AMENDMENT NO. 2 TO TERMINAL 3 CANDY KIOSK LEASE NO. 08-0016 AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 2 TO TERMINAL 3 CANDY KIOSK LEASE NO. 08-0016 AT THE SAN FRANCISCO AIRPORT ("Amendment No. 2"), dated as of September 18, 2012 for reference purposes only, is entered by and between the between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting by and through the SAN FRANCISCO AIRPORT COMMISSION (the "Airport"), as landlord, and PACIFIC GATEWAY CONCESSIONS, LLC, as tenant (the "Tenant").

RECITALS

A. Airport and Tenant entered into Terminal 3 Candy Kiosk Lease No. 08-0016, dated as of January 22, 2008 (the "Lease") for certain retail space located at the Airport in Terminal 3, Boarding Area E (the "Premises"). The Lease was previously approved by Airport Commission pursuant to Resolution Number 08-0016.

B. As part of the Airport's ongoing facilities improvement efforts, on April 14, 2011, the Airport closed Boarding Area E for approximately one calendar year for major renovation ("Renovation Period").

C. On April 5, 2011, the Airport Commission approved Amendment No. 1 under Resolution No. 11-0076, approving the conditions for the suspension and reinstatement of the Minimum Annual Guarantee during the Renovation Period.

D. The Original Lease, as amended by Lease Amendment No. 1 and by this Amendment No. 2 shall be referred to from time to time collectively herein as the "Lease".

E. Due to changes in the proposed design of Boarding Area E, a complete demolition of Tenant's original premises is required, resulting in the extension of the Renovation Period, mentioned in Recital B above, by an additional eighteen (18) months until approximately November 1, 2013.

F. As a result of the revised Renovation Period extension, the Airport Commission adopted Resolution No. 12-0204 on September 18, 2012, approving certain amendments to the Lease such as replacement premises, reimbursement of unamortized construction investments, new commencement date, and other related provisions, on the terms and conditions set forth herein.

G. Airport and Tenant agree to the amendments set forth in this Lease Amendment No. 2. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease.
NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Tenant hereby agree to amend the Lease as follows:

AGREEMENT

1. **Recitals.** The foregoing 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 the modifications to the Lease contained in this Lease Amendment No. 2 shall be the date upon which the Airport Director executes this amendment.

3. **Lease Summary.** The Lease Summary is hereby deleted in its entirety and replaced with the Attachment I titled “Major Lease Term Summary”, attached hereto and made a part of this Lease that identifies New Premises; an Adjusted Term; Adjusted Dates; an Adjusted Minimum Investment Amount; an Adjusted Tenant Infrastructure Fee; and, an Adjusted Food Court Fee.

4. **Premises.** Exhibit A is hereby deleted in its entirety and replaced with the following:

   “Exhibit A – Premises. One facility comprising approximately 104 square feet of concession space located in Terminal 3, Boarding Area E at the San Francisco International Airport, as described on the attached drawings.”

5. **Term.** Section 2.5, City’s Right to Extend the Term, is hereby deleted in its entirety.

6. **Rent.** Section 4.13 Boarding Area E Renovation is hereby deleted in its entirety and replaced with the following:

   4.13 **Boarding Area E Renovation.**

      (a) **Boarding Area E Renovation Period.** The Renovation Period, as defined in Recital Paragraph B above, shall commence in or around on April 14, 2011, continue for approximately two and one half calendar years and shall end when the Airport Director, in his sole and absolute discretion, determines that the renovations are complete.

      (b) **Minimum Annual Guarantee (“MAG”) and Other Fees.** During the Renovation Period, the MAG shall be suspended for Tenant’s facility in Boarding Area E.

      (c) **MAG Reinstatement.** At the end of the Renovation Period, the MAG shall be reinstated. The MAG shall be subject to annual adjustments as specified in Lease Section 4.

7. **Reimbursement.** The City shall reimburse the Tenant for the unamortized cost of improvements to the original premises in an amount of Sixty Two Thousand Nine Hundred Forty

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Pacific Gateway Concessions, LLC.
Amendment No. 2 to Lease No. 08-0016
Two Dollars ($62,942), subject to the reimbursement terms contained in the Airport letter dated September 18, 2012 and the memorandum on file with the Airport Commission Secretary for Resolution No.12-0204, incorporated herein by reference and made a part of this Lease.

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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[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the Airport and the Tenant execute this Amendment No. 2 to the Lease as of the last date set forth below.

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

John L. Martin
Airport Director

tenant: Pacific Gateway Concessions, LLC a California limited liability company

By: Manuel F. Soto III
Name: Manuel F. Soto III
Title: Managing Partner

AUTHORIZED BY AIRPORT COMMISSION

Resolution No. 12-0204
Adopted: September 18, 2012

Attest: ______________________
Secretary
Airport Commission

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

By: ______________________
Deputy City Attorney

Pacific Gateway Concessions, LLC.
Amendment No. 2 to Lease No. 08-0016
Exhibit A Premises

One facility comprising approximately 104 square feet of concession space located in Terminal 3, Boarding Area E at San Francisco International Airport.
LEASE AGREEMENT
FOR
BOARDING AREA “E’ CANDY KIOSK LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT

MAJOR LEASE TERM SUMMARY (REVISED 9-18-12)

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: __________, 2012

Tenant: Pacific Gateway Concessions, LLC,
a California limited liability company.

