

**AMENDMENT NO. 1 TO
TERMINAL 3 NEWS AND SPECIALTY STORE LEASE NO. 11-0210
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS AMENDMENT NO. 1 TO TERMINAL 3 NEWS AND SPECIALTY STORE LEASE NO. 11-0210 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 GROUP (HG) Retail, LLC, as tenant ("Tenant").

RECITALS

A. The Airport and Hudson Group, (HG) Retail, LLC entered into Lease No.11-0210, dated April 23, 2012 for those certain retail spaces located at the Airport in Terminal 3, Boarding Area F (the "Premises"). The Lease was previously approved by the Airport Commission pursuant to Resolution No. 11-0210, and by the Board of Supervisors pursuant to Resolution No. 86-12.

B. The premises is comprised of three locations measuring approximately 2,574 square feet. One location by Gate 74 measuring approximately 1,263 square feet (Hudson Newsstand), one location by Gate 76 measuring approximately 603 square feet (SF News Magazine) and one location by Gate 80 measuring approximately 708 square feet (Fickle Bag).

C. The Airport and Tenant have agreed to modify certain terms of the lease during the remainder of the term, 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. **Full Rent Commencement Date; Commencement of Operating Term; Expiration Date.** The Full Rent Commencement Date and the commencement of the seven (7) year Operating Term, as such terms are defined in the Lease, shall be _____, 2015. The Expiration Date of the Lease shall be _____, 2022.

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. Reduce the Hudson Newsstand premises by Gate 74 from approximately 1,263 square feet to approximately 690 square feet, and
- b. Relocate the Fickle Bag premises to Space F.2.012, which results in an increase in the Fickle Bag premises of approximately 8 square feet.

The modified Premises shall be comprised of three (3) locations totaling approximately 2,009 square feet.

4. **Fickle Bag Build-Out.** The new Fickle Bag space is expected to become available on or around April 1, 2015, at which time Hudson shall, at its sole cost and expense and in compliance with Section 7 of the Lease, perform all initial improvements necessary for Hudson to open the Fickle Bag for business on or prior to the Full Rent Commencement Date. Hudson shall vacate the original Fickle Bag space in accordance with the surrender and restoration requirements under the Lease on or before _____, 2015.

5. **Minimum Annual Guarantee.** As of the Full Rent Commencement Date, the Minimum Annual Guarantee shall be adjusted to \$554,925.98 reflecting the change of the Premises. The adjusted MAG shall be used as the Initial MAG in calculating future MAG adjustments.

6. **Annual Promotional Charge.** As of the Full Rent Commencement Date, the Promotional Charge will decrease to \$2,009.00 per year to reflect the reduced square footage. The adjusted Promotional Charge shall be used as the initial Promotional Charge in calculating future adjustments to the annual Promotional Charge.

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 agreement. 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.

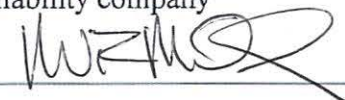
9. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Lease shall remain in full force and effect.

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

TENANT: Hudson Group (HG) Retail, LLC,
a limited liability company

By: 

Name: **Michael R. Mullaney**

Title: **Executive Vice President
Corporate Strategy & Development**

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

John L. Martin ω 4
Airport Director

AUTHORIZED BY AIRPORT
COMMISSION

Resolution:
Adopted:

Attest: _____
Secretary
Airport Commission

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

By: 
Deputy City Attorney ω

**EXHIBIT A
PREMISES**

A total of three (3) facilities, comprising approximately 2,009 square feet of retail space located in Terminal 3, Boarding Area F, 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>
T3.2.076	3	690
F.2.201	3	603
F.2.012	3	716