

**CORPUS CHRISTI INTERNATIONAL AIRPORT  
IN-TERMINAL ADVERTISING CONCESSION AGREEMENT**

This concession agreement ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City"), acting by and through its City Manager or designee ("City Manager") and In-Ter-Space Services, Inc., a Pennsylvania corporation, doing business as Clear Channel Airports ("Concessionaire") as of the date of the last signature ("Effective Date").

**WHEREAS**, the City owns and operates the Corpus Christi International Airport, located in Corpus Christi, Nueces County, Texas ("Airport"), acting by and through its Director of Aviation or the Director of Aviation's designee ("Director");

**WHEREAS**, the Airport wishes to provide for the proper and efficient use of advertising spaces inside the Airport terminal building; and,

**WHEREAS**, the City and Concessionaire desire to enter into a five-year Agreement to provide in-terminal advertising services at the Airport;

**NOW, THEREFORE**, City and Concessionaire, in consideration of the mutual covenants and conditions stated in this Agreement, agree as follows:

**Section 1. Term; Option Term.** The term of this Agreement ("Term") is for a period of five years and commences upon the 120<sup>th</sup> day following the Effective Date, as evidenced by the issuance of a notice to proceed by the Director, on behalf of the City, containing the start and end dates of the Term. The Agreement may be extended for an optional five-year period ("Option Term") upon mutual written consent of the parties. In order to exercise the Option Term under the same terms and conditions as contained in the Agreement, both parties must agree in writing to the exercise of the Option Term not less than 180 days prior to the expiration of the initial Term. Exercise of the Option Term by the parties may be effectuated by a letter agreement signed by both parties. In the event the parties do not mutually execute a letter agreement to exercise the Option Term, this Agreement terminates at the end of the initial Term.

**Section 2. Advertising Zones.**

A. Concessionaire shall have the non-exclusive right to use the advertising zones, designated on Exhibit A, which exhibit is attached and incorporated into this Agreement, for advertising in accordance with this Agreement. Notwithstanding the foregoing, Concessionaire shall have the right of first refusal to any new forms, concepts or methods of advertising in the advertising zones designated on Exhibit A, provided, the Concessionaire is not then-presently in breach of this Agreement. Exercise of this right of first refusal, however, is at all times conditioned upon the City's prior reservation of the right to establish displays that promote the Coastal Bend region when such display requests are from community related organizations, such as from local educational institutions and nonprofit entities. City shall have the right to modify Exhibit A, in consultation with Concessionaire, during the Term and any Option Term of this Agreement. The advertising zones must be used by Concessionaire solely

for the purposes of general advertising, pursuant to Concessionaire's displays and marketing plan as strictly agreed to by the City and incorporated in Exhibit A, and for no other purpose unless preapproved in writing by the Director.

B. Concessionaire shall have the right to enter into agreements to allow third parties to advertise at the Airport through use of the advertising zones. Concessionaire's method of operation and the prices and rates charged to third parties shall be subject to prior written approval of the Director.

C. City reserves the right to (i) install, or award a third-party contract to install, television/video monitors and stand-alone kiosks for the purpose of promoting the City and providing Airport and local community information to the traveling public; (ii) install, or award a third-party contract to install, Internet-access kiosks which may have associated advertising; and (iii) permit advertising placed directly on baggage carts designed for individual use by passengers. In-terminal tenants shall retain their rights to advertise their individual on-Airport businesses in and on sites and spaces leased by such Airport tenants.

### **Section 3. Fees, Payments, and Records.**

A. Fees. In consideration of the foregoing, during the first 12 months of the Term, the Concessionaire shall pay to the City the greater of: (i) the minimum annual guarantee ("Minimum Annual Guarantee") of \$60,000 or (ii) 45% of the gross receipts derived from its operations at the Airport ("Gross Receipts"). During the second through the fifth contract years of the Term and any Option Term if exercised, the Concessionaire shall pay to the City the greater of: (i) the Minimum Annual Guarantee of 85% of the previous year's revenue paid to the Airport by Concessionaire but never less than \$60,000 or (ii) 45% of the Gross Receipts. Fees are payable beginning on the start date of this Agreement.

1. Gross Receipts. The term "Gross Receipts" as used in this Agreement means all revenues derived by Concessionaire, including any agent of Concessionaire, from its operations relating to advertising at the Airport from any source whatsoever. It is expressly provided, however, that Gross Receipts does not include:

a. The amount of any separately-stated federal, state, and local sales or use taxes imposed upon Concessionaire's customers and collected by Concessionaire (the sale less any applicable taxes will be reported to the City);

b. The amount actually paid by the Concessionaire as commissions or fees to advertising agencies or selling agents not employed by Concessionaire (not to exceed 15% on any particular transaction);

c. Up to 3% of Gross Receipts which are deemed uncollectible by the Concessionaire after prudent collection efforts; provided, that the Concessionaire shall document such uncollectible amounts in its annual payment reports to the City. If the uncollected amounts are eventually

recovered by the Concessionaire, the Concessionaire agrees to remit any payments due of the recovered amounts in accordance with the terms of this Agreement; and

d. Any direct costs by advertisers in connection with unaffiliated third party design, fabrication or installation of any advertiser's specialty or custom display/graphics. Concessionaire shall not mark-up any such pass-thru costs paid by advertisers.

**B. Payment of Fees.** Concessionaire shall pay to the City, in advance and without demand, on or before the 1st day of each calendar month for which fees are payable during the Term of this Agreement, and any Option Term if exercised, an amount equal to 1/12th of the Minimum Annual Guarantee, as further defined below and as is applicable, plus any sales or other taxes due and payable in connection therewith without deduction or set-off. Concessionaire shall further pay to the City, without demand, on or before the 20<sup>th</sup> day of the month next following each calendar month for which fees are payable during the Term of this Agreement, and any Option Term if exercised, a sum of money equal to the amount, if any, by which 45% of the Concessionaire's Gross Receipts for the previous calendar month exceeds 1/12<sup>th</sup> of the Minimum Annual Guarantee applicable for such month, along with submission of a detailed reconciliation report.

