

**Amendment No. 2 to Management/Concession Agreement with VIP Hospitality L.L.C.
for Operation of Lounge Services at Seattle-Tacoma International Airport**

This Amendment No. 2 to the Management Agreement for Operation of Lounge Services (“Amendment No. 2”) is made on the ____ day of March, 2013, by and between the Port of Seattle, a Washington municipal corporation (“Port”) and VIP Hospitality L.L.C. (“Contractor”).

Whereas, the Port has notified Contractor of the Port’s interest in exercising the option for a one-year extension of the March 2010 Management Agreement, which was amended by agreement dated June 17, 2011; and

Whereas, the Port wishes to further amend the March 2010 Management Agreement through this Amendment No. 2 to accomplish the following: (a) increase the Contractor’s base and incentive management fee in consideration for Contractor performing administrative tasks related to invoicing, preparing reports on customer payment status and collections of payments; and (b) release the Port’s interest in the vehicle purchased by the Contractor for use in the operation of lounge services and end the Port’s reimbursement of Contractor for costs associated with said vehicle.

Now, therefore, Port and Contractor agree to further amend the March 2010 Management Agreement as follows:

1. Modify Section 24(b) [Compensation to Contractor – Base Management Fee] so that the amount of the Base Management Fee is changed from \$73,150 to \$87,600 and the subsection reads as follows:
 - b. Base Management Fee. The Port will pay Contractor a Base Management Fee in the amount of \$87,600, which the Port and Contractor agree is a reasonable amount to cover the Contractor’s expenses associated with the cost of compensation, benefits and payroll taxes associated with employing a full-time manager dedicated to the Designated Lounge(s).
2. Modify Section 24(c) [Compensation to Contractor – Incentive Management Fee] so that the Incentive Management Fee schedule reads as follows:

Agreement Year 4 & 5

If GOPM is:	Share of NOI
Less than 35.0%	0.00%
Greater than or equal to 35.0% but less than 40%	3%
Greater than or equal to 40% but less than 45%	4%

Greater than or equal to 45% but less than 50%	6%
Greater than or equal to 50% but less than 55%	8%
Greater than or equal to 55% but less than 60%	10%
Greater than or equal to 60% but less than 65%	11%
Greater than or equal to 65% but less than 70%	12%
Greater than or equal to 70% but less than 75%	13%
Greater than or equal to 75%	14%

3. Replace Section 23 (Pre-Opening Responsibilities) with a new Section 23 titled “Administration of Invoicing and Collections” as follows:

23. Administration of Invoicing and Collections.

The Contractor shall assist the Port with invoicing airline customers and following up on collections. Contractor shall be responsible for management of the performance of administrative tasks related to invoicing airline customers on a monthly basis. In the event of late payments by customers, Contractor shall be responsible for following up through issuance of initial notices and second notices to customers of late payments. In the monthly operating statement provided by Contractor to the Port, Contractor shall report on invoicing of airline customers and issuance of initial and second notices to customers of any late payments. Contractor shall timely notify the Port of payments from airline customers that have become 30 days overdue so that the Port can take over the collection process.

Except as set forth in this Amendment No. 2, the terms of the March 2010 Management Agreement, as amended by Amendment No. 1, remain in full force and effect.

The parties hereto have signed this Agreement as of the day and year first above written.

VIP Hospitality L.L.C.

PORT OF SEATTLE

A Washington municipal corporation

By: _____

By: _____

Its: _____

Its: _____