among City, Master Lessee, Developer and a RAC representative regarding Phase I of the Project.

"**ACDBE**" shall mean a business entity, whether a sole proprietorship, partnership, corporation or other entity, of which at least fifty-one percent (51%) of the ownership thereof is owned and controlled by a "socially and economically disadvantaged individual" as such term is defined in the Airport and Airways Improvement Act of 1982, as amended, and the regulations promulgated pursuant thereto in 49 C.F.R. Part 23, as amended or modified from time to time. To qualify as an ACDBE, a business entity must meet the experience and economic guidelines for an "Airport Concession Disadvantaged Business Enterprise" set forth in 49 C.F.R. Part 23, as amended or modified from time to time, and must be certified by City as an ACDBE.

"**ACDBE Participation Schedule**" shall mean the schedule comprised of a copy of the ACDBE participation report in the form set forth in **Exhibit C** to the Concession Agreement for each ACDBE that is participating in Concessionaire's Rental Car Concession, as modified from time to time in accordance with the Concession Agreement to reflect changes in ACDBE participation, and shall mean the ACDBE Participation Schedule to be provided by Master Lessee to City in accordance with **Section 25.3** of the Master Lease.

"**ACDBE Quarterly Revenue Report**" shall mean a quarterly report of ACDBE participation in operations under the Concession Agreement substantially in the form of **Exhibit D** to the Concession Agreement, and shall mean the ACDBE Quarterly Revenue Report to be provided by Master Lessee to City in accordance with **Section 25.2** of the Master Lease.

"**Act**" shall mean Chapter 22, Texas Transportation Code, as amended.

"**Additional Bonds**" shall mean any and all Bonds which may be issued or incurred by City in the manner set forth in Article VIII of the Indenture for the purposes described in **Section 8.2** of the Master Lease.

"**Adjustment Period**" shall have the meaning set forth in **Section 6.1.2** of the Master Lease.

"**Administrative Costs Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Affiliate**" or "**affiliate**" shall mean any Person, directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person

possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"**Aircraft**" shall have the meaning set forth in **Section 26.24** of the Master Lease.

"**Airport**" shall mean the Austin - Bergstrom International Airport in Austin, Texas, as it exists from time to time. Airport specifically includes the CONRAC Site and all property owned by the City for the operation of the Austin-Bergstrom International Airport.

"**Airport Customer**" shall mean any person who comes to the Airport by any means of transportation and enters into a motor vehicle rental agreement with Concessionaire at the Airport; and any person who enters into a motor vehicle rental agreement with Concessionaire at any of Concessionaire's rental car operations located outside the boundaries of the Airport after having been transported to that location from the Airport by or on behalf of the Concessionaire. The following are excluded from the definition of "Airport Customer": any person who enters into a motor vehicle rental agreement with Concessionaire at any of Concessionaire's rental car operations outside the boundaries of the Airport having not been transported to that location from the Airport by or on behalf of the Concessionaire, whether or not the person has at any time flown into the Airport.

"**Airport Security Plan**" shall mean a program developed by City for the maintenance of the safety and security of the Airport and Persons using the CONRAC, the Terminal or any other portion of the Airport premises, as it may be amended, modified or revised by City from time to time. The Airport Security Plan is a part of the City Codes and Standards.

"**Allocated Space**" means space in the CONRAC allocated to a RAC from time to time as either its Exclusive Use Area or as designated space within Common Use Operational Areas in accordance with the terms of a Sublease Agreement, and measured in square feet. Allocated Space shall include, as further described under each Sublease Agreement, the CONRAC Counter Space, Ready/Return Space, Storage Space, employee parking, and such other space as may be assigned to, and accepted by a RAC for its exclusive use. Allocated Space includes the right to use Common Use Areas, and Vendor Parking Area on a non-exclusive basis with other RACs.

"**Alterations**" shall have the meaning set forth in **Section 10.5** of the Master Lease and **Section 11.1** of each Sublease Agreement.

"**Annual Audit Statement**" shall have the meaning set forth in **Section 6.1** of the Concession Agreement.

"**Annual Audited Statement**" shall have the meaning set forth in **Section 7.1** of the Master Lease.

"**Applicable Laws**" shall mean all present and future applicable laws, ordinances, orders, directives, rules, codes and regulations of all Governmental Authorities and all present and future grant assurances provided by City to any Governmental Authorities in connection with City's ownership or operation of the Airport, as the same may be amended, modified or updated from

time to time, and applicable decisional law (including judicial or administrative interpretations, orders and judgments).

"**Base Rent**" shall mean nine hundred thousand dollars ($900,000.00) per Lease Agreement Year, calculated at the rate of one dollar and forty-five cents ($1.45) per square foot times the stipulated six hundred twenty thousand six hundred eighty-nine (620,689) square feet of the CONRAC, subject to adjustment on the fifth (5th) anniversary of the Opening Date and on each successive fifth (5th) anniversary of the Opening Date thereafter during the Lease Term as provided in **Section 6.1.1** of the Master Lease.

"**Best Management Practices**" shall mean the environmental or operational standards or guidelines specifying common and accepted practices appropriate for the types of businesses in which Master Lessee, Concessionaire and their respective contractors, agents or vendors engage on the Leased Premises, and such standards or guidelines as have been articulated by pertinent trade associations, professional associations or regulatory agencies. Best Management Practices shall be subject to prior approval by City.

"**Bond Obligations**" shall mean any and all obligations of City under the Bonds (or any of them) and shall, without limiting the generality of the foregoing, include (a) all payments necessary to pay principal, interest and premium, if any, under the terms of the Bonds; (b) all deposits required to be made to all debt service reserve funds and debt service coverage funds required under the terms of the Bonds to satisfy all requirements therefor under the Indenture; (c) all costs of any credit enhancement or facility or liquidity agreement; (d) all deposits required to be made to any other funds or accounts required under the terms of the Bonds to satisfy all requirements therefor under the Indenture, (e) all deposits required to pay administrative costs, trustee fees and expenses and all other amounts required or authorized under the Indenture, and (f) any rate covenant or similar covenant or obligation of the City under the Indenture for the establishment of CFCs or Contingent Fees.

"**Bond Ordinance**" shall mean the ordinance approved by the City Council of the City authorizing the issuance of the Initial Bonds.

"**Bonds**" shall mean the bonds issued or incurred by City (whether in one or more series) for purposes of financing the design, construction or improvement of, or the addition to, the Project, and specifically including bonds and other debt instruments issued by City, any completion debt obligations that may be required, and any loans obtained by City from a Governmental Authority under the Transportation Infrastructure Finance and Innovation Act of 1998, as amended, 23 U.S.C. § 601, *et seq.*, or other Applicable Laws, in each case, relating to the Project. The term "Bonds" shall also include, without limitation, the Initial Bonds and any Additional Bonds, and any indenture, resolution, loan agreement or any other document providing for the issuance of Bonds or Additional Bonds.

"**Bond Trustee**" or "**Trustee**" shall mean any Person appointed to act as the trustee on behalf of holders or owners of any Bonds under the Indenture or other agreement with City.

"**Budget**" shall mean the annual budget prepared by the Facility Manager for the O&M Costs of the CONRAC for each Lease Agreement Year or partial Lease Agreement Year

(including the period from Substantial Completion to Opening Date as part of the first Lease Agreement Year for purposes of budgeting) and previously approved by City, all in accordance with the procedures set forth in the **Section 13.5** of the Master Lease. The Budget shall be itemized to indicate the fund source for each item, and distinguishing between those items to be paid for (a) from the Repair and Replacement Fund established under the Indenture and funded with Customer Facility Charges at a minimum amount annually determined by City in its sole and absolute discretion, (b) from the CFC Surplus Fund established under the Indenture and funded with Customer Facility Charges in the amount set forth in the Indenture, (c) from assessments to the RACs under the Sublease Agreements, and (d) from any other source.

"**Business Day**" shall mean for purposes of the Master Lease, the Sublease Agreements and the Concession Agreements any calendar day other than a Saturday, a Sunday or City holiday.

