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FORM A.1 RFP MINIMUM REQUIREMENTS ACKNOWLEDGEMENT FORM

The minimum qualifications and requirements for any Proposer responding to this RFP shall be as follows:

1. Proposer shall have a minimum of ten (10) years successful, continuous, and recent experience in the operations and management of duty free locations in either an international airport or land border crossing of comparable size and complexity to SEA; or If Proposer is part of a joint venture agreement, the majority member shall have a minimum of ten (10) years successful, continuous, and recent experience in the operations and management of duty free locations in either an international airport or land border crossing of comparable size and complexity to SEA. (**Form A.8**)
2. Proposer must submit the Proposer's Certification Form (**Form A.2**).
3. Proposer has complied with the requirements set forth in SECTION 3: ACDBE REQUIREMENTS, by submitting ACDBE participation Form (**Form A.4**) and/or Documentation of Good Faith Efforts (**Form A.5**).
4. Proposer has complied with the requirements set forth in SECTION 4: LABOR PEACE REQUIREMENTS by submitting Evidence of Labor Peace Agreement (**Form A.6**) or Certification For Labor Peace Agreement (**Form A.7**)
5. **PROPOSER MUST ACKNOWLEDGE ALL ADDENDUM(S) ISSUED BY THE PORT.**

[See addenda acknowledgements on pages 4 and 5](#)



I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify my submittal from the RFP 23-1DF evaluation process.

Date: October 26, 2023
Company: Duty Free Americas Seattle, LLC

Name: Jerome Falic
Title: Managing Partner and CEO

Signature: 

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON-RESPONSIVE AND NOT SCORED.

FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).



CORPORATE RESOLUTION

The undersigned, David Taney, does hereby certify:

That I am the General Counsel of Duty Free Americas Seattle, LLC (the "Company"), a Washington limited liability company.

That the Company was formed to operate retail concessions.

That, at a Special Meeting of the Board of Directors of Duty Free Americas Airports, Inc., the Company's Managing Member (the "Managing Member"), on October 6, 2023, the following resolutions were duly adopted:

"BE IT RESOLVED that the Company authorizes the submission of a proposal for the duty free concession at Seattle-Tacoma International Airport in response to RFP23-1DF issued by the Port of Seattle on July 12, 2023 (the "RFP").

BE IT FURTHER RESOLVED that any one of the following officers of the Managing Member is authorized to act on the Company's behalf and to execute and deliver on behalf of the Company such submissions, agreements, amendments and other instruments and documents as may be necessary or required in connection with the RFP, all of which shall contain such terms and conditions as said officer of the Company shall determine to be in the best interest of the Company, with the signature of said officer to be conclusive evidence of such determination and of the authority of said officer to execute and deliver the same:

- Jerome Falic – Chief Executive Officer
- Leon Falic - President
- Simon Falic – Chief Operating Officer
- Timothy McCloskey – Chief Financial Officer

BE IT FURTHER RESOLVED that Jacqueline Torres, the Managing Member's Director of Human Resources, is authorized to act on the Company's behalf and to execute and deliver on behalf of the Company any and all submissions, agreements, amendments and other instruments and documents as may be necessary or required in connection with Labor Peace.

BE IT FURTHER RESOLVED that the Company hereby ratifies and confirms the acts of the aforementioned officers, irrespective of whether such acts were performed prior or subsequent to the date of the adoption of the foregoing resolutions, in effectuating the purposes and intents of the foregoing resolutions and the transaction contemplated thereby."

IN WITNESS WHEREOF, I have hereunto signed the present document this 6th day of October, 2023, at Hollywood, Florida.

Duty Free Americas Seattle, LLC, a Washington limited liability company

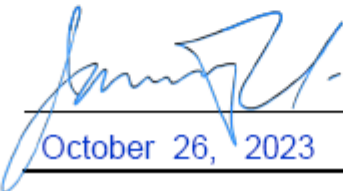
By: 
David Taney
General Counsel

**Port of Seattle
Seattle-Tacoma International Airport
Airport Dining & Retail Program
Request for Proposal
(RFP 23-1DF)**

**Addendum No. 1
CONFIRMATION**

Respondent must complete this RFP Addendum No. 1 confirmation and attach it to the Submittal.

RFP 23-1DF Addendum No. 1 has been received and reviewed by:

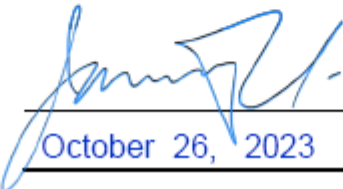
Respondent	<u>Duty Free Americas Seattle, LLC</u>
Name	<u>Jerome Falic</u>
Title	<u>Managing Partner and Chief Executive Officer</u>
Signature	
Date	<u>October 26, 2023</u>

**Port of Seattle
Seattle-Tacoma International Airport
Airport Dining & Retail Program
Request for Proposal
(RFP 23-1DF)**

**Addendum No. 2
CONFIRMATION**

Respondent must complete this RFP Addendum No. 2 confirmation and attach it to the Submittal.

RFP 23-1DF Addendum No. 2 has been received and reviewed by:

Respondent	<u>Duty Free Americas Seattle, LLC</u>
Name	<u>Jerome Falic</u>
Title	<u>Managing Partner and Chief Executive Officer</u>
Signature	
Date	<u>October 26, 2023</u>

FORM A.2 PROPOSER'S CERTIFICATION

By submitting a Proposal, Proposer understands, agrees and warrants that:

- Proposer has carefully read and fully understands the information provided in this RFP, including, by not limited to Section 8.4 - Competitive Integrity
- Proposer has the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted
- All information in the Proposal is true and correct
- The Port has the right to negotiate fees and other items it deems appropriate for the benefit of the Port and the traveling public
- The Port has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by the Proposer, and Proposer hereby grants the Port permission to make said inquiries and to provide any and all requested documentation in a timely manner.

Proposer:	Duty Free Americas Seattle, LLC
By:	 Jerome Falic
Title:	Managing Partner and CEO

(TO BE ACCEPTED, ALL PROPOSERS MUST SIGN THIS CERTIFICATION.)

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON- RESPONSIVE AND NOT SCORED.

FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).



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- Jerome Falic – Chief Executive Officer
- Leon Falic - President
- Simon Falic – Chief Operating Officer
- Timothy McCloskey – Chief Financial Officer

BE IT FURTHER RESOLVED that Jacqueline Torres, the Managing Member's Director of Human Resources, is authorized to act on the Company's behalf and to execute and deliver on behalf of the Company any and all submissions, agreements, amendments and other instruments and documents as may be necessary or required in connection with Labor Peace.

BE IT FURTHER RESOLVED that the Company hereby ratifies and confirms the acts of the aforementioned officers, irrespective of whether such acts were performed prior or subsequent to the date of the adoption of the foregoing resolutions, in effectuating the purposes and intents of the foregoing resolutions and the transaction contemplated thereby."

IN WITNESS WHEREOF, I have hereunto signed the present document this 6th day of October, 2023, at Hollywood, Florida.


Duty Free Americas Seattle, LLC, a Washington limited liability company

By: 
David Taney
General Counsel

**Port of Seattle
Seattle-Tacoma International Airport
Airport Dining & Retail Program
Request for Proposal
(RFP 23-1DF)**

**Addendum No. 1
CONFIRMATION**

Respondent must complete this RFP Addendum No. 1 confirmation and attach it to the Submittal.


Respondent	<u>Duty Free Americas Seattle, LLC</u>
Name	<u>Jerome Falic</u>
Title	<u>Managing Partner and Chief Executive Officer</u>
Signature	
Date	<u>October 26, 2023</u>

**Port of Seattle
Seattle-Tacoma International Airport
Airport Dining & Retail Program
Request for Proposal
(RFP 23-1DF)**

**Addendum No. 2
CONFIRMATION**

Respondent must complete this RFP Addendum No. 2 confirmation and attach it to the Submittal.

RFP 23-1DF Addendum No. 2 has been received and reviewed by:

Respondent	<u>Duty Free Americas Seattle, LLC</u>
Name	<u>Jerome Falic</u>
Title	<u>Managing Partner and Chief Executive Officer</u>
Signature	
Date	<u>October 26, 2023</u>



FORM A.3 PROPOSER INFORMATION FORM

Company Legal Name (Exactly as it is to appear on the Agreement)

Duty Free Americas Seattle, LLC

Name and Title (of individual authorized to execute the Agreement on behalf of proposer)

Jerome Falic, Chief Executive Officer and Managing Partner

Agreement Mailing Address

City

State

Zip

6100 Hollywood Blvd, 7th Floor Hollywood FL 33024

Telephone Number

Email

954-986-7770

Jerome@dutyfreeamericas.com

Will you execute an Agreement in substantially the same form as the draft provided with the RFP?

Yes

No

Yes, with the following minor changes:

If No please state desired changes:

- Section 3.7 Annual review states, % the Port and Concessionaire cannot jointly agree upon the type and extent of the refurbishment necessary, the Port may, as set forth in Section 4.3, determine the refurbishment required.+ As written, this is too open-ended and, if applied without consideration of the concessionaires\$ profitability, could create an unacceptable economic burden to the concessionaire. Either the open-ended language needs to be restricted or a provision inserted that if the Port-determined refurbishment exceeds the required minimum refurbishment or 1% of the prior year\$ sales, that the excess refurbishment costs can be deducted from the rent due to the Port.
- Exhibit C Operating Standards paragraph 3.7 requires the store to be open 2 hours before the first flight. As duty free serves the international passenger, we ask that this be amended to be 2 hours before the international flights.
- Exhibit D Street Pricing . Many items, and particularly accessories, are virtually impossible to price compare in trying to match specific models and prices when those prices are behind locked cabinets. We sell at the manufacturer\$ suggested duty free retail price. The Concessionaire and the Port will have to work together to find a system which both achieves the Port\$ goal of street pricing while also being practical to implement.



Attach the following information as relevant:

- If a corporation list the names, addresses and shares of all persons or entities owning ten percent (10%) or more of the Proposer’s voting stock;
- If an LLC list the name and address of each member;
- If a partnership list the name, address and share of each partner;
- If a joint venture, list date of organization indicate if the joint venture has done business in the state of Washington and where, and list the name, address and share of each joint venture partner
 - o If the joint venture includes an ACDBE or an ACDBE applicant, and it is the desire of the joint venture partners that the ACDBE partner’s portion of the sales be applied towards Sea-Tac’s ACDBE goal, then the joint venture must be in compliance with the Joint Venture Guidance issued by the U.S. Department of Transportation Federal Aviation Administration in July 2008.

Duty Free Americas Seattle, LLC is a newly formed **joint venture** formed on September 12, 2023. This joint venture has not previously done business in the State of Washington, though its partners have.

Duty Free Americas Seattle, LLC is a newly formed company and has NOT done business previously in the State of Washington. The members of Duty Free Americas Seattle, LLC are:

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Duty Free Americas Airports, Inc.
6100 Hollywood Blvd
Hollywood FL 33024 • Chalo LLC
2018 156th Ave NE #100
Bellevue, WA 98007 • Planewear, Inc.
41210 228th Ave SE.
Enumclaw, Washington, 98022 • Canopy Hospitality Group LLC
540 Gore Ave
Tallahassee, FL 32310 | <ul style="list-style-type: none"> non-ACDBE ACDBE ACDBE ACDBE | <ul style="list-style-type: none"> 77% 10% 10% 3% |
|--|--|---|



Duty Free Americas, the parent company of the majority owner of Duty Free Americas Seattle, LLC, operates 5 duty free stores in the State of Washington, operating under the Duty Free Americas, Ammex, and Exports, Inc. trade names. Exports, Inc. (now Duty Free Americas) has operated the duty free concession on the Washington State Ferries at Anacortes since 1985 though since Covid-19, the ferry has not been operating with duty free. In addition to the Anacortes ferry, Duty Free Americas operates 2 duty free stores in Blaine, WA, 1 duty free store in Sumas, WA, and 1 duty free store in Orville, WA.

Chalo, Planewear, and Canopy Hospitality are each certified by Washington State as ACDBEs. **Chalo** operates a retail gifts store at Seatac and has extensive experience with locally- made products. **Planewear** operates an aviation-themed apparel and gift store at Seatac. **Canopy Hospitality Group** is new to Seattle but hopes to have a stronger presence by 2027 when the duty free concession starts.

- If a sole proprietorship, list all business names under which such proprietor has done business during the last five (5) years, address(es), how long in business, and state whether registered or authorized to do business in Washington.
 - Not applicable

List any affiliate of proposer engaged in airports or other large transportation centers, shopping centers, malls, or business districts activities and any corporation with a direct or controlling interest in the proposer, and any subsidiary corporation in which the proposer has a controlling interest and any affiliates.

Duty Free Americas Airports, Inc., the majority member of Duty Free Americas Seattle, LLC, is a wholly-owned subsidiary of Duty Free Americas, Inc.

Please provide the names, addresses, and telephone numbers of at least three (3) credit references, including at least one (1) banking reference.

BANKING REFERENCE No. 1	
Company Name	<i>JPMorgan Chase Bank, N.A.</i>
Company Address	<i>200 S. Pine Island Road, Suite 103 Plantation, FL 33324</i>
Contact Name	<i>Vivian (Alvarez) Premock</i>
Title	<i>Executive Director</i>
Telephone Number	<i>954-331-8841 vivian.premock@chase.com</i>



CREDIT REFERENCE No. 2	
Company Name	Michael Kors
Company Address	One Meadowlands, Plaza 12 th Floor East Rutherford, NJ 07073
Contact Name	LaShonda Bernard
Title	Senior Credit Analyst
Telephone Number	(201) 691-6166 lashonda.bernard@michaelkors.com
CREDIT REFERENCE No. 3	
Company Name	Solupac
Company Address	1810 NE 144th St #100 North Miami, FL 33181
Contact Name	Steven Schmutter
Title	President
Telephone Number	305.892.2800 Ext. 3101 steven@tradepro.com
CREDIT REFERENCE No. 4	
Company Name	JELLY BELLY CANDY COMPANY
Company Address	One Jelly Belly Lane Fairfield, CA 94533-6741
Contact Name	Jan Poncelet
Title	AR Clerk
Telephone Number	(707) 428-2800 ARdepartment@jellybelly.com

FORM A.4 ACDBE PARTICIPATION FORM

Proposers must submit with this form either:

- 1) ACDBE Certification for the State of Washington; or
- 2) Evidence that ACDBE Company has begun the Certification process in the State of Washington prior to the submission of this RFP; and
- 3) If a Joint Venture a copy of the Joint Venture Agreement with the Roles and Responsibilities

FAILURE OF PROPOSER TO PROVIDE THIS WILL RESULT IN THE ACDBE COMPANY PARTICIPTION NOT BEING COUNTED TOWARD THE OVERALL GOAL.

[See ACDBE certification forms and joint venture agreement following this page](#)

ACDBE COMPANY NAME	SUBLEASE OR JOINT VENTURE	ACDBE PERCENTAGE
Chalo, LLC	Joint Venture	10%
Planewear, Inc.	Joint Venture	10%
Canopy Hospitality Group, LLC	Joint Venture	3%
TOTAL ACDBE Participation		23%
Duty Free Americas Airports, Inc.	Non-ACDBE prime	77%

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify my submittal from the RFP 23-1DF evaluation process.

Date: **October 9, 2023**
 Company: **Duty Free Americas Seattle, LLC**

Name: **Jerome Falic**
 Title: **Managing Partner and CEO**

Signature: 

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON-RESPONSIVE AND NOT SCORED.

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Chalo Seattle, Danialle An-Shukla, Owner and President



Chalo Seattle is a local, Seattle-based travel and lifestyle company that focuses on expressing the unique experience of a city and its people by weaving together concepts from yesterday, today and tomorrow. Danialle An is the owner and President. Ms. An and Chalo have experience in operating at Seatac where

currently operate the Chalo novelty and gifts store in Concourse C but will soon be moving to the North Concourse. Chalo, LLC is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Chalo will be responsible for sourcing local products for the duty free stores.

Planewear, Jennifer Longley, Owner and President



Planewear is a unique airport retail store experience and prominent purveyor of aviation and travel related products and apparel. Focusing on providing everyone from the most casual of travelers to the aviation professional, Planewear strives to provide exceptional service that allows customers to take off in style and comfort. At its SeaTac International Airport location, travelers are greeted by its First Class sales team outfitted in vintage style Pillbox hats.

At Planewear, younger travelers enjoy searching for inflight entertainment including airplane toys, books and games. Seasoned passengers share stories and memorable times of flying during the Golden Age of aviation as they browse through nostalgic line of bags and accessories including Pan Am Bags and luggage tags. Planewear is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Planewear will be responsible for managing the duty free gate delivery staff, a critical element required by U.S. Customs and Border Patrol in order to sell duty free. Planewear will also apply their travel retail experience to enhancing DFA's connection with the traveling public including expanding DFA's merchandise offerings for younger travelers.

Canopy Hospitality Group, LLC, Daryl Parks, Owner and President

Canopy Hospitality Group is currently based in Tallahassee, FL but is looking to make a presence in Seattle prior to the 2027 start of the duty free concession contract. Canopy Hospitality is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Canopy Hospitality Group will be responsible for managing and coordinating ACDBE reporting.



Daryl D. Parks is an accomplished lawyer and businessman. He is the managing partner at Parks Law, L.L.C. Through his dedication to civil rights activism and his commitment to community, Attorney Parks has represented families of Trayvon Martin, Michael Brown and Corey Jones. The national reputation gained by Attorney Parks and his firm has led to his appearances on numerous national television broadcasts which include ABC, MSNBC, Fox News, and CNN.

Parks's business ventures include being the owner of Canopy Hospitality Group (Canopy). Through Canopy, Parks continues his long-time service to others in the hospitality and airport concessions industry. Canopy has been certified as an ACDBE minority certified business in several states.

Daryl Parks has received numerous awards and accolades for his work both as an attorney and an outstanding businessman. A few of his awards include the Leadership Pacesetter Award from the Greater Tallahassee Chamber of Commerce, the Leon County Small Business of the Year award, the NAACP Chairman of the Board Award, the Florida Bar Henry Latimer Award, the Lawyers Committee for Civil Rights Law Advocates Award, and the American Justice Association Johnnie L. Cochran Soaring Eagle Award. The Association of Fundraising Professionals awarded him and his then partner with the Outstanding Philanthropists of the Year award for their firm's donation of \$1,000,000 to Legal Services of North Florida. Because of his diligent efficacious representation of his clients, Parks is also a member of the Million Dollar Advocacy Forum.



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

1110 Capitol Way South, Suite 150 • PO Box 41160 • Olympia, WA 98501

(360) 664-9750 • Toll free 1-866-208-1064 • Fax (360) 586-7079

November 21, 2022

Chalo LLC
2018 156th Ave. NE
Suite 100
Bellevue, WA 98007

Dear Danialle An,

Congratulations! Your firm's annual review has been completed and you will remain certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) as a/an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE). Information about your business is published in the OMWBE Directory located at <http://bit.ly/2uu4zH2>.

Please use the directory to confirm your certification status, including the areas of work your firm is certified in. This letter is for you to retain for your records, so you know the date you'll need to renew with our office.

Certification Number: D4F0027033

Anniversary Date: May 28, 2023

Certificate is in the process of being renewed

Please review each of the following:

- Each year before your anniversary date, you must submit an "Affidavit of Continued Eligibility." This form confirms there have been no changes that would affect your firm's ability to remain certified, such as changes in ownership, control, size, management responsibility, scope of work, or personal net worth. OMWBE will send you an email 75 days before your anniversary date.
- You must inform the OMWBE in writing within 30 days of any of the changes listed above by logging into our system at <http://omwbe.wa.gov/certification>. Failure to notify our office of these changes may affect your firm's eligibility for the program.
- This certification shall remain valid unless and until it has been removed in accordance with the procedures set forth in 49 CFR § 26.87.

We are pleased to certify your firm and wish you much success. If you have any questions or need assistance, please contact us at (360) 664-9750.

Sincerely,

Elia Mendoza
Certification Analyst

Vendor Information

BUSINESS NAME	Planewear LLC
SYSTEM VENDOR NUMBER	20511161
PRIMARY OWNER'S NAME	Ms. Jennifer Longley
ETHNIC GROUP	Hispanic American
GENDER	Female

Certification Information

CERTIFYING AGENCY	Washington State Office of Minority & Women's Business Enterprises
CERTIFICATION TYPE	MWBE - Minority/Women Business Enterprise
EFFECTIVE DATE	9/21/2020
RENEWAL DATE	9/21/2023

Contact Information

MAIN COMPANY EMAIL	jennifer@planewear.com
MAIN PHONE	253-569-3926
MAIN COMPANY WEBSITE	http://www.planewear.com

Addresses

PHYSICAL ADDRESS	41210 228th Avenue SE Enumclaw, WA 98022 [map]
MAILING ADDRESS	41210 228th Avenue SE Enumclaw, WA 98022 [map]

Business Capabilities

BUSINESS CERTIFIED FOR	ACDBE offering unique travel and aviation themed merchandise such as: handbags, jewelry, candy, apparel, books, children's toys, and home décor items.
FULL DESCRIPTION OF CAPABILITIES/PRODUCTS	ACDBE offering unique travel and aviation themed merchandise such as: handbags, jewelry, candy, apparel, books, children's toys, and home décor items.

COMMODITY CODES

NAICS 445292	Candy stores, packaged, retailing only (More)
NAICS 448140	Family clothing stores (changed in 2022 codeset to 458110) (More)
NAICS 448150	Clothing accessories stores (changed in 2022 codeset to 458110) (More)
NAICS 448310	Jewelry Stores (changed in 2022 codeset) (More)
NAICS 448320	Leather goods stores (changed in 2022 codeset to 458320) (More)
NAICS 453220	Gift stands, permanent location (changed in 2022 codeset to 459420) (More)

Owner Ethnicity and Gender

ETHNIC GROUP	Hispanic American
GENDER	Female

Location

COUNTY	King (WA)
--------	-----------

Additional Information

UBI #	603382654
CERTIFICATION NUMBER	M5F0025212



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

1110 Capitol Way South, Suite 150 • PO Box 41160 • Olympia, WA 98501

(360) 664-9750 • Toll free 1-866-208-1064 • Fax (360) 586-7079

August 18, 2023

Canopy Hospitality Group, LLC DBA none
540 Gore Ave.
Tallahassee, FL 32310

Dear Daryl Parks,

Congratulations! Your firm's annual review has been completed and you will remain certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) as a/an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE). Information about your business is published in the OMWBE Directory located at <http://bit.ly/2u4zH2>.

Please use the directory to confirm your certification status, including the areas of work your firm is certified in. This letter is for you to retain for your records, so you know the date you'll need to renew with our office.

Certification Number: D3M0026835

Anniversary Date: August 18, 2024

Please review each of the following:

- Each year before your anniversary date, you must submit an "Affidavit of Continued Eligibility." This form confirms there have been no changes that would affect your firm's ability to remain certified, such as changes in ownership, control, size, management responsibility, scope of work, or personal net worth. OMWBE will send you an email 75 days before your anniversary date.
- You must inform the OMWBE in writing within 30 days of any of the changes listed above by logging into our system at <http://omwbe.wa.gov/certification>. Failure to notify our office of these changes may affect your firm's eligibility for the program.
- This certification shall remain valid unless and until it has been removed in accordance with the procedures set forth in 49 CFR § 26.87.

We are pleased to certify your firm and wish you much success. If you have any questions or need assistance, please contact us at (360) 664-9750.

Sincerely,

Joyce Blake
Certification Analyst

LIMITED LIABILITY COMPANY AGREEMENT

of

DUTY FREE AMERICAS SEATTLE, LLC

ENTERED INTO AS OF OCTOBER 31, 2023

LIMITED LIABILITY COMPANY AGREEMENT
OF
DUTY FREE AMERICAS SEATTLE, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (~~%Agreement+~~) of **DUTY FREE AMERICAS SEATTLE, LLC**, a Washington State limited liability company (the ~~%Company+~~), is entered into as of October 31, 2023, by and between Duty Free Americas Airports, Inc. (~~%DFAA+~~), a Maryland corporation and Chalo LLC (~~%Chalo+~~), a Washington corporation, Planewear Inc. (~~%Planewear+~~), a Washington Corporation, and Canopy Hospitality Group (~~%Canopy Hospitality+~~), LLC, a Florida corporation. Chalo, Planewear, and Canopy Hospitality are each certified by the State of Washington as Airport Disadvantaged Business Enterprises (~~%ACDBE+~~). (DFAA and Chalo and Planewear, and Canopy Hospitality are sometimes referred to hereafter, collectively, as the ~~%Members+~~).

RECITALS

WHEREAS, the Company was formed in the State of Washington on September 12, 2023; and

WHEREAS, the Members desire to operate the Company as a limited liability company under the Act, as defined below, for the purposes set forth herein; and

WHEREAS, the Members are entering into this Agreement to govern the Company;

WHEREAS, Members desire to comply with applicable criteria for ACDBE participation in joint ventures under federal guidelines

NOW THEREFORE, in consideration of the mutual agreements and promises and the obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows

ARTICLE 1

DEFINED TERMS

Section 1.1 Definitions.

Unless the context otherwise requires, the terms defined in this Article I shall, for the purposes of this Agreement, have the meanings herein specified.

%ACDBE+ means Airport Concessions Disadvantaged Business Enterprise as defined by the U.S. Government 49 CFR part 23. ACDBE firms are certified by regional government agencies.

%Act+ means **the Washington State Act**, as amended from time to time.

%Additional Members+ means qualified Persons or Entities approved by Committee to be admitted as Members of Company.

%Affiliate+ means with respect to a Member, an Entity or Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Entity. As used in this definition, the term **%control+** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity or Person, whether through ownership of voting securities, by contract or otherwise. Ownership of more than fifty percent (50%) of the beneficial interests of an Entity or Person shall be conclusive evidence that control exists.

%Agreement+ means this First Amended and Restated Limited Liability Company Agreement, as further amended, modified, supplemented or restated from time to time.

%Canopy Hospitality+ means Canopy Hospitality Group, LLC, a Florida corporation. Canopy Hospitality is certified as an ACDBE by the State of Washington.

%Capital Account+ means, with respect to any Member, the capital account maintained for such Member in accordance with the provisions of Article 4 hereof.

%Capital Contribution+ means, with respect to any Member, the aggregate amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company pursuant to Article 4 hereof with respect to such Member's Units.

%Certificate+ means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the State of New York.

%Chalo+ means Chalo LLC, a Washington Company based in Bellevue, WA and ACDBE certified by Washington State.

%Code+ means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding federal tax statute enacted after the date of this Agreement.

%Committee+ means the Management Committee comprising DFAA, and Chalo and Planewear.

"Company" means DUTY FREE AMERICAS SEATTLE, LLC, a Washington State limited liability company.

%Confidential Information+ means data and information relating to the Company (which does not rise to the level of a Trade Secret) and which has material value to the Company and is not generally known to its competitors. Confidential Information does not include any data or information that has been voluntarily disclosed to the public by the Company or that has been independently developed and disclosed by others, or that otherwise enters the public domain through lawful means.

%Covered Person+ means a Member, any Affiliate of a Member, including the Manager, and the parent Company of the Manager; any officers, directors, shareholders, partners, or employees of a Member, or the Company; any employee or agent of the Company, including any Tax Matters Representative of the Company.

%Current Operating Expenditures+ means the expenditures of the Company for each Fiscal Year, or part thereof, arising from the ordinary course of the Company business, including, but not limited to, the following:

(a) general operating expenses for management, legal, accounting, auditing and other regularly retained professionals, professional fees, wages, salaries, insurance, healthcare, travel, and other compensation in connection with its business operations, monies expended to comply with and perform contractual and other obligations, and any other expenses expended on behalf of the Company for its general administrative and management, approved by the Committee, and in accordance with this Agreement;

(b) payments of principal and interest upon indebtedness of the Company, incurred after the execution of this Agreement, including loans made by Members to the Company pursuant to this Agreement;

(c) cash expended by the Company for business operations in accordance with this Agreement; and

[(d) the establishment of appropriate reserves for debt service, to provide working capital or any other contingency of the Company, as approved by the Committee.

%Depreciation+ means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period; provided, however, that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such Fiscal Year or other period bears to such beginning adjusted tax basis; and provided further, that if the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method approved by the Management Committee.

%DFA+ means Duty Free Americas, Inc., a Maryland corporation which is the ultimate parent company of Duty Free Americas Airports, Inc.

"DFAA" means Duty Free Americas Airports, Inc., a Maryland corporation.

%Entity+ means any corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

%Fiscal Year+ means (i) the fiscal year of Duty Free Americas, Inc. which is typically from the first Sunday in February to the last Saturday in January, (ii) the period commencing upon the formation of the Company and ending on January 28, 2023 and (iii) any subsequent twelve (12) month period of the DFA fiscal year.

%Gross Asset Value+ means, with respect to any asset, such asset's adjusted basis for federal income tax purposes, when appropriate, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as agreed to by the contributing Member and the Management Committee upon value shown;

(b) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Management Committee, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimus Capital Contribution, as determined by the Management Committee; (ii) the distribution by the Company to a Member of more than a de minimus amount of Company assets as consideration for an interest in the Company; and (iii) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to Clause (i) and Clause (ii) of this sentence shall be made only if the Management Committee reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company; and

(c) the Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as determined by the Management Committee.

(d) The Gross Asset Values of Company assets shall be adjusted to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Paragraph (a) or Paragraph (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

%Gross Revenue+ means the gross revenue of the Company for each Fiscal Year, or part thereof, arising from the ordinary course of the Company business. Gross revenue shall not include Capital Contributions or, unless otherwise agreed by the Manager, any loan proceeds received by the Company. Also referred to herein as **%Gross Receipts.+**

%Management Committee+ means the committee formed by and comprising the representatives of Members, DFAA and Chalo and Planewear, to manage the Company as provided in the Agreement.

"Manager" means **DFAA.**

%Member+ means DFAA and Chalo, Planewear, and Canopy Hospitality and any Person or Entity admitted as an Additional Member or a Substitute Member pursuant to the provisions of this Agreement. **%Members+** means two (2) or more of such Persons or Entities acting in their capacities as Members of the Company.

%Minimum Distributions+ are as defined in Section 8.1.

%Net Cash Flow+ means, for each calendar month, Fiscal Year or other period of the Company for which it must be determined, the Gross Revenue or **%Gross Receipts+** of the Company from all sources other than Capital Contributions, less Current Operating Expenditures.

%Percentage Interest+ means a Member's Percentage Interest as described in Schedule A, as amended from time to time. A Member's Percentage Interest shall equal the number of Units held by such Member divided by the number of Units outstanding.

%Person+ means a person, an individual.

%Planewear+ means Planewear, Inc., a Washington corporation based in Enumclaw, WA and certified as an ACDBE by the State of Washington.

"Prime Rate" means the interest rate from time to time published by the Wall Street Journal as the base rate on corporate loans at large U.S. Money Center Commercial Banks, or, in the absence of such publication, an alternative "prime rate" benchmark selected by the Management Committee.

%Profits+or %Losses+ are as defined in Section 9.1, Allocations.

%Property+ means all of the assets and property the Company owned at the time of the execution of this Agreement or hereafter acquired by the Company.

%SEATAC+and %SEA+ mean the Seattle-Tacoma International Airport

"Service Fee(s)"+ are as defined in Section 6.6.

%Substitute Member+ means a Person who is admitted to the Company as a Member pursuant to this Agreement, and is named as a ~~%M~~Member+ on an amended Schedule A to this Agreement.

%Tax Matters Representative+ is defined in Article 11 hereof.

%Trade Secrets+ means information relating to the Company, without regard to form, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, products, devices, methods, techniques, drawings, blueprints, processes, financial data, financial plans, product plans or lists of actual or potential customers or suppliers which is not commonly known by or available to the public and which (a) derives economic value, actual or potential, from not being known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its

disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Transfer means any transfer, assignment, sale, conveyance, hypothecation, license, lease, partition, pledge or grant of a security interest in a Member's Units in the Company, and includes any voluntary transfer such as a sale of any part of any Units therein, in connection with any bankruptcy or similar insolvency proceedings, or a divorce or other marital settlement involving any Member, or any other disposition or encumbrance of a Member's Units. For purposes of this Agreement, any transfer, exchange or series of transfers (or exchanges), directly or indirectly, of the stock partnership, or other ownership interests of any Member that is an Entity (or any combination of such transfers or exchanges, whether direct or in connection with a merger, acquisition, sale, or similar reorganization or transaction, including the issuance of new stock, or the exercise of options, warrants, debentures or other convertible instruments, or a redemption of other interests in the Member, and any similar transactions involving the stock or other ownership interests of such Member), the effect of which is that the Persons who owned at least fifty-one percent (51%) of the outstanding stock or other ownership interests in such Member at the time this Agreement is signed, no longer own at least fifty-one (51%) of such stock or other ownership interests, then a Transfer shall also be deemed to have occurred with regard to the Units owned by such Member.

Treasury Regulations means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Units means units representing an ownership interest in the Company.

"Unrecovered Capital" means the aggregate Capital Contributions of a Member reduced by any distributions in excess of the aggregate Profits allocated to such Member.

ARTICLE 2

FORMATION AND TERM

Section 2.1 Formation.

(a) The Members agreed to form the Company as a limited liability company pursuant to the provisions of the Act, and this Agreement, and agree that the rights, duties and liabilities of the Members shall be as provided in the Act, except as otherwise provided herein. The Manager has previously filed the Certificate with the Office of the Washington State Secretary of State on September 12, 2023.