Tenant’s Notice Address: 13701 Cimarron Avenue
Gardena, Ca. 90249-2463
Attn: Manuel Soto, III
Fax No. 310-353-2415
Tel. No. 310-353-2411

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.
Premises: Space E.2.406, comprising approximately 104 square feet in Boarding Area "E", in Terminal 3 (the "Terminal") at the San Francisco International Airport, as shown on the attached Exhibit A.

Relevant Boarding Area: Boarding Area "E"

Term: Approximately five (5) years, commencing on the Rent Commencement Date, and ending at 11:59 p.m. on the day prior to the fifth (5th) anniversary thereof (the "Expiration Date").

Adjusted Term: The period commencing on the earlier of (a) the Replacement Premises is open for business or (b) the majority of gates in Boarding Area E are occupied as determined by the Airport Director, and ending at 11:59 p.m. on the day prior to the fifth (5th) anniversary thereof (the "Expiration Date").

Commencement Date: The date on which the Airport Director gives notice to Tenant that the Premises are ready for Tenant to take possession.

Rent Commencement Date: The earlier of: (a) the date on which the Initial Improvements (as defined below) are substantially complete and Tenant opens for business therein, and (b) the majority of gates in Boarding Area E become operational, regardless of whether Tenant is open for business in Boarding Area E.

Expiration Date: 11:59pm on the day before the fifth (5th) anniversary of the Rent Commencement Date.

Reference Year: The calendar year immediately prior to the year in which this Lease is awarded: 2007

Permitted Use: The display and retail sale, on a non-exclusive basis, of merchandise reflective of branded confectionery concept, as described on the attached Exhibit B.

Base Rent: Per Lease Year (as defined below), the greater of the Minimum Annual Guarantee (as defined below) or the following sum (such sum being referred to herein as the "Percentage Rent"): (a) 12% of Gross Revenues (as defined below) achieved up to and including $500,000.00, plus,

(b) 14% of Gross Revenues achieved from $500,000.01 up to and including $1,000,000, plus,

(c) 16% of Gross Revenue achieved over $1,000,000.

(The Gross Revenues from all facilities comprising the Premises will be aggregated.)
Lease Year: The period commencing on the Rent Commencement Date and terminating on the day before the first MAG Adjustment Date (as defined below), and each subsequent 12-month period, commencing on each MAG Adjustment Date and expiring on the day before the subsequent MAG Adjustment Date, or expiring on the Expiration Date, as the case may be.

Minimum Annual Guarantee: One Hundred Eighty Two Thousand Dollars ($182,000) (the "Initial MAG"), per annum; (Fifteen Thousand One Hundred Sixty-Seven Dollars ($15,167) per month), subject to (a) 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 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.

(actual date to be inserted upon determination)

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

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

Minimum Investment Amount: With respect to Replacement Premises, Space E.2.406, the Minimum Investment Amount applicable is Three Hundred Fifty Dollars ($350) per square foot which equals Thirty Six Thousand Four Hundred Dollars ($36,400).

Initial Promotional Charge: One Dollar ($1.00) per square foot of the Premises which equals One Hundred Four Dollars ($104.00) per annum. (subject to adjustment)


Initial Tenant Representative: Manuel Soto, IV
Tel. No. (650) 246-3860

Other Agreements:
Boarding Area "F" Candy Store and Kiosks Lease 07-0260;
Boarding Area "B" and "C" Principal Concession Lease No. 98-0228;
Boarding Areas "B" and "C" Books and News Stores Lease No. 04-0231;
Terminal 3, Boarding Area "F" Specialty Retail Kiosk Lease No. 09-0091, dba See's Candies;
Terminal 3, Boarding Area "F" Specialty Retail Kiosk Lease No. 09-0092, dba Destination Green;
Sublease to the Post-security Master Retail/Duty-Free Lease No. 99-0035.
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 ________________________

X:\Projects\Terminal 3\BAE\Amend 2 RETAIL\Lease Summaries\PGC BAE Candy Kiosk Revised Summary-FINAL.docx
AMENDMENT NO. 2 TO
TERMINAL 3 SPECIALTY STORE LEASE “B” NO. 04-0167
AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 2 TO THE TERMINAL 3 SPECIALTY STORE LEASE “B”
NO. 04-0167, AT THE SAN FRANCISCO AIRPORT (“Amendment No. 2”), dated as of
September 18, 2012 for reference purposes only, is entered by and between the CITY AND
COUNTY OF SAN FRANCISCO, a municipal corporation (the “City”), acting by and through
the SAN FRANCISCO AIRPORT COMMISSION (the “Airport”), as landlord, and MARILLA
CHOCOLATE COMPANY, INC., as tenant (the “Tenant”).

RECATIALS

A. The Airport and Tenant entered into the Terminal 3 Specialty Store Lease “B”
No. 04-0167, dated as of August 17, 2004 (the “Lease”) for certain retail space located at the
Airport in Terminal 3 (the “Premises”). The Lease was previously approved by the Airport
Commission pursuant to Resolution Number 04-0167.

B. As part of the Airport’s ongoing facilities improvement efforts, on April 14, 2011,
the Airport closed Boarding Area E for approximately one calendar year for major renovation
(“Renovation Period”).