"**Certificate of Insurance**" shall have the meaning set forth in **Sections 15.5** and **17.4.3** of the Master Lease, **Section 16.5** of the Concession Agreement and **Section 15.5** of the Sublease Agreement.

"CFC Surplus Annual Disbursement Account" shall mean the account by that name established within the CFC Surplus Fund pursuant to the Indenture.

"**CFC Surplus Fund**" shall mean the fund by that name established pursuant to the Indenture.

"CFC Surplus Residual Account" shall mean the account by that name established within the CFC Surplus Fund pursuant to the Indenture.

"**City**" shall mean the City of Austin, a Texas home rule municipality acting by and through its Executive Director of the Department of Aviation.

"**City Building Permit(s)**" means any permit required for a particular scope of work under **Section 9.2** of the Master Lease prior to the construction at the Airport of that scope of work and to be issued by the City. Such permit is in addition to any other necessary municipal building permits.

"**City Building Permit Requirements**" shall mean the requirements of City to obtain a City Building Permit in accordance with the City Codes and Standards.

"**City Codes and Standards**" shall mean the rules, procedures and regulations adopted by City from time to time for the orderly use of the Airport, as the same may be amended, modified or supplemented from time to time, and including, without limitation, the Airport Security Plan, the Tenant Design Standards, City's mechanical, electrical, water and waste, and industrial waste and storm drainage standards, any other City requirements and/or standards for design and construction at the Airport, and the operating rules and regulations for the CONRAC promulgated by City from time to time.

"**City Environmental Permit**" shall mean any environmental permit to which City is, whether now or in the future, subject and which covers or otherwise affects operations on or about the CONRAC Site.

"**Commencement of Construction**" shall mean the date after which Master Lessee complies with the requirements of **Sections 9.2 & 9.3** of the Master Lease and commences construction of the Joint Use Facility in accordance with the requirements set forth in **Section 9.4** of the Master Lease.

"**Commercial Fueling Service**" means the selling or offering for sale of fuel, fuel storage, fuel delivery, or fuel dispensing to the public, and excludes self-fueling by RACs and the sale of fuel to RAC Airport Customers under the terms of a vehicle rental contract.

"**Commercial Parking Facility**" shall mean the ground floor of all of the Joint Use Facility, other than the ground floor of the QTA Facility , to be exclusively used as a City-operated commercial parking facility.

"**Common Use Areas**" shall mean those portions of the CONRAC that are not included within (i) the Exclusive Use Areas, (ii) the Reserved Area, (iii) the IDF Rooms; or (iv) the Parking Management Office.

"**Common Use Operational Areas**" shall mean the CONRAC service road, Vendor Parking Area, shuttler ramps and non-public hallways, restrooms, service elevators and stairwells in the CSB and QTA, all to be utilized by the RACs in common, but not accessible by or for the use of the public.

"**Concession Agreement**" shall mean each Rental Car Concession Agreement for Austin - Bergstrom International Airport between City and a Concessionaire, together with the exhibits thereto and all agreements supplemental to or modifying such Concession Agreement, whether made contemporaneously therewith or subsequent thereto. The term "Concession Agreement" specifically shall include each successor concession agreement to which City and such Concessionaire may be a party that governs the terms of such Concessionaire's Rental Car Concession. Concession Agreement shall not include a Prior Concession Agreement.

"**Concession Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Concession Term beginning on October 1st and ending on September 30th.

"**Concession Deficiency**" shall have the meaning set forth in **Section 13.2.2** of the Concession Agreement.

"**Concession Fee**" shall have the meaning set forth in **Section 4.1** of the Concession Agreement.

"**Concession Future Charges**" shall have the meaning set forth in **Section 13.2.2** of the Concession Agreement.

"**Concession Term**" shall mean the term of the Concession Agreement as set forth in **Section 3.1** of the Concession Agreement.

"**Concession Termination Damages**" shall have the meaning set forth in **Section 13.2.1** of the Concession Agreement.

"**Concessionaire**" or "**RAC**" or "**Sublessee**" shall mean a Person engaged in the business of renting motor vehicles that holds a Rental Car Concession to engage in such business pursuant to a Prior Concession Agreement or a Concession Agreement. More specifically, in each Concession Agreement, "Concessionaire" shall mean the specific RAC that is a party to that agreement, and in each Sublease Agreement, "Sublessee" shall mean the specific RAC that is a party to that agreement.

"**Concessionaire Direct Cost**" shall mean (a) the costs of goods and services not part of O&M Costs, but provided directly to a specific RAC or its Exclusive Use Premises by or through the Facility Manager in support of that RAC's car rental operations rather than as a cost of operation and maintenance of the CONRAC generally, and (b) the cost of maintenance, repair or replacement required due to neglect, carelessness or above by that RAC.

"**Concessionaire Party**" shall mean Concessionaire and each of its subtenants, contractors and subcontractors and the respective officers, subcontractors, agents, representatives, employees, guests, customers, invitees, vendors and suppliers of Concessionaire and of each such subtenant, contractor and subcontractor.

"**CONRAC**" shall mean the consolidated rental car facility located within the four (4) stories of the Joint Use Facility above the Commercial Parking Facility west of the internal shuttler ramps, together with the internal shuttler ramps, all floors of the QTA Facility and associated improvements, to be constructed by Master Lessee pursuant to the Master Lease and that includes, but is not limited to, the CONRAC Counter Areas, Ready/Return Area, the QTA Space, the Storage Space, the Common Use Areas, the CSB, the Common Use Operational Areas, the Off-Airport Rental Drop-Off Area and the Reserved Area, the Service Yard, Vendor Parking Area and dedicated ramps, roadways, flyovers and walkways necessary for ingress and egress as depicted in **Exhibit A-2** of the Master Lease, but excluding the reserved rights and premises of City as set forth in **Section 3.3** of the Master Lease.

"**CONRAC Capital Improvements**" shall mean the improvements, structures and fixtures installed by Master Lessee in the CONRAC, including the foundation, supporting walls, roof, ramps, elevators, plumbing, electrical and HVAC systems, finish-out work on floors, ceilings, demising walls, panel boxes and hook-ups to utilities; wires and conduits infrastructure; built-in shelves, counters; cash wraps; lighting; and interior design and construction work necessary in general to accommodate the Rental Car Concession operations of Concessionaires, but shall exclude RAC Property.

"**CONRAC Common Areas**" shall mean each area of the Common Use Areas that is accessible to the public and not subject to exclusive occupancy by the Master Lessee under the Master Lease or a RAC under a Sublease Agreement with Master Lessee, including, without limitation, any public corridor, hall, passageway, walkway, entrance, exit, aisle, stairway,

elevator, escalator, seating or waiting area and restroom, but excluding such Common Use Operational Areas.

"**CONRAC Counter Areas**" shall mean those portions of the CONRAC described or depicted in **Exhibit H** to the Master Lease as the "CONRAC Counter Areas" and to be utilized by the RACs for purposes of processing Transactions with Airport Customers.

"**CONRAC Counter Space**" shall mean with respect to each Sublease Agreement, the area(s) shaded and designated in an exhibit to that Sublease Agreement identifying that area as a portion of the Exclusive Use Premises for the signatory RAC.

"**CONRAC Site**" shall mean that parcel of land legally described in **Exhibit A-1** to the Master Lease, on which land the Joint Use Facility is to be constructed and thereafter maintained in accordance with the Master Lease. The legal description and area set forth in this definition shall, however, be subject to adjustment following Final Completion of the Joint Use Facility to account for dedications and other adjustments to the CONRAC Site made as part of construction of the Joint Use Facility, and Master Lessee's provision of a revised legal description of the CONRAC Site for approval by City in accordance with **Section 9.6.1.3** and **Section 9.7** of the Master Lease.

