

**EXHIBIT C
SUMMARY OF TERMINAL AREAS**

(As of July 1, 2004)

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TERMINAL 1 FIS

AIRLINE EXCLUSIVE, PREFERENTIAL
AND JOINT USE SPACE

	Exclusive Ticket Counter (1)	Exclusive Ticket Office (1)	Exclusive Operations Office (4)	Preferential Hold Rooms (2)	Exclusive Clubs (2)	Exclusive Baggage Make-Up (6)	Exclusive Curbside (6)	Baggage Claim (6)	Tug Lane (6)	Exclusive Lost Baggage (6)	Concourse Circulation (2)	Exclusive Apron / Ramp (6)	FIS	Total
Midwest Ex.	753	667	0	2,000	0	918	0	0	0	0	0	0	0	4,338
Southwest	2,742	4,160	7,285	10,869	0	4,465	207	0	0	537	0	190	0	30,455
Mexicana	995	1,402	2,176	2,181	596	2,703	0	0	0	0	0	0	0	10,053
Delta	1,681	2,256	9,393	5,854	0	3,778	146	0	0	269	0	280	0	23,657
United	900	1,405	1,089	3,576	0	1,787	140	0	0	259	0	0	0	9,156
Northwest	1,201	1,073	923	2,215	0	1,787	26	0	0	0	0	0	0	7,225
AeroLitoral	311	390	190	0	0	0	0	0	0	0	0	0	0	891
Unassigned	863	1,801	13,606	8,484	0	3,617	0	0	0	0	0	3,601	0	31,972
	9,446	13,154	34,662	35,179	596	19,055	519	0	0	1,065	0	4,071	0	117,747
Joint Use Space	0	0	0	0	0	0	0	12,281	15,760	0	16,509	0	0	44,550
Airline FIS Area	0	0	0	0	0	0	0	0	0	0	0	0	42,641	42,641
Total Airline Space	9,446	13,154	34,662	35,179	596	19,055	519	12,281	15,760	1,065	16,509	4,071	42,641	204,938

NOTE:
(1) Numbers in () under each column heading represent type of space description for Exhibit "G" rental, fees and charges calculations.

(2) Concourse circulation area represents prorata share of Airlines lease area to Concession lease area in concourse.

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TERMINAL 1 FIS

JOINT USE AND FIS DETAIL

	<u>General Area</u>	<u>Baggage Claim</u> (3)	<u>Tug Lane</u> (5)	<u>FIS Corridor (Mezzanine) & Concourse</u> (2)	<u>Total</u>
Federal Inspection Station	23,783	3,428	2,515	12,915	42,641
Other Joint Use	0	12,281	15,760	16,509	44,550

NOTES:

(1) Numbers in () under each column heading represent type of space designation for Exhibit "G" rental, fees and charges calculations.

(2) Concourse circulation area represents prorata share of Airline lease area to Concession lease area in concourse.

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SUMMARY OF TERMINAL AREAS

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TERMINAL 1 & FIS

SPACE SUMMARY

	<u>Exclusive Use</u>	<u>Preferential Use</u>	<u>Joint Use</u>	<u>FIS</u>	<u>Concession Space</u>	<u>Public Area</u>	<u>Maint. & Utility</u>	<u>Admin.</u>	<u>Service Area</u>	<u>Total</u>
Airline Space	82,568	35,179	44,550	42,641	0	0	0	0	0	204,938
Concession Space	0	0	0	0	52,689 ⁽¹⁾	0	0	0	0	52,689
Sub-Total Rentable Space	82,568	35,179	44,550	42,641	52,689	0	0	0	0	257,627
Public Area	0	0	0	0	0	55,182	0	0	0	55,182
Other Building Areas	0	0	0	0	0	0	37,048	16,758	22,168	75,974
Total Area	82,568	35,179	44,550	42,641	52,689	55,182	37,048	16,758	22,168	388,783

NOTES:

(1) Of the total, 12,971 S.F. is prorata share of concourse

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TERMINAL 1 FIS

AIRLINE RAMP AREA

<u>Airline</u>	<u>Number of Gates</u>			<u>Linear Feet</u> ⁽¹⁾
	<u>Narrow-- Body</u>	<u>Wide-- Body</u>	<u>Total</u>	
Delta	3	0	3	375
Mexicana	1	0	1	125
Midwest	1	0	1	125
Northwest	1	0	1	125
Southwest	5	0	5	625
United	2	0	2	250
Unassigned	1	2	3	475
	<u>14</u>	<u>2</u>	<u>16</u>	<u>2100</u>

NOTES:

(1) Based on 125 LF per Narrow--Body gate position, and 175 LF per Wide--Body gate position.

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SUMMARY OF TERMINAL AREAS

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TERMINAL 2

AIRLINE EXCLUSIVE, PREFERENTIAL AND JOINT USE SPACE

	Exclusive Ticket Counter (1)	Exclusive Ticket Office (1)	Exclusive Operations Office (4)	Preferential Hold Rooms (2)	Exclusive Clubs (2)	Exclusive Baggage Make-Up (5)	Baggage Claim (3)	Exclusive Curbside (5)	Tug Lane (5)	Exclusive Lost Baggage (3)	Concourse Circulation (2)	Exclusive Fenced Apron/Ramp (5)	Total
Continental	2,368	2,440	6,396	5,402	3,876	2,815	0	371	0	541	0	1,277	25,486
American	2,441	2,346	6,459	7,200	0	3,591	0	347	0	761	0	1,120	24,265
Commuter	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned	1,492	2,709	3,851	8,122	0	1,767	0	81	0	0	0	0	18,022
Joint Use Space	6,301	7,495	16,706	20,724	3,876	8,173	0	799	0	1,302	0	2,397	67,773
Total Airline Space	6,301	7,495	16,706	20,724	3,876	8,173	6,702	799	5,011	1,302	11,871	2,397	91,357

NOTE:
 (1) Numbers in () under each column heading represent type of space description for Exhibit "G" rental, fees and charges calculations.
 (2) Concourse circulation area represents prorata share of Airlines lease area to Concession lease area in concourse.