**C. Monthly Reports.** Concessionaire shall submit all reports, along with the required fees, to the address shown in this Agreement until changed by written notification by the City, or at such other place as the City may designate in writing from time to time. Concessionaire shall provide the City with a statement, signed by an officer of Concessionaire, in a form and with such detail as the City may reasonably request, setting forth Concessionaire's Gross Receipts during such preceding calendar month (for which payment is being remitted) and separately identifying all receipts derived by Concessionaire during such calendar month which have been excluded from Concessionaire's computation of Gross Receipts. All computations by Concessionaire in the determination of Gross Receipts shall be made in accordance with generally accepted accounting principles, and in the event of a disagreement, the City's determination shall prevail.

**D. Annual Certification and Adjustment.** Within 60 days after the close of each 12-month period for which fees are due and payable under this Agreement, Concessionaire, at its own cost and expense, shall provide to City a written statement of an independent certified public accountant certifying (i) the actual amount of Gross Receipts for such 12-month period, (ii) the amount of fees already paid by Concessionaire to the City for such period, and (iii) the amount, if any, by which the fees payable for such period have been overpaid or underpaid by Concessionaire. If such statement indicates that the fees for such period have been overpaid, and such statement has been verified and finally accepted in writing by the City, then the amount of such overpayment will be credited to the fees next due and owing from Concessionaire, unless the Term (or Option Term, if applicable) of this Agreement has expired, in which event such amount will be promptly refunded by the City to Concessionaire. If such statement indicates that the fees for such period have been

underpaid, then Concessionaire shall pay to the City, within 10 calendar days of submission of the statement, the amount remaining due for such period, together with interest at the rate of 18% per annum, or the maximum interest rate allowed by law, from the date such amount should have been originally paid and remitted.

E. Books and Records; City's Right to Examine and Audit. Concessionaire shall at all times during the Term and the Option Term, if exercised, and for a period of at least five years following the termination or expiration of this Agreement, maintain complete and accurate books and records of all receipts from its operations relating to the Airport in a form consistent with generally accepted accounting principles and in a manner sufficient to substantiate its calculation of payments due under the Agreement. Such books and records must contain an itemized record of all Gross Receipts by such categories of activities as shall be acceptable to City and of all other receipts derived by Concessionaire from its operations relating to the Airport. All such books and records of Concessionaire must be made available for inspection, examination, and copying by the City, its representatives, and designated agents at a location specified by the City within five days after written request, and this duty of Concessionaire shall continue for a period of not less than five years after the termination or expiration of this Agreement. City shall also have the right, at any time during this Agreement and for a period of five years after the termination or expiration of this Agreement, upon reasonable written notice to Concessionaire and at the City's expense, to cause an audit to be made of the books and records of Concessionaire which relate to its operations relating to the Airport to determine the correctness of the fees paid by Concessionaire to City for any or all of the years covered by this Agreement. If, as a result of such audit, it is established that additional fees are due from Concessionaire to City for the period of time reviewed, Concessionaire shall pay to the City, within 10 days after the date of a written demand from City, such additional fees, together with interest at the rate of 18% per annum, or the maximum interest rate allowed by law, from the date such additional fees should have been originally paid and remitted. Further, if such audit finds that Concessionaire understated and underpaid the fees for any 12-month period by 3% or more, then the entire expense of such audit shall be borne by Concessionaire. The Concessionaire acknowledges and agrees that the City's rights under this paragraph and Concessionaire's remittance obligations under this paragraph survive the termination or expiration of this Agreement.

F. Additional Sums Due City. If the City has paid any sum or sums or has incurred any obligation or expense for which Concessionaire agreed to pay or reimburse the City, or if City is required or elects to pay any sum or sums or incurs any obligations or expenses because of the failure, neglect, or refusal of Concessionaire to perform or fulfill any of the terms or conditions of this Agreement, then the same shall be deemed additional fees due under this Agreement by Concessionaire, and Concessionaire shall, immediately upon demand by the City, reimburse the City all such sums and expenses.

G. Adjustments to the Minimum Annual Guarantee

1. If the number of recorded enplaned passengers at the Airport declines by 20% or more in a 12-month period as shown in the Airport's general activity report, Concessionaire's Minimum Annual Guarantee for that 12-month period will be

reduced in percentage proportionate to the percentage of passenger decline; provided, Concessionaire evidences the proportional decrease in advertising revenue at the Airport for the same period. At the point the number of enplaned passengers increases and the threshold is re-established over a rolling 12-month period, the Minimum Annual Guarantee will be adjusted to the amount in effect at the time of the reduction.

2. The monthly 1/12<sup>th</sup> payment of the Minimum Annual Guarantee due shall be subject to a proportional reduction where a display case or other display advertisement in an advertising zone designated on Exhibit A was visually obstructed or subject to electric supply failure for more than three days without fault of Concessionaire.

#### **Section 4. Concessionaire's Obligations.**

A. Concessionaire shall, at its sole expense, provide and install all displays and related fixtures and equipment required to provide advertising and perform under this Agreement. Such signs, fixtures, and equipment which Concessionaire may install must be of high quality, safe, modern in design, attractive in appearance, and must be in keeping with the general decor of the Airport and terminal.

B. Concessionaire shall at all times during this Agreement maintain and operate the displays in a first-class manner and shall keep them in a safe, clean, orderly and attractive condition satisfactory to City. Concessionaire shall maintain a sufficient number of trained personnel to ensure the proper solicitation, promotion and development of the market for advertising. All such personnel, while on or about the Airport, shall be polite, clean, appropriately attired and neat in appearance.

C. Concessionaire shall charge reasonable prices for the advertising offered and will not unfairly discriminate as between advertisers. Concessionaire will make a major effort to obtain advertising business from local and state businesses, industries, hotels and resorts. Concessionaire shall give first consideration to businesses, industries, hotels and resorts located in Corpus Christi. In addition, Concessionaire shall include a "City promotion" as part of its advertising program.

1. Concessionaire shall use commercially reasonable efforts to solicit and procure advertising and keep all displays filled with revenue-producing advertising. Concessionaire shall report, as required by the City, on its efforts and success in attaining the advertising. If, at any time, City reasonably determines that Concessionaire has failed to make such commercially reasonable efforts to solicit and procure advertising, City, following reasonable notice to the Concessionaire to cure and Concessionaire's failure to affect such cure, may terminate this Agreement pursuant to Section 10. At times when an advertising display is not under contract and not earning revenue, Concessionaire must fill such space with an Airport or City promotion filler developed by the Concessionaire, approved in advance by the Director, and made available at no charge.

