

**FIRST AMENDMENT TO THE LOS ANGELES INTERNATIONAL AIRPORT DUTY  
FREE MERCHANDISE CONCESSION AGREEMENT, LAA-8647 BETWEEN THE  
CITY OF LOS ANGELES AND DFS GROUP L.P.**

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This First Amendment to the Los Angeles International Airport Duty Free Merchandise Concession Agreement, LAA-8647 between the City of Los Angeles and DFS Group L.P. ("First Amendment"), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, at Los Angeles, California by and between the CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as "City"), acting by order of and through its Board of Airport Commissioners (hereinafter referred to as "Board") and DFS Group L.P., a Delaware limited partnership (hereinafter referred to as "DFO").

**RECITALS**

WHEREAS, on August 15, 2012, City and DFO entered into the Los Angeles International Airport Duty Free Merchandise Concession Agreement, LAA-8647 (hereinafter "Agreement"); and

WHEREAS, DFO was given written notice by a designee of the Executive Director, in a letter dated September 16, 2013, that the Primary Term of the Agreement would commence on September 18, 2013 and DFO has acknowledged such date as the Primary Term Commencement Date; and

WHEREAS, Section 1.3 of the Agreement provides that the Expiration Date is the last day of the tenth (10<sup>th</sup>) Year following the Primary Term Commencement Date of the Agreement. However, if the Primary Term Commencement Date is a date other than the first day of a calendar month, the first Year shall include that fractional portion of the calendar month in which the Primary Term Commencement Date occurs and the first full twelve (12) calendar months thereafter, which is September 30, 2023; and

WHEREAS, Section 1.4 of the Agreement provides that the Executive Director shall have the right (acting in the Executive Director's sole and absolute discretion) to extend the Primary Term for up to three (3) consecutive twelve (12) month periods; and

WHEREAS, the parties hereto desire to amend said Agreement.

NOW, THEREFORE, the parties hereto, for and in consideration of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, do mutually agree that the Agreement, BE AMENDED AS FOLLOWS:

**Amendment Section 1.** Section 1.3 of the Agreement is hereby amended and restated to read in its entirety as follows:

1.3 **Primary Term.** For purposes of this Agreement, the term "**Primary Term**" shall mean the period commencing on the Primary Term Commencement Date (as defined below) and

ending on September 30, 2024 (herein, the “**Expiration Date**”), unless the term of this Agreement is sooner terminated. For purposes of this Agreement, the term “**Primary Term Commencement Date**” shall mean the date specified by the Executive Director as the Primary Term Commencement Date as set forth in a written notice given by the Executive Director to DFO, provided that the Primary Term Commencement Date will not occur any earlier than the date that is thirty (30) days prior to the BWC Opening Date (as defined below). For purposes of this Agreement, the term “**Year**” shall mean each consecutive period of twelve (12) full calendar months following the Primary Term Commencement Date; provided, however, if the Primary Term Commencement Date is a date other than the first day of a calendar month, the first Year shall include that fractional portion of the calendar month in which the Primary Term Commencement Date occurs (the “**Fractional First Month**”) and the first full twelve (12) calendar months thereafter. For purposes of this Agreement, the term “**BWC Opening Date**” shall mean the date that the Bradley West Modernization primary core area of the Tom Bradley International Terminal opens for passenger travel as determined by the Executive Director (such primary core area is depicted in sheet MLE4CT of Exhibit C-1 in Addendum 10 to the RFP). Within ten (10) days following the Executive Director’s request, DFO shall execute a Primary Term Commencement Date Memorandum in the form of Exhibit “B” attached hereto acknowledging the calendar date of the commencement of the Primary Term and the Expiration Date, together with such other information contained in the Primary Term Commencement Date Memorandum as the Executive Director may request. DFO’s failure to execute a Primary Term Commencement Date Memorandum shall not affect the commencement date of the Primary Term nor the performance of DFO’s obligations with respect thereto.

**Amendment Section 2.** The Basic Information of the Agreement is hereby amended and restated to conform with the provisions of this First Amendment, to the extent that the provisions in the Basic Information are inconsistent with the provisions herein.

**Amendment Section 3.** The Business and Operations Plan of the Agreement is hereby amended and restated to conform with the provisions of this First Amendment, to the extent that the provisions in the Business and Operations Plan are inconsistent with the provisions herein.

**Amendment Section 4.** As a material inducement to City’s entering into this First Amendment, DFO hereby represents and covenants to City as follows: (1) City is not in default in the performance of any of the terms or provisions of the Agreement; (2) City has duly delivered the Premises to DFO in accordance with the terms of the Agreement, and there exists no unresolved disputes or claims by DFO for items of construction, repair or capital expenditure for which City is liable or obligated to pay for or to perform in connection with the Agreement; (3) DFO neither has nor claims any setoffs or credits against the payment of Rent payable under the Agreement; and (4) City shall be entitled to rely on the accuracy of the foregoing representation and covenants, and DFO hereby releases City from any claims relating to the foregoing matters.

**Amendment Section 5.** Except as specifically provided herein, this First Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges,

duties, or obligations of either of the parties hereto, under, or by reason of said Agreement, as amended.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, City has caused this First Amendment to be executed on its behalf by the Executive Director, or his or her authorized signatory, and DFO has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:

CITY OF LOS ANGELES

Michael N. Feuer, City Attorney

By J. Timothy J.  
Deputy Assistant City Attorney

Date January 20, 2015

By \_\_\_\_\_  
Executive Director  
Department of Airports

Date \_\_\_\_\_

By \_\_\_\_\_  
Deputy Executive Director, Comptroller  
Department of Airports

ATTEST:

By Joseph P. Lyons  
Signature

JOSEPH P. LYONS  
Print Name

VICE PRESIDENT  
Print Title

DFS GROUP L.P.,  
a Delaware limited partnership

By Polly Nelson  
Signature

Polly Nelson  
Print Name

Managing Director  
Print Title

Date 1/12/15

