

**LEASE AGREEMENT
FOR DOMESTIC TERMINALS FOOD AND BEVERAGE FACILITY
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

MAJOR LEASE TERM SUMMARY

For the convenience of Tenant and City (as such terms are defined below), this Major Lease Term Summary (this “**Summary**”) summarizes certain terms of this Lease (as defined below). This Summary is not intended to be a detailed or complete description of this Lease, and reference must be made to the other Sections below for the particulars of this Lease. In the event of any inconsistency between the terms of this Summary and any other provision of this Lease, such other provision shall prevail. Capitalized terms used elsewhere in this Lease and not defined elsewhere shall have the meanings given them in this Summary.

Effective Date: March 19, 2013

Tenant: Gate 74, Inc.

**Tenant’s Notice
Address:** 318 Westlake Center, Suite #274
Daly City, CA 94015
Attn: Jae Chung
Fax No. (650) 755-8883
Tel. No. (650) 755-8889
Email: jaechung1111@yahoo.com

City: The City and County of San Francisco, a municipal corporation,
acting by and through its Airport Commission.

**City’s Notice
Address:** San Francisco International Airport
International Terminal, North Shoulder Bldg., 5th Floor
Attn: Airport Director
P. O. Box 8097
San Francisco, CA 94128
Fax No. (650) 821-5005
Tel. No. (650) 821-5000.

**City’s Rent
Payment Address:** San Francisco International Airport
Attn: Accounting
575 N. McDonnell Road, 2nd Floor
P. O. Box 7743
San Francisco, CA 94120.

**City’s Insurance/
Deposit Notice
Address:** San Francisco International Airport
Attn: Revenue Development and Management
575 N. McDonnell Road, Suite 3-329
P. O. Box 8097
San Francisco, CA 94128
Fax No. (650) 821-4519
Tel. No. (650) 821-4500.

Expiration Date: 11:59 p.m. on the day before the fifth (5th) anniversary of the Full Rent
(§ 2) Commencement Date.

(actual date to be inserted upon determination)

Reference Year: The calendar year immediately prior to the year in which this Lease is awarded:
(§ 4.14) 2012.

Permitted Use: The operation of a food and beverage facility, on a non-exclusive basis, as
(§ 3) described on the attached Exhibit B.

Base Rent: Per Lease Year (as defined below), the greater of the MAG (as defined below) or
(§ 4) the following sum (such sum being referred to herein as the “**Percentage Rent**”):

- (a) 8% of Gross Revenues (as defined below) achieved up to and including \$750,000.00, plus,
- (b) 10% of Gross Revenues achieved from \$750,000.01 up to and including \$1,200,000.00, plus,
- (c) 12% of Gross Revenues achieved over \$1,200,000.00.

(The Gross Revenues from all facilities comprising the Premises will be aggregated.)

Lease Year: The period commencing on January 1 and ending on December 31 of each year.
(§ 4)

Minimum Annual Guarantee: Forty Thousand Thirty Two Dollars (\$40,032.00) (the “Initial MAG”) per annum
(§ 4) (Three Thousand Three Hundred Thirty Six Dollars (\$3336.00) per month) calculated at Forty-Eight Dollars (\$48.00) per square foot, subject to adjustments upward, as described below, and (b) suspension and reinstatement under certain circumstances as described herein.

MAG Adjustment Date: The first anniversary of the Rent Commencement Date or the first day of the first
(§ 4.3) calendar month following such anniversary if the Rent Commencement Date does not fall on the first day of a calendar month, and each anniversary of such adjustment date thereafter.

(to be inserted upon determination)

Rent: Base Rent, together with all other amounts owing by Tenant to City hereunder.
(§ 4)

Deposit Amount: Equal to one-half (1/2) of the then current MAG (subject to adjustment).
(§ 13)

Minimum Investment Amount: One Hundred Dollars (\$350.00) per square foot of the Premises, which equals
(§ 7.1) Two Hundred Ninety One Thousand Nine Hundred Dollars (\$291,900).

Tenant Infrastructure Fee TBD
(§ 4)

Food Court Fee TBD
(§ 4)

Initial Promotional Charge One Dollar (\$1.00) per square foot per annum of the Premises which equals Eight Hundred Thirty Four Dollars (\$834.00). (subject to adjustment)
(§ 11)

Resolution: Number 13-0067, approved by the Airport Commission on March 19, 2013.

Initial Tenant Representative: Jae Chung
Tel. No. (415) 516-4807
(§ 3.11) Email: jaechung1111@yahoo.com

Other Agreements: None.
(§ 13.5)

Exhibits: A – Premises
B – Use and Operational Requirements
C-1 – Form of Performance Bond
C-2 – Form of Letter of Credit

All such exhibits are incorporated into this Lease and made a part hereof.

Initial of Authorized Representative of City _____

Initial of Authorized Representative of Tenant _____