2. Concessionaire shall ensure that the subject matter of all advertising on the displays is limited to those advertisements which propose a commercial transaction or constitute a public service announcement. "Commercial transaction" does not include purely political or religious messages lacking a proposed business transaction. The content of the displays must not (i) advertise alcohol or tobacco products; (ii) relate to an illegal activity; (iii) depict violence or contain words or images that arouse anger, alarm or resentment to an ordinary person of reasonable sensibilities; (iv) advertise services in direct competition with the City's business objectives; (v) contain obscene matter or contain statements or words of an obscene, indecent or immoral character, or contain any picture or illustration of the human figure in such detail as to offend public morals or common decency; (vi) be false, misleading or deceptive; or (vii) contain material that is offensive to an ordinary person of reasonable sensibilities.

3. Each third-party contract, to include the style of advertising and the space to be utilized by Concessionaire under such contract, is subject to the prior written approval of the Director. No advertising contract entered into by the Concessionaire or its agents may extend beyond the Term (or Option Term, if exercised and applicable in context) without the express written consent of the Director.

4. All third-party contracts for advertising will be between the Concessionaire and the advertiser. The City must be shown as a beneficiary in each such contract. All such agreements, displays, prices and rates charged are subject to the prior written approval of the Director, and a copy of each such contract must be provided to the Director. In the event of an early termination of this Agreement, the City shall have the right to receive all proceeds due under such third-party contracts for the period after such termination.

5. The City, acting through the Director, retains the right to reasonably require the Concessionaire to physically adjust, relocate, or remove advertising displays, fixtures, and equipment, in order to improve the appearance of advertising space and facilities. If the Concessionaire is required to relocate or remove an advertising display, the actual verifiable costs of relocation, removal and disassembling the advertising display and re-assembling them on the new site shall be borne by the City.

D. Concessionaire may not install nor operate vending machines for the sale of food, candy, gum, soft drinks, tobacco products, newspapers, insurance contracts, nor any other coin operated device including, but not limited to, telephones, television sets, radios and amusement devices.

E. The Concessionaire shall obtain prior written approval from the Director before installing any fixtures or equipment which requires electrical connections or any changes in equipment installed at the Airport. If the electrical requirements for certain displays are greater than the normal electrical output of the supply and distribution system, the Concessionaire shall make all necessary changes and additions to the electrical wiring at its sole cost and expense.

F. Concessionaire shall retain ownership of all Concessionaire-installed displays and fixtures. Provided that Concessionaire is not then in default under this Agreement, upon termination or expiration of this Agreement, Concessionaire shall, at its own expense, remove all of its personal property, including fixtures and equipment, from the Airport within 15 days, provided, that such removal can be accomplished without material injury to the Terminal. Concessionaire, at its sole expense, shall repair to the City's satisfaction any damage caused to the Terminal as a result of such removal and return each advertising space at the Airport to the same condition it was in at the time such displays and fixtures were placed thereon by the Concessionaire, ordinary wear and tear excepted. Any personal property of Concessionaire not so removed within the time period set out in this paragraph becomes the sole property of City without further notice to Concessionaire, and the City may dispose of such property by donation, salvage, or destruction without compensation to Concessionaire.

G. Concessionaire shall at all times retain an active, qualified, competent and experienced sales representative to supervise Concessionaire's advertising operations and who is authorized to represent and act for Concessionaire. The City reserves the right to interview the primary sales representative assigned to the management of the operations at the Airport.

H. Concessionaire shall observe and obey all applicable federal, state, and local laws, ordinances, rules, and regulations including, but not limited to, all rules and regulations of the City applicable to Concessionaire's operations on and in connection with the Airport as well as the Americans with Disabilities Act and any other federal acts applicable to entities that operate at the Airport.

I. Concessionaire will include participation by disadvantaged business enterprises ("DBE"), as defined in 49 CFR Part 23, in its advertising program and provide evidence of same upon request by the Director.

J. Concessionaire shall pay before delinquency any and all taxes levied or assessed against it or by reason of its personal property located in the Airport advertising zones; taxes levied or assessed because of Concessionaire's right to possession of the advertising zones and fixtures, displays, and improvements therein; all applicable taxes levied or assessed by any governmental entity or boy as a result of Concessionaire's operations; and all taxes which may be levied or assessed as a result of the fees payable by Concessionaire under this Agreement. All such taxes and assessments for partial years shall be apportioned and adjusted on a time basis.

K. Concessionaire may use subcontractors in connection with the services performed under this Agreement. When using subcontractors, however, the Concessionaire must obtain prior written approval from the Director. In using subcontractors, the Concessionaire is responsible for all of their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Concessionaire. All requirements set forth as part of this Agreement are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the services.

**Section 5. Improvements to the Premises.** The size, location, text, appearance, plans, and specifications of Concessionaire's advertising displays are subject to the advance approval of the Director. Following approval, such improvements must be made or such fixtures and equipment installed in strict accordance with the approved plans and specifications and in accordance with all applicable state and local building and health codes and rules and regulations. Concessionaire shall obtain all necessary licenses and permits to accomplish such work, and Concessionaire warrants to City that all such improvements shall be free and clear of any claims, liens, and encumbrances.

**Section 6. Performance Bond.** Concessionaire shall provide to the City, upon execution of this Agreement and prior to commencing operations under this Agreement, a performance bond in an amount equal to one year of the then current Minimum Annual Guarantee (the "Performance Bond"). The Performance Bond must be conditioned to ensure the full and faithful performance by Concessionaire of its obligations under this Agreement, including the timely payment of fees, and must stand as security for the payment by Concessionaire of any claim by City against Concessionaire. The Performance Bond must be in such form and with such company licensed to do business in the State of Texas as is acceptable to the City in its reasonable discretion. The Performance Bond must be maintained and kept in full force and effect during the Term and any Option Term. If, at any time during this Agreement, the Performance Bond amount is less than the then current Minimum Annual Guarantee amount, upon notice to Concessionaire, Concessionaire shall immediately increase the Performance Bond amount to the then required current Minimum Annual Guarantee amount.