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TERMINAL 2

SPACE SUMMARY

	Exclusive Use	Preferential Use	Joint Use	Concession Space	Public Area	Maint. & Utility	Admin.	Total
Airline Space	47,049	20,724	23,584	0	0	0	0	91,357
Concession Space	0	0	0	32,716 ⁽¹⁾	0	0	0	32,716
Sub-Total Rentable Space	47,049	20,724	23,584	32,716	0	0	0	124,073
Public Area	0	0	0	0	37,997	0	0	37,997
Other Building Areas	0	0	0	0	0	38,589	13,654	52,243
Total Area	47,049	20,724	23,584	32,716	37,997	38,589	13,654	214,313

NOTE:

(1) Of the total, 9,713 S.F. is prorata share of concourse

EXHIBIT C

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TERMINAL 2

AIRLINE RAMP AREA

<u>Airline</u>	<u>Number of Gates</u>			<u>Linear Feet</u> ⁽¹⁾
	<u>Narrow - Body</u>	<u>Wide - Body</u>	<u>Total</u>	
American	3	1	4	550
Continental	3	0	3	375
Commuters	0	0	0	0
Unassigned	4	0	4	500
Number of Gates	10	1	11	1425

NOTE:

(1) Based on 125 LF per Narrow-Body gate position, and 175 LF per Wide-Body gate position.

A = Airline
C = City

EXHIBIT D

**TERMINAL BUILDINGS I & II
RESPONSIBILITY OF CITY AND AIRLINE
FOR SERVICES, MAINTENANCE AND OPERATIONS EXPENSE**

	Public Area	AIRLINE EXCLUSIVE/PREFERENTIAL USE				AIRLINE JOINT USE				Aircraft Apron
		Ticket Counter	Hold Rooms	Other Space	Baggage Claim	FIS Area	Other Space	City Occupied		
1. Air Conditioning	C	C	C	C	C	C	C	C	C	N/A
a. Maintenance	C	C	C	C	C	C	C	C	C	N/A
b. Operation	C	C	C	C	C	C	C	C	C	N/A
c. Chilled Air Distribution	C	C	C	C	C	C	C	C	C	N/A
2. Electrical	C	A	A	A	C	C	C	C	C	C
a. Bulb & Tube Repl.	C	A	A	A	C	C	C	C	C	C
b. Illu. incl. Power	C	A	A	A	C	C	C	C	C	C
c. Power exc. for Illumination	C	A	A	A	C	C	C	C	C	A
d. Maintenance	C	A	A	A	C	C	C	C	C	C
e. Operation Cost	C	A	A	A	C	C	C	C	C	C
3. Heating	C	C	C	C	C	C	C	C	C	N/A
a. Maintenance	C	C	C	C	C	C	C	C	C	N/A
b. Operation Cost	C	C	C	C	C	C	C	C	C	N/A
c. Warm Air Dist.	C	C	C	C	C	C	C	C	C	N/A
4. Water - Maintenance	C	C	C	C	C	C	C	C	C	C
a. Distribution	C	C	C	C	C	C	C	C	C	C
b. Fixtures	C	C	C	C	C	C	C	C	C	C
5. Maintenance	C	A	A	A	C	C	C	C	C	C
a. Other than Structure	C	C	C	C	C	C	C	C	C	C
b. Structure	C	C	C	C	C	C	C	C	C	C
c. Exterior	C	C	C	C	C	C	C	C	C	C
6. Sewage & Plumbing	C	C	C	C	C	C	C	C	C	C
a. Distribution	C	C	C	C	C	C	C	C	C	C
b. Fixtures	C	C	C	C	C	C	C	C	C	C
7. Public Address System	C	C	C	C	C	C	C	C	C	N/A
8. Custodial Service	C	A	A	A	C	C	C	C	C	C
9. Window Cleaning	C	C	C	C	C	C	C	C	C	N/A
a. Exterior	C	N/A	A	A	C	C	C	C	C	N/A
b. Interior	C	N/A	A	A	C	C	C	C	C	N/A

EXHIBIT E

Revised: 5/5/2005

City of San Antonio Department of Aviation	MONTHLY STATISTICAL DATA REPORT for the month of _____ 2001	9800 Airport Blvd. San Antonio, Texas 78216 (210) 207-3450 FAX (210) 207-3500
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PASSENGER TRAFFIC	ARRIVALS/DEPLANED				DEPARTURES/ENPLANED			
	Local	On-Line Transfer	In-Transit	Non-Rev.	Local	On-Line Transfer	In-Transit	Non-Rev.

DOMESTIC								
Scheduled								
Charter								

INTERNATIONAL	FIS				FEE			
Scheduled								
Charter								

AIR FREIGHT (pounds)	ARRIVALS/DEPLANED	DEPARTURES/ENPLANED
DOMESTIC		
INTERNATIONAL		
AIR MAIL (pounds)		

LANDINGS	REVENUE LANDINGS		NON-REVENUE LANDINGS	
	Domestic	International	Training & Testing	Other Non-Revenue
Scheduled				
Charter				
Other				

REPORTING AIRLINE _____ HANDLED AIRLINE _____ PREPARED BY _____

TELEPHONE NUMBER _____ MAILING ADDRESS _____

LOCAL: Passengers other than non-revenue, on-line transfer, and in-transit
 ON-LINE TRANSFER: Passengers that transfer from one flight to another within the same Airline
 IN-TRANSIT: Passengers that use the international FIS area and re-board
 NON-REVENUE: Airline pass riders
 TRAINING & TESTING: Maximum of five flights per month as non-revenue
 OTHER NON-REVENUE: Includes refueling, mechanical and diversions
 FIS FEE: Applied to total of international, local, on-line transfer and in-transit

THIS REPORT IS DUE TO THE CITY ON OR BEFORE THE 10TH DAY OF EACH MONTH
Reporting Airline shall file a separate report for Airline handled.

EXHIBIT F

MONTHLY LANDED WEIGHT/FEE REPORT

I certify that the above information is correct to the best of my knowledge and belief.

Signature

Title

Printed Name

Telephone Number

Information on Carrier handled by reporting Airline.

Airline Name

Contact Person - Accounts Payable

Telephone Number

Street Address

City, State & Zip Code

EXHIBIT G

ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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ADJUSTMENT OF SIGNATORY AIRLINE RATES

Signatory Airline rates for Terminal rentals, landing fees, FIS charges and apron fees shall be adjusted as set forth in Article VII of this Agreement. Exhibits G-1 through G-5 set forth the method to be used in calculating the required Signatory Airline Terminal rental rates for Terminals 1 and 2, the FIS rate and landing fees rate.

APRON FEES

The Signatory Airline apron fee shall initially be \$150 per linear foot, with said rate to be renegotiated every three years following the Commencement Date established in Section 19.2 of this Agreement. Any revised apron fee negotiated pursuant to this Agreement shall become effective upon the first day of the next Fiscal Year immediately following the Fiscal Year in which a revised apron fee is negotiated.