"**Construction Contract**" shall mean the adapted and modified DBIA Document Nos. 520, 525 and 535 and the contract documents described in such DBIA Documents collectively, between Developer and Design-Builder attached to and made a part of the Master Lease as **Exhibit D** pursuant to which the Developer and Design-Builder will be obligated to construct the Joint Use Facility for a stipulated fixed price and within a guaranteed maximum time period as set forth therein. City and Master Lessee each shall be a third-party beneficiary of the Construction Contract.

"**Consumer Price Index**" shall mean the index currently published by the United States Bureau of Labor Statistics (unadjusted for seasonal variation) entitled the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100" for the Austin, Texas area. If, at any time when such index is needed, the "Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100" for the Austin, Texas area is no longer published, the parties shall use such substituted index as is then generally recognized and accepted for similar determinations of purchasing power.

"**Contamination**" means the unpermitted presence of any released Hazardous Material.

"**Contingent Fee**" shall mean the additional fee imposed by City on, and required to be paid by, each Concessionaire pursuant to **Section 4.3** of the Concession Agreement.

"**Costs of the Project**" shall mean any and all costs incurred or paid by City or Master Lessee in connection with the design, permitting and construction of the Project, including design costs, permitting costs, capitalized interest for payment of interest on Bonds and Bond issuance and underwriting expenses, the funding of any reserves required in connection with Bonds, construction costs, costs associated with project management, contract administration or construction management, and a reasonable allocation of administrative costs of City associated with the design and construction of the Project.

"**Customer Facility Charge**" or "**CFC**" shall mean the customer facility charge or charges imposed by City on rental car transactions occurring at the Airport, and required by City to be collected by Concessionaire pursuant to Section 4.2 of the Concession Agreement.

"**Customer Service Building**" or "**CSB**" shall mean that portion of the Joint Use Facility described or depicted on **Exhibit H** to the Master Lease to be utilized by RACs for office space and for processing Airport Customer Transactions.

"**Date of Beneficial Occupancy**" means the date on which the Joint Use Facility, including all Punch-List Items, is complete, all Initial Tenant Improvements are substantially complete, and the Master Lessee has received all certificates of occupancy and other permits, approvals, licenses and other documents from Governmental Authorities having jurisdiction over the Joint Use Facility necessary for the beneficial occupancy thereof. For New Entrants, the Date of Beneficial Occupancy shall mean the date the New Entrant commences rental car operations in the CONRAC.

"**Days**" (whether capitalized or not) shall, unless otherwise specified, mean and refer to calendar days, not Business Days, provided that when any deadline or the final day of any limitation period is not a Business Day, that deadline or limitation period shall extend to the next Business Day thereafter.

"**Deadline for Substantial Completion**" shall mean the date identified in the Construction Contract as approved by City for Master Lessee's Substantial Completion of the Joint Use Facility as set forth in **Section 9.4.2** of the Master Lease.

"**Debt Service Coverage Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Debt Service Reserve Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Default Rate**" shall mean an interest rate equal to the lesser of (a) one and one-half percent (1.5%) per annum or (b) the maximum interest rate permitted by law to be charged by Applicable Laws.

"**Deficiency**" shall have the meaning set forth in **Section 21.2.2** of the Master Lease and in **Section 21.2.2** of the Sublease Agreement.

"**Deliverables**" shall mean all documents and information required to be delivered to City pursuant to the 2011 Reimbursement Agreement and in accordance with **ARTICLE 9** of the Master Lease.

"**Department of Aviation**" shall mean the Department of Aviation of City.

"**Design-Builder**" shall mean the general contractor retained by Developer to install and construct the Joint Use Facility.

"**Developer**" shall mean Pfeffer Development, LLC, an Alaska limited liability company registered to conduct business in the State of Texas.

"**Development Agreement**" means the Project Delivery Agreement entered into between Master Lessee and Developer dated January 27, 2012 and made effective as of the 27th day of July, 2011, attached to and made part of the Master Lease as **Exhibit C** to provide for the development and construction of the Joint Use Facility through the Construction Contract pursuant to **ARTICLE 9** of the Master Lease. City shall be a third-party beneficiary of the Development Agreement.

"**DOT**" shall mean the United States Department of Transportation, and any successor agency, office or department thereof.

"**Effective Date**" means with respect to the Concession Agreement, the Master Lease or any Sublease Agreement, the date that the respective document is fully executed and delivered by all parties to the applicable agreement.

"**Environmental Assessment**" shall mean an investigation of site environmental conditions that is (a) sufficient to characterize environmental conditions at the CONRAC Site and/or associated with operations of the CONRAC, and (b) sufficient to identify changes in environmental conditions at the CONRAC Site and/or associated with operations of the CONRAC since the establishment of the Pre-Lease Environmental Condition (or completion of any subsequent Environmental Assessment), by comparison of the Environmental Assessment results with the Pre-Lease Environmental Condition (or the results of any subsequent Environmental Assessment). The Environmental Assessment scope of work shall be sufficient to meet both purposes, but shall in every case meet at least the minimum standards of American Society for Testing and Materials Standard E1903 - Standard Guide for Environmental Site Assessments: Phase II Environmental Site Assessment Process.

"**Environmental Audit**" shall mean an environmental compliance audit consistent with any applicable or relevant and appropriate assessment or auditing standards, including Section 101(35)(B) (42 U.S.C. §9601(35)(B)) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended or modified from time to time, 40 C.F.R. Part 312, as amended or modified from time to time, and American Society for Testing and Materials Standard E2107-00 Standard Practice for Environmental Regulatory Compliance Audits.

"**Environmental Covenants**" shall mean the obligations respectively of Master Lessee under **ARTICLES 16 & 17** of the Master Lease and of each Concessionaire under **ARTICLES 16 & 17** of its Sublease Agreement.

"**Environmental Laws**" shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include, but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response,

Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Materials Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Water Code, the Texas Hazardous Materials Act, and the Texas Water Quality Control Act.

"**Event of Default**" shall have the meanings set forth in **Section 21.1** of the Master Lease with respect to the Master Lease; in **Section 21.1** of the Sublease Agreement with respect to the Sublease Agreement; and in **Section 13.1** of the Concession Agreement with respect to the Concession Agreement.

"**Exclusive Use Areas**" shall mean those portions of the CONRAC described or depicted in **Exhibit H** to the Master Lease as the "Exclusive Use Areas" and to be utilized by the RACs on an individual exclusive basis, or shared with one or more specific designated RAC(s), for purposes of operating Rental Car Concessions.

"**Exclusive Use Premises**" shall mean the CONRAC Counter Space, Ready/Return Space, allocated QTA Space and assigned Fuel Facilities and such other space as may be assigned to, and accepted by a RAC for its exclusive use, or shared with one or more specifically identified RAC, as shaded and depicted in an exhibit to each of the Sublease Agreements.

"**FAA**" means Federal Aviation Administration.

"**Facility Management Agreement**" means the agreement between Master Lessee and the Facility Manager approved by the City in writing to provide for the performance of Routine Maintenance and Major Maintenance for the CONRAC and the management of all operations of and activities in the CONRAC pursuant to **ARTICLES 11-18** of the Master Lease. City shall be a third-party beneficiary of the Facility Management Agreement.

"**Facility Manager**" shall mean the party retained by Master Lessee with the written consent of City to perform the Routine Maintenance and Major Maintenance for the CONRAC and to manage all operations of and activities in the CONRAC pursuant to Facility Management Agreement.

"**Federal Aviation Act**" shall mean the Federal Aviation Act of 1958, as amended.

"**Final Completion**" shall mean full and complete construction of all components of the Joint Use Facility, including completion of all Punch-List Items, which shall occur no later than one-hundred twenty (120) days after Substantial Completion. Final Completion shall exclude only Initial Tenant Improvements which shall be substantially complete on Final Completion and completed no later than the Opening Date and any modifications of or enhancements to way-finding signage which shall be complete no later than ninety (90) days after Final Completion.

"**Financial Assurance**" shall have the meaning set forth in **Section 17.4** of the Master Lease.

"**Fiscal Year**" shall mean the fiscal year of City commencing on October 1st and ending on September 30th.

