

**AMENDMENT NO. 1
TO THE INTERNATIONAL TERMINAL
AND TERMINAL 3 NEWSSTANDS/CAFÉ LEASE NO. 12-0085
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS AMENDMENT NO. 1 TO INTERNATIONAL TERMINAL AND TERMINAL 3 NEWSSTANDS/CAFÉ LEASE NO. 12-0085 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 WDFG NORTH AMERICA, LLC, a Delaware limited liability company, as tenant ("Tenant").

RECITALS

A. The Airport and Host International, Inc. entered into Lease No. 12-0085 (the "Lease"), dated as of April 17, 2012, for those certain retail spaces located at the Airport in the International Terminal and Terminal 3. The Lease was awarded by the Airport Commission pursuant to Resolution No. 12-0085, and approved by the Board of Supervisors pursuant to Resolution No. 102-13.

B. The Airport Commission consented to an assignment of the Lease from Host International, Inc. to Tenant through Resolution 13-0242 on November 12, 2013.

C. The leased premises was originally comprised of four locations measuring approximately 5,617 square feet, plus an optional 400 square feet for seating area as follows:

- Space A: 2,353 square feet pre-security of International Terminal A (San Francisco Chronicle News);
- Space B: 1,360 square feet pre-security of International Terminal G (San Francisco Chronicle News);
- Space C: 1,435 square feet pre-security of International Terminal G, plus an optional 400 square feet designated for seating (Starbucks and San Francisco Travel News); and
- Space D: 469 square feet in Terminal 3 (San Francisco Travel News).

D. As part of the Airport's ongoing facilities improvement efforts, on or about October 2018 the Airport will begin renovation and expansion of the International Terminal security screening checkpoints, and a contraction and repurposing of Tenant's original premises is required.

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

F. 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 this Amendment No. 1 is the date the Airport Director executes this Amendment No. 1 following approval of the San Francisco Board of Supervisors.
3. **Premises.** Exhibit A of the Lease is deleted and replaced with the Exhibit A attached to this Amendment No. 1 in order to effectuate the following changes to the Premises:
 - a. Space A – relocation of the International Terminal A San Francisco Chronicle News to the space currently operated by another tenant as InMotion Entertainment.
 - b. Space B – relocation of the International Terminal G San Francisco Chronicle News to the space currently operated by another tenant as Burger Joint.
 - c. Space C – relocation of the Starbucks to Space B, and closure of accompanying San Francisco Travel News.
 - d. Space D – no changes other than to reflect the current square footage of the space.

Following completion of the space modifications referenced in subsections a – d above, the Premises under the Lease as modified by this Amendment No. 1 shall be comprised of four (4) locations totaling approximately 4,999 square feet as detailed in Exhibit A.

In accordance with subsections a – d above, Tenant will close its existing spaces and the Airport will deliver the replacement spaces to Tenant in phases on a timeline to be determined by the Airport Director or his designee based on project construction schedules. Upon delivery of each space, Tenant, at Tenant's sole cost and expense, will build out the space for its operations in accordance with the terms of the Lease.

4. **Minimum Annual Guarantee.** During the phased relocation of the Premises, the Minimum Annual Guarantee will be increased or decreased, as the case may be, pro rata, to reflect the increase or decrease, as the case may be, in the size of the replacement premises as compared to the original premises. Upon completion of the aforementioned relocations and Tenant's commencement of operations in the relocated spaces, the Minimum Annual Guarantee will be adjusted to \$669,616.05 to reflect the reduced square footage of the Premises. Annual adjustments to the Minimum Annual Guarantee based on the Consumer Price Index made in

accordance with Section 4.3 of the Lease will be prorated based on the modified square footage of the Premises.

5. **Annual Promotional Charge.** Upon completion of the aforementioned relocations and Tenant's commencement of operations in the relocated spaces, the Promotional Charge will be adjusted to \$4,999.00 per year to reflect the reduced square footage of the Premises.