**Section 7. Repairs, Alterations, and Maintenance.**

A. City's Right to Repair or Alter Facilities. Notwithstanding any other provisions in this Agreement, City retains the right to make any repairs, alterations and additions to the Airport terminal ("Terminal") deemed necessary or required by the City in its sole discretion. Should a portion or portions of the advertising zones be eliminated, the Minimum Annual Guarantee will be reduced proportionately.

B. Repairs and Maintenance. The cost of maintenance and repair of the Concessionaire's equipment and furnishings shall be borne solely by the Concessionaire. The City shall maintain and repair the exterior structure and the mechanical system of the Terminal.

C. Right to Enter, Inspect, and Make Repairs to Concessionaire's Displays. The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives have the right, at such times as may be reasonable under the circumstances and with as little interruption of Concessionaire's operations as it reasonably practicable, to enter, inspect, and make repairs to the Concessionaire's displays, fixtures, and equipment as may be required for safety or security.

D. Utility Expenses. City shall provide at its expense the electricity needed to operate Concessionaire's displays, fixtures, and equipment.

**Section 8. Indemnity and Insurance.**

**A. Indemnification. CONCESSIONAIRE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS (“INDEMNITEES”) FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ON ACCOUNT OF PERSONAL INJURIES (INCLUDING WORKERS’ COMPENSATION AND DEATH CLAIMS), PROPERTY LOSS OR DAMAGE OR ANY OTHER KIND OF LOSS OR DAMAGE, INCLUDING ALL REASONABLE EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS’ FEES AND EXPERT WITNESS FEES, WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT BY CONCESSIONAIRE, REGARDLESS OF WHETHER THE INJURIES, DEATH, LOSS OR DAMAGES ARE CAUSED OR ARE CLAIMED TO BE CAUSED BY THE CONCURRENT OR CONTRIBUTORY NEGLIGENCE OF INDEMNITEES, BUT NOT IF BY THE SOLE NEGLIGENCE OF INDEMNITEES, ITS AGENTS OR CONTRACTORS UNMIXED WITH THE FAULT OF CONCESSIONAIRE OR ANYONE UNDER ITS CONTROL. CONCESSIONAIRE MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL REASONABLY SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF CONCESSIONAIRE UNDER THIS SECTION SURVIVES THE EARLIER TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

**B. Liability Insurance. Concessionaire must secure and maintain in force, at Concessionaire's sole expense, insurance policies with the limits and requirements as indicated on the attached and incorporated Exhibit B. The amount of all required insurance policies is not deemed to be a limitation on Concessionaire's agreement to indemnify and hold harmless the City and, in the event Concessionaire or City becomes liable in an amount in excess of the amount or amounts of the policies, then Concessionaire must hold City harmless from the whole liability. The City shall have no liability for any premiums charged for such coverage, and the inclusion of the City as a named additional insured is not intended to, and shall not, make the City a partner or joint venturer with Concessionaire in its operations at the Airport. Proceeds of any liability insurance required by Concessionaire must be applied toward extinguishing,**

satisfying, or remedying the liability, loss, or damage with respect to which such proceeds may be paid.

#### **Section 9. Damage or Destruction.**

A. Damage. If the Terminal is damaged by fire or any other cause covered by a standard fire or extended coverage insurance policy, City shall have the option to repair the damage at the City's expense. If the City elects to repair and the damage is such that the Terminal is not rendered untenable, Concessionaire shall continue to pay the fees and percentage amounts stated in this Agreement. In the event the public is denied access to the Airport or damage to the Terminal is so extensive as to render the Terminal untenable for a period of 30 consecutive days, then the City shall suspend the Minimum Annual Guarantee, and percentage rent will be in effect until public access to the Airport is restored or the Terminal is again made tenable. In the event of total destruction of the Terminal by fire or otherwise, or destruction or damage is so extensive that the City deems it necessary to rebuild said building, or in the event City elects not to repair or rebuild, Concessionaire may then terminate this Agreement by giving the City 30 days advance written notice of its election to do so and, within 20 days thereafter, shall account for and pay the City the fees accruing up to the time of the damage or destruction.

#### **B. Limits of City's Obligations.**

1. Terminal Only. It is understood that City's obligations shall be limited to repair or reconstruction of the Terminal. Concessionaire shall be obligated, at its sole cost and expense, to reconstruct, if necessary, all of its improvements and to replace, if necessary, all of its fixtures, signage and equipment, and all such improvements, fixtures, signage and equipment shall be of quality equal to that originally installed by Concessionaire in the Terminal.

2. Damage or Destruction of Improvements. Should Concessionaire's displays, signage, fixtures, or equipment, or any part of them, be destroyed or damaged, and if City elects to repair or replace the Terminal, Concessionaire's improvements, and equipment will in all instances be repaired or replaced by Concessionaire whether or not said damage or destruction is covered by insurance. If Concessionaire fails to repair or replace such damaged improvements subject to a schedule approved by the Director, the City shall have the right, but not the obligation, to make such repairs or replacements and recover from Concessionaire the cost and expense thereof.

#### **Section 10. Termination by City.**

A. No waiver of default by the City of any of the terms, covenants, or conditions of this Agreement to be performed, kept, or observed by Concessionaire shall be construed to be an act of waiver of any subsequent default. The acceptance of fees by the City for any period or periods after a default of any of the terms, covenants, or conditions of this Agreement to be performed, kept, and observed by Concessionaire shall not be deemed a waiver of any right on the part of the City to terminate this Agreement for

failure by the Concessionaire to so perform, keep or observe any of the terms, covenants, or conditions of this Agreement.

B. In addition to any other termination rights contained in this Agreement, the City shall have the right to terminate this Agreement, at any time, after the occurrence of any one or more of the following events:

1. Non-payment of fees due to the City that remains unpaid 30 days after same become due.
2. Abandonment by Concessionaire and discontinuance of operations under this Agreement.
3. Non-performance of any covenant of this Agreement, excluding the covenant of payments herein contained, and failure of Concessionaire to remedy the breach within a period of 30 days after written notice from the Director of the existence of said breach.
4. Concessionaire becomes permanently deprived of the rights, powers and privileges necessary to the proper operation of the facilities specified in the Agreement.
5. In the event of damage by fire or other casualty to the Terminal premises.
6. Concessionaire makes an assignment for the benefit of creditors or petitions for or enters into an arrangement with its creditors.
7. Concessionaire assigns this Agreement without City's written consent.
8. Concessionaire, as reasonably determined by the City, has failed to make such commercially reasonable efforts to solicit and procure advertising, City, following reasonable notice to the Concessionaire to cure and Concessionaire's failure to affect such cure.