"**Force Majeure**" shall mean acts and events not within the control of the party, and which the party could not use due diligence to avoid or prevent. Events of Force Majeure include acts of God, strikes, riots, sabotage, civil disturbances, epidemics, acts of domestic or foreign terrorism, lightning, earthquakes, fires, storms, floods, and landslides. Force Majeure does not include economic or market conditions, which affect a party's cost, but not its ability to perform.

"**Franchise Agreement**" shall have the meaning set forth in **Section 8.2.1** of the Concession Agreement.

"**Franchisor**" shall have the meaning set forth in **Section 8.2.1** of the Concession Agreement.

"**Fuel Facilities**" shall mean (a) the specific improvements installed on or about the portion of the CONRAC Site as depicted in **Exhibit A-2** to the Master Lease for purposes of fueling rental car vehicles by the RACs; and (b) all aboveground and underground fuel storage tanks, underground and aboveground fuel piping, related underground and aboveground structures and equipment, including fuel tank fill ports, fuel dispensers, spill containment structures, oil-water separators, storm water management systems, required network of monitoring wells, leak prevention and detection systems, and the surrounding areas used in connection with their operation, including areas of Hazardous Materials, transfer, dispensing and containment systems, wherever located on the CONRAC Site from time to time, including the underground and aboveground fuel piping, related underground and aboveground structures and equipment, including fuel tank fill ports, fuel dispensers, spill containment structures, oil-water separators, storm water management systems and leak prevention and detection systems located within the CONRAC from time to time.

"**Fuel Facilities Operations Manual**" shall mean the operations and maintenance manual prepared by the Facility Manager that addresses the operation, maintenance, routine and required inspections, and repair of the Fuel Facilities in order to prevent a release of a Hazardous Material or other deleterious material and to control and perform immediate removal, remediation and restoration action in the event of a release of a Hazardous Material or other deleterious material in connection with the operation of the Fuel Facilities.

"**Fuel Letter of Credit**" shall have the meaning set forth in **Section 17.4.1** of the Master Lease.

"**Future Charges**" shall have the meaning set forth in **Section 21.2.2** of the Master Lease and set forth in **Section 21.2.2** of the Sublease Agreement.

"**Good Standing**" shall mean with respect to a RAC that the Sublease Agreement and Concession Agreement to which a RAC is a Party are not in default at the time that a determination of good standing is made.

"**Governmental Authorities**" shall mean federal, state and municipal governments, authorities and agencies and their respective agencies, departments, authorities and commissions. "Governmental Authorities" shall specifically include, without limitation, City, the State of

Texas, the Texas Attorney General, the DOT, the United States Federal Aviation Administration and the TSA.

"**Gross Receipts**" shall have the meaning set forth in **Section 4.1.4** of the Concession Agreement.

"**Hazardous Materials**" shall refer to and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

"IDF Rooms" shall mean the Intermediate Distribution Frame rooms located on each floor of the CONRAC as shown on **Exhibit H** to the Master Lease which shall contain City's networking equipment for connectivity to the Joint Use Facility.

"**Indenture**" shall mean the Trust Indenture dated as of _____, between the City and the Bond Trustee establishing the terms of the Bonds, as amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Initial Bonds**" shall have the same meaning given to the term "Series 2013 Bonds" in the Indenture.

"**Initial Tenant Improvements**" shall mean the improvements, structures and fixtures installed by Concessionaire in its Exclusive Use Premises, including finish-out work on floors, ceilings, demising walls and store facades; storefront signage; panel boxes and hook-ups to utilities; wires and conduits infrastructure; decorations; furniture; equipment; shelves; counters; lighting; and interior design and construction work necessary in general to accommodate the Rental Car Concession operations of Concessionaire; and as further described in **Section 2.2** of the Sublease Agreement.

"Initial Tenant Improvements Construction Period" shall have the meaning set forth in **Section 2.2** of the Sublease Agreement.

"**Joint Use Facility**" shall mean the five (5) story parking garage structure containing the CONRAC and Commercial Parking Facility including a vehicle ramping system and any associated improvements approved by City in writing constructed on the CONRAC Site.

"**Lease Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Lease Term beginning on October 1st and ending on September 30th.

"**Lease Term**" shall mean the term of the Master Lease as provided in **Section 5.1** thereof.

"**Leased Premises**" shall mean the CONRAC Site prior to Substantial Completion, with an appurtenant license to occupy all improvements thereon as constructed under the Master Lease through Final Completion, and the CONRAC on and after Substantial Completion and through the Lease Term, as more fully described in **Section 3.1** of the Master Lease.

"**Legal Requirements**" shall mean all orders, rules, regulations and requirements (whether now or hereafter in effect) of Applicable Laws, and all requirements, obligations and conditions of all instruments of record on the date of the any agreement to which this **Attachment 1** is attached.

"**Level 5**" shall mean the fifth (5th) floor of the CONRAC.

"**Lien**" shall mean any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on or affecting the Leased Premises, the Subleased Premises, the CONRAC Capital Improvements, Initial Tenant Improvements, any Alteration, the Fuel Facilities, or the QTA Equipment.

"**LOI**" shall mean that certain letter of intent dated November 18, 2011 by and among City, Master Lessee, Developer and a RAC representative regarding the Project.

"**Major Maintenance**" shall mean any repair, replacement or removal of improvements in, of, or to the CONRAC Site or any aspect of the Joint Use Facility during the one (1) year Warranty Period, or in, of or to the CONRAC or any structural aspect of the Joint Use Facility that in either period (a) preserves, extends or restores the useful life of, and is beyond the regular, normal annual or more frequent upkeep of physical property (i.e. land, building, or equipment), or (b) removes improvements at the expiration or termination of the Master Lease, or otherwise at the direction of City. Major Maintenance includes the repair or replacement of failed or failing building components as necessary to return a facility to its currently intended use, to prevent further damage, or to make it compliant with changes in laws, regulations, codes, or standards. Routine Maintenance shall not be considered Major Maintenance. Items of Major Maintenance include, but are not limited to, the items listed in **Exhibit F** to the Master Lease.

"**Market Share**" shall mean, with respect to each RAC, that RAC's percentage share of the total rental car market at the Airport, where that share is calculated as the percentage which that RAC paid to City of the total of all Concession Fees paid to City by all RACs in the then-most recent Concession Agreement Year.

"**Master Lease**" shall mean the Consolidated Rental Car Facility Master Lease for Austin-Bergstrom International Airport, dated as of _____, 2013, by and between City and Master Lessee, together with all amendments, supplements, attachments and exhibits thereto.

"**Master Lessee**" shall mean Austin CONRAC, LLC, a Texas limited liability company, and any successor, assignee or transferee thereof permitted by the terms of the Master Lease.

"**Master Lessee Party**" shall mean Master Lessee and each of its subtenants, if any, other than the RACs, contractors (including the Facility Manager and Developer), and subcontractors and the respective officers, subcontractors, agents, representatives, employees,

guests, customers, invitees, vendors and suppliers of Master Lessee and of each such subtenant, contractor and subcontractor.

"**Master Lessee's Rent and Operation Reserve**" shall mean account(s) established by Master Lessee for the Rent Reserve Requirement and O&M Reserve Requirement that each Concessionaire is required to pay to Master Lessee pursuant to the Sublease Agreement.

"**Minimum Annual Guaranteed Concession Fee**" shall mean (a) for the first Concession Agreement Year, an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding twelve (12) months under the Prior Concession Agreement (as defined in the Concession Agreement), and (b) for the second and each subsequent Concession Agreement Year, an amount equal to eighty-five percent (85%) of the Concession Fee due for the immediately preceding full Concession Agreement Year.

"**M/WBE Program**" shall mean the City Minority-Owned and Women-Owned Business Enterprise (M/WBE) Procurement Program, found at Austin City Code Chapters 2-9A, 2-9B, 2-9C and 2-9D.

