

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

3
4 **Resolution retroactively approving Amendment No. 1 to Boarding Area B and C Books**
5 **and News Store Lease No. 04-0231 between Pacific Gateway Concessions, LLC, and**
6 **the City and 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 retroactively approves,
2 to October 1, 2011, Amendment No. 1 to the Boarding Areas B and C Books and News
3 Stores Lease No. 04-0231, copies of which are contained in Board of Supervisors' File No.
4 120160.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25