

1 [Airport Lease Agreement - J. Avery Enterprises]

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3 **Resolution approving Amendment No. 1, retroactive to April 14, 2011, to Domestic**  
4 **Terminal Food and Beverage Lease No. 03-0192 with J. Avery Enterprises dba Klein’s**  
5 **Deli, and the City and County of San Francisco, acting by and through its Airport**  
6 **Commission.**

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8 WHEREAS, The Airport intends to close Boarding Area B in or around May 2011 for an  
9 unknown period; and

10 WHEREAS, The Airport will close Boarding Area E for approximately one year for  
11 major renovations; and

12 WHEREAS, J. Avery Enterprises operates Klein’s Deli in Boarding Areas B and E  
13 (“Original Premises”); and

14 WHEREAS, The closures of Boarding Areas B and E also requires the closure of the  
15 Original Premises; and

16 WHEREAS, The Airport Commission approved the terms for Amendment No. 1 to the  
17 Lease by Resolution No. 11-0084, which includes a change in the Premises, suspension and  
18 reinstatement of the Minimum Annual Guarantee and Tenant Infrastructure Fee, an extension  
19 of the Lease Term, and a reimbursement to the Tenant for unamortized cost of improvements  
20 for the Original Premises; now, therefore, be it

21 RESOLVED, That the Board of Supervisors hereby approves Amendment No. 1,  
22 retroactive to April 14, 2011, to Lease No. 03-0192 with J. Avery Enterprises, as follows:

- 23 1. The Boarding Area E Renovation Period commences on April 14, 2011 and ends  
24 when the Airport Director, in his sole and absolute discretion, determines that the  
25 renovations are complete.

- 1           2. Premises
- 2           • Expansion in Boarding Area E location from 642 square feet to 1,323 square
- 3           feet;
- 4           • Relocation of 518 square feet in Boarding Area B to 998 square feet in Boarding
- 5           Area F.
- 6           3. Replacement of the existing ten (10) year term with a new ten (10) year term, which
- 7           commences on the earlier of (i) the date both the Boarding Area E and Boarding
- 8           Area F locations are both open to the public, or (ii) airline tenants occupy the
- 9           majority of gates in Boarding Area E.
- 10          4. A reimbursement of unamortized construction costs calculated at \$136,576 for
- 11          Boarding Area B, and \$157,427 for Boarding Area E.
- 12          5. Minimum Annual Guarantee (“MAG”)
- 13          • Termination of the MAG associated with Boarding Area B;
- 14          • Suspension of the MAG associated with Boarding Area E and its reinstatement
- 15          upon the first day that airline tenants reoccupy the majority of gates at Boarding
- 16          Area E.
- 17          • Commencement of the MAG for Boarding Area F on the earlier of (i) the date the
- 18          space opens for business, or (ii) one hundred and twenty (120) days after
- 19          construction commences.
- 20          6. Tenant Infrastructure Fee
- 21          • Termination of the Tenant Infrastructure Fee associated with Boarding Area B.
- 22          • Suspension of the Tenant Infrastructure Fee during the Renovation Period and
- 23          its reinstatement upon the first day that airline tenants reoccupy the majority of
- 24          gates at Boarding Area E.
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1           FURTHER RESOLVED, That the Airport Director shall take all steps necessary to  
2 implement such Amendment No. 1 to the Lease, including execution of the appropriate  
3 documents.

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