C. On April 5, 2011, the Airport Commission approved Amendment No. 1 under
Resolution No. 11-0077, approving the conditions for the suspension and reinstatement of the
Minimum Annual Guarantee during the Renovation Period.

D. The Original Lease, as amended by Lease Amendment No.1 and by this
Amendment No. 2 shall be referred to from time to time collectively herein as the “Lease”.

E. Due to changes in the proposed design of Boarding Area E, a complete demolition
of Tenant’s original premises is required, resulting in the extension of the Renovation Period,
mentioned in Recital B above, by an additional eighteen (18) months until approximately
November 1, 2013.

F. As a result of the revised Renovation Period extension, the Airport Commission
adopted Resolution No. 12-00205 on September 18, 2012, approving certain amendments to the
Lease such as replacement premises, new commencement date, and other related provisions, on
the terms and conditions set forth herein.

G. Airport and Tenant agree to the amendments set forth in this Lease Amendment
No. 2. All capitalized terms not otherwise defined herein shall have the meaning given to them
in the Lease.
NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Tenant hereby agree to amend the Lease as follows:

AGREEMENT

1. **Recitals.** The foregoing 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 the modifications to the Lease contained in this Lease Amendment No. 2 shall be the date upon which the Airport Director executes this amendment.

3. **Lease Summary.** The Lease Summary is hereby deleted in its entirety and replaced with the Attachment I titled "Major Lease Term Summary", attached hereto and made a part of this Lease that identifies New Premises; an Adjusted Term; Adjusted Dates; and an Adjusted Minimum Investment Amount.

4. **Premises.** Exhibit A is hereby deleted in its entirety and replaced with the following:

   "Exhibit A – Premises. One facility (Space E.2.207) comprising approximately 254 square feet of concession space located in Terminal 3, Boarding Area E at the San Francisco International Airport, as described on the attached drawings."

5. **Term.** Section 2.5, City’s Right to Extend the Term, is hereby deleted in its entirety.

6. **Rent.** Section 4.13 Boarding Area E Renovation is hereby deleted in its entirety and replaced with the following:

   4.13 **Boarding Area E Renovation.**

   (a) **Boarding Area E Renovation Period.** The Renovation Period, as defined in Recital Paragraph B above, shall commence in or around on April 14, 2011, continue for approximately two and one half calendar years and shall end when the Airport Director, in his sole and absolute discretion, determines that the renovations are complete.

   (b) **Minimum Annual Guarantee ("MAG") and Other Fees.** During the Renovation Period, the MAG shall be suspended for Tenant’s facility in Boarding Area E.

   (c) **MAG Reinstatement.** At the end of the Renovation Period, the MAG shall be reinstated. The MAG shall be subject to annual adjustments as specified in Lease Section 4.

7. **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.

8. **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.

9. **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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[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the Airport and the Tenant execute this Amendment No. 2 to the Lease as of the last date set forth below.

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

John L. Martin
Airport Director

TENANT: Marilla Chocolate Company, Inc., a California corporation

By: [Signature]
Name: Billa Ginsberg
Title: President

AUTHORIZED BY AIRPORT COMMISSION

Resolution No. 12-0205
Adopted: September 18, 2012

Attest: ________________________
Secretary
Airport Commission

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

By: [Signature]
Deputy City Attorney

Marilla Chocolate Company, Inc.
Amendment No. 2 to Lease No. 04-0167
Exhibit A Premises

One facility (Space E.2.207) comprising approximately 254 square feet of concession space located in Terminal 3, Boarding Area E at San Francisco International Airport.
LEASE AGREEMENT
FOR
TERMINAL 3 SPECIALTY STORE LEASE “B”
AT SAN FRANCISCO INTERNATIONAL AIRPORT

MAJOR LEASE TERM SUMMARY (REVISED 9-18-12)

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 inconsistent 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: ____________________________, 2012.

Tenant: MARILLA CHOCOLATE COMPANY, INC,
a California corporation.

Tenant’s Notice Address: PO Box 250039
San Francisco International Airport
San Francisco, CA 94125-0039
Attn: Rilla Ginsberg
Fax No. (650) 627-8249
Tel. No. (415) 850-1005

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
P. O. Box 8097
San Francisco, CA 94128
Attn: Airport Director
Fax No. (650) 821-5005
Tel. No. (650) 821-5000.

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

City’s Insurance/Deposit Notice Address: San Francisco International Airport
575 N. McDonnell Road, Suite 3-329
P. O. Box 8097
San Francisco, CA 94128
Attn: Revenue Development and Management
Fax No. (650) 821-4519
Tel. No. (650) 821-4500.
Premises: Space E.2.207, comprising approximately 254 square feet, located in Boarding Area E of Terminal 3, as shown in Exhibit A.

Relevant Boarding Area: Boarding Area “E”

Term: Approximately five (5) years, commencing on the Rent Commencement Date

Adjusted Term: The period commencing on the earlier date of (a) the Replacement Premises is open for business or (b) the majority of gates in Boarding Area E are occupied as determined by the Airport Director, and ending at 11:59 p.m. on the day prior to the fifth (5th) anniversary thereof (the “Expiration Date”).

Commencement Date: The date on which the Airport Director gives notice to Tenant that the Premises are ready for Tenant to take possession.

The earlier of: (a) the date on which the Initial Improvements (as defined below) are substantially complete and Tenant opens for business therein, and (b) the majority of gates in Boarding Area E become operational, regardless of whether Tenant is open for business in Boarding Area E.