(b) The name and mailing address of each Member and the total amount contributed to the capital of the Company through the date of this Agreement is listed on Schedule A attached hereto. The Manager, subject to the approval of the Committee, shall update Schedule A, from time to time, as may be necessary to accurately reflect the information therein. Any amendment or revision to Schedule A made in accordance with this Agreement shall be deemed an amendment to this Agreement. Any reference in this Agreement to Schedule A shall be deemed to be a reference to Schedule A, as amended and in effect from time to time.

Section 2.2 Name.

The business and affairs of the Company shall be conducted under the name "Duty Free Americas+." Such names shall be used at all times in connection with the Company business and affairs, to the extent the Manager, subject to the approval of the Committees agrees to the use by the Company of assumed names or other trade names or fictitious names. The Company shall execute such assumed or fictitious name certificates as may be desirable or required by law to be filed in connection with the formation of the Company and shall cause such certificates to be filed in all appropriate public records.

Section 2.3 Accounts.

Accounts.

The Company shall establish and maintain one or more bank accounts at such financial institution as may be designated by the Manager from time to time, and the Manager shall provide copies of the monthly bank statement(s) for each such account to each of the other Members, promptly after the Manager's receipt thereof.

Section 2.4 Terms.

The term of the Company commenced on the date the Certificate was filed and shall continue perpetually, unless the Company is dissolved in accordance with the provisions of this Agreement, or upon such other actions by the Members or Management Committee to terminate the Company in accordance with this Agreement.

Section 2.5 Deliberately Omitted.

Section 2.6 Principal Place of Business.

The principal place of business of the Company shall be Seatac Airport. The mailing address of the business shall be Duty Free Americas Inc., 6100 Hollywood Blvd, 7th Floor, Hollywood, FL 33024. At any time, and upon immediate notice to the Committee, the Manager may change the location of the principal place of business of the Company or the mailing address

Section 2.7 Qualification in Other Jurisdictions.

Upon the approval of the Committee, the Manager shall cause the Company to be qualified, formed or registered under assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company transacts business. The Manager shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

ARTICLE 3

PURPOSE AND POWERS OF THE COMPANY

Section 3.1 **Purpose.**

(a) The purpose of the Company is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Washington State Business Organizations Code. Until otherwise determined by the Company in accordance with this Agreement, the business of the Company is to operate retail store concessions at the Seattle-Tacoma International Airport pursuant to a lease contract with the Port of Seattle. The Company intends to operate duty-free and duty-paid retail stores in the Seattle-Tacoma International Airport. The Members form this Company to improve, equip, fixture, manage, conduct, and operate the concessions and to engage in all other lawful activities reasonably related thereto and in accordance with this Agreement.

(b) In no event shall this Agreement be held or construed to imply the existence of a general partnership or joint venture among the Members with regard to matters, trades, businesses or enterprises that are not a part of the Company, and no Member shall have any power or authority under this Agreement to act as the agent or representative of the Company or any Member with regard to any matter not related to or not a part of the business of this Company. Provided however, each Member recognizes that the Company is not the sole business of the Member, and each Member may engage in other businesses whether or not such businesses are in competition with the Company. This Agreement shall not give any Member an interest in any property, Entity, or non-Company interest of any other Member.

Section 3.2 **Powers of the Company.**

The Company shall have the power and authority to take actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes set forth in Section 3.1, which shall include the following:

(a) to conduct the business of the Company, carry on its operations, and exercise the powers granted to a limited liability company by the Act, in any state, territory, district or possession of the United States, or in any foreign country that may be necessary, convenient or incidental to the accomplishment of the purpose of the Company, in accordance with this Agreement;

(b) to acquire by purchase, lease, or contribution of property, or otherwise own, hold, operate, maintain, finance, improve, lease, sell, convey, pledge, mortgage, transfer, demolish or dispose of any real or personal property (including the Property) that may be necessary, convenient or incidental to the accomplishment of the purpose of the Company, in accordance with this Agreement;

(c) to enter into, perform and carry out contracts, including contracts with any Member or Affiliate thereof, necessary to the accomplishment of the purpose of the Company, in accordance with this Agreement;

(d) to sue and be sued, make claims and defend, and participate in administrative or other proceedings, in its name, in accordance with this Agreement and upon the written approval of the Committee;

(e) to appoint employees and agents of the Company, and define their duties and fix their compensation, in accordance with this Agreement and subject to the approval of the Committee;

(f) to purchase and provide insurance as provided in Article 12, and in accordance with this Agreement;

(g) to borrow money and issue evidences of indebtedness, including loans from any Member or Affiliate thereof, and to secure any of the same by a mortgage, pledge or other lien on the assets of the Company, in accordance with this Agreement, and upon the written approval of the Committee;

(h) to tender to the Company insurance carriers, to pay, collect, compromise, litigate, mediate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company, upon the written approval of the Committee; and

(i) to make, execute, acknowledge and file documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company, in accordance with the Agreement.

Section 3.3 Title to Company Property.

Except as otherwise set forth herein, legal title to the Property and all other Company property and assets shall be taken and at all times held in the name of the Company.

ARTICLE 4

**CAPITAL CONTRIBUTIONS, MEMBER INTERESTS,
CAPITAL ACCOUNTS AND FUTURE CAPITAL REQUIREMENTS**

Section 4.1 Capital Contributions.

- (a) Capital Contributions to the Company in the amounts set forth in Schedule A.
- (b) Each Member shall initially have the Percentage Interest and the number of Units set forth on Schedule A hereto. In the event that the Committee admits additional Members, in accordance with the Agreement, such additional Members shall make Capital Contributions as determined by the Committee.
- (c) Member's capital contributions will be made over the course of the lease by deducting one-thirty-sixth of the capital contribution each month for the first 36 months of the concession operation from the monthly management fees specified in Paragraph 6.3.
- (d) Other than the amounts referenced in Sections 4.1 (a) Members are not required to make additional capital expenditures without the unanimous consent of the Members.

Section 4.2 Member's Units.

A Member's Units shall for all purposes be personal property. A Member has no specific personal interest in Company property, unless and until Company property is distributed to such Member, in accordance with this Agreement.

Section 4.3 **Status of Capital Contributions.**

(a) A Member, or the successor or assign of a Member, may demand a return of Capital Contribution, in whole or in part, only as provided in this Agreement.

(b) A Member or Affiliate thereof shall receive any interest, return, compensation or drawing with respect to the Member's Contributions or its Capital Account or for services rendered or resources provided on behalf of the Company, only as provided in this Agreement, or as otherwise determined by the Committee in the case of compensation or reimbursements for services performed for the Company.

(c) No Member shall be required to lend any funds or to make any additional Capital Contributions to the Company, and no Member shall have any personal liability for the repayment of any other Member's Capital Contribution, except as otherwise provided in this Agreement.

Section 4.4 **Capital Accounts.**

(a) A separate Capital Account shall be established and maintained for each Member. The original Capital Account established for any Member who acquires Units by virtue of an assignment in accordance with the terms of this Agreement, shall be in the same amount as and shall replace the Capital Account of the assignor of such Units. To the extent such assignee Member acquires less than all of the Units of the assignor of the Units so acquired by such assignee Member, the original Capital Account of such assignee Member and its Capital Contributions shall be in proportion to the Units it acquires, and the Capital Account of the assignor who retains Units, and the amount of its Capital Contributions, shall be reduced in proportion to the Units it retains.

(b) The Capital Account of each Member shall be maintained in accordance with the following provisions:

(i) A Member's Capital Account shall be credited with: (a) such Member's Capital Contributions; (b) such Member's distributive share of Profits; (c) special allocations of income and gain;

and (d) the net amount of any Company liabilities that are assumed by such Member or that are secured by any Company assets distributed to such Member;

(ii) A Member's Capital Account shall be debited with: (A) the amount of cash and the Gross Asset Value of any Company assets distributed to such Member pursuant to this Agreement; (B) such Member's distributive share of Losses; (C) special allocations of loss and deduction; and (D) the net amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company;

(iii) In determining the amount of any liability for purposes of this Section (b), there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Treasury Regulations, and the terms and conditions of this Agreement.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulation. To the extent such provisions are inconsistent with such regulation or are incomplete with respect thereto, the Capital Accounts of the Members shall be maintained in accordance with such regulation.

Section 4.5 Capital Accounts Generally.

(a) Except as otherwise provided in this Agreement, whenever it is necessary to determine the Capital Account of any Member for any purpose hereunder, the Capital Account of such Member shall be determined after giving effect to all adjustments provided for in Section 4.4 hereof for the current Fiscal Year, in respect of transactions effected prior to the date such determination is to be made.

(b) A Member shall not be entitled to withdraw part of its Capital Account, and shall only be entitled to receive distributions from the Company, in accordance with this Agreement.

Section 4.6 Loans to Company.

(a) The initial capital requirements to operate Company business are estimated to be:

Initial store construction	\$9.5 million
Working Capital . Initial Inventory and Incidentals	\$6.5 million
Total Capital	\$16 million

(b) DFAA, as Managing Member, is authorized to borrow the amount referenced in Section 4.6(a) plus or minus 20% from DFA.

(c) Other than for the initial store construction, purchases of inventory, other start-up costs, and normal working capital, the Company is authorized to borrow money from its Members, related parties, or third parties only with the unanimous approval of the Management Committee.

(d) Within the amounts constrained by Section 4.6 (a) and 4.6 (b) and (4.6 (c), DFA shall loan to the Company such amounts, as it determines are necessary: (i) to purchase inventory, and (ii) to commence the operations of the Company business; provided, that the amounts of such loans shall be approved by the Committee. The loans described in this Section 4.6 shall bear interest at an annual rate equal to the Prime Rate and shall have other terms and conditions as are deemed reasonable and are approved by the Committee. Such loans shall be paid in accordance with the terms set forth in the relevant loan agreements entered into by and between the Company and DFA and approved by the Committee.

(e) Inventory purchases, prepaid items and operating activity such as insurance, salaries, and rent, will flow through an Inter-Company account between the Manager and the Company. Debit and credit balances, such as cash collections, between the Inter-Company account and the Company will incur interest at an annual percentage rate at the Prime Rate.

ARTICLE 5

MEMBERS, MEETINGS AND AMENDMENTS

Section 5.1 **Powers of Members.**

The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to this Agreement.

Section 5.2 **Resignation.**

A Member may withdraw from the Company prior to a dissolution and/or winding up of the Company, in accordance with this Agreement.

Section 5.3 **Meetings or Other Approvals of the Members.**

(a) Meetings of the Members may be called at any time by any Member. Any Member may, in writing, authorize an individual to represent and act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, voting or otherwise participating at a meeting, and to provide such consents, approvals or agreements of a Member as required in this Agreement. Every such proxy shall be signed by all of the Persons and Entities having any ownership rights or interest in the Units of the Member, if any.

(b) Each meeting of Members shall be conducted by the Manager, and such a meeting shall be called with at least ten (10) days but not more than thirty (30) days written notice. Such notice may be waived by a written waiver from any of the Members, and will be deemed to have been waived if the Member participates, without objection, in the meeting. Meetings also may be held telephonically whereby each of the Members can hear each of the other Members. The Committee may establish all other provisions relating to meetings of Members, including the time, place or purpose of a meeting, unless for a meeting in which a matter is to be voted on by the Members, voting in person or by proxy, or any other matter with respect to the exercise of any such right to vote. For such a meeting, adequate notice of at least ten (10) days must be given, as provided in this Agreement. Decisions of the Members shall be made upon the vote of the Members, or in the event of a tie, by the Committee. Action

by the Members also may be taken and represented by a written consent of the Members. The Company or its representative shall be responsible for taking minutes of the Member meetings and keeping a file of said minutes on behalf of the Company. Copies of minutes shall be sent to all Members promptly after the meeting.

(c) DFAA will be responsible for keeping meeting minutes.

Section 5.4 Additional Members.

(a) With the unanimous written approval of the Committee, the Company is authorized to admit qualified Persons or Entities as additional members of the Company (each, an ~~%Additional Member+~~ and collectively, the ~~%Additional Members+~~). Each such Person or Entity shall be admitted as an Additional Member upon such approval by the Committee. At that time such Person or Entity is approved by the Committee, said Additional Member (i) shall execute a Signature Page to this Agreement and (ii) shall be designated as a Member (with a corresponding Percentage Interest) on an amended or supplemental Schedule A thereto. Upon the further approval of the Committee, the Members may agree to issue Units to the Additional Member in exchange for cash, property or services or any combination thereof.

(b) Additional Members shall not be entitled to any retroactive allocation of the Company income, gains, losses, deductions, credits or other items; provided that, subject to the restrictions of Section 706(d) of the Code, Additional Members shall be entitled to their respective share of the Company income, gains, losses, deductions, credits and other items arising under contracts entered into before the effective date of the admission of any Additional Members, to the extent that such income, gains, losses, deductions, credits and other items arise after such effective date, and as to such terms and as approved by the Committee. Upon the approval of the Committee, the Company may credit, to the Additional Members their respective pro rata allocations of the Company income, gains, losses, deductions, credits and items for that portion of the Company Fiscal Year after the effective date of the admission of the Additional Members.

Section 5.5 **Amendments.**

Any amendment to this Agreement or to the Articles shall be adopted and be effective as an amendment thereto only upon the written approval of all the Members.

Section 5.6 **Confidentiality Obligations of Members.**

Each Member expressly covenants and agrees that neither such Member nor any of its Affiliates (to the extent any such Affiliate has received Confidential Information or Trade Secrets) will disclose, divulge, furnish or make accessible to anyone (other than the Company or any of its Affiliates) any Confidential Information or Trade Secrets; provided, however, that nothing in this Section 5.6 will prohibit the disclosure of any Confidential Information or Trade Secrets (i) which are required to be disclosed by the Member or any such Affiliate in connection with any court action or any proceeding before any Authority; (ii) in connection with the enforcement of any of the rights of the Member hereunder; or (iii) in connection with the defense by the Member of any claim asserted against it hereunder; provided, however, that in the case of a disclosure contemplated by clause (i), to the extent reasonably practicable no disclosure shall be made until the Member has given notice to the Company of the intention to disclose such Confidential Information or Trade Secrets so that the Company may contest the need for disclosure, and the Member will cooperate (and will cause its Affiliates and their respective representatives to cooperate) with the Company in connection with any such proceeding.

ARTICLE 6

MANAGEMENT

Section 6.1 **Management of the Company.**

The business of the Company shall be managed by the Committee comprised of three representatives of DFAA and one representative of Chalo and one representative of Planewear. Each Member has the right to designate its own respective representative, from time to time, upon Notice to the other Member.

(a) The Committee shall meet periodically as scheduled by its Members, at the principal office of the Company or any other place designated by the Committee, or by telephone conference call. Except in the case of an emergency, meetings of the Committee shall be held on at least ten (10) days prior written notice, and the Committee shall make all commercially reasonable efforts to schedule such meetings at such times as all of the Members can attend either in person or by telephone.

(b) A Quorum of two Members, including at least one member from DFAA and one member of Chalo and one member of Planewear, shall be required for the Committee to establish Company policy or to obligate the Company.

(c) Except for those Powers delegated to the Manager in Paragraph 6.3, Committee approval shall require a simple majority vote of its Members.

(d) Each member of the Committee shall devote such time and attention to the business of the Company sufficient to enable such Member to contribute and vote on an informed basis.

(e) The Committee shall be assisted by a Manager, who shall manage the day-to-day operations of the Company. The Manager shall be DFAA.

Section 6.2 Responsibilities of the Members

The responsibilities of the Members with respect to contributing to the operations and management of the concession will be approved by the Management Committee.

6.2.1 Duty Free Americas Airports will be responsible for:

1. Coordinating merchandise purchasing with Duty Free Americas buying team
2. Store design and layout
3. Marketing and merchandising
4. Managing merchandise deliveries from DFAA distribution center to the off-airport warehouse and from the off-airport warehouse to the airport store.

5. Mentoring the ACDBE partners in retail management and operations.

6.2.2 Chalo will be responsible for:

1. Identifying and sourcing local Seattle and Washington State products for the duty free concession merchandising assortment. These products will include local seafood and other edible products, local confection, and other local products. Chalo will also assist the DFA buying team in identifying local Washington State wines.
2. Contributing to all major decisions of the Company
3. Attending and participating in Managersqmeetings; document the meeting minutes
4. Maintaining good relations and communications with landlord authorities, associates and customers

6.2.3 Planewear will be responsible for:

1. Managing the gate delivery process for duty free purchases from all Company stores to customers at their respective departure gates as required by U.S Customs and Border Patrol %GBP+for the operation of duty free stores at U.S. Airports.
2. Contributing to all major decisions of the Company
3. Attending and participating in Managersqmeetings; document the meeting minutes
4. Maintaining good relations and communications with landlord authorities, associates and customers

6.2.4 Canopy Hospitality will be responsible for:

1. Preparing and submitting all ACDBE-related reporting to the Port of Seattle.

Section 6.3 Management and Operating Standards

(a) Bank Accounts . The Company through its Manager and/or its authorized third party will maintain a unique and separate bank account for the Company.

(b) Staffing . The Company hereby authorizes the Manager and / or a contracted third party to process the payroll and benefits package for employees of the Company business.

(c) Accounting and reporting standards are described in Section 10 of this agreement.

Section 6.4 Section 6.4 Management Fees

(a) With Committee approval, the Manager is authorized to contract with third parties for services required in the operation of Company business including contracting with Duty Free Americas, Inc. for general management services including buying and merchandising, warehousing and warehouse / inventory management, accounting and sales audit functions, and information technology systems

(b) The Company shall pay a management fee to DFA as **2.0%** of Company monthly sales as compensation for the costs for providing the services enumerated in this Section.

(c) Chalo will receive a management fee equal to 0.35% of Company sales.

(d) Planewear will receive a management fee equal to 0.35% of Company sales

(e) Canopy Hospitality will receive a management fee equal to \$2,000 per month.

(f) DFA warehousing and inventory management costs will be allocated to The Company as 1.0% of Company sales, a figure which is approximately the pro rata costs of processing inventory and is approximately the share of The Company merchandise receipts as a percentage of DFA total merchandise receipts. Additional, directly billed services such as the annual sales audit by an independent auditor would be a direct expense of the Company.

(e) Timing

Management fees accrue monthly and are paid quarterly

(f) Reimbursable Expenses

Travel expenses and other out-of-pocket costs by Members to the Company Facilities are direct reimbursable expenses by the Company with submittal of receipts to the Manager.

(g) Powers of the Manager.

Subject to the approval of the Committee, and as specifically provided in this Agreement, the Manager shall have the authority to make business decisions in the operation of the Company and to act on behalf of the Company as provided by this Agreement, and as approved by the Committee as necessary or appropriate to the business of the Company in furtherance of the purposes and objectives of the Company as set forth in this Agreement.

Except as authorized by the Committee, the Manager and only the Manager, through its relationship with DFA, will make all purchases of inventory for use by the Company.

Section 6.5 No Management by Other Persons or Entities.

Except as provided in this Agreement or as authorized by further action of the Committee, no other Person or Entity shall take part in the management, operation, or control of the business and affairs of the Company, except as required by the Act and as expressly delegated and approved by the Committee. No Person or Entity other than the Members, the Manager, and duly appointed agents of the Company authorized by the Committee shall be agents of the Company and have any right or authority to transact any business in the name of the Company, or to act for or on behalf of, or to bind the Company.

Section 6.6 Limitation on Authority.

Except as specifically provided herein, no act shall be taken, sum expended, decision made, obligation incurred or power exercised by the Manager, or any Member, on behalf of the Company, with respect to all of the following, without the written approval of the Committee:

- (a) Adoption each year of a line-by-line annual operating budget for the Company with respect to the next succeeding year (the "**Budget**");
- (b) Any capital expenditures by the Company in excess of One Hundred Thousand Dollars (\$100,000) not provided for in the current operating Budget;
- (c) Incurring any debts from loans except as provided for in Section 4.6 for the purchase of inventory, normal working capital, and non-capital start-up costs.
- (d) Admission of Additional Members or Substitute Members to the Company;
- (e) Entry of the Company into a business other than described in Section 3.1; and
- (f) Adopting capital budgets of the Company.
- (g) Expenses not directly related to the operation of the concession;
- (h) Adopting any Management Fees other than those described in paragraph 6.4 (a), 6.4 (b) and 6.4 (c).

ARTICLE 7

ASSIGNABILITY OF MEMBER INTERESTS

Section 7.1 Assignability of Units.

If a Member transfers Units in accordance with this Agreement, including this Article 7, the assignee shall be entitled to receive distributions to which the assigning Member would be entitled, provided however that the assigning Member designates its assignee to become a Substitute Member, in a written instrument delivered to the other Members, and the Committee consents to the admission of such assignee as a Member. Such assignee shall become a Substitute Member upon the execution of an instrument reasonably satisfactory to those Members that approved the Transfer, which shall at a minimum include an acceptance and agreement by the Substitute Member to abide by all the terms and

conditions of this Agreement. The Transfer shall have been conditioned upon written approval of the Committee, and upon the Company receiving a fee from such assignee or the assigning Member, sufficient to cover the reasonable expenses of the Company in connection with such assignee's admission as a Substitute Member.

Section 7.2 **Permitted Transfers.**

(a) Subject to Section 7.6, and except as otherwise provided in this Agreement, a Member shall be permitted to assign, at any time and from time to time, all or any part of his Units to a Permitted Assignee. For this purpose ~~%~~**Permitted Assignee** means a Person or Entity that is (i) a natural or adoptive lineal ancestor or descendant of such Member; (ii) a trust, estate, guardianship or custodianship, including those established under any of the Uniform Gifts to Minors Act of any state, established for such Member or one or more Permitted Assignees of such Member; and (iii) Entities under the control of such Member and one or more other Permitted Assignees of such Member. The subsequent Transfer of any Units by a Permitted Assignee shall be subject to the same restrictions of this Article 7 in the same manner as if the Units to be Transferred was still owned by the Member from whom such Permitted Assignee acquired such Units; and for this purpose references herein to a Transfer by a Member (or a specific Member), shall include any Transfer by the Permitted Assignee(s) that acquired such Member's Units, and references to a specific Member by name shall include his Permitted Assignees.

(b) If, during the term of this Agreement, any of the Washington State ACDBE certified partners transfers more than Fifty Percent (50%) of its stock or other ownership interests in their respective companies to a Person or an Entity that is not a qualified ACDBE or is no longer certified as a qualified ACDBE, as required by the concessions lease, and if the ACDBE participation provision of the concession lease is enforced by the landlord, the Members can

(i) Purchase the Washington State ACDBE certified partner's shares of the Company at its pro rata asset value.

(ii) Elect a pro rata dilution of the existing members share of the Company and admit a qualified ACDBE company as a new member of the Company.

(iii) Dissolve the Company.

(c) If a Member assigns all or a portion of his Units in the Company and the Permitted Assignee or other assignee thereof, as the case may be, is entitled to become a Substitute Member, such assignee shall be admitted to the Company effective on the effective date of the assignment, and, immediately following such admission, the interest of the assigning Member in the Company shall be reduced to the extent of the portion of the Units assigned hereunder.

Section 7.3 Recognition of Assignment by Company or Other Members.

An assignment, or any part thereof, that is in violation of this Agreement shall be invalid or ineffective, and neither the Company nor the Manager or any Member shall recognize the same for any purpose of this Agreement, including the purpose of making distributions of Net Cash Flow pursuant to this Agreement with respect to such Units or part thereof, unless and until the violation is cured or removed.

Section 7.4 Effective Date of Assignment.

Any valid assignment of a Member's Units, or part thereof, pursuant to this Agreement shall be effective as of the close of business on the day of the closing of the transaction evidencing the assignment. The Company shall thereafter, from the effective date of such assignment, make all further distributions on account of the Units (or part thereof), so assigned, to the assignee of such Units, or part thereof. As between any Member and its assignee, Profits and Losses for the Fiscal Year of the Company in which such assignment occurs shall be apportioned for federal income tax purposes in accordance with any convention permitted under Section 706(d) of the Code and selected and approved by the Committee.

Section 7.5 **Right of First Refusal.**

(a) Except in the case of an assignment to a Permitted Assignee, in the event of any proposed or involuntary Transfer of all or any portion of a Member's Units, the Member proposing to make

(b) such assignment or the third party succeeding thereto as a result of an "involuntary transfer," shall give to the Company and the proposing Member or succeeding party a written notice ("**Assignment Notice**") stating the terms of the proposed assignment and the name, address and a resume of the Person(s) or Entity to whom the proposed assignment would be made. Upon receiving the Assignment Notice and for a period of sixty (60) days thereafter, the Company shall have the right to purchase that number of offered Units. If this right of first refusal is exercised, the closing shall occur within thirty (30) days of the exercise of such option. The value of the Company shall be determined by (i) the book value plus (ii) the present value of future earnings.

(c) If the Company fails to exercise this right of first refusal within the sixty (60) day period, the Units covered by the assignment notice may then be assigned to the Person(s) or Entities described in the Assignment Notice, for exactly the same consideration and other terms and conditions provided therein; provided, however, that such Person or Entity acquiring the Units in question, shall not become a Substitute Member unless approved in such capacity by the Committee. In the event that the Company does not exercise its right of first refusal, the proposed assignment shall be closed within sixty (60) days following the sixty (60) day period described in subsection (a) above, provided that the transferee agrees to all of the provisions of this Agreement, and has been approved by the Committee. If such closing does not occur within that time period, then the Units in question shall once again become subject to this Agreement.

Section 7.6 **Limitations on Transfer.**

No Transfer of Units may be effectuated unless in the opinion of the Committee, the Transfer (a) would not result in the close of the Company tax year or the termination of the Company within the

meaning of Section 708(b) of the Code; (b) would comply with the Securities Act of 1933 and applicable securities laws of any other jurisdiction; and (c) would not violate any other applicable laws.

ARTICLE 8

DISTRIBUTIONS TO MEMBERS

Section 8.1 Net Cash Flow.

Net Cash Flow is determined for a specified time as provided in this Agreement, by the total of the Gross Revenues, sometimes also referred to herein as the **%Gross Receipts+** less the Current Operating Expenditures. For purposes of this Agreement, the terms **%Gross Revenues+** or **%Gross Receipts+** shall include all receipts whether by coin or currency, on account, by check or credit card, derived by the Company from its operations of the airport store as provided herein, and shall include the sales prices received or billed by the Company from the sales of its merchandise at such airport store for delivery to enplaning passengers at the airports indicated herein, whose destination is outside the territorial limits of the United States; and shall include all other receipts from or incidental to any business conducted by the Company from and in such airport store.

(a) Gross Receipts or Gross Revenues also shall include, but are not limited to the following:

- (i) Advertising or promotion revenue in the form of cash, allowance or other payment received by the Company from suppliers in connection with the display of merchandise in its airport store, except for any direct reimbursements paid to the Company by merchandise suppliers and vendors for promotional expenses incurred; and
- (ii) The full amount of gross profit earned by the Company in the exchange of foreign currency.

(b) Net Cash Flow less any reserves for working capital agreed upon by the Committee shall be distributed quarterly unless an alternative distribution schedule is determined by the

Committee. Except as otherwise provided in this Agreement, including this Article 8, all distributions of Net Cash Flow, other than upon a liquidation of the Company, shall be made to the Members in accordance with their Percentage Interests.

(c) Notwithstanding the foregoing, to the extent Net Cash Flow is available, the total distributions (~~Minimum Distributions~~) to a Member for each Fiscal Year shall not be less than an amount equal to the product of (x) the Company net taxable income allocated to such Member for such Fiscal Year and all prior Fiscal Years for federal income tax purposes, multiplied by (y) the highest marginal federal tax rate for an individual set forth in Section 1 of the Code plus the rate of tax for residents of Texas, after taking into account the federal income tax deduction for such taxes, reduced by all prior distributions pursuant to this Section 8(d), regardless of the actual federal tax rates applicable to the Members. Minimum Distributions will be made in time for Members to file their annual income taxes. To the extent that such Minimum Distributions requirement increases the amount of distributed Net Cash Flow beyond the amount to which a Member would otherwise be entitled, under Section 1(c), in the absence thereof, the excess portion shall be credited against any future distributions of Net Cash Flow distributable to such Member; provided that adjustments to any such future distributions to that Member shall not decrease his aggregate Net Cash Flow distributions below an amount necessary to meet the Minimum Distribution requirement for such Member for subsequent Fiscal Years. If upon termination of a Member's interest in the Company, such Member shall have received distributions pursuant to this Section 8.1 in excess of the amount otherwise distributable to such Member under Section 8.1(c). Such Member shall contribute such excess to the Company within ten (10) days of termination of his interest. Minimum Distributions shall be made in time for Members to make timely payment of their tax obligations.

(d) Notwithstanding anything contained herein to the contrary, when distributions are made, the Manager, upon the approval of the Committee, shall make distributions of Net Cash Flow: (i) first to meet Tax Distributions pursuant to Section 8.1(b) above; (ii) second, to pay the amortization (principal plus interest accruing) owing to date on certain loans made pursuant to Section 4.6(b); and (iii) of the Net Cash Flow remaining after (i) and (ii) above, 50% to the Members in accordance with

Section 8.1(a), according to their pro rata ownership and fifty percent (50%) to the amortization of the Section 4.6(b) loans.

(e) Subject to the approval of the Management Committee, the Manager is empowered to determine what amount, if any, of available Net Cash Flow is required to be retained in Company back accounts for working capital. Net Cash Flow above and beyond the amount retained for working capital will be distributed pro rata to the Members on a quarterly basis.

Section 8.2 **Withholding.**

All amounts withheld pursuant to the Code or any provision of any foreign, state or local tax law or treaty with respect to any payment, distribution or allocation to the Company or the Members, shall be treated as amounts distributed to the Members pursuant to this Article 8 for all purposes of this Agreement. The Manager is authorized to withhold from distributions, or with respect to allocations, to the Members and to pay over to any federal, foreign, state or local government, any amounts required to be so withheld pursuant to the Code or any provision of any other federal, foreign, state or local law or treaty and shall allocate such amounts to those Members with respect to which such amounts were withheld.

Section 8.3 **Limitations on Distribution.**

Except as provided in this Agreement, no Member shall be entitled to any distribution of cash or other property from the Company. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Units in the Company if such distribution would violate the Act or other applicable law.

ARTICLE 9

ALLOCATIONS

Section 9.1 Profits and Losses.

~~%~~Profits+ or ~~%~~Losses+ means, for each Fiscal Year, an amount equal to the Company taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (but including in taxable income or loss, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code), with the following adjustments:

(a) any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted in accordance with Paragraph (b) or Paragraph (c) of the definition of ~~%~~Gross Asset Value+ above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any asset of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of ~~%~~Depreciation+above; and

(f) notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Section 9.2 hereof shall not be taken into account in computing Profits or Losses.

All Profits and Losses from operations (as distinguished from gains or losses from a liquidation and winding up of the Company, which shall be allocated in accordance with Section 13.4(b) for each Fiscal Year (or part thereof), as determined by the accountants for the Company, in accordance with this Agreement, shall be allocated as follows:

(a) Profits. After giving effect to the special allocations set forth in this Agreement including this Article 9, Profits for each Fiscal Year shall be allocated in the following order and priority:

(i) First, among the Members in proportion to and in the reverse order to which any Losses were allocated to the Members pursuant to Section 9.1(b) below until the cumulative Profits allocated pursuant to this Section 9.1(a)(i) equal the cumulative Losses allocated pursuant to Section 9.1(b); and

(ii) Second, to the Members in accordance with their Percentage Interests, as finally calculated and determined as of the last day of such Fiscal Year (in accordance with the definition of ~~%Percentage Interest~~ under Article I).

(b) Losses. After giving effect to the special allocations set forth this Agreement, including this Article 9, Losses for each Fiscal Year shall be allocated in the following order and priority:

(i) First, to the extent that the balance in a Member's Capital Account exceeds its Unrecovered Capital (an ~~%Excess Profit Balance~~), in the same proportion that such Member's Excess Profit Balance bears to the Excess Profit Balances of all of the Members, until all of such Excess Profit Balances are reduced to zero;

(ii) Second, to the Members, in proportion to their positive Capital Account balances, until such balances shall be reduced to zero; and

(iii) Third, the balance to the Members in accordance with their Percentage Interests, as finally calculated and determined as of the last day of such Fiscal Year (in accordance with the definition of ~~%~~Percentage Interest+under Article I).

No Losses shall be allocated to any Member to the extent that such Losses would result in an Adjusted Capital Account Deficit. ~~%~~**Adjusted Capital Account Deficit**+means the Member has a deficit balance in its ~~%~~**Capital Account**+after giving effect to any amounts the Member is obligated to contribute or restore to the Company pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5). Any Losses disallowed under the foregoing Adjusted Capital Account Deficit shall be reallocated among the remaining Members.

