

Memorandum



Date: February 4, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor 

Subject: First Amendment to the Lease and Concession Agreement at Miami International Airport
with NewsLink of South Florida, LLC

Agenda Item No. 8(A)(2)

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the First Amendment to the Lease and Concession Agreement with NewsLink of South Florida, LLC, (NewsLink) i) consolidating three leases into one; ii) authorizing the Mayor or designee to extend the term of this Agreement based on the delayed completion of North Terminal Gates D26-D29; and (iii) authorizing the Mayor or designee to extend other North Terminal concession contracts affected by the delays.

SCOPE

Miami International Airport (MIA) is located primarily within Chairwoman Rebeca Sosa's District Six; however, the impact of this item is countywide as MIA is a regional asset.

DELEGATED AUTHORITY

In accordance with Miami-Dade County Code Section 2-8.3 related to identifying delegation of Board authority contained within the subject agreement, the Miami-Dade Aviation Department (MDAD) Director or designee has the authority to exercise the renewal and termination provisions of the agreement. This agreement additionally authorizes the County Mayor to negotiate and execute amendments to other North Terminal concession agreements such that the lease term will begin 365 days following the opening of gates D26-29 in September 2013.

FISCAL IMPACT/FUNDING SOURCE

This is a revenue-generating contract for Miami-Dade County. The Minimum Annual Guarantee (MAG) NewsLink pays to MDAD is \$6,161,821.79.

TRACK RECORD/MONITOR

NewsLink is current in all its obligations and continues to provide excellent concession services in the North Terminal. MDAD Chief of Airport Concession Business Development Adrian Songer manages this agreement.

COMPLIANCE DATA

There is no history of violations for this firm in the Small Business Development's database.

BACKGROUND

In 2010, MDAD made a professional business decision to provide high-end retail offerings to MIA passengers in the North Terminal. Duty Free Americas, as allowed by its agreement with the County, agreed to open duty-paid *Mont Blanc*, *Armani*, *Pink*, and *Coach* specialty storefronts in the North Terminal. Offering a more diversified upscale product line was intended to maximize concession revenue at MIA and provide a more satisfactory retail experience for both domestic and international passengers. While the Duty Free Americas stores had previously offered only duty-free products for international shoppers, its agreement with the County allowed for duty-paid sales at the County's sole discretion and was in keeping with concession practices at airports nationwide.

NewsLink, a neighboring concessionaire, objected, stating that the proximity of the duty-paid stores to its nearby upscale *Shoppes at Ocean Drive* storefront would cannibalize its sales. NewsLink's objection was not based upon duplication of product offerings but rather concerns about the impact of four additional high-end storefronts on passengers' purchasing behavior. The airport shopping experience is defined by limited dwell times as passengers wait for flights; hence, the existence of four additional stores would, according to NewsLink, necessarily force prospective passenger purchases to be split among multiple upscale concessions, detracting from projected sales at the *Shoppes at Ocean Drive*. NewsLink further objected to the legality of County's ability to authorize duty-paid sales under its agreement with Duty Free Americas.

While MDAD disagreed with these assertions, MDAD administrators engaged in prolonged negotiations with NewsLink in an attempt to settle the dispute amicably and avert any legal action that might prove detrimental to both the parties and, ultimately, MIA's passenger experience. This first amendment summarizes the agreement negotiated between MDAD administrators and NewsLink and includes the following:

- Allow NewsLink to permanently occupy the former temporary location at Gate D-32 it has operated since 2010;
- Allow NewsLink to permanently occupy the former temporary pre-security space of 518 square feet in the North Terminal;
- Permit the addition of a 750-square-foot *Air Essentials* location near Gate D-44;
- Permit the addition of an *Air Essentials* concept or similar concept in new space next to NewsLink's *Xpress Spa* location; and
- Permit NewsLink to convert a small newsstand with beverages to an *Einstein Bros. Bagel* in the Rental Car Center.