Expiration Date: 11:59pm on the day before the fifth (5th) anniversary of the Rent Commencement Date.

Reference Year: The calendar year immediately prior to the year in which this Lease is awarded: 2003.

Permitted Use: The display and retail sale, on a non-exclusive basis, of the merchandise described on the attached Exhibit B.

Base Rent: Per Lease Year, the greater of the Minimum Annual Guarantee (as defined below) or the following sum (such sum being referred to herein as the “Percentage Rent”):

- 12% of Gross Revenues (as defined below) achieved up to and including $1,500,000, plus,
- 14% of Gross Revenues achieved from $1,500,000.01 up to and including $2,000,000.00, plus,
- 16% of Gross Revenues achieved over $2,000,000.
Lease Year: The period commencing on the Rent Commencement Date and terminating on
the day before the first MAG Adjustment Date (as defined below), and each
subsequent 12-month period, commencing on each MAG Adjustment Date
and expiring on the day before the subsequent MAG Adjustment Date, or
expiring on the Expiration Date, as the case may be.

Minimum Annual Guarantee: Seventy-Two Thousand Dollars ($72,000) (the “Initial MAG”), per annum;
(Six Thousand Dollars ($6,000) per month), subject to adjustments upward
§ 4 as described below.

MAG Adjustment Date: The first anniversary of the Rent Commencement Date or the first day of the
§ 4 first 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.

(actual date to be inserted upon determination)

Rent: Base Rent, together with all other amount 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: With respect to Replacement Premises, Space E.2.207, the Minimum
§ 7.1 Investment Amount applicable is Three Hundred Fifty Dollars ($350) per
square foot which equals Eighty Eight Thousand Nine Hundred Dollars ($88,900).

Initial Promotional Charge: One Dollar ($1.00) per square foot of the Premises which equals Two Hundred
§ 11 Fifty Four Dollars ($254).
(subject to adjustment)

Resolution: Number 04-0167, approved by the Airport Commission on August 17, 2004.
Number 11-0077, Amendment 1, approved by the Airport Commission on April
5, 2011.
Number 12-0205, Amendment 2, approved by the Airport Commission on
September 18, 2012.

Initial Tenant Representative: Rilla Glinsberg
§ 3.9 Tel. No. (415) 850-1005

Other Agreements: Terminal 3, Boarding Area F Gourmet Food and Gift Store Lease No.10-0309,
§ 14.1

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.
AMENDMENT NO. 2 TO
AIRPORT SPA LEASE NO. 06-0242
AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 2 TO AIRPORT SPA LEASE NO. 06-0242 AT THE SAN FRANCISCO AIRPORT ("Amendment No. 3"), dated as of September 18, 2012 for reference purposes only, is entered by and between the between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting by and through the SAN FRANCISCO AIRPORT COMMISSION (the "Airport"), as landlord, and XpresSpa SF International, LLC., as tenant (the "Tenant").

RECATALS

A. The Airport and Tenant entered into the Airport Spa Lease No. 06-0242, dated as of August 2, 2007 (the "Lease") for certain retail spaces located at the Airport in the International Terminal and Terminal 3 (the "Original Premises"). The Lease was previously approved by the Airport Commission pursuant to Resolution Number 06-0242 and by the Board of Supervisors pursuant to Resolution No. 186-10. Amendment No. 1 to the Lease was approved by the Airport Commission pursuant to Resolution No. 11-0078.

B. As part of the Airport's ongoing facilities improvement efforts, on April 14, 2011, the Airport closed Boarding Area E for approximately one calendar year for major renovation ("Renovation Period").

C. On April 5, 2011, the Airport Commission approved Amendment No. 1 under Resolution No. 11-0078, approving the conditions for the suspension and reinstatement of the Minimum Annual Guarantee during the Renovation Period.

D. The Original Lease, as amended by Lease Amendment No. 1, and by this Amendment No. 2 shall be referred to from time to time collectively herein as the "Lease".

E. Due to changes in the proposed design of Boarding Area E, a complete demolition of Tenant's original premises is required, resulting in the extension of the Renovation Period, mentioned in Recital C above, by an additional eighteen (18) months until approximately November 1, 2013.

F. As a result of the revised Renovation Period extension, the Airport Commission adopted Resolution No. 12-0206 on September 18, 2012, approving certain amendments to the Lease such as replacement premises, a new commencement date, and other related provisions, on the terms and conditions set forth herein.

G. Airport and Tenant agree to the amendments set forth in this Lease Amendment No. 2. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease.

XpresSpa SF International, LLC
Amendment No. 2 to Lease No. 06-0242
NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Tenant hereby agree to amend the Lease as follows:

AGREEMENT

1. **Recitals.** The foregoing 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 the modifications to the Lease contained in this Lease Amendment No. 2 shall be the date upon which the Airport Director executes this amendment.

3. **Lease Summary.** The Lease Summary is hereby deleted in its entirety and replaced with the Attachment 1 titled "Major Lease Term Summary", attached hereto and made a part of this Lease that identifies New Premises; an Adjusted Term; Adjusted Dates; and an Adjusted Minimum Investment Amount.