C. Additionally, if the City determines that modifications to this Agreement are required in order to qualify for federal or state funding for the services to be rendered by the Concessionaire under this Agreement and if Concessionaire shall fail to consent to such modifications, or if Concessionaire is unable to comply within a reasonable time with applicable federal or state laws and regulations governing the grant of such funds for services to be rendered under this Agreement, then the City shall have the right, by written notice to Concessionaire of its intent, to terminate this Agreement.

**Section 11. Termination by Concessionaire.** Concessionaire shall have the right to terminate this Agreement, by giving 30 days' advance written notice to City of such termination, after the occurrence of any one or more of the following events:

1. The use of the Terminal for regularly-scheduled passenger service is

discontinued on a permanent basis.

2. 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 thereof in such a manner as to substantially restrict Concessionaire for a period of at least 90 days from operating in the Terminal.

3. City defaults in the performance of any of the terms, covenants, or conditions to be performed by it under this Agreement and fails to cure such default within a period of 30 days following receipt of written demand from Concessionaire to do so, or if, by reason of the nature of such default the same cannot be remedied within such 30-day period, City shall have failed to commence the remedying of such default within the 30-day period or, having so commenced, shall have failed thereafter to continue with diligence the remedying of such default.

**Section 12. Early Termination.** In the event either party terminates this Agreement in accordance with the provisions of Sections 10 or 11, such termination does not affect such party's right to damages as a result of the other party's default under this Agreement or any other remedy to which it is entitled by law by reason of such default. No such termination relieves the defaulting party of any obligation for the payment of fees or other charges due as of the date of such termination, provided, that there is a recognized duty to mitigate damages.

**Section 13. Assignment.** Concessionaire shall not sell, assign, transfer, convey, sublet, mortgage, pledge, or encumber its interest in this Agreement or any of its rights and privileges hereunder or allow any such sale, assignment, or transfer to occur by operation of law, or subcontract for the performance of any of the services to be provided by Concessionaire under this Agreement, without the City's prior written consent. The performance of this Agreement by the Concessionaire is the essence of this Agreement, and the City's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever. The above prohibition does not apply with respect to any entity with which Concessionaire may merge or consolidate or which may acquire substantially all of the Concessionaire's assets.

**Section 14. Non-discrimination.**

A. Concessionaire, for itself, its officers, employees, representatives, successors in interests, and assigns, as part of the consideration of this Agreement, covenants and agrees that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Airport; (ii) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (iii) Concessionaire shall operate and use the advertising zones in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations ("CFR"), Transportation, Subtitle A, Office of the Secretary of Transportation, Part 21, Non-

Discrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964 (as may be amended from time to time) (the "Regulations").

B. In the event of breach of any of the above nondiscrimination covenants, the City shall have the right to terminate this Agreement, to reenter and repossess the advertising zones and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

C. Concessionaire shall furnish its accommodations and services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and Concessionaire shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided, that Concessionaire may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

D. Non-compliance with the above subsections by Concessionaire shall constitute a material breach of this Agreement and, in the event of such non-compliance, the City shall have the right to terminate this Agreement without liability therefore or, at the election of the City or the United States, either or both shall have the right to judicially enforce these provisions.

E. Concessionaire agrees that it shall insert the above subsections in any sub-agreement, third-party agreement, or sublease by which Concessionaire grants a right or privilege to any person, firm, or corporation to render accommodations or services to the public on the Airport.

**Section 15. Affirmative Action.** Concessionaire shall undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Concessionaire shall require that its covered sub organizations provide assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effort.

#### **Section 16. Miscellaneous Provisions.**

A. Agreements with the United States and City of Corpus Christi. This Agreement shall be subject to all restrictions of record affecting the Airport and the use thereof; all federal, state, and City laws, rules, and regulations affecting the same; and subject and subordinate to the provisions of any and all existing agreements between the City of Corpus Christi and the United States of America, and their agencies, boards, or commissions, and to any future agreements between or among the foregoing that may be relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, or City funds for the development of the Airport, or any part thereof. All provisions of this Agreement shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

B. Right to Amend Pursuant to Requirements for Funding or Improvements. In the event the Federal Aviation Administration, or its successor agency, require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for improvements at or of the Airport, Concessionaire hereby consents to any and all such modifications and changes as may be reasonably required.

C. Compliance with Laws, Rules and Regulations. Concessionaire and all persons operating under the rights and privileges granted under this Agreement shall observe and obey all federal, state, and local laws, rules, and regulations with respect to the use of the Airport and Terminal, as well as any directives issues by the Director pertaining to the same, which are now in effect or which may hereafter be put into effect.

D. Remedies; Attorney Fees and Costs. All remedies provided in this Agreement are deemed cumulative and additional, and not in lieu of or exclusive of each other or of any other remedy available at law or in equity arising under this Agreement. In the event either party is required to institute proceedings in a court of law to enforce its rights under this Agreement, the prevailing party in such proceedings is entitled to recover all costs incurred and reasonable attorney fees, whether incurred at the trial or appellate level, if so awarded by written judgment of the court.

E. Fiscal Year. Concessionaire recognizes that the continuation of any contract after the close of any fiscal year of the City (the City's fiscal year ends each September 30<sup>th</sup>) is subject to budget approval and appropriations providing for such contract item as an expenditure in the fiscal budget. The City does not represent that a budget item for this Agreement will be actually adopted, as that determination is within the sole discretion of the City Council at the time of adoption of each fiscal budget.

F. Conflicts of Interest. Concessionaire represents and warrants to the City that no member, officer, employee, or agent of the City has any interest, direct or indirect, in the business of Concessionaire to be conducted under this Agreement and that no such person shall have any such interest at any time during the term of this Agreement.

