

**AMENDMENT NO. 1 TO
BOARDING AREAS "B" AND "C" PRINCIPAL CONCESSION RETAIL LEASE**

THIS AMENDMENT AGREEMENT (this "**Agreement**"), dated as of the Effective Date (as defined below) is entered into by and between Tenant (as defined below), and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission ("**City**"). This Agreement is made with reference to the following facts:

A. Tenant and City have entered into the Lease (as defined below) pursuant to which Tenant conducts certain concession operations at the San Francisco International Airport (the "**Airport**"). Most Airport concession leases provide that the tenant pays annual rent to City equal to the higher of a "Minimum Annual Guarantee" or a percentage of gross revenues.

B. On September 11, 2001, the World Trade Center and Pentagon were attacked by terrorists, resulting in extraordinary and unexpected effects on travel worldwide. As a result, many of the Airport's concession tenants have represented that they are unable to conduct their businesses under the existing terms of their respective Airport leases. Pursuant to Airport Commission Resolution No. 02-0039, the Airport Commission approved a comprehensive long-term plan to support the Airport's concession tenants, known as the Airport Concession Support Program (the "**Support Program**").

C. As contemplated by and in furtherance of the Support Program, Tenant and City desire to amend the Lease, on the terms and conditions set forth below.

Accordingly, Tenant and City agree as follows:

1. DEFINED TERMS.

As used in this Agreement, the following capitalized terms shall have the meanings given them below.

Effective Date: OCTOBER 9, 2002.

Tenant: **Pacific Gateway Concessions, L.L.C.**,
a limited liability company.

Lease: **Lease No. 98-0228 ("Boarding Areas "B" & "C" Principal Concession Retail Lease")**, as the same may have been amended or modified to date.

MAG: The Minimum Annual Guarantee or other minimum rental amount to be paid by Tenant to City as provided in the Lease.

Percentage Rent: The percentage rent specified or other rental amount based on Tenant's Gross Revenues to be paid by Tenant to City as provided in the Lease or herein.

Sales Report: The sales report as defined in the Lease, or if none is so defined, a summary of Gross Revenues in form satisfactory to the Airport Director.

Gross Revenues: The gross revenues as defined in the Lease, or if none is so defined, all gross revenues achieved by Tenant in the Airport facilities.

Relevant Boarding Area: Boarding Areas "B" and "C".

Attachments: Attachment 1: City and Other Governmental Provisions
Attachment 2: Base Year Monthly Enplanements
Attachment 3: Option to Extend Lease Term

All such attachments are incorporated into this Agreement and the Lease and made a part hereof.

Any other capitalized terms used herein and not defined herein shall have the meanings given them in the Lease.

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2. LEASE AMENDMENTS

2.1 MAG Suspensions and Percentage Rent. Effective as of September 11, 2001, Tenant's obligation to pay the MAG shall be suspended and Tenant shall be required to pay only the Percentage Rent, unless and until the MAGs are reinstated as provided below. On or before the 20th day of each month, Tenant will submit to City a Sales Report showing Tenant's Gross Revenues achieved with respect to the prior month, together with the Percentage Rent calculated on such Gross Revenues, cumulated by Lease Year.

2.2 Tiered Percentage Rent Structure. If the Lease provides that the Percentage Rent is based on a tiered gross revenue structure, for purposes of determining the Percentage Rent payable, the annual gross revenues shall continue to cumulate as provided in the Lease. For example, if Tenant's Lease Year is November 1 through October 31, then for purposes of calculating Percentage Rent for April 2002, all gross revenues achieved to date (from November 1 through April 30) will be cumulated.

2.3 MAG Reinstatement.

(a) Once the monthly enplanements equal or exceed eighty-five percent (85%) of the monthly enplanements for the same month in calendar year 2000 for two (2) consecutive months (the "**85% Threshold**"), as shown on *Attachment 2*, effective as of the first day of the second month in which the 85% Threshold is achieved, Tenant's MAG shall be reinstated, and thereafter, Tenant shall be required to pay rent as provided in the Lease. In determining whether the 85% Threshold is met, the enplanements shall be compared by Relevant Boarding Area. Once the 85% Threshold is met, the MAGs shall not be suspended thereafter. For example, if the combined enplanements on Boarding Areas "B" and "C" equal or exceed 350,171 in April 2002 and 370,058 in May 2002 (85% of the April 2000 and May 2000 combined enplanement figures), Tenant's MAG shall be reinstated as of May 1, 2002.