"**New Entrant**" shall mean any operator of a rental car business that meets minimum requirements substantially equivalent to those imposed on incumbent Concessionaires, but that is not a Concessionaire as of the Effective Date of the Master Lease, and thereafter shall mean an operator of a rental car business that meets minimum requirements substantially equivalent to those imposed on incumbent Concessionaires, but that is not a Concessionaire as of the end of the initial ten (10) year term of the Concession Agreement or at the time City solicits for new operators or rental car businesses in the CONRAC. "New Entrant" shall not mean any off-Airport motor vehicle rental services or businesses.

"**New Entrant Areas**" shall mean those portions of the CONRAC described or depicted in **Exhibit H** to the Master Lease to be utilized by New Entrants for purposes of operating Rental Car Concessions.

"**Notice of Default**" shall mean: (a) written notice by City to Concessionaire or by Concessionaire to City of any Event of Default or of any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under the Concession Agreement; (b) written notice by City to Master Lessee or by Master Lessee to City of any Event of Default or of any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under the Master Lease; or (c) written notice by Master Lessee to a Concessionaire or by Concessionaire to Master Lessee of any Event of Default or any event or circumstance that, with the giving of notice or the passage of time, or both, will constitute an Event of Default under a Sublease Agreement. Such notices, for all purposes, shall be in lieu of, and not in addition to, any notice required as a prerequisite to an unlawful detainer or similar action for possession of premises.

"**Off-Airport Rental Drop Off Area**" shall mean those portions of the Common Use Areas described or depicted on **Exhibit H** to the Master Lease as the "Off-Airport Rental Drop Off Area" to be utilized for drop off and pickup of customers of off-Airport motor vehicle rental services.

"**Office Space**" shall mean those portions of the Customer Service Building described or depicted on **Exhibit H** to the Master Lease to be utilized by RACs for office purposes.

"**O&M Costs**" shall mean all actual costs of operating the CONRAC and administering and carrying out the Master Lessee's responsibilities under the Master Lease, including the following: (a) the actual costs incurred by any and all of the Facility Manager, City or Master Lessee in performing Routine Maintenance, Major Maintenance or Environmental Assessment under the Master Lease (including a reasonable allocation of City administrative costs but excluding any such costs incurred by the City with respect to its own direct responsibilities pursuant to **Section 12.5** of the Master Lease), and specifically including the cost of the Facility Manager and associated support staff that are responsible for supervising the operation and management of the CONRAC and CONRAC Site (specifically including ensuring Concessionaire's compliance with the obligations imposed by the Master Lease); (b) the property and liability (including pollution liability) insurance costs incurred by the Facility Manager, City or Master Lessee with respect to the CONRAC and CONRAC Site; (c) except to the extent attributable to any individual RAC, any taxes, other than income taxes, paid by City, Master Lessee or the Facility Manager in regard to the Joint Use Facility, but that are payable by the RACs under **Section 12.1** of the Sublease Agreement; (d) the Utilities Costs for the CONRAC and CONRAC Site (except for any separately metered Utilities Costs for RAC Exclusive Use Premises); (e) internal costs (including staff time) of City incurred in connection with the administration of the Customer Facility Charge or the administration of the Bonds; (f) internal costs (including staff time) of Master Lessee incurred in connection with the performance by Master Lessee of any duties or obligations under any agreement with the Facility Manager; (g) the fees and costs payable by Master Lessee to the Facility Manager; and (h) any other cost or expense reasonably incurred by City or Master Lessee in connection with the RACs' operations on or occupation of the CONRAC and CONRAC Site.

"**O&M Reconciliation Report**" shall have the meaning set forth in **Section 13.6** of the Master Lease and in **Section 5.1.5.3** of the Sublease Agreement.

"**O&M Reserve Requirement**" shall mean an amount equal to twenty-five percent (25%) of Concessionaire's estimated aggregate Pro Rata Share of O&M Costs for each Sublease Agreement Year (or, for the first Sublease Agreement Year, the period commencing on the Substantial Occupancy Date through the end of such first Sublease Agreement Year).

"**Opening Date**" shall mean the date the CONRAC opens for business to the public, with all RACs renting cars and receiving rental returns in the CONRAC which shall occur no later than thirty (30) days following Final Completion.

"**Parking Management Office**" shall mean the space on the ground floor of the QTA Facility described or depicted on **Exhibit H** to the Master Lease to be used exclusively by City in conjunction with the Commercial Parking Facility and other City parking facilities at the Airport.

"**Passenger Count**" shall have the meaning set forth in **Section 4.1.8.1** of the Concession Agreement.

"**Payment and Performance Bond**" shall have the meaning set forth in **Section 9.3** of the Master Lease.

"**Percentage Fee**" shall have the meaning set forth in **Section 4.1** of the Concession Agreement.

"**Permitted Use**" shall have the meaning set forth in **Section 4.1** of the Master Lease.

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

"**PL Policy**" shall have the meaning set forth in **Section 17.4.2** of the Master Lease.

"**Pollution Prevention Plan**" shall mean a written plan required by Environmental Laws, or if not required by Environmental Laws, an equivalent plan required by City for the CONRAC Site, prepared by the Facility Manager and adopted by Master Lessee in accordance with **Section 16.11** of the Master Lease that describes the Fuel Facilities and the management, training, operational and monitoring activities and requirements in place to prevent releases of Hazardous Materials or other deleterious materials (e.g., total suspended solids) from, or in connection with, the Fuel Facilities, to control and remediate spills or releases, and to meet other environmental permit requirements related to releases from, or in connection with, the Fuel Facilities.

"**Pre-Lease Environmental Condition**" shall have the meaning set forth in **Section 16.9** of the Master Lease and **Section 16.9** of the Sublease Agreement.

"**Pre-Lease Environmental Evaluation**" shall have the meaning set forth in **Section 16.9** of the Master Lease and **Section 16.9** of the Sublease Agreement.

"**Prior Concession Agreement**" shall mean each Rental Car Concession Agreement between City and a Concessionaire relating to the premises at the Airport leased and occupied by Concessionaire pursuant to the terms thereof prior to the Opening Date, together with the exhibits thereto and all agreements supplemental to or modifying such Prior Concession Agreement, whether made contemporaneously therewith or subsequent thereto. Prior Concession Agreement shall not include a Concession Agreement.

"**Project**" shall mean the design, construction, operation, maintenance, installation and financing of the Joint Use Facility on the CONRAC Site and its associated improvements.

"**Project Delivery Agreement**" shall mean the Development Agreement.

"**Pro Rata Share**" shall mean with respect to each Subleasing RAC the percentage determined by dividing (a) the total square footage of Exclusive Use Premises then allocated to that RAC by (b) the aggregate total square footage of all Exclusive Use Areas as then subleased to all RACs, all of which space may be measured by City or Master Lessee in any reasonable and uniform manner. The Pro Rata Share may vary from time to time, being readjusted by Master Lessee upon any increase or decrease any RAC's Exclusive Use Premises or in the aggregate total square footage of all Exclusive Use Areas actually then subleased to RACs. For purposes

of determining the total amount of Exclusive Use Areas subleased (but without in any manner releasing, waiving or otherwise absolving any potential claims for damages against any Concessionaire upon an Event of Default), (i) space for which a Sublease Agreement expires or earlier terminates shall be treated as subleased until the first full month following the date on which the Sublease Agreement expires or is earlier terminated, and (ii) a Sublease Agreement rejected in bankruptcy shall be treated as terminating on the date the bankruptcy petition was filed.

"**Punch-List Items**" shall have the meaning set forth in **Section 9.4.2.1** of the Master Lease.

"**QTA Equipment**" shall mean all equipment installed in the QTA Space and used in connection with car washing and cleaning activities, including, without limitation, car washes and all associated equipment, the vacuums, and all fluid and/or compressed air dispensing systems; provided, however, that QTA Equipment shall not include any portion of the Fuel Facilities.

"**QTA Facility**" shall mean the portion of the Joint Use Facility that includes and lies east of the CONRAC's internal shuttler ramps, and includes the car washes, fueling areas and associated vehicle stacking areas, the ground floor under those areas and the fourth floor above them, but does not include the Parking Management Office, all as described or depicted in **Exhibit H** to the Master Lease.