Section 9.2 **Special Allocations.**

The following special allocations shall be made in the following order:

(a) Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during a Company fiscal year so that an allocation is required by Treasury Regulations Section 1.704-2(f), then each Member shall be specially allocated items of income and gain for such year (and, if necessary, subsequent fiscal years) equal to such Member's share of the net decrease in Company Minimum Gain as determined by Treasury Regulations Section 1.704-2(g). Such allocations shall be made in a manner and at a time which will satisfy the minimum gain chargeback requirements of Treasury Regulations Section 1.704-2(f) and this Section shall be interpreted consistently therewith. ~~%~~**Company Minimum Gain**+ shall have the meaning set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(b) Member Nonrecourse Minimum Gain Chargeback. If there is a net decrease in the Member Nonrecourse Debt Minimum Gain during any Company fiscal year, any Member who has a share of such Member Nonrecourse Debt Minimum Gain (as determined in the same manner as partner nonrecourse debt minimum gain under Treasury Regulations Section 1.704-2(i)(5)) shall be specially allocated items of income or gain for such year (and, if necessary, subsequent fiscal years) equal to such

Members share of the net decrease in the Member Nonrecourse Debt Minimum Gain in the manner and to the extent required by Treasury Regulations Section 1.704-2(i)(4). This Section shall be interpreted in a manner consistent with such Treasury Regulations. Member Nonrecourse Debt Minimum Gain shall have the meaning set forth in Treasury Regulation Section 1.704-2(i)(3).

(c) Qualified Income Offset. If a Member unexpectedly receives an adjustment, allocation, or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), any of which causes or increases an **Adjusted Capital Account Deficit** in such Member's Capital Account, then such Member will be specially allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance created or increased by such adjustment, allocation, or distribution as quickly as possible; provided, however, an allocation pursuant to this Section 9.2(c) will be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 9 have been tentatively made as if this Section 9.2(c) were not in the Agreement. For this purpose **Adjusted Capital Account Deficit** means the deficit balance, if any, in a Member's Capital Account after (i) crediting the Capital Account with any amounts the Member is obligated to contribute or restore to the Company pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and (ii) debiting the Capital Account with the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.2(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 9 have been made as if Section 9.2(c) hereof and this Section 9.2(d) were not in this Agreement.

(e) Allocation of Nonrecourse Liability Deductions. Deductions attributable to any Company Nonrecourse Liability shall be allocated among the Members in proportion to their respective Percentage Interests. **%Company Nonrecourse Liability+** has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3)

(f) Member Nonrecourse Debt Deductions. Deductions attributable to any Member Nonrecourse Debt shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1). **%Member Nonrecourse Debt+** has the meaning set forth in Treasury Regulations Section 1.704-1(b)(4).

(g) Section 754 Election. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if such gain or loss increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(h) Imputed Interest. If any Member makes a loan to the Company, or the Company makes a loan to any Member, and interest in excess of the amount actually payable is imputed under Code Sections 7872, 483, or 1271 through 1288 or corresponding provisions of subsequent Federal income tax law, then any item of income or expense attributable to any such imputed interest shall be allocated solely to the Member who made or received the loan and shall be credited or charged to its Capital Account, as appropriate.

(i) Tax Allocation. Income, gain, loss or deduction with respect to any property contributed by a Member shall, solely for tax purposes, be allocated among the Members, to the extent required by Code Section 704(c) and the related Treasury Regulations under Code Sections 704(b) and

704(c), to take account of the variation between the adjusted tax basis of such property and its Gross Asset Value at the time of its contribution to the Company. If the Gross Asset Value of any Company property is adjusted, as provided in Treasury Regulations Section 1.704-1(b)(2)(iv), then subsequent allocations of income, gain, loss and deduction of such property shall be made as provided in Code Section 704(c) and the related Treasury Regulations. The Company shall make the allocations required under this Section 9.2(i) using any method approved under Treasury Regulations Section 1.704-3 and approved by the Committee. Section 9.2(i) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, or other items or distributions under any provision of this Agreement.

(j) Curative Allocations. With the exceptions of Section 9.2(i), the allocations set forth in this Section 9.2 (collectively the ~~Regulatory Allocations~~) are intended to comply with certain requirements of Treasury Regulations Section 1.704-1 and Section 1.704-2. Notwithstanding any other provisions of this Article 9 (other than the Regulatory Allocations), the Manager shall, with the advice and assistance of the Company tax accountants, take the Regulatory Allocations into account in allocating other items of income, gain, loss, and/or deduction among the Members so that, to the extent possible, the net amount of such allocations of other Profits, Losses, and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

Section 9.3 Allocation and Other Rules.

(a) In the event Members are admitted to the Company pursuant to this Agreement on different dates, the Profits (or Losses) allocated to the Members for each Fiscal Year during which Members are so admitted shall be allocated among the Members in proportion to their Percentage Interests during such Fiscal Year in accordance with Section 706 of the Code, using any convention permitted by law and selected by the Manager.

(b) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other

basis, as determined by the Manager using any method that is permissible under Section 706 of the Code and the Treasury Regulations thereunder.

(c) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits and Losses for the Fiscal Year in question.

(d) The Members are aware of the income tax consequences of the allocations made by this Article 9 and hereby agree to be bound by the provisions of this Article 9 in reporting their shares of Company income and loss for income tax purposes.

(e) Advice of Accountants. Allocations made by the Manager under this Section 9.2 in reliance upon the advice of the Company accountants shall be deemed to be made pursuant to any fiduciary obligation to the Company and the Members.

(f) Share of Excess Nonrecourse Liabilities. For purposes of calculating a Member's share of ~~%~~ **excess nonrecourse liabilities** of the Company (within the meaning of Treasury Regulation Section 1.752-3(a)(3)), the Members intend that they be considered as sharing profits of the Company in proportion to their respective Percentage Interests.

ARTICLE 10

BOOKS AND RECORDS

Section 10.1 Inspection Rights Pursuant to Law.

The Company shall have obligations to the Members as set forth in this Agreement, including this Article 10 to accurately prepare, maintain and make available, all of the books, records, financial statements and materials of the Company.

Section 10.2 Books and Records.

At all times during the term and continuance of the Company, the Company shall maintain at its registered office and principal place of business, all books, records, financial statements and materials

the Company is required to maintain at its office at such location under the Act and in accordance with this Agreement. The Company shall provide each Member with a monthly statement of the operations of the Company and financial statements and other regularly received financial reports, as received. Company records shall be available to its Members at other times upon request.

Section 10.3 Monthly Financial Statements

The Manager shall provide monthly financial reports to the Members as soon as is practicable following the close of each fiscal month. Monthly Financial reports will include a Profit and Loss Statement, a Balance Sheet, and a Member Capital Account Statement. Records will be provided electronically and, only upon request, in hard copy.

Section 10.4 Annual Financial Statements.

Unless all of the Members otherwise elect, within sixty (60) days after the end of each Fiscal Year, the Company shall cause to be delivered to each Member a financial statement of the Company for the prior Fiscal Year, prepared at the expense of the Company, which financial statement shall set forth, as of the end of and for such Fiscal Year, the following information:

- (a) a profit and loss statement and a balance sheet of the Company;
- (b) the balance in each Member's Capital Account; and
- (c) such other information as shall be necessary and reasonable for the Members to be advised of the financial status of and the results of operations of the Company.

Section 10.5 Accounting Method.

For both financial and tax reporting purposes and for purposes of determining Profits and Losses, the books and records of the Company shall be maintained using Generally Accepted Accounting Principles (GAAP) or other such acceptable method of accounting as selected by the Committee, and which shall include all Company transactions and other pertinent, appropriate, and relevant information of

the Company business; provided that, for purposes of making allocations and distributions hereunder, Capital Account, and Profits, Losses and other items shall be determined by including the adjustments required by Treasury Regulations Sections 1.704-1(b) to properly maintain capital accounts thereunder.

ARTICLE 11

TAX MATTERS

Section 11.1 Taxation as Company.

Except to the extent provided in Section 5.8, hereof, the Company shall be treated as a partnership for U.S. federal income tax purposes.

Section 11.2 Federal Tax Returns.

The Company shall cause the independent certified public accountants for the Company, to prepare, at the expense of the Company, for each Fiscal Year (or part thereof), Federal tax returns in compliance with the provisions of the Code and any required state and local tax returns.

Section 11.3 Member Tax Return Information.

The Company, at its expense, shall cause to be delivered to each Member, such information as shall be necessary (including a statement for that year of each Member's share of net income, net losses and other items of the finances of the Company) for the preparation by the Members of their Federal, state and local income and other tax returns.

Tax Matters Member.

(a) If the Company makes an election under Section 6231(a)(1)(13)(11) of the Code, or otherwise becomes subject to subchapter C of Chapter 63 of the Code, then DFAM shall be the ~~%~~**Tax Matters Member**+ of the Company for purposes of Section 6231(a)(7) of the Code. Subject to the approval of the Committee, DFAM shall have the power to manage and control, on behalf of the Company, any administrative proceeding at the Company level with the Internal Revenue Service, relating to the determination of any financial

information from the Company, including, but not limited to, income, gain, loss, deduction or credit, for federal income tax purposes.

(b) The Tax Matters Member shall, within three (3) days of the receipt of any notice from the Internal Revenue Service any administrative proceeding at the Company level, relating to the determination of any financial information from the Company, mail a copy of such notice to each Member.

Section 11.4 **Right to Make Section 754 Election.**

The Manager, upon notice to the Committee and the approval of the Committee, may make or revoke, on behalf of the Company, an election in accordance with Section 754 of the Code, so as to adjust the basis of Company property in the case of a distribution of property within the meaning of Section 734 of the Code, and in the case of a transfer of a Company Units within the meaning of Section 743 of the Code.

ARTICLE 12

LIABILITY AND INDEMNIFICATION

Section 12.1 **Liability.**

Except as otherwise provided by the Act or this Agreement, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall not be solely the debts, obligations and liabilities of a Covered Person solely by reason of being a Covered Person.

Section 12.2 **Deliberately Omitted.**

Section 12.3 **Indemnification.**

To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person provided that: (i) any such action was undertaken in good faith on behalf of the Company and in a manner reasonably believed to be in, or not opposed to, the best interests of the Company; (ii) any such action was reasonably believed to

be within the scope of authority conferred on such Covered Person by this Agreement; and (iii) with respect to any criminal action or proceeding, such Covered Person had no reasonable cause to believe his action or omission was unlawful, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 12.3 shall be provided out of and to the extent of Company assets only (including the proceeds of any insurance policy obtained pursuant to Section 12.5 hereof), and no Covered Person shall have any personal liability on account thereof.

Section 12.4 Expenses.

To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in Section 12.3 hereof.

Section 12.5 Insurance.

The Company shall purchase and maintain insurance, including Comprehensive General Liability, Workersq Compensation Insurance as required by the State or District in which the work is to be performed, Employers Liability, Automobile Liability on an occurrence form (claims made coverage not acceptable) with reasonably acceptable deductibles, with a combined single limit for bodily injury and property damage, with aggregate limits acceptable to the Committee, including Personal Injury, Blanket Contractual, Broad Form Property Damage, Personal Injury Liability, Products and Completed Operations (for the statutory period of the state in which any construction will be performed, after completion of the projects) Fire, Explosion, and Hazard Coverage, and Errors and Omissions Coverage for the Manager, Committee and Covered Persons as defined herein. Such insurance shall be purchased and maintained to the extent and in such amounts as the Committee shall deem necessary and reasonable against any

liabilities that may be asserted against, or expenses that may be incurred in connection with, the activities and ongoing business of the Company

Section 12.6 Certain Liabilities.

Each Member agrees to be liable for the Capital Contributions required to be made by such Member, and subject to the other provisions of this Agreement. Notwithstanding the above, no Member shall be indemnified and held harmless by the other Members to the extent that such losses or liabilities arise from fraud, gross negligence, or willful misconduct part of a Member.

Section 12.7 Acts Performed Outside the Scope of the Company.

Each Member (the %ndemnitor+) shall indemnify, defend, save and hold harmless the other Member (the %ndemnitee+) from any and all claims, liabilities, demands, actions and rights of action that shall or may arise by virtue of any act or thing done or omitted to be done by the Indemnitor (directly or through agents or employees) outside the scope of, or in breach of, the terms of this Agreement; provided, however, that the Indemnitor shall be properly notified of the existence of the claim, demand, action or right of action, and shall be given reasonable opportunity to cure any act or omission causing liability, and participate in the defense thereof. The Indemnitees failure to give such notice shall not affect the Indemnitor's obligations hereunder, except to the extent of any actual prejudice arising therefrom.

Section 12.8 Liability of Members to Company.

Unless otherwise provided in this Agreement, no Member shall be liable to any other Member or to the Company by reason of such Members actions in connection with the Company, except in the event of a violation of any provision of this Agreement, fraud, gross negligence or willful misconduct.

Section 12.9 Attorneys' Fees.

All of the indemnities provided in this Agreement shall include reasonable attorneysq fees, including appellate attorneysq fees and court costs.

Section 12.10 Subordination of Other Rights to Indemnity.

The interests of the Members in any proceeds of the Company by way of repayment of loans, return of any Capital Contributions, or any distributions from the Company, shall be subordinated to the rights of Members to the indemnities provided by this Article 12.

Section 12.11 Survival of Indemnity Provisions.

Except as otherwise specifically provided herein, all of the indemnity provisions contained in this Agreement shall survive a Member's ceasing to be a Member hereunder.

ARTICLE 13

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 No Dissolution.

The Company shall not be dissolved by the admission of Additional Members or Substitute Members in accordance with the terms of this Agreement, or the withdrawal of a Member.

Section 13.2 Events Causing Dissolution.

The Company shall be dissolved and its affairs shall be wound up upon the occurrence of any of the following events:

- (a) the determination of the Manager upon the consent and approval of the Committee;
- (b) at such time as there are no Members;
- (c) the entry of a decree of judicial dissolution under the Act; or
- (d) the sale or disposition of all or substantially all of the Property.

Section 13.3 **Notice of Dissolution.**

Upon the dissolution of the Company, the Manager shall notify the Members of such dissolution within three (3) days.

Section 13.4 **Liquidation.**

(a) Upon dissolution of the Company, the Manager (in such capacity, the ~~%Liquidating Trustee~~) pursuant to the consent of the Committee, shall carry out the winding up of the Company and shall immediately commence to wind up the Company affairs; provided, however, that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the satisfaction of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation. Upon the further consent of the Committee, the proceeds of liquidation shall be distributed in the following order and priority.

(i) First, to payment of all expenses and debts of the Company and setting up of such reserves as the Manager reasonably deems necessary to wind up the Company affairs and to provide for any contingent liabilities or obligations of the Company;

(ii) Second, to payment of all liabilities of the Company, including debts owed to Members; and

(iii) Third, the balance to the Members in accordance with the positive balances remaining in their Capital Accounts, after adjustment for all allocation of Profits or Losses or other items, as described in Section 13.4(b).

(b) Profits and Losses of the Company following the date of dissolution shall be determined in accordance with the provisions of this Agreement and shall be credited or charged to the Capital Accounts of the Members pursuant to Article 9, in the same manner as Profits and Losses of the Company would have been credited or charged if there were no termination, dissolution and liquidation. Any taxable gain or any loss upon the sale, transfer, or other disposition of Company assets following the

date of dissolution shall also be allocated to the Members in accordance with the allocation of Profits and Losses set forth in Article 9 in the same manner as Profits and Losses of the Company would have been credited or charged if there were no termination, dissolution and liquidation.

Section 13.5 Termination.

Upon termination, the Company shall terminate when all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Agreement, including this Article 13 and the Certificate shall have been canceled in the manner required by the Act.

Section 13.6 Claims of the Members or Third Parties.

The Members and former Members shall look solely to the Company assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member; provided, however, that nothing contained herein shall be deemed to limit the rights of a Member under applicable law. In the event any Member has a deficit balance in its Capital Account at the time of the Company dissolution, it shall not be required to restore such account to a positive balance or otherwise make any payments to the Company or its creditors or other third parties in respect of such deficiency.

Section 13.7 Distributions In-Kind.

If any assets of the Company shall be distributed in kind, such assets shall be distributed to the Member(s) entitled thereto as tenants-in-common in the same proportions as such Member(s) would have been entitled to cash distributions if (i) such assets had been sold for cash by the Company at the fair market value of such property (taking the Gross Asset Value definition herein and Code Section 7701(g) into account) on the date of distribution; (ii) any unrealized income, gain, loss and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) that would be realized by the Company from such sale were allocated among the Member(s) as Profits or Losses in accordance

with this Agreement; and (iii) the cash proceeds were distributed to the Member(s) in accordance this Article 13. The Capital Accounts of the Member(s) shall be increased by the amount of any unrealized income or gain inherent in such property or decreased by the amount of any loss or deduction inherent in such property that would be allocable to them, and shall be reduced by the fair market value of the assets distributed to them under the preceding sentence.

ARTICLE 14

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE MEMBERS

References to a %Member+ in this Article 14 are to the Members making the representation. Representations, warranties and covenants made by the %Members+ are made by all Members. Each Member hereby represents, warrants and covenants to all of the other Members as follows:

Section 14.1 No Brokers.

No Member has taken any action that would entitle any agent, broker, investment banker or other firm or person to any broker's or finder's fee or other commission or similar fee, directly or indirectly, in connection with the transactions contemplated commenced made, and/or completed in connection with this Agreement.

Section 14.2 No Defaults.

No event has occurred and no condition exists that would, upon the execution and delivery of this Agreement, the giving of notice and/or the passage of time, constitute a breach of this Agreement by a Member. Neither the execution and delivery of this Agreement nor the carrying out of the transactions contemplated hereby will:

(a) violate or conflict with any of the terms, conditions or provisions of any agreement to which the Member is a party

(b) violate, conflict with, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both) any contract or agreement to which a Member is a

party; or accelerate or permit the acceleration of the performance required by, or give any other Member or Member or party the right to terminate;

(c) result in the creation of any lien, charge or other encumbrance on any property of the Member or of the Property of the Company

(d) require a Member to obtain or make any waiver, consent, action, approval or authorization, or registration, declaration, notice or filing with any private non-governmental third party or any governmental authority in connection with or on behalf of a Member, the Committee, or the Company.

Section 14.3 Securities Law Compliance.

Each Member is acquiring its interest in the Company for investment for its own account and not with a view to the resale or distribution thereof. Each Member acknowledges and agrees that the Interest to be acquired by it will not be listed on a stock exchange, will not be registered under any securities laws and, in addition to the restrictions on Transfer agreed to in this Agreement, may not be sold or otherwise transferred unless or until it is qualified or registered under applicable securities laws or an exemption from any such qualification or registration is available. Each Member further warrants that it has complied with the applicable securities laws of any Authority with appropriate jurisdiction, in connection with this Agreement, and the transactions contemplated hereby.

Section 14.4 Survival of Representations, Warranties and Covenants.

The representations, warranties and covenants contained in this Article 14 and elsewhere in this Agreement shall be deemed made as of the date hereof and shall survive the date hereof and the termination of this Agreement and any dissolution and liquidation of the Company.

Section 14.5 Authority, Approval and Enforceability.

This Agreement has been duly executed and delivered by each Member, and each Member has all requisite power and legal capacity to execute and deliver this Agreement and all other agreements to be executed and delivered by each Member in connection with the transactions contemplated hereby, to

consummate the transactions contemplated hereby and to perform its obligations hereunder and thereunder. This Agreement constitutes the legal, valid and binding obligation of each Member, enforceable in accordance with its terms, except as such enforcement may be limited by general equitable principles and/or or by applicable bankruptcy, insolvency, moratorium or similar laws and/or judicial decisions from time to time in effect that affect creditors rights generally.

Section 14.6 Litigation.

There are no actions, suits, claims, proceedings or investigations pending or, to the knowledge of each Member threatened, at law or in equity, before or by any federal, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign or to which a Member is a party, which, if adversely determined, would have a material adverse effect on this Agreement the Member, and/or the Company. No Member knows of any basis for any such action, proceeding or investigation in the future.

ARTICLE 15

NONDISCRIMINATION AND AFFIRMATIVE ACTION PROGRAM

Section 15.1 Nondiscrimination.

If and to the extent the airport store operated by the Company is constructed, maintained or otherwise operated for a purpose for which a DOT program or activity is extended for another purpose involving the provisions of similar services or benefits, the Company shall maintain and operate such store and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Section 15.2 No Exclusions.

No person on the grounds of race, color or national origin shall be excluded from participation, denied the benefits of or be otherwise subjected to discrimination at the airport store operated by the

Company pursuant to this Agreement. In the construction of any improvements on, over or under its airport store, and the furnishing of services by the Company thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination. The Company shall use said premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Section 15.3 Affirmative Action.

The Company and, to the extent required by applicable law, each of the Members will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to ensure that, with respect to operation of the airport store, no person shall on the ground of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, Part 152, Subpart E. The Company and each Member will assure that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart. The Company will require that its covered suborganizations (if any) provide assurances to the Company that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

(a) With respect to the operation of the Company airport store, neither the Company nor any of the Members will discriminate in its employment practices against any employee or applicant for employment because of the employees' or applicants' race, religion, national origin, ancestry, sex, age or physical handicap.

(b) The Company shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, however, that the Company may make

customary, reasonable and nondiscriminatory discounts, rebates or other similar type price reductions on sales of commodities and products to its own employees and to volume buyers of its merchandise.

ARTICLE 16

MEDIATION AND ARBITRATION

Section 16.1 Mediation.

Any controversy, dispute, or claim among the parties to this Agreement, including any claim arising out of, in connection with, or in relation to the formation, interpretation, performance, termination or breach of this Agreement, shall be first submitted to mediation in accordance with the Commercial Rules of the American Arbitration Association (~~%AAA+~~). All and any parties to this Agreement, and their respective attorneys, officers, managing partners, insurance carriers, and such other Consultants as are warranted and prudent shall appear at the mediation and shall negotiate and participate in good faith to reach a non-litigated resolution of all such controversies, disputes, and claims.

Section 16.2 The Arbitration.

In the event that a full and final settlement is not reached in the mediation, any and all remaining controversies, disputes, and claims shall be submitted to binding arbitration, before a single arbitrator, in accordance with this Article 16 and the then most current Commercial Rules of the American Arbitration Association (~~%AAA+~~). Judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction thereof. Such arbitration shall be administered by the AAA. Arbitration shall be the exclusive remedy for determining any such dispute, regardless of its nature. Notwithstanding the foregoing, any party may in an appropriate matter apply to a court pursuant to

Texas code of civil procedure or any comparable provision, for provisional relief, including a temporary restraining order or a preliminary injunction. Any Mediation and Arbitration shall take place in the Dallas Metropolitan area.

Section 16.3 The Arbitrator.

In the event the parties are unable to agree upon an arbitrator, the parties shall select a single arbitrator from a list of eight arbitrators drawn by the parties at random from the National Panel of Arbitrators of the AAA.+ If the parties are unable to agree upon an arbitrator from the list so drawn, then the parties shall each strike names alternately from the list, with the order of striking being determined by lot, and the last remaining name on the list shall be the arbitrator. If the designated arbitrator is unable to serve for any reason, the parties shall repeat this process until an arbitrator is selected. Alternatively, upon the failure of the second round, the AAA shall select a Neutral from the National Panel to serve as the Arbitrator.

Section 16.4 Other Parties.

This agreement to resolve any disputes by binding arbitration shall extend to claims by or against any parent, subsidiary or affiliate of each party, and, when acting within such capacity, any officer, director, shareholder, partner, member, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law. In the event of a dispute subject to this Article 16, the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator. All applicable federal law shall apply and the arbitrator shall act and the award shall be rendered in accordance therewith. The arbitrator shall, upon an appropriate motion, dismiss any claim if the party bringing the motion establishes that he, she or it would be entitled to summary judgment if the matter had been pursued in court litigation. In the event of a conflict between the applicable rules of the AAA and this Agreement, the provisions of this Agreement shall govern.

Section 16.5 Prevailing Party; Costs of Arbitration.

Any filing or administrative fees shall be borne by the party incurring such fees as provided by the rules of the AAA. To the extent permitted by law, the fees and costs of the arbitrator: shall be allocated equally among the parties to the arbitration; provided, however, that the prevailing party or parties in such arbitration, shall be entitled to recover their reasonable attorneys' fees incurred in connection with such

proceeding, from the non-prevailing party or parties (as determined by the arbitrator), in addition to any other relief awarded by the arbitrator.

Section 16.6 **The Award.**

The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. If any of the provisions of this Article are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Section and this Section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral binding arbitration.

ARTICLE 17

MISCELLANEOUS

Section 17.1 **Notices.**

All notices provided for in this Agreement shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail or by recognized overnight delivery or courier service (e.g., Federal Express), as follows:

(i) if given to the Company, in care of the Manager at the principal place of business of the Company set forth in Section 2.5 hereof.

(ii) if given to any Member, at the address listed on the Member's signature page, or at such other address as such Member may hereafter designate by written notice to the Company.

Section 17.2 **Failure to Pursue Remedies.**

The failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 17.3 Cumulative Remedies.

The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Section 17.4 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns.

Section 17.5 Interpretation.

Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. All references herein to ~~%Articles,+ %Sections+and %Paragraphs+~~ shall refer to corresponding provisions of this Agreement.

Section 17.6 Severability.

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 17.7 Counterparts.

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one instrument.

Section 17.8 Integration.

This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto, including but not limited to the Prior Agreement.

Section 17.9 Governing Law.

This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the Laws of the State of Texas, except as to mediator and arbitrator as provided herein, in which all rights and remedies shall be governed by the laws of the State of Texas, without regard to principles of conflict of laws.

Section 17.10 Dealings in Good Faith; Best Efforts.

Except as otherwise expressly set forth herein, each party hereto agrees to act in good faith with respect to the other party in exercising its rights and discharging its obligations under this Agreement. Each party further agrees to use its best efforts to ensure that the purposes of this Agreement are realized and to take all steps as are reasonable in order to implement the operational provisions of this Agreement. Each party agrees to execute, acknowledge, if necessary, deliver and file any document or instrument necessary or advisable to realize the purposes of this Agreement.

Section 17.11 Partition of the Property.

Each Member agrees that it shall have no right to partition the Property, or any portion thereof, and each Member agrees that it shall not make application to any court or authority having jurisdiction in the matter to commence or prosecute any action or proceeding for partition of the Property, or any portion thereof. Upon the breach of this Section by any Member, the other Member, in addition to all other rights and remedies in law and equity, shall be entitled to a decree or order dismissing application, action or proceeding.

Section 17.12 Third Party Beneficiaries.

Nothing expressed or implied in this Agreement is intended or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Agreement, or result in their being deemed a third party beneficiary of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DUTY FREE AMERICAS AIRPORTS, INC.:

Chalo LLC:

By: _____

By: _____

Name: Jerome Falic

Name: Danielle An

Its: Chief Executive Officer

Its: President

Planewear, Inc.:

Canopy Hospitality Group LLC

By: _____

By: _____

Name: Jennifer Longley

Name: Daryl Parks

Its: President

Its: President



SCHEDULE A

Member	Capital Contribution	Percentage Interest	Units
Duty Free Americas Airports, Inc.	\$731,500	77%	77
Chalo LLC	\$ 95,000	10%	10
Planewear, Inc.	\$ 95,000	10%	10
Canopy Hospitality LLC	\$ 28,500	3%	3
TOTAL	\$950,000	100%	100

Duty Free Americas Airports, Inc.

6100 Hollywood Blvd, 7th Floor
Hollywood, FL 33024

CHALO LLC

2018 156th Ave NE #100
Bellevue, WA 98007

Planewear, Inc.

41210 228th Ave SE.
Enumclaw, Washington, 98022

Canopy Hospitality Group, LLC

540 Gore Ave
Tallahassee, FL 32310

FORM A.5 DOCUMENTATION OF GOOD FAITH EFFORTS FORM

This completed form, along with all required supporting documentation, must be submitted if Proposer does not meet the ACDBE goal.

(Please, circle the appropriate response.)

The Respondent has met the ACDBE goal per Form A4 and has completed and submitted the ACDBE documentation.

Respondent met ACDBE goal per Form A4

The Respondent is unable to meet the ACDBE contract goal, however is committed to a minimum of ____% ACDBE utilization and has completed and submitted Documentation of Good Faith Efforts For a, along with all required supporting documentation.

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify my submittal from the RFP 23-1DF evaluation process.

Date:

Name:

Company:

Title:

Signature:

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON-RESPONSIVE AND NOT SCORED.

FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).

NOTIFYING CERTIFIED ACDBES OF SUBLEASING AND/OR JOINT VENTURE OPPORTUNITIES:

Respondents shall complete all fields below, list all sources of advertisement and outreach to ACDBE Firms. Respondent should provide backup documentation including , but not limited to: emails; advertisements; outreach notifications, etc.

Type of Notification Advertising, Outreach, Email	Publications, Organization, Direct with ACDBE Firm	Date

INITIAL SOLICITATION & FOLLOW-UP:

Respondents shall complete all fields below, list all ACDBE firms that received written notification of an opportunity to participate as either subtenant or Joint Venture Partner. In the appropriate space, also indicate when firms received subsequent telephone, or email (with deliver, read receipts and certified firm’s response) solicitations. Include copies of the written notice(s) sent to certified firms.

ACDBE Firm	Contact Person	Date of Written Notificaiton	Result of Initial Communication	Date and # of Follow-Up and Method of Contact	Result of Follow-Up Communication

≡

Form A.6 EVIDENCE OF LABOR PEACE AGREEMENT

_____ (“Concessionaire”) has complied with **Section 4.1** of the Request for Proposal (RFP) for Package RFP 23-1DF, and the Labor Peace provision (**Section 26.8**) of Concession Agreement (the “Agreement”) between the Concessionaire and the Seattle-Tacoma International Airport Authority (the “ATA”). The Concessionaire certifies that the Concessionaire’s operations at the Seattle-Tacoma International Airport (the “Airport”) are free from labor-related disruption of services both as to the Airport Dining and Retail Program (ADR) and the general operation of the Seattle-Tacoma International Airport.

Concessionaire is submitting Form A.7

FOR THE CONCESSIONAIRE:
(insert name of firm)

FOR THE LABOR ORGANIZATION:
(insert name of labor organization)

By:

By:

Print Name:

Print Name:

Date:

Date:



Form A.7 CERTIFICATION FOR LABOR PEACE AGREEMENT

Duty Free Americas Seattle, LLC ("Proposer") hereby certifies that it will comply with Section 4.2 of the Request for Proposal (RFP) for Package RFP 23-1DF. In accordance with Section 4.2, if awarded the Package and a Labor Organization requests a Labor Peace Agreement, the Proposer agrees to enter into a Labor Peace Agreement with that Labor Organization that meets the requirements of Section 4 through the process and under the terms described in Section 4.2. Such Labor Peace Agreement shall be binding upon Proposer, any Affiliated Employer (as defined in the RFP solicitation document), and the Labor Organization. Once a Labor Peace Agreement is executed, Proposer must submit a signed letter on the Proposer's letterhead using the template language in Exhibit J of the L&C Agreement that also includes a signature from a representative of the Labor Organization.

Proposer: Duty Free Americas Seattle, LLC

By:


Vice President, HR
Jacqueline Torre

Print Name:

Jacqueline Torre

Date:

September 21, 2023

MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL MAY BE DEEMED NON-RESPONSIVE AND NOT SCORED. FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).

Duty Free Americas

6109 Hollywood Blvd, Hollywood, FL 33024 Tel: 954-986-7700 Fax: 954-965-6800 www.dutyfreeamericas.com

FORM A.8 PROPOSER EXPERIENCE FORM

Respondents shall:

A.8.1 Include a brief history of the Proposer's business.

**DUTY FREE
AMERICAS**



www.dutyfreeamericas.com

Duty Free Americas has over 40 years of operating duty free stores in the United States. Duty Free Americas (DFA) currently is among the largest duty free companies in North America and one of the premier duty free operators in the world (ranked 10th by the Moodie Davitt Magazine, August 2023). DFA operates over 100 duty free and airport retail stores at U.S. airports and along the U.S.-Mexican and U.S.-Canadian borders. DFA also has a substantial presence in Latin America and stores in Macao. DFA (and its predecessor namesakes), have successfully and continuously operated airport duty free stores since 1967.

- **Airport Division** . 44 duty free and airport retail stores in 6 international airports
 - Miami (MIA)
 - Atlanta (ATL)
 - Washington Dulles (IAD)
 - New York JF Kennedy (JFK)
 - Dallas (DFW)
 - San Antonio (SAT)
- **Northern Border Division** . 29 duty free stores on the U.S.-Canadian border.
 - 5 duty free stores in Washington State: Blaine (2), Lynden, Oroville, and Sumas
- **Southern Border Division** . 32 duty free stores on the U.S.-Mexico border.
- **International** --DFA and its related companies operate 47 duty free stores in Latin America and two duty free stores in Macao, affording the company with insight on the preferences of the Latin and Chinese customer.



Source: Moodie Davitt Magazine August 2023 Analysis Top Travel Retailers



10

DUTY FREE AMERICAS

2022 TURNOVER	€1,753 MILLION	2021 RANK 10	MOVEMENT >0
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Duty Free Americas turned in a strong performance in the recovery year of 2022, with estimated sales of US\$1.87 billion, which translates as €1,753 million at 31 December exchange rates. That keeps the company firmly inside the top ten in our rankings, a position it assumed last year.

During most of the pandemic the southern US frontier with Mexico remained open and trading, offering a solid source of income for DFA's land border stores, with airports following as international travel returned at scale in 2022.

Tourist locations such as Punta Cana International Airport in the Caribbean benefited from strong US traffic once flights resumed on regional routes, while trading on the Uruguay border has been solid since the market reopened last year.

The company has continued to invest in retail infrastructure at airports. Key openings in 2022

Included DFA's new stores and restaurants at Panama Tocumen Airport Terminal 2. At Miami International, the upgrade of multiple stores is continuing, with new brands to be added across categories.