In addition to the above, NewsLink asked MDAD for a consolidation of its existing Concession Packages 1, 2 and 3, awarded by the Board via Resolution Nos. R-24-09, R-90-10, and R-166-10. The Board awarded three non-exclusive Lease and Concession Agreements to NewsLink/Adler Airport Development Group LLC Master Concessionaire (Package 1) on January 22, 2009, and NewsLink of South Florida LLC Master Concessionaire (Packages 2 and 3) on February 2, 2010, respectively. Both companies are operated by the same management; the company name change was effected between the award of the agreements. Under those agreements, NewsLink is responsible for the finance, design, lease and management of 24 newsstand and specialty retail spaces in MIA's North Terminal with a total minimum annual guarantee (MAG) of \$6.16 million and terms expiring in 2019 and 2020. This amendment consolidates those three leases under separate company names into one agreement under one name. MDAD has no objection to this request as doing so does not decrease anticipated revenue to MDAD and may provide operational efficiencies in managing the lease.

It is important to note that this amendment includes two NewsLink locations that it had subleased from Westfield Concession Management. Under that sublease, Westfield was responsible for meeting ACDBE compliance goals -not NewsLink as its subtenant. Therefore, these stores will not be used to measure NewsLink's ACDBE compliance in the revised consolidated lease agreement. Because ACDBE goals are established at the time of contract award based upon projected revenue, any goals under that contract remain Westfield's responsibility. If revenues from these locations were included as part of NewsLink's ACDBE goal, NewsLink would now have an additional \$4 million in sales and would be unable to meet its 30% compliance as outlined under its leases since these MAGs and percentages of sales were established at the time of award. NewsLink will, however, in good faith, strive to

maximize ACDBE participation and will adhere to the ACDBE goals required in its agreement. NewsLink is required to pay to MDAD the greater of its MAG or approximately 15% of revenues.

As the Board is aware, the North Terminal Development Program's construction delays postponed the opening of several gates in the concourse, resulting in interrupted passenger flow, decreased traffic, and subsequently, reduced concession revenue to retail establishments. This First Amendment therefore additionally authorizes the County Mayor or designee to reset all affected North Terminal concessionaire effective lease dates, including that of NewsLink, so that those concessionaires are able to uniformly take advantage of a complete and normalized terminal during the full term of their leases. This First Amendment resets lease effective dates to September 2014 (365 days after the opening of the remaining North Terminal gates).

PROJECT: Retail Concessions Program 2009

PROJECT LOCATION: Miami International Airport

TERM OF CONTRACT: Eight years, with one two-year option to renew

CONTRACT MEASURE: 32%

CONTRACT MEASURES ACHIEVED AT AWARD: 39.3% average of three leases

ACDBE ACHIEVED TO DATE: 32.6% for three leases FY 2010 to FY 2013.

CURRENT ACDBE FIRMS:

Gross sales FY 2010 to FY 2013 (year to date ended September 30, 2013)			
Siboney Wine & Spirits Merchants	13.1%	or Gross Sales of	\$12,414,762.15
Havana Florida Cigar Company	13.1%	or Gross Sales of	\$12,414,762.15
Taxco Sterling Co. Inc.	3.3%	or Gross Sales of	\$ 3,152,855.98
Corliss Stone-Little, LLC	2.3%	or Gross Sales of	\$ 2,226,103.22
Bright Additions, Inc.	0.5%	or Gross Sales of	\$ 480,439.58
Casa Unlimited Enterprise	<u>0.3%</u>	or Gross Sales of	<u>\$ 290,905.00</u>
Total Achieved ACDBE	32.6%	or Gross Sales of	\$30,979,828.08
Total Concession Gross Sales			\$94,885,262.28

COMPANY NAME: NewsLink of South Florida, LLC

COMPANY PRINCIPALS: Raymond J. Kayal, Jr.
 Christopher G. Korge
 Michael M. Adler
 Brett Harris

GENDER, ETHNICITY AND OWNERSHIP BREAKDOWN: Non-Hispanic White

LOCATION OF COMPANY: 6910 NW 12th Street, Miami, FL 33126

**PREVIOUS AGREEMENTS
WITH THE COUNTY IN LAST
FIVE (5) YEARS:**

NewsLink currently has sub-lease agreements for concessions at MIA.

