

September 24, 2021

Via Email: sthompson@qantas.com.au

Stephen Thompson
Senior Executive Vice President
Qantas Airway Ltd
8000 World Way West, Level 2
Los Angeles, CA 90045

Re: Letter Amending **Passenger Lounge Space Lease [# LAA-8763]** dated May 9, 2013 between CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS and Qantas Airways Ltd (said agreement as may have been heretofore amended is referred to herein as the "Lease").

This Letter Agreement is made and entered into this _____ day of _____, 2021 ("Effective Date"), at Los Angeles, California by and between the CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as the "City"), acting by and through its Board of Airport Commissioners (the "Board"), and Qantas Airways Ltd ("Airline").

In consideration of the severe decline in international flight and passenger traffic at Los Angeles International Airport ("LAX") due to travel restrictions and warnings for a number of countries, including in Asia and Europe, and its impact on airlines that lease passenger lounges which are utilized primarily by international passengers, the parties to the above-referenced Lease hereby amend the Lease in order to provide temporary relief on the terms and subject to the conditions set forth in this Letter Agreement.

1. **Conditions Precedent.** As conditions precedent to receiving the benefits of Section 2, below:
 - a. Airline must demonstrate that its total number of enplaned international passengers at LAX accounted for at least 50% of its total enplaned passengers (domestic and international) at LAX for calendar year 2019; and
 - b. Airline must demonstrate to LAWA's sole satisfaction that the policies of Airline's national government in response to COVID-19 either (i) currently prevent or in the sole judgement of LAWA severely restrict passenger aircraft operations to/from the United States of America; or (ii) prevented or in the sole judgement of LAWA severely restricted passenger aircraft operations to/from the United States of America for at least six months between February 2020 and July 2021; and
 - c. Airline must demonstrate to LAWA's sole satisfaction that (i) the passenger lounge subject to the Lease is or has been closed due to the policies of the Airline's national government referenced in Section 1.b above and (ii) Airline is not receiving payments from other airlines based on a lounge sharing agreement; and
 - d. On or prior to the Effective Date, Airline shall have paid the City at least twenty-five percent (25%) of the of aggregate "Terminal Building Charges" for the use of its "Demised Premises," as those terms are defined in the Lease due to the City from April 1, 2020 through September 30, 2021 ("Good Faith Payment").

2. **Temporary Deferral of Rent.** Subject to the terms and conditions set forth in this Letter Agreement, Airline may defer the following rental payments to the City:
 - a. **Balance of Past Due Rent.** Airline may defer the balance of past due Terminal Building Charges remaining after Airline has met its obligations under Section 1 (the “Balance of Past Due Rent”) through the earlier of (i) June 30, 2022 or (ii) the Travel Restriction End-date. For the purpose of this Section 2, the Travel Restriction End-date shall be determined in the sole discretion of the City based on when governmental restrictions that the City has determined adversely affect Airline’s ability to operate flights to or from the United States have been revised or rescinded such that they no longer, in the sole judgment of LAWA, adversely affect Airline’s ability to operate flights to or from the United States.
 - b. **Monthly Deferrals.** Each month during the period of October 1, 2021 through the earlier of (i) June 30, 2022 or (ii) the Travel Restriction End-date (the “Deferral Period”) Airline may defer seventy-five percent (75%) of the monthly Terminal Buildings Charge due to the City (the “Monthly Deferral”). Airline shall timely pay the remaining twenty-five percent (25%) of the monthly Terminal Buildings Charge due to the City for the use of its Demised Premises in accordance with the Lease (the “Modified Monthly Rent”). Notwithstanding the foregoing, Airline shall continue to pay the commercial tenant occupancy tax required under Los Angeles Municipal Code Article 1.3 based on one hundred percent (100%) of the Terminal Buildings Charge that would otherwise be due during the Deferral Period.
 - c. **Deferred Rent.** The Balance of Past Due Rent shall accrue interest at the rate of 0.70% percent annually from the date that the payments would have first been due under the Lease until the time that Balance of Past Due Rent and all Monthly Deferrals have been paid in accordance with Section 3. “Deferred Rent” shall be the total amount of Balance of Past Due Rent and Monthly Deferrals, plus interest.
3. **Payment of Deferred Rent.** Commencing the first day of the month following the end of the Deferral Period and subject to the terms and conditions set forth in this Letter Agreement including but not limited to Sections 4, 5 and 6, Airline shall pay the Deferred Rent to the City in equal monthly installments over twelve (12) months.
4. **Performance Guaranty Requirement.** From the Effective Date until all Deferred Rent is paid to the City, Airline waives any right to relief under Section 11.3(a) of the Further Amended and Restated Rate Agreement between Airline and the City from the “Performance Guarantee” required under Section 15 of the Los Angeles International Airport Passenger Terminal Tariff.
5. **Requirement to be Current on Payments Due to the City.** Starting on the Effective Date and continuing through the Payment Period, Airline shall remain current on all monetary obligations under the Lease, as amended by this Letter Agreement, as well as under any other currently existing contract, agreement, lease, permit, or license, with the

City. For purposes of this section, the term “current” means in accordance with the “Los Angeles World Airports – Accounts Receivable Collection Policies and Procedures for Leases/Licenses/Permits/Concessions/Agreements,” dated July 1, 2019, as it may be amended from time to time. If Airline fails to comply with this Section 5, any remaining Deferred Rent shall immediately become due and payable in full upon demand by the City, and the City shall have the right to enforce the Lease as if there were no such abatement or adjustment.