6. **Reimbursement.** Subsequent to Tenant vacating both Space A and Space C and closing the newsstand in Space B, the Airport will reimburse Tenant for unamortized construction costs related to Spaces A, B, and C in an amount not to exceed \$937,961.00 through a rental credit.

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. **Lease Assumption.** Following the assumption of the Lease by the World Duty Free Group organization on November 12, 2013, lease documents have referred to the tenant entity by various names, including World Duty Free Group North America, LLP; WDFG North America, LLP; World Duty Free Group North America, LLC; and WDFG North America, LLC. The parties hereby agree that WDFG North America, LLC is the correct tenant entity, and for avoidance of doubt, WDFG North America, LLC hereby assumes all obligations accruing under the Lease on and after November 12, 2013.

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

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of the Effective Date.



TENANT: **WDFG North America, LLC,**
a Delaware limited liability company

By: 

Name: Roger Fordyce
(type or print)

Title: Exec VP/C.O.O.

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

 Ivar C. Satero
Airport Director 

AUTHORIZED BY AIRPORT
COMMISSION

Resolution:
Adopted:

Attest: _____
Secretary
Airport Commission

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

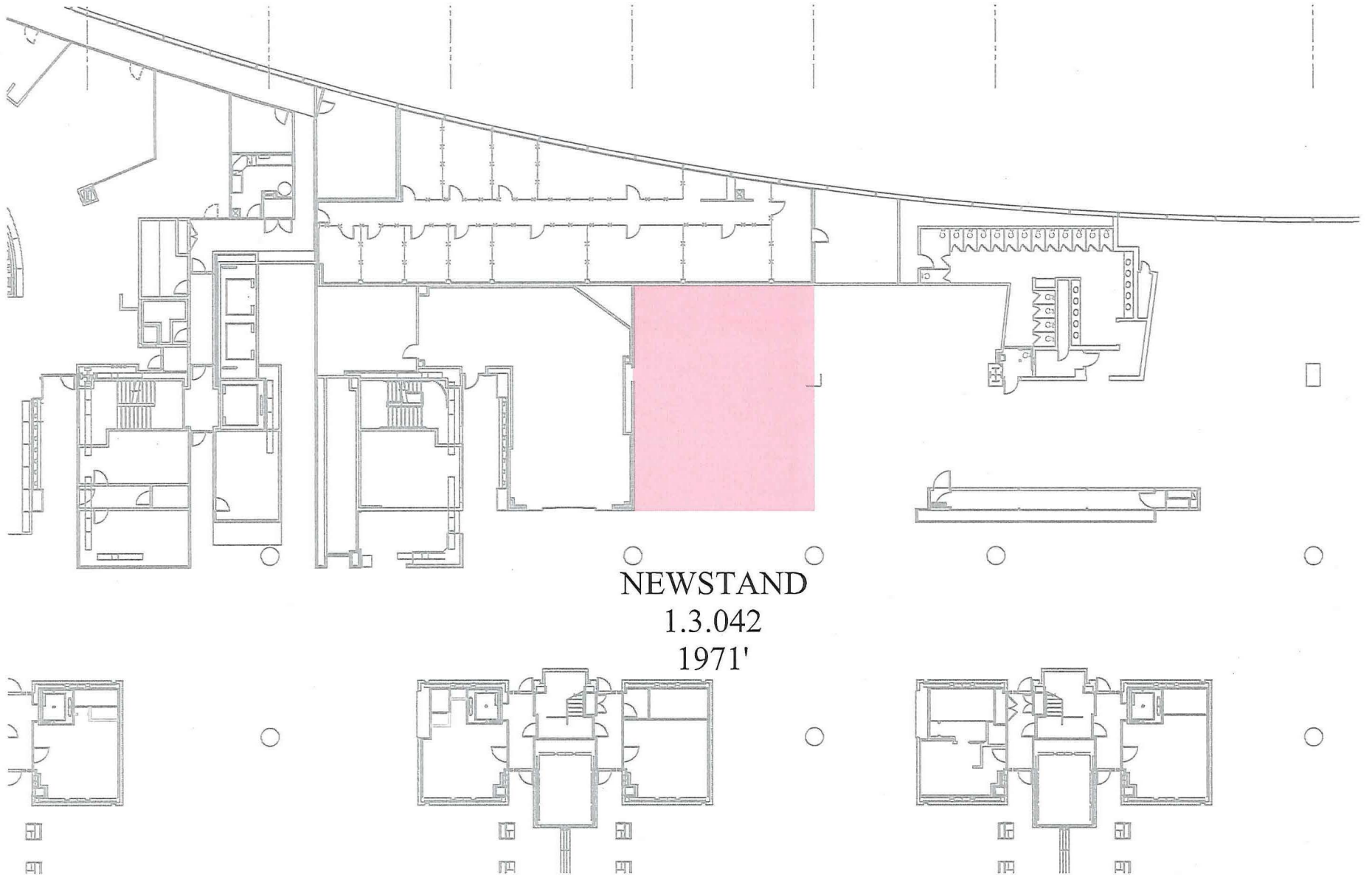
By: 
Deputy City Attorney

X:\TENANTS\WDFG_Host\Agreements\Leases\WDFG Lease 12-0085 Amendment 1.docx

EXHIBIT A PREMISES

A total of four (4) facilities, comprising approximately 4,999 square feet of retail space located in the International Terminal and Terminal 3, at the San Francisco International Airport, as described on the attached drawings, broken down as follows:

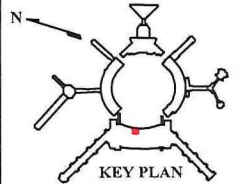
<u>Space No.</u>	<u>Terminal</u>	<u>Square Feet</u>
Space A	International	1,971
Space B	International	800
Space C	International	1,360
Space D	3	868