Elsewhere DFA recently opened its store in Israel on the crossing with Jordan and continues to look for further opportunities in the region.

Now that Mainland Chinese travel has returned, DFA is reaping the rewards of its long-term bet on Macau. The company invested strategically in expanding its Venetian Macao beauty business both before and during the pandemic, allowing the well-positioned twin store to benefit from increasingly heavy footfall.

Renowned for being highly entrepreneurial and agile, even in tough times, DFA has weathered the pandemic well and seems well set for growth in its Americas stronghold and its thriving Macau satellite.

DFA Operational Divisions

The Divisions of DFA

- U.S Airport
- Southern Border
- Northern Border

DFA is organized into three operating divisions and nine corporate departments. This organizational structure permits us to focus resources on the unique opportunities and requirements of each market. Each division has a separate and distinct mission to provide a meaningful contribution to the Company's overall success. The following is a closer look at each of the Company's three divisions and departments.

THE U.S. AIRPORT DIVISION

The Airport Division operates 37 duty free stores and 7 duty-paid retail stores at 6 international airports in the United States. DFA is uniquely able to provide a customized retail environment at each airport location, from product planning and merchandising to customer service and store design. DFA achieves this by drawing upon its broad experience with international travelers. DFA's experience with the purchasing preferences of these travelers enables us to select the optimum merchandising mix for the traffic patterns at each airport. Additionally, with centralized buying / merchandising teams, design teams, and accounting and Information Technology systems, DFA is able to leverage its breadth of retailing operations into efficient operations at each airport location.



Duty Free Americas offers international travelers the most of the world's most recognizable spirits, fragrances, cosmetics, tobacco, luxury accessory and confection brands at value pricing. Our team of buyers and merchandisers ensures that each of our airport stores has the appropriate product mix of the latest brands for that airport's passenger profile. These profiles can change by store according to the departing airlines and their destinations and DFA's assortment mix and marketing programs change accordingly. Our experienced and well-trained sales associates ensure that the customer receives an unparalleled shopping experience.

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Free standing boutique stores

Miami	New York JFK	Washington Dulles	Dallas
Lego Montblanc Michael Kors Ralph Lauren Polo Victoria's Secret World of Whiskey	Johnnie Walker Macallan Niche Fragrances	Chanel and Dior Coach Kiehl's L'Occitane Michael Kors Montblanc Ralph Lauren Polo	Coach Kate Spade Montblanc Michael Kors



Border Divisions - AMMEX Tax & Duty Free Shops/UETA

Duty Free Americas is the leading operator of duty free shops along the United States/Canada and the United States/Mexico borders. The divisions operate under the names UETA, Inc. on the U.S./Mexican border and AMMEX Tax and Duty Free Shops on the U.S./Canadian border. Combined, these two business units operate a total of 61 retail stores at 40 border crossings.

Border South - UETA, Inc.

Headquartered in Laredo, Texas, our UETA operating unit maintains an aggressive program to provide duty free shopping opportunities along the United States/Mexican border. Currently, we serve the states of Arizona, California and Texas with 32 retail stores at every major crossing point along the border.

Border North - AMMEX Tax and Duty Free Shops

Headquartered in Hollywood, FL, our Border North operating unit maintains 29 duty free and retail stores along the US/Canadian border. These stores stretch from Calais, Maine, 30 miles from the Atlantic Ocean to Blaine, Washington overlooking the Pacific Ocean & Puget Sound. Duty Free Americas/AMMEX locations are found at border crossings in the states of New York, Vermont, Maine, Minnesota, North Dakota, Montana, Michigan, Idaho and Washington.



Duty Free Americas Store, Blaine, WA



Latin America Businesses



Latin America presents a promising future. It is one of the regions in the world where growth and development have been strengthened in recent years by being able to face difficult times with great success. DFA has been, without question, a dynamic part of this process.

Our devotion and careful planning have allowed Duty Free Americas to consolidate itself throughout Latin America. The best partner for experiencing our operations in the region has been the unparalleled experience of our customers in the countries where we operate: Belize, Brazil, Chile, Colombia, Dominican Republic, El Salvador, Haiti, Panama, Uruguay, and Venezuela.

The same quality and values we offer in the United States are made available in our Latin American stores. We are constantly adapting to the increasingly demanding tastes and trends in the countries in the region but we always maintain the highest quality products that will meet the needs of our most important assets: our customers.

As a result of this commitment, visiting each of our stores becomes a unique and special experience.

Based in Panama City, Panama, DFA's Latin America Division operates 47 stores in 10 countries. The Latin America operations include:

- 35 Airport stores in 16 international airports in 8 countries
- 8 Border stores in 3 countries covering 4 borders
- 4 inland stores

Duty Free Americas Macao

On location: Duty Free Americas reaps rewards from long-term Macau bet

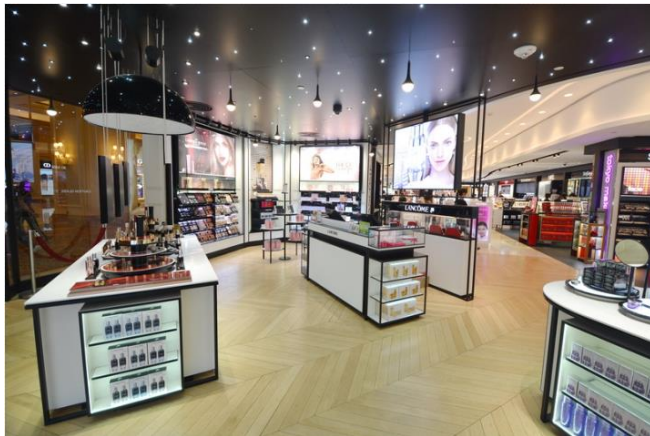
by Martin Moodie in Macau, China ©The Moodie Davitt Report 13 March 2023

DFA has been present in Macau since 2007 and despite numerous challenges in the intervening years, particularly during the pandemic, it's a long-term commitment that the Falic family delighted with. In fact the company stepped up its investment during last year's crisis, taking more space - opened on 23 December.

"The Venetian has had days of 100,000 people coming through already [since the full border reopening], which is a surprise to them. So we always have a good crowd and I think it's only going to get bigger as the Chinese are now able to travel and leave the Mainland.

"I always believed in Macau," Falic continues. "I kept on expanding. I took the space as it became available and invested when there was nobody here. When we opened on December 23rd, I did not know who would show up. But I knew that it was the right thing to do."

Today the elegant twin store occupies some 14,200sq ft of space, featuring many of the world's most renowned beauty brands complemented by an increasing focus on emergent names.





A.8.2 *Note any changes in Proposer’s name(s) and ownership structure(s) and any other names under which the Proposer has been doing business.*

Proposer’s name and ownership structure has been consistent for over twenty years.

Starting in 1972, International Duty Free was formed to operate the duty free concession in the Northwest Airlines Terminal at New York’s JFK International Airport. In 1983, Duty Free International, Inc. was founded merging the interests of IDF Services with two other duty free companies. In 1992, DFI acquired UETA, Inc. and its chain of duty free stores on the U.S.-Mexican border. In 1998, DFI was acquired by BAA, plc and the name of the company was changed to World Duty Free. In 2001, the Falic family purchased the World Duty Free Americas group of companies from BAA. The company was subsequently renamed as Duty Free Americas, Inc.

A.8.3 *Explain in detail the Proposer’s Duty Free operating experience (as applicable to the specific type of concession being sought here) that includes:*

a) *Number of years of relevant experience in operating in an airport, or Transborder location.*

Under its current ownership, Duty Free Americas has been operating airport and Transborder duty free stores since 2001.

b) *Number of locations currently in operation and specific experience with the offered concept, if any.*

U.S. Airport Division . 44 duty free and airport retail stores in 6 international airports

- | | |
|------------------------------------|--------------------------------------|
| Miami (MIA) since 2006 | New York JF Kennedy (JFK) since 2001 |
| Atlanta (ATL) since 2012 | Dallas (DFW) since 2015 |
| Washington Dulles (IAD) since 2003 | San Antonio (SAT) since 2001 |

Northern Border Division . 29 duty free stores on the U.S.-Canadian border.

5 duty free stores in Washington State: Blaine (2), Lynden, Oroville, and Sumas

Southern Border Division . 32 duty free stores on the U.S.-Mexico border.

International -- DFA and its related companies operate 47 duty free stores in Latin America and two duty free stores in Macao, and one in Israel affording the company with insight on the preferences of the Latin and Chinese customer.

DUTY FREE AMERICAS – UNITED STATES LOCATIONS



Airport Division	Northern Border Division	Southern Border Division
Atlanta, Georgia	Calais, Maine	Brownsville, Texas
Dallas, Texas	Houlton, Maine	Pharr, Texas
Miami, Florida	Vanceboro, Maine	Progresso, Texas
New York JFK, New York	Derby Line, Vermont	Hidalgo, Texas
San Antonio, Texas	Highgate Springs, Vermont	Roma, Texas
Washington-Dulles, Washington, DC	Champlain, New York	Laredo, Texas
	Massena, New York	Eagle Pass, Texas
	Ogdensburg, New York	Del Rio, Texas
	Alexandria Bay, New York	Presidio, Texas
	Buffalo, New York	El Paso, Texas
	Lewiston, New York	Santa Teresa, New Mexico
	Niagara Falls, New York	Douglas, Arizona
	Port Huron, Michigan	Nogales, Arizona
	Sault Ste. Marie, Michigan	Lukeville, Arizona
	Grand Portage, Minnesota	San Luis, Arizona
	International Falls, Minnesota	San Ysidro, California
	Pembina, North Dakota	Otay Mesa, California
	Portal, North Dakota	Calexico, California
	Sweetgrass, Montana	
	Oroville, Washington	
	Sumas, Washington	
	Lynden, Washington	
	Blaine, Washington	
	Anacortes, Washington	





DFA / UETA PANAMA -- 47 STORES

Airport (30)

Belize City, Belize
Curitiba, Brazil -- Arrivals
Curitiba, Brazil -- Departures
Manaus, Brazil
Porto Alegre, Brazil
Bogota, Colombia, Arrivals
Bogota, Colombia, Departures
San Andres, Colombia International
San Andres, Colombia Domestic
Medellin, Colombia Arrivals
Medellin, Colombia Departures
Maracaibo, Venezuela
La Paz El Salvador International 1
La Paz El Salvador International 2
Tocumen, Panama City, Panama DFA News 1
Tocumen, Panama City, Panama DFA News 2
Punta Cana, Dominican Republic Terminal B Departures
Punta Cana, Dominican Republic Terminal B Arrivals
Punta Cana, Dominican Republic Terminal B Luve Bar
Punta Cana, Dominican Republic Terminal B News & Gift
Punta Cana, Dominican Republic Terminal B Coach
Punta Cana, Dominican Republic Terminal B Longchamp
Punta Cana, Dominican Republic Terminal B Tumi
Punta Cana, Dominican Republic Terminal B Watches
Punta Cana, Dominican Republic Terminal A Arrivals
Punta Cana, Dominican Republic Terminal A departures
Punta Cana, Dominican Republic Terminal A World News & Gift
Punta Cana, Dominican Republic Terminal A Victoria's Secet
Port Au Prince, Haiti Departures
Port Au Prince, Haiti Arrivals

Border (8)

Corozal, Belize (Belize / Mexico)
Rivera, Uruguay (Uruguay / Brazil)
Bella Union, Uruguay (Uruguay / Brazil)
Chuy, Uruguay (Uruguay / Brazil)
Acegua, Uruguay (Uruguay / Brazil)
Artigas, Uruguay (Uruguay / Brazil)
Urena, Venezuela (Venezuela / Colombia)
Santa Elena de Uairen, Venezuela (Venezuela / Brazil)

Other (4)

Iquique, Chile Zorin Mall
Panama City, Panama -- office
Montivideo, Uruguay -- office
Colon, Panama Showroom



A.8.4 *Description of up to three (3) current operations most relevant to those included in this Proposal. For these relevant operations, list:*

- a) *Square footage*
- b) *Gross sales for the last 3 years*
- c) *Sales per square foot*
- d) *Enplanements for those years (if an airport property)*
- e) *Average sales per transaction*
- f) *Guaranteed rent or base rent (if applicable)*
- g) *Percentage rent (if applicable)*
- h) *Actual rent paid*
- i) *Term of lease (including commencement and expiration dates)*
- j) *Capital investment (broken down into initial build-out and refurbishments, if applicable)*
- k) *Photographs (if available)*
- l) *Any others deemed appropriate*
- m) *Names, addresses, and telephone numbers of the current landlords or property managers for each of these operations who will be familiar with the day-to-day operations of your business.*

(j) Photos



Miami





-Miami





Miami





Atlanta





Atlanta





Washington





Washington





NEW YORK JFK





NEW YORK JFK





MACAU CHINA





Macau China





Chalo Seattle, Danialle A-Shukla, Owner and President



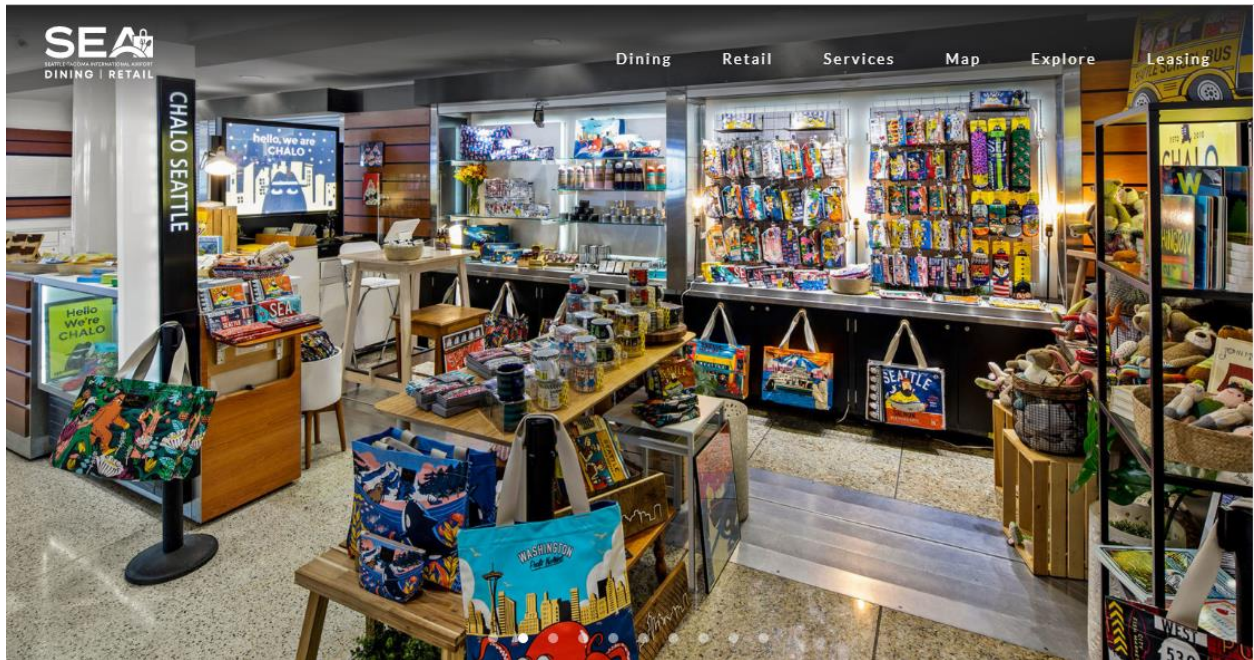
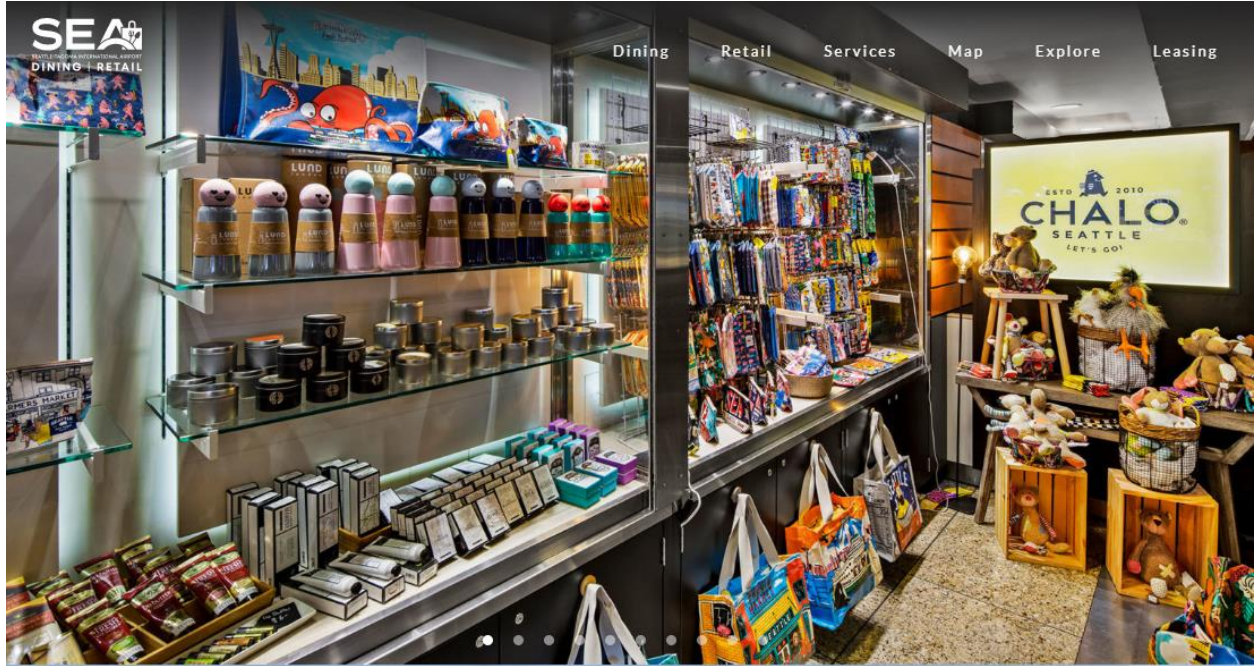
Chalo Seattle is a local, Seattle-based travel and lifestyle company that focuses on expressing the unique experience of a city and its people by weaving together concepts from yesterday, today and tomorrow. Danialle An is the owner and President. Ms. An and Chalo have experience in operating at Seatac where

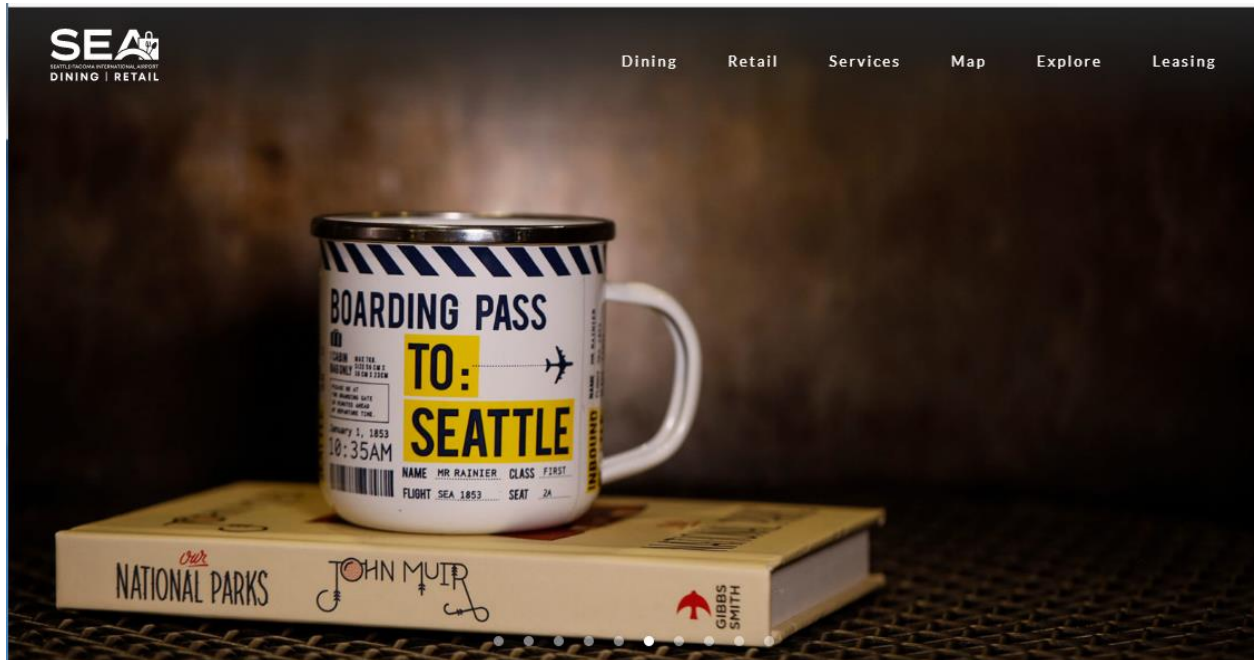
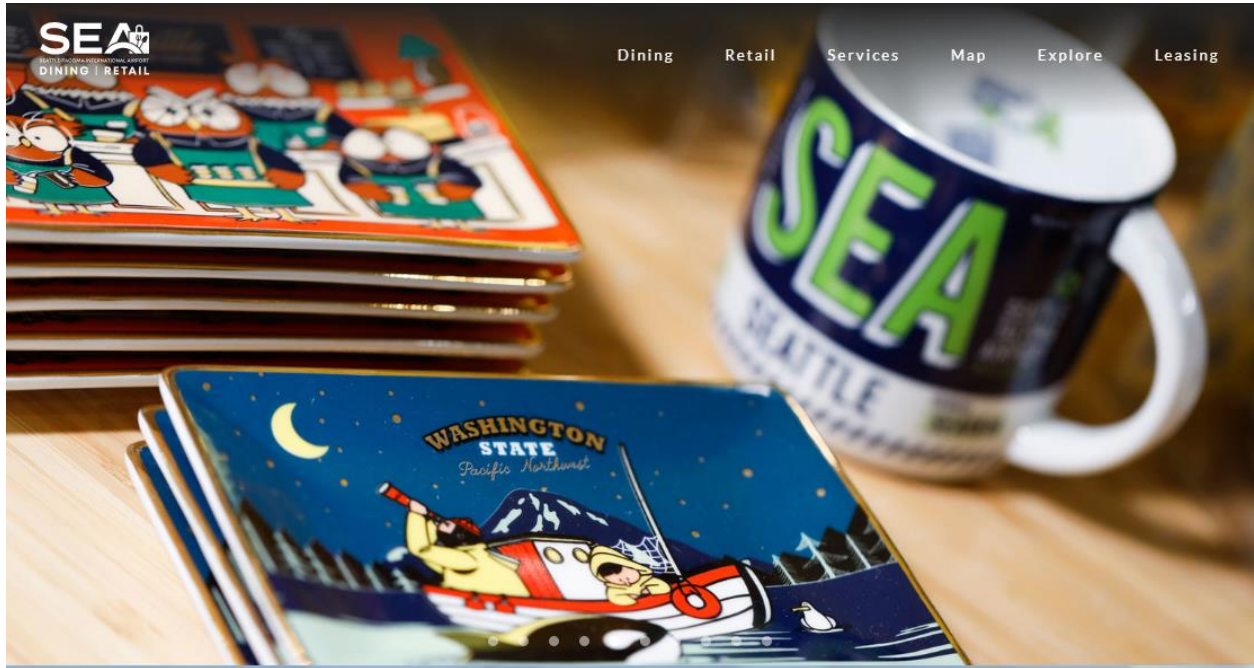
currently operate the Chalo novelty and gifts store in Concourse C but will soon be moving to the North Concourse. Chalo, LLC is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Chalo will be responsible for sourcing local products for the duty free stores.

Chalo Seattle specializes in totes, socks and other themed items that express the unique experience and people of Seattle. The kiosk at Sea-Tac Airport opened on the C Concourse after owner Danialle An attended one of the Port's Dining and Retail training workshops for small business owners. She said attending the workshop gave her the knowledge and courage to apply for a kiosk space.

Prior to owning her own business, Ms. An worked on customizing designs for other businesses, specializing in conveying the unique personality and the magic of different cities.

When opening CHALO Seattle, Ms. An chose to focus on the unique attributes of her home city, Seattle. %Every city has a story to tell and cities are not often represented in a way they deserve,+she said. %There is something very vibrant and different about each city.+ She said that she has been amazed by the number of people who pass through Sea-Tac and her kiosk each day. %am learning the business in a way that is safe and less risky in terms of opening my own store. Its the perfect model to test the waters in retail.+





Planewear, Jennifer Longley, Owner and President



Planewear is a unique airport retail store experience and prominent purveyor of aviation and travel related products and apparel. Focusing on providing everyone from the most casual of travelers to the aviation professional, Planewear strives to provide exceptional service that allows customers to take off in style and comfort. At its SeaTac International Airport location, travelers are greeted by its First Class sales team outfitted in vintage style Pillbox hats.

At Planewear, younger travelers enjoy searching for inflight entertainment including airplane toys, books and games. Seasoned passengers share stories and memorable times of flying during the Golden Age of aviation as they browse through nostalgic line of bags and accessories including Pan Am Bags and luggage tags. Planewear is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Planewear will be responsible for managing the duty free gate delivery staff, a critical element required by U.S. Customs and Border Patrol in order to sell duty free. Planewear will also apply their travel retail experience to enhancing DFA's connection with the traveling public including expanding DFA's merchandise offerings for younger travelers.

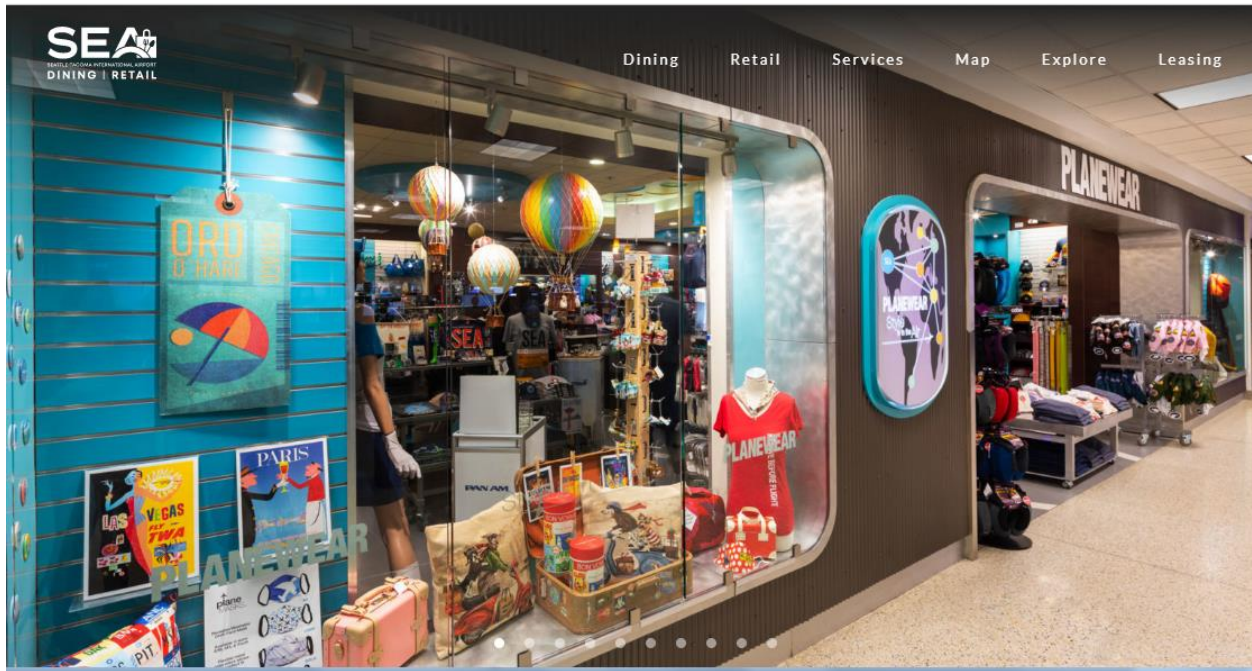
Long after leaving her career as a flight attendant, Jennifer Longley's love of aviation has continued on through her labor of love - an aviation-themed retail store at Sea-Tac Airport called Planewear. The store sells pillbox hats, airplane buckle belts and bags, and other apparel and accessories that take the customer back to the old fashioned, glamorous days of flying.

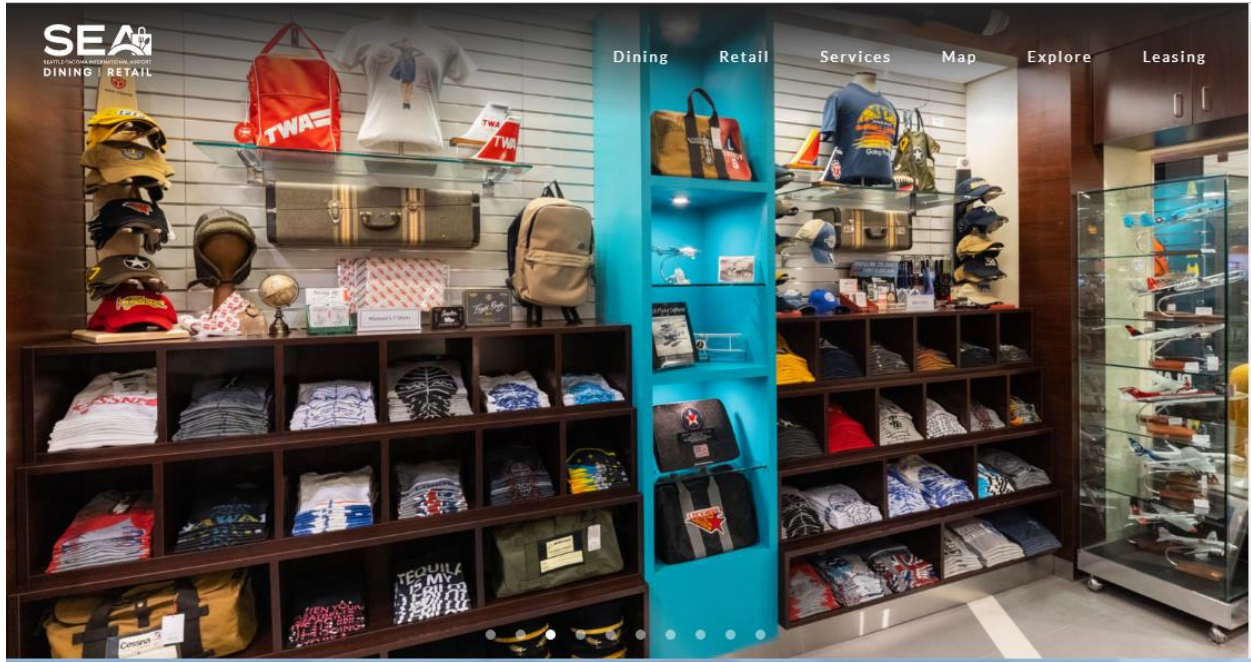


What started as an online store selling airplane seatbelt belts and Jump seat bags in 2004 has blossomed into a successful small business at Sea-Tac Airport. Longley says that the airport is the perfect place for a business like Planewear, which has become beloved by aviation aficionados and flight crew members, who she said sometimes plan layovers in Seattle just to come to the store.

There are many challenges to owning a small business. We are competing with bigger companies with a big presence at the airport, she said. That can be very expensive -

the cost is huge.+ And, owning a small business requires dedication and passion. %t& 24-7,+she said. %The store is open seven days a week, 15 hours a day ò if you want to open a small business you have to be aware of the commitment.+







Canopy Hospitality Group, LLC, Daryl Parks, Owner and President

Canopy Hospitality Group is currently based in Tallahassee, FL but is looking to make a presence in Seattle prior to the 2027 start of the duty free concession contract. Canopy Hospitality is ACDBE certified by the State of Washington. As part of Duty Free Americas Seattle, LLC, Canopy Hospitality Group will be responsible for coordinating ACDBE activities with the Port.



Daryl D. Parks is an accomplished lawyer and businessman. He is the managing partner at Parks Law, L.L.C. Through his dedication to civil rights activism and his commitment to community, Attorney Parks has represented families of Trayvon Martin, Michael Brown and Corey Jones. The national reputation gained by Attorney Parks and his firm has led to his appearances on numerous national television broadcasts which include ABC, MSNBC, Fox News, and CNN.

Parks's business ventures include being the owner of Canopy Hospitality Group (Canopy). Through Canopy, Parks continues his long-time service to others in the hospitality and airport concessions industry. Canopy has been certified as an ACDBE minority certified business in several states.

Daryl Parks has received numerous awards and accolades for his work both as an attorney and an outstanding businessman. A few of his awards include the Leadership Pacesetter Award from the Greater Tallahassee Chamber of Commerce, the Leon County Small Business of the Year award, the NAACP Chairman of the Board Award, the Florida Bar Henry Latimer Award, the Lawyers Committee for Civil Rights Law Advocates Award, and the American Justice Association Johnnie L. Cochran Soaring Eagle Award. The Association of Fundraising Professionals awarded him and his then partner with the Outstanding Philanthropists of the Year award for their firm's donation of \$1,000,000 to Legal Services of North Florida. Because of his diligent efficacious representation of his clients, Parks is also a member of the Million Dollar Advocacy Forum.