G. Notices. All notices required or permitted to be given under this Agreement must be given either by hand delivery or by regular United States certified mail, postage prepaid, addressed to the following:

IF TO CITY:

Corpus Christi International Airport  
Attn: Director of Aviation  
1000 International Drive  
Corpus Christi, TX 78406-1801

**IF TO CONCESSIONAIRE:**

In-Ter-Space Services, Inc. dba Clear Channel Airports  
Attn: Airport Development Director, Thaddeus Glenn  
7450 Tilghman St., Suite 104  
Allentown, PA 18106

Either party may change its address during this Agreement by providing written notice to the other party in a manner set out in this paragraph.

H. **Regulation by City.** The rights and privileges granted to Concessionaire under this Agreement and the use by Concessionaire of the advertising zones are at all times subject to the reasonable rules, regulations, and directives of the City as the same are now or may hereafter be prescribed through the lawful exercise of its power.

I. **Licenses and Permits.** Concessionaire shall, at its own expense, procure and keep in force during this Agreement all necessary licenses, registrations, certificates, permits and other authorizations required by law in order for Concessionaire to render its services under this Agreement. Further, Concessionaire shall pay all taxes and license, certification, permit, and examination fees and any other charges of any kind which may be assessed, levied, exacted, or imposed by governmental authorities having jurisdiction over Concessionaire's real and personal property, its operations, Gross Receipts, income under this Agreement as it relates to Concessionaire, and as to the rights and privileges granted to Concessionaire pursuant to this Agreement and the improvements made by Concessionaire on the Airport or in the Terminal, and Concessionaire shall make and file all applications, reports, schedules, and returns required in connection with the same as may be due to any governmental authority on or before the due date of such item.

J. **Taxes.** The Concessionaire covenants to pay all applicable federal and state payroll taxes, Medicare taxes, FICA taxes, unemployment taxes, and all other taxes in accordance with Circular E "Employer's Tax Guide", Publication 15, as it may be amended. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.

K. **No Agency; Independent Contractor.** Concessionaire is not authorized to act as the City's agent under this Agreement and shall have no right or authority, express or implied, to act for or bind the City. Concessionaire shall perform the advertising services as an independent contractor and furnish such services in its own manner and method, and under no circumstances will any employee, agent, or representative of the Concessionaire be considered an employee of the City.

L. **Amendments.** This Agreement may be amended only in writing and signed by persons authorized to execute the same by both parties. Exhibit A may be amended, as needed, throughout the Term of this Agreement and any Option Term, if exercised.

M. **Precedence of Contract Documents.** In case of a conflict in the contract documents, first precedence shall be given to the fully executed Agreement and

Exhibits A and B, as each may be amended; second precedence will be given to the City's issued Request for Proposals ("Exhibit C"), including written questions, answers, and addenda, all of which is incorporated by reference into this Agreement as if set out fully here in its entirety; and third precedence will be given to the Concessionaire's submitted advertising proposal, as may have been clarified in writing ("Exhibit D"), the content of which exhibit is incorporated by reference into this Agreement as if set out fully here in its entirety.

N. Headings. The section and paragraph headings in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any provision of this Agreement.

O. Binding. This Agreement inures to the benefit of and shall be binding upon the parties and their successors and assigns.

P. Severability. Each provision of this Agreement is severable and if, for any reason, any provision or any part thereof is determined to be invalid by a court of law or contrary to applicable law, such invalidity or unenforceability shall not impair the operation of or affect those portions of this Agreement that are valid and enforceable, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part thereof had been omitted.

Q. Applicable Law and Venue. This Agreement has been entered into in, and shall be construed and interpreted in accordance with the laws of, the State of Texas. Any legal action in connection with this Agreement must be commenced and maintained in a court of proper jurisdiction in Nueces County, Texas.

R. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties with respect to the subject matter of this Agreement.

EXECUTED IN DUPLICATE ORIGINALS on this \_\_\_\_\_ day of \_\_\_\_\_, 2016

ATTEST:

CITY OF CORPUS CHRISTI

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Margie C. Rose  
City Manager

Approved as to legal form: \_\_\_\_\_, 2016

\_\_\_\_\_  
Assistant City Attorney  
for the City Attorney

CONCESSIONAIRE:

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

Name: Eugene Leehan

Title: Senior Regional President

Date: 12/20/16

**Attached and Incorporated by Reference:**

Exhibit A – Advertising Zones (two pages)

Exhibit B – Insurance Requirements (three pages)

**Incorporated by Reference Only:** (copies available upon request)

Exhibit C – City's Request for Proposals

Exhibit D – Concessionaire's Proposal

Exhibit "A" Advertising Zones

◆ Tension Fabric Display

- A2 - Tension Fabric Display
- A4 - Themed Tension Fabric Display
- A6 - Tension Fabric Display
- A10 - Themed Tension Fabric Display
- A11 - Double-Sided Tension Fabric Display
- A14 - Double-Sided Tension Fabric Display
- A15 - Double-Sided Tension Fabric Display
- A16 - Double-Sided Tension Fabric Display
- A17 - Tension Fabric Display
- A18 - Selflit Tension Fabric Display
- A19 - Selflit Tension Fabric Display
- A21 - Tension Fabric Display
- A22 - Themed Tension Fabric Display
- A23 - Themed Tension Fabric Display
- A24 - Themed Tension Fabric Display
- A28 - Selflit Tension Fabric Display
- A29 - Selflit Tension Fabric Display
- A30 - Selflit Tension Fabric Display
- A31 - Selflit Tension Fabric Display
- A32 - Selflit Tension Fabric Display
- A33 - Selflit Tension Fabric Display
- A34 - Selflit Tension Fabric Display