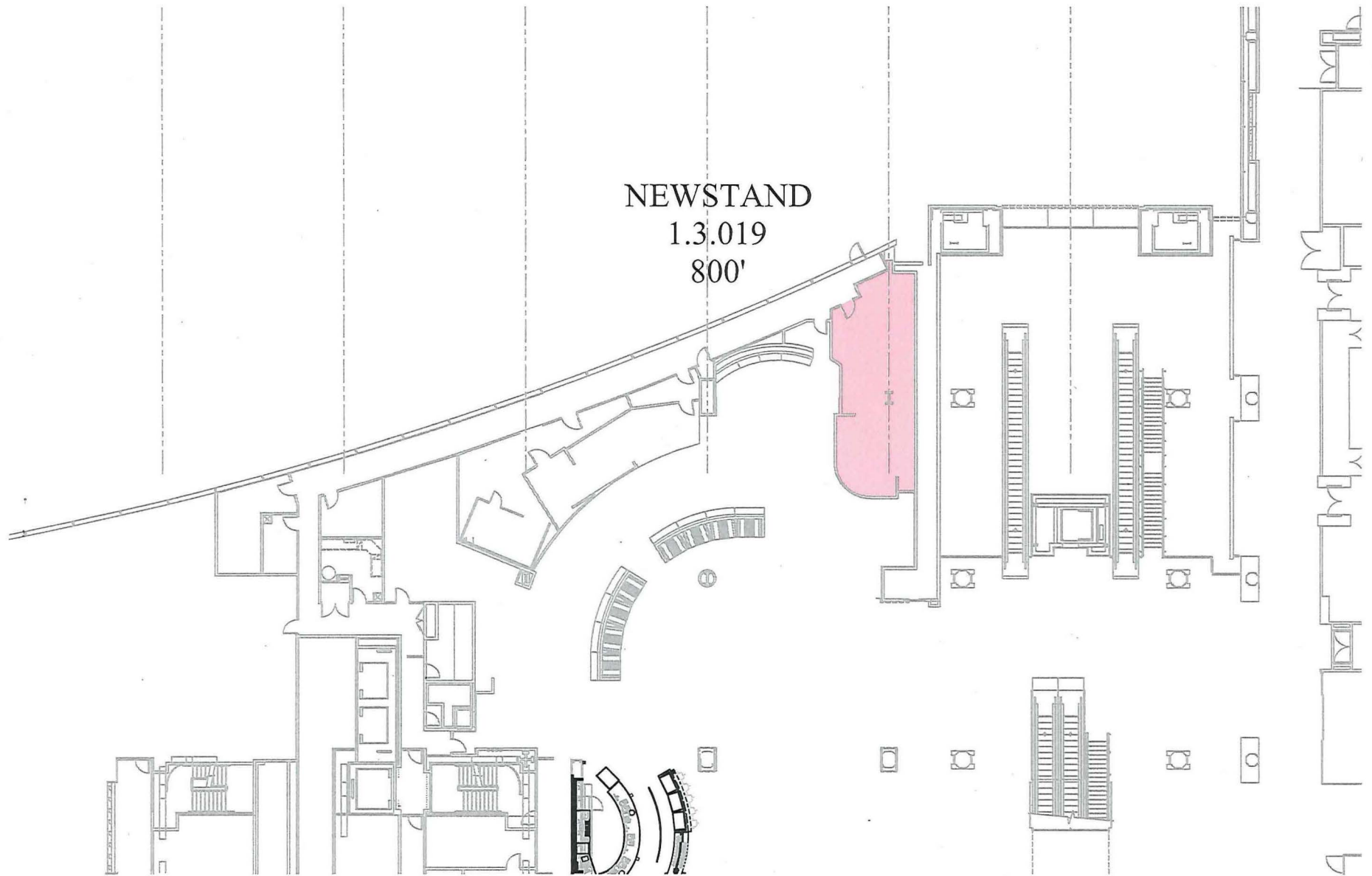


NEWSTAND
1.3.042
1971'

LEASE DRAWING

LEASE DRAWING		ROOM NUMBER	AREA	CAT	CONTRACT	EFF. DATE
LOCATION: INTERNATIONAL TERMINAL, LEVEL 3		1.3.042	1971'	I	L12-0085	
TENANT: NEWSTAND						
AIRPORT COMMISSION	DWG: ITB3NEWS2					
CITY & COUNTY OF SAN FRANCISCO	DATE: 02/07/2017					
SAN FRANCISCO INTERNATIONAL AIRPORT	SCALE: NTS					





LEASE DRAWING

LOCATION: INTERNATIONAL TERMINAL, LEVEL 3

TENANT: NEWSTAND

AIRPORT COMMISSION

DWG: ITB3NEWS

CITY & COUNTY OF SAN FRANCISCO

DATE: 02/07/2017

SAN FRANCISCO INTERNATIONAL AIRPORT

SCALE: NTS

ROOM NUMBER

I.3.019

AREA

800'