Daryl Parks is also a distinguished local and national leader who epitomizes a commitment to service. He has shared his business acumen, financial expertise and leadership qualities locally with organizations such as the Sickle Cell Foundation, the Bethel Community Development Corporation, Tallahassee Airport Advisory Committee and recently became a board member of the Bond Community Health Center. He has also provided his service to the Florida Bar, serving as a member of both, the Florida Bar Foundation Board and the Florida Bar Student Education and Admissions to the Bar Committee. He currently serves as a Trustee to the Florida Supreme Court Historical Society. Attorney Parks has also served his alma mater as Vice Chair of the FAMU Board of Trustees and Chairman of the Board for both the FAMU Foundation and the



FAMU Boosters. As a national leader, Parks is a lifetime member of the National Bar Association (NBA), and has served in national leadership positions over the last sixteen years to include National President, General Counsel, Vice President of Finance, Regional Director of Region XI, and President of the Virgil Hawkins Florida Chapter of the National Bar Association. In 2011, Daryl Parks was elected as the 69th President of the NBA. He continues his service to the National Bar on the Bar's board of directors of the National Bar Institute. He was elected to serve as the Minority Caucus Chair for the American Association for Justice and also to a number of leadership positions with the Florida Justice Association, including serving on the Board of Directors. Former United States Senator Bill Nelson appointed him to the Federal Judicial Nominating Commission for the Northern District of Florida, and former Florida Governor Charlie Crist appointed him to the Judicial Nominating Commission for the First District Court of Appeals for Florida.

Mr. Parks received dual degrees in Economics and Political Science from Florida Agricultural and Mechanical University (FAMU) and a law degree from Florida State University (FSU).



Canopy Hospitality Group



CANOPY HOSPITALITY GROUP CAPABILITY STATEMENT

Capabilities

- 27 years of experience in business operations
- Creating an optimal customer experience
- Developing customized hospitality concession concepts
- Maximizing financial performance

Differentiators

- Certified ACDBE – Arizona, Colorado, Florida, Georgia, Maryland, New Jersey, New York, North Carolina, Tennessee, Texas, Utah, Virginia & Washington
- Award-winning Principal
 - Leadership Pacesetter Award – Greater Tallahassee Chamber of Commerce
 - Leon County Small Business of the Year Award
 - NAACP Chairman of the Board Award



NAICS Codes:

722310 – Food Services
Contractors

453998 – All Other
Miscellaneous Store
Retailers

Contact Information

Daryl D. Parks
Principal

540 Gore Ave.
Tallahassee, FL 32310
850-251-6400
daryl@canopyhospitality.com

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Mr. Scott Van Horne
Sr. Business Manager, Retail and Dining
Port of Seattle

Dear Mr. Horne:

Duty Free Americas Seattle, LLC is a newly formed joint venture between Duty Free Americas Airports, Inc. and two Seattle-based ACDBEs, Chalo LLC and Planewear plus Canopy Hospitality LLC, a Florida-based ACDBE certified in Washington State . We are pleased to submit this proposal for RFP23-1DF for the duty free concession at the Seattle-Tacoma International Airport.

- **Duty Free Americas Airports, Inc.** will be a 73% partner in Duty Free Americas Seattle, LLC. DFA is a wholly-owned subsidiary of Duty Free Americas, ranked by the industry newsletter The Moodie-Davitt Report as the tenth largest duty free operator in the world. DFA operates over 100 duty free and airport retail stores at U.S. airports and along the U.S.-Mexican and U.S.-Canadian borders. DFA also has a substantial presence in Latin America and stores in Macao, China and Israel. Duty Free Americas operates the duty free concessions at Miami, Atlanta, Washington, DC, New York JFK Terminal 7 and San Antonio. DFA has established merchandise supply lines to Seattle due to its five WA duty free stores at Blaine, Oroville, Sumas, and the Anacortes ferry.
- Chalo LLC and Planewear will each be 10% partners in Duty Free Americas Seattle, LLC. Canopy Hospitality will be a 3%. Each of these partners is ACDBE certified in Washington.

Designed by Seattle architect, Arcadis (fka Callison), our store development plan is custom-designed for Seatac's international passengers and will bring an innovative and elegant layout to the Airport.

With DFA's exposure to the Asian market via its stores in Macao, plus its other duty free operations around the world, the partnership has a keen idea of what products are most in demand by the Seatac traveler. In addition, Duty Free Americas Seattle, LLC will also rely on the decades of experience of its partners to bring the highest level of professional management to Seatac including (a) well-trained staff, (b) an award-winning customer service program, and (c) innovative technologies to attract and motivate travelers to shop at Seatac. Behind all of this are sales support mechanisms from information technology, human resources, accounting, finance, and marketing to make it all happen effectively.

We look forward to being Seatac's duty free concessionaire.

Simon and Jerome Falic
Owners of Duty Free Americas

Duty Free Americas 6100 Hollywood Blvd, Hollywood, FL 33024 954-986-7774 www.dutyfreeamericas.com



10.1 FINANCIAL CAPABILITY

10.1.1 Sources and amounts of funding for tenant improvements and working capital

10.1.2 Judgments or lawsuits currently pending

There have been **NO** judgments nor lawsuits currently pending against Duty Free Americas Seattle, LLC, nor against Duty Free Americas, nor against its affiliated companies, nor against its ACDBE partners within the past 10 years.

10.1.3 Lawsuits filed by proponent

There have been **NO** lawsuits filed by Duty Free Americas Seattle, LLC, nor by Duty Free Americas, nor by its affiliated companies, nor by its ACDBE partners within the past 10 years.

10.1.4 Bankruptcy

Neither Duty Free Americas Seattle, LLC, nor Duty Free Americas, nor its affiliated companies, nor its shareholders, nor its ACDBE partners have ever declared bankruptcy nor filed a petition in bankruptcy court, nor filed for protection from creditors in a bankruptcy court, nor have been named as a defendant in any legal proceedings, nor had involuntary proceedings filed in a bankruptcy court.

10.1.5 Most recent financial statement

Duty Free Americas Seattle, LLC is a newly formed joint venture entity



- d. Certified statement of names of officers, occupation of members of the Board, principal occupation of Board members:

CORPORATE RESOLUTION

The undersigned, David Taney, does hereby certify:

That I am the General Counsel of Duty Free Americas Seattle, LLC (the "**Company**"), a Washington limited liability company.

That the Company was formed to operate retail concessions.

That, at a Special Meeting of the Board of Directors of Duty Free Americas Airports, Inc., the Company's Managing Member (the "**Managing Member**"), on October 6, 2023, the following resolutions were duly adopted:

"BE IT RESOLVED that the Company authorizes the submission of a proposal for the duty free concession at Seattle-Tacoma International Airport in response to RFP23-1DF issued by the Port of Seattle on July 12, 2023 (the "**RFP**").

BE IT FURTHER RESOLVED that any one of the following officers of the Managing Member is authorized to act on the Company's behalf and to execute and deliver on behalf of the Company such submissions, agreements, amendments and other instruments and documents as may be necessary or required in connection with the RFP, all of which shall contain such terms and conditions as said officer of the Company shall determine to be in the best interest of the Company, with the signature of said officer to be conclusive evidence of such determination and of the authority of said officer to execute and deliver the same:

- Jerome Falic – Chief Executive Officer
- Leon Falic - President
- Simon Falic – Chief Operating Officer
- Timothy McCloskey – Chief Financial Officer

BE IT FURTHER RESOLVED that Jacqueline Torres, the Managing Member's Director of Human Resources, is authorized to act on the Company's behalf and to execute and deliver on behalf of the Company any and all submissions, agreements, amendments and other instruments and documents as may be necessary or required in connection with Labor Peace.

BE IT FURTHER RESOLVED that the Company hereby ratifies and confirms the acts of the aforementioned officers, irrespective of whether such acts were performed prior or subsequent to the date of the adoption of the foregoing resolutions, in effectuating the purposes and intents of the foregoing resolutions and the transaction contemplated thereby."

IN WITNESS WHEREOF, I have hereunto signed the present document this 6th day of October, 2023, at Hollywood, Florida.

Duty Free Americas Seattle, LLC, a Washington limited liability company

By: 
David Taney
General Counsel

10.2 CONCEPT DEVELOPMENT & CUSTOMER EXPERIENCE

10.2.1 List the proposed offerings for both Concourse A and South Concourse

A duty free store of the sizes planned for Seatac would be expected to carry nearly 400 different brands and over 14,000 individual products (SKUs). Prices would range from \$1.50 for 50-ml mini liquor bottles and \$4 for a lip liner and \$5 for nail polish to \$1,165 for a La Prairie skin treatment, \$3,990 for Hennessy's Richard Cognac, \$5,900 for a Tag Heuer watch, and \$11,970 for an Omega watch.

To give an idea of the breadth of products within the DFA merchandise selection, within the liquor category, the number of brands DFA would carry by liquor type is:

• Asian Whiskey / Liquor	6	• Rum	13
• Bourbon	14	• Rye	8
• Cognac	5	• Scotch	31
• Gin	11	• Tequila	6
• Liqueur	15	• Vodka	14

Category	# Brands	# SKUs	Min Price	Max Price
Liquor	161	551	2	3,990
Tobacco	37	213	5	193
Fragrance	51	1,158	5	288
Cosmetics / Skin Treatment	39	4,440	4	1,165
Accessories	7	499	5	7
Watches	24	1,850	20	11,970
Jewelry	4	1,439	5	4
Leather	9	1,550	18	9
Sunglasses	24	2,335	32	24
Confection / Edibles	23	206	2	16
TOTAL	379	14,241	2	11,970



LIQUOR			
TYPE	BRAND	TYPE	BRAND
Apertif	APEROL	Cognac	REMY MARTIN
Apertif	CAMPARI	Gin	BEEFEATER
Apertif	RICARD PASTIS	Gin	BOMBAY
Bourbon	1792 SMALL BATCH	Gin	BULLDOG
Bourbon	BAKER'S	Gin	CITADELLE
Bourbon	BASIL HAYDEN	Gin	GORDON'S
Bourbon	BLANTON'S	Gin	G'VINE
Bourbon	BOOKER'S	Gin	HENDRICK'S
Bourbon	BROTHERS BOND	Gin	MARTIN MILLER
Bourbon	BROWN SUGAR	Gin	OPHIR
Bourbon	BUFFALO TRACE	Gin	ROKU GIN
Bourbon	BULLEIT	Gin	SIPSMITH
Bourbon	EAGLE RARE	Gin	TANQUERAY
Bourbon	ELIJAH CRAIG	Gin	THE LONDON NO. 1
Bourbon	GOLD BAR	Gin	WHITLEY NEILL
Bourbon	HUDSON BABY	Irish Rye	BUSHMILL
Bourbon	JACK DANIEL'S	Irish Rye	JAMESON
Bourbon	JIM BEAM	Irish Rye	MITCHELL'S GREEN SPOT
Bourbon	KNOB CREEK	Irish Rye	PADDY'S
Bourbon	MAKER'S MARK	Irish Rye	PROPER TWELVE
Bourbon	OLD FORESTER	Irish Rye	REDBREAST
Bourbon	WILD TURKEY	Irish Rye	THE POGUES
Bourbon	WOODFORD	Irish Rye	TULLAMORE DEW
Brandy	CHRISTIAN BROS	Japanese Whiskey	HIBIKI
Brandy	ERNEST & JULO	Japanese Whiskey	SUNTORY
Brandy	ST REMY	Japanese Whiskey	THE CHITA
Brandy	THREE OLIVES	Japanese Whiskey	YAMAZAKI
Champagne	ARMAND DE BRIGNAC	Liqueur	AMARETTO DI SARONNO
Champagne	CRISTAL	Liqueur	AMARULA
Champagne	LUC BELAIRE	Liqueur	BAILEYS
Champagne	MOET & CHANDON	Liqueur	BUFFALO TRACE
Champagne	PERRIER JOUET	Liqueur	CAROLAN'S
Champagne	TAITTINGER	Liqueur	COINTREAU
Champagne	VEUVE CLICQUOT	Liqueur	DRAMBUIE
Chinese White	KEWEI CHO MOU TAI	Liqueur	FRANGELICO
Cognac	BACARDI	Liqueur	GOZIO
Cognac	COURVOISIER	Liqueur	GRAND MARNIER
Cognac	HENNESSY	Liqueur	JACK DANIEL'S
Cognac	HINE	Liqueur	JAEGERMEISTER
Cognac	MARTELL	Liqueur	KAHLUA

LIQUOR			
TYPE	BRAND	TYPE	BRAND
Liqueur	LICOR 43	Scotch	BALLANTINE
Liqueur	NUVO SPARK	Scotch	BALVENIE
Liqueur	SAMBUCA ROMANA	Scotch	BENRAICH
Liqueur	SHANNON	Scotch	BOWMORE
Liqueur	SHERIDAN'S	Scotch	BUCHANAN
Liqueur	SOUTHERN COMFORT	Scotch	CAOL ILA
Rum	BACARDI	Scotch	CHIVAS REGAL
Rum	BARBANCOURT	Scotch	DALMORE
Rum	BEAR HUG	Scotch	DEWAR'S
Rum	BUMBU	Scotch	FAMOUS GROUSE
Rum	CAPTAIN MORGAN	Scotch	GLEN DEVERON
Rum	CARIBANA SOL	Scotch	GLEN GARIOCH
Rum	DIPLOMATICO	Scotch	GLEN GRANT
Rum	EL DORADO	Scotch	GLEN SCOTIA
Rum	FLOR DE CANA	Scotch	GLENDRONACH
Rum	GOSLING'S	Scotch	GLENFARCLAS
Rum	KRAKEN	Scotch	GLENFIDDICH
Rum	MALIBU	Scotch	GLENLIVET
Rum	MYER'S	Scotch	GLENMORANGIE
Rum	RON ABUELO	Scotch	GRANT'S
Rum	RON BOLTRAN	Scotch	HIGHLAND PARK
Rum	RON BOTRAN	Scotch	JOHNNIE WALKER
Rum	RON BRUGAL	Scotch	JURA THE BAY
Rum	RON ZACAPA	Scotch	LAGAVULIN
Rum	RUMCHATA	Scotch	LOCH LOMOND
Rum	SAILOR JERRY	Scotch	MACALLAN
Rye	FIREBALL	Scotch	MONKEY SHOULDER
Rye	JACK DANIEL'S	Scotch	OBAN
Rye	SAZERAC	Scotch	OLD PARR
Rye	SHEEP DOG	Scotch	PASSPORT
Rye	WHISTLE PIG	Scotch	SINGLETON
Rye Canadian	CANADIAN CLUB	Scotch	TALISKER
Rye Canadian	CROWN ROYAL	Tequila	1800 TEQUILA
Rye Canadian	FORTY CREEK	Tequila	BEAR HUG
Scotch	ABERFELDY	Tequila	CASAMIGOS
Scotch	ABERLOUR	Tequila	CINCORO
Scotch	ARDBEG	Tequila	CREYENTE

LIQUOR			
TYPE	BRAND	TYPE	BRAND
Tequila	DAHLIA	Wine	B & G
Tequila	DON JULIO	Wine	BILLET ROSE
Tequila	EL JIMADOR	Wine	BOTTEGA GOLD
Tequila	EL SILENCIO	Wine	CATENA ZAP
Tequila	ESPOLON	Wine	CHEVAL DES ANDES
Tequila	GILA	Wine	CLOUDY BAY
Tequila	HERRADURRA	Wine	DONA PAULA
Tequila	JOSE CUERVO	Wine	DONA RENATA
Tequila	MAESTRO DOBEL	Wine	FLEUR DE MER
Tequila	MEZCAL	Wine	GERARD BERTRAND
Tequila	PATRON	Wine	LA MARCA
Tequila	SAUZA	Wine	LIEB
Tequila	TEQUILA ROSE	Wine	LOLEA
Vodka	ABSOLUT	Wine	MARQUES DE LEON
Vodka	BEAR HUG	Wine	ORIN SWIFT
Vodka	BELUGA	Wine	OYSTER BAY
Vodka	BELVEDERE	Wine	PENFOLD'S
Vodka	CIROC	Wine	PINITIA
Vodka	FINLANDIA	Wine	PORTO CRUZ
Vodka	GREY GOOSE	Wine	PSAGOT
Vodka	KETEL ONE	Wine	ROBERT MONDAVI
Vodka	REDMONT	Wine	SONOMACOAST
Vodka	SKYY	Wine	STAG'S LEAP
Vodka	SMIRNOFF	Wine	TERRAZAS
Vodka	STOLICHNAYA	Wine	THE SNITCH
Vodka	SUNTORY	Wine	THOUSAND ISLAND
Vodka	TITO'S	Wine	VEUVE DE VERNEY
Vodka	WHEATLEY	Wine	WHISPERING ANGEL
Wine	ALION		
LOCAL WNE FROM WASHINGTON STATE			
14 HANDS	L&COLE		SNOWSQUALMII
CHATEAU ST. MICHELLE	LAKE CHELAN		SOL SOLARE
COLUMBIA CREST	LEONETTI CELLARS		SPRING VALLEY
DISTANT BAY	KESTREL VINTNERS		STIMSON ESTATE CELLARS
DOMAIN	NORTHSTAR		THE HOGUE CELLARS
ERIOICA	RED DIAMOND		

TOBACCO			
TYPE	BRAND	TYPE	BRAND
Cigarettes	BENSON & HEDGES	Cigarettes Imported	STATE EXPRESS
Cigarettes	CAMEL	Cigarettes Imported	STERLING
Cigarettes	CAPRI	Cigarettes Imported	SUPERKINGS
Cigarettes	KOOL	Cigars	BLUE MOUNTAIN CIGARS
Cigarettes	L&M	Cigars	C.A.O.
Cigarettes	LUCKY STRIKE	Cigars	COHIBA
Cigarettes	MARLBORO	Cigars	DAVIDOFF
Cigarettes	MERIT	Cigars	DON TOMAS
Cigarettes	NAS	Cigars	HOUSE OF PRINCE
Cigarettes	NEWPORT	Cigars	MACANUDO
Cigarettes	PALL MALL	Cigars	OLIVA
Cigarettes	PALLMALL	Cigars	PARTAGAS
Cigarettes	PARLIAMENT	Cigars	PUNCH
Cigarettes	PLAYERS	Cigars	ROCKY PATEL
Cigarettes	SHERIFF	E-Cig	JUUL
Cigarettes	VIRGINIA SLIM	E-Cig	VUSE
Cigarettes	WINSTON	Loose Tobacco	AMBER LEAF
Cigarettes Chinese	CHUNGHWA	Loose Tobacco	COPENHAGEN
Cigarettes Chinese	DOUBLE HAPPINESS	Loose Tobacco	GOLDEN VIRGINIA
Cigarettes Chinese	HUANGHELOU	Loose Tobacco	VELO
Cigarettes Chinese	LIQUIN		
Cigarettes Chinese	PANDA		
Cigarettes Chinese	YUXI		
Cigarettes Imported	DAVIDOFF		
Cigarettes Imported	DUNHILL		
Cigarettes Imported	GAULOISES		
Cigarettes Imported	LAMBERT		
Cigarettes Imported	MAYFAIR		
Cigarettes Imported	MILD SEVEN		
Cigarettes Imported	REGAL		



FRAGRANCE	FRAGRANCE	FRAGRANCE
AZZARO	LACOSTE	ACQUA DI PARMA
BURBERRY	LANCOME	AMOUAGE
BVLGARI	MARC JACOBS	ARMANI PRIVE
CALVIN KLEIN	MICHAEL KORS	BOND NO9
CAROLINA HERRERA	MONTBLANC	BOSS COLLECTION
CARTIER	MOSCHINO	BVLGARI LE GEMME
CHANEL	MUGLER	BYREDO
CHLOE	NARCISO RODRIGUEZ	CAROLINA HERRERA CONFIDENTIALS
COACH	NINA RICCI	CHANEL LES EXCLUSIVE
DAVIDOFF	PACO RABANNE	CLIVE CHRISTIAN
DIESEL	PRADA	CREED
DIOR	RALPH LAUREN	DIOR LA COLLECTION PRIVE
DOLCE & GABBANA	TIFFANY	DIPTYQUE
GIORGIO ARMANI	VALENTINO	GUCCI ALCHEMIST GARDEN
GIVENCHY	VERSACE	LOEWE
GUCCI	VICTOR & ROLF	MAISON FRANCIS KURKDJIAN
GUERLAIN	VICTORIA SECRET	MAISON MARGIELA
GUESS	YSL	MONTALE
HERMES		PARFUM DE MARLY
HUGO BOSS		PENHALIGONS
ISSEY MIYAKE		PRADA COLLECTION
JEAN PAUL GAULTIER		TIZIANA TARENZI
JIMMY CHOO		XERJOFF



COSMETICS	SKIN CARE	HAIR CARE
ARMANI	ARMANI	DOVE
BENEFIT	BIO THERM	GARNIER
CHANEL	CHANEL	GROWN ALCHEMIST
CHARLOTTE TILBURY	CLARINS	HERMES
DIOR	DERMOLOGICA	KERESTASE
GIVENCHY	DIOR	LOCCITANE
GUCCI	DOVE	LOREAL
GUERLAIN	DR. MURAD	MOLTON BROWN
HELENA RUBINSTEIN	GROWN ALCHEMIST	MOROCCAN OIL
HERMES	GUERLAIN	SEBASTIEN
KYLIE COSMETICS	KIEHLS	TIGI
LANCOME	KYLIE SKIN	TRESEMME
LOREAL	LA PRAIRIE	WELLA
MAKE UP FOREVER	LANCOME	
NARS	LAROCHE POSAY	
PAT MCGRATH LABS	LOCCITANE	NAIL CARE
REVLON	LOREAL	OPI
VICTORIA SECRET	MOLTON BROWN	
	SOL DE JANIERO	
	ST. IVES	
	VICHY	
	VICTORIA SECRET	
ASIAN SPECIFIC SKIN CARE BRANDS		
AESOP	LANEIGE	
CLE DE PEAU	SHISEIDO	
DECORTE	SKINCEUTICALS	
DRUNK ELEPHANT	SULWAHASOO	
FRESH	WHOO	
IPSA		

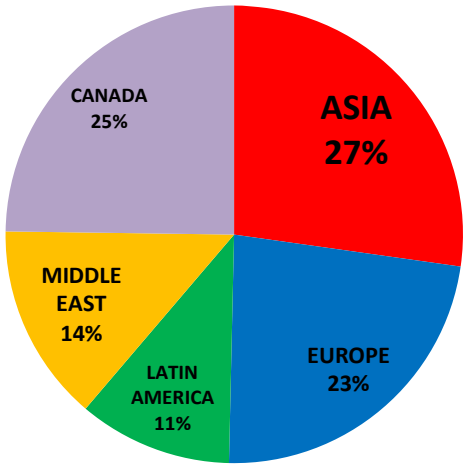
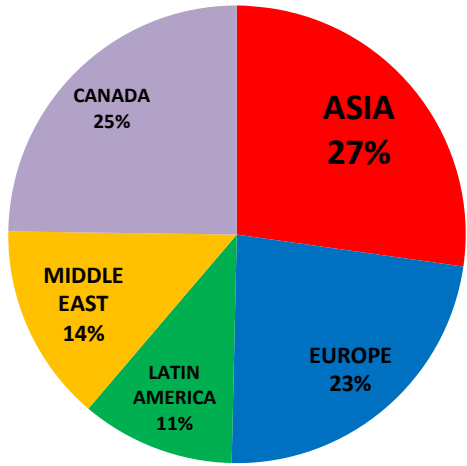


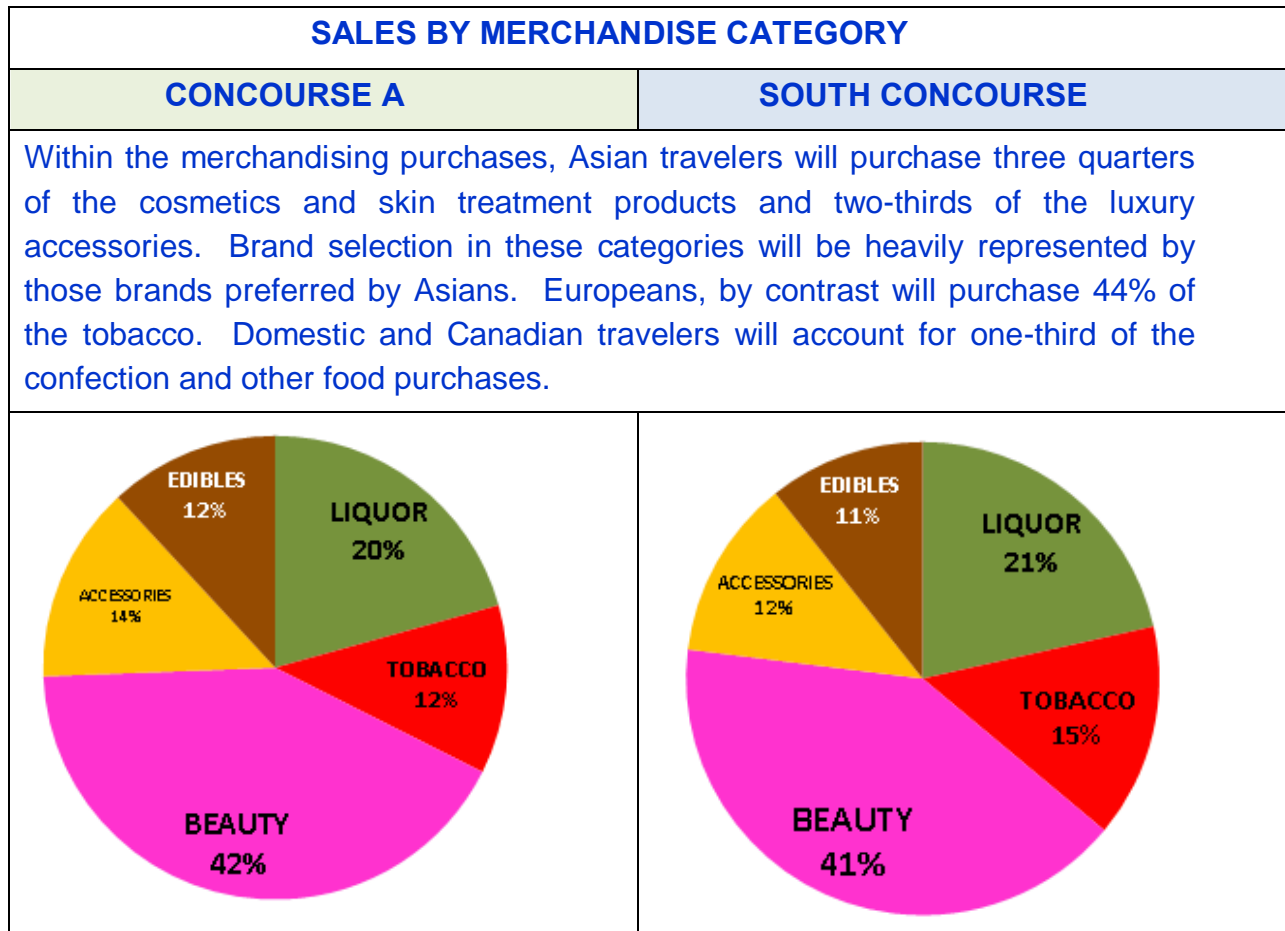
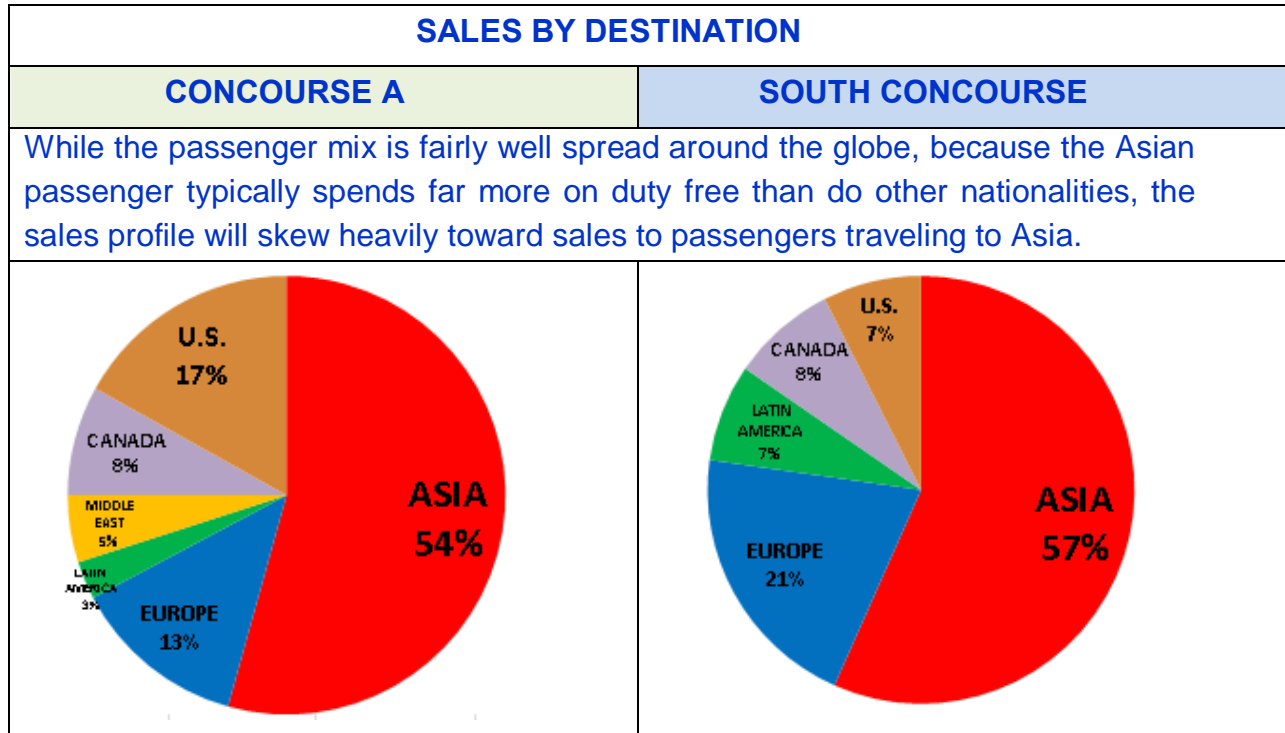
WATCHES	LEATHER	SUNGLASSES
ARMANI EXCHANGE	GUESS	CARRERA
BABY G	LONGCHAMP	CARTIER
CALVIN KLEIN	MONTBLANC	DIOR
CASIO	TUMI	DOLCE & GABBANA
CITIZEN	VICTORINOX	FENDI
DIESEL		GIVENCHY
FOSSIL		GUCCI
G-SHOCK	SPECIALTY BOUTIQUES	GUESS
MICHAEL KORS	MONTBLANC	MAUI JIM
MOVADO	KATE SPADE	MICHAEL KORS
TOMMY HILFIGER	COACH	MONTBLANC
VICTORINOX	MACALLEN	OAKLEY
		POLAROID
		PRADA
		RAYBAN
		SAINT LAURENT
		TOM FORD
		VERSACE
JEWELRY		
SWAROVSKI		

CANDY, CONFECTION, AND OTHER FOOD			
INTERNATIONAL BRANDS		LOCAL SEATTLE BRANDS	
Type	BRAND	Type	BRAND
Candy	CHUPA CHUPS	Chocolate	SEATTLE CHOCOLATE
Candy	HARIBO	Chocolate	THEO CHOCOLATE
Candy	MENTOS	Chocolate	FRAN\$ CHOCOLATE
Chocolate	CADBURY	Seafood	SEABEAR PACIFIC
Chocolate	FERRERO	Seafood	TOTEM SMOKED SALMON
Chocolate	GHIRADELLI		
Chocolate	GODIVA	Jerky	OBERTO
Chocolate	HERSHEY		
Chocolate	LINDT		
Chocolate	M&M MARS		
Chocolate	MILKA		
Chocolate	NESTLE		
Chocolate	RITTER SPORT		
Chocolate	TOBLERONE		

10.2.2 Fully explain why you believe this selection of merchandise will be successful at SEA

DFA's merchandising selection is customized to appeal to the unique passenger mix at the Airport. In choosing the merchandise for Seatac, DFA first looks at the international flights departing SEA. Based upon the flight schedule and aircraft size, DFA is able to closely approximate the number of passengers headed to each destination from Concourse A and from the South Concourse. As DFA has experience with each of these destinations from its global duty free business, we are able to apply that experience in closely approximating the sales by each of the merchandise categories. Within those categories, DFA also knows which brands are the most popular.

INTERNATIONAL PASSENGER MIX																									
CONCOURSE A	SOUTH CONCOURSE																								
With 8 Asian national carriers, 7 European carriers, and 3 Middle Eastern carriers, the Concourse A international passenger profile will be a broad mix of nationalities.	With the Sky Team airlines (Delta, Air France, Aeromexico, and Westjet) departing from the South Concourse, the international passenger mix will be fairly evenly spread from around the globe.																								
 <table border="1"> <caption>Concourse A Passenger Mix</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>ASIA</td> <td>27%</td> </tr> <tr> <td>EUROPE</td> <td>23%</td> </tr> <tr> <td>CANADA</td> <td>25%</td> </tr> <tr> <td>MIDDLE EAST</td> <td>14%</td> </tr> <tr> <td>LATIN AMERICA</td> <td>11%</td> </tr> </tbody> </table>	Region	Percentage	ASIA	27%	EUROPE	23%	CANADA	25%	MIDDLE EAST	14%	LATIN AMERICA	11%	 <table border="1"> <caption>South Concourse Passenger Mix</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>ASIA</td> <td>27%</td> </tr> <tr> <td>EUROPE</td> <td>23%</td> </tr> <tr> <td>CANADA</td> <td>25%</td> </tr> <tr> <td>MIDDLE EAST</td> <td>14%</td> </tr> <tr> <td>LATIN AMERICA</td> <td>11%</td> </tr> </tbody> </table>	Region	Percentage	ASIA	27%	EUROPE	23%	CANADA	25%	MIDDLE EAST	14%	LATIN AMERICA	11%
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Liquor . While scotch, particularly Johnnie Walker Black, is the most popular liquor item among western customers, among Asians, XO cognac and white liquors such as Kweichow Moutai are most popular among Chinese travelers, and very expensive scotch such as (Johnnie Walker Blue, and Ballantine 40-year old are most popular among Korean passengers. In fact, over half of all Asian liquor purchasing will be of bottles costing over \$100. Asian travelers are also frequent purchasers of quality wine, something of benefit to DFA's intent to carry an assortment of local Washington State wines.



