

**AMENDMENT NO. 2 TO  
LEASE AGREEMENT FOR RENTAL CAR CENTER OPERATIONS  
LEASE NO. 08-0157 OF FOX RENT A CAR, INC.,  
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS AMENDMENT NO. 2 TO LEASE AGREEMENT NO. 08-0157 FOR RENTAL CAR CENTER OPERATIONS ("Amendment No. 2"), dated as of \_\_\_\_\_, 2013, for reference purposes only, is entered by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), acting by and through the SAN FRANCISCO AIRPORT COMMISSION ("Airport"), as landlord, and FOX RENT A CAR, INC., as tenant ("Tenant").

**RECITALS**

A. The City and County of San Francisco owns San Francisco International Airport (the "Airport") located in the County of San Mateo, State of California, which Airport is operated by and through the Airport Commission, the chief executive officer of which is the Airport Director.

B. Pursuant to Airport Commission Resolution No. 08-0157, Airport and Tenant entered into Lease Agreement for rental car center operations, dated January 8, 2009, for the installation, maintenance, and operation of rental car center operations at the Rental Car Center.

C. Pursuant to Airport Commission Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_, the Airport Commission approves the exercise of the five-year option for an option term of January 1, 2014 through December 31, 2018.

D. The Airport and Tenant now desire to amend the Lease to include a new early termination provision, co-location of family brands, exclusion of toll collection from Gross Revenues, and increased space rent, correct minor pagination issue in Lease Section 4, delegating authority to the Airport Director to execute subleases, and certain additional terms and conditions as set forth below.

E. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Lease.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Lease as follows:

## AGREEMENT

1. Recitals. The forgoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
2. Effective Date. The effective date of this Second Amendment shall be January 1, 2014.
3. Section 2 Term. A new section is added to Section 2 to read:

2.5 Early Lease Termination. The Tenant is advised that the Airport is planning to construct a new rental car center or to substantially renovate the existing rental car center, and such construction or renovation will impact the Airport's ability to manage the rental car center, the Airport Director, in his sole and absolute discretion, has the authority to terminate the Lease during the term if (a) the construction of the new rental car center is complete or substantially complete prior to December 31, 2018 or (b) the rental car center is substantially renovated by December 31, 2018. In the event that the substantial renovation requires a relocation of the Tenants premises, the Airport shall have the ability to reallocate any portion of the Tenants premises based on Lease Section 1.2 (h) (iv).

In the event the Airport Director exercises this early termination, the Airport shall provide Tenant a six month written notice of the early termination in which the Tenant shall be required to vacate the Premises within six months under the applicable Lease sections contained herein; further the parties agree that the termination notice shall contain "buy-out" provision that limits Tenants reimbursement to only the unamortized construction costs associated with the 2014 reallocation that is required under Lease Section 1.2 (h) ii Reallocation. Those construction costs shall be amortized on a straight line basis over the sixty (60) month Lease option term and the unamortized portions thereof shall be determined based upon the unexpired portion of the option lease term.

The parties agree that the Tenant will provide to the City an affidavit, signed by Tenant and any of the following: Tenant's general contractor, architect or construction manager, under penalty of perjury, stating the hard construction costs paid by Tenant to complete Tenant's work, together with copies of paid invoices and lien waivers substantiating the costs stated in the affidavit. The Airport reserves the right to review the submitted documentation associated with the reallocation and at its sole and absolute discretion, verify and certify them.

4. Section 3 Use and Operation. A new Section 3 is added to read:

"3.15 Co-location of Family Brands. To allow for greater efficiency, Tenants, operating multiple family brands under a single Lease agreement, shall co-locate their counters and administrative offices. The market share period to be used to determine the reallocation is June 1, 2012 to May 31, 2013. The Rental Car Companies ("RAC") shall have forty-five (45) days from July 1, 2013 to agree on a co-locating plan. If the RACs are unable to agree on a plan, the City will formulate a plan to be used for the co-location. Tenant Improvement shall commence

no earlier than February 1, 2014 and shall take no more than ninety (90) days for completion. Once co-locating plan is finalized and approved by City, a revised Lease exhibit reflecting new counter and administrative office locations will be issued to all Tenants."

5. Section 4.1 Definitions. A new section to 4.1 is added to read:

"4.1(a) xv. Any toll collection related to fees and charges (for example Bay Bridge, Golden Gate Bridge) incurred by the Customer and paid for by the Tenant during the rental of the Vehicle."

6. Section 4.3 Monthly Space Rent Payment. Section 4.3 is hereby deleted in its entirety and replaced with the following to read:

(a) Monthly Space Rent is:

(i). RCC Structure Space Rent shall be at a rate of **\$9.74** per square foot per year representing annual debt service for the construction and financing of the consolidated rental car center (RCC), custodial & maintenance service for all public accessed space and costs associated to building infrastructure maintenance and modifications.

