

Summary
Board Bill Number 117
Introduced by Alderman Shane Cohn
December 12, 2025

This Board Bill authorizes and directs the Director of Airports and Comptroller of the City to execute the “Second Amendment to Electronics Retail Concession Agreement” (AL-214). This Board Bill contains a severability clause.

BOARD BILL NUMBER 117 INTRODUCED BY ALDERMAN SHANE COHN

1 An Ordinance recommended and approved by the Airport Commission, and Board of
2 Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller
3 of The City of St. Louis, owner and operator of the St. Louis Lambert International Airport, to enter
4 into and execute the Second Amendment to Electronics Retail Concession Agreement (AL-214),
5 authorized by Ordinance Numbers 70144 and 71579, between the City and HG-St. Louis JV, II; and
6 containing a severability clause.

7 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

8 **SECTION ONE.** The Director of Airports and Comptroller of the City of St. Louis (the
9 "City"), are hereby authorized and directed to enter into and execute on behalf of the City, the "Second
10 Amendment to Electronics Retail Concession Agreement (AL-214)," originally authorized by
11 Ordinance Number 71579, between the City and HG-St. Louis JV, II, attached hereto as **Exhibit 'A'**
12 and made a part hereof.

13 **SECTION TWO.** The terms, covenants, and conditions set forth in this Ordinance are
14 applicable exclusively to the agreements, documents, and instruments approved or authorized by this
15 Ordinance and are not applicable to any other existing or future agreements, documents, or
16 instruments unless specifically authorized by an ordinance enacted after the effective date of this
17 Ordinance. All provisions of other ordinances of the City that are in conflict with this Ordinance will
18 be of no force of effect as to the agreements, documents, or instruments approved or authorized by
19 this Ordinance.

20 **SECTION THREE.** The sections or provisions of this Ordinance or portions thereof are

1 severable. In the event that any section or provision of this Ordinance or portion thereof is held invalid
2 by a court of competent jurisdiction, such holding will not invalidate the remaining sections or
3 provisions of this Ordinance unless the court finds the valid sections or provisions of this Ordinance
4 are so essentially and inseparably connected with, and so dependent upon, the illegal,
5 unconstitutional, or ineffective section or provision that it cannot be presumed that the Board of
6 Aldermen would have enacted the valid sections or provisions without the illegal, unconstitutional,
7 or ineffective sections or provisions or unless the court finds that the valid sections or provisions,
8 standing alone, are incomplete and incapable of being executed in accordance with the legislative
9 intent.

Board Bill Number 117
Exhibit A: Cover Page

EXHIBIT A

**“SECOND AMENDMENT TO ELECTORNICS RETAIL CONCESSION AGREEMENT
AL#-214”**

Board Bill Number 117
Exhibit A



HG-ST. LOUIS JV, II

SECOND AMENDMENT TO
ELECTRONICS RETAIL CONCESSION AGREEMENT

AL#-214

**ST. LOUIS LAMBERT INTERNATIONAL AIRPORT®
SECOND AMENDMENT TO CONCESSION AGREEMENT
ELECTRONICS RETAIL**

THIS SECOND AMENDMENT, (“First Amendment”) made and entered into as of the ____ day of _____, 2025, by and between The CITY OF ST. LOUIS (“**City**”), a municipal corporation of the State of Missouri and owner and operator of the St. Louis Lambert International Airport, and HG-ST. LOUIS JV, II (“**Concessionaire**”), a corporation organized and existing under the laws of the State of Missouri, is an amendment to Concession Agreement AL-214 dated December 21, 2015, as amended by the First Amendment dated March 24, 2023 (collectively, the “**Agreement**”).

WITNESSETH THAT:

WHEREAS, the City and Concessionaire desire to amend the Agreement to their mutual benefit; and

WHEREAS, BY THIS Second Amendment, Concessionaire waives all rights to any and all reimbursements and compensation from the City for the depreciated value of existing improvements and non-expendable equipment at the Airport.

NOW, THEREFORE, for and in consideration of the promises, and of the mutual covenants and agreements herein contained, and other valuable considerations, the City and Concessionaire agree as follows:

Section 1.

The Effective Date of this Second Amendment shall be February 1, 2026.

Section 2.

The parties hereto agree that the capitalized terms used in this Second Amendment will have the same meaning as defined in the Agreement, unless otherwise expressly defined herein.

Section 3.

Section 101 of the Agreement, entitled “Definitions” is hereby amended by adding the following new definitions:

“**“Airport Development Project”** or “**ADP**” shall mean the possible development and construction program consisting of a new, consolidated, double-loaded concourse that will replace the Airport’s current terminal complex, and which, if pursued, will necessitate the removal of the Concessionaire’s A and C Concourse Premises from the Agreement prior to the Expiration Date of the Agreement.”

