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 318 Westlake Center, Suite #274

Address: 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 San Francisco International Airport

Address: 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 San Francisco International Airport

Payment Address: Attn: Accounting

575 N. McDonnell Road, 2nd Floor

P. O. Box 7743

San Francisco, CA 94120.

City's Insurance/ San Francisco International Airport

Deposit Notice Attn: Revenue Development and Management

Address: 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:

One food and beverage facility post-security located in Terminal 3 (the

(§ 1)

"**Premises**") at the San Francisco International Airport, comprised of approximately 834 square feet of food and beverage space, as described on the

attached Exhibit A.

Relevant Boarding

Area:

(§ 4.14)

Term:

Boarding Area F

Development Term, plus the Operating Term, collectively. $(\S 2)$

> **Development Term** is the period commencing on the delivery date of the Premises (the "Commencement Date") ending at 11:59 p.m. on the day prior to the Full Rent Commencement Date.

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

Commencement Date:

(§ 2.1)

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 for Interim Operations During Construction Period:

(§ 4.5)

In the event Tenant desires to operate a temporary facility during the construction period, Tenant shall pay Twenty Percent (20%) of gross revenues during such interim period.

Rent Prior to Rent Commencement

Date:

(§ 4.2)

In the event Tenant completes its improvements and desires to open for business prior to Rent Commencement Date, Tenant shall pay the greater of the tiered percentage rent or a pro-rated Minimum Annual Guarantee ("MAG") based on a thirty (30) day month.

Rent Commencement

Date: (§ 4) The earlier of: (a) the first day of the first calendar month following the date on which the Initial Improvements (as defined below) are substantially complete and Tenant opens for business therein, and (b) the first day of the first calendar month following the date that is ninety (90) days after the Commencement Date.

Actual Dates (to be inserted upon determination):

Commencement Date:	TBD			
Development Term:	TBD			
Full Rent Commencement Date:	TBD			
Operating Term:	TBD	<u> </u>		
Expiration Date:	TBD		11:59 p.m.	

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) <u>2012</u>.

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:

(§ 4)

(§ 4.3)

(§ 4)

Forty Thousand Thirty Two Dollars (\$40,032.00) (the "Initial MAG") per annum (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 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.

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

(§ 13)

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

Tenant TBD
Infrastructure Fee
(§ 4)

Summary, Page iii

Food Court Fee (§ 4)	TBD
Initial Promotional Charge (§ 11)	One Dollar (\$1.00) per square foot per annum of the Premises which equals Eight Hundred Thirty Four Dollars (\$834.00). (subject to adjustment)
Resolution:	Number 13-0067, approved by the Airport Commission on March 19, 2013.
Initial Tenant Representative: (§ 3.11)	
Other Agreements: (§ 13.5)	None.
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 Author	ized Representative of City

Initial of Authorized Representative of Tenant _____