"**QTA Space**" shall mean the quick turnaround areas located in the portion of the CONRAC described or depicted in **Exhibit H** to the Master Lease and to be utilized by the RACs for purposes of car washing, cleaning and fueling activities.

"**RAC O&M and Rent Reserve Fund**" shall mean the fund by that name established pursuant to the Indenture as required by Section 6.10 of the Master Lease.

"**RAC Property**" shall mean trade fixtures and business equipment and furnishings and signs of each respective RAC that has not been permanently affixed to the CONRAC or otherwise remains the personal property of that RAC and the removal of which would not damage or affect the structural integrity or usability of the CONRAC.

"**Ready/Return Areas**" shall mean those portions of the CONRAC described or depicted in **Exhibit H** to the Master Lease as the "Ready/Return Area" and to be utilized by the RACs for purposes of stacking, staging, returning and delivering rental vehicles.

"**Ready/Return Space**" shall mean the area(s) shaded and designated in an exhibit to each of the Sublease Agreements identifying the same as a portion of the Exclusive Use Premises for the applicable RAC.

"**Recovery Fee**" shall have the meaning set forth in **Section 4.1.7** of the Concession Agreement.

"**Reimbursed O&M Costs**" shall mean those O&M Costs of the Master Lessee or Facility Manager that are reimbursed from Customer Facility Charges under **Section 13.8** of the

Master Lease and in accordance with the Concession Agreement.

"**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance, but excluding

(a) any release that results in exposure to persons solely within a workplace, with respect to a claim that those persons may assert against the persons' employer;

(b) emissions from the engine exhaust of a motor vehicle or rolling stock; and

(c) migration or movement onto, within or from the Leased Premises of Hazardous Materials contamination existing prior to the Effective Date or originating from City property outside the Leased Premises.

"**Releasing Parties**" shall mean Master Lessee, Concessionaire and their assigns, subtenants and legal representatives.

"**Rent**" shall mean Base Rent and all other fees, costs and other amounts payable from Master Lessee to City under the Master Lease.

"**Rent Reserve Requirement**" shall mean an amount equal to twenty-five percent (25%) of Concessionaire's estimated aggregate Pro Rata Share of Base Rent for each Sublease Agreement Year (or, for the first Sublease Agreement Year, the period commencing on the Opening Date through the end of such first Sublease Agreement Year).

"**Rental Car**" shall mean 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, legal to be driven on a public street in Austin, Texas and made available for use, without a hired driver, under any form of lease, rental contract or other agreement for temporary use.

"**Rental Car Concession**" shall mean the right to operate a rental car concession at the Airport on a nonexclusive basis for the purpose of arranging rental services for motor vehicles.

"**Repair and Replacement Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Required Percentage**" shall mean ten percent (10%) for each Concession Agreement Year, subject to City adjustment every five Concession Agreement Years in accordance with the terms of Section 4.1.2 of the Concession Agreement.

"**Reserved Area**" shall mean those portions of the CONRAC, initially described or depicted in **Exhibit H** to the Master Lease, reserved to Master Lessee for use by Master Lessee and the Facility Manager pursuant to the Master Lease and the Sublease Agreements, and specifically including reserved office space, the Service Yard, all portions of the Fuel Facilities

other than expressly allocated fuel dispensers, all CONRAC mechanical rooms and systems and designated storage rooms.

"**Restricted Area**" shall mean any area of the Airport where the City requires limited or controlled access for security or safety purposes as required by the TSA, federal regulations, or other Governmental Authority with safety or security jurisdiction over the Airport.

"**Revenue Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**Routine Maintenance**" shall mean the following: (a) the regular maintenance and repair of the structural components of the CONRAC, including the roof (both structure and any covering/membrane), exterior walls, foundation and building structure, required to keep and maintain such structural components in good order, condition and repair; (b) the regular maintenance and repair of the Common Use Areas including water, snow and ice removal and the pressure washing, resurfacing and repair of roadways, ramps, flyovers, walkways, stairs, and sidewalks included therein and the maintenance and repair of escalators, elevators and moving sidewalks, if any, required to keep and maintain the Common Use Areas in good order, condition and repair; (c) the maintenance and repair of the Reserved Area; (d) the repair and maintenance of the QTA Equipment and the Fuel Facilities; (e) the repair and maintenance of, but not janitorial services for, the Parking Management Office and the Commercial Parking Facility, including the elevators and stairwells dedicated to the Commercial Parking Facility, during the Warranty Period; (f) regular maintenance and replacement of landscaping included in Master Lessee's site plan and installed on or about the CONRAC; and (g) janitorial services, except as noted, in the areas maintained; provided, however, Routine Maintenance shall not include any repairs, replacements or other actions that constitute Major Maintenance. Items of Routine Maintenance include, but are not limited to, the items listed in **Exhibit E** to the Master Lease.

"**Security**" shall have the meaning set forth in **Section 6.6** of the Master Lease and in **Section 8.1** of the Sublease Agreement for the purposes of each such agreement, respectively.

"**Security Amount**" means an amount for each Lease Agreement Year equal to the sum of twenty-five percent (25%) of the Base Rent in the form of an irrevocable stand-by letter of credit in form acceptable to City.

"**Security Deposit**" shall have the meaning set forth in **Section 4.5** of the Concession Agreement.

"**Service Yard**" means the ground-level area on the east end of the CONRAC described or depicted in **Exhibit H** to the Master Lease improved as depicted for delivery of fuel and other supplies, for holding trash and recycling for pickup, and for other functions in support of CONRAC operation

"**Significant Change**" means any change (or related series of changes) to the design of the CONRAC prior to the Date of Beneficial Occupancy that (a) results in an increase in costs in excess of $25,000; (b) materially impacts the overall design of the CONRAC; (c) otherwise impacts the type of space available to the RACs in the CONRAC; or (d) extends the completion date of the CONRAC by more than thirty (30) days.

"**SPCC Plan**" shall mean a written spill prevention control and countermeasures plan required by Environmental Laws, prepared by the Fuel Facility Manager and adopted by each of the RACs for the CONRAC and the CONRAC Site, that includes a risk evaluation performed by a professional engineer and spill response procedures.

"**Storage Areas**" shall mean those portions of the CONRAC described or depicted in **Exhibit H** to the Master Lease as the "Storage Area" and to be utilized by the RACs for purposes of storing vehicles.

"**Storage Space**" shall mean the area(s) shaded and designated in an exhibit to each of the Sublease Agreements identifying the same as a portion of the Exclusive Use Premises for the applicable RAC.

"**Sublease Agreement**" means the agreement in the form attached to and made part of the Master Lease as **Exhibit G** between a RAC and Master Lessee by consent of City pursuant to which the RAC subleases space in the CONRAC and pay certain allocated costs.

"**Sublease Agreement Year**" initially shall mean the period beginning on the Opening Date and ending on the following September 30th and thereafter shall mean each successive twelve (12) month period during the Sublease Term beginning on October 1st and ending on September 30th.

"**Subleased Premises**" shall mean with respect to each RAC's Sublease Agreement, the Exclusive Use Premises, together with the non-exclusive right of a RAC to use in common with the other RACs the Common Use Operational Areas and the Common Use Areas as set forth in the Sublease Agreement.

"**Sublease Security**" shall have the meaning set forth in **Section 8.1** of the Sublease Agreement.

"**Sublease Term**" shall mean the term of the Sublease Agreement as set forth in **Section 4.1** of the Sublease Agreement.

"**Substantial Completion**" or "**Substantially Complete**" shall mean the stage in the progress of the construction of the Joint Use Facility when the work, or a designated part of the work, is sufficiently complete in accordance with the Development Agreement and Construction Contract so that City, Master Lessee and RACs can occupy or use the Joint Use Facility for its intended use as evidenced by a certificate of Substantial Completion approved by City and a certificate of occupancy issued by a City building inspector prior to Substantial Completion. Substantial Completion shall include, without limitation, all required permit sign-offs, regulatory inspections and structural components completed, equipment and systems installed and functional and all interior and exterior wall, ceiling and floor finish materials installed excluding only the completion of the Punch-List Items, Initial Tenant Improvements and modifications of or enhancements to way-finding signage.