LIVING WAGE:

No

INSPECTOR GENERAL:

Provisions included in the agreements

FUNDING SOURCE:

This is a revenue-generating agreement

USER AGENCY:

Miami-Dade Aviation Department



Jack Osterholt, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: February 4, 2014

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(2)
2-4-14

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR MAYOR'S DESIGNEE TO EXECUTE THE FIRST AMENDMENT TO LEASE AND CONCESSION AGREEMENT BY AND BETWEEN MIAMI-DADE COUNTY, FLORIDA AND NEWSLINK OF SOUTH FLORIDA, LLC; AND AUTHORIZING THE COUNTY MAYOR OR MAYOR'S DESIGNEE TO EXECUTE CERTAIN AMENDMENTS TO CONCESSION CONTRACTS AT MIAMI INTERNATIONAL AIRPORT SETTING THE START OF SUCH CONCESSION LEASES TO SEPTEMBER 2014

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the County Mayor or Mayor's designee is authorized to: (1) execute Amendment One to the Agreement between Miami-Dade County, Florida and NewsLink of South Florida LLC Master Concessionaire, in substantially the form attached hereto and to enforce all terms thereof; and (2) to negotiate and execute, without need for additional action of this Board, amendments to existing concession contracts at Miami International Airport, which amendments may only (i) set the lease effective date or lease commencement date to September 14, 2014, (ii) provide a mechanism for adjusting minimum annual guarantees and/or other payments on a pro rata basis, in the event such amendment would result in the Concessionaire occupying North Terminal locations after the expiration of its locations in other portions of the Airport, (iii) provide for full and complete releases in favor of the County, and (iv) provide a right of early termination without cause in

favor of the County. These amendments shall be approved by the County Attorney's Office for form and legal sufficiency.

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of February, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

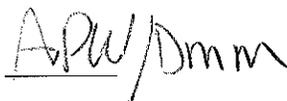
MIAMI-DADE COUNTY, FLORIDA

BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



David M. Murray

**FIRST AMENDMENT TO
LEASE AND CONCESSION AGREEMENT
BY AND BETWEEN MIAMI-DADE COUNTY, FLORIDA AND
NEWSLINK OF SOUTH FLORIDA, LLC
MASTER CONCESSIONAIRE (PACKAGE 3)
FOR THE RETAIL CONCESSIONS PROGRAM 2009
AT MIAMI INTERNATIONAL AIRPORT**

THIS FIRST AMENDMENT (the "Amendment") to the Lease and Concession Agreement by and between Miami-Dade County, Florida and NewsLink of South Florida, LLC Master Concessionaire (Package, 3) for the Retail Concessions Program 2009 at Miami International Airport (the "Agreement") is made and entered into this ___ day of _____, 2013, by and between Miami-Dade County, Florida, ("County" or "MDAD"), and NewsLink of South Florida, LLC, a Florida limited liability company ("NewsLink" or "Master Concessionaire"), and NewsLink/Adler Airport Development Group, LLC, a Florida limited liability company ("NewsLink/Adler").

WHEREAS, by Resolution No. R-24-09, passed and adopted January 22, 2009, the Board of County Commissioners of Miami-Dade County, Florida authorized execution of the Lease and Concession Agreement by and between Miami-Dade County, Florida and NewsLink/Adler Airport Development Group LLC Master Concessionaire (Package 1) for the Retail Concessions Program 2008 at Miami International Airport; and

WHEREAS, by Resolution No. R-90-10, passed and adopted February 2, 2010, the Board of County Commissioners of Miami-Dade County, Florida authorized execution of the Lease and Concession Agreement by and between Miami-Dade County, Florida and NewsLink of South Florida LLC Master Concessionaire (Package 2) for the Retail Concessions Program 2009 at Miami International Airport; and

WHEREAS, by Resolution No. R-166-10, passed and adopted February 2, 2010, the Board of County Commissioners of Miami-Dade County, Florida authorized execution of the Lease and Concession Agreement by and between Miami-Dade County, Florida and NewsLink of South Florida LLC Master Concessionaire (Package 3) for the Retail Concessions Program 2009 at Miami International Airport; and

WHEREAS, the Aviation Department recognizes that construction timing and Location availability issues were encountered by the Master Concessionaire in the implementation of the Department's North Terminal Concessions Program; and

