

**FOURTH 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 Fourth 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. (“Fourth Amendment”), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, 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, as amended by that First Amendment dated February 26, 2015, the Second Amendment dated May 28, 2020, and Third Amendment dated December 18, 2020 (as amended, the “Agreement”). Unless otherwise stated or where context requires, capitalized terms shall have their meanings as set forth in the Agreement; and

WHEREAS, due to the COVID-19 pandemic, international passenger traffic has declined at Los Angeles International Airport (“Airport”);

WHEREAS, pursuant to the Second and Third Amendments, City granted DFO rent relief under the Agreement;

WHEREAS, the parties agree that the Faithful Performance Guarantee under the Agreement should be allowed to decline under the terms of this Fourth Amendment;

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 4.10.1 of the Agreement is hereby amended and restated to read in its entirety as follows:

“4.10.1 Commencing on first day of the second Year and the first day of each Year thereafter through the execution of the Fourth Amendment to this Agreement (“Fourth Amendment Effective Date”), the FPG Amount shall be adjusted to the greater of: (i) \$7.5 million or (ii) twenty-five percent (25%) of the Minimum Annual Guaranteed Rent for such Year then beginning. Commencing on the Fourth Amendment Effective Date through the expiration of the Agreement, the FPG Amount shall be adjusted to the greater of: (i) \$5 million in the form of a letter of credit or (ii) twenty-five percent (25%) of the Minimum Annual Guaranteed Rent for such Year then beginning. Such adjustment shall be made within thirty (30) days following DFO’s

submittal of the annual report for the prior Agreement Year or the Fourth Amendment Effective Date, as the case may be. The FPG Amount may be adjusted by the Executive Director or Chief Executive Officer of the Department of Airports at his discretion.”

**Amendment Section 2.** As a material inducement to City’s entering into this Fourth 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 3.** Except as specifically provided herein, this Fourth 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.

**Amendment Section 4.**

This Fourth Amendment and any other document necessary for the consummation of the transaction contemplated by this Fourth Amendment may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Fourth Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Fourth Amendment had been delivered that had been signed using a handwritten signature. All parties to this Fourth Amendment (i) agree that an electronic signature, whether digital or encrypted, of a party to this Fourth Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Fourth Amendment based on the foregoing forms of signature. If this Fourth Amendment has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

IN WITNESS WHEREOF, City has caused this Fourth 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   
Deputy/Assistant City Attorney

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

Date January 14, 2021

Date \_\_\_\_\_

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

ATTEST:

**DFS GROUP L.P.,  
a Delaware limited partnership**

By Lai Ping Choi  
Signature  
Choi Lai Ping  
Print Name  
Head of Finance, US  
Print Title

By Martin Matthews  
Martin Matthews (Jan 4, 2021 12:39 PST)  
Signature  
Martin Matthews  
Print Name  
Managing Director  
Print Title

Date 4 Jan 2021