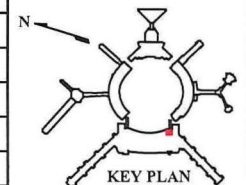
CAT

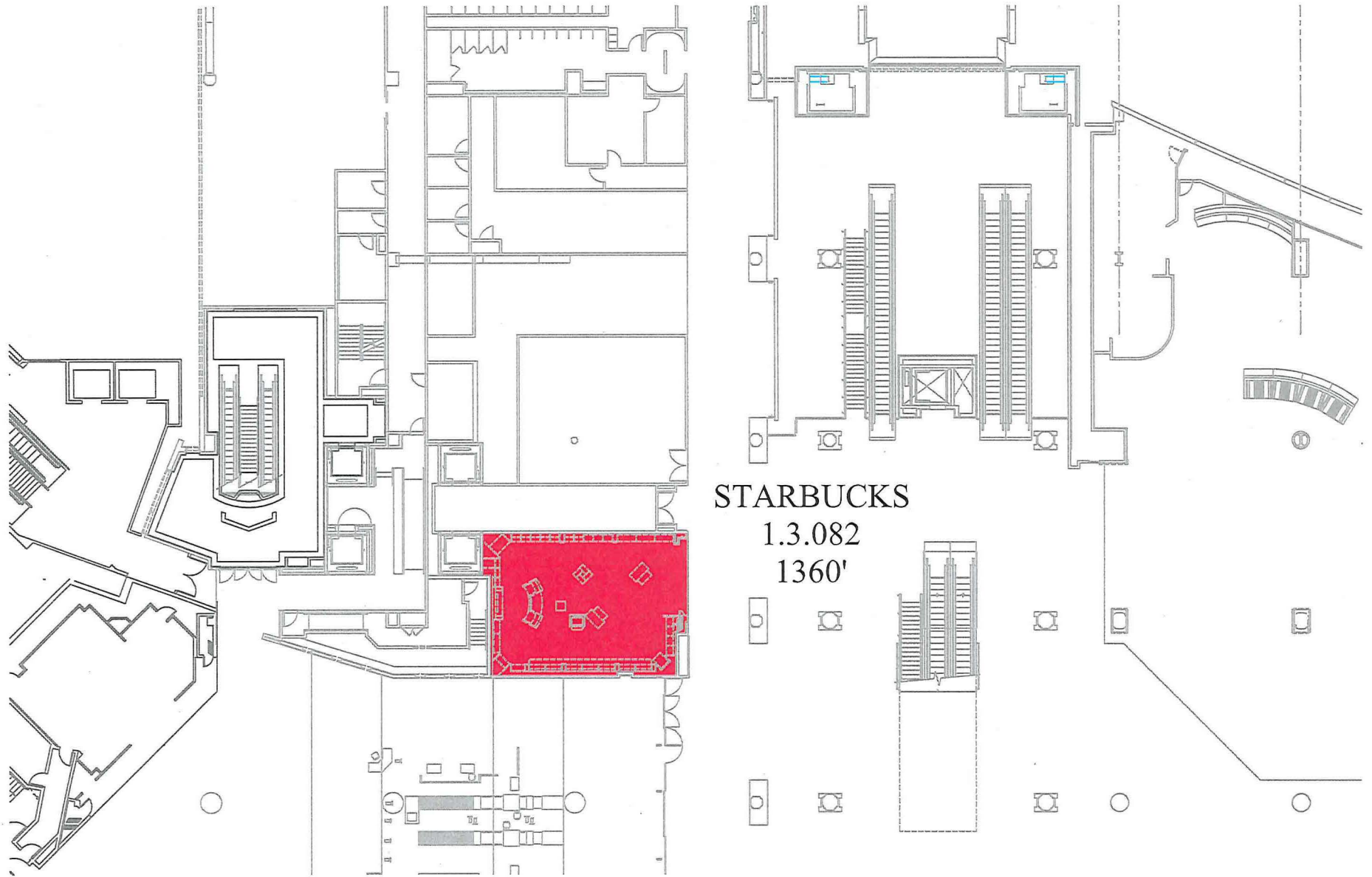
I

CONTRACT

L12-0085

EFF. DATE





LEASE DRAWING

LOCATION: INTERNATIONAL TERMINAL, LEVEL 3

TENANT: STARBUCKS

AIRPORT COMMISSION

DWG: ITB3STARBUCKS

CITY & COUNTY OF SAN FRANCISCO

DATE: 02/07/2017

SAN FRANCISCO INTERNATIONAL AIRPORT

SCALE: NTS

ROOM NUMBER

1.3.082

AREA

1360'