(ii) RCC Surface Space Rent shall be at a rate of **\$1.34** per square foot per year representing the rental value of the unimproved land at the consolidated rental car center.

(iii) QTA Structure Space Rent shall be at a rate of **\$2.68** per square foot per year representing annual debt service for the construction and financing of the Quick-Turn-Around vehicle washing facility and costs associated to building infrastructure maintenance and modifications.

(iv) QTA Surface Space Rent shall be at a rate of **\$2.30** per square foot per year representing the rental value of the unimproved land at the Quick-Turn-Around vehicle washing facility.

(b) Tenant shall pay Structure Rent for:

(i). Exclusive Space in the Garage, Level(s) 1 – 4 and QTA space as described in Sections 1.1(a) (i) and 1.1(a)(ii), respectively, as said spaces may be adjusted from time to time pursuant to the provisions of Section 1.3.

(ii). Common Use Space in the Garage, Level(s) 1 – 4 and QTA space as described in Sections 1.1(b)(i) and 1.1(b)(ii), respectively, as said space may be adjusted from time to time pursuant to the provisions of Section 1.3, in accordance with the Common Use Formula specified in Section 4.5 hereof.

(iii). Limited Common Use Space in the Garage, Level 2 and QTA space as described in Sections 1.1(c)(i) and 1.1(c)(ii), respectively, as said space may be adjusted from time to time pursuant to the provisions of Section 1.3, in accordance with the Limited Common Use Formula specified in Section 4.4 hereof.

(c) Tenant shall pay Surface Rent for:

(i). Exclusive Space (surface) as described in Section 1.1(a) 4, as said space may be adjusted from time to time pursuant to the provisions of Section 1.2.

(ii). Common Use Space (surface) as described in Section 1.1(b) 4, as said space may be adjusted from time to time pursuant to the provisions of Section 1.2., in accordance with the Common Use Formula specified in Section 4.3 hereof.

(iii). Limited Common Use Space (surface) as described in Section 1.1(c) 4 hereof, as said space may be adjusted from time to time pursuant to the provisions of Section 1.3., in accordance with the Limited Use Formula specified in Section 4.6 hereof.

(d) Fifth Floor Rent. Fifth Floor Space, whether Exclusive, Common Use or Limited Common Use Space, shall be charged at the Surface Rent rate described in Section 4.3(b) hereof.

7. Section 5 Assignment and Subletting. The following sentence is added to Section 5.4 to read:

"Without limiting the preceding requirements, the Airport Director or his designee shall have the authority to approve, at his sole and absolute discretion, sublease agreements between existing on-airport rental car Tenants."

8. Entire Agreement. This Amendment No. 2 contains all of the representations and the entire agreement between the parties with respect to the subject matter of this agreement. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to the subject matter of the Amendment No. 2 are superseded in their entirety by this Amendment No. 2. No prior drafts of this Amendment No. 2 or changes between those drafts and the executed version of this Amendment No. 2 shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider such drafts in interpreting this Amendment No. 2.

9. Miscellaneous. This Amendment No. 2 shall bind and shall inure, to the benefit of, the successors and assigns of the parties hereto. This Amendment No. 2 is made for the purpose of setting forth certain rights and obligations of Tenant and the Airport, and no other person shall have any rights hereunder or by reason hereof as a third party beneficiary of otherwise.

Each party hereto shall execute, acknowledge and deliver to each other party all documents, and shall take all actions, reasonably requested by such other party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Amendment No. 2. This Amendment No. 2 may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. No provision of this Amendment No. 2 that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all

provisions hereof are hereby declared to be severable. Time is of the essence of this Amendment No. 2. This Amendment No. 2 shall be governed by the laws of the State of California. Neither this Amendment No. 2 nor any of the terms hereof may be amended or modified except by a written instrument signed by all the parties hereto.

10. Full Force and Effect. Except as specifically amended herein, the terms and conditions of the Lease shall remain in full force and effect.

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IN WITNESS WHEREOF, the Airport and Tenant execute this Amendment No. 2 to the Lease as of the last date set forth below.

TENANT: FOX RENT A CAR, INC.,  
A California Corporation

By: 

Name: ALLEN REZAPOUR  
(printed or typed)

Title: EXEC. V.P. + TREAS.  
(printed or typed)

CITY: CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation,  
acting by and through its Airport Commission

\_\_\_\_\_  
John L. Martin  
Airport Director  
*for LF*

AUTHORIZED BY AIRPORT  
COMMISSION

Resolution No. \_\_\_\_\_

Adopted: \_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary  
Airport Commission

APPROVED AS TO FORM:  
DENNIS J. HERRERA,  
City Attorney

By:   
Deputy City Attorney