Tobacco . Marlboro is by far the most popular brand of tobacco worldwide. In duty free, however, there are a number of foreign brands that are important but virtually unheard of in the U.S. domestic market. For the British, the loose tobacco brands Golden Virginia and Amber Leaf are important as are the cigarette brands Lambert, Dunhill, and Superkings. Among Asians, Chunghwa, Mild Seven, State Express, and Panda are popular.



Beauty . While fragrance tends to outsell cosmetics and skin treatment in the West, among Asian travelers, the ratios are reversed. Chanel, Lancôme, and Dior are extremely popular across all the continents. Among Asians, there are a number of skin treatment and cosmetics brands which command



attention. Among them are: Aesop, Cle de Peau, Decorte, Drunk Elephant, Fresh, Ipsa, Laneige, Sheseido, Skinceuticals, Sulwhasoo, and Whoo. Clarins is particularly strong among European purchasers. Antonio Puig and Carolina Herrera fragrances are particularly popular in Latin America. Increasingly, rare and expensive niche fragrances have become an important component of the beauty category. These brands include: Acqua di Parma, Armani Privé, Chanel Les Exclusive, Dior La Collection Privée, Dyptique, Gucci Alchemist Garden, and Penhaligons among others.



Leather and Pens . Montblanc pens and their leather collections are well-suited for Seattle as the brand is popular in Europe, Asia, and Latin America and fits into a shop-in-shop format. DFA will also carry Longchamp . both the leather collection and the more casual hybrid Pliage line. DFA will also feature Tumi and Victorinox, both popular travel retail brands.





Sunglasses . in duty free, Ray-Ban is by far the leading seller and traditionally accounts for nearly half of all sales in this category. In addition to Ray-Ban, DFA will offer a wide range of sunglass brands including Oakley, Gucci, Armani Exchange, Maui Jim, Carrera, Guess, Michael Kors, Versace, and Fossil.



Watches . the watch category is segmented between luxury watches such as Movado and Victorinox, mid-priced brands such as Citizen and Michael Kors, and the more fashion-priced brands such as Fossil, Tommy, and G-Shock. To be successful, it is necessary to provide a full range of brands and price points to meet the needs of each market segment.



Edibles . For the Japanese, omiyagi is the custom of gift-giving when one returns from a trip. Gifts are given to family members, friends, and co-workers. Buying expensive gifts for a dozen people can be prohibitive. As a result, boxed chocolate and other edibles become the perfect gift. For the Japanese, confection can represent 30% of their duty free purchasing.



Local Products . for many travelers, finding local products to bring home is an important part of their journey. Whether for themselves or as a thoughtful gift for a friend, co-worker, or relative, these local products can be an important part of the duty free retail program. Seattle is fortunate to have many appropriate local products which we can offer. Everything from Washington State wines, to salmon products, to confection.



Importantly, DFA understands that success depends upon creating an environment where travelers can easily find local products. Rather than simply burying these local products among other international brands, DFA will use special fixtures and signage to aggregate highlight the local brands. Within the liquor department, there will be a special section for local, Washington wines. Similarly, within the confection store, there will be a special section for local salmon and confection products.



- **Washington State Wines:** Washington State produces some of the world's finest wines and certainly the finest wines at their respective price points. Duty Free Americas has a carefully considered strategy for selling and promoting Washington State wines. We will make it easy for the traveler to choose to buy a great Washington wine.



In order to properly merchandise and promote Washington State wines, DFA has expanded its existing relationship with Alexander James / Chateau Ste. Michelle to develop and promote a Washington wine program. Alexander James owns dozen wine brands including the Chateau Ste. Michelle, Columbia Crest, and 14 Hands brands which we have sold at our border stores for years. Alexander James will select the best vintages of Wine Spectator 90+ rated wines, use their Seattle facility to train and educate DFA's sales associates, provide tasting notes, provide in-Airport tastings, and provide marketing materials in multiple languages including Mandarin and Korean and Japanese.



COLUMBIA VALLEY
2019 Ethos Reserve
Cabernet Sauvignon



Old vine concentration, high winds, sandy soils, and intense heat are the source of this Cabernet Sauvignon's greatness..

93 points
WINE ENTHUSIAST

Chateau Ste. Michelle	Columbia Crest	14 Hands
Northstar	Eroica	Sol Solare
Domain	Snosqualmie	Red Diamond
Spring Valley	Distant Bay	Stimson Estate Cellars

In addition to the Alexander James brands, DFA will also carry The Hogue Cellars, L'École, Kestrel Vintners, Leonetti Cellar, and Lake Chelan.



- **Washington Specialty Foods:** The Pacific Northwest is famous for its salmon products. DFA will carry the local brand Seabear Pacific salmon, TOTEM Smoked Salmon, among others. Additionally, DFA will work hard to supplement the local salmon products with other local brands such as Oberto jerky.



DELUXE SMOKEHOUSE GIFT SET



SMOKED SALMON QUARTET



SMOKED SALMON FILLET TRIO



SMOKED WILD PINK AND SOCKEYE SALMON









SMOKED SALMON JERKY QUARTET



SMOKED WILD SALMON FLAVOR TRIO

- **Local Confection** . DFA has identified a number of local confection brands for our merchandising assortment. These brands include: Seattle Chocolates (including their truffle gift boxes and truffle bars), Franc Chocolates, and Theo Chocolate.

		
 <p data-bbox="266 898 548 928">Pacific Northwest Gift Set</p>	 <p data-bbox="721 886 889 949">Sweet Tooth GIFT BOX</p>	 <p data-bbox="1019 520 1403 571">JAPANESE COLLECTION A STUNNING COLLECTION OF OUR FINEST OFFERINGS</p>



10.2.3 *Please provide a list of passenger experiences that you would offer, be aware that a secondary license may be required.*

Duty Free Americas would implement a four-part program of passenger experiences:

- **Tastings** . DFA intends to build into its stores a dedicated station for product sampling and tastings. These tasting bars are supported by the brands we carry and provide an excellent opportunity for attracting customers to the store as well as promoting the brands they will purchase. Tastings will be everything from confection and local food products to liquor and Washington State wine.
- **Make-Over Stations** . just as one might find in the nicest beauty stores, DFA will create a make-over station in Concourse A and the South Concourse. These stations will be staffed with professional make-up artists and provide the discriminating customer with an opportunity to see and feel how DFA's beauty products would work for them. The make-up artists will also provide instruction to the customer on how the customer can apply these products at home. And, of course, the make-overs and instruction are free of charge to the customer.
- **Holiday Events** . an important part of the DFA marketing program includes creating retail excitement around holidays and other special events. These events would be highlighted at our information booth and within the stores. Events would include a promotion of Jameson Irish Whiskey for St. Patrick's Day, Fragrance promotions for Mother's Day, Promotions of Hibiki Japanese Whiskey and Shiseido cosmetics during Japanese Golden Week, and promotion of Kweichou Moutai white liquor during the Chinese New Year.
- **In-Store Media** -- In addition to the special promotions, DFA uses media screens above its liquor and fragrance fixtures. These screens are linked so that at any one time, a single message is displayed within each part of the store. These media messages rotate among brand promotions and category information. Perhaps it is the Johnnie Walker Scotch image that captures their attention, but it is the subsequent message of how Johnnie Walker crafts their scotch that turns the viewer into a customer. Or, Perhaps it is the image of the Lancôme Rènenergie Lift Multi-Action Night Crème that catches their eye but it is the video on how this #1 ranked anti-aging night cream is 34% more hydrated and 15% firmer and thus provides lift, firming, and anti-aging benefits while you sleep.

10.2.4 *How are you going to promote or incentivize non-Duty Free passengers to purchase duty paid items?*

Only international passengers are eligible to purchase liquor and tobacco. Domestic passengers and airport employees are eligible to purchase every other merchandise category. Thus, the first step to inviting non-international travelers to purchase is to segregate the liquor and tobacco into a separate store or location which can be signed as duty free and cordoned off for international travelers only.

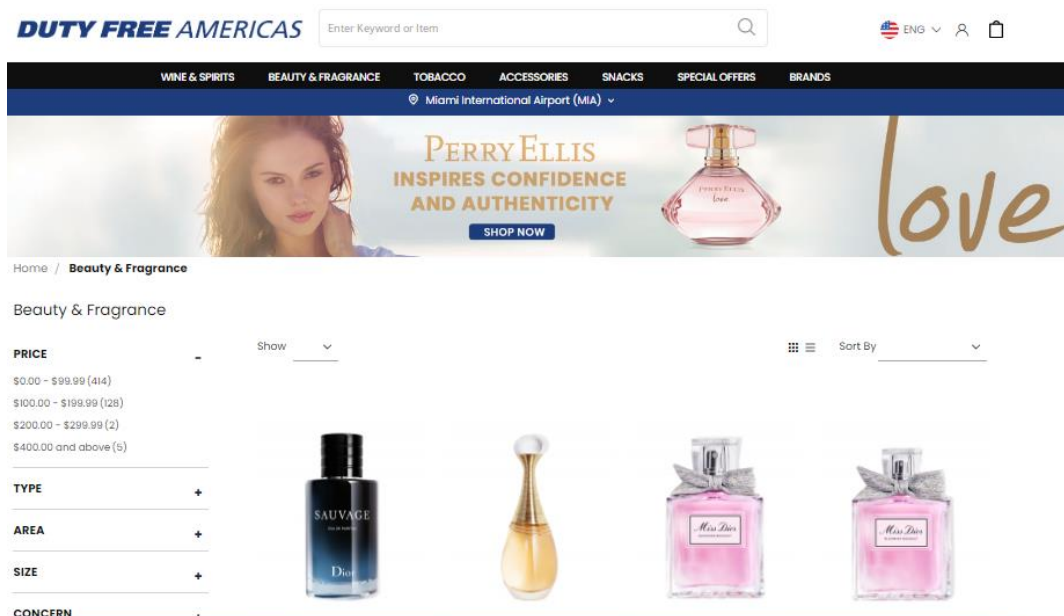
Second, domestic passengers are generally less aware about the restrictions on duty free purchasing and therefore will automatically presume that they can purchase from the beauty, luxury accessory, and confection stores. Nevertheless, DFA will install signage in the stores indicating that everyone is eligible to shop in these stores.

Beyond the physical separation of the bonded liquor and tobacco from the other merchandise, DFA will employ a multi-prong approach to enticing non-international passengers to purchase duty paid items.

- a) DFA uses greeters at the front of the larger stores. These greeters invite customers into the store, answer their shopping questions, and help identify products on special promotion.
- b) The brands themselves are a tremendous attraction for all passengers, domestic and international. While DFA's merchandise assortment is primarily selected for appeal to the international passenger, these products are generally the most popular brands worldwide and thus are also tremendously popular among domestic passengers and airport staff.
- c) DFA has promotional displays at the front of its beauty and luxury accessory stores which promote new product releases. As duty free typically gets these brands prior to their launch in the domestic market, these new and promotional items are a magnet for any shopper.
- d) Duty free pricing is attractive in its own right and is thus a draw for domestic passengers. For beauty items, DFA's pricing is generally about 10% below the domestic retail price; for luxury accessories, DFA's pricing is generally about the same as the domestic price. Thus, for domestic passengers, they get their desired items for the same price or less than they would pay in the domestic market. So, unlike the insanely marked-up prices of airport food and beverage, airport duty paid shopping offers convenience plus value.



- e) Airport employees and airline staff are an important part of the airport duty paid market. For airport employees and airline staff, DFA offers a discounted price that is lower than the price available to unaffiliated shoppers. Additionally, DFA has special holiday promotions and warehouse sales for Airport employees and airline staff.
- f) DFA offers several technologies which can also be effective in promoting sales to domestic passengers.
 - i. DFA's proprietary pre-order shopping service lets choose from DFA's merchandise assortment and pre-order products for pick-up on their day of travel. Domestic travelers are prevented from purchasing liquor and tobacco.



- ii. DFA employs beacon technology which sends shopping alerts to enabled phones as they come in proximity to DFA's stores



DUTY FREE AMERICAS

SEA Concourse A & South Concourse Duty-Free Areas

TABLE OF CONTENTS

10.3.0 CONCEPT AND DESIGN INSPIRATION

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10.3.5 CAPITAL INVESTMENT

10.3.6 TRA COSTS

10.3.7 ARCADIS



10.3.0

CONCEPT AND DESIGN INSPIRATION

Nestled along the shores
of the Puget Sound,
Seattle is a proudly diverse
city unified by its **natural
landscape** and **culture...**



a **landscape** defined by **water**

10.3.0

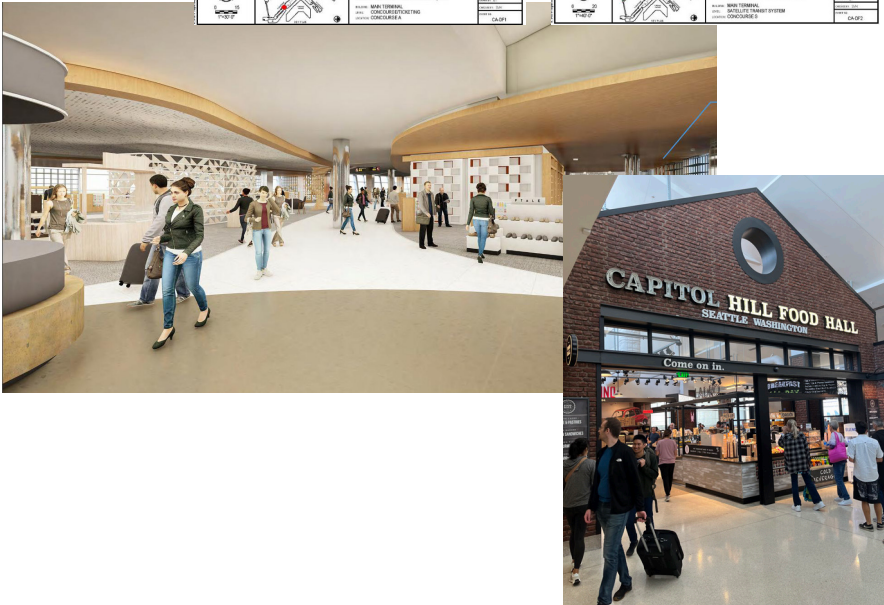
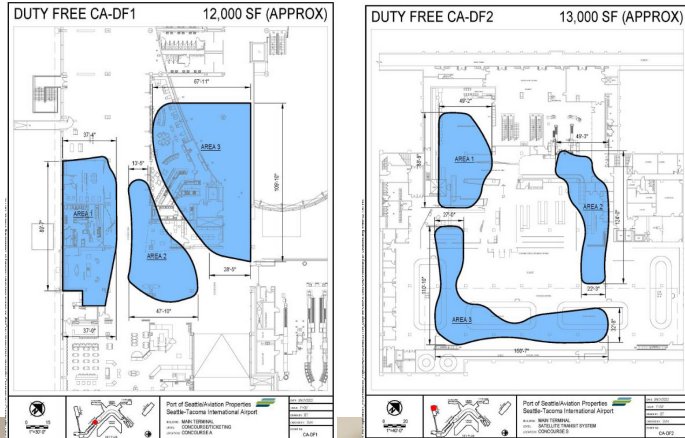
a culture united by music

DUTY FREE AMERICAS SEATAC DUTY FREE AREAS

These two **monumental** forces shape the city and connect its community, imbuing them with a **dynamic, organic** energy unlike anywhere else in the world.

10.3.0 CONCEPT AND DESIGN INSPIRATION

PROJECT CONTEXT



- Both Concourse A and South Concourse locations feature distributed footprints with varying ceiling conditions.
- Travelers and Tenants will benefit from something that provides unity across these footprints while maintaining sightlines and emphasizing circulation through.
- Concourse A location is adjacent to Capitol Hill Food Hall, named after one of Seattle's most thriving arts and cultural neighborhoods.

10.3.0 CONCEPT AND DESIGN INSPIRATION

OUR OPPORTUNITY

Leverage DFA's distinct product offering to create a series of **diverse** neighborhood shops, **unified** by an overhead element that connects these spaces to each other and the airport.



10.3.0 CONCEPT AND DESIGN INSPIRATION
ORGANIZING IDEA

A community unified by **Waves**

Distinct shops and diverse spaces, abundantly curated and emphasizing discovery, tied together beneath an undulating ceiling element that abstractly references the natural & cultural forces that shape the Seattle region.

DESIGN ATTRIBUTES

sculptural

dynamic

organic



10.3.0 CONCEPT AND DESIGN INSPIRATION
OVERALL VISUAL POSITION



10.3.0 CONCEPT AND DESIGN INSPIRATION

MOMENTS THAT MATTER

A few ideas to augment the experience in ways that will resonate with our customers...



Stage + Pop-Up

Create an eye-catching landmark that highlights the latest products & easily become a performance space.



Sensory Showcase

Provide opportunities in store like a scent bar or sample station for customers to engage with products.



In&Out Convenience

No more fumbling for cards... Leverage the latest tech to unlock a frictionless grab-and-go experience.

The Pacific Northwest
is a place where
contrasts converge...

where **land** connects with **water**

where **past** connects with **future**



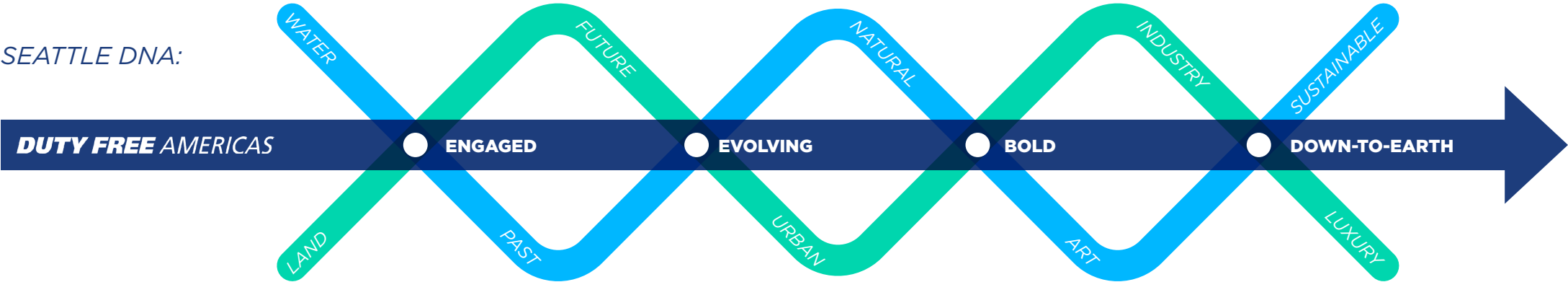
where **urban** connects with **natural**



where **sustainable** connects with **luxury**

These dualities imbue the city of Seattle and surrounding region with a dynamic energy, giving birth to a distinct personality that is **bold, engaged, down-to-earth** and constantly **evolving**.

10.3.0 CONCEPT AND DESIGN INSPIRATION
OUR OPPORTUNITY



DFA’s position as a leading retailer at key moments in travelers’ journeys, as well as its commitments to **quality products**, **stress-free shopping**, **enhanced technology** and **conscientious consumerism** make us uniquely capable of reflecting the energetic spirit of Seattle.

DFA at SEATAC is
**the crossroads between
culture and commerce.**

A buzzing **Neighborhood Marketplace**

Co-ops, coffeehouses, and local shops — Seattle’s diverse communities come together in these small retail gems nestled between apartments and bungalows throughout its neighborhoods — warm & welcoming, always bountifully displayed with fresh, local products, and vibrant and alive with the best the neighborhood has to offer.

DESIGN ATTRIBUTES

warm

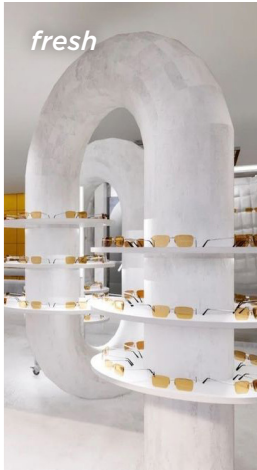
welcoming

bountiful

vibrant



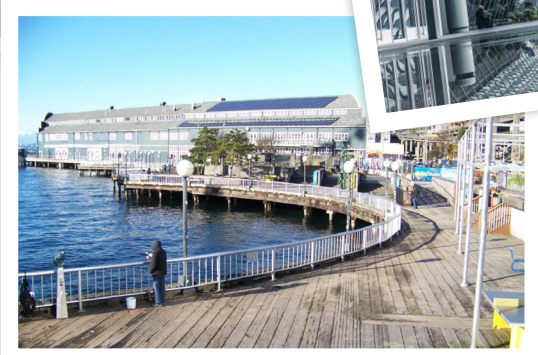
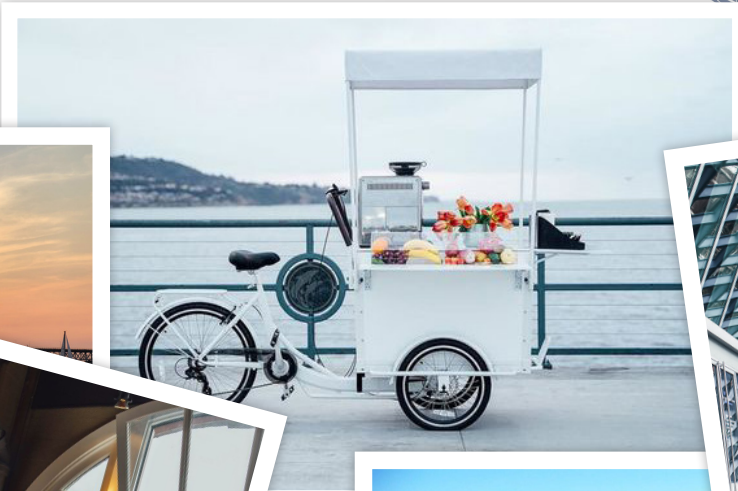
10.3.0 CONCEPT AND DESIGN INSPIRATION OVERALL VISUAL POSITION



NEIGHBORHOOD MARKETPLACE



Seattle Districts



10.3.0 CONCEPT AND DESIGN INSPIRATION CONCOURSE A - DISTRICTS MAP

A Community unified by Waves.



**SOUTH LAKE UNION
BEAUTY**



**DOWNTOWN
BOUTIQUES**



**PIKE PLACE MARKET
CONFECTION**



**PIONEER SQUARE
LIQUOR + TOBACCO**

10.3.0 CONCEPT AND DESIGN INSPIRATION

CONCOURSE S - DISTRICTS MAP

A Community unified by Waves.



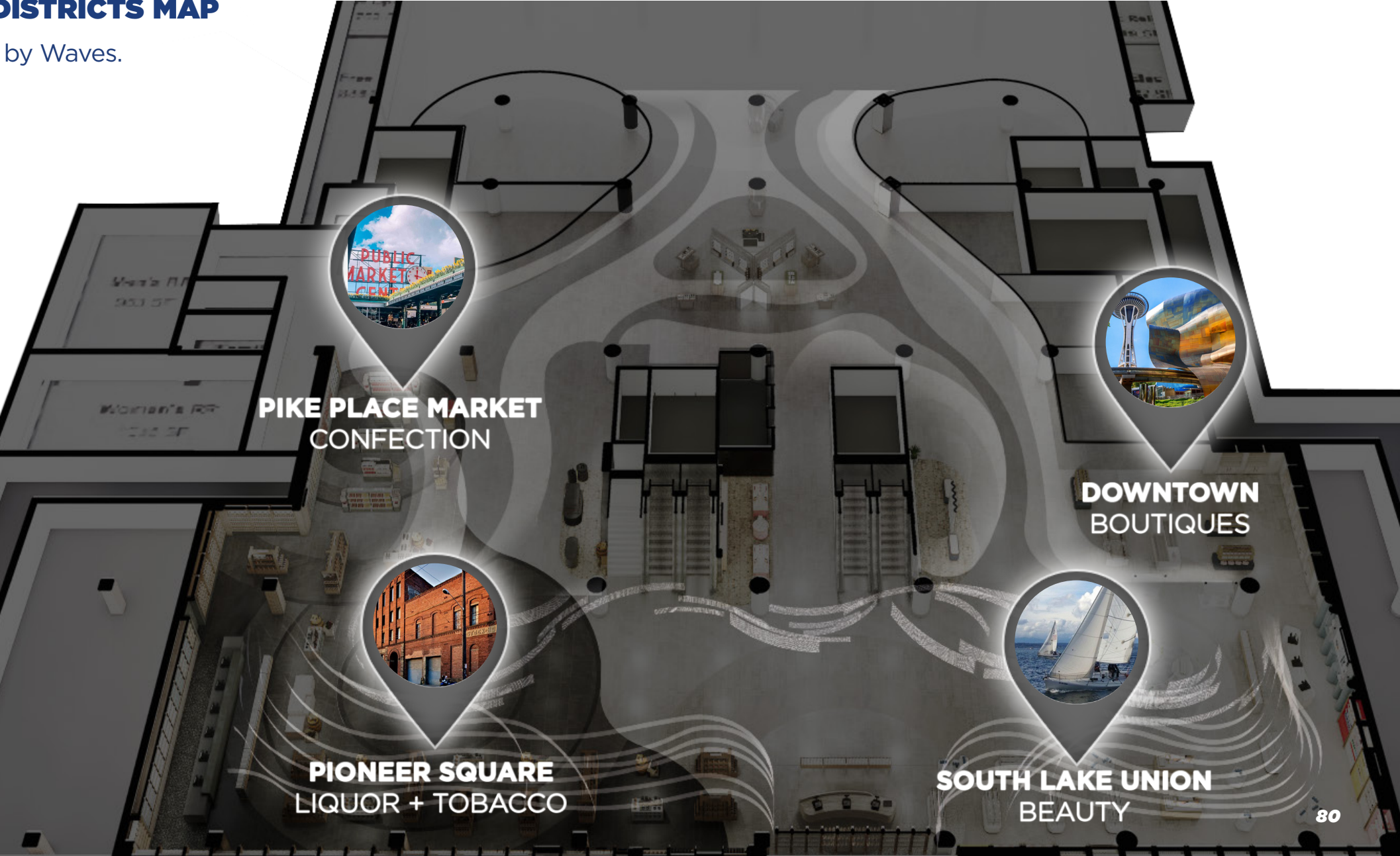
monumental



organic



dynamic





10.3.1/2

FLOOR PLANS AND RENDERINGS

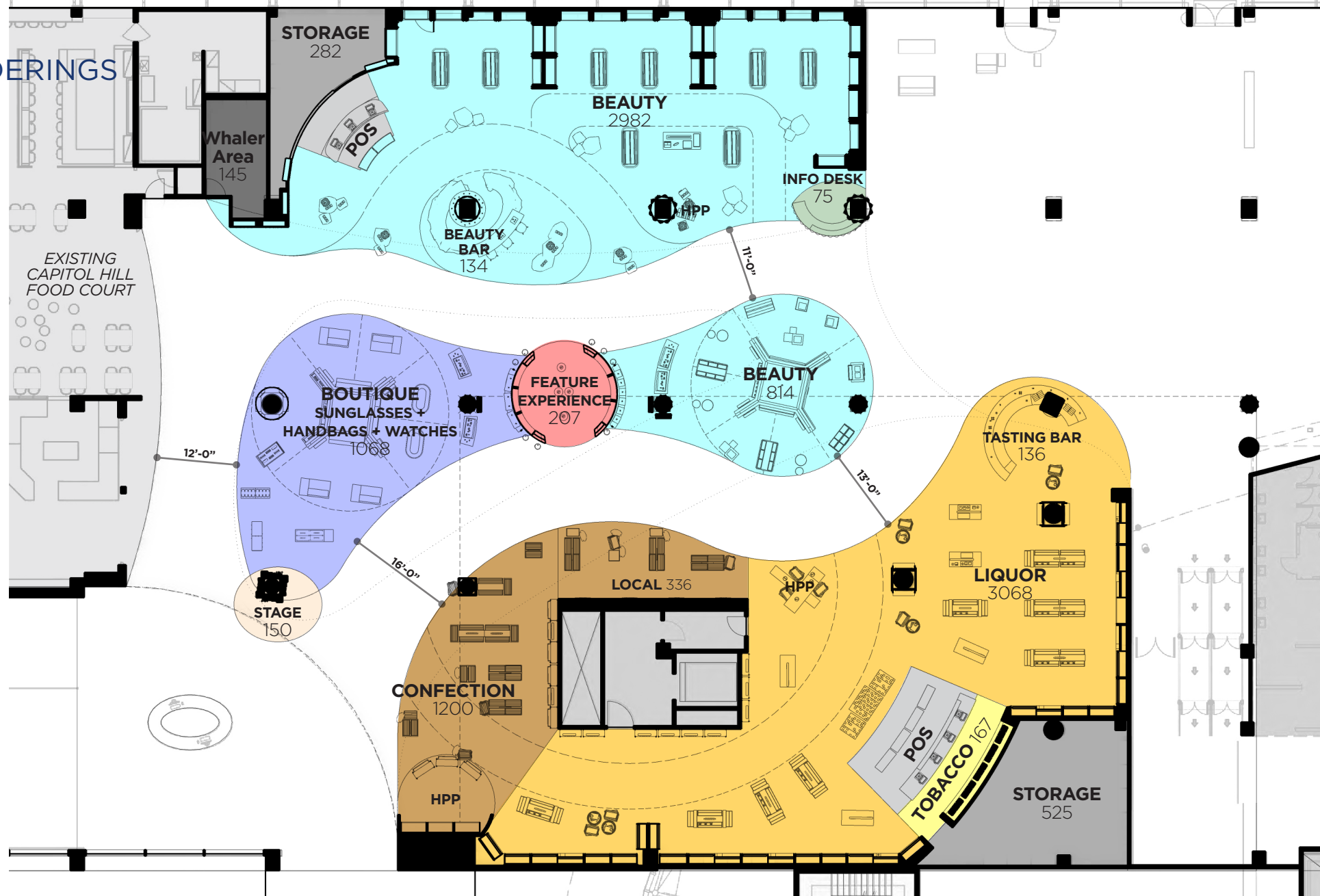
Concourse A

10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A PLAN

Retail Category	sf	sf %	Sales	Sales %
LIQUOR	3204	30.6%	4.3	21%
TOBACCO	167	1.6%	2.4	12%
BEAUTY	4004	38.2%	8.8	42%
BOUTIQUES*	1068	10.2%	2.8	14%
CONFECTION	1200	11.5%	2.4	12%
TOTAL RETAIL	9643	100%	21	100%

Other Category	sf
STAGE	150
INFO DESK	75
POS	352
STORAGE	879
WHALER AREA	163
TOTAL SF	11262

* Boutiques includes accessories, jewelry, sunglasses, watches, and leather goods.