4. **Premises.** Exhibit A is hereby deleted in its entirety and replaced with the following:

   "Exhibit A – Premises. A total of two facilities comprising approximately 2,966 square feet of concession space located in the International Terminal and Terminal 3 of the San Francisco International Airport, as described on the attached drawings and broken down as follows:"

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<th>Space No.</th>
<th>Terminal</th>
<th>Appr. Sq Ft</th>
</tr>
</thead>
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<td>T3, BA-E</td>
<td>1,300</td>
</tr>
<tr>
<td>G.3.043</td>
<td>IT</td>
<td>1,666</td>
</tr>
</tbody>
</table>

5. **Term.** Section 2.5, City’s Right to Extend the Term, is hereby deleted in its entirety.

6. **Rent.** Section 4.14 Boarding Area E Renovation is hereby deleted in its entirety and replaced with the following:

   4.14 **Boarding Area E Renovation.**

   (a) **Boarding Area E Renovation Period.** The Renovation Period, as defined in Recital Paragraph B above, shall commence in or around on April 14, 2011, continue for approximately two and one half calendar years and shall end when the Airport Director, in his sole and absolute discretion, determines that the renovations are complete

XpresSpa SF International, LLC
Amendment No. 2 to Lease No. 06-0242
(b) **Minimum Annual Guarantee ("MAG") and Other Fees.** During the Renovation Period, the MAG shall be suspended for Tenant's facility in Boarding Area E.

(c) **MAG Reinstatement.** At the end of the Renovation Period, the MAG shall be reinstated. The MAG shall be subject to annual adjustments as specified in Lease Section 4.

7. **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.

8. **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.

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

///

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the Airport and the Tenant execute this Amendment No. 3 to the Lease as of the last date set forth below.

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

John L. Martin
Airport Director

**TENANT:** XpresSpa SF International, LLC
a New York Company.

By: [Signature]

Name: **Marisol Binn**
(type or print)

Title: **President**

AUTHORIZED BY AIRPORT COMMISSION

Resolution No. 12-0206
Adopted: September 18, 2012

Attest: __________________________
Secretary
Airport Commission

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

By: [Signature]
Deputy City Attorney

---

XpresSpa SF International, LLC
Amendment No. 2 to Lease No. 06-0242
A total of five (5) facilities, comprising approximately 2,966 square feet of retail space at the Airport, as described on the attached drawings:

<table>
<thead>
<tr>
<th>Space No.</th>
<th>Terminal</th>
<th>Appr. Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.2.205</td>
<td>T3, BA-E</td>
<td>1,300</td>
</tr>
<tr>
<td>G.3.043</td>
<td>IT</td>
<td>1,666</td>
</tr>
</tbody>
</table>
Space G.3.043, Approx. 1,666 sq. ft.
LEASE AGREEMENT
FOR
AIRPORT SPA LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT

MAJOR LEASE TERM SUMMARY (REVISED 9-18-12)

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: ______________________________, 2012.

Tenant: XpresSpa S.F. International, LLC,
a New York Company.

Tenant’s Notice Address: 150 East 58th Street, 7th Floor
Attn: Morston Blnn
Fax No. (212) 750-8607
Tel. No. (212) 750-9595.

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
P. O. Box 8097
San Francisco, CA 94128
Attn: Airport Director
Fax No. (650) 821-5005
Tel. No. (650) 821-5000.

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

City’s Insurance/Deposit Notice Address: San Francisco International Airport
575 N. McDonnell Road, Suite 3-329
P. O. Box 8097
San Francisco, CA 94128
Attn: Revenue Development and Management
Fax No. (650) 821-4519
Tel. No. (650) 821-4500.
Premises: Two locations; Space E.2.205 comprising approximately 1,300 square feet located post-security Terminal 3, and Space G.3.043, approximately 1,666 square feet located post-security in the International Terminal Building Boarding Area G, as shown on the attached Exhibit A of the Lease:

<table>
<thead>
<tr>
<th>Space</th>
<th>App. Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3.2.029C</td>
<td>895</td>
</tr>
<tr>
<td>E.2.205 (Replacement Premises)</td>
<td>1,300</td>
</tr>
<tr>
<td>G.3.043</td>
<td>1,666</td>
</tr>
</tbody>
</table>

Relevant Boarding Area: Boarding Area G and A (International Terminal), and Boarding Area E and Boarding Area F (Terminal 3).

Term: Approximately five (5) years, commencing on the Rent Commencement Date.

Adjusted Term: The period commencing on the earlier date of (a) the Replacement Premises is open for business or (b) the majority of gates in Boarding Area E are occupied as determined by the Airport Director, and ending at 11:59 p.m. on the day prior to the fifth (5th) anniversary thereof (the "Expiration Date").

Commencement Date: The date on which the Airport Director gives notice to Tenant that the Premises are ready for Tenant to take possession.

________________________ (actual date to be inserted upon determination)

Rent Commencement Date: The earlier of: (a) the date on which the Initial Improvements (as defined below) are substantially complete and Tenant opens for business therein, and (b) the majority of gates in Boarding Area E become operational, regardless of whether Tenant is open for business in Boarding Area E.

________________________ (actual date to be inserted upon determination)

Expiration Date: 11:59pm on the day before the fifth (5th) anniversary of the Rent Commencement Date.

________________________ (actual date to be inserted upon determination)

Adjusted Expiration Date: The calendar year immediately prior to the year in which this Lease is awarded: 2009.
Permitted Use:  
On a non-exclusive basis, tenant shall construct and operate a spa in each facility.