○ Wall Wrap

- A25 - Wall Wrap
- A27 - Wall Wrap

★ Digital

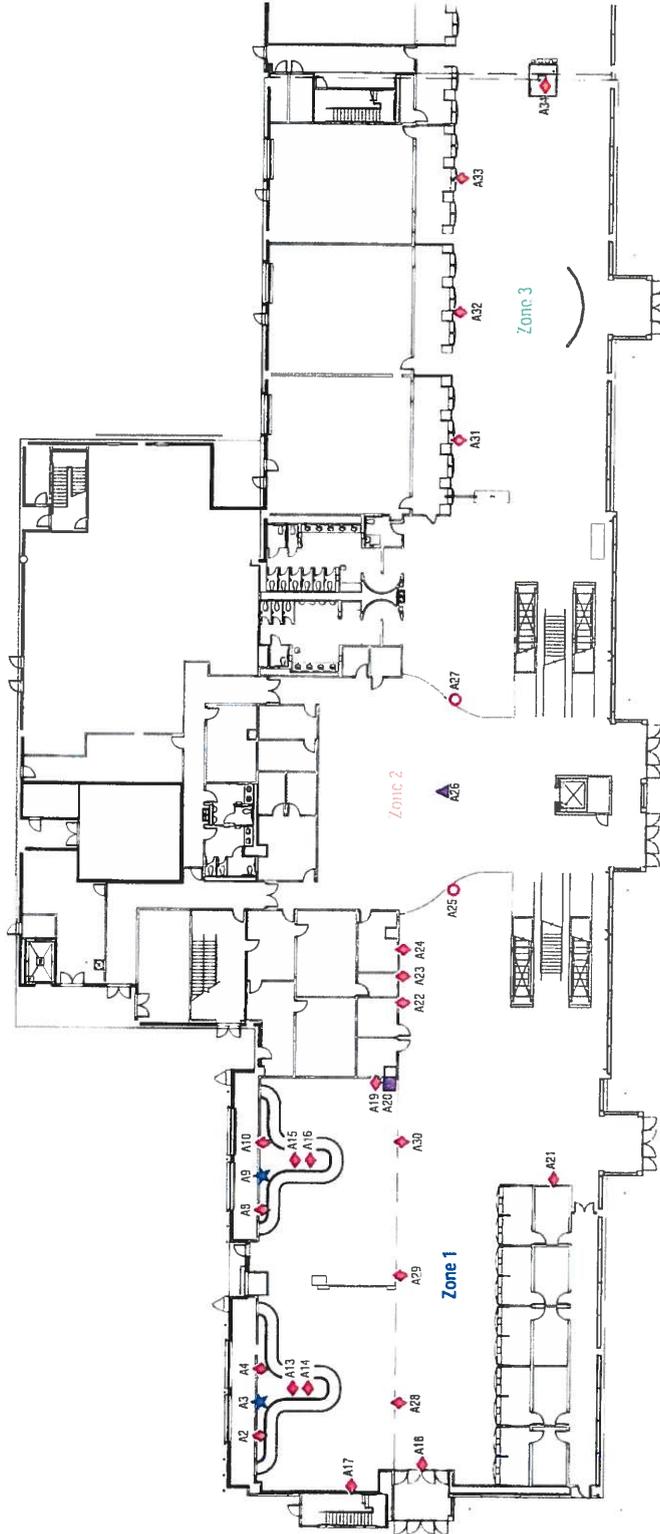
- A3 - 65" LCD Screen
- A9 - 65" LCD Screen

▲ Specialty Floor Display

- A26

■ Brochure Rack

- A20



THESE ARE THE GENERAL ADVERTISING ZONES. THE EXACT LOCATION AND TYPE OF DISPLAY WILL BE DETERMINED BY THE CLIENT AND THE ADVERTISER.

IF THE CHANGES ARE OBTAINED AND JUST A FEW OF THE DISPLAYS ARE CHANGED, THE CHANGES SHOULD BE NECESSARY TO CALL OUT THE SPECIFICS OF THE CHANGES AND HOW THEY WILL BE IMPLEMENTED. THE CHANGES SHOULD BE SPECIFIC TO THE LOCATION.

IF THE CHANGES ARE OBTAINED TO THE EXISTING MEDIA DISPLAY TYPE PLEASE TO THE EXISTING LOCATION(S).

