

**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT**

**SUPPLEMENT NO. 1
TERMINAL CONSTRUCTION STANDARDS COMPROMISE AGREEMENT**

LAND/BUILDING LEASE ADA-31367

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities, Ted Stevens Anchorage International Airport ("**Lessor**"), whose address is P.O. Box 196960, Anchorage, AK 99519-6960, and Anchorage RAC Center, LLC, ("**Lessee**") whose address is 425 G Street, Suite 210, Anchorage, Alaska 99501, are parties to Lessor's Land/Building Lease ADA-31367 ("**Lease**"); and

WHEREAS, under the Lease, the Lessee is obligated to effect the design and construction of a consolidated rental car facility ("**Consolidated Facility**") to be used by the On-Airport Rental Car Concessionaires ("**RACs**") at Ted Stevens Anchorage International Airport ("**Airport**") during the term of the Lease; and

WHEREAS, under Lease Article IX (Improvements), Section A. (Compliance), improvements are required to "be completed in accordance with the provisions of the Lease;" and

WHEREAS, Lessor believes that under Lease Article IX (Improvements), Section E (Construction), paragraph (2) Lessee is obligated to construct the Consolidated Facility in "compliance with the Lessor's terminal area design standards," now known as Terminal Construction Standards ("**TCS**"), but Lessee believes that construction according to the TCS is not a Lease requirement based in part on the fact that Lease Article IX (Improvements), Section A (Compliance) requires improvements to be "completed in accordance with the provisions of this Lease and other applicable federal, state, and local laws and ordinances in effect at the time of permitting;" and

WHEREAS, Lessee has, with Lessor's consent, entered into a Development Agreement with Venture Development Group, LLC ("**VDG**"), for design and construction of the Consolidated Facility for a fixed sum ("**Total Construction Fund Costs**") in compliance with the Lease; and

WHEREAS, the Lease requires that under the terms of a conduit bond Trust Indenture entered into by the Alaska Industrial Development and Export Authority ("**AIDEA**") and a Use of Proceeds Agreement between AIDEA and Lessee to finance construction of the Consolidated Facility, a Renewal and Replacement Fund be created and funded to a variable required level ("**Renewal and Replacement Fund Required Level**") calculated to cover certain renewal and replacement work identified in the Maintenance Cost Estimate Schematic, attached to the Lease as Exhibit "E;" and

WHEREAS, Lessor, Lessee and VDG have worked out a compromise of their differences regarding Lessor's agreement not to require application of certain TCS standards that VDG disagreed with in exchange for an increase the Renewal and Replacement Fund Required

Level, pre-funded by VDG from its fees to mitigate any risk of possible increases in future maintenance costs associated with the variances from the TCS;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants contained herein, the parties enter into this Lease and agree as follows:

1. Lessee and VDG will ensure that development of the Consolidated Facility, including Tenant Improvements, is accomplished in compliance with the approvals by Lessor in its capacity as a permitting agency.
2. Lessor expressly agrees that the following design and construction elements are acceptable to Lessor for the purposes as set forth in section 1 and enters into this Agreement in its dual capacity as a permitting entity and as Lessor:
 - a. PVC coated parking deck Metal-Clad (MC) Cable is added to the approved raceways for encasement in concrete for purposes of electrical wiring.
 - b. Thermal labeling is approved for marking receptacle and light switch device plates.
 - c. MC Cable is approved for use in non-exposed areas, including above drop ceilings and in walls in all office areas.
 - d. 4" Electrical Metallic Tubing (EMT) is approved for use in all interior dry locations, except Airport Telecom Room (RM 154), as per the NEC requirements.
 - e. Supporting data cables with J-Hooks from where the cables leave accessible data cable conduit ends and land on cable trays is approved.
 - f. Using 8000 Series aluminum conductor is approved for installing electrical feeders only.
 - g. EMT is approved for use in concealed or exposed locations for all areas, except Airport Telecom Room (RM 154), including exposed panel feeds in the garage and other garage surface runs.
 - h. Intermediate Metal Conduit (IMC) is approved for use in areas, except Airport Telecom Room (RM 154), where conductor wires need physical protection.
 - i. Polyvinyl Chloride Schedule 40 (PVC 40) conduit is approved for use as underground and at-ground raceways in non-plenum rated areas.
 - j. PVC 80 conduit is approved for use in car wash areas.
 - k. Galvanized Rigid Metal Conduit (GRC) or IMC Sweep Fittings are approved for use in making 90° bends in underground conduit runs.
 - l. With respect to the Airport 95% review comment EE 053 (garage was to be considered a fully damp/wet location in regards to electrical wiring), the Airport

will accept the determination of the municipal building code authority or other regulating authority with jurisdiction.