WHEREAS, the County can achieve administrative efficiencies by combining the various concession packages awarded to NewsLink and NewsLink/Adler into a single lease with NewsLink; and

WHEREAS, the parties, to address certain other issues related to the implementation of North Terminal Concession Program, have entered into a Letter Agreement between MDAD and Master Concessionaire dated March 29, 2013, attached hereto as **Exhibit B**; and

NOW THEREFORE, in consideration of the premises, and terms and conditions of the Agreement, the parties to this Amendment agree as follows:

1. Sub-Article 1.01 is deleted.
2. Sub-Article 1.02 "Operational Term" is replaced with the following:

1.02 OPERATIONAL TERM: The County hereby leases to the Master Concessionaire the Locations depicted in Exhibit A, for a term commencing upon the Lease Effective Date of this Agreement and expiring on the date eight (8) years, with two (2) one year extensions at the sole discretion of the Department, from 365 days after the permanent opening for passenger traffic of the last of gates 26, 27, 28 and 29 in North Terminal, unless sooner terminated as may be otherwise provided for in this Agreement. In no event shall this Agreement afford the Master Concessionaire or any other party any right to use or occupy the Locations (or any part thereof) after the expiration or other termination of this Agreement.

3. Sub-Article 1.04 "Locations" is replaced with the following:

1.04 LOCATIONS: The Department hereby provides to the Master Concessionaire Locations as referenced in Exhibit A, "Locations" (including any changes made from time to time by the Department), which shall be used solely for their assigned and approved concept category unless otherwise modified pursuant to **Sub-Article 2.04 "New Concepts."** Failure to maintain the concept category pursuant to **Article 2 "Use of Locations"** may result in penalties as indicated in **Sub-Article 3.24 "Penalties"**.

4. Sub-Article 3.01 "Minimum Annual Guarantee (MAG)" is being replaced with the following:

3.01 MINIMUM ANNUAL GUARANTEE (MAG): As consideration for the privilege to engage in business at Miami International Airport, Master Concessionaire shall pay the Department the amount of \$6,161,821.79 annually as may be adjusted by the prorated amount stated below and subject to recalculation pursuant to **Sub-Article 3.03 "Recalculation of the Minimum Annual Guarantee"**, with the next adjustment to be made effective as of March 1, 2014, inclusive of Location and Location Storage rent.

The Minimum Annual Guarantee ("MAG") payment shall be in U.S. funds, prorated and payable in twelve equal monthly payments ("Minimum Monthly Guarantee" or "MMG") on or before the first day of each month, in advance, without billing or demand, plus applicable taxes as may be required by law.

The MAG shall commence and shall be prorated upon the Location Commencement Date of each Location and is comprised of a rent payment of \$76.77 per square foot annually for each square foot of Location space occupied, plus the per square foot amount by which the stated MAG above, as further adjusted and recalculated from time to time after

the date of this Amendment, exceeds the Location rent (currently, \$76.77 per square foot).

5. Sub-Article 3.05 "Concessions Category Percentage Fee" is being replaced with the following:

3.05 CONCESSIONS CATEGORY PERCENTAGE FEE: The Master Concessionaire shall pay the Department the Percentage Fee for the corresponding category. The Master Concessionaire Percentage (Column A) will be paid for all Locations operated by the Master Concessionaire and the Sub-Tenant Percentage (Column B) will be paid for all Locations that are sub-leased.

The following is the applicable "Percentage Fee per Category" acceptable for each concept category.

CATEGORY CONCEPT	COLUMN A CONCESSIONAIRE PERCENTAGE	COLUMN B SUB-TENANT PERCENTAGE
RETAIL		
Bookstores	12%	9%
News & Gifts	19%	16%
Newsstands	16%	13%
Entertainment & Electronics	11%	8%
Fashion Apparel & Accessories	14%	11%
Gift Specialty Shops	16%	13%
Jewelry Watches & Accessories	17%	14%
Sundries, Personal Care	17% 16%	14% 13%
Travel Accessories	17%	14%
Services	13%	10%
Spa Services	12%	9%
FOOD & BEVERAGE		
Casual Dining	12%	9%
Branded Concept	13%	10%
Bar	15%	12%
Quick Serve/Walk Away	17%	14%
Self Branded	18%	15%
Beer/Wine	18%	15%