““ADP Notice” shall mean the written notice provided by the City to Concessionaire of the initiation of the Airport Development Project and providing the Concessionaire with an effective date for the closure of its Premises located on the Airport’s A Concourse, and the permanent deletion of those Premises from the Agreement (see Section 201).”

Section 4.

Section 201 of the Agreement is hereby deleted and replaced with the following:

“SECTION 201. PREMISES. City hereby permits the Concessionaire to install, maintain and operate at the locations on Airport property including the Airport Terminals and Concourses in accordance with rights granted under Section 301 entitled “Rights”, as described in **Exhibit A**, attached hereto and made a part hereof. The rights granted in Section 301 hereof may only be exercised within the Premises.

The Director has the right to add, substitute, relocate or remove portions of the Premises upon reasonable notice to the Concessionaire. The City will not be liable or responsible for any loss whatsoever, including without limitation, any inconvenience or loss by the Concessionaire of work time, profit or business, actual, incidental, consequential or special damages resulting from these changes to the Premises.

Concessionaire acknowledges that the City is considering the Airport Development Project that if initiated will delete the Concessionaire’s A and C Concourse Premises prior to the Expiration Date of the Agreement.

Concessionaire accepts the Premises “**AS IS**” with no warranties or representations of any kind, expressed or implied, either oral or written, made by the City or any of its officers, employees, agents or representatives. City without limitation expressly disclaims and negates as to the Premises any implied or expressed warranty for a particular purpose and any expressed or implied warranty with the respect to the Premises or any portion thereof and the use or condition of the Premises.”

Section 5.

Section 401 of the Agreement, entitled “Term” is hereby deleted in its entirety and replaced with the following new Section 401:

“SECTION 401. TERM. The Term of the Agreement shall begin on the Commencement Date and end on the Expiration Date as written below, unless sooner terminated in accordance with other Provisions of this Agreement:

Commencement Date:	December 1, 2015
Expiration Date:	January 31, 2031”

Section 6.

Section 502.A of the Agreement, entitled “Concession Fees” is hereby amended by adding the following Minimum Annual Guarantee amounts for Contract Years Eight (11) through Fifteen (15):

<u>“Contract Year</u>	<u>MAG</u>
8	\$375,000
9	\$375,000
10	\$375,000
11	\$375,000
12	\$375,000
13	\$375,000
14	\$375,000
15	\$375,000 (pro-rated monthly)

Notwithstanding the foregoing, upon the effective date as set out in the ADP Notice for the permanent closure of the Concessionaire’s Premises located on the A Concourse, the Minimum Annual Guarantee shall be abated in its entirety.”

Section 7.

Exhibit “A” entitled “Premises” is hereby deleted in its entirety and replaced by the attached new Exhibit “A,” which is attached hereto and incorporated herein.

Section 8.

Section 617 of the Agreement, entitled “Merchandise Limitations” is hereby amended to remove “Food or Drink of Any Kind” from the list of prohibited items.

Section 9.

Section 1503. FAA Non-Discrimination of the Agreement is hereby deleted in its entirety and replaced with the following new Section 1503:

“SECTION 1503. FAA NON-DISCRIMINATION.

- A. Concessionaire agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Concessionaire transfers its obligation to another, the transferee is obligated in the same manner as Concessionaire. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

- B. During the performance of this contract, the Concessionaire, for itself, its assignees, and successors in interest (hereinafter referred to as the

“Concessionaire”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps

to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

C. During the performance of this Agreement, Concessionaire, for itself, its assignees, and successors in interest, agrees as follows:

1. **Compliance with Regulations:** The Concessionaire (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Concessionaire, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Concessionaire will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Concessionaire for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Concessionaire of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Concessionaire will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Concessionaire will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Concessionaire's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the Concessionaire under the contract until the Concessionaire complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Concessionaire will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Concessionaire will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Concessionaire becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Concessionaire may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Concessionaire may request the United States to enter into the litigation to protect the interests of the United States.
- D. The Concessionaire for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, “as a covenant running with the land”) that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Concessionaire will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.
- E. With respect to Permits, in the event of breach of any of the above Non-discrimination covenants, City will have the right to terminate the Permit and to enter or re-enter and repossess said land and the facilities.”

Section 10.

All other terms, covenants and conditions of the Agreement, not inconsistent with this Second Amendment, are unchanged and hereby ratified and approved and will remain in full force and effect.