DIFFERENTIAL TERMINAL RATES

Premises leased by the Signatory Airlines in the Terminals shall be classified according to types of space for the purpose of establishing differential rental rates by location and function as set forth below:

TERMINAL 1

<u>Type of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
1	Ticket Counter and Ticket Office	1.00
2	Clubs, Concourse and Hold Room	0.82
3	Lost Bag Room and Baggage Claim	0.79
4	Operations Rooms	0.68
5	Baggage Make-up, Baggage Tug Lanes and Curbside Check-in	0.56
6	Fenced Apron	*

* Rentals for the fenced apron area shall be based on a fixed rate of \$15.00 per square foot. However, if Airline encloses, otherwise modifies, the area as approved by the City, the annual rate shall be equal to one-half the calculated average Terminal 1 rate in each rate-setting period.

EXHIBIT G

ADJUSTMENT OF RATES FOR RENTALS, FEES AND CHARGES

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If the City improves the area, the area shall be reclassified into the appropriate space type and the rate set equal to said space type rate each rate-setting period.

TERMINAL 2

<u>Type of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
1	Ticket Counter and Ticket Office	1.00
2	Clubs, Concourse and Hold Room	0.82
3	Lost Bag Room and Baggage Claim	0.79
4	Operations Rooms	0.68
5	Baggage Make-up, Baggage Tug Lanes and Curbside Check-in	0.56
6	Fenced Apron	*

* Rentals for the ramp area (apron) shall be based on a fixed rate of \$15.00 per square foot.

The amount of each type of space shall be as set forth in Exhibit "C," as such shall be amended from time to time pursuant to this Agreement. A summary of each type of space for Exhibit "C" current at the execution of this Agreement is set forth below:

TERMINAL 1 (Excluding FIS)

<u>Airline Exclusive and Preferential Use</u>	<u>Type of Space</u>						<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
Midwest Express	1,420	2,000	0	0	918	0	4,338
Southwest	6,902	10,869	537	7,285	4,672	190	30,455
Mexicana	2,397	2,777	0	2,176	2,703	0	10,053
Delta	3,937	5,854	269	9,393	3,924	280	23,657
United	2,305	3,576	259	1,089	1,927	0	9,156
Northwest	2,274	2,215	0	923	1,813	0	7,225
Aerolitoral	701	0	0	190	0	0	891
Unassigned	2,664	8,484	0	13,606	3,617	3,601	31,972
Total Airlines	22,600	35,775	1,065	34,662	19,574	4,071	117,747
<u>Airline Joint Use Space</u>	0	16,509	12,281	0	15,760	0	44,550
Total Airlines	22,600	52,284	13,346	34,662	35,334	4,071	162,297

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ADJUSTMENT OF RATES FOR RENTALS, FEES AND CHARGES

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Other Rentable Area (Excluding FIS)	<u>52,689</u>
Subtotal Terminal 1 Rentable Space (Excluding FIS)	214,986

FEDERAL INSPECTION STATION

Airline FIS Use	<u>42,641</u>
Total Terminal 1 & FIS Rentable Area	<u>257,627</u>

TERMINAL 2

Type of Space

Airline Exclusive and Preferential Use

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Total</u>
Continental	4,808	9,278	541	6,396	3,186	1,277	25,486
American	4,787	7,200	761	6,459	3,938	1,120	24,265
Commuters	0	0	0	0	0	0	0
Unassigned	<u>4,201</u>	<u>8,122</u>	<u>0</u>	<u>3,851</u>	<u>1,848</u>	<u>0</u>	<u>18,022</u>
Sub-Total	13,796	24,600	1,302	16,706	8,972	2,397	67,773
Airline Joint Use	<u>0</u>	<u>11,871</u>	<u>6,702</u>	<u>0</u>	<u>5,011</u>	<u>0</u>	<u>23,584</u>
Total Airlines	13,796	36,471	8,004	16,706	13,983	2,397	91,357

Other Rentable Area	<u>32,716</u>
Total Terminal 2 Rentable Space	124,073

Using the above space totals, as such may be amended from time to time pursuant to this Agreement, the average Terminal rental rate in each Terminal in each period shall be converted to differential Terminal rental rates by weighing the amount of Type 1, 2, 3, 4, and 5 space for all Signatory Airlines (excluding the FIS area) by the above relative factors to obtain a weighted equivalent amount of space. The adjusted Terminal requirement in Exhibit G-1 shall be divided by the weighted equivalent space in Exhibit G to determine the rate for the Type 1 (premium) space. Rates for Types 2, 3, 4, and 5 space shall then be determined by multiplying the above relative factors for these types of space by the Type 1 premium rate.

EXHIBIT G

ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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AIRLINE RENTALS, FEES AND CHARGES

Airlines Terminal rentals (other than FIS facilities) in each period shall be determined as the sum of 1) the product of the appropriate differential Terminal rental rates for the period applied to the amount of each type of Airline's Exclusively Leased Premises, and 2) Airline's share of rentals for Joint Use Premises. Rentals for Joint Use Premises shall be calculated as the product of the differential Terminal rental rates for the period applied to the amount of each category of Joint Use Premises. Airline's share of rentals for Joint Use Space shall be determined as set forth in Section 6.2.B and 6.2.C of this Agreement.

Airline's charges for use of the FIS facilities in each period shall be at the discretion of the City. The fee shall be multiplied by the number of Airline's passengers utilizing the FIS facility during such period.

Notwithstanding the above, Airline's charges for use of the FIS facilities during the term of this Agreement shall not exceed maximum per international deplanement rate, developed in accordance with Exhibit G-1.

Airline's apron charge in each period shall be determined as the product of the apron fee for the period and the amount of Airline's Aircraft Parking Apron. As set forth in Exhibit "C," Airline's Aircraft Parking Apron shall be based on 175 linear feet per wide-body position and 125 linear feet per narrow-body position.

Airline's landing fees in each period shall be determined as the product of the landing fee rate for the period and Airline's landed weight for the period. Airline's landed weight for each period shall be determined as the sum of the Maximum Gross Landing Weight of each type of Airline's aircraft multiplied by the number of Revenue Landings by each type of said aircraft as Airport during the period.

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ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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SIGNATORY AIRLINE RATES FOR RENTALS, FEES, AND CHARGES FOR THE RATE-SETTING PERIOD

For the period extending from October 1, 2004 to September 30, 2005, required Signatory Airline rates for rentals, fees and charges calculated in accordance with this Exhibit "G" shall be as follows:

Terminal 1

<u>Type of Space</u>	<u>Annual Rate Per Square Foot</u>
1	\$76.77
2	\$62.95
3	\$60.65
4	\$52.20
5	\$42.99
6	\$15.00

Terminal 2

<u>Type of Space</u>	<u>Annual Rate Per Square Foot</u>
1	\$74.50
2	\$61.09
3	\$58.86
4	\$50.66
5	\$41.72
6	\$15.00

FIS

Per International
Deplanement Using FIS

\$6.32

These rates are based upon an average Terminal rental rate of \$56.47 per square foot for Terminal 1, and \$56.45 per square foot for Terminal 2. The FIS fee represents the fee determined in accordance with Exhibit G.