Merchandise	18%	15%
Alcoholic Beverages	21%	18%

6. Sub-Article 3.11 "MAG Performance Bond" is being replaced with the following:

3.11 MAG PERFORMANCE BOND: Within thirty (30) Days of the Amendment Effective Date, the Master Concessionaire shall provide the Department a Performance Bond to guarantee payment of the MAG and rental for the lease of support and storage spaces and any applicable taxes related to such such rental. Master Concessionaire shall keep such Performance Bond in full force and effect during the Operational Term and any Extension of this Agreement, as applicable, and thereafter until all financial obligations, reports or other requirements of this Agreement are satisfied. The Performance Bond shall be a surety bond. In the alternative, an irrevocable letter of credit, or other form of security acceptable to the Department may be furnished. Any such form of security instrument shall be endorsed as to be readily negotiable by the Department for the payments required hereunder. The Performance Bond or other security instrument shall be effective for the current year of operation with automatic renewal for each of the remaining years under this Agreement, including any extensions, naming the County as obligee and issued by a surety company or companies in such form as approved by the County Attorney. The amount of the Performance Bond or other security instrument shall initially be in an amount equal to seventy-five percent (75%) of the MAG amount provided for in Sub-Article 3.01, and seventy-five percent (75%) of any annual rental and applicable taxes for the lease of support and storage spaces set forth in Sub-Article 3.06. Thereafter, the amount shall be adjusted as necessary to reflect any increased in the MAG and lease of support and storage spaces.

The Department may draw upon such form of security instrument, if the Master Concessionaire fails to pay any monies or perform any obligations required hereunder following applicable notice and cure periods specified herein. Upon notice of any such draw, Master Concessionaire shall immediately replace the Performance Bond with a new Performance Bond in the full amount of the Performance Bond required hereunder. A failure to renew the Performance Bond, or increase the amount of the Performance Bond, or other forms of security instrument, if required due to such draw, shall (i) entitle the Department to draw down the full amount of such Performance Bond, and (ii) be a default of this Agreement entitling Department to all available remedies. Provided Master Concessionaire is not in default and fully complies with all the payment requirements of this Agreement, the payment security instrument will be returned to Master Concessionaire within one hundred eighty (180) Days after the end of the Operational Term or any Extension of the Operational Term.

7. Sub-Article 3.25 "Payment Security" is replaced with the following:

3.25 PAYMENT SECURITY: The Master Concessionaire shall provide the County with an irrevocable standby letter of credit in the format approved by the Department or cash for the payment required by this Sub-Article in an initial amount equal to twenty-five percent (25%) of the MAG amount provided for in Sub-Article

3.01, and twenty-five percent (25%) of any annual rental for the lease of support and storage spaces set forth in Sub-Article 3.06 and any applicable taxes related to such such rental. Thereafter, the amount shall be adjusted as necessary to reflect any increased in the MAG and lease of support and storage spaces. This requirement shall be met no later than thirty (30) Days after the Amendment Effective Date. The payment security shall be kept in full force throughout Operational Term and any Extension of this Agreement thereof. The Department may draw upon such payment security instrument if the Master Concessionaire fails to make the payments secured by this Sub-Article. Upon notice of any such draw, Master Concessionaire shall immediately replace the payment security with a new payment security in the full amount of the payment security required hereunder. A failure to renew the payment security, or increase the amount of the payment security, if required pursuant hereto, shall (i) entitle the Department to draw down the full amount of such payment security, and (ii) be a default of this Agreement entitling the Department to all available remedies.

8. Sub-Article 14.08 is created as follows:

14.08 GROSS REVENUES OF CERTAIN LOCATIONS: Gross Revenues from Units 6DA2725 (Old Westfield 6A2526), 6D2898, and 6DA21014 shall not be added to the Gross Revenues from other locations listed on Exhibit A of this Agreement for the purpose of determining whether Master Concessionaire has complied with its ACDBE Contract Goal. Accordingly, any analysis of Master Concessionaire's ACDBE compliance as measured by Gross Revenues under this Agreement shall be net of the Gross Revenues from 6DA2725 (Old Westfield 6A2526), 6D2898, and 6DA2D014.