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A AXON



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A NORTHEAST ENTRY



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A NORTHWEST ENTRY



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A BEAUTY



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A BOUTIQUES



10.3.1/2 FLOOR PLANS AND RENDERINGS CONCOURSE A LIQUOR AND LOCAL CONFECTION



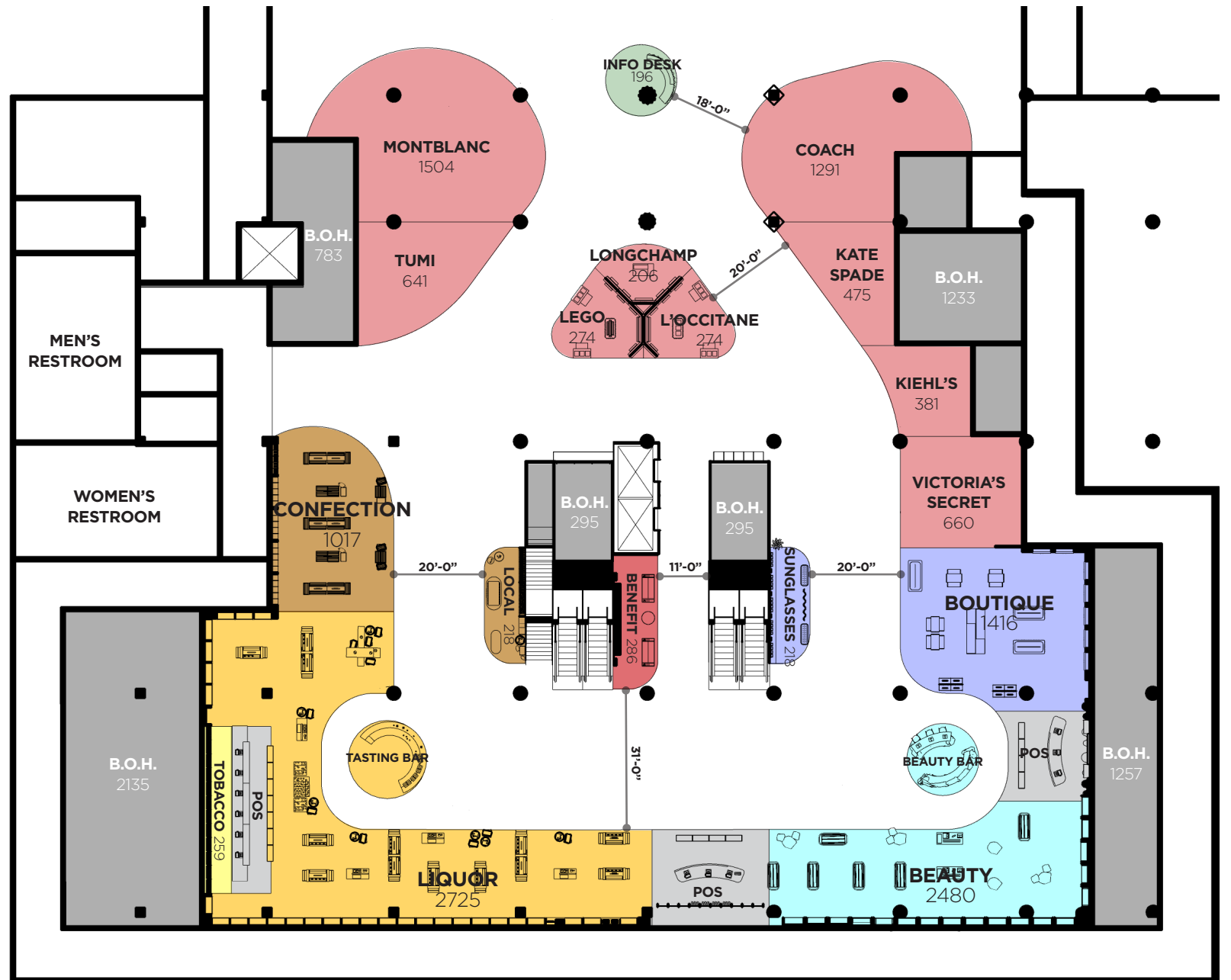
South Concourse

10.3.1/2 FLOOR PLANS AND RENDERINGS SOUTH CONCOURSE PLAN

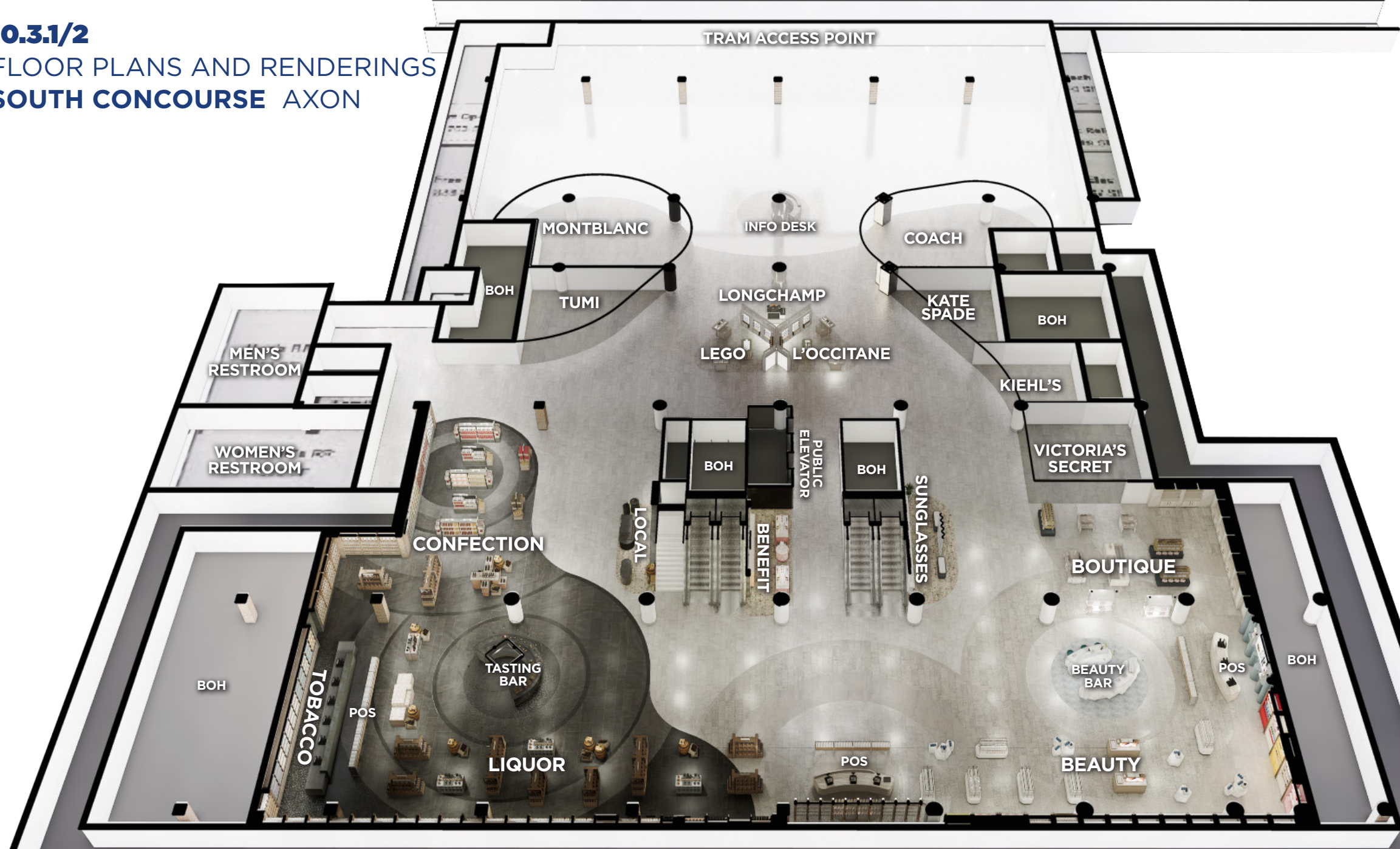
Retail Category	sf	sf %	Sales	Sales %
LIQUOR	2725	33.8%	1.8	21%
TOBACCO	259	3.2%	1.2	15%
BEAUTY	2480	30.8%	3.5	41%
BOUTIQUES*	1634	20.3%	1.0	12%
CONFECTION TOYS	1235	15.3%	0.9	11%
TOTAL RETAIL	8333	100%	8.4	100%

Other Category	sf
POS	1366
PROMO	286
INFO DESK	194
B.O.H.	3392
TOTAL SF	13571
VENDORS	5707

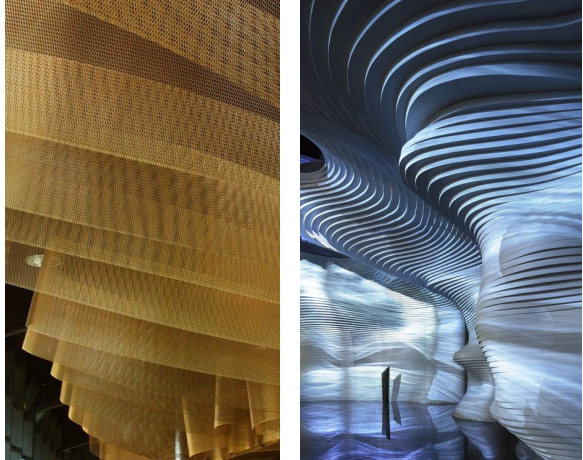
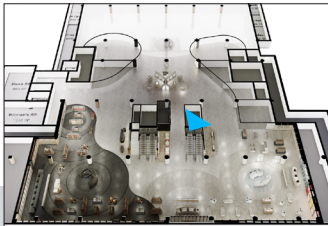
* Boutiques includes accessories, jewelry, sunglasses, watches, and leather goods.



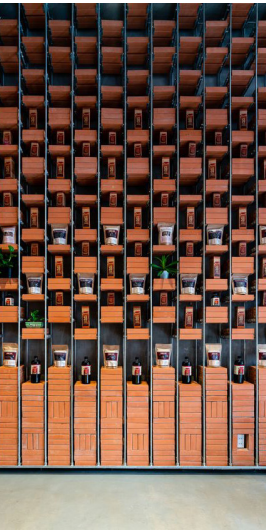
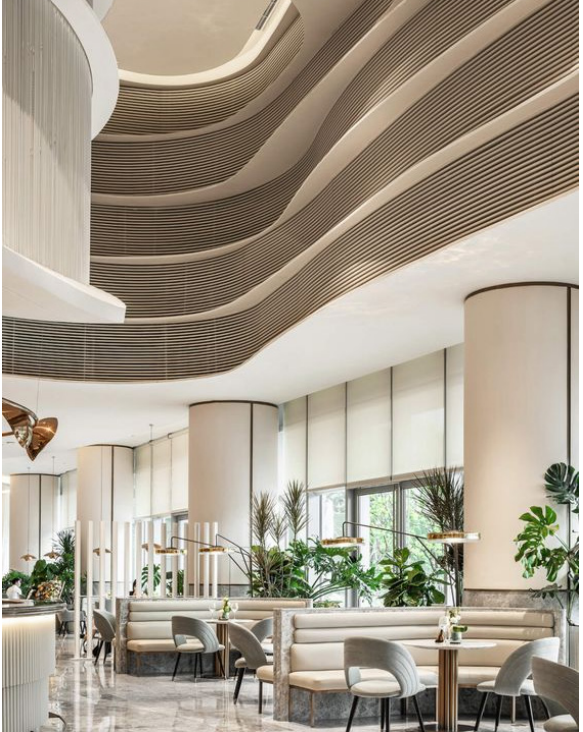
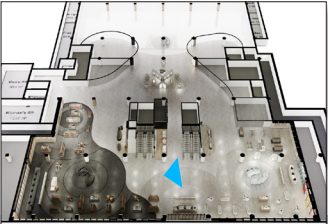
10.3.1/2
FLOOR PLANS AND RENDERINGS
SOUTH CONCOURSE AXON



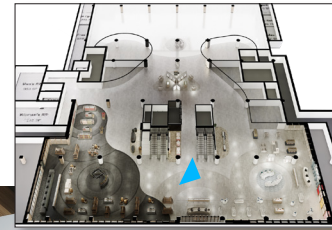
10.3.1/2 FLOOR PLANS AND RENDERINGS SOUTH CONCOURSE 2ND FLOOR



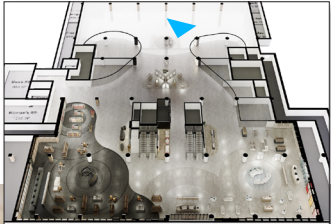
10.3.1/2 FLOOR PLANS AND RENDERINGS
SOUTH CONCOURSE TASTING BAR & LIQUOR



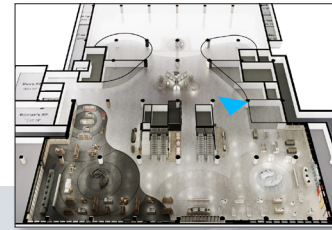
10.3.1/2 FLOOR PLANS AND RENDERINGS SOUTH CONCOURSE BEAUTY



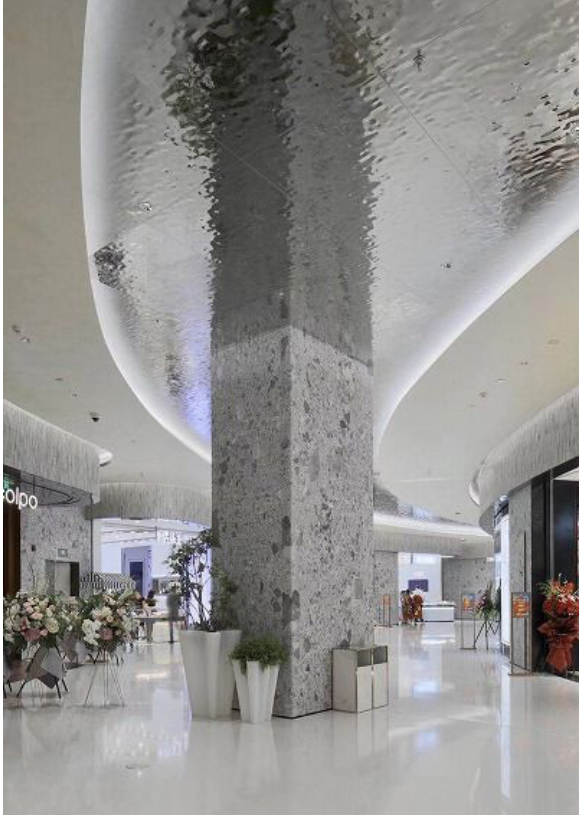
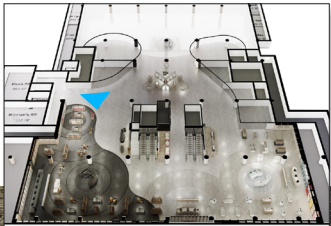
10.3.1/2 FLOOR PLANS AND RENDERINGS
SOUTH CONCOURSE TRAM ENTRY



10.3.1/2 FLOOR PLANS AND RENDERINGS SOUTH CONCOURSE SUNGLASSES BOUTIQUE



10.3.1/2 FLOOR PLANS AND RENDERINGS SOUTH CONCOURSE LOCAL & CONFECTION





10.3.3

MATERIALS AND FINISHES

10.3.3 MATERIALS AND FINISHES

VISUAL POSITION : SOUTH LAKE UNION - BEAUTY

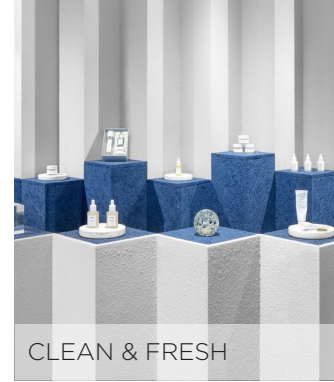
Inspired by the natural beauty of South Lake Union, where water meets land



INSPIRED BY WATER & SAILS



OMBRE TONES OF THE SUNSET SKY



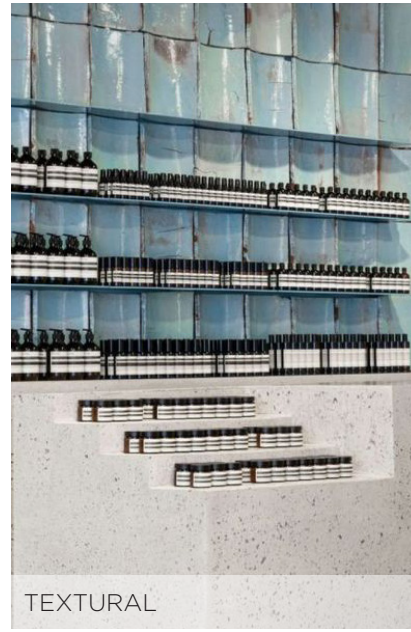
CLEAN & FRESH



ORGANIC & NATURAL



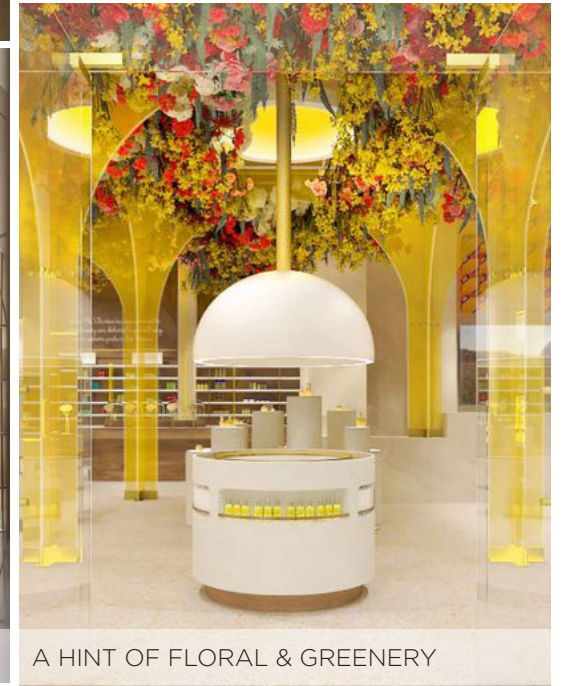
SCULPTURAL



TEXTURAL



MONUMENTAL FORMS



A HINT OF FLORAL & GREENERY

10.3.3 MATERIALS AND FINISHES

SOUTH LAKE UNION - BEAUTY



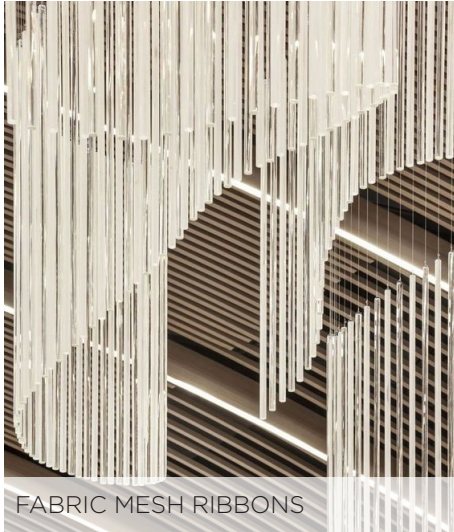
METAL MESH WAVE RIBBONS



RIPPLED MIRROR CEILING



FLUTED GLASS



FABRIC MESH RIBBONS



FORMED CONCRETE



ACCENT WALLCOVERING



ACCENT LIGHTING



TEXTURAL PLASTER WALL



ACCENT TILE



ACCENT FLOOR TILE



BEAUTY BAR STOOL



MAIN FLOOR TILE

10.3.3 MATERIALS AND FINISHES
VISUAL POSITION : DOWNTOWN - BOUTIQUES

Inspired by the iconic architecture of Downtown



SPACE NEEDLE & EXPERIENCE MUSIC PROJECT



IRIDESCENCE



SEATTLE ART MUSEUM



SEATTLE PUBLIC LIBRARY



EXTERIOR BUILDING FACADE MATERIALS USED FOR CREATIVE BACKDROPS



SCULPTURAL & DYNAMIC



10.3.3 MATERIALS AND FINISHES

DOWNTOWN - BOUTIQUES

METAL MESH WAVE RIBBONS

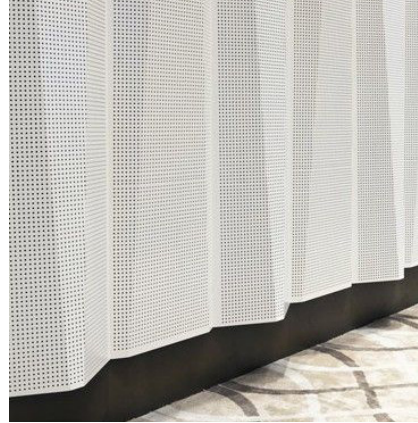


RIPPLED MIRROR CEILING

OXIDIZED METAL PANELS



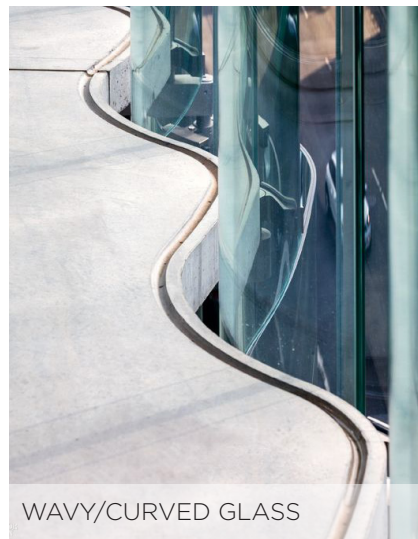
METAL MESH FACETS



NATURAL STONES



DISTRESSED COPPER



WAVY/CURVED GLASS



BRONZE



PAVING INSPIRATION

10.3.3 MATERIALS AND FINISHES
VISUAL POSITION : PIONEER SQUARE - LIQUOR & TOBACCO

Inspired by the industrial rustic charm of Pioneer Square



PIONEER SQUARE ALLEY WAY

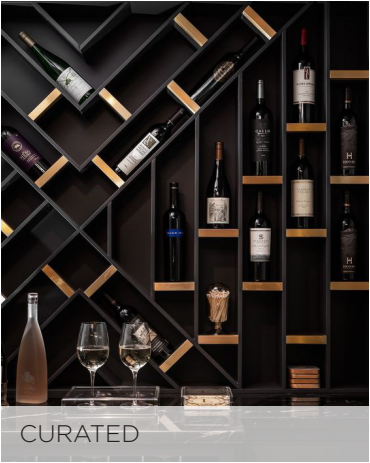


SCULPTURAL & ORGANIC

ICONIC MERCHANTS CAFE STREET



RAW MATERIALS



CURATED



WARM & INVITING



TASTING BAR



TEXTURAL

10.3.3 MATERIALS AND FINISHES

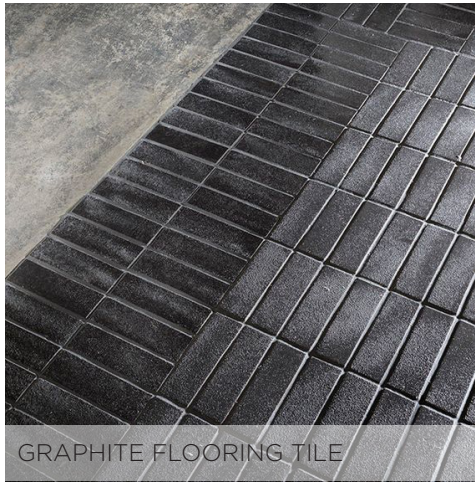
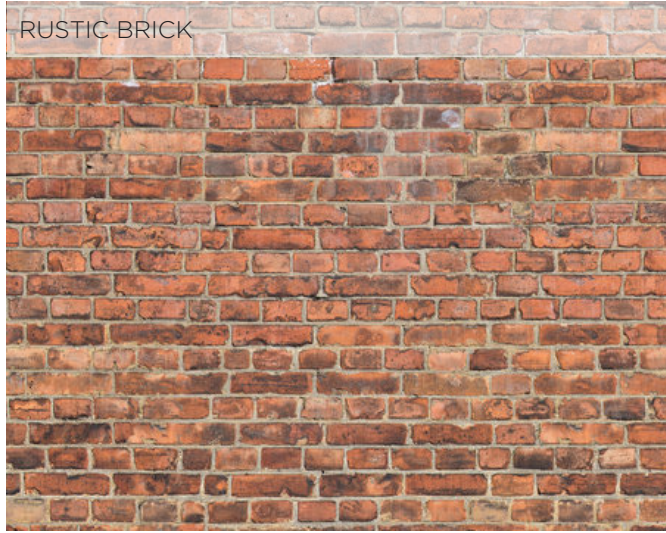
PIONEER SQUARE - LIQUOR & TOBACCO

METAL MESH WAVE RIBBONS



RIPPLED MIRROR CEILING

RUSTIC BRICK



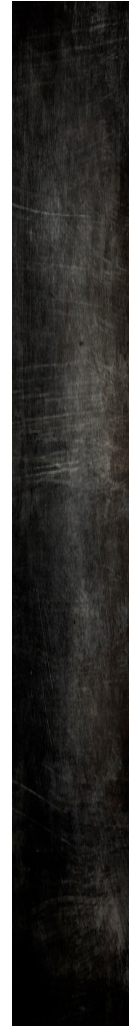
GRAPHITE FLOORING TILE



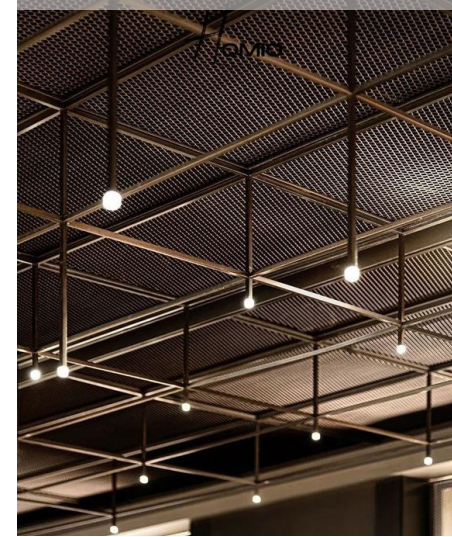
OXIDIZED METAL



DISTRESSED WOODS



INDUSTRIAL MODERN ACCENT LIGHTS



COLD-ROLLED STEEL

CORRUGATED METAL



HAMMERED METAL



10.3.3 MATERIALS AND FINISHES
VISUAL POSITION : PIKE PLACE MARKET - CONFECTIONS

Inspired by the eclectic and authentic personality of Pike Place Market



VIBRANT & ENERGETIC



WARM & WELCOMING



SCULPTURAL & ORGANIC



RE-PURPOSED & SUSTAINABLE



UNEXPECTED & CREATIVE



NEON SIGNS



CURATED & ORGANIZED



HIGHLIGHTING LOCAL GOODS



HIGHLIGHTING LOCAL GOODS

10.3.3 MATERIALS AND FINISHES

PIKE PLACE MARKET - CONFECTIONS

METAL MESH WAVE RIBBONS



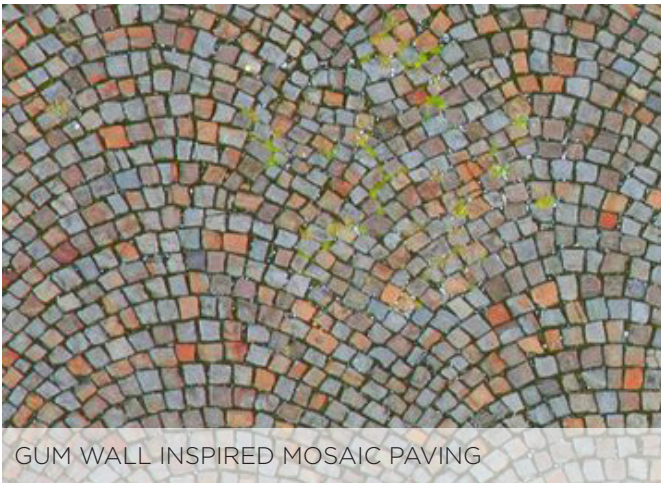
RIPPLED MIRROR CEILING



CINDER BLOCKS & BRICK



TERRA COTTA TILES



GUM WALL INSPIRED MOSAIC PAVING

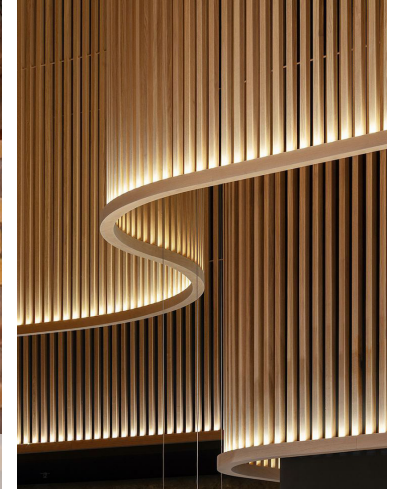


COBBLESTONE PAVING ACCENT

DISTRESSED METAL



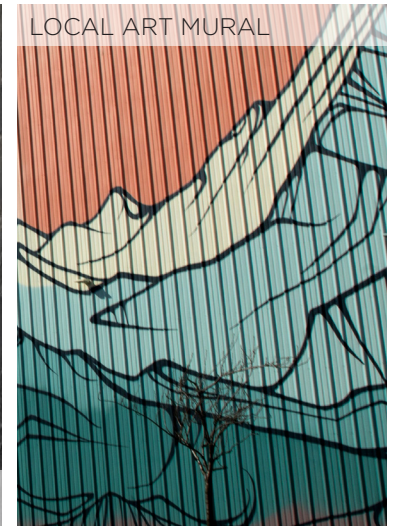
INDUSTRIAL EDISON BULB LIGHTS



LOCAL ART MURAL



SLATTED WOODS



10.3.4 SUSTAINABILITY

10.3.4 SUSTAINABILITY

DFA's architects are LEED certified and implement sustainability into the designs they propose. As airport stores typically rely on airport infrastructure for HVAC, the largest impact on the environment is in the selection of highly efficient lighting for the duty free stores. By reducing the energy requirements to illuminate the stores, both in illuminating the merchandise fixtures and in the LED advertising displays, DFA is able to significantly reduce the energy consumption.

Minimizing waste is an important part of sustainability. When constructing the Seatac duty free stores, DFA and its architectural team will endeavor to select, where possible, materials that will last for the full 20 years of the contract, thereby minimizing refurbishment necessities for flooring, lighting, and wall fixturing.

Additionally, in creating the merchandise display fixtures, many of which are supplied by the individual brands, DFA attempts to use sustainable wood and other materials whenever possible. When our stores are remodeled, some of our vendors use deep recycling processes whereby they fully strip and separate fixture materials and components for recycling.

Sustainable practices for design and construction

Targeting LEED CI certification (minimum Silver)

Building Product Disclosure and Optimization - Environmental Product Declarations - Use at least 20 different permanently installed products sourced from at least 5 different manufacturers.

Building Product Disclosure and Optimization - Sourcing of Raw Materials - Use at least 20 different permanently installed products sourced from at least 5 different manufacturers that have publicly released a report from their raw material suppliers the extraction location, and ecological commitment.

Building Product Disclosure and Optimization - Material Ingredients-Use at least 20 different permanently installed products sourced from at least 5 different manufacturers that use any of the following programs to demonstrate the chemical inventory of products to at least 0.1% ppm: Manufacturer Inventory with CASRN's, Health Product Declarations, Cradle to Cradle certification, USGBC approved program.

Construction and Demolition Waste Management - Divert at least 50% of total construction and demolition material, diverted materials must include at least 3 material streams (1 point) or Divert at least 75% of total construction and demolition material, diverted materials must include at least 4 material streams (2 points)

10.3.4 SUSTAINABILITY



LEED v4 for ID+C: Commercial Interiors Project Checklist

Y ? N

1			Credit	Integrative Process	2
---	--	--	--------	---------------------	---

15	2	18	Location and Transportation		18
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		18	Credit	LEED for Neighborhood Development Location	18
8			Credit	Surrounding Density and Diverse Uses	8
7			Credit	Access to Quality Transit	7
1			Credit	Bicycle Facilities	1
1			Credit	Reduced Parking Footprint	2

3	6	0	Water Efficiency		12
----------	----------	----------	-------------------------	--	-----------

Y			Prereq	Indoor Water Use Reduction	Required
3	6		Credit	Indoor Water Use Reduction	12

18	20	0	Energy and Atmosphere		38
-----------	-----------	----------	------------------------------	--	-----------

Y			Prereq	Fundamental Commissioning and Verification	Required
Y			Prereq	Minimum Energy Performance	Required
Y			Prereq	Fundamental Refrigerant Management	Required
4	1		Credit	Enhanced Commissioning	5
12	13		Credit	Optimize Energy Performance	25
	2		Credit	Advanced Energy Metering	2
	3		Credit	Renewable Energy Production	3
	1		Credit	Enhanced Refrigerant Management	1
2			Credit	Green Power and Carbon Offsets	2

8	5	0	Materials and Resources		13
----------	----------	----------	--------------------------------	--	-----------

Y			Prereq	Storage and Collection of Recyclables	Required
Y			Prereq	Construction and Demolition Waste Management Planning	Required
1			Credit	Long-Term Commitment	1
3	1		Credit	Interiors Life-Cycle Impact Reduction	4
1	1		Credit	Building Product Disclosure and Optimization - Environmental Product Declarations	2
1	1		Credit	Building Product Disclosure and Optimization - Sourcing of Raw Materials	2
1	1		Credit	Building Product Disclosure and Optimization - Material Ingredients	2
1	1		Credit	Construction and Demolition Waste Management	2

Project Name: Seatac Duty free

2	15	0	Indoor Environmental Quality		17
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Y			Prereq	Minimum Indoor Air Quality Performance	Required
Y			Prereq	Environmental Tobacco Smoke Control	Required
	2		Credit	Enhanced Indoor Air Quality Strategies	2
	2	1	Credit	Low-Emitting Materials	3
	1		Credit	Construction Indoor Air Quality Management Plan	1
	2		Credit	Indoor Air Quality Assessment	2
	1		Credit	Thermal Comfort	1
	2		Credit	Interior Lighting	2
	3		Credit	Daylight	3
	1		Credit	Quality Views	1
	2		Credit	Acoustic Performance	2

6	0	0	Innovation		6
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5			Credit	Innovation	5
1			Credit	LEED Accredited Professional	1

2	2	0	Regional Priority		4
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	1		Credit	Optimize Energy Performance	1
1			Credit	Access to Quality Transit	1
1			Credit	Surrounding Density and Diverse Uses	1
	1		Credit	Reduced Parking Footprint	1

55	50	18	TOTALS		Possible Points: 110
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Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80+

10.3.5

CAPITAL INVESTMENT

10.3.5 CAPITAL INVESTMENT

Form A.9 CAPITAL INVESTMENT FORM

Proposers are required to submit their proposed capital investment for each location.