(The remainder of page left intentionally blank)

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? ___ Yes ___ No

- If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office? ___ Yes ___ No

- If yes, explain the impact and the estimated cost:

- Does the bill create a program or administrative subdivision? ___ Yes ___ No

- If yes, then is there a similar existing program or administrative subdivision?

- ___ Yes ___ No

- If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	N/A	N/A	N/A
Additional Revenue	N/A	N/A	N/A
Net	N/A	N/A	N/A
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	N/A	N/A	N/A
Additional Revenue	N/A	N/A	N/A
Net	N/A	N/A	N/A

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

- Have the financial estimates of this bill been verified by the City Budget Division? Yes No

○ If yes, by whom? _____ .

ORDINANCE NUMBER 70144

BOARD BILL NO. 198 INTRODUCED BY ALDERWOMAN LYDA KREWSON

1 An Ordinance recommended and approved by the Airport Commission and the Board of
2 Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller
3 for The City of St. Louis (the "City") to enter into and execute, on behalf of the City, the Lambert-St.
4 Louis International Airport® ("Airport") Electronics Retail Concession Agreement AL-214 (the
5 "Agreement"), between the City and HG-St. Louis JV II (the "Concessionaire"), granting to the
6 Concessionaire the non-exclusive right and privilege to operate and manage an Electronics Retail
7 Concession at the Airport, subject to and in accordance with the terms, covenants, warranties, and
8 conditions of the Agreement, which was awarded and approved by the Airport Commission and is
9 attached hereto as **ATTACHMENT "1"** and made a part hereof; and containing a severability
10 clause and an emergency clause.

11 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

12 **SECTION ONE.** The Director of Airports and the Comptroller for The City of St.
13 Louis (the "City") are hereby authorized and directed to enter into and execute, on behalf of the City,
14 the Lambert-St. Louis International Airport ("Airport") Electronics Retail Concession Agreement
15 AL-214 (the "Agreement"), between the City and HG-St. Louis JV II (the "Concessionaire"),
16 granting to the Concessionaire the non-exclusive right and privilege to operate and manage an
17 Electronics Retail Concession at the Airport, subject to and in accordance with the terms, covenants,
18 warranties, and conditions of the Agreement, which was awarded and approved by the Airport
19 Commission and is to read in words and figures substantially as set out in **ATTACHMENT "1"**,

ORDINANCE NUMBER 70144

1 which is attached hereto and made a part hereof.

2 **SECTION TWO.** The sections or provisions of this Ordinance or portions thereof
3 shall be severable. In the event that any section or provision of this Ordinance or portion thereof
4 is held invalid by a court of competent jurisdiction, such holding shall not invalidate the
5 remaining sections or provisions of this Ordinance unless the court finds the valid sections or
6 provisions of this Ordinance are so essentially and inseparably connected with, and so dependent
7 upon, the illegal, unconstitutional or ineffective section or provision that it cannot be presumed
8 that the Board of Aldermen would have enacted the valid sections or provisions without the
9 illegal, unconstitutional or ineffective sections or provisions; or unless the court finds that the
10 valid sections or provisions, standing alone, are incomplete and incapable of being executed in
11 accordance with the legislative intent.

12 **SECTION THREE.** This being an ordinance for the preservation of public peace,
13 health, or safety, it is hereby declared to be an emergency measure as defined in Article IV,
14 Section 20 of the City Charter, and shall become effective immediately upon approval of the
15 Mayor of the City.

ORDINANCE 71579

BOARD BILL NUMBER 99 INTRODUCED BY ALDERMAN SHANE COHN

1 An Ordinance recommended and approved by the Board of Estimate and Apportionment
2 authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the
3 "City"), owner and operator of the St. Louis Lambert International Airport (the "Airport"), to enter
4 into and execute on behalf of the City the "First Amendment" to Concession Agreement AL-214
5 between the City and HG-ST. LOUIS JV, II dba "Tech On The Go" dated December 21, 2015,
6 ("Agreement"); containing a severability clause; and an emergency clause.

7 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

8 **SECTION ONE.** The Director of Airports and the Comptroller of the City of St. Louis (the
9 "City"), owner and operator of the St. Louis Lambert International Airport® (the "Airport"), are hereby
10 authorized and directed to enter into and execute on behalf of the City the "First Amendment" to
11 Concession Agreement AL-214 between the City and the HG-ST. LOUIS JV, II dated December 21,
12 2015, (" Agreement") as authorized by City Ordinance Number 70144 approved on November 17,
13 2015. The First Amendment was approved by the City's Airport Commission and is read in words
14 and figures substantially as set out in **ATTACHMENT "A"** which is attached hereto and made a
15 part hereof.