9. The terms and conditions of the Letter Agreement (including, without limitation, the waivers and additional relief or incentives provided for therein) are incorporated by reference herein. Notwithstanding the foregoing, nothing contained in this Amendment, including the Letter Agreement, shall be construed to prospectively limit, waive, or alter the application of Sub-Article 1.08 "Addition, Deletion and Modification of Locations" to any Locations, including any Locations affected by or otherwise referenced in this Amendment, including the Letter Agreement.
10. Except for the aforementioned modifications, in all other respects the Agreement, including the provisions stipulated in this Amendment, shall remain in full force and effect in accordance with the terms and conditions specified therein and herein.
11. This Amendment shall be effective when approved by the Board of County Commissioners, and upon the earlier of (i) such Commission approval is approved by the Mayor, or (ii) the ten day veto period expires without any veto of such Commission approval by the Mayor (the "Amendment Effective Date").
12. As of and after the Amendment Effective Date, if any, (A) (i) the Lease and Concession Agreement by and between Miami-Dade County, Florida and NewsLink/Adler Airport Development Group LLC Master Concessionaire (Package 1) for the Retail Concessions Program 2008 at Miami International Airport and (ii) the Lease and Concession Agreement by

and between Miami-Dade County, Florida and NewsLink of South Florida LLC Master Concessionaire (Package 2) for the Retail Concessions Program 2009 at Miami International Airport shall terminate, and (B) the Master Concessionaire is hereby assigned and assumes and shall retain and assume any and all rights and obligations arising or incurred under each such terminated Lease and Concession Agreement prior to the Amendment Effective Date, and (C) any and all subleases or other sub-concession agreements under each such terminated Lease and Concession Agreements shall continue in full force and effect, subject to the terms and conditions thereof, with the Master Concessionaire as the authorized successor sub-landlord or Master Concessionaire thereunder.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Agreement the date and year first above written.

[SIGNATURES ON NEXT PAGE]

A handwritten signature in black ink, appearing to read "R. K. H.", is located in the bottom right corner of the page.

MASTER CONCESSIONAIRE

NEWSLINK OF SOUTH FLORIDA, LLC

By: 

Raymond J. Kayal, Jr., as President of NewsLink Group, LLC, a Florida limited liability company, as the Managing Member of NewsLink of South Florida, LLC

NEWSLINK/ADLER AIRPORT DEVELOPMENT GROUP, LLC

By: 

Raymond J. Kayal, Jr., as President of NewsLink Group, LLC, a Florida limited liability company, as the Managing Member of NewsLink of South Florida, LLC, as the Managing Member of NewsLink/Adler Airport Development Group, LLC