(b) The Airport Director shall have the sole discretion as to whether and when the 85% Threshold is met. However in no event will the MAG be reinstated before April 1, 2002. Once the Airport Director shall have determined that the 85% Threshold has been met, City shall give notice thereof to Tenant specifying the appropriate rent adjustments necessary for any past months. Tenant shall pay any rental deficiency to City within ten (10) days after City's demand therefor.

(c) In the event the MAG is reinstated after the commencement of a "Lease Year" or other period of time for annual gross revenue accumulation specified in the Lease, the MAG will be pro-rated accordingly.

(d) The MAG suspension shall have no effect on (i) any adjustments specified in the Lease to be made to the MAG, including those based on increases in the Consumer Price Index; or (ii) the amount of the bond or other security deposit required pursuant to the Lease.

(e) Notwithstanding anything to the contrary herein, in the event Tenant shall default under the Lease or this Agreement, the Airport Director may immediately reinstate the MAG,

without giving to Tenant the benefit of any notice or right to cure as may otherwise be provided under the Lease.

2.4 Option to Extend Lease Term. Tenant has the option to extend the Lease Term as set forth on *Attachment 3*.

2.5 Subtenants. If Tenant has subleased any portion of the Premises, Tenant shall offer to such subtenant(s) the same types of support as are provided herein.

2.6 City and Other Governmental Provisions. If and to the extent the provisions set forth on *Attachment 1* are not included in the Lease, they shall hereafter be deemed part of the Lease.

3. GENERAL PROVISIONS

3.1 Full Force and Effect. As amended hereby, each and every of the terms, conditions, and covenants in the Lease shall remain in full force and effect.

3.2 Lease. As used herein and in the Lease, the term "Lease" shall mean the Lease as amended hereby. In the event of any inconsistency or conflict between a term and/or condition of the Lease and a term and/or condition of this Agreement, the term and/or condition in this Agreement shall prevail.

3.3 Entire Agreement. The parties intend that this Agreement (including all of the attached exhibits and attachments, which are made a part of this Agreement) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings.

3.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

3.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

TENANT: Pacific Gateway Concessions, L.L.C.,
a limited liability company.

By: [Signature]
Name: Franz De la Cruz
(type or print)
Title: Manager/Member

By: [Signature]
Name: Javier Vega
(type or print)
Title: Managing Member

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

[Signature]
John L. Martin
Airport Director

AUTHORIZED BY AIRPORT
COMMISSION

Resolution No. 02-0039
Adopted: February 19, 2002

Attest: [Signature]
Secretary
Airport Commission

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

By: [Signature]
Deputy City Attorney

ATTACHMENT 1
CITY AND OTHER GOVERNMENTAL PROVISIONS

1. City's Nondiscrimination Ordinance. The following shall be applicable if this Agreement includes the granting of an option to extend the term:

(a) In the performance of this Lease, Tenant agrees not to discriminate against any employee, City and County employee working with Tenant, applicant for employment with Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Tenant shall include in all subleases and other subcontracts relating to the Premises hereunder a non-discrimination clause in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco, where the work is being performed for the City, or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Tenant hereby represents that prior to execution of this Lease (i) Tenant executed and submitted to the Human Rights Commission of the City and County of San Francisco (the "HRC") the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101)", with supporting documentation, and (ii) the HRC approved such form.

(e) The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Lease as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code,

including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

2. Prevailing Wages. If and to the extent the Lease references a prevailing wage requirement pursuant to San Francisco Administrative Code Chapter 6, Section 6.1-3, such provision is deleted and the following is inserted in lieu thereof: Tenant shall abide by Airport Commission Policy No. 80-0031, requiring that Tenant pay generally prevailing rates of salaries, wages, and employee benefits to its employees working at San Francisco International Airport pursuant to this Lease.

3. Resource Efficiency Ordinance. With respect to operations and any construction activity, including renovation or remodeling on the Premises, Tenant shall comply with the City and County of San Francisco's Resource Efficiency Ordinance, Chapter 82 of the San Francisco Administrative Code, to the extent applicable.

