

MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT

First Letter Sent to Turo CEO Andre Haddad

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 \ Metropolitan Airports Commission

6040 28th Avenue South, Minneapolis, MN 55450 . 612-726-8100 . metroairports. org

July 25, 2017

Andre Haddad, CEO
Turof/k/a RelayRides Inc.
116 Natoma Street
San Francisco, CA 94105

VIA CERTIFIED US MAIL

RE: Cease and Desist Turo Operations and Reference to Turo Passenger/Customer Access at MSP

Dear Mr. Haddad:

The Metropolitan Airports Commission owns and operates Minneapolis-St. Paul International Airport. We are aware, through Turo's website, that your company is operating at Minneapolis-St. Paul International Airport. The Metropolitan Airports Commission ("MAC" or "Commission") regulates the operations of Commercial Vehicles at Minneapolis-St. Paul International Airport ("MSP") pursuant to MAC Ordinance No. 122 including auto rentals. This Ordinance defines "Auto Rental Agencies" as follows:

Any auto rental company that shuttles passengers to or from sites off Airport premises or sites on the Airport that are not located in the rental auto facilities at Terminal 1-Lindbergh or Terminal 2-Humphrey. This includes . . . auto rental companies that do not have a lease or concession agreement with the Commission;.]

The type of business your company operates falls within the above-quoted definition of an Auto Rental Agency, therefore, the operations of your company must comply with the regulatory framework outlined in Section 7 of Ordinance No. 122.

Section 7 requires each Auto Rental Agency to "pay an Airport privilege fee equal to the percentage of Auto Rental Gross Receipts of Airport Transactions set forth in Schedule I. " Schedule I indicates that this percentage owed is currently "10% of Auto Rental Gross Receipts. " Further, "Auto Rental Gross Receipts" are defined as:

P~]he total amount charged by Auto Rental Agency, whether by cash, credit, or otherwise, including any separately stated fees and charges, for all automobiles supplied by Agency to its customers through Airport Transactions, any activities related directly to that business, and any other business of Agency in the Rental Auto Areas or elsewhere at the Airport[.]

Therefore, if your company chooses to continue operating an Auto Rental Agency at MSP, it will be required to pay the above-described Airport privilege fee. Payment of this fee is due "on or before the 15th day of each calendar month following the month in which the fee was incurred [.]"

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Furthermore, if your company chooses to continue operating an Auto Rental Agency at MSP, it will be required to comply with the monthly and annual reporting requirements prescribed by Section 7. This section requires each Agency to submit with their monthly fee payment "a report of the number and Auto Rental Gross Receipts for Airport Transactions for the previous month's rental transactions. " The full requirements of this report are described in greater detail in the text of the ordinance.

In addition, if your company chooses to continue operating an Auto Rental Agency at MSP, it will be required, on a monthly basis, to submit "computer data files for the preceding calendar month [.]". Again, the required data files are described in greater detail in the text of the ordinance. On a yearly basis, you will also be required to submit to the Commission an "Audited Statement of Airport Customer Gross Receipts. The expense of such audit shall be borne by [your company]. The audit shall be undertaken by a reputable firm of certified public accountants."

Finally, if your company chooses to continue operating an Auto Rental Agency at MSP, it will be required to comply with the records-keeping standards found in Section 7. 3(e) and the Audit requirements of Section 7. 4. Section 7. 3(e) requires Agencies to "keep accurate accounts, records, books and data ("records") with respect to its auto rental operations in a form satisfactory to the Commission. " This section lists the required content of these records and mandates retention of the same for "a period of not less than six (6) years. " Section 7. 4 details MAC'S right to conduct audits of an Agency and the Agency's duty to comply with audit requests.

To date, your company has not complied with the regulatory framework outlined in Section 7 of Ordinance No. 122, and summarized above. This letter serves as notice to Turo that it must either comply with Section 7 of Ordinance No. 122, or it must cease and desist its operations at MSP. This means that your company must no longer conduct business on MSP property, either directly (through an employee of Turo) or indirectly (through an independent contractor with Turo). If Turo refuses to comply with Section 7 of Ordinance No. 122, and continues its operations on MSP property, our office will take appropriate legal action to prevent further activity by Turo at MSP.

Should you have any questions, you may reach me at Matthew.KroahfSimsDmac.org and at 612-726-8123. Thank you for your prompt attention to this matter.

Sincerely,

MattRew Krogh
Attorney, Legal Affairs
Metropolitan Airports Commission

Enclosure: Commercial Vehicles Ordinance No. 122