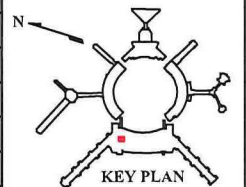
CAT

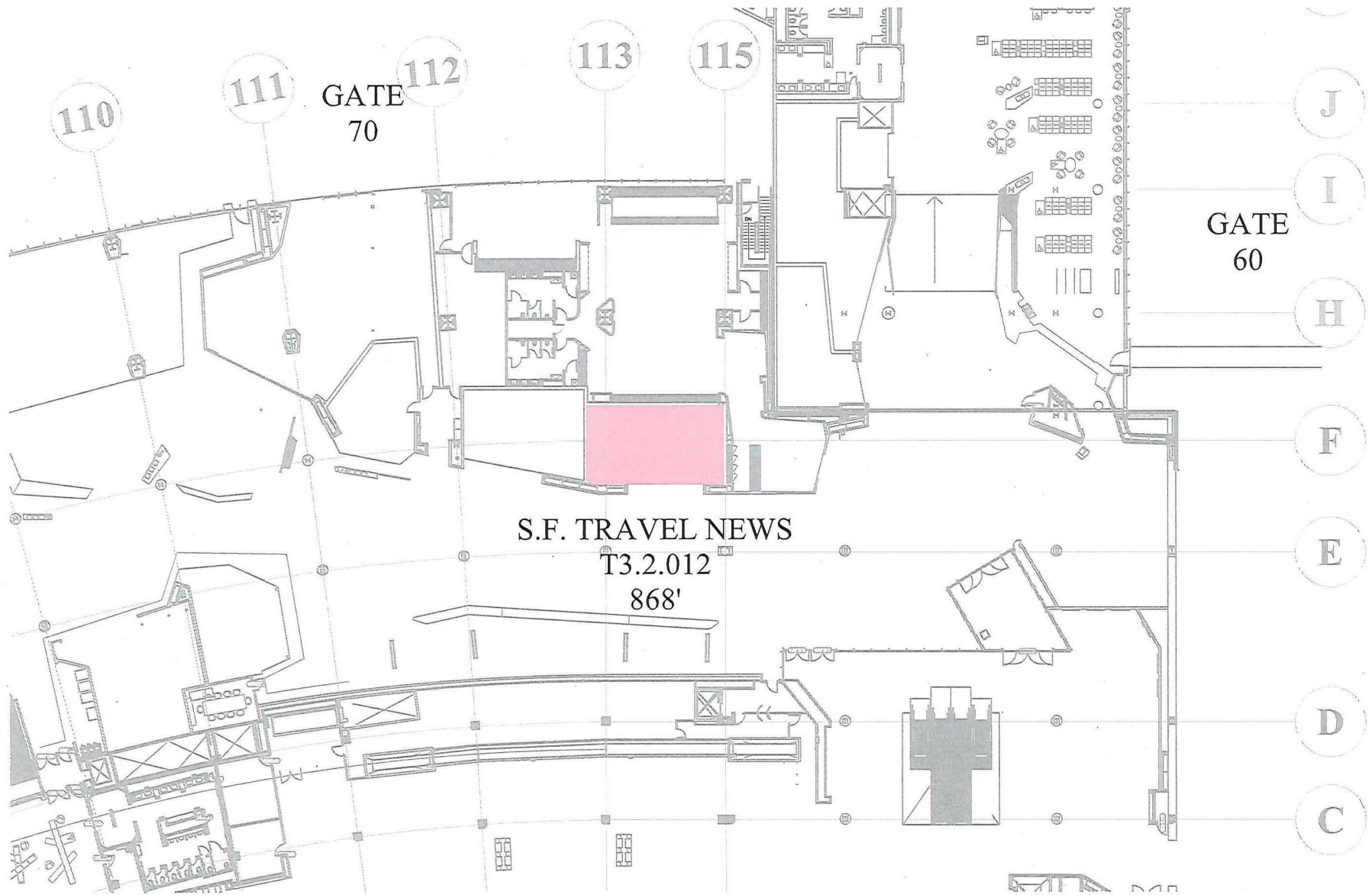
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CONTRACT

L12-0085

EFF. DATE





LEASE DRAWING

LOCATION: TERMINAL 3 LEVEL 2

TENANT: WDFG WORLD DUTY FREE GROUP

AIRPORT COMMISSION

DWG: T3L2WDFGNEWS

CITY & COUNTY OF SAN FRANCISCO

DATE: 02/08/15

SAN FRANCISCO INTERNATIONAL AIRPORT

SCALE: NTS

ROOM NUMBER

T3.1.012

AREA

868'

CAT

I

CONTRACT

L12-0085

EFF. DATE

12/01/2015

