

**AMENDMENT NO. 3 TO SFO CONCESSION LEASE
(RENTAL CAR- FOX RENT A CAR, INC.)
[COVID-19 Emergency Rent Relief Program]**

This LEASE AMENDMENT NO. 3 (this “**Amendment**”) is dated as of the Effective Date (as defined below) and entered into by and between Fox Rent A Car, Inc. (“**Fox**”) and City and County of San Francisco, acting by and through its Airport Commission (“**City**” or “**Airport**”).

RECITALS:

A. Fox, as tenant, and City, as landlord, were parties to the Lease Agreement for On-Airport Rental Car Operations at San Francisco International Airport – Lease No. 08-0157 (as amended, the “**Fox Lease**”), which expired August 31, 2020. Fox currently operates at the Airport as an off-airport rental car company pursuant to that certain Off-Airport Rental Car Business Permit #4907 dated August 1, 2020 between Fox, as permittee and City (the “**Fox Permit**”).

B. The parties desire to retroactively modify the Fox Lease solely for the purposes of addressing the devastating financial impacts of the COVID-19 pandemic and the dramatic and rapid reduction in enplanements at the Airport, resulting in the shutdown of many of the Airport concessions. Modifying the Fox Lease to forgive certain payments due under the Fox Lease (which were initially deferred until June 1, 2021, past the expiration date of the Fox Lease) will improve the financial feasibility of Fox and preserve Fox’s ability to continue operations as an off-airport car rental company at the Airport through the Fox Permit, which is of considerable value to all parties. Providing such rent relief is also consistent with the written guidance provided all airport sponsors by the Federal Aviation Administration encouraging temporary rent abatements and minimum annual guarantee waivers.

C. On October 6, 2020, by Resolution No. 20-1080^{0180cc} (the “**Commission Resolution**”), the Airport Commission (“**Commission**”) adopted the COVID-19 Emergency Rent Relief Program (the “**COVID-19 Rent Relief Program**”) which provides for the rent relief set forth in this Amendment. On January 5, 2021, by Ordinance No. 5-21, the San Francisco Board of Supervisors authorized the Airport to implement the COVID-19 Rent Relief Program (the “**Rent Relief Ordinance**”). The Rent Relief Ordinance authorizes the Airport Director to enter into this Amendment without further approval by the Board of Supervisors under Charter Section 9.118 and without modifying the Lease to include Administrative Code and Environmental Code Requirements that were enacted since the most recent modification to the Lease.

D. This Amendment also provides the State of California accessibility disclosures required by California Civil Code Section 1938.

E. All capitalized terms used in this Amendment and not otherwise defined have the meaning provided in the Lease.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Fox hereby agree to enter into this Amendment as follows:

AGREEMENT:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth in this Amendment.

2. **Effective Date.** This Amendment shall be deemed effective on August 31, 2020, the last day of the holdover term of the Fox Lease (the “**Effective Date**”).

3. **COVID-19 Rent Relief Amounts.** Upon the satisfaction of the COVID-19 Rent Relief Program Requirements (as defined below) no later than August 31, 2021 (the “**COVID-19 Rent Relief Program Deadline**”), or such later date as determined by the Airport Director in his reasonable discretion in accordance with Section 8 of this Amendment, Fox’s obligation to pay the following amounts under the Fox Lease will be entirely waived and forgiven (such amounts, “**COVID-19 Rent Relief Amounts**”):

(a) for the month of March 2020, payments of Space Rent; and

(b) for the months of April and May 2020, all payments of Space Rent and utilities (including electricity, water/sewage, gas and ITT charges).

4. **COVID-19 Rent Relief Program Requirements.**

(a) In order to receive the benefit of the COVID-19 Rent Relief Amounts under this Amendment, Fox must have satisfied each of the following conditions (the “**COVID-19 Rent Relief Program Requirements**”) and satisfy the Rent Relief Reporting Requirements (as set forth in Section 4(b) below) no later than the COVID-19 Rent Relief Program Deadline:

(i) if Fox ceased operation due to the COVID-19 pandemic, then Fox must reopen and recommence operations and continue to serve the Airport as an off-airport car rental company under the Fox Permit in conformance with the schedule provided by the Airport, as the schedule may be modified by the Airport Director from time to time, in his sole and absolute discretion;

(ii) Fox, in its capacity as a permittee under the Fox Permit, must remain in good standing under the Fox Permit and not in default of any obligations under the Fox Permit or any other agreements between Fox and City (including the payment of all permit fees and other obligations, other than the COVID-19 Rent Relief Amounts), beyond any applicable notice and cure periods, and not be in any unresolved dispute with the City, in each case at all times prior to and upon the COVID-19 Rent Relief Program Deadline, as determined by the Airport Director in his sole and absolute discretion;

