

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 17-0033

**APPROVAL OF AMENDMENT NO. 1 TO THE INTERNATIONAL TERMINAL AND
TERMINAL 3 NEWSSTANDS/CAFE LEASE NO. 12-0085 WITH WORLD DUTY FREE
GROUP NORTH AMERICA, LLC, AND DIRECTING THE COMMISSION SECRETARY
TO FORWARD AMENDMENT NO. 1 TO THE BOARD OF SUPERVISORS FOR
APPROVAL**

WHEREAS, pursuant to Resolution No. 12-0085, adopted on April 17, 2012, the Commission awarded the International Terminal and Terminal 3 Newsstands/Cafe Lease No. 12-0085 ("Lease") to Host International, Inc.; and

WHEREAS, the Commission consented to an assignment of the Lease from Host International, Inc. to World Duty Free Group North America, LLC ("WDFG") through Resolution No. 13-0242 on November 12, 2013; and

WHEREAS, the improvements associated with the International Terminal Passenger Screening Checkpoint Expansion Project will impact the concessions operated by WDFG under the Lease and will require the relocation of WDFG's two San Francisco Chronicle News stores and its Starbucks café, and will require closure of one of its San Francisco Travel News stores, which will result in an approximate net 10% reduction of the square footage of the leased premises; and

WHEREAS, WDFG will be responsible for the cost of building out the new concession spaces upon relocation and the Airport will reimburse WDFG for certain unamortized construction costs related to the original build-outs of the concessions that will be relocated; now, therefore, be it

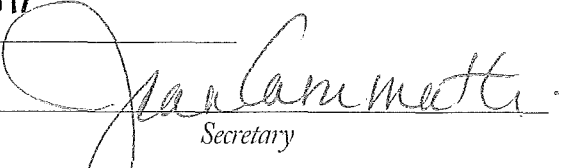
RESOLVED, that this Commission hereby approves Amendment No. 1 to the Lease (the "Amendment"), which (1) reduces the square footage of the WDFG leasehold space by approximately 11%, (2) reimburses WDFG for unamortized construction costs in an amount not to exceed \$937,961.00 in the form of a rental credit, and (3) reduces the Minimum Annual Guarantee portion of the rent and the annual Promotional Charge in proportion to the net reduction in the square footage of the premises; and, be it further

RESOLVED, that this Commission hereby directs the Commission Secretary to forward the Amendment to the Board of Supervisors for approval pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

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Secretary