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AMENDMENT NO. 2 TO SFO CONCESSION LEASE
[Specialty Retail Rent Reduction Program]

This LEASE AMENDMENT NO. 2 TO TERMINAL 1 RETAIL CONCESSION LEASE 4, LEASE NO. 18-0205 (this "**Amendment**") is dated as of the Effective Date (as defined below) and entered into by and between L'Occitane Airport Venture, LLC ("**Tenant**") and City and County of San Francisco ("**City**"), acting by and through its Airport Commission ("**Commission**").

RECITALS:

A. On July 10, 2018, by Resolution No. 18-0205, the Commission awarded to Tenant the Terminal 1 Retail Concession Lease 4 (as amended, the "**Lease**") at San Francisco International Airport ("**Airport**"). The Lease was previously amended as follows:

(i) Amendment No. 1 dated March 9, 2021, authorized on October 6, 2020, by Commission Resolution No. 20-0180 and on January 5, 2021 by Board of Supervisors Resolution No. 5-21.

B. On October 15, 2024, by Resolution No. 24-0222, the Commission authorized the Airport Director to implement the Specialty Retail Minimum Annual Guarantee Rent Reduction Program (the "**Specialty Retail Rent Reduction Program**") for 17 specialty retail leases at the Airport, including this Lease. In recognition that these specialty retail leases currently have an abnormally high rent as a percentage of sales brought about by a significant and ongoing drop in per passenger spending, the Specialty Retail Rent Reduction Program offers a one-time MAG reset, and going forward, a new methodology for annual MAG adjustments that is more in line with common industry practice for such leases.

C. On February 25, 2025, by Resolution No. 062-25, the Board of Supervisors approved this Amendment pursuant to City Charter Section 9.118.

D. All capitalized terms used in this Amendment and not otherwise defined have the meaning provided 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 enter into this Amendment as follows:

AGREEMENT:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth in this Amendment.

2. Effective Date. This Amendment shall be deemed effective upon the date of execution by City after receipt of all required approvals of City, [including the approval of the

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Board of Supervisors], as set forth below on the signature page to this Amendment (the "**Effective Date**").

3. Amendments

(a) **One-Time Minimum Annual Guarantee Adjustment.** The Minimum Annual Guarantee for Lease Year 2025, also known as Calendar Year 2025, shall be $63,262.88 (the "**Adjusted MAG Amount**"), which is the lesser of the Calendar Year 2024 MAG $153,455.00 or $63,262.88, which is 16% of Tenant's Gross Revenues for Calendar Year 2023 $395,393.00. After the foregoing adjustment, the first adjustment to the Minimum Annual Guarantee pursuant to Section 4.3 of the Lease (as amended by Section 3(c) below) shall be made to the Adjusted MAG Amount. For the avoidance of doubt, references in the Lease shall be deemed to refer to the Adjusted MAG Amount, as adjusted pursuant to the terms of the Lease.

(b) **Deletion of Defined Terms.** Articles 4.1(f) "Consumer Price Index", 4.1(g) "Base Index" and 4.1(h) "Comparison Index" of the Lease are deleted in their entirety.

(c) **Adjustments to Minimum Annual Guarantee.** The provisions of Section 4.3 are deleted in their entirety and replaced with the following:

> "On each MAG Adjustment Date, the Minimum Annual Guarantee with respect to the upcoming Lease Year shall be the greater of the existing Minimum Annual Guarantee or eighty-five (85%) of Base Rent for the prior Lease Year. Notwithstanding anything to the contrary herein, in no event will the Minimum Annual Guarantee for any Lease Year starting with Lease Year 2026 be lower than the Minimum Annual Guarantee with respect to the prior Lease Year."

4. Accessibility Disclosure. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist ("**CASp**") to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is hereby advised that the Premises have not been inspected by a CASp. Pursuant to California Civil Code Section 1938(e), City provides the following disclosure to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In the event Tenant elects to obtain a CASp inspection of the Premises, Tenant shall provide notice of such to City, and Tenant agrees that Tenant shall bear the cost of the inspection and any necessary repairs within the Premises.

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5. Miscellaneous.

(a) No Other Modifications. Except as expressly changed by this Amendment, all of the terms and conditions of the Lease shall remain unchanged and in full force and effect.

(b) Counterparts and Electronic Signatures. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Amendment may be executed and delivered by electronic signature (including portable document format) by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received.

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

(d) Board of Supervisors Approval. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT, TENANT ACKNOWLEDGES AND AGREES THAT NO CITY OFFICER OR EMPLOYEE HAS AUTHORITY TO COMMIT CITY TO THIS AMENDMENT UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS HAS DULY ADOPTED A RESOLUTION APPROVING THIS AMENDMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY CITY OBLIGATIONS OR LIABILITIES UNDER THIS AMENDMENT ARE CONTINGENT ON ADOPTION OF A RESOLUTION, AND THIS AMENDMENT WILL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS AMENDMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS AMENDMENT BY ANY CITY DEPARTMENT, COMMISSION, OR AGENCY WILL NOT BE DEEMED TO IMPLY THAT A BOARD RESOLUTION WILL BE ADOPTED, AND NO APPROVAL WILL CREATE ANY BINDING CITY OBLIGATIONS.

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

TENANT:

L'Occitane Airport Venture, LLC

By: Signed by: EB8259A09D6B45F...

Name: Paul Blackburn

Title: VP, Retail Development, Americas

CITY:

CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Airport Commission

By: DocuSigned by: Mike Nakornkhet

Name: Mike Nakornkhet

Title: Airport Director

Effective Date (to be inserted by City only): 3/13/2025

Authorized by Commission Resolution No. 24-0222 on October 15, 2024, and Resolution No. 062-25 finally passed by the San Francisco Board of Supervisors on February 25, 2025.

Attest:

DocuSigned by:

Director of Commission Affairs

APPROVED AS TO FORM:
DAVID CHIU,
City Attorney

By: DocuSigned by: Chris Stuart

Christopher W. Stuart
Deputy City Attorney