ADD SUPPLEMENTARY LOCATIONS  
RELOCATE EXISTING LOCATIONS

Exhibit A: Signature \_\_\_\_\_

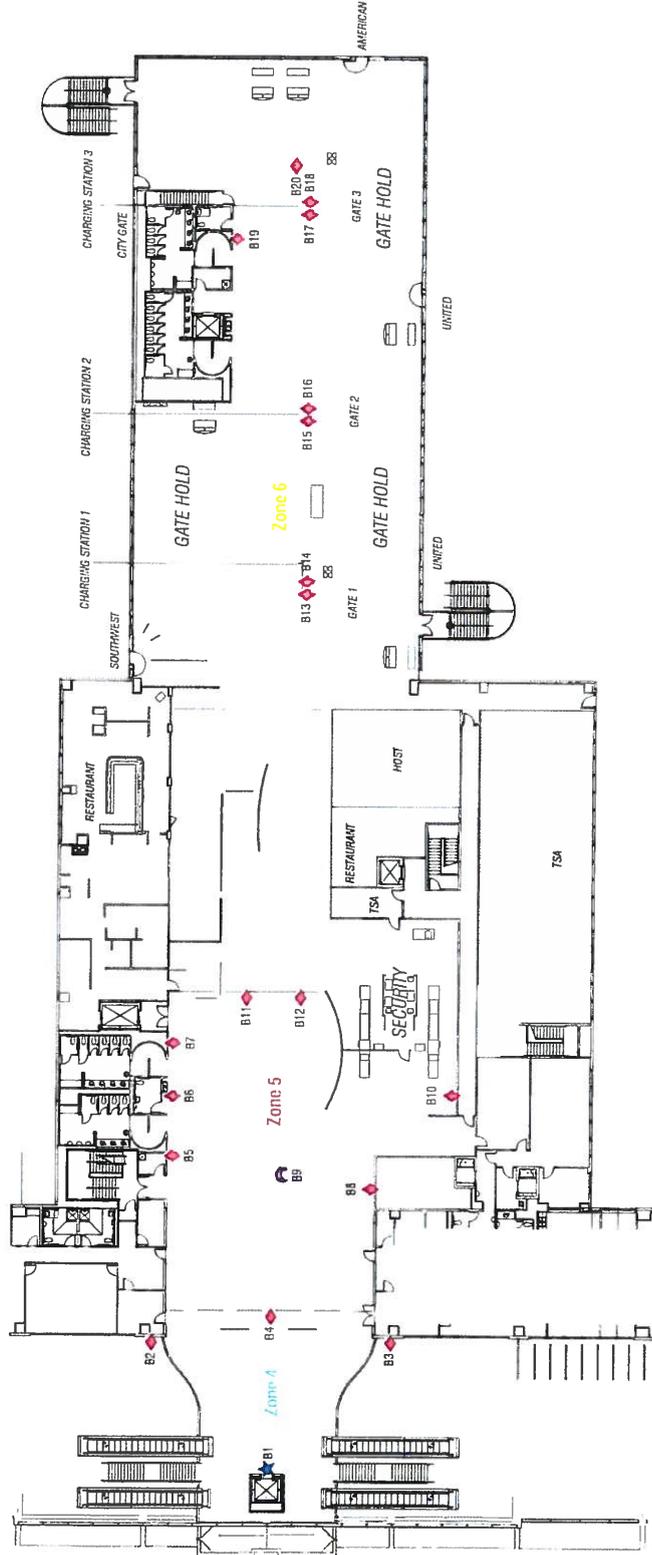
Date: \_\_\_\_\_

**Tension Fabric Display**

- B2 - Tension Fabric Display
- B3 - Tension Fabric Display
- B4 - Solid Tension Fabric Display
- B5 - Tension Fabric Display
- B6 - Tension Fabric Display
- B7 - Tension Fabric Display
- B8 - Tension Fabric Display
- B10 - Tension Fabric Display
- B11 - Solid Tension Fabric Display
- B12 - Solid Tension Fabric Display
- B13 - Tension Fabric Display
- B14 - Tension Fabric Display
- B15 - Tension Fabric Display
- B16 - Tension Fabric Display
- B17 - Tension Fabric Display
- B18 - Tension Fabric Display
- B19 - Tension Fabric Display
- B20 - Solid Tension Fabric Display

**Product Display Case**

- B9 - Digital
- B1 - Iconic



THESE CHANGES ARE SUBJECT TO THE FOLLOWING CONDITIONS:  
 1. ALL CHANGES MUST BE APPROVED BY THE ARCHITECT.  
 2. ALL CHANGES MUST BE APPROVED BY THE CLIENT.  
 3. ALL CHANGES MUST BE APPROVED BY THE CONTRACTOR.

IF THE CHANGES ARE SUBMITTED AND JUST A FEW OF THE  
 UPDATED EXHIBITS EXHIBIT A.1, A.2, A.3, ETC., THEY WILL  
 BE REJECTED. IF THE CHANGES ARE NECESSARY TO CALL OUT THE  
 SPECIFICS, IF THE CHANGES ARE FOR THE FOLLOWING, THEN  
 THE CHANGES SHOULD BE SPECIFIED/REPLACED BY:

- MEDIA DISPLAY TYPE REPLACED TO THE EXISTING  
 LOCATION(S).
- ADD SUPPLEMENTARY LOCATIONS  
 (NECESSARY EXISTING LOCATIONS)

Exhibit A - Signature \_\_\_\_\_ Date: \_\_\_\_\_



**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**

**I. ADVERTISING CONCESSIONAIRE'S LIABILITY INSURANCE**

- A. Concessionaire must not commence work under this Agreement until all insurance required has been obtained and such insurance has been approved by the City. Advertising Concessionaire must not allow any subcontractor to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Concessionaire must furnish to the City's Risk Manager and Director of Aviation two copies of Certificates of Insurance with applicable policy endorsements showing the following minimum coverage by an insurance company(s) reasonably acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General Liability and Auto Liability policies by endorsement, and a waiver of subrogation endorsement is required on all applicable policies. Endorsements must be provided with Certificate of Insurance. Project name and/or number must be listed in the Description Box of the Certificate of Insurance.

<b>TYPE OF INSURANCE</b>	<b>MINIMUM INSURANCE COVERAGE</b>
30-day advance written notice of cancellation, non-renewal, material change or termination required on all certificates and policies.	Bodily Injury and Property Damage Per occurrence - aggregate
Commercial General Liability including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractor 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$500,000 Combined Single Limit
WORKERS' COMPENSATION All states endorsement required if the Concessionaire is not domiciled in State of Texas.	Statutory
EMPLOYER'S LIABILITY	\$500,000 /\$500,000 /\$500,000

PERSONAL PROPERTY INSURANCE	Concessionaire, at their own expense, shall be responsible for insuring all owned, leased or rented personal property.
-----------------------------	--

- C. In the event of accidents of any kind related to Concessionaire's operations relative to this Agreement, Concessionaire must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Applicable for paid employees, Concessionaire must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to ensure that all workers' compensation obligations incurred by the Concessionaire will be promptly met. An All States Endorsement shall be required if Concessionaire is not domiciled in the State of Texas.

- B. Concessionaire shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension of same, at the Concessionaire's sole expense, insurance coverage written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A-VII.

- C. Concessionaire shall be required to submit a copy of the replacement Certificate of Insurance to City at the address provided below within 10 days of any change made by the Concessionaire or as requested by the City. Concessionaire shall pay any costs incurred resulting from said changes. All notices under this Exhibit B shall be given to City at the following address:

City of Corpus Christi  
 Attn: Risk Manager  
 P.O. Box 9277  
 Corpus Christi, TX 78469-9277

- D. Concessionaire agrees that, with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:
- List the City and its officers, officials, employees, and volunteers as additional insureds by endorsement with regard to operations, completed operations, and activities of or on behalf of the named insured performed under contract with the City, with the exception of the workers' compensation and property policy;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
  - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
  - Provide 30 calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination in coverage and not less than 10 calendar days advance written notice for nonpayment of premium.
- E. Within five calendar days of a cancellation, non-renewal, material change or termination of coverage, the Concessionaire shall provide a replacement Certificate of Insurance and applicable endorsements to the City. City shall have the option to suspend Concessionaire's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.
- F. In addition to any other remedies the City may have upon Concessionaire's failure to provide and maintain any insurance or policy endorsements to the extent and within the time required in this Exhibit B, the City shall have the right to order Concessionaire to stop work hereunder and/or withhold any payment(s) which become due to Concessionaire under the Agreement until Concessionaire demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which the Concessionaire may be held responsible for payments of damages to persons or property resulting from Concessionaire's or its subcontractor's performance of the work covered under this Agreement.
- H. It is agreed that Concessionaire's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of Corpus Christi for liability arising out of Concessionaire's operations under this Agreement.
- I. It is understood and agreed that the insurance required in this Exhibit B is in addition to and separate from any other obligation contained in this Agreement.

2015 Insurance Requirements  
 Aviation Dept  
 Advertising Concessionaire  
 Agreement 10/12/2015 ds Risk  
 Management