(iii) Fox must expend at least 33% of the total aggregate amount of Space Rent waived under this Amendment on “payroll costs, as defined in the Coronavirus Aid, Relief and Economic Security Act of 2020, or the “CARES Act” (the “**Rent Relief Payroll Requirement**”); and

(iv) Fox must participate in the SFO employee rehiring program, which provides priority to rehiring of Fox’s employees laid off as a result of the COVID-19 pandemic (the “**Employee Rehiring Requirement**”).

(b) In order to satisfy the Rent Relief Payroll Requirement and the Employee Rehiring Requirement, Fox must comply with the requirements and complete the documentation as and when required (including for the avoidance of doubt, monthly reporting on payroll and rehiring efforts) as set forth on Exhibit A attached hereto (the “**Rent Relief Reporting Requirements**”).

5. Failure to Satisfy Requirements of COVID-19 Rent Relief Program. In the event Fox shall fail to satisfy any of the COVID-19 Rent Relief Requirements as of the COVID-19 Rent Relief Program Deadline (or such earlier date that it is evident that Fox will be unable to satisfy such requirements even with the passage of time (i.e. Fox fails to reopen for business when required)), Fox shall remit to City all amounts of COVID-19 Rent Relief Amounts that would have otherwise been waived and forgiven under the COVID-19 Rent Relief Program as set forth in this Amendment no later than thirty (30) days of written demand from Airport.

6. Credit for Rent Relief Amounts Already Paid; Credit Date. To the extent any waived and forgiven amounts under this Amendment have already been paid by Fox, such amounts shall only be credited towards future obligations of permit fees and related fees due from Fox under the Fox Permit (for the avoidance of doubt, only upon satisfaction of the COVID-19 Rent Relief Program Requirements, as set forth below). Upon the satisfaction of the COVID-19 Rent Relief Program Requirements, all Rent and other fees waived under this Amendment will be credited towards Fox’s account, contemplated to occur on or after the COVID-19 Rent Relief Program Deadline.

7. Replacement of COVID-19 Rent Deferral Program. The COVID-19 Rent Relief Program set forth in this Amendment replaces the terms of all rent deferral and/or forbearance previously offered to Fox, including the forbearance of rent and other fees set forth in the letter from the Airport Director to all concession tenants dated March 18, 2020 (the “**COVID-19 Rent Forbearance Letter**”). In the event that Fox shall execute this Amendment and enter into the COVID-19 Rent Relief Program, but shall subsequently fail to meet the COVID-19 Rent Relief Program Requirements by the COVID-19 Rent Relief Program Deadline, then the terms of the COVID-19 Rent Forbearance Letter shall remain in effect, but Fox shall remit the COVID-19 Rent Relief Amounts in accordance with Section 5 of this Amendment.

8. Adjustments to COVID-19 Rent Relief Program. Fox acknowledges and agrees that in accordance with Commission Resolution and the Rent Relief Ordinance, the Director may make necessary and appropriate adjustments to the COVID-19 Rent Relief

Program to ensure that it: (i) is implemented in a consistent manner and fairly applied to all SFO concessionaires; (ii) continues to meet the operational requirements of the Airport and the goals of the Commission set forth in establishing the COVID-19 Rent Relief Program. Further the Director may implement in his discretion modifications to the COVID-19 Rent Relief Program necessitated by changes in applicable law, regulation or guidance (including, without limitation, FAA guidance), as the same may be amended from time to time. Notwithstanding the foregoing, consistent with the Commission Resolution and the Rent Relief Ordinance, the Director must seek further approval of the Commission for any material change to the terms and conditions of the COVID-19 Rent Relief Program or the financial relief being offered.

9. No Other Modifications. Except as otherwise expressly set forth above, the Lease remains unmodified and in full force and effect.

10. Counterparts and Electronic Signatures. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Amendment may be executed and delivered by facsimile or other electronic signature (including portable document format) by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received.

11. No Extension of Lease; No Rights in Premises. expressly covenants, acknowledges and agrees that the parties are entering into this Amendment on a retroactive basis solely for the purpose of extending the benefits the COVID-19 Rent Relief Program to Fox, notwithstanding that the Fox Lease expired on August 31, 2020. Nothing herein shall revive the Lease for any term or otherwise give Fox any rights under the Fox Lease or in the premises formerly demised to Fox under the Fox Lease.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date set forth below.