4. Labor Peace/Card Check Rule. Without limiting the generality of other provisions herein requiring Tenant to comply with all Airport Rules, Tenant shall comply with the Airport's Labor Peace/Card Check Rule, adopted on February 1, 2000, pursuant to Airport Commission Resolution No. 00-0049 (the "**Labor Peace/Card Check Rule**") if and to the extent the Labor Peace/Card Check Rule applies to Tenant. Without limiting the generality of the foregoing, Tenant shall not be subject to the Labor Peace/Card Check Rule if Tenant is already obligated to enter into a card check agreement with a Labor Organization by San Francisco Administrative Code Chapter 23, Article VII, "Labor Representation Procedures in Hotel and Restaurant Development," and/or Airport Commission Policy No. 99-0198, as such procedures may be modified from time to time. Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace/Card Check Rule, Tenant shall, among other actions: (a) Enter into a Labor Peace/Card Check Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his/her designee, within thirty (30) days after the Labor Peace/Card Check Agreement has been requested; (b) Not less than thirty (30) days prior to the modification of this Lease, Tenant shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Director or his/her designee ("**registered labor organization**"), that Tenant is seeking to modify or extend this Lease; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than thirty (30) days prior to entering into any Subcontract, Tenant shall provide notice to all registered labor organizations that Tenant is seeking to enter into such Subcontract; and (d) Tenant shall include in any subcontract with a Subcontractor performing services pursuant to any Covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Tenant shall have violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Lease, in addition to exercising all other remedies available to him/her.

5. Requiring Minimum Compensation. The following shall be applicable if this Agreement includes the granting of an option to extend the term: Tenant agrees to comply fully with and be

bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Lease as though fully set forth. The text of the MCO is available on the web at www.ci.sf.ca.us/MCO. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Tenant agrees to all of the following:

(a) For each hour worked by a Covered Employee during a Pay Period on the property covered by this Lease, Tenant shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the minimum hourly gross compensation portion of the MCO, Tenant shall pay \$9.00 an hour through December 31, 2001. On January 1, 2002, Tenant shall increase the minimum hourly gross compensation to \$10.00 an hour; provided, however, that if Tenant is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Tenant is required to increase the minimum gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years. For the minimum hourly gross compensation portion of the MCO, the Tenant shall pay \$9.00 an hour through December 31, 2001.

(b) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to Tenant's compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

(c) Tenant understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Tenant of the terms of this Lease. The City, acting through the Contracting Department, shall determine whether such a breach has occurred.

(d) If, within 30 days after receiving written notice of a breach of this Lease for violating the MCO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

(i) The right to charge Tenant an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

- (ii) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Tenant under this Lease;
 - (iii) The right to terminate this Lease in whole or in part;
 - (iv) In the event of a breach by Tenant of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and
 - (v) The right to bar Tenant from entering into future contracts with the City for three (3) years.
 - (vi) Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the City. Any amounts realized by the City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.
- (e) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.
- (f) Tenant shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Tenant from the CITY, which communications are marked to indicate that they are to be distributed to Covered Employees.
- (g) Tenant shall provide reports to the City in accordance with any reporting standards promulgated by the City under the MCO, including reports on subtenants.
- (h) The Tenant shall provide the City with access to pertinent records after receiving a written request from the City to do so and being provided at least five (5) business days to respond.
- (i) The City may conduct random audits of Tenant. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten (10) days of the written notice; and (iv) limited to one audit of Tenant every two years for the duration of this Lease. Nothing in this Lease is intended to preclude the City from investigating any report of an alleged violation of the MCO.
- (j) Any sublease entered into by Tenant and another party shall require that party to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify the Department of Administrative Services when it enters into such a sublease and shall

certify to the Department of Administrative Services that it has notified the sub-tenant of the obligations under the MCO and has imposed the requirements of the MCO on the sub-tenant through the provisions of the subcontract. It is Tenant's obligation to ensure that any sub-tenants of any tier under this Lease comply with the requirements of the MCO. If any sub-tenant under this Lease fails to comply, City may pursue any of the remedies set forth in this Section against Tenant.

(k) Any contract entered into by Tenant and another party to perform services on the property covered by this Lease shall require that party to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify the Department of Administrative Services when it enters into such a contract and shall certify to the Department of Administrative Services that it has notified the contractor of the obligations under the MCO and has imposed the requirements of the MCO on the contractor through the provisions of the subcontract. It is Tenant's obligation to ensure that any such contractors comply with the requirements of the MCO. If such a contractor fails to comply, City may pursue any of the remedies set forth in this Section against Tenant.

