

**AMENDMENT NO. 1 TO
TERMINAL 1 BOARDING AREA C RETAIL LEASE NO. 09-0093
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS AMENDMENT NO. 1 TO TERMINAL 1 BOARDING AREA C RETAIL LEASE NO. 09-0093 AT THE SAN FRANCISCO AIRPORT ("Amendment No. 1"), dated as of _____, for reference purposes only, is entered by and 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 HUDSON NEWS COMPANY, as tenant ("Tenant").

RECITALS

A. The Airport and Hudson News Company entered into Lease No.09-0093 (the "Lease"), dated as of May 5, 2009, for those certain retail spaces located at the Airport in Terminal 1, Boarding Area C (the "Premises"). The Lease was awarded by the Airport Commission pursuant to Resolution No. 09-0093, and approved by the Board of Supervisors pursuant to Resolution No. 313-09.

B. The Premises was originally comprised of three locations measuring approximately 3,789 square feet. One location by Gate 40 measuring approximately 1,996 square feet (Hudson News/Discover San Francisco), one location by Gate 43 measuring approximately 1,283 square feet (The Gallerie) and one location by Gate 47 measuring approximately 510 square feet (Hudson Newsstand).

C. The Airport and Tenant have agreed to modify certain terms of the Lease as set forth below.

D. 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 this Amendment No. 1 shall be the date the Airport Director executes this Amendment No. 1 following approval from the San Francisco Board of Supervisors.

3. **Premises.** Exhibit A of the Lease is hereby deleted and replaced with the Exhibit A attached to this Amendment No. 1 in order to effectuate the following changes to the Premises:

- a. Remove the Gallerie premises by Gate 43.

The modified Premises shall be comprised of two (2) locations totaling approximately 2,506 square feet.

4. **Minimum Annual Guarantee.** The Minimum Annual Guarantee is adjusted to \$1,032,973.20 to reflect the reduced square footage of the Premises. The adjusted MAG may be increased from time to time pursuant to the terms of the Lease.

5. **Annual Promotional Charge.** The Promotional Charge is adjusted to \$2,506.00 per year to reflect the reduced square footage of the Premises. The adjusted Promotional Charge may be increased from time to time pursuant to the terms of the Lease.

6. **Reimbursement.** The Airport will reimburse Tenant for unamortized construction costs related to the Gallerie in the amount of \$173,022.24.

7. **Entire Agreement.** This Amendment No. 1 contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Amendment No. 1. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to the subject matter of the Amendment No. 1 are superseded in their entirety by this Amendment No. 1. No prior drafts of this Amendment No. 1 or changes between those drafts and the executed version of this Amendment No. 1 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. 1.

8. **Miscellaneous.** This Amendment No. 1 shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Amendment No. 1 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. 1. This Amendment No. 1 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. 1 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. 1. This Amendment No. 1 shall be governed by the laws of the State of California. Neither this Amendment No. 1 nor any of the terms hereof may be amended or modified except by a written instrument signed by all the parties hereto.

9. **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 Amendment as of the Effective Date.



TENANT: Hudson News Company

By: 

Name: **Michael R. Mullaney**
Executive Vice President

Title: **Corporate Strategy & Development**

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

John L. Martin
Airport Director


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AUTHORIZED BY AIRPORT
COMMISSION

Resolution:
Adopted:

Attest: _____
Secretary
Airport Commission

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

By: 
Deputy City Attorney

**EXHIBIT A
PREMISES**

A total of two (2) facilities, comprising approximately 2,506 square feet of retail space located in Terminal 1, Boarding Area C, San Francisco International Airport, as described on the attached drawings, broken down as follows:

<u>Space No.</u>	<u>Terminal</u>	<u>Square Feet</u>
C.2.005	1	1,996
C.2.029	1	510