**BOARD OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA**

By: _____
Mayor

Attest: Harvey Ruvin, Clerk

By: _____
Deputy Clerk

Approved for Form
and Legal Sufficiency

Assistant County Attorney

**EXHIBIT A
LOCATIONS**

8

15

RJK

Exhibit A - Locations

Unit	MDAD ID #	SF	Type	Sub-type	Concept Category	Preferred Concept
C.12.A / C.13.A	6D21330	1,627	Retail	News / SR	News & Books / Gift Specialty Shops	News & Gifts / Gourmet Packaged Gifts
D.21.A	6DD21136	731	Retail	SR	Fashion Apparel & Accessories	Fashion Accessories
C.40.A	6DD21515	1,374	Retail	SR	Gift/Specialty Shops	Gifts
B.81.A	6DB2480	1,490	Retail	News	News & Books	News & Gifts
C.46.A	6DC2172	1,578	Retail	SR	Fashion Apparel & Accessories	Men's Apparel
C.23.A	6DD21130	563	Retail	SR	Fashion Accessories	Watches & Jewelry
NewsLink #84	6D2308	518	Retail	News	News & Books	News & Gifts
NewsLink #110 (Shoppes at Ocean Dr)	DA2340	9,069				
	A.110H.A		Retail	News	News & Books	News & Gift
	A.110H.B		Retail	SR	Gift Specialty Shops	Destination Themed Gifts
	A.110H.C		Retail	SR	Gift Specialty Shops	Unique Toys
	A.110K.A		Retail	SR	Fashion Apparel & Accessories	Active Sportswear
	A.110K.C		Retail	SR	Gift Specialty Shops	Store within a Store
	A.110H.D		Retail	SR	Gift Specialty Shops	Chocolates/Candy
	A.110K.E		Retail	SR	Gift Specialty Shops	Gourmet Packaged Gifts
B.97.B	6DB2915	610	Retail	News	News & Books	News & Gift
NewsLink #55	6324147015	300	Retail/F&B	News/Café	News & Books / Food & Beverage	News/Café
B.1F.44 A	TBD	1,355	SVC	Business	Business Services	Business & Shipping Center
	6DA2725					
	(Old Westfield	1,430				
NewsLink #6	6A2526)		Retail	News	News & Books	News & Gifts
B.93.A	6D2898	697	F&B	QS	Food & Beverage	Café
A.3F.110M.A	6D2800	2,392	SVC	Personal	Personal Care	Well-Being Center
B.82.A	6D2409	209	Retail	SR	Entertainment/Electronics	Mobile Phone Accessories
B.96.A	6DB29105	145	Retail	SR	News & Books	Travel & Business Books
B.107.A	6D21220	3,661	Retail	News	News & Books	Books/Café
B.102.A	6D21160	1,421	Retail	SR	Sundries/ Personal Care	Convenience, Essentials & Necessities
B.1F.84.A	6D1910	460	Retail	SR	Sundries/ Personal Care	Convenience, Essentials & Necessities
NewsLink #9	6DA21014	234	Retail	News	News & Books	Newsstand
NewsLink #111	6D2806	1,425	Retail	SR	Sundries/ Personal Care	Convenience, Essentials & Necessities
Adjacent to NT Gate D32	TBD	285	Retail	News	News & Books	Newsstand
Adjacent to NT Gate D44	TBD	950	Retail	SR	Sundries/ Personal Care	Convenience, Essentials & Necessities
TOTAL		32,524				

**EXHIBIT B
LETTER AGREEMENT**

R.K.H.



Commercial Airports
Miami International Airport

General Aviation Airports
Dade Collier Training & Technical
Homesfield General
Kendall-Tamiami Executive
Opa Locka
Opa Locka West

Miami-Dade Aviation Department
P.O. Box 035504
Miami, Florida 33102-5504
T 305-876-7000 F 305-876-0948
www.miami-airport.com

miamidade.gov

March 29, 2013

Mr. Raymond J. Kayal, Jr.
President & CEO
6910 N.W. 12th Street
Miami, Florida 33126

Re: NewsLink's Request for Financial Compensation Due to Financial Impact of Duty Free Americas
Implementation of Duty-Paid Program in Specialty Stores.

Dear Mr. Kayal:

We wish to again thank you and your NewsLink organization for your outstanding retail program at Miami International Airport (MIA). We have again analyzed your assertion that the implementation of a duty-paid program by Duty Free America's specialty stores, would cannibalize the sales of your Ocean Drive concept in the proximity of Gate D17. Our review yielded the same conclusion as contained in our December 24, 2012 letter that the authorization by MDAD/County of duty-paid sales in the four (4) DFA specialty stores will not negatively impact the sales in The Shoppes at Ocean Drive. The Miami-Dade Aviation Department (MDAD) also continues to assert that it has the legal authority to permit Duty Free America's (DFA) to offer duty-paid sales in its specialty stores, and plans to do so.

Nonetheless, MDAD is willing to find a resolution to prevent any further protest from NewsLink regarding the above DFA duty-paid sales in its specialty stores. Towards that end, MDAD makes this final offer to:

1. Permit the build-out and make permanent, the former temporary space at approximately Gate D32.
2. Permit the build-out and make permanent, current temporary, pre-security space (B-B4; 518square-feet) in North Terminal.
3. Permit NewsLink to add a new Air Essentials location to North terminal - Gate D44 area (approximately 750 square feet).

