

**AMENDMENT NO. 4 TO
BOARDING AREAS "B" AND "C" PRINCIPAL CONCESSION RETAIL
LEASE NO. 98-0228
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS AMENDMENT NO. 4 TO BOARDING AREAS "B" AND "C" PRINCIPAL CONCESSION RETAIL LEASE NO. 98-0228 AT THE SAN FRANCISCO AIRPORT ("Amendment No. 4"), dated as of _____, for reference purposes only, is entered by and between the between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting by and through the SAN FRANCISCO AIRPORT COMMISSION (the "Airport"), as landlord, and PACIFIC GATEWAY CONCESSIONS, LLC, as tenant ("Tenant").

RECITALS

A. The Airport and Tenant entered into Lease No. 98-0228, dated September 15, 1998 (the "Lease") for those certain retail spaces located at the Airport in Boarding Area "B" and Boarding Area "C" of Terminal 1 (the "Premises"). The Lease was previously approved by the Airport Commission pursuant to Resolution No. 98-0228 adopted on September 15, 1998, and by Board of Supervisors Resolution No. 1005-98 adopted on December 7, 1998.

B. The Lease was subsequently amended pursuant to Amendment No. 1 approved by Airport Commission Resolution No. 02-0039 adopted February 19, 2002, and by Board of Supervisors Resolution No. 552-02 adopted on August 12, 2002, which authorized the Director to implement the Concession Support Program ("CSP") giving Tenant one option to extend the Lease term by five (5) years ("CSP Option Term"). Tenant exercised the CSP Option Term, which expired on June 17, 2009.

C. The Lease was further amended pursuant to Amendment No. 2 approved by Airport Commission Resolution No. 03-0164 adopted on September 16, 2003, and by Board of Supervisors Resolution No. 65-04 adopted on February 3, 2004, which adjusted the Premises.

D. The Lease was further amended pursuant to Amendment No. 3 approved by Airport Commission Resolution No. 09-0132 adopted May 22, 2009, and by Board of Supervisors Resolution No. 344-09 adopted on August 11, 2009, which extended the Lease to June 17, 2012, adjusted the Minimum Annual Guarantee ("MAG"), and required a refurbishment of the premises.

E. The phasing schedule for the renovation of Terminal 1 is slated between mid-2015 and mid-2016, and the interim plan for gate usage by airlines in Boarding Area B is not yet defined. The Airport and Tenant wishes to maintain the high level of service in Terminal 1 until the Terminal 1 renovation plan is settled.

F. The Airport and Tenant have agreed to modify certain terms of the Lease during the holdover period, as approved by Airport Commission Resolution No. 11-0151 adopted on June 30, 2011, as set forth below.

G. All capitalized terms not otherwise defined herein shall have the same meaning given to them in the Lease.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, City and Tenant hereby agree to amend the Lease as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
2. **Effective Date.** The effective date of the modifications to the Lease contained in shall be June 18, 2012.
3. **Term.** The Airport Commission, in its sole and absolute discretion, shall have one option to extend the term by two years, commencing on June 18, 2012, with two one-year extensions thereafter. This Lease extension shall expire no later than June 17, 2016. Either party may terminate the Lease at the end of the first option upon advance written notice to the other of no less than sixty (60) days.
4. **Entire Agreement.** This Amendment No. 4 contains all of the representations and the entire agreement between the parties with respect to the subject matter of this agreement. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to the subject matter of the Amendment No. 4 are superseded in their entirety by this Amendment No. 4. No prior drafts of this Amendment No. 4 or changes between those drafts and the executed version of this Amendment No. 4 shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider such drafts in interpreting this Amendment No. 4.
5. **Miscellaneous.** This Amendment No. 4 shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Amendment No. 4 is made for the purpose of setting forth certain rights and obligations of Tenant and the Airport, and no other person shall have any rights hereunder or by reason hereof as a third party beneficiary of otherwise.

Each party hereto shall execute, acknowledge and deliver to each other party all documents, and shall take all actions, reasonably requested by such other party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Amendment No. 4. This Amendment No. 4 may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. No provision of this Amendment No. 4 that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all provisions hereof are hereby declared to be severable. Time is of the essence of this Amendment No. 4. This Amendment No. 4 shall be governed by the laws of the State of California. Neither this Amendment No. 4 nor any of the terms hereof may be amended or modified except by a written instrument signed by all the parties hereto.

6. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Lease shall remain in full force and effect.

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

TENANT: Pacific Gateway Concessions, LLC,
a limited liability company

By: 

Name: Frank Delo Cruz
(type or print)

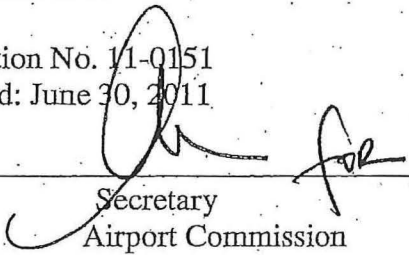
Title: Managing Member

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

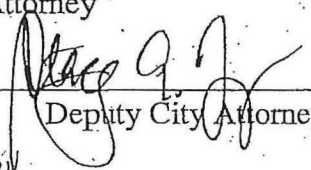

John L. Martin
Airport Director

AUTHORIZED BY AIRPORT
COMMISSION

Resolution No. 11-0151
Adopted: June 30, 2011

Attest: 
Secretary
Airport Commission

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

By: 
Deputy City Attorney

2011.07.21

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