6. **Compliance With Lease.** Airline acknowledges and agrees that Airline’s right to receive the benefit of the deferrals under this Letter Agreement is absolutely conditioned upon Airline’s full, faithful and punctual performance of its obligations under the Lease. If Airline defaults in the performance of any of its obligations under the Lease, including without limitation its obligations under this Letter Agreement, any remaining Deferred Rent shall immediately become due and payable in full upon demand by the City, and the City shall have the right to enforce the Lease as if there were no such abatement or adjustment. In the event of default, the City reserves all rights and remedies it may have under the Lease or as otherwise provided by law. Without limiting the generality of the foregoing, Airline acknowledges and agrees that: (i) Airline shall comply with all applicable City of Los Angeles ordinances, (ii) Airline shall have fully funded its Performance Guarantee as required under Section 15 of the Los Angeles International Airport Passenger Terminal Tariff (and without reduction with regard to the temporary rent deferral contemplated herein) and acknowledges that the City may draw upon the Performance Guarantee immediately and without prior notice in the event of a default by Airline under the Lease, and (iii) in the event that the City draws upon the Performance Guarantee, Airline agrees to replenish the Performance Guarantee to its full amount immediately upon request by City.
7. **Bankruptcy.** If Airline has filed for bankruptcy, or files for bankruptcy during the Deferral Period, Airline agrees and acknowledges that this Letter Agreement is entered into subject to the approval of the bankruptcy court in its bankruptcy case. In the event the bankruptcy court does not approve this Letter Agreement, including the requirement that Airline pay all prepetition and post-petition obligations it owes to the City, this Letter Agreement will no longer be in force and Airline will be liable for all obligations it owes under the Lease.
8. **Subleases.** Airline shall pass along to all of its sub-lessees, if any, the same deferral received by Airline pursuant to this Letter Agreement on a ratable and nondiscriminatory basis.
9. **Subordinate to Applicable Laws.** The provisions of this Letter Agreement are intended to be subject and subordinate to any applicable federal, state or local laws and orders now or hereafter in effect to the extent that the terms of this Letter Agreement are inconsistent therewith.
10. **Subordinate to Grant Assurances and Bond Covenants.** The terms of this Letter Agreement are subject and subordinate to (a) the provisions of any agreement between

the City and the United States, including without limitation the terms of any “Sponsor’s Grant Assurances” or like agreement, required to obtain federal grant funds or other benefits for the airport and (b) any bond covenants of the City. Airline shall consent to any modification to the terms of this Letter Agreement that is required to comply with the City’s obligations under such agreements or bond covenants or if required as a condition of the City’s entry into such agreements or bond covenants.

11. **No Third Party Beneficiaries.** Nothing in this Letter Agreement, whether express or implied, is intended to grant to, or confer upon, any person or entity any rights or remedies under, or by reason of, this Letter Agreement other than the parties hereto, and no person or entity shall be deemed a third party beneficiary of this Letter Agreement or any provision hereof.
12. **Full Force and Effect.** Except as expressly amended and modified as set forth in this Letter Agreement, the terms and provisions of the Lease remain the same and in full force and effect.
13. **Electronic Signatures.** This Letter Agreement and any other document necessary for the consummation of the transaction contemplated by this Letter Agreement 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 amendment, 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 Letter Agreement 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 amendment had been delivered that had been signed using a handwritten signature. All parties to this Letter Agreement (i) agree that an electronic signature, whether digital or encrypted, of a party to this Letter Agreement 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 Letter Agreement based on the foregoing forms of signature. If this Letter Agreement 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.

[signature page follows]

IN WITNESS WHEREOF, the City has caused this Letter Agreement to be executed on its behalf by the Chief Executive Officer, or his or her designee, and Airline 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: _____
Chief Executive Officer
Department of Airports

By: Tamami Yamaguchi
Tamami Yamaguchi (Jan 6, 2022 13:12 PST)
Deputy/Assistant City Attorney

By: _____
Chief Financial Officer
Department of Airports

The undersigned Airline hereby agrees to the foregoing Letter Agreement:

Date: October 21, 2021

Qantas Airways Ltd

ATTEST:

By: _____
Name: **Seb Mackinnon**
Title: **Head of Commercial - Airports**

By: _____
Name: **Matthew Hudson**
Title: **EXECUTIVE MANAGER COMMERCIAL AIRPORTS, FUEL & LEASING**