"**Substitute Master Lessee**" shall mean a master lessee, other than Master Lessee, to whom City relets the Leased Premises in accordance with the criteria set forth in **Section 21.2.3** of the Master Lease.

"**Substantial Occupancy Date**" shall mean the date on which Master Lessee turns over to each RAC its Exclusive Use Premises for purposes of installing the Initial Tenant Improvements and RAC Property in the Exclusive Use Premises and preparing to open for business in the CONRAC on the Opening Date which shall be no later than the date of Substantial Completion.

"**Tenant Design Standards**" shall mean the standards, established by City from time to time, to specify the aesthetic qualities and the design, construction and materials requirements for tenants of the Airport and its facilities, they may be amended, modified and revised from time to time.

"**Terminal**" shall mean the interconnected facilities at the Airport, along with all user movement areas, public areas and baggage claim areas therein and interconnecting facilities and all future expansions thereto.

"**Termination Damages**" shall have the meaning set forth in **Section 21.2.1** of the Master Lease and in **Section 21.2.1** of the Sublease Agreement.

"**Termination Date**" means the date the Master Lease terminates which (except for an earlier termination as provided in the Master Lease) shall be the last day of the 360th full calendar month after the Effective Date as provided in **Section 5.1** of the Master Lease.

"**Termination Option**" shall mean the right of City to terminate the Master Lease pursuant to **Section 4.5** of the Master Lease and to terminate the Sublease Agreements pursuant to **Section 4.1.4** of the Sublease Agreements.

"**Transaction**" means a distinct act of business between a RAC and a customer under which the RAC generates Gross Receipts by rental of a Rental Car as authorized under its Concession Agreement. Each taking of possession of a Rental Car from a RAC under an ongoing contract for multiple rentals is deemed a distinct act of business for purposes of this definition, however, an exchange of vehicles under a single rental contract is not deemed to create a new transaction.

"**Transaction Day**" shall mean each twenty-four (24) hour period (or fraction thereof) that a vehicle is rented by an Airport Customer; provided, however, that if a RAC'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 RAC 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.

"**Trustee**" shall mean the Bond Trustee.

"**TSA**" shall mean the United States Transportation Security Administration, and any successor agency, office or department thereof.

"**Utilities Costs**" shall mean all fees, charges, costs, assessments and expenses incurred in connection with the permitting or operation of the CONRAC or the CONRAC Site for

electricity, communications, gas, water, sewer, storm water (including participation in the Regional Storm Water Management Program, garbage and recycling services and usage.

"**Utility Work**" shall have the meaning set forth in **Section 13.4** of the Master Lease and in **Section 14.3** of the Sublease Agreement.

"**Valet Parking Service**" shall mean a service in which a customer-owned vehicle is parked at a location provided by the RAC and the RAC transports the customer to or from the Terminal or the RAC arranges for pickup or re-delivery of the customer's vehicle to the Terminal.

"**Vendor Parking Area**" shall mean the vendor parking yard areas located on the CONRAC Site immediately East of and adjacent to the Joint Use Facility described or depicted in **Exhibit H** to the Master Lease and to be utilized by the RACs for purposes of vendor parking.

"**Vested Improvements**" means all structures, fixtures and other improvements and equipment, including the Joint Use Facility, CONRAC Capital Improvements, QTA Equipment and Fuel Facilities (except for aboveground and underground fuel storage tanks), that are at any time constructed, placed or installed by or on behalf of Master Lessee on the CONRAC Site, or to provide vehicular or passenger access to or exit from the Joint Use Facility, all of which, unless expressly declined by City, shall vest in and be the exclusive property of City as the same are being constructed, placed or installed, including all repairs and replacements to such structures, fixtures and other improvements or equipment, as further provided in **Section 10.1** of the Master Lease. The term "Vested Improvements" shall specifically exclude any aboveground and underground fuel storage tanks that constitute a portion of the Fuel Facilities and any other Fuel Facilities expressly declined by City, RAC Property and any trade fixture or other property of Master Lessee or any RAC that has not become permanently affixed to the Leased Premises or to the Vested Improvements or otherwise remains the property of the RAC under a Sublease Agreement approved by City, except that the City shall have the option pursuant to **Section 10.1** of the Master Lease to accept and add as part of the Vested Improvements any interest in such fixtures or other property that may inure to the City under the Master Lease or any Sublease Agreement.

"**Warranty Period**" shall mean the period of time commencing on the date of Substantial Completion and expiring one (1) year thereafter.

EXHIBIT A

RENTAL CAR MONTHLY REVENUE REPORT
CITY OF AUSTIN, DEPARTMENT OF AVIATION
Attention: Accounts Receivable
3600 PRESIDENTIAL BLVD., SUITE 411, AUSTIN, TX 78719

COMPANY: _____ LOCATION: _____

Business Period: _____
Enter Business Month End above as mm/dd/yy

Gross Receipts:			
Time & Mileage Charges & Fees			
Recoupment of Airport Concession Fees			
Vehicle TT&L/Registration Recoupment Fees			
All Fuel Charges & Services (Prepay, Refuel, Service Charges, etc.)			
All Insurance Sales			
All Damage Waiver Charges (LDW, CDW, PDW, etc.)			
Other Vehicle Charges (One Way or inter-city Fees, Exchanges, Upgrades, etc.)			
Additional Equipment, Communication & Technology (car seats, racks, radios, phones, navigation, Wi-Fi, satellite, etc.)			
Misc & Other Optional Charges (Add'l Drivers, Cleaning, Towing, Frequent Flyer, GARS, Carbon Offset, etc.)			
Contracted Services with Other Airport Concessionaires, Users or Third Parties			
Customer Facility Charges (CFC's)			
Taxes on rental transactions, required by taxing authority			
Receipts/Compensation for Actual Damages/Loss			
All Other Fees, Charges, Receipts, Revenue, Compensation not included above			
Total Gross Receipts:		$ -	*(1)*
Allowable Exclusions:			
Customer Facility Charges (CFCs)			
[NOTE: Pay CFCs directly to Bonds Trustee monthly.]			
Taxes on rental transactions, required by taxing authority			
Receipts/Compensation for Actual Damages/Loss			
Customer Discounts at time of rental			
Total Allowable Exclusions:		$ -	*(2)*
Gross Receipts After Allowable Exclusions *[Line (1) less Line (2)]*		$ -	*(3)*
Concession Fee *[Line (3) X 10%, or 0.10]*		$ -	*(4)*
Monthly Minimum Annual Guarantee: _____			
Has this month's MAG been paid prior to the submission of this report? Y/N >			
Less: Applicable Minimum Payment (monthly MAG payment) if paid prior to report:		$ -	*(5)*
Adjustments: Applicable credits, etc. ***(Explain below in Comments)***			*(6)*
Concession Fee due City with Report: *[Line (4) less Lines (5),(6)]*		$ -	

Additional Information ***(Required)***

Total CFCs Collected for the month:	
Total Rental Transactions for month:	
Total Rental Transaction Days for month:	

Comments:

The undersigned hereby certifies that this report is a true, accurate and complete statement of Company's Gross Receipts and *Allowable Exclusions in accordance with the terms of the ABIA Rental Car Concession Agreement, as amended, for the month* reported.

