FIRST AMENDMENT TO LEASE

837 MALCOLM ROAD

This First Amendment to Lease (this "**Amendment**"), dated as of October 1 , 2010 for reference purposes (the "**Amendment Reference Date**"), is made by and between MICHAEL C. MITCHELL, an individual ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation acting by and through its Airport Commission ("**City**").

RECITALS

A. Landlord and City are parties to that certain Office Lease dated as of January 12, 2009 (the "**Lease**"), pursuant to which Landlord leased to City the premises described in the Lease, and more commonly known as the entire property located at 837 Malcolm Road, Burlingame, California. The leased Premises consists of approximately 6,000 rentable square feet of improvements on 10,500 square feet of land. The Lease term expires on February 28, 2014.

B. Landlord and City desire to make certain modifications amending the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Effective Date. This Amendment shall become effective on, and the Lease shall be amended as of November 1, 2010, (the "**First Amendment Effective Date**")

2. Definitions. Capitalized terms not otherwise defined in this Amendment have the meanings set forth in the Lease.

3. Amendment of Section 1: Basic Lease Information. Section 1 of the Lease entitled "Basic Lease Information" is amended as follows:

(a) The subparagraph entitled "Term (Section 3)" is amended by deleting the date and language "February 28, 2014 (approximately 5 years)" that follows the words "Expiration Date" and replacing the deleted language with:

April 30, 2015:

(b) The subparagraph entitled "Base Rent (Section 4.1)" is amended by deleting the existing language and replacing the deleted language with:

Commencing on the First Amendment Effective Date, the Annual Base Rent (exclusive of the Tenant Improvement Surcharge contained in Section 6.2) for the Premises shall be

$80,352.00 per year ($13.39 per square foot of building area) and the Monthly Base Rent payment shall be $6,696.00 per month ($1.12 per square foot).

Commencing on November 1, 2011, the Annual Base Rent for the Premises shall be $84,672.00 per year ($14.11 per square foot of building area) and the Monthly Base Rent payment shall be $7,056.00 per month ($1.18 per square foot).

(c) The subparagraph entitled " Tenant Improvement Surcharge Section 6.2)" is amended as follows to clarify the City's obligation:

City shall pay $600 per month through April 30, 2014 as a monthly amortized surcharge to Base Rent to reimburse Landlord for its costs paid for certain Landlord-installed Tenant Improvements.

(d) The subparagraph entitled "Notice Address for Tenant (Section 23.1)" is amended as follows:

(i) Delete the addressee immediately following the words "and to" and replace the deleted language with the following addressee:

Office of the City Attorney
City Hall, Room 234
Attn: Richard Handel, Deputy City Attorney
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Fax No.: (415) 554-4755

4. Amendment of Section 4.2: Adjustments in Base Rent. Section 4.2 of the Lease entitled "Adjustments in Base Rent" is amended by deleting the existing language and replacing the deleted language with:

On and after November 1, 2011 the Annual Base Rent for the Premises for the balance of the Initial Term shall increase to $84,672.00 per year ($14.11 per square foot of building area) and the Monthly Base Rent payment shall be $7,056.00 per month ($1.18 per square foot).

5. Amendment of Section 4.4: Base Rent During Extension Period(s). Section 4.4 of the Lease entitled "Adjustments in Base Rent" is amended as follows:

(a) The first sentence of the section is amended by deleting the date "March 1, 2014" and replacing the deleted language with "May 1, 2015."

(b) The last sentence of the third paragraph of the section is amended by deleting the words " for each year of the initial term" and replacing the deleted language with "during the twelve (12)- month period immediately prior to the Adjustment Date

6. Addition of Section 23.34: Sunshine Ordinance. The Lease is further amended by adding the following language as (new) Section 23.34:

23.34 Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement, or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public upon request.

7. Miscellaneous.

7.1 Reference. No reference to this Amendment is necessary in any instrument or document at any time referring to the Lease. Any future reference to the Lease shall be deemed a reference to such document as amended by this Amendment.

7.2 No Other Amendment. Except as expressly amended as provided herein, the Lease shall continue unmodified and remain in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement between Landlord and City and may not be modified except by an instrument in writing signed by the party to be charged. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control.

7.3 Applicable Law. This Amendment shall be governed by, construed, and enforced in accordance with the laws of the State of California.

7.4 Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Amendment.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL A RESOLUTION OF CITY'S AIRPORT COMMISSION HAS BEEN DULY ENACTED APPROVING THIS AMENDMENT AND AUTHORIZING CONSUMMATION OF THE MATTERS CONTEMPLATED HEREIN. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ENACTMENT OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS CITY'S AIRPORT COMMISSION APPROVE THIS AMENDMENT IN THEIR RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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IN WITNESS WHEREOF, Landlord and City have executed this Amendment effective as of the First Amendment Term Commencement Date.

LANDLORD:

MICHAEL C. MITCHELL, an individual

By: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
John Martin
Airport Director

Airport Commission
Resolution: 10-0325
Adopted: October 26, 2010
Attest:

_____

RECOMMENDED:

By: _____
Director of Property

APPROVED AS TO FORM:
Dennis Herrera, City Attorney

By: _____
Richard Handel
Deputy City Attorney

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