Additional uses shall include other such services consistent with the operation of a spa including, but not limited to, facials, waxing, massage, manicure/sculptured nails/pedicures, limited retail sales directly related to the spa concept all as more particularly set forth on Exhibit B of the Lease.

Without limiting the generality of the foregoing, Tenant shall operate the Premises in strict conformity with the requirements herein, including those set forth on Exhibit B of the Lease.

Base Rent:  
Per Lease Year (as defined below),

1) The greater of the Minimum Annual Guarantee (as defined below) or,

2) The following sum (such sum being referred to herein as the "Percentage Rent"):

12% of Gross Revenues achieved up to and including $1,500,000; plus

14% of Gross Revenues achieved above $1,500,000.

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

Lease Year:  
The period commencing on the Rent Commencement Date and terminating on the day before the first MAG Adjustment Date (as defined below), and each subsequent 12-month period, commencing on each MAG Adjustment Date and expiring on the day before the subsequent MAG Adjustment Date, or expiring on the Expiration Date, as the case may be.

Minimum Annual Guarantee:
One Hundred Thousand Dollars ($100,000) (the "Initial MAG"), per annum; (Eight Thousand three Hundred Thirty Three Dollars and Thirty Three Cents ($8,333.33) per month), subject to (a) adjustments upward as described below and (b) suspension and reinstatement under certain circumstances as described herein.

Revised Minimum Annual Guarantee:  
Two Hundred Thousand Seven Hundred Twenty Dollars ($202,720) per annum; Sixteen Thousand Eight Hundred Ninety Three Dollars and Thirty Three Cents ($16,893.33) per month, subject to (a) 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 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.

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

Summary, Page 3

Airport Spa Lease 05-0242
XpresSpa S.F. International, LLC
Deposit Amount: Equal to one-half (1/2) of the then current MAG (subject to adjustment).

Minimum Investment Amount: With respect to the original Premises, twenty five percent (25%) of the original minimum investment amount required to refurbish, redecorate and modernize the interior and exterior of the Premises, or a lesser amount so long as the refurbishment complies with the Concessions Design Guidelines and receives Design Review Committee approval.

With respect to Replacement Premises, Space E.2.205, the Minimum Investment Amount applicable is Three Hundred Fifty Dollars ($350) per square foot which equals Four Hundred Fifty Five Thousand Dollars ($455,000).

Initial Promotional Charge: One Dollar ($1.00) per square foot of the Premises which equals Two Thousand Nine Hundred Sixty Six Dollars ($2,966).

Resolution: Number 06-0242, approved by the Airport Commission on December 19, 2006.
Number 11-0078, approved by the Airport Commission on April 5, 2011.
Number 12-0206 approved by the Airport Commission on September 18, 2012.

Initial Tenant Representative: Moreton Binn
Tel. No. (212) 750-9595

Other Agreements: L10-0041 Terminal 2 Spa Lease

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

Summary, Page 4

Airport Spa Lease 06-0242
XpresSpa S.F. International, LLC
AMENDMENT NO. 3 TO
TECHNOLOGY PRODUCTS STORES LEASE NO. 07-0108
AT SAN FRANCISCO INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 3 TO TECHNOLOGY PRODUCTS STORES LEASE NO. 07-0108
AT THE SAN FRANCISCO AIRPORT ("Amendment No. 3"), dated as of
September 18, 2012 for reference purposes only, is entered by and between the between the
CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “City”), acting by
and through the SAN FRANCISCO AIRPORT COMMISSION (the “Airport”), as landlord, and
ILJ SAN FRANCISCO, LLC., as tenant (the “Tenant”).

RECITALS

A. The Airport and Tenant entered into the Technology Products Stores Lease No.
07-0108, dated as of May 15, 2007 (the “Lease”) for certain retail spaces located at the Airport in
the International Terminal and Terminals 1 & 3 (the “Original Premises”). The Lease was
previously approved by the Airport Commission pursuant to Resolution Number 07-0108 and by
the Board of Supervisors pursuant to Resolution No. 432-07. On July 15, 2008, Amendment No.
1 to the Lease was approved by the Airport Commission pursuant to Resolution No. 08-0146.

B. As part of the Airport's ongoing facilities improvement efforts, on April 14, 2011,
the Airport closed Boarding Area E for approximately one calendar year for major renovation
(“Renovation Period”).

C. On April 5, 2011, the Airport Commission approved Amendment No. 2 under
Resolution No. 11-0079, approving the conditions for the suspension and reinstatement of the
Minimum Annual Guarantee during the Renovation Period.

D. The Original Lease, as amended by Lease Amendment Nos. 1 and 2, and by this
Amendment No. 3 shall be referred to from time to time collectively herein as the “Lease”.

E. Due to changes in the proposed design of Boarding Area E, a complete demolition
of Tenant's original premises is required, resulting in the extension of the Renovation Period,
mentioned in Recital C above, by an additional eighteen (18) months until approximately
November 1, 2013.

F. As a result of the revised Renovation Period extension, the Airport Commission
adopted Resolution No. 12-0207 on September 18, 2012, approving certain amendments to the
Lease such as replacement premises, reimbursement of unamortized construction investments,
new commencement date, and other related provisions, on the terms and conditions set forth
herein.
G. Airport and Tenant agree to the amendments set forth in this Lease Amendment No. 3. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Tenant hereby agree to amend the Lease as follows:

AGREEMENT

1. **Recitals.** The foregoing 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 the modifications to the Lease contained in this Lease Amendment No. 3 shall be the date upon which the Airport Director executes this amendment.