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ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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Apron charges for the above period shall be based upon an apron fee of \$150 per linear foot.

Landing fees for the above period shall be based upon a rate of \$1.09 per 1,000 pounds of Maximum Gross Landing Weight.

SIGNATORY AIRLINE REFUNDS

As set forth in Sections 6.6 and 7.3, certain refunds may become available following the completion of each Fiscal Year. Said refunds shall be determined and made as follows:

A. Following each Fiscal Year's audit, the actual amount of Gross Revenues available for deposit in the Capital Improvement Fund shall be determined for the Fiscal Year for which the audit is completed. In the event that said amount available for deposit (net of any funds which may be generated by the imposition of a Passenger Facility Charge) exceeds the 25 percent coverage requirement for the Fiscal year for which the audit is completed, said excess (hereinafter the "Surplus") shall, subject to Section 6.6.B, be available for refunding in accordance with the procedures of this Exhibit "G."

B. Subject to the limitations set forth in Section 6.6, and in Paragraphs C, E and F below, fifty (50) percent of the available Surplus funds, if any, generated during the term this Agreement shall be transferred to the Airline Fees Refund Account.

C. Amounts available for transfer to the Airline Fees Refund Account shall be subject to base rate level limitations. In any year in which such refunds would have the result of reducing the effective Terminal rental rates paid by the Signatory Airlines in the Fiscal Year for which the audit is completed below the base rate levels calculated in accordance with Exhibit G-5, the amount of the Surplus to be transferred to the Airline Fees Refund Account pursuant to the above shall be reduced by an amount such that the net effective Terminal rental paid by the Signatory Airlines in the period for which the audit is completed (i.e., after consideration of the impact of any refund amounts) are no less than the amounts that would have been paid by the Signatory Airlines during said period if calculated on the basis of the base rate levels.

D. Airline's share of any funds that may become available in the Airline Fees Refund Account shall be determined as set forth in Section 7.3. When preparing estimated rates for rentals, fees and charges for the ensuing Fiscal Year in accordance with Paragraph 7.2.A, City shall also estimate the total amount of funds expected to be available for transfer to the Airline Fees Refund Account following completion of the then current Fiscal Year.

EXHIBIT G

ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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Airlines share of such estimated refund shall be credited 1) first, against any past due amounts due the City from Airline, and 2) second, against amounts due City in the Fiscal Year for which rates for rentals, fees and charges are being determined, in equal monthly installments. Following audit of each fiscal Year, adjustments shall be made as necessary in subsequent monthly credits due Airline such that the actual refund to Airline is equal to the Airline's actual share of credits to the Airline Fees Refund Account for the Fiscal Year for which the audit is completed.

E. In the event that Scheduled Air Carriers and other air transportation companies using the FIS facilities pay total FIS charges in any period less than the facility requirement determined in accordance with Exhibit G-1, an adjustment shall be made in the amounts to be transferred to Airline Fees Refund Account for the period. In such event, the amount of funds to be transferred to the Airline Fees Refund Account in accordance with Paragraph B above shall be determined as if there had been no FIS rate assistance during the period for which the audit is completed, and the amount to be retained in the Capital Improvement Fund in that period shall be decreased in an amount sufficient to permit said adjusted credit to the Airline Fees Refund Account to be made. In no event, however, shall the increase in the amount to be transferred to the Airline Fees Refund Account in any period exceed the amount of funds available for retention in the Capital Improvement Fund as the City's scheduled share of any available surplus in that same period prior to consideration of any FIS rate assistance. In the event that there are insufficient funds available as the City's share of any surplus in any period to make the adjustments described in this paragraph, appropriate adjustments in subsequent periods shall be made to the extent funds are available such that the City bears the full cost of any FIS rate assistance from its share of available surpluses.

F. In the event that Scheduled Air Carriers and other air transportation companies using the FIS facilities pay total FIS charges in any period in excess of the facility requirement determined in accordance with Exhibit G-1, said amount shall not be transferred to the Airline Fees Refund Account for the period. In such event, the excess amount shall be retained in the Capital Improvement fund and be available for applicable projects.

Limitations on Capital Improvement Fund

A. Recognizing that certain circumstances could result in an increasing balance of unencumbered funds becoming available in the Capital Improvement Fund, the parties hereto agree that a targeted maximum balance in said fund shall be established. Any funds in excess of the target maximum balance, subject to the limitations set forth in Paragraph D and E below, shall be applied as set forth in this Exhibit "G."

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ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

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B. The targeted maximum balance shall be initially established at \$45,000,000. Said targeted maximum balance shall be adjusted annually, on the first day of each new Fiscal Year, in accordance with increases or decreases in the U.S. Implicit Price Deflator Index during the preceding Fiscal Year.

C. In the event unencumbered funds exceed the targeted maximum balance following the audit of the preceding Fiscal Year, then and in this event, City shall within twelve (12) months either utilize such excess funds to redeem or purchase bonds prior to maturity or obtain approval for an alternative use of such excess funds from a majority of the Signatory Airlines consisting of at least 51% of the number of Signatory Airlines, representing at least 51% of the Airport's total landed weight for all Signatory Airlines during the most recent completed Fiscal Year.

D. Any use of funds in the Capital Improvement Fund shall be in accordance with the Bond Ordinance. The City further reserves the right to use available funds in the Capital Improvement Fund at any time consonant with this Agreement for any use permitted by the Bond Ordinance, including the redemption or purchase of Bonds prior to maturity regardless of whether unencumbered funds in said Fund exceed the targeted maximum balance.