4. Permit NewsLink to add Einstein's Bagels food concept or other substantially similar food concept to the Rental Car Center retail concept, within same 300 square-foot dimension.
5. Permit NewsLink to develop Air Essential concept in new space granted by MDAD next to NewsLink's spa; approximately 1,442 square feet.
6. Seek approval from the Miami-Dade Board of County Commissioners (BCC) to combine packages 1, 2 and 3. This combined package will stipulate that revenues from Units 6DA2725 (Old Westfield 6A2526), 6O2898, and 6DA21014 will not be used for either calculating ACDBE goals or compliance on the combined package. The Airport finds that Newslink has currently made good faith efforts to comply with its existing ACDBE requirements.
7. Seek approval from the BCC to extend the term of the combined packages in #6, with the term commencement date being one year following the operational date of the last of the four North Terminal gates D26 through D29.

This agreement is contingent and shall be effective on the satisfaction or mutual written waiver of each and all of the following conditions precedent: (1) MDAD and Newslink agreeing on a mutually acceptable Amendment creating the combined package on the terms set forth in paragraphs number 6 and 7 above, and (2) MDAD and Newslink coming to a terms on the design/layout of the stores specified in Paragraphs 1 and 2, with conditions (1) and (2) both occurring within 14 days of the date of this letter, and (3) within 90 days after the date of this letter (or such additional time provided by written notice of NewsLink), (a) approval of the Amendment by the Board of County Commissioners, and (b) the earlier of (i) the expiration of the ten day veto period without any veto of such Commission approval or (ii) the approval by the Mayor of such Commission approval.

Upon the effective date of this Agreement, NewsLink and the County mutually waive any and all claims, rights, or causes of action either has, at law or equity, against the other and their respective officers, employees, agents related to duty-paid sales by Duty Free America in the four (4) specialty stores located near Gate D17 pursuant to their current contract, and acceptance of this offer shall be deemed a complete waiver of all such claims, rights, and causes of action as relates to such duty-paid sales. Notwithstanding the preceding, nothing contained herein shall prevent the County, in its sole reasonable good faith discretion, from offering and granting NewsLink additional relief or incentives as may be warranted by future events, including but not limited to, unexpected impacts (such as sales losses in excess of those projected by the County's consultant's report referenced in MDAD's letter of December 24, 2012) to NewsLink from the operations of DFA, to the extent that the County in good faith determines such relief is warranted or has not been offset. Except as provided herein, nothing in this letter is intended to be, or shall be construed as, a waiver of any right or privilege held by NewsLink or MDAD or the County pursuant to any agreement, including but not limited to the County's concession agreements with NewsLink and/or DFA.



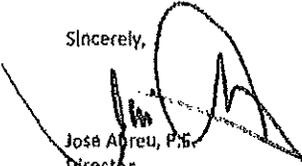
Kayal Jr., Raymond
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NewsLink shall additionally waive all rights it may have, at law or in equity, against DFA to challenge DFA's rights to sell to domestic passengers at DFA's existing Coach, Mont Blanc, Thomas Pink, or Armani branded stores near Gate D17 in the North Terminal pursuant to its existing contract with the County; however, nothing herein shall be construed as a waiver of NewsLink's rights against DFA with respect to any other past, current, or future business practice of DFA, or any other right, claim, or cause of action as NewsLink has or may have against DFA.

In closing, MDAD strives to grow its commercial revenue - without negatively impacting its concession partners. In doing so however, MDAD must preserve its rights to make such decisions at its sole discretion, and does not guarantee concessionaires against competition as underscored by MDAD's non-exclusive concession agreements. MDAD remains hopeful however, that NewsLink will view this resolution as a way to strengthen our partnership and further build what is already a world-class concession program.

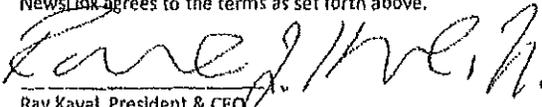
If NewsLink agrees to the terms of this offer, please sign below.

Sincerely,



José A. Freu, P.E.
Director

NewsLink agrees to the terms as set forth above.



Ray Kayal, President & CEO
NewsLink