3. **Lease Summary.** The Lease Summary is hereby deleted in its entirety and replaced with the Attachment I titled "Major Lease Term Summary", attached hereto and made a part of this Lease that identifies New Premises; an Adjusted Term; Adjusted Dates; and an Adjusted Minimum Investment Amount.

4. **Premises.** Exhibit A is hereby deleted in its entirety and replaced with the following:

   "Exhibit A – Premises. A total of five facilities comprising approximately 4,409 square feet of concession space located in the International Terminal, Terminal 1, and Terminal 3 of the San Francisco International Airport, as described on the attached drawings and broken down as follows:"

<table>
<thead>
<tr>
<th>Space No.</th>
<th>Terminal</th>
<th>Approx. Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>T3, BA-E</td>
<td>752</td>
</tr>
<tr>
<td>B</td>
<td>T3, BA-F</td>
<td>744</td>
</tr>
<tr>
<td>C</td>
<td>T3, BA-F</td>
<td>932</td>
</tr>
<tr>
<td>D</td>
<td>T1, BA-C</td>
<td>525</td>
</tr>
<tr>
<td>E</td>
<td>IT-A</td>
<td>1,456</td>
</tr>
</tbody>
</table>

5. **Term.** Section 2.5, City’s Right to Extend the Term, is hereby deleted in its entirety.

6. **Rent.** Section 4.14 Boarding Area E Renovation is hereby deleted in its entirety and replaced with the following:

   **4.14 Boarding Area E Renovation.**
(a) **Boarding Area E Renovation Period.** The Renovation Period, as defined in Recital Paragraph B above, shall commence in or around on April 14, 2011, continue for approximately two and one half calendar years and shall end when the Airport Director, in his sole and absolute discretion, determines that the renovations are complete.

(b) **Minimum Annual Guarantee ("MAG") and Other Fees.** During the Renovation Period, the MAG shall be suspended for Tenant’s facility in Boarding Area E.

(c) **MAG Reinstatement.** At the end of the Renovation Period, the MAG shall be reinstated. The MAG shall be subject to annual adjustments as specified in Lease Section 4.

7. **Reimbursement.** The City shall reimburse the Tenant for the unamortized cost of improvements to the original premises in an amount of Two Hundred Six Thousand Four Hundred Sixty-One Dollars ($206,461), subject to the reimbursement terms contained in the Airport letter dated September 18, 2012 and the memorandum on file with the Airport Commission Secretary for Resolution No.12-0207, incorporated herein by reference and made a part of this Lease.

8. **Entire Agreement.** This Amendment No. 3 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. 3 are superseded in their entirety by this Amendment No. 3. No prior drafts of this Amendment No. 3 or changes between those drafts and the executed version of this Amendment No. 3 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. 3.

9. **Miscellaneous.** This Amendment No. 3 shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Amendment No. 3 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. 3. This Amendment No. 3 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. 3 that is held to be inoperable, 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. 3. This Amendment No. 3 shall be governed by the laws of the State of California. Neither

ILJ San Francisco, LLC
Amendment No. 3 to Lease No. 07-0108
this Amendment No. 3 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.

///

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the Airport and the Tenant execute this Amendment No. 3 to the Lease as of the last date set forth below.

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

John L. Martin
Airport Director

TENANT: ILJ San Francisco, LLC

By

Name: Fris Goldschmidt

Title: Manager

AUTHORIZED BY AIRPORT COMMISSION

Resolution No. 12-0207
Adopted: September 18, 2012

Attest: Secretary
Airport Commission

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

By: Deputy City Attorney

ILJ San Francisco, LLC
Amendment No. 3 to Lease No. 07-0108
A total of five (5) facilities, comprising approximately **4,409** square feet of retail space at the Airport, as described on the attached drawings:

<table>
<thead>
<tr>
<th>Space No.</th>
<th>Terminal</th>
<th>Appr. Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>T3, BA-E</td>
<td>756</td>
</tr>
<tr>
<td>B</td>
<td>T3, BA-F</td>
<td>744</td>
</tr>
<tr>
<td>C</td>
<td>T3, BA-F</td>
<td>932</td>
</tr>
<tr>
<td>D</td>
<td>T1, BA-C</td>
<td>525</td>
</tr>
<tr>
<td>E</td>
<td>IT-A</td>
<td>1,456</td>
</tr>
</tbody>
</table>
Space A, approx. 756 sq. ft.

Drawing to be revised

ILJ San Francisco, LLC
Amendment No. 3 to Lease No. 07-0108
Space C, approx. 932 sq. ft.

ILJ San Francisco, LLC
Amendment No. 3 to Lease No. 07-0108
Space D, approx. 525 sq. ft.
Space E, approx. 1,164 sq. ft.
LEASE AGREEMENT FOR
TECHNOLOGY PRODUCTS STORES LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT

MAJOR LEASE TERM SUMMARY (REVISED 9-18-12)

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: _______________ , 2012.