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 1 of 6

	<u>Terminal 1</u>	<u>Terminal 2</u>	<u>FIS</u>	<u>Airfield</u>
Direct Expenses	\$3,008,116	\$2,275,400	\$311,340	\$1,524,583
Indirect Expenses	\$4,806,653	\$3,595,098	\$497,489	\$5,119,504
Sub-total O&M Expenses	\$7,814,769	\$5,870,498	\$808,829	\$6,644,087
Debt Service	\$4,701,997	\$933,145	\$486,657	\$1,066,941
Coverage	\$1,175,499	\$233,286	\$121,664	\$266,735
Amortization of CIF	\$0	\$0	\$0	\$0
Fund Replacement	\$0	\$0	\$0	\$0
Total Revenue Requirement	\$13,692,265	\$7,036,929	\$1,417,149	\$7,977,763
Less Type 6 Space Rentals	\$135,390	\$33,375		
Less Non-airline Share Airfield				\$1,356,220
Less FIS Area (10.35%)	\$1,417,149			
Less Apron Fees				\$388,465
Adjusted Requirement	\$12,139,725	\$7,003,554		\$6,233,078
Rentable Space	214,986	124,073		
Required Average Rental (Sq.Ft.) Rate	\$56.47	\$56.45		
International Deplanements			81,300	
Required FIS Fee Per Deplanement			\$17.43	
Airline Landed Weight (1,000 lbs)				5,700,000
Required Landing Fee (per 1000 lbs.)				\$1.09
*****	*****	*****	*****	*****
Base Rate Level	\$22.29	\$7.67		
Fixed Deplanement Rate (FIS)			\$6.32	

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 2 of 6

1. Airport Cost Centers

Airport Cost Centers used in the determination of rates for rentals, fees and charges include, but are not necessarily limited to, the following:

Direct Cost Centers

Scope

01 – Airfield	Areas provided for the landing, takeoff and taxing of aircraft; aircraft parking; approach and clear zones and navigation easements.
02 – Service Area	Area provided for the sale and service of aircraft; air cargo facilities; and general aviation activities.
03 – Terminal 1	New terminal complex including aircraft gate concourse, curb front and landscaping.
04 – Terminal 2	Existing Terminal complex including satellite area, curb front and landscaping.
05 – Commercial & Industrial	Area provided for the manufacturing of aircraft and aircraft parts.
06 – Other Buildings & Areas	Area used as additional clear zones which is available for Aviation related development.
07 – Parking	Public and employee parking facilities.
08 – Stinson Airport	All activities, facilities and property at Stinson Airport.

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 3 of 6

Indirect Cost Centers

Scope

09- Administration	Functions and activities associated with general Airport System Administration.
10-Maintenance Direction & Control	Functions and activities associated with the management of airport facility maintenance and equipment maintenance.
11 – Security	Functions and activities related to traffic control; passenger screening support; and general security of the airport.
12 – Operations	Functions and activities related to safety and operational inspections of the airfield, the terminal buildings and parking facilities, as well as coordination of transportation services with ground transportation providers.
13 – Fire & Rescue	Functions and activities related to emergency medical services; fire fighting; and rescue services to the Airport System.
14 – Central Plant	Functions and activities related to the operation and maintenance of Airport HVAC equipment and facilities.
15 – Access	Functions and activities in support of roadways accessing the terminal areas.
16 – Common Services	Reimbursement of administrative services provided to the Aviation Department from the City's General Fund Departments.

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 4 of 6

2. Cost Center Assignments for Rate-Setting

Expenses for each indirect cost center are allocated to the direct cost centers as follows:

A. Indirect expenses for Administration (09), Maintenance Direction and Control (10), and Common Services (16) are allocated to all direct cost centers on the basis of direct cost center's share of personal services (salaries and wages plus fringe benefits).

B. Indirect expenses for Security (11) and Operations (12) are allocated based on the deployment of personnel resources to job assignments.

C. Eighty-eight (88) percent of Fire and Rescue (13) expenses are assigned to the Airfield (01), with one half of one (.5) percent each to the Service Area, Commercial & Industrial, Terminal 1, Terminal 2, and 10% ten (10) percent to Stinson Airport.

D. Indirect Expenses for the Central Plant (14) are allocated to Terminal 1 (03), Terminal 2 (04), and the FAA Control Tower based on each cost center's share of estimated heating and air conditioning usage.

E. Indirect expenses for the Access (15) area are allocated to Terminal 1 and (37½%), Terminal 2 (37½%), and Parking (25%).

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 5 of 6

3. Exhibit G-1 Elements

Terminal 1 & 2, FIS, and Airfield Direct O & M Expenses – as presented in Exhibit G-3.

Terminal 1 & 2, FIS, and Airfield Indirect O & M Expenses – indirect expenses as defined and presented in Exhibit G-3, and allocated in accordance with Section 2 above.

Sub-Total O & M Expenses – total of direct and indirect expenses listed above.

Terminal 1 and 2, FIS and Airfield Debt Service.

Assignment of debt service to cost centers is based upon the distribution of bond proceeds to pay capital costs associated with each cost center.

Debt service for indirect cost centers is allocated to direct cost centers using the procedure described in Section 2 above for the allocation of indirect Operations and Maintenance Expenses.

Coverage Requirement – twenty five (25) percent of debt service.

Fund Replacement – amounts required in accordance with Bond Ordinance for Special Contingency Reserve Fund, and to cure deficiencies in the Bond Reserve Fund.

Total Requirement – financial requirement for the development of airline rates and charges.

Less Type 6 Space Rentals – for Fenced Apron and Ramp Areas.

EXHIBIT G-1

CALCULATION OF RATES FOR

TERMINAL RENTALS, FIS CHARGES AND LANDING FEES

Page 6 of 6

Less non-Airline share of Airfield – amount of estimated usage of airfield devoted to General Aviation activities.

Less FIS area (10.35%) – prorated share of Terminal 1 devoted to FIS facilities.

Less Apron Fees – amount received from aircraft parking apron.

Adjusted Requirement – net financial requirement for the development of airline rates and charges.

Rentable Space – square footage area for Terminal 1 and 2 other than FIS space equal to the total of Airline Exclusive Use, Joint Use, and other rentable areas as set forth in Exhibit C.

Required Average Rental (Sq. Ft.) Rate – Terminal 1 and 2 revenue requirement divided by rentable space.

Airline Landed Weight – maximum gross landed weight for all commercial operators rate-setting period.

Required Landing Fee Rate – Airfield Requirement divided by maximum gross landed weight.

