

1 [Airport Concession Lease Amendment - Boarding Area B and C Books and News Store -  
2 Gateway Concessions, LLC]

3  
4 **Resolution Approving Amendment No. 1 to Boarding Area B and C Books and News**  
5 **Store Lease No. 04-0231 between Pacific Gateway Concessions, LLC, and the City and**  
6 **County of San Francisco, acting by and through its Airport Commission.**

7  
8 WHEREAS, Pursuant to Airport Commission (“Commission”) Resolution No. 04-0231  
9 adopted on December 7, 2004, the Airport entered into the Boarding Areas B and C Books  
10 and News Stores Lease (“Lease”) with DeLaVe, Inc., for a term of seven years with two one-  
11 year options to extend the term; and

12 WHEREAS, Pursuant to Resolution No. 05-0150 adopted August 2, 2005, the  
13 Commission consented to assign the Lease to Pacific Gateway Concessions, LLC (“PGC,  
14 LLC”); and

15 WHEREAS, The Airport wishes to exercise its right under Section 1.2 of the Lease and  
16 reclaim Space No. T1.2.057 in Boarding Area C measuring approximately 3,183 square feet,  
17 for the expansion of the Boarding Area C security checkpoint; now, therefore, be it

18 RESOLVED, This Commission hereby approves Amendment No. 1 to Boarding Areas  
19 B and C Books and News Store Lease No. 04-0231, which (1) decreases the Leased  
20 premises to approximately 1,482 square feet, (2) reduces the Minimum Annual Guarantee  
21 (“MAG”) to \$69,960, (3) approves the calculation of future annual MAG adjustments using an  
22 initial MAG of \$69,960, (4) decreases the annual promotional charge, (5) decreases the initial  
23 promotional charge used when calculating the future promotional charge adjustments, and (6)  
24 approves a reimbursement to Pacific Gateway Concessions, in an amount not to exceed  
25 \$59,047.00, for the unamortized cost of its build-out in the form of a rental credit; and, be it

1           FURTHER RESOLVED, That the Board of Supervisors hereby approves Amendment  
2 No. 1 to the Boarding Areas B and C Books and News Stores Lease No. 04-0231, copies of  
3 which are contained in Board of Supervisors' File No. 120160

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25