Tenant: ILJ San Francisco, LLC

Tenant’s Notice Address: 3141 Fairlane Farms Road, Suite 7
Wellington, FL 33414
Attn: Iris Goldschmidt, CEO
Fax No.: (561) 204-4974
Tel. No.: (561) 204-4964

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
P.O. Box 8097
San Francisco, CA 94128
Attn: Airport Director
Fax No. (650) 821-5005
Tel. No. (650) 821-5000.

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

City’s Insurance/Deposit Notice Address: San Francisco International Airport
575 N. McDonnell Road, Suite 3-329
P.O. Box 8097
San Francisco, CA 94128
Attn: Revenue Development and Management
Fax No. (650) 821-4519
Tel. No. (650) 821-4500.
Premises: Five (5) locations, totaling approximately 4,409 square feet, broken down as follows, as shown on Exhibit A:

- **Space A**: Approximately 542 square feet of space, located post-security of Boarding Area “E”, adjacent to the security checkpoint. (Closed 4-2012)
- **Space A**: (E.2.203) (Replacement Premises) Approximately 752 square feet of space, located post-security of Boarding Area “E”.
- **Space B**: Approximately 744 square feet of space located between Gates 84 & 86 in Boarding Area “F”.
- **Space C**: Approximately 932 square feet of space located across Gate 76 in Boarding Area “G”.
- **Space D**: Approximately 525 square feet of space located in Boarding Area “G”.
- **Space E**: Approximately 1,456 square feet of space located in International Terminal, Boarding Area “A”, next to Gate A6. (1,144 sq ft retail space + 312 sq ft storage/office space)

Relevant Boarding Area: IT-A, C, E and F.  
§ 4.12

Term: Five (5) years, commencing on the Rent Commencement Date.  
§ 2

Adjusted Term: The period commencing on the earlier date of (a) the Replacement Premises is open for business or (b) the majority of gates in Boarding Area E are occupied as determined by the Airport Director, and ending at 11:59 p.m. on the day prior to the fifth (5th) anniversary thereof (the “Expiration Date”).

Commencement Date: The date on which the Airport Director gives notice to Tenant that the Premises are ready for Tenant to take possession.  
§ 2.1

Rent Commencement Date: The earlier of: (a) the date on which the Initial Improvements (as defined below) are substantially complete and Tenant opens for business therein, and (b) the majority of gates in Boarding Area E become operational, regardless of whether Tenant is open for business in Boarding Area E.  
§ 4.3

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

Adjusted Expiration Date:  
§

Reference Year: The calendar year immediately prior to the year in which this Lease is awarded: 2006.
Permitted Use: The display and retail sale, on a non-exclusive basis, of the merchandise described on the attached Exhibit B.

Base Rent: Per Lease Year (as defined below), the greater of the Minimum Annual Guarantee (as defined below) or the following sum (such sum being referred to herein as the "Percentage Rent"):

- 8% of Gross Revenues achieved from licensed electronic products such as Palm handhelds; plus,
- 12% of Gross Revenues achieved from all retail products except for licensed electronic products achieved up to $5,000,000; plus,
- 14% of Gross Revenues achieved from all retail products except for licensed electronic products achieved from $5,000,000.01 up to and including $6,000,000; plus,
- 16% of Gross Revenues achieved from all retail products except for licensed electronic products over $6,000,000.

Lease Year: The period commencing on the Rent Commencement Date and terminating on the day before the first MAG Adjustment Date (as defined below), and each subsequent 12-month period, commencing on each MAG Adjustment Date and expiring on the day before the subsequent MAG Adjustment Date, or expiring on the Expiration Date, as the case may be.

Minimum Annual Guarantee: Five Hundred Thousand Dollars ($500,000.00) (the "Initial MAG"), per annum; (Forty One Thousand Six Hundred Sixty Seven Dollars ($41,667) per month), subject to (a) 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 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.

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

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

Minimum Investment Amount: With respect to Replacement Premises in Boarding Area "E", Space A, the Minimum Investment Amount applicable is Three Hundred Fifty Dollars ($350) per square foot which equals Two Hundred Sixty Three Thousand and Two Hundred Dollars ($263,200).

With respect to the remaining Premises that are not in Boarding Area "E", Tenant shall invest an amount no less than twenty five percent (25%) of the original minimum investment amount required to refurbish, redecorate and modernize the interior and exterior of the Premises, or a lesser amount so long as the refurbishment complies with the Concessions Design Guidelines and receives Design Review Committee approval.

Tenant is not required to invest the Minimum Improvement Amount for the portion of the Premises used as office/storage.
Initial Promotional Charge
$1.00 per square foot of the Premises which equals Four Thousand Four Hundred Nine Dollars ($4,409.00).
(subject to adjustment)

Resolution:
Number 07-0108, approved by the Airport Commission on May 15, 2007.
Number 08-0146, Amendment 1 approved by the Airport Commission on July 15, 2008
Number 11-0079, Amendment 2 approved by the Airport Commission on April 5, 2011.
Number 12-0207 Amendment 3 approved by the Airport Commission on September 18, 2012.

Initial Tenant Representative: Ilene Berman, Manager
Tel. No. (561) 204-4964

Other Agreements:
Non-Airline Terminal Space or Use Permit No. 3867
Trash Compactor Use Agreement No. 3866

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

X:\Projects\Terminal 3BAE\Amend 2 RETAIL\Lease Summaries\ILJ-APW Revised Summary.docx