Base Rates – from Exhibit G -5

Fixed Deplanement Rate (FIS)

EXHIBIT G-2

THREE YEAR DETAIL OF REVENUES

	2002-03 Actual Preceeding Fiscal Year	2003-04 Estimated Current Fiscal Year	2004-05 Budget Next Fiscal Year
<u>Airfield</u>			
Landing Fees			
Scheduled	\$ 4,389,814	\$ 4,833,966	\$ 5,298,116
Non-Scheduled	\$ 800,440	\$ 853,053	\$ 934,962
Ramp Fees	\$ 377,813	\$ 383,102	\$ 388,465
	<u>\$ 5,568,067</u>	<u>\$ 6,070,121</u>	<u>\$ 6,621,543</u>
Non-Airline	<u>\$ 587,030</u>	<u>\$ 583,597</u>	<u>\$ 585,301</u>
Sub-total	\$ 6,155,097	\$ 6,653,718	\$ 7,206,844
<u>Aviation Service Area</u>			
Building Rental	\$ 1,610,122	\$ 1,655,200	\$ 1,701,550
Ground & Cargo Apron	\$ 2,620,344	\$ 2,657,028	\$ 3,032,011
Sub-total	\$ 4,230,466	\$ 4,312,228	\$ 4,733,561
<u>Terminal 1</u>			
FIS Space Rentals	\$ 546,374	\$ 498,016	\$ 513,816
Airline Rentals	\$ 7,593,458	\$ 7,258,067	\$ 7,494,519
Concession Fees	\$ 5,543,890	\$ 6,114,348	\$ 6,515,132
Other Space Rentals	\$ 105,134	\$ 106,606	\$ 108,099
Sub-total	\$ 13,788,856	\$ 13,977,037	\$ 14,631,566
<u>Terminal 2</u>			
Airline Rentals	\$ 4,434,078	\$ 4,078,643	\$ 4,172,919
Concession Fees	\$ 4,736,039	\$ 4,624,783	\$ 4,781,206
Other Space Rentals	\$ 149,865	\$ 143,000	\$ 147,004
Sub-total	\$ 9,319,981	\$ 8,846,426	\$ 9,101,129

EXHIBIT G-2

THREE YEAR DETAIL OF REVENUES

	2002-03 Actual Preceding Fiscal Year	2003-04 Estimated Current Fiscal Year	2004-05 Budget Next Fiscal Year
<u>Commercial & Industrial</u>			
Building Rentals	\$ 633,993	\$ 651,740	\$ 669,990
Ground Rentals	\$ 503,430	\$ 517,511	\$ 531,993
Sub-total	\$ 1,137,422	\$ 1,169,251	\$ 1,201,983
<u>Other Buildings & Areas</u>			
Ground Rentals	\$ 14,300	\$ 0	\$ 0
Other	\$ 3,485	\$ 3,533	\$ 3,583
Sub-total	\$ 17,785	\$ 3,533	\$ 3,583
<u>Parking</u>			
Public and Employee Parking	\$10,692,453	\$11,358,185	\$12,670,372
Sub-total	\$10,692,453	\$11,358,185	\$12,670,372
<u>Stinson</u>			
Building Rentals	\$ 124,307	\$ 126,048	\$ 127,812
Ground & Fuel Fees	\$ 93,794	\$ 122,276	\$ 123,988
Sub-total	\$ 218,102	\$ 248,324	\$ 251,800
<u>Other Income</u>			
Interest Earnings	\$ 530,494	\$ 519,373	\$ 525,945
Admin. Fees & Exp. Recovery	\$ 1,029,933	\$ 884,731	\$ 889,445
Sub-total	\$ 1,560,427	\$ 1,404,104	\$ 1,415,390
<u>Total Airport Revenues</u>	\$46,492,005	\$47,972,806	\$51,216,227

EXHIBIT G-3

THREE YEAR DETAIL OF OPERATION AND MAINTENANCE EXPENSES

	2002-03 Actual Preceeding <u>Fiscal Year</u>	2003-04 Estimated Current <u>Fiscal Year</u>	2004-05 Budget Next <u>Fiscal Year</u>
Operation & Maintenance Expenses			
Direct Expenses			
Airfield	\$1,462,906	\$1,483,499	\$1,524,583
Service Area	390,988	390,725	406,792
Terminal 1	3,083,014	2,816,150	3,008,116
Terminal 2	2,246,782	1,887,874	2,275,400
Commercial & Industrial	88,479	95,180	91,121
Other Buildings & Areas	71,911	95,651	89,102
Parking	2,252,436	2,054,008	2,322,890
Stinson Airport	457,247	477,539	516,853
Sub-total	\$10,053,763	\$9,300,626	\$10,234,857
Indirect Expenses			
Administration	\$4,811,478	\$5,863,173	\$6,163,218
Mtc., Direction & Control	1,046,729	1,079,431	1,154,832
Security	3,093,846	3,010,694	3,134,365
Operations	1,743,179	1,866,484	1,920,109
Fire/Rescue	2,916,359	2,993,411	2,994,315
Central Plant	552,896	559,948	540,677
Access	506,465	558,615	574,157
Common Services	1,053,434	1,068,563	1,055,034
Ground Transportation	\$489	\$0	\$0
Sub-total	\$15,724,875	\$17,000,319	\$17,536,707
Total Operations & Maintenance Expenses:	\$25,778,639	\$26,300,946	\$27,771,564

EXHIBIT G-4

CALCULATION OF CREDIT TO AIRLINE FEES REFUND ACCOUNT

	<u>2003/04 Preliminary Fiscal Year</u>
Gross Revenues Prior to Refund	\$47,972,806
Debt Service	\$12,628,169
Bond Reserve Fund Deposits	\$0
Operation and Maintenance Expenses	\$26,300,945
Increase in O & M Reserve Requirement	\$130,577
Special Contingency Fund Deposits	\$0
Balance Available for Deposit to Capital Improvement Fund	\$8,913,115

Balance Plus City's Share of FIS Cost	\$9,811,776
Available Balance in Excess of 25 percent Coverage Requirement ("Surplus")	\$6,654,734
Portion of Surplus Credited to Airline Fees	\$3,327,367
Portion of Surplus to be retained in Capital Improvement Fund	\$5,585,748

EXHIBIT G-5

CALCULATION OF BASE RATE LEVELS

Base Average Terminal Rental Rate

The base average Terminal rental rate shall be determined by dividing total debt service (not including coverage) directly assigned to either Terminal 1 Cost Center or Terminal 2 Cost Center (i.e., net of any allocations from indirect cost centers as performed in the rate calculation) by the appropriate total square footage (less fenced apron area) in either Terminal 1 or Terminal 2 for the period in which rentals, fees and charges are being determined.

Terminal 1

Terminal Area Debt Service	\$4,701,997	(A)
Total Terminal Area	210,915	(B)
Base Average Terminal Rental Rate	\$22.29	(A/B)

Terminal 2

Terminal Area Debt Service	\$933,145	(A)
Total Terminal Area	121,676	(B)
Base Average Terminal Rental Rate	\$7.67	(A/B)

Transition/Move-in Base Rates

In the event that the Rentals, fees and charges provided for in this Agreement commence, pursuant to Section 19.2, at a date when interest on the Bonds is still being capitalized, debt service to be used in the calculation of base rate levels shall be equal to debt service in the first Fiscal Year in which Airport Debt Service is not capitalized.