Preparer Name (print)	**Responsible Manager's Name (print)**
Preparer Title	**Manager's Title**
Preparer Signature	**Manager's Signature**
Date Signed	**Date Signed**

EXHIBIT A-1

RENTAL CAR MONTHLY REVENUE REPORT - SUMMARY
CITY OF AUSTIN, DEPARTMENT OF AVIATION
Attention: Accounts Receivable
3600 PRESIDENTIAL BLVD., SUITE 411, AUSTIN, TX 78719

COMPANY: _____ LOCATIONS: #1 | #2

Business Period: _____
Enter Business Month End above as mm/dd/yy

	#1	#2		
Gross Receipts:				
Time & Mileage Charges & Fees				
Recoupment of Airport Concession Fees				
Vehicle TT&L/Registration Recoupment Fees				
All Fuel Charges & Services (Prepay, Refuel, Service Charges, etc.)				
All Insurance Sales				
All Damage Waiver Charges (LDW, CDW, PDW, etc.)				
Other Vehicle Charges (One Way or inter-city Fees, Exchanges, Upgrades, etc.)				
Additional Equipment, Communication & Technology (car seats, racks, radios, phones, navigation, Wi-Fi, satellite, etc.)				
Misc & Other Optional Charges (Add'l Drivers, Cleaning, Towing, Frequent Flyer, GARS, Carbon Offset, etc.)				
Contracted Services with Other Airport Concessionaires, Users or Third Parties				
Customer Facility Charges (CFC's)				
Taxes on rental transactions, required by taxing authority				
Receipts/Compensation for Actual Damages/Loss				
All Other Fees, Charges, Receipts, Revenue, Compensation not included above				
Total Gross Receipts:			$ -	*(1)*
Allowable Exclusions:				
Customer Facility Charges (CFCs)				
[NOTE: Pay CFCs directly to Bonds Trustee monthly.]				
Taxes on rental transactions, required by taxing authority				
Receipts/Compensation for Actual Damages/Loss				
Customer Discounts at time of rental				
Total Allowable Exclusions:			$ -	*(2)*
Gross Receipts After Allowable Exclusions *[Line (1) less Line (2)]*			$ -	*(3)*
Concession Fee *[Line (3) X 10%, or 0.10]*			$ -	*(4)*
Monthly Minimum Annual Guarantee: _____				
Has this month's MAG been paid prior to the submission of this report? Y/N >				
Less: Applicable Minimum Payment (monthly MAG payment) if paid prior to report:			$ -	*(5)*
Adjustments: Applicable credits, etc. ***(Explain below in Comments)***				*(6)*
Concession Fee due City with Report: *[Line (4) less Lines (5),(6)]*			$ -	

Additional Information ***(Required)***

Total CFCs Collected for the month:	
Total Rental Transactions for month:	
Total Rental Transaction Days for month:	

Comments:

The undersigned hereby certifies that this report is a true, accurate and complete statement of Company's Gross Receipts and Allowable Exclusions in accordance with the terms of the ABIA Rental Car Concession Agreement, as amended, for the month reported.

Preparer Name (print)	**Responsible Manager's Name (print)**
Preparer Title	**Manager's Title**
Preparer Signature	**Manager's Signature**
Date Signed	**Date Signed**

EXHIBIT B

Brands listed on Exhibit B of Concession Agreement

COMPANY	EXHIBIT B
AVIS RENT A CAR SYSTEM, LLC	AVIS RENT A CAR
BUDGET RENT A CAR SYSTEM, INC.	BUDGET RENT A CAR
CLEARWATER TRANSPORTATION, LTD. DBA DOLLAR CAR RENTAL	DOLLAR CAR RENTAL
CLEARWATER TRANSPORTATION, LTD. DBA THRIFTY CAR RENTAL	THRIFTY CAR RENTAL
EAN HOLDINGS, LLC D/B/A ENTERPRISE RENT-A-CAR	ENTERPRISE RENT-A-CAR
EAN HOLDINGS, D/B/A NATIONAL CAR RENTAL AND ALAMO RENT A CAR	NATIONAL CAR RENTAL AND ALAMO RENT A CAR
THE HERTZ CORPORATION	HERTZ
SIMPLY WHEELZ LLC DBA ADVANTAGE RENT A CAR	ADVANTAGE
TEXAS RENT A CAR, LLC DBA ACE RENT A CAR	ACE RENT A CAR

EXHIBIT C

Construction/Professional Services - Subcontract (Subk) Supplier Awards Expenditure Report

Month / Year <Month> / <Year>

Invoice No. <Invoice No.>

Project Description: <Project Description>
Contractor: <Contractor>
Contractor Vendor ID: <Contractor Vendor ID>
City Project Manager: <City Project Manager>

Contract Start Date: <Contract Start Date>
Contract Amount: $0.00
Total Expended: $0.00

Contract Type: <Contract Type>
Solicitation No.: <Solicitation No.>
Contract No: <Contract No.>
C.I.P. ID # (eCapris Sub-project #): <Sub-project #>

	DBE Project Participation
	DBE
Solicitation Goals	0.00%
Approved Compliance Participation	0.00%
Current Participation (Based on Expenditures)	0.00%

Subcontractor/Suppliers Name	Vendor Code	Cert Code *	Gender Ethnicity **	Initial Contract Amount	Contract Changes (+/-)	Current Contract Amount	Amount This Invoice	Total Amount Paid to Date	Remaining Balance
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -
						$ -			$ -

Certification Statements:

I certify the information on this report is complete and accurate with respect to all subcontractors performing work on this contract.

Signature of Contractor

Printed/Typed Name of Contractor Date Phone No.

*** Current Contract Amount = Prior Contract Amount (+/-) Contract Changes

I certify the information on this report is correct to the best of my knowledge.

Signature of Contractor's Financial Representative

Printed/Typed Name of Contractor's Financial Representative Date Phone No.

* Certification Code	
MBE =Certified Minority Owned Business	NO = Non-Certified Business
WBE =Certified Woman Owned Business	
DBE =Certified Disadvantaged Business	
ACDBE =Certified Disadvantaged Business	

** Gender Ethnicity	
FA=Female Asian	MN=Male Nat American
FB=Female Black	NO=Non Certified
FH=Female Hisp	MA=Male Asian
FN=Female Native American	MB=Male Black
FW=Female Anglo	MH =Male Hispanic

MONTHLY PAY APPLICATION WILL NOT BE PROCESSED WITHOUT THE COMPLETION OF THIS FORM

Revised 05/07

EXHIBIT D

ACDBE Revenue Report							
Your Company Name							
Reporting FY:							
Quarter (months)							
Total Revenue Generated this Quarter							
Vendor Name	Vendor Address	Vendor Phone	Services Provided	Certification Type	Certification Agency	Ethnicity	Amount Paid for Contract
ABC Insurance Company	123 Main Street, AUSTIN, TX 7870	512-555-1234	Insurance	WBE	WBENC - Women's Business Enterprise National Council - WBE	Non-Ethnic (Fema	$1,234,567.89
Austin Key Service	444 Maple Drive, AUSTIN, TX 7870	866-888-4282	Keys, Key Blanks and Key C	ACDBE/MBE	DBE/Pennsylvania Dept. Of Transportation - DBE/South Central Texas Regional Certification Agency - DBE/State Of Oregon - MBE/UCP - Unified Certification Program - DBE/Wayne County MI DOT	Asian Female	$50,000.00
						TOTAL to ACDBE	$1,284,567.89
						% of Revenue	#DIV/0!
Notes:							

MBE/WBE/SBE and any certification variation thereof should not be included in this report. Although various state, local, and private entities issue these types of certifications, the guidelines governing certification eligibility differ from the Federal guidelines governing ACDBE certification. In this instance ABC Insurance company should not be included in this report.

Exceptions may be firms who maintain multiple certifications demonstrated from the example of Austin Key Services. Although the firm is MBE certified, the firm does maintain ACDBE certification, therefore this firm should be reported. *DBE firms may be included as long as the DBE certified firm is certified in the state where it provides services for the concession program.*

All firms which are ACDBE/DBE certified maintain certificates verifying their certification eligibility. You may, and are strongly encouraged to, request copies of these certificates for all ACDBE/DBE firms. Listings of ACDBE and DBE certified firms are available online via the Texas Department of Transportation website at http://www.txdot.gov/business/tucp/default.htm or http://www.txdot.gov/business/tucp/temp.htm, or via the City of Austin SMBR website at http://www.ci.austin.tx.us/smbr/vendors/CertVendor.cfm.