3. VDG will, in the first requisition after the earlier of the following occurrences direct that the Trustee transfer two hundred thousand dollars (\$200,000) from the amounts due and owing to VDG for its Developer Fee under section 7.6 of the Development Agreement from the Project Fund to the Renewal and Replacement Fund: (i) the date of Beneficial Occupancy; or (ii) the date that the amount remaining to be paid as a Developer Fee, including retainage, if any, falls to five hundred thousand dollars (\$500,000) or less.
4. No later than thirty (30) days after submission of the requisition described in paragraph 3, above, to the Trustee, VDG shall cause Anchorage RAC Center, LLC, with Majority In Interest consent, to establish the Renewal and Replacement Fund Required Level to be ONE MILLION TWO HUNDRED THOUSAND AND no/100 DOLLARS (\$1,200,000), effective October 1, 2008, in accordance with the procedures set forth in section 5.11(B) of the Trust Indenture. The Lessee will not thereafter cause or allow the Renewal and Replacement Fund Required Level to be reduced below that amount prior to 2017, and then may do so only to the extent the qualified independent construction and maintenance cost estimation professional retained under Article IX (Improvements), Section Q. (Replacement, Maintenance and Reserve Funds) of this Lease so recommends after review of the condition of the Consolidated Facility and consideration of life cycle cost requirements.
5. Lessor and Lessee agree that Two Hundred and Twelve Thousand Dollars (\$212,000) may be requisitioned from the Renewal and Replacement Fund to pay for additional interior signage as required by the Lessor.
6. Lessee will ensure that VDG develops the project in compliance with Lessor's TCS except as identified herein or otherwise in writing by the Lessor.
7. The Lessor and Lessee agree to the compromises stated herein, along with other TCS waivers and variances previously documented in writing, in full and complete resolution and settlement of all issues between the Lessee and the Lessor with respect to compliance with the TCS. The Lessor and Lessee hereby waive and release any and all other claims arising from or relating to the Lessor's insistence that, except to the extent agreed to in writing by the Lessor, permanent improvements and Tenant Improvements on the Premises be constructed in compliance with the TCS.
8. Paragraphs 4 and 5 of this Agreement shall be effective upon adoption by a Mill Consent Certificate and delivery of such to the Trustee in accordance with section 5.11 of the Trust Indenture. Lessee and VDG shall secure such Mill consent and hereby warrant that they can and will do so.
9. The Lessee warrants that VDG agrees to and will comply with the terms of this supplement.
10. The effective date of this Supplement is March 1, 2006.

ALL OTHER TERMS, PROVISIONS, AND COVENANTS REMAIN UNCHANGED.

IN WITNESS WHEREOF, the parties have set their hands and day and year as stated in the acknowledgments below:

Lessee: Anchorage RAC Center, LLC

By: [Signature]

Title: Member

STATE OF Alaska)
) ss
Third)
(Judicial District or County)

THIS IS TO CERTIFY that on this 15th day of May, 2007, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Mark E. Pfeffer, known to me to be an officer of the above named corporation, and who executed the same for and on behalf of said corporation, and who is fully authorized by said corporation to do so; and that the corporate seal affixed to said instrument is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year written above.



[Signature]
Notary Public in and for: Alaska
My Commission Expires: Feb. 23, 2011

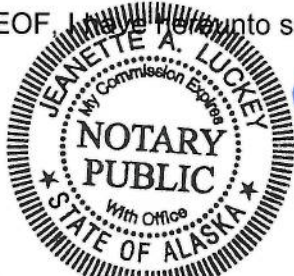
STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

[Signature]
John T. Barsalou, Properties Director

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 29th day of May, 2007, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared John T. Barsalou, known to me to be the Properties Director, Ted Stevens Anchorage International Airport, Department of Transportation and Public Facilities, State of Alaska, and who acknowledged to me that the foregoing instrument was executed freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and who is authorized by said State of Alaska to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year written above.



[Signature]
Notary Public in and for Alaska
My Commission Expires: with office