(l) Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Tenant of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Tenant understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Tenant of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Tenant arising from this Lease, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Tenant also understands that the MCO provides that if Tenant prevails in any such action, Tenant may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

(m) If Tenant is exempt from the MCO when this Lease is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Tenant later enters into an agreement or agreements that cause Tenant to exceed that amount in a fiscal year, Tenant shall thereafter be required to comply with the MCO under this Lease. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Tenant and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

6. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport director's prior consent.

7. Requiring Health Benefits for Covered Employees. Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q (Chapter 12Q), including the implementing regulations, as the same may be amended or updated from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Lease as though fully set forth herein. The text of the HCAO is currently available on the web at <http://www.amlegal.com/sanfran/viewcode.htm>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee Tenant shall provide the applicable health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Tenant meets the requirements of a "small business" as described in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Tenant's failure to comply with the requirements of the HCAO shall constitute a material breach by Tenant of this Lease. If, within 30 days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such 30-day period, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(d) Any Sublease or Contract regarding services to be performed on the Premises entered into by Tenant shall require the Subtenant or Contractor and Subcontractors, as applicable, to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify the Purchasing Department when it enters into such a Sublease or Contract and shall certify to the Purchasing Department that it has notified the Subtenant or Contractor of the obligations under the HCAO and has imposed the requirements of the HCAO on the Subtenant or Contractor through written agreement with such Subtenant or Contractor. Tenant shall be responsible for ensuring compliance with the HCAO by each Subtenant, Contractor and Subcontractor performing services on the Premises. If any Subtenant, Contractor or Subcontractor fails to comply, City may

pursue the remedies set forth in this Section against Tenant based on the Subtenant's, Contractor's, or Subcontractor's failure to comply, provided that the Contracting Department has first provided Tenant with notice and an opportunity to cure the violation.

(e) Tenant shall not discharge, reprimand, penalize, reduce the compensation of, or otherwise discriminate against, any employee for notifying City of any issue relating to the HCAO, for opposing any practice proscribed by the HCAO, for participating in any proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the requirements of the HCAO.

(g) Tenant shall keep itself informed of the requirements of the HCAO, as they may change from time to time.

(h) Upon request, Tenant shall provide reports to City in accordance with any reporting standards promulgated by City under the HCAO, including reports on Subtenants, Contractors, and Subcontractors.

(i) Within five (5) business days after any request by City, Tenant shall provide City with access to pertinent records relating to any Tenant's compliance with the HCAO. In addition, City and its agents may conduct random audits of Tenant at any time during the term of this Lease. Tenant agrees to cooperate with City in connection with any such audit.

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Attachment 2 - Base Year Monthly Enplanements
Calendar Year 2000 - Boarding Area Summary

Boarding Area	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Sub-total
A	59,206	62,357	80,201	85,093	89,911	100,855	108,977	108,932	94,167	97,986	88,033	116,328	1,092,046
B	189,707	191,967	225,400	238,658	256,938	286,438	285,594	293,281	251,878	250,001	252,173	231,092	2,952,077
C	123,655	123,401	157,979	173,308	178,424	217,111	222,251	226,557	172,789	174,818	159,081	143,565	2,072,000
D	Boarding Area D (old International Terminal) enplanements have been re-distributed to assigned Boarding Areas in new IT.												
E	156,769	155,512	191,627	193,828	197,217	220,547	218,841	227,584	195,091	191,345	175,577	167,681	2,291,619
F	591,627	596,698	709,065	713,368	710,437	780,361	766,207	735,137	638,527	683,629	653,174	638,982	8,217,212
From B/A D:													
ITA	97,075	93,639	115,682	126,013	136,330	158,710	157,965	162,151	137,259	133,973	111,622	122,589	1,553,008
ITG	137,186	127,149	146,255	154,258	169,456	195,178	192,255	198,060	175,006	177,234	164,902	179,282	2,016,221
	1,355,225	1,350,723	1,626,209	1,684,526	1,738,713	1,959,200	1,952,090	1,951,702	1,664,717	1,708,986	1,604,562	1,599,519	20,196,172

ATTACHMENT 3
Option to Extend Lease Term

On the terms and conditions set forth on this *Attachment 3*, Tenant shall have the option to extend the term of the Lease (“**Tenant’s Option**”) for one five (5) year period (the “**Option Term**”), commencing on the expiration date of the Lease and expiring at 11:59pm on the day before the fifth (5th) anniversary of the original expiration date.