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
1.1	103	Accoustical Treatment Program	\$-	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	12,000,000
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	600,000	600,000	600,000	600,000	600,000	2,400,000
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.2	106	Environmental Assessment & Cleanup	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.3	107	ALP/EIS	\$-	\$1,021,000	\$-	\$-	\$-	\$-	\$1,021,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	765,750	-	-	-	-	765,750
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	255,250	-	-	-	-	255,250
		Construct Holding Bays (RW 21 & 30L)	\$-	\$1,733,333	\$-	\$-	\$-	\$-	\$1,733,333
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	558,681	-	-	-	-	558,681
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	1,174,652	-	-	-	-	1,174,652

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
1.4	109	ARFF Training Pit Construction - Airport Share	\$-	\$-	\$500,000	\$-	\$-	\$-	\$500,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	500,000	-	-	-	-	500,000
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.5	112	Construct New Runway Exits	\$-	\$-	\$2,700,000	\$-	\$-	\$-	\$2,700,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	2,700,000	-	-	-	-	2,700,000
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.6	113	Extend Runway 21 & Associated Developments	\$866,667	\$-	\$15,000,000	\$5,000,000	\$-	\$-	\$20,866,667
		AIP - Entitlements	-	-	3,463,202	3,524,853	-	-	6,988,055
		AIP - Genl Discretionary (LOI)	-	-	-	3,475,148	-	-	6,511,947
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	279,341	3,750,000	1,250,000	-	-	5,279,341
		Capital Improvement Fund	-	587,326	4,749,999	-3,250,001	-	-	2,087,324
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.7	114	SAT Washrack Modification	\$-	\$-	\$-	\$600,000	\$-	\$-	\$600,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	207,673	-	-	207,673
		Capital Improvement Fund	-	-	-	392,327	-	-	392,327
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
115	115	Reconstruct 12L/30R	\$-	\$-	\$-	\$-	\$21,233,879	\$21,870,895	\$43,104,774
		AIP - Entitlements	-	-	-	-	3,684,723	3,640,384	7,225,107
		AIP - Genl Discretionary (LOI)	-	-	-	-	4,115,277	1,145,614	5,560,891
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	9,449,156	8,610,895	18,060,051
		Capital Improvement Fund	-	-	-	-	3,784,723	5,474,002	9,258,725
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	3,000,000	3,000,000
		Runway 12L/30R Taxiways	\$-	\$-	\$-	\$-	\$-	\$14,949,726	\$14,949,726
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	3,214,002	3,214,002
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	4,550,000	4,550,000
		Capital Improvement Fund	-	-	-	-	-	7,185,724	7,185,724
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
118	118	RON Apron Replacement	\$5,000,000	\$2,000,000	\$-	\$-	\$-	\$-	\$2,000,000
		AIP - Entitlements	3,777,824	1,500,000	-	-	-	-	1,500,000
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	1,722,176	-	-	-	-	1,722,176
		Capital Improvement Fund	1,222,176	-1,222,176	-	-	-	-	-1,222,176
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
119	119	Terminal Modifications	\$6,831,770	\$15,780,482	\$3,138,448	\$-	\$-	\$-	\$16,918,931
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	14,962,251	3,138,448	-	-	-	18,100,700
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	6,831,770	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	818,231	-	-	-	-	818,231

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
1.1	120	Concourse B	\$-	\$40,000,000	\$-	\$-	\$-	\$-	\$40,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	20,000,000	-	-	-	-	20,000,000
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	20,000,000	-	-	-	-	20,000,000
		GARBS	\$480,000	\$3,614,000	\$2,370,000	\$-	\$-	\$-	\$5,984,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	480,000	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	3,614,000	2,370,000	-	-	-	5,984,000
		GARBS	\$-	\$-	\$44,000,000	\$-	\$-	\$-	\$44,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	-	9,000,000	-	-	-	9,000,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	35,000,000	-	-	-	35,000,000
		GARBS	\$225,000	\$-	\$-	\$-	\$-	\$-	\$-
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	225,000	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
1.11	131	Reconstruct Perimeter Road (Term 1 to East Cargo)	\$-	\$2,209,427	\$-	\$-	\$-	\$-	\$2,209,427
		AIP - Entitlements	-	1,657,070	-	-	-	-	1,657,070
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	552,357	-	-	-	-	552,357
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.12	132	Concourse B Elevated Roadway	\$-	\$3,000,000	\$-	\$-	\$-	\$-	\$3,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	2,250,000	-	-	-	-	2,250,000
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	750,000	-	-	-	-	750,000
1.13	134	Terminal Roadway Improvements	\$-	\$-	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$9,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	3,000,000	-	3,000,000	-	9,000,000
		Capital Improvement Fund	-	-	-	-	-	-	-
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
1.15	135	Stinson Airport Improvements	\$-	\$-	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	-	500,000	-	500,000	-	2,000,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
136	SSF Extend Taxiway D2	\$-	\$400,000	\$-	\$-	\$-	\$-	\$400,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	400,000	-	-	-	-	400,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
137	SSF Reconstruct Taxiway A between D & RWY 27	\$-	\$250,000	\$-	\$-	\$-	\$-	\$250,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	250,000	-	-	-	-	250,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
140	Airport Maintenance Facility - Phase 1	\$-	\$1,572,400	\$-	\$-	\$-	\$-	\$1,572,400
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	1,572,400	-	-	-	-	1,572,400
	Capital Improvement Fund	-	-	-	-	-	-	-
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
141	Replace Radio System	\$750,000	\$750,000	\$-	\$-	\$-	\$-	\$750,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	750,000	750,000	-	-	-	-	750,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project # PFC	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
142	Building Evaluations & Renovations	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
	GARBS	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
143	Plating Impact Fees	-	-	-	-	-	-	-
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	60,000	60,000	60,000	60,000	60,000	60,000	300,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
	GARBS	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
144	Surveying & Platting	-	-	-	-	-	-	-
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	50,000	50,000	50,000	50,000	50,000	50,000	250,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
	GARBS	\$27,675	\$90,009	\$71,598	\$13,240	\$39,624	\$102,499	\$316,970
146	Program Administration	-	-	-	-	-	-	-
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	27,675	90,009	71,598	13,240	39,624	102,499	316,970
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-

Exhibit H
 San Antonio International Airport
 Capital Improvement (CIP) Program
 Years ending September 30