16 **SECTION TWO.** The sections or provisions of this Ordinance or portions thereof are
17 severable. In the event that any section or provision of this Ordinance or portion thereof is held invalid
18 by a court of competent jurisdiction, such holding will not invalidate the remaining sections or
19 provisions of this Ordinance unless the court finds the valid sections or provisions of this Ordinance

20 are so essentially and inseparably connected with, and so dependent upon, the illegal, unconstitutional
21 or ineffective section or provision that it cannot be presumed that the Board of Aldermen would have
22 enacted the valid sections or provisions without the illegal, unconstitutional or ineffective sections or
23 provisions or unless the court finds that the valid sections or provisions, standing alone, are incomplete
24 and incapable of being executed in accordance with the legislative intent.

25 **SECTION THREE.** This being an Ordinance for the preservation of public peace, health,
26 or safety, it is hereby declared an emergency measure as designed in Article IV, Section 20 of the
27 City's Charter and will become effective immediately upon its approval by the City's Mayor.



HG-ST. LOUIS JV, II

**FIRST AMENDMENT TO
ELECTRONICS RETAIL CONCESSION AGREEMENT**

AL#-214

**ST. LOUIS LAMBERT INTERNATIONAL AIRPORT®
FIRST AMENDMENT TO CONCESSION AGREEMENT
ELECTRONICS RETAIL**

THIS FIRST AMENDMENT, (“First Amendment”) made and entered into as of the ____ day of _____, 2022, by and between The CITY OF ST. LOUIS (“City”), a municipal corporation of the State of Missouri and owner and operator of the St. Louis Lambert International Airport, and HG-ST. LOUIS JV, II d/b/a “Tech On The Go” (“Concessionaire”), a corporation organized and existing under the laws of the State of Missouri, is an amendment to Concession Agreement AL-214 (the “Agreement”) dated December 21, 2015.

WITNESSETH THAT:

WHEREAS, the City and Concessionaire desire to amend the Agreement to their mutual benefit;

NOW, THEREFORE, for and in consideration of the promises, and of the mutual covenants and agreements herein contained, and other valuable considerations, the City and Concessionaire agree as follows:

Section 1.

The Effective Date of this First Amendment shall be November 30, 2022.

Section 2.

The parties hereto agree that the capitalized terms used in this First Amendment will have the same meaning as defined in the Agreement, unless otherwise expressly defined herein.

Section 3.

Section 401 of the Agreement, entitled “Term” is hereby deleted in its entirety and replaced with the following new Section 401:

“SECTION 401. TERM. The Term of the Agreement shall begin on the Commencement Date and end on the Expiration Date as written below, unless sooner terminated in accordance with other Provisions of this Agreement:

Commencement Date: December 1, 2015

Expiration Date: January 31, 2026”

Section 4.

Section 502.A of the Agreement, entitled “Concession Fees” is hereby amended by adding the following Minimum Annual Guarantee amounts for Contract Years Eight (8) through Eleven_(11):

<u>Contract Year</u>	<u>MAG</u>
8	\$375,000
9	\$375,000
10	\$375,000
11	\$375,000 (pro rated monthly)”

Section 5.

Section 503 of the Agreement entitled “Payment” is hereby deleted in its entirety and replaced with the following new Section 503:

“SECTION 503. PAYMENT. Concessionaire agrees to pay to the City the Concession Fees set out in Section 502 above in the form of both MAG Payments and Percentage Fee Payments as described below:

Concession Fee Payments. The Concession Fee payment shall be the greater of the “**MAG Payment**” (consisting of an amount equal to 1/12 of the MAG for the applicable Contract Year) or the “**Percentage Fee Payment**” (consisting of an amount equal to 12% as applied to the Gross Receipts for the previous month) and shall be due on or before the 20th day of the second month of the Term and each succeeding month during each Contract Year.”

Section 6.

Article V of the Agreement entitled “Fees and Rentals” is hereby amended by adding the following new Section 512:

“SECTION 512. MINIMUM ANNUAL GUARANTEE ABATEMENT. Notwithstanding the foregoing requirements of Sections 501, 502, 503, and 504 hereof, the obligation of the Concessionaire to pay the MAG Payment due for a calendar month, but not the obligation of Concessionaire to pay the Percentage Fee Payment as required by Section 502, will be abated to the extent provided herein upon a decline in the Airport’s enplaned passengers:

- a. Should the number of passengers enplaning on scheduled airline flights within the Airport during any given calendar month decline by thirty percent (30%) or more from the same calendar month of 2017 (an “**Abatement Triggering Event**”), the obligation of the Concessionaire to pay 1/12 of the MAG for that calendar month **only** shall be abated in the following five percent (5%) increments to reflect the decline in passenger enplanements:
 - 1) A decline in enplanements of at least thirty percent (30%) but less than thirty five percent (35%) will cause an abatement of 30% of that month’s MAG obligation;
 - 2) A decline in enplanements of at least thirty five percent (35%) but less than forty percent (40%) will cause an abatement of 35% of that month’s MAG obligation;

- 3) A decline in enplanements of at least forty percent (40%) but less than forty five percent (45%) will cause an abatement of 40% of that month's MAG obligation;
- 4) A decline in enplanements of at least forty five percent (45%) but less than fifty percent (50%) will cause an abatement of 45% of that month's MAG obligation; and
- 5) A decline in enplanements of at least fifty percent (50%) will cause an abatement of 50% of that month's MAG obligation. It being understood that in no event will the month's MAG obligation be abated by more than 50%.

An example of the Abatement of Minimum Annual Guarantee outlined in this Section 512, wherein the Airport enplaned the following passengers, and the total MAG Payment due from the Concessionaire is \$375,000:

May 2017 100,000 passengers

May 2023 70,000 passengers

For May 2023, the Concessionaire will be obligated to pay the greater of the reduced monthly MAG Payment of \$21,875 (the monthly MAG of \$31,250 reduced by 30% in response to the decline in enplanements) or the Percentage Fee Payment, which is due on July 20, 2023.

- b. Notwithstanding the foregoing, under no circumstances shall the monthly MAG payment due be reduced by any amount greater than fifty percent (50%).

An example of the Abatement of Minimum Annual Guarantee outlined in this Section 512, wherein the Airport enplaned forty-three percent (43%) fewer passengers than in the same calendar month of 2017, and the total MAG Payment due from the Concessionaire is \$375,000:

May 2017 100,000 passengers

May 2023 57,000 passengers

For May 2023, the Concessionaire will be obligated to pay the greater of the reduced monthly MAG Payment of \$18,750 (the monthly MAG Payment of \$31,250 reduced by 40% in response to the decline in enplanements and the Percentage Fee Payment, which is due on July 20, 2023.

An example of the Abatement of Minimum Annual Guarantee outlined in this Section 512, wherein the Airport enplaned 60% fewer passengers than the same calendar month of 2017, and the total MAG Payment due from the Concessionaire is \$375,000:

May 2017 100,000 passengers

May 2023 40,000 passengers

For May 2023, the Concessionaire will be obligated to pay the greater of the reduced monthly MAG Payment of \$15,625 (the monthly MAG of \$31,250 reduced by the maximum 50%) and the Percentage Fee Payment, which is due on July 20, 2023.

- c. Notwithstanding the foregoing, under no circumstances shall the monthly MAG payment due be reduced by any amount greater than fifty percent (50%).
- d. Concessionaire acknowledges, stipulates and agrees that nothing in an Abatement Triggering Event will be construed to relieve the obligation of the Concessionaire to pay the greater of the MAG Payment or the Percentage Fee Payment, which will be due on the 20th day of the second succeeding month and each month thereafter.”

Section 7.

Section 617 of the Agreement, entitled “Merchandise Limitations” is hereby amended to remove “Duty Free Items” from the list of prohibited items.

Section 8.

Section 703 of the Agreement, entitled “Mid-Term Reinvestment” is hereby deleted in its entirety and replaced with the following new Section 703:

“SECTION 703. MID-TERM REINVESTMENT. There shall be no mid-term reinvestment required hereunder. Rather, throughout the Term, Concessionaire shall keep the Premises in good, safe, clean and orderly condition, through repairs and maintenance as required.”

Section 9.

All other terms, covenants and conditions of the Agreement, not inconsistent with this First Amendment, are unchanged and hereby ratified and approved and will remain in full force and effect.

(The remainder of page left intentionally blank)

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? ____Yes ____No
 - If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office?
____Yes ____No
 - If yes, explain the impact and the estimated cost:

- Does the bill create a program or administrative subdivision? ____Yes ____No
 - If yes, then is there a similar existing program or administrative subdivision?
____Yes ____No
 - If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	N/A	N/A	N/A
Additional Revenue	N/A	N/A	N/A
Net	N/A	N/A	N/A
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures	N/A	N/A	N/A
Additional Revenue	N/A	N/A	N/A
Net	N/A	N/A	N/A

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

- Have the financial estimates of this bill been verified by the City Budget Division?
 Yes No

○ If yes, by whom? _____ .