1. **Exercise.** To exercise Tenant’s Option, Tenant must give written notice to City on or before the date that is one year before the original expiration date of the Lease. If Tenant fails to give such notice on or before such date, Tenant’s Option shall be null and void.

2. **Relationship to City’s Option.** If and to the extent the Lease already include one or more lease term extension option(s) (at City’s discretion) (“**City’s Option**”), Tenant’s Option would be exercisable by Tenant as provided above. If Tenant exercises Tenant’s Option, then City’s Option would remain exercisable, and would extend the term, commencing at the end of the Option Term. If Tenant declines to exercise Tenant’s Option, then City’s Option would remain exercisable effective as of the end of the original term, as provided in the Lease.

3. **Refurbishment.**

(a) If and to the extent the Lease includes an existing requirement specifying a minimum mid-term refurbishment amount, the Airport Director shall be authorized to waive or reduce such amount provided Airport Director is satisfied that Tenant shall perform such refurbishment and otherwise develop and implement a maintenance program necessary or appropriate to keep the facilities in good condition.

(b) If Tenant exercises Tenant’s Option, or if City exercises City’s Option, if any, Tenant shall perform in the first year of the relevant option period(s) such refurbishment and otherwise develop and implement a maintenance program necessary or appropriate to keep the facilities in good condition, as determined by the Airport Director.

4. **Deposit.** As a condition to Tenant’s exercise of Tenant’s Option, Tenant must deliver to City a Deposit, bond, or other security deposit in form and substance satisfactory to the Airport Director and the City’s City Attorney, covering Tenant’s obligations during the Option Term.

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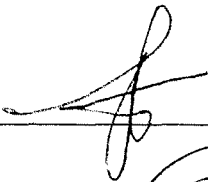
TENANT: Pacific Gateway Concessions
LEASE NO.: 98-0228


**RIDER TO
LEASE AMENDMENT
ATTACHMENT 3
Option to Extend Lease Term**

This Rider is attached to and becomes a part of the Lease Amendment to which it is attached. Capitalized terms used but not defined herein shall have the meanings given it in such Lease Amendment. To the extent of any inconsistency between the terms of such Lease Amendment and this Rider, or the Lease and this Rider, the terms of this Rider shall prevail.

Rent payable by Tenant during the Option Term shall be adjusted to market rent as follows: If Tenant properly and timely exercises Tenant's Option, then Director shall determine whether and to what extent market rent exceeds the rent specified in the Lease. In making such market rent determination, Director may consider such factors as Bay Area economy, comparable Airport facilities, enplanements, revenues, concept, and location. Within a reasonable period of time following receipt of Tenant's notice exercising Tenant's Option, Director shall give notice to Tenant specifying the appropriate market rent (the "**Adjusted Rent**") for the Lease (the "**Adjusted Rent Notice**"). Within fifteen (15) days after receipt of the Adjusted Rent Notice, Tenant may withdraw its exercise of Tenant's Option by giving notice to Director, in which event Tenant's exercise of Tenant's Option shall be null and void. In the event Tenant fails to give timely such withdrawal notice, Tenant will be deemed to have accepted the rent adjustment and it will not thereafter be entitled to withdraw its exercise of the Tenant's Option. In the event Tenant accepts the rent adjustment or is deemed to have accepted the rent adjustment, effective as of the first day of the Option Term, the Lease rent will be adjusted to equal the Adjusted Rent. In no event will the rent payable in the Option Term be less than the rent payable by Tenant in the last year of the base term of the Lease. Nothing herein shall limit any rights City may have to extend the term of the Lease.

If and to the extent the Lease provides for annual adjustments to rent based on Consumer Price Index (CPI) increases, enplanement increases, or otherwise, and if the Lease term is extended as provided herein, then the Adjusted Rent shall continue to be adjusted annually but the Adjusted Rent shall be the basis for such adjustment (rather than the MAG applicable to the first year of the Lease); and the base year and base index shall reference the data for the first year of the Option Term (rather than the data for the first year of the Lease).





Tenant Initials

City Initials