Project #	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
147	Redevelop of North Loop Service Center	\$-	\$2,500,000	\$-	\$-	\$-	\$-	\$2,500,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	2,500,000	-	-	-	-	2,500,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
148	Land Acquisition (410)	\$-	\$500,000	\$-	\$-	\$-	\$-	\$500,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	500,000	-	-	-	-	500,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
149	Sky Place Box Culvert - Phase 1	\$-	\$5,147,672	\$-	\$-	\$-	\$-	\$5,147,672
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	1,286,918	-	-	-	-	1,286,918
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-
	SAWS Platting Impact Fees	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
	AIP - Entitlements	-	-	-	-	-	-	-
	AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
	AIP - Noise Discretionary	-	-	-	-	-	-	-
	PFC Bonds	-	-	-	-	-	-	-
	PFC Pay-As-You-Go	-	-	-	-	-	-	-
	Capital Improvement Fund	-	30,000	30,000	30,000	30,000	30,000	150,000
	SRF Funds	-	-	-	-	-	-	-
	GARBS	-	-	-	-	-	-	-

Exhibit H
 San Antonio International Airport
 Capital Improvement (CIP) Program
 Years ending September 30

Project #	CIP	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
PFC	Relocate 30L Localizer		\$-	\$535,000	\$-	\$-	\$-	\$-	\$535,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	400,000	-	-	-	-	400,000
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	135,000	-	-	-	-	135,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
		ST Garage Construction - Phase 2B	\$-	\$960,000	\$-	\$-	\$-	\$-	\$960,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	960,000	-	-	-	-	960,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
		IT Infrastructure & System Improvements	\$-	\$530,000	\$-	\$-	\$-	\$-	\$530,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	530,000	-	-	-	-	530,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-
		Financial Management System	\$-	\$150,000	\$-	\$-	\$-	\$-	\$150,000
		AIP - Entitlements	-	-	-	-	-	-	-
		AIP - Genl Discretionary (LOI)	-	-	-	-	-	-	-
		AIP - Noise Discretionary	-	-	-	-	-	-	-
		PFC Bonds	-	-	-	-	-	-	-
		PFC Pay-As-You-Go	-	-	-	-	-	-	-
		Capital Improvement Fund	-	150,000	-	-	-	-	150,000
		SRF Funds	-	-	-	-	-	-	-
		GARBS	-	-	-	-	-	-	-

Exhibit H
San Antonio International Airport
Capital Improvement (CIP) Program
Years ending September 30

Project #	Description	Prior Costs	2002	2003	2004	2005	2006	Total 2002-06
PFC	COST CENTER SUMMARY	\$28,337,743	\$87,249,990	\$71,920,046	\$12,753,240	\$28,413,503	\$44,063,120	\$244,399,900
	AIP - Entitlements	6,870,144	7,017,824	3,463,202	3,524,853	3,584,723	3,640,384	21,230,986
	AIP - Gen'l Discretionary (LOI)	550,000	1,165,750	3,036,799	3,475,148	4,415,277	4,359,616	16,452,590
	AIP - Noise Discretionary	2,455,364	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	12,000,000
	Total AIP Funds	9,875,508	10,583,574	8,900,000	9,400,000	10,400,000	10,400,000	49,683,575
	PFC Bonds	-	34,962,251	3,138,448	-	-	-	38,100,700
	PFC Pay-As-You-Go	-	5,962,555	7,550,000	2,057,673	10,049,156	13,160,895	38,780,279
	Capital Improvement Fund	16,417,235	8,479,477	14,461,597	795,566	7,464,347	17,002,225	48,203,212
	SRF Funds	1,370,000	650,000	500,000	500,000	500,000	500,000	2,650,000
	GARBS	675,000	26,612,133	37,370,000	-	-	3,000,000	66,982,133
	PROJECTED TARGET COST PER ENPLANED PASSENGER (1)		\$2.95	\$2.81	\$3.22	\$3.59	\$3.53	

(1) The City agrees to use its best efforts to fund the Capital Improvement Program (CIP) as shown. Assuming the Airport's projections regarding project costs, funding, operating revenues and expenses, and forecasted airline activities are realized, the projected cost per enplaned passenger should be achieved.

(2) Pursuant to provision 8.3.A, Table H-1 lists the capital expenditures which the City currently (as of June 1, 2001) plans to undertake during the five (5) years of the item of this Agreement.

Exhibit I

Affiliates of Airline

The following air transportation companies are agreed to be Affiliates of Airline as defined in Section 1.2 of the Agreement as of the date shown:

Affiliate

Date

Exhibit J

City of San Antonio

Self-Insurance Requirements for Airline

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

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

1. All Airlines requesting self-insurance must meet the following required limits:

Special insurance/limits required by the Airline Agreement.

2. Your company must provide the City of San Antonio a report of the financial condition of your company's dedicated loss fund annually. This report must include, but not be limited to the following:
 - a. A CPA's audited financial statement detailing your company's dedicated loss fund equal to the amount of the self-insurance your company is carrying. Along with the CPA's statement your company must present an actuarial statement, from a qualified actuary, verifying your company's loss fund adequacy at a minimum of a seventy-five percent (75%) confidence rate. The City shall be notified within thirty days if your fund falls below this level. The City will have the right to independently verify this fund and its adequacy.

(or)

- b. An audited statement indicating that your company's net worth is equal to twice the value of the self-insured retention. The City will have the right to independently verify this statement of net worth. If your company's net worth is not equal to twice the value of the self-insured retention, the City will need to receive and hold security from an "A" rated bonding company or a letter of credit from an acceptable financial institution. The City shall be notified within thirty (30) days, if at any time your company's net worth falls below the required values, and the City does not hold said securities. At the time of notification financial securities must be presented to the City.

These financial reports must be submitted yearly and no later than sixty (60) days before the anniversary date of your Airline Agreement with the City.

Exhibit J

City of San Antonio

Self-Insurance Requirements for Airline

3. Along with these financial reports the following additional items must be submitted annually and at least sixty (60) days before the anniversary date of your Airline Agreement.
 - a. A complete description of your claims handling procedures.
 - b. Evidence that a licensed local adjuster, or local adjusting firm or local attorney administers the adjustment and payment of your Company's claims.
 - c. Furnish the City with name, phone number, and address where your adjuster, adjusting company or attorney can be contacted for claims. You must keep the City updated on any changes in names and addresses of adjusters or attorneys.
 - d. You must sign an indemnity agreement, as drawn up by the City of San Antonio, holding the City of San Antonio and its affiliates, and employees harmless for any of your company's, its affiliates or employees, acts of negligence or failures to perform, which the City may become charged or held liable. You must indemnify the City of San Antonio, et al, for any cost of defense, settlement, or judgements arising from said charges caused by your negligence or failures to perform.
4. Deviations to this policy may only be made by an appeal, in writing, to a committee made up of a representative from Risk Management, the City Attorney's Office, and the effected department. Any company making an appeal for a deviation must be either insured or meeting the stated self insurance financial requirements at the time the appeal request is made. The final deviations must be approved, in writing, by the City Manager.