FOX:

FOX RENT A CAR, INC.

By: Mary Lockhart
Name: Mary Lockhart
Title: Director of Compliance

CITY:

CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Airport Commission

By: Ivar C. Satero
Name: Ivar C. Satero
Title: Airport Director *KCS* *cd*

Effective Date (to be inserted by Airport only): August 31, 2020

3/15/21

Authorized by Commission Resolution No. 20-0180 on October 6, 2020 and Ordinance No. 5-21 finally passed by the San Francisco Board of Supervisors on January 5, 2021.

Attest:

[Signature]
Secretary
Airport Commission

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: [Signature]
Deputy City Attorney



COVID-19 Emergency Rent Relief Program for Airport Concession Operators Payroll and Rehiring Program Requirements (*SFO Priority Rehire Program*)

SFO's Rent Relief Program supports the viability of concessionaires and addresses their employees' economic insecurity.

To be eligible for the rent relief, each concessionaire is required to comply with the following payroll and rehiring requirements (known as the SFO Priority Rehire Program):

- 1. Baseline Staffing and Payroll Information:** Within **five (5) business days** of a concessionaire's lease amendment execution, a baseline staffing and payroll report reflecting the period of December 2019 through the end of March 2020 must be submitted. This report will list employees on payroll during this period, employee contact information, date of hire, date of lay-off/furlough/separation, and employment occupation classification for each employee. **This needs to be submitted only once.**

- 2. Payroll Reports:** On a **monthly** basis, a complete record of payroll costs paid to every employee, including those in the baseline staffing information, must be submitted. *Payroll reports are to include salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation. These reports are to be accompanied by a signed certifying statement (see attached). **Please submit your monthly payroll by the 15th of every month for the previous month.**

- 3. Summary of Hiring Activities and Expenditures:** On a **monthly** basis, submit the "SFO Priority Rehire Program Monthly Submittal Form" with answers to the re-hiring effort and payroll costs table and a signature certifying the submission of all supporting documentation. **Please submit the SFO Priority Rehire Program Monthly Questionnaire by the 15th of every month for the previous month.**

For assistance with hiring employees, please contact community@flsfo.com.

If any concessionaire that elects to participate in the Rent Relief Program fails to satisfy the requirements by August 31, 2021, then any amounts deferred under the Airport's COVID-19 Rent Deferral Program will become immediately due and payable and the concessionaire will be ineligible for all other benefits associated with the Rent Relief Program.

Monthly Payroll Report

Requirements:

1. Report format is at the discretion of the Tenant.
2. Report to include, on a monthly basis, a complete record of payroll costs paid to every employee, including those in the baseline staffing information, must be submitted.
*Payroll reports are to include salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings.
3. These reports are to be accompanied by a signed certifying statement:

The foregoing is certified to be true and correct to the best of our knowledge and belief.

Tenant Signature

Date

Concession Storefront

4. Tenant shall submit your monthly payroll by the 15th of every month for the previous month.

DATE: _____

CONCESSION/STOREFRONT: _____



SFO Priority Rehire Program Monthly Questionnaire

Answer the following questions:

1.	a. How many employees did you have on payroll this month?	
	b. How many of these employees are from your baseline payroll?	
2.	a. How many employees did you recall or hire this month?	
	b. How many employees brought on this month are from your baseline payroll?	
3.	If you hired any new employees this month who were not part of your staffing from December 2019 to March 2020, how did you recruit those employees?	<input type="checkbox"/> SFO Priority Hiring Program <input type="checkbox"/> Other Recruitment Method: _____ _____
4.	How much have you paid in payroll costs for this month?	
5.	How much have you paid in payroll costs since April 2020?	

Attach your monthly payroll records to your e-mail to community@flysfo.com.

Sign the following statement:

I, _____ (name), _____ (title) of _____ (leaseholder and "Tenant") hereby certify that the payroll statements and any other supporting documentation submitted for the month of _____ in connection with the consideration received by Tenant under the COVID-19 Emergency Rent Relief Program are true, correct and complete. I further hereby certify that I am an authorized representative of Tenant with all right, power and authority to deliver this certification on behalf of Tenant.

Tenant: _____

Signature: _____

Name: _____

Phone: _____

E-mail: _____

Submit this form and your monthly payroll statement to community@flysfo.com
by the 15th of every month for the previous month.

Contact Jerrica Hau via e-mail jerrica.hau@flysfo.com or via phone 650.821.1004 with any questions.