Location: Concourse A

Square Feet: 12,000

Initial Capital Investment	Amount	Percent of Initial Capital Investment
Leasehold Improvements (Non-Base Building)	\$4,100,000 (\$341.67/SF)	54%
Furnishings, Fixtures, Equipment	\$2,600,000 (\$216.67/SF)	35%
Design, Engineering, and Construction Management (Non-Base Building)	\$ 800,000 (\$66.67/SF)	11%
Total	\$7,500,000 (\$625/SF)	100%

Location: South Concourse

Square Feet: 13,000

Initial Capital Investment	Amount	Percent of Initial Capital Investment
Leasehold Improvements (Non-Base Building)	\$4,050,000 (\$311.54/SF)	62%
Furnishings, Fixtures, Equipment	\$1,600,000 (\$123.08/SF)	24%
Design, Engineering, and Construction Management (Non-Base Building)	\$ 900,000 (\$69.23/SF)	14%
Total	\$6,550,000 (503.85/SF)	100%

Working Capital

Amount of Working Capital Available \$ 6.0 million

Source of Working Capital (List below):

1. Duty Free Americas intends to fund the capital needs from internal funds
2. Duty Free Americas has available to it a revolving line of credit with a consortium of banks

10.3.5 CAPITAL INVESTMENT

Midterm Refurbishment

MIDTERM REFURBISHMENT	TOTAL	CONCOURSE A	SOUTH CONCOURSE	NORTH CONCOURSE
Square Feet	25,358	12,000	13,000	358
MIDTERM REFURBISHMENT YEAR 6				
Midterm Refurbishment	\$1,523,000	\$940,000	\$574,000	\$9,000
Midterm Refurbishment Per Square Foot	\$60	\$78	\$44	\$25
MIDTERM REFURBISHMENT Year 13				
Midterm Refurbishment	\$1,523,000	\$940,000	\$574,000	\$9,000
Midterm Refurbishment Per Square Foot	\$60	\$78	\$44	\$25

10.3.6

TRA COSTS

10.3.5 TRA COSTS

Amended Form A.10 CONCOURSE A TRA DESIGN ESTIMATE

Proposers are required to submit their proposed TRA design estimate based on the renderings provided. Please note that this estimate is for base building work only and is to assist the Port. The Selected Respondent and Port will negotiate the final design and engineering cost through the TRA process.

Location: Concourse A

Square Feet: 12,000

ESTIMATED DESIGN AND ENGINEERING SERVICES COSTS

Initial Capital Investment	Amount
Design, Engineering, (Base Building)	\$632,900

ESTIMATED WMBE GOAL _____ 15 %

10.3.5 TRA COSTS

2.1. Concourse A TRA Design & Engineering Cost Estimate

Arcadis Phase – Labor Only	Duration	Fee (USD)
Architecture & Interior Design <ul style="list-style-type: none"> • Design <ul style="list-style-type: none"> ○ Design Development (60% Design) ○ Construction Documents (Permit Set) <ul style="list-style-type: none"> ▪ 90% Design, 100% Design & Permit Sets ▪ Site Survey 	4 weeks 6 weeks	\$166,000
Environmental Graphic Design <ul style="list-style-type: none"> • Design Intent 		\$13,500
Total Arcadis Labor Fee Estimate		\$179,500
Structural Consultant – Labor Only		Fee (USD)
Engineering <ul style="list-style-type: none"> • Design Development (60% Design) • Construction Documents <ul style="list-style-type: none"> ○ 90% Design, 100% Design & Permit Sets ○ Two (2) Site Visits <ul style="list-style-type: none"> ▪ SEA Badging ▪ Site Survey 		\$123,400
Total Structural Labor Fee Estimate		\$123,400

MEP/FP Consultant – Labor Only		Fee (USD)
MEP <ul style="list-style-type: none"> • Engineering <ul style="list-style-type: none"> ○ Design Development (60% Design) ○ Construction Documents (Permit Set) <ul style="list-style-type: none"> ▪ 90% Design, 100% Design & Permit Sets ▪ Two (2) Site Visits <ul style="list-style-type: none"> • SEA Badging • Site Survey 		\$140,000
Energy Consulting <ul style="list-style-type: none"> • Energy Code Compliance 		\$13,200

Lighting Design <ul style="list-style-type: none"> • Retail, Interior 		\$9,900
Low Voltage <ul style="list-style-type: none"> • Fire Alarm • Communications • Security 		\$21,800
Fire Protection		\$19,800
Smoke Control Consulting <ul style="list-style-type: none"> • Fire Life Safety (FLS) Report and Life Safety Drawing Review <ul style="list-style-type: none"> ○ Record Drawing Review ○ FLS Code Narrative ○ One (1) Site Visit ○ Two (2) Meetings With Authority Having Jurisdiction • Smoke Control <ul style="list-style-type: none"> ○ Record Drawing Review ○ Mechanical Drawing Review ○ Smoke Control Evaluation & Design Narrative ○ One (1) Site Visit ○ Two (2) Meetings With Authority Having Jurisdiction 		\$87,500
Pre-Design Electrical Panel Metering		\$8,300
Pre-Design Mechanical Test & Balancing Baseline		\$11,000
Total MEP/FP Labor Fee Estimate		\$311,500
Expenses		Fee (USD)
Estimated Reimbursables (3% of Labor Fee)		\$18,500
Total Concourse A TRA Design, Engineering, (Base building) Estimated Fees		\$632,900



10.3.7

ARCADIS

A Seattle-based Architecture and Design Firm

We are Arcadis

We are the world's leading company delivering sustainable design, engineering, and consultancy solutions for natural and built assets. We are more than 36,000 people, in over 70 countries, dedicated to improving quality of life.

We bring together world-class resources and an immensely diverse and inclusive range of **passionate thinkers in design, planning and engineering** to define, transform and build the cities, communities and spaces of tomorrow. Our core competencies are complementary to one another and enhance our **collective capability to respond to the changing and emerging needs of our clients** around the globe.

By converging the highly respected brands of Arcadis-owned IBI Group and CallisonRTKL, we have become the **fourth largest architecture practice in the world** - creating a unified entity with unrivalled global leadership in delivering an incredible range of innovative and integrated solutions that embody **human-centric design excellence**.

Through the planning and design of smart, sustainable urban living spaces, mixed-use communities, retail, workplace, educational, healthcare and industrial facilities, we will **uncompromisingly demonstrate our ability to produce exceptional, lasting value** for our clients by creating places that **inspire and enable people to thrive and prosper**.

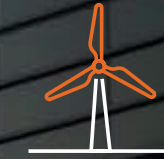
In a rapidly changing world where climate change, social, economic and geopolitical upheaval, and technological disruption are the norm, we are acutely focused on putting the weight of our global organization behind new and emerging opportunities to work with clients and partners to forge a path toward designing and building **better, healthier, smarter, more resilient cities and communities** of the future.

That is sustainability as we see it... as Arcadians, it is the hallmark of everything we do.



4th largest

Architecture business in the world



Founded in 1888 in the

Netherlands



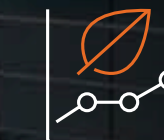
Top Female Friendly Companies

in the World, named by Forbes in 2022



Platinum medal 2022

EcoVadis Sustainability Ratings



Ranked #1 ESG Risk Rating score

in our industry by Sustainalytics



€4 billion

in revenues in 2022



40,000+ projects

around the world



Your Home is Our Home



Formerly known as Callison and CallisonRTKL, Arcadis' Pacific Northwest roots go back **more than five decades** when our architectural practice was established to pursue opportunities in Seattle and the greater Pacific Northwest region.



From our humble beginnings as designers, we have continued to grow our presence and influence across market sectors and regions by committing to shape memorable destinations through smart, innovative design. Outside the design studio, we have grown along with and given back to our communities through a range of local community initiatives including Cycle for Survival, JDRF's Gingerbread Village and Nordstrom's Beat the Bridge, and NAIOP Washington's Community Enhancement Day. Arcadis benefits from a global perspective that, when tailored to local context, delivers unmatched results.



Our Purpose

From the climate crisis to urbanization, the need for sustainable and smart solutions across our markets is not optional. We have an opportunity and obligation to positively impact and create a resilient, sustainable and inclusive future. Our responsibility to act and impact fuels us.

A focus on **People, Planet, Positive** Design allows us to lead while committing to designing a climate positive, equitable, inspiring future.



People

We will use our design capacity to foster stronger communities, inspiring human experiences, wellbeing, social responsibility and equity, and human happiness



Planet

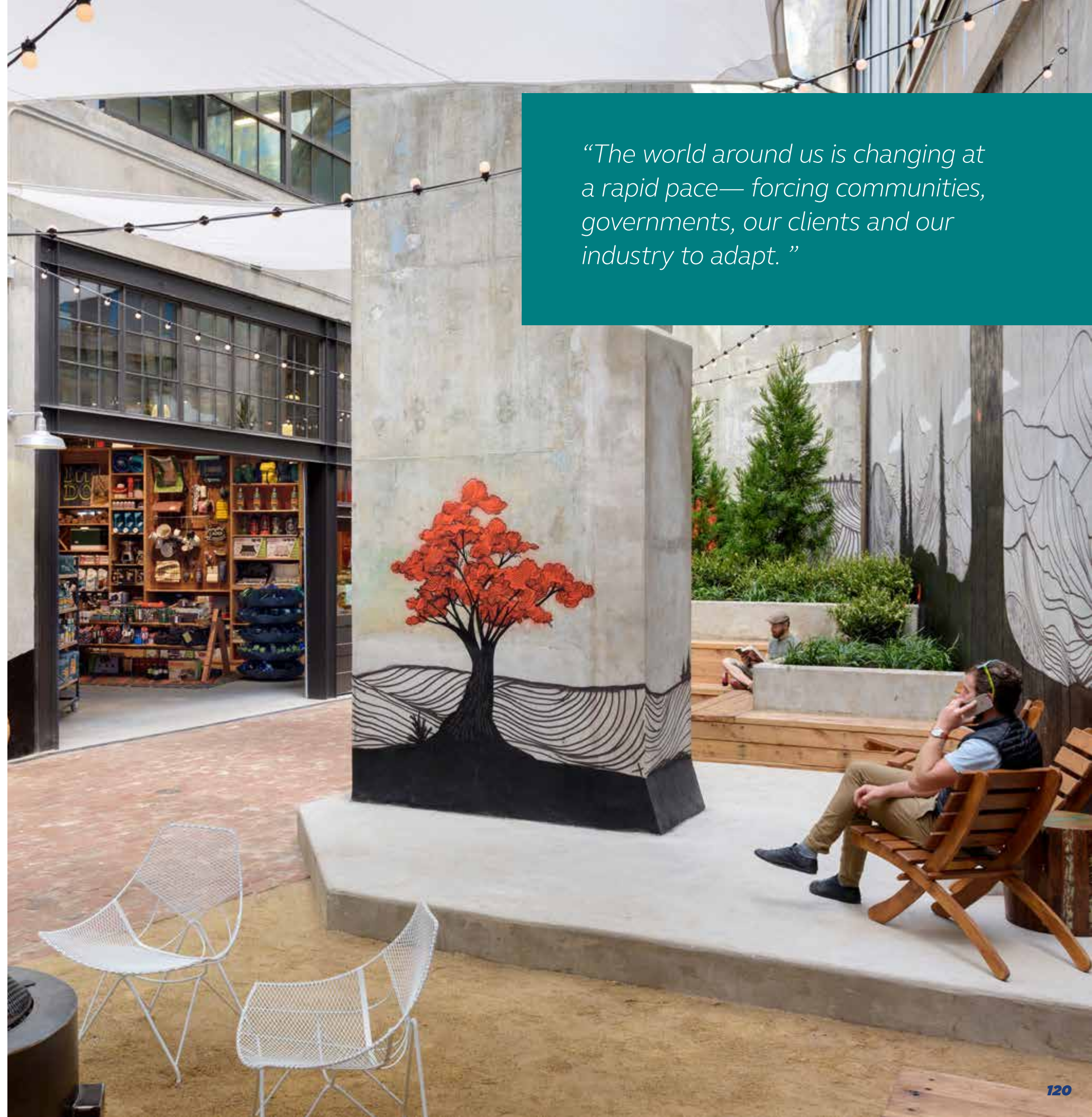
We embrace our purpose with a positive perspective, driving forward thinking outcomes through research empowered, data driven, advanced digital design.



Positive Design

We commit to a more sustainable future. We are climate-neutral in our operations and commit to designing climate positive projects for operation by 2030 and climate-positive, including materials by 2040.

“The world around us is changing at a rapid pace— forcing communities, governments, our clients and our industry to adapt.”





Our Impact

How we maximize our impact and what we can do for you

1 People

2 Design Excellence

3 Sustainable & Ethical Consciousness

4 Technological Innovation,
Research & Development

5 Reach & Influence

Our core services:

Architecture

Brand Strategy

Environmental Graphic Design

Environments

Experience Master Planning

Interior Architecture and Design

Landscape Architecture

Large-Scale Master Planning

Retail Program Management

Retail Store Design

Sustainability

Technology Design

Urban Design

10.4 FINANCIAL OFFER AND FINANCIAL PROJECTIONS

10.4.1 Proposer shall submit a competed financial offer using Form A.11. Proposers should be familiar with Section 1.6 of the RFP and Section 5.3 if the L&C Agreement.

Amended Form A.11 FINANCIAL OFFER

Proposer acknowledges that the financial offer listed is for the first six (6) years of the L&C Agreement. The financial offer proposed may increase in accordance with Section 5.3 of the L&C Agreement.

Total Gross Sales

Flat Rate Percentage Fee

MINIMUM ACCEPTED BY THE PORT OF SEATTLE IS TWENTY PERCENT (20%)

Annual Gross Sales	Proposed Percentage Fee in Number Format	Proposed Percentage Fee in Words
Annual Gross Sales less than \$ <u>25 million</u> *	24%	Twenty four percent
Annual Gross Sales equal to or greater than \$ <u>25 million</u> *	27%	Twenty seven percent

* **Note:** The breakpoint of \$25 million increases by \$5 million every 7 years

FORM CONTINUES ON NEXT PAGE

The following table demonstrates the proposer's understanding of the terms on page 8 of Addendum 1 in which the percentage rent rate could increase if international enplanements grow by 5.0% or greater.

	Maximum Percentage Rent Presuming Enplanement Growth of 5% or Greater In Each Third of the Contract		
	Years 1 to 6	Years 7 to 13	Years 14 to 20
Annual Gross Sales less than:	\$25,000,000 24%	\$30,000,000 26%	\$35,000,000 28%
Annual Gross Sales equal to or greater than: Annual Gross Sales	\$25,000,000 27%	\$30,000,000 29%	\$35,000,000 31%

The signature of the Authorized Representative certifies that this Financial Offer is supportable throughout the term of the Agreement

ATTEST:



(Witness Signature)

Duty Free Americas Seattle, LLC

(Company Name)

BY:



(Signature of Authorized Representative)

Jerome Falic

(Printed Name of Authorized Representative)

Date: October 26, 2023

ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL WILL BE DEEMED NON- RESPONSIVE AND NOT SCORED.

FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).

10.4.2 Completed financial Pro Forma for each individual unit, as well as for the entire package. The Pro Forma must be submitted electronically in Excel using the downloadable template. A written sample of the Pro Forma template Form A.12.

FORM A.12 Seattle-Tacoma International Airport Proforma Statement, DUTY FREE ALL LOCATIONS COMBINED PROFORMA ¹		ALL LOCATIONS					Exhibit 8 -- Financial Proforma
	2027	2028	2029	2030	2031	Total	
ASSUMPTIONS USED							
Enplanements	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	16,500,000	
Sales Per Enplanement	9.59	9.66	9.75	9.80	9.85	9.73	
PROJECTIONS							
Gross Sales:	29,719,725	30,920,402	32,169,586	33,305,173	34,480,845	160,595,731	
Cost of Goods Sold	11,403,250	11,863,941	12,343,245	12,778,961	13,230,058	61,619,455	
Gross Profit	18,316,475	19,056,461	19,826,342	20,526,211	21,250,787	98,976,275	
Expenses							
Payroll	4,418,307	4,542,162	4,669,928	4,778,204	4,889,452	23,298,053	
Benefits	797,695	498,226	508,191	515,814	523,551	2,843,476	
Utilities	210,000	1,749,228	1,817,586	1,879,402	1,943,364	7,599,580	
Operating Expenses	457,399	469,959	482,907	493,826	505,038	2,409,128	
Franchise / License Fees	45,000	45,900	46,818	47,520	48,233	233,471	
Rent to Port	7,336,146	7,660,402	7,997,759	8,304,436	8,621,940	39,920,683	
General & Administrative	577,032	588,573	600,344	609,349	618,490	2,993,788	
Washington Lease Excise Tax	267,120	277,913	289,140	299,347	309,914	1,443,434	
Insurance	219,999	224,399	228,887	232,320	235,805	1,141,410	
Other Direct Expenses	0	0	0	0	0	0	
Total Expenses	14,328,698	16,056,762	16,641,561	17,160,218	17,695,787	81,883,024	
EBITDA	3,987,777	2,999,699	3,184,781	3,365,994	3,555,000	17,093,251	
Interest, Depreciation, and Amortization	3,648,311	2,563,632	2,563,632	2,563,632	2,563,632		
Net Profit Before Taxes	339,466	436,067	621,149	802,362	991,368	3,190,411	
Total Initial Investment	18,384,562					18,384,562	

(1) The term length is 20 years

(2) The enplanements shown are projections only for the purpose of this RFP and are not guaranteed or meant to assure any future passenger level at the airport. While these enplanements will be used to determine a consistent measure for sales per enplanement among the respondents, each respondent is responsible for independently developing their own projections for this submittal.

CONCOURSE A

FORM A.12

Exhibit B -- Financial Proforma

Seattle-Tacoma International Airport
Proforma Statement, **CONCOURSE A**
PROFORMA ¹

	2027	2028	2029	2030	2031	Total
ASSUMPTIONS USED						
Enplanements	1,927,724	1,989,908	2,052,093	2,114,278	2,176,462	10,260,465
Sales Per Enplanement	10.90	10.99	11.09	11.14	11.20	11.07
PROJECTIONS						
Gross Sales:	21,018,520	21,867,668	22,751,122	23,554,237	24,385,701	113,577,248
Cost of Goods Sold	8,092,241	8,419,168	8,759,302	9,068,505	9,388,623	43,727,839
Gross Profit	12,926,279	13,448,501	13,991,820	14,485,731	14,997,078	69,849,409
Expenses						
Payroll	2,530,125	2,580,727	2,632,342	2,671,827	2,711,904	13,126,924
Benefits	465,828	475,145	484,647	491,917	499,296	2,416,833
Utilities	98,229	100,194	102,197	103,730	105,286	509,637
Operating Expenses	284,061	289,742	295,537	299,970	304,470	1,473,780
Franchise / License Fees	31,825	32,462	33,111	33,607	34,112	165,116
Rent to Port	5,174,582	5,403,852	5,642,385	5,859,225	6,083,721	28,163,765
General & Administrative	422,629	431,082	439,703	446,299	452,993	2,192,706
Washington Lease Excise Tax	188,914	196,547	204,487	211,705	219,179	1,020,832
Insurance	107,569	109,720	111,915	113,594	115,297	558,095
Other Direct Expenses	0	0	0	0	0	0
Total Expenses	9,303,762	9,619,470	9,946,324	10,231,874	10,526,258	49,627,688
EBITDA	3,622,517	3,829,031	4,045,496	4,253,857	4,470,820	20,221,721
Interest, Depreciation, and Amortization	2,543,437	2,543,437	2,543,437	2,543,437	2,543,437	12,717,183
Net Profit Before Taxes	1,079,081	1,285,594	1,502,059	1,710,420	1,927,383	7,504,537
Total Initial Investment	9,675,361					9,675,361

(1) The term length is 20 years

(2) The enplanements shown are projections only for the purpose of this RFP and are not guaranteed or meant to assure any future passenger level at the airport. While these enplanements will be used to determine a consistent measure for sales per enplanement among the respondents, each respondent is responsible for independently developing their own projections for this submittal.

SOUTH CONCOURSE

FORM A.12

Exhibit B -- Financial Proforma

Seattle-Tacoma International Airport
 Proforma Statement, **SOUTH CONCOURSE**
 PROFORMA ¹

	2027	2028	2029	2030	2031	Total
ASSUMPTIONS USED						
Enplanements	1,084,463	1,119,445	1,154,428	1,189,411	1,224,393	5,772,140
Sales Per Enplanement	7.69	7.75	7.82	7.86	7.90	7.80
PROJECTIONS						
Gross Sales:	8,337,157	8,673,978	9,024,407	9,342,968	9,672,775	45,051,286
Cost of Goods Sold	3,179,282	3,307,725	3,441,357	3,562,837	3,688,605	17,179,806
Gross Profit	5,157,875	5,366,253	5,583,050	5,780,131	5,984,170	27,871,479
Expenses						
Payroll	1,739,670	1,809,953	1,883,075	1,949,547	2,018,366	9,400,611
Benefits	309,238					309,238
Utilities	98,950	1,635,957	1,702,050	1,762,132	1,824,336	7,023,425
Operating Expenses	167,239	173,995	181,025	187,415	194,031	903,705
Franchise / License Fees	12,624	12,876	13,134	13,331	13,531	65,496
Rent to Port	2,070,638	2,161,579	2,256,196	2,342,207	2,431,255	11,261,874
General & Administrative	149,193	152,177	155,221	157,549	159,912	774,052
Washington Lease Excise Tax	74,934	77,962	81,111	83,975	86,939	404,921
Insurance	109,011	111,191	113,415	115,116	116,843	565,577
Other Direct Expenses	0	0	0	0	0	0
Total Expenses	4,731,497	4,826,127	4,922,650	4,996,489	5,071,437	24,548,200
EBITDA	426,378	434,905	443,604	450,258	457,011	2,212,156
Interest, Depreciation, and Amortization	1,084,679					1,084,679
Net Profit Before Taxes	(658,301)	(671,467)	(684,897)	(695,170)	(705,598)	(3,415,434)
		0	0	0	0	0
Total Initial Investment	8,540,954	4,930,895	5,031,103	5,108,217	5,186,544	28,797,714

(1) The term length is 20 years

(2) The enplanements shown are projections only for the purpose of this RFP and are not guaranteed or meant to assure any future passenger level at the airport. While these enplanements will be used to determine a consistent measure for sales per enplanement among the respondents, each respondent is responsible for independently developing their own projections for this submittal.

NORTH CONCOURSE

FORM A.12
 Seattle-Tacoma International Airport
 Proforma Statement, **NORTH CONCOURSE**
 PROFORMA ¹

Exhibit B -- Financial Proforma

	2027	2028	2029	2030	2031	Total
ASSUMPTIONS USED						
Enplanements	87,814	90,646	93,479	96,312	99,145	467,396
Sales Per Enplanement	4.15	4.18	4.22	4.24	4.26	4.21
PROJECTIONS						
Gross Sales:	364,048	378,756	394,057	407,967	422,369	1,967,197
Cost of Goods Sold	131,727	137,049	142,586	147,619	152,830	711,810
Gross Profit	232,321	241,707	251,472	260,349	269,539	1,255,387
Expenses						
Payroll	148,512	151,482	154,512	156,830	159,182	770,518
Benefits	22,629	23,082	23,543	23,896	24,255	117,405
Utilities	12,821	13,077	13,339	13,539	13,742	66,519
Operating Expenses	6,099	6,221	6,345	6,441	6,537	31,643
Franchise / License Fees	551	562	573	582	591	2,859
Rent to Port	90,926	94,971	99,178	103,004	106,965	495,044
General & Administrative	5,210	5,314	5,420	5,502	5,584	27,030
Washington Lease Excise Tax	3,272	3,404	3,542	3,667	3,796	17,681
Insurance	3,419	3,487	3,557	3,610	3,665	17,739
Other Direct Expenses	0	0	0	0	0	0
Total Expenses	293,439	301,601	310,011	317,071	324,316	1,546,437
EBITDA	-61,118	(59,894)	(58,539)	(56,722)	(54,777)	-291,050
Interest, Depreciation, and Amortization	20,195	20,195	20,195	20,195	20,195	100,977
Net Profit Before Taxes	-81,313	(80,089)	(78,734)	(76,917)	(74,973)	-392,027
Total Initial Investment	168,247					168,247

(1) The term length is 20 years

(2) The enplanements shown are projections only for the purpose of this RFP and are not guaranteed or meant to assure any future passenger level at the airport. While these enplanements will be used to determine a consistent measure for sales per enplanement among the respondents, each respondent is responsible for independently developing their own projections for this submittal.



10.5 MANAGEMENT / STAFFING, OPERATIONS, CUSTOMER SERVICE, AND ENVIRONMENTAL SUSTAINABILITY

Describe your management and staffing structure in terms of the following:

10.5.1 What makes you a preferred employer at an airport?

There are three perspectives when viewing the question of what makes Duty Free Americas a preferred employer:

- **Port of Seattle** . from the Airport's perspective, DFA pays a very competitive rent structure and operates an efficient concession. Because of DFA's professionalism, that makes DFA easy to work with.
- **Customer** . from the perspective of the customer, Duty Free Americas builds and operates good looking stores that offer the world's most desired brands at appealing duty free pricing. DFA's media presence further enhances the allure of its stores. And, DFA's friendly and well-trained staff makes it easy to shop.
- **Sales Staff** . from the perspective of DFA's employees and potential employees, DFA is a preferred employer for a variety of reasons:
 - DFA offers competitive wages and is fully compliant with all local staffing laws. In addition to the basic wages, DFA has a number of programs by which staff associates earn bonuses for reaching sales targets and for selling vendor-sponsored merchandise (SPIFFS). Bonuses are not restricted to sales associates; DFA recognizes that selling entails teamwork and thus the entire team receives the bonus when targets are met. These bonuses can substantially increase an associate's earnings.
 - DFA offers a comprehensive health care package at subsidized rates including a life insurance package that is fully paid for by the company. For a single person, the health care package including dental and vision is only about \$3,600 per year.
 - DFA pays for parking for all employees and pays for transportation home if there is a flight delay or late night shifts.
 - DFA has a comprehensive training program in which sales staff are trained on DFA's systems, including the point-of-sale (POS) cash registers. Associates also receive comprehensive training on DFA's



products and on customer service. They are given the training they need to be successful.

10.5.2 Please include a staffing plan for an average day showing all proposed hours of operation, employees' positions and management by hour.

Most airport retail has a fairly simple staffing process catering to the regular schedule of domestic flights and the fairly consistent purchasing patterns of each customer. Duty free is very different.

- First, international flights tend to cluster around certain departure times with most Asian flights departing between 10:30 am and 2:00 pm. The main exception is the 2:10 AM departure of Eva Air to Taipei which, by itself will require an entire staff shift. Other retailers would simply not be open at this hour but this is an important duty free flight. Most European destinations depart mid-afternoon.
- In addition to the flight schedule, duty free passengers depending upon their destination have very different purchasing preferences . in total spending, in category, and in brands. Asian customers may spend \$30 per passenger and spend heavily in cosmetics/skin treatment and luxury gifts which require beauty advisors and sales specialists to be working for those flights. Canadian flights tend to spend around \$4.00 per flight and buy mostly liquor and tobacco.
- Thus, it is not just about the body count working each shift but about having the right type of staff on hand, staff with skills specifically honed to provide expertise to the departing customer.



Duty Free Americas anticipates using 99 associates to staff the duty free concession. On any given day, 72 associates would be working. Concourse A would require two shifts to cover the departures from 5:30 AM to 2:10 AM. The South Concourse would require 1 full shift to cover the bulk of the business between 9 AM and 6:30 PM with a few staff members starting early and a few ending late to cover the flights from 6:46 AM to 11:05 PM. The North Concourse would be staffed for the 10:42 PM American flight to London from associates from Concourse A prior to the 2:10 AM Taipei.

SFAFFING HEADCOUNT FOR A TYPICAL DAY – BY CONCOURSE AND POSITION										
	Concourse A				North Conc.	South Concourse				Total
Position	Airport-wide	Area 1 Liq Tob Conf	Area 2 Boutiques / Beauty	Area 3 Beauty	North Concourse	Area 1 Liq & Tob	Area 2 Beauty	Area 3 Confection	Area 4 Boutiques	TOTAL DAILY
General Manager	1									1
Terminal Asst. Managers			2					1		3
Supervisors			2					1		3
Beauty Advisors			8				4			12
Make-Up Artists			2				2			4
Sales Specialists		2	4			1			2	9
Sr. Sales Associates		6			from A	4				10
Sales Associates				2			2		1	5
Greeter/Info Tasting			1					1		2
Cashiers		4		4			2	2	1	13
Support / Runners			5					0		5
Promotions Visual Mdse	1									1
HR	1									1
HR Assistant	1									1
Customs	2									2
Warehouse Manager	1									1
Warehouse Associates			3					3		6
TOTAL	7		45		0		27			72



Duty free is a unique concession in that U.S. Customs and Border Patrol (CBP) requires that duty free purchases be delivered to the passenger when the passenger leaves the country. This, they define as the jetway. However, to keep in the good graces of the airlines, the gate delivery person must be in place at the jetway when boarding begins and remain there, per CBP regulations, until the plane pulls away from the jetway. For transoceanic international flight that means that a dedicated associate must be at the jetway for an hour. And, in order to accommodate purchases by passengers who shop a little late vis-à-vis the start of boarding, a second staff member must be used to deliver the additional packages to the gate. With multiple flights leaving on overlapping schedules, the gate delivery process is a complicated dance of schedule coordination, one in which DFA has considerable expertise. DFA delivered over 1.2 million duty free packages to 100,000 flights in 2022.

For Seattle and based upon the July 2023 flight schedule, the gate delivery process would be:

Notes on Gate Delivery Chart:

- Destinations are color coded by continent
- Box sizes reflect the time an associate has to remain at the gate
- Smaller, 15-minute boxes represent an additional associate bringing late sales packages to the jetway.

SCHEDULE FOR FRIDAY JULY 14, 2023

				CONCESSION A										
Hour	Min	Hourly Sales	Trans-act/line	Home Staff	Banner 1	Banner 2	Banner 3	Banner 4	Banner 5	Evening Home Staff	Evening Home Staff	Evening Home Staff	Evening Home Staff	Evening Home Staff
				5:00 AM	5:30 AM	6:00 AM	6:30 AM	7:00 AM	7:30 AM	8:00 PM	8:30 PM	9:00 PM	9:30 PM	1:00 AM
5	00	AM	215	5	ACR001 YVR 6:00									
6	00	AM	412	8										
7	00	AM	810	4	AC104 TAL 7:00									
7	30	AM			AC118 CUN 8:30 AM									
8	00	AM	810	4										
9	00	AM	1,714	71	AD110 S/D 9:00	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
9	30	AM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
10	00	AM	4,210	49										
10	30	AM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
11	00	AM	7,018	82	AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
11	30	AM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
12	00	PM	4,870	47										
12	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
1	00	PM	6,814	71	AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
1	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
2	00	PM	1,290	20										
2	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
3	00	PM	3,075	87										
3	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
4	00	PM	2,714	88										
4	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
5	00	PM	2,712	89										
5	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
6	00	PM	1,840	28										
6	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
7	00	PM												
8	00	PM	246	5										
8	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
9	00	PM	415	9										
9	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
10	00	PM	246	5										
10	30	PM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
11	00	PM												
12	00	AM	8,018	84										
12	30	AM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					
1	00	AM												
1	30	AM			AD110 YVR 10:30	AD103 YVR 6:00	AD107 S/N 9:30	AD107 S/D 10:30	AD107 S/D 11:30					

SCHEDULE FOR FRIDAY

		North	SOUTH									
Hour	Min	A Evening Store Staff	Hourly Sales	Transactions	Store Staff	Store Staff	Store Staff	Store Staff	Store Staff	A Evening Store Staff	A Evening Store Staff	A Evening Store Staff
Shift Start		5:00 PM			5:00 AM	5:00 AM	10:30 AM	9:00 AM	9:00 AM	5:00 PM	5:00 PM	5:00 PM
Shift End		1:00 AM			1:00 PM	1:00 PM	6:15 PM	5:00 PM	5:00 PM	1:00 AM	1:00 AM	1:00 AM
5	00-45	AM										
6	00-45	AM	935	13	DL394 CUN 7:36	DL399 YVR 7:17						
7	00-45	AM	563	7		AM491 MEX 8:00 AM						
8	00-45	AM										
9	00-45	AM	6,837	74								
10	00-45	AM	3,916	41	DL394 CUN 7:36	DL399 YVR 7:17	DL397 NRT 11:05	DL391 PUG 11:05	DL397 ICR 11:45			
11	00-45	AM										
12	00-45	PM	2,364	32	WR3711 YVR 1:00	AF355 CDG 1:30	DL393 AMS 1:35		DL3775 YVR 1:45			
1	00-45	PM										
2	00-45	PM	733	11	DL3754 YVR 3:15	AM491 MEX 3:30						
3	00-45	PM										
4	00-45	PM	1,475	20								
5	00-45	PM	2,518	35			DL406 YVR 6:10			DL344 AMS 6:10	DL380 CDG 6:20	WR3711, late 6:40
6	00-45	PM										
7	00-45	PM	1,584	21						DL373 LHR 7:55	DL406 YVR 7:55	late DL373
8	00-45	PM										
9	00-45	PM										
10	00-45	PM										

10.5.3 [purposely omitted as 10.5.3 was moved to 10.5.1]

10.5.4 Explain the company’s philosophies and goals regarding recruitment and retention of management and front-line staff.

As any airport concessionaire knows, the glamour of working in airport retail, particularly in working in high-end retail with international travelers, is somewhat offset by the challenges employees have in getting to the airport, parking in a remote lot or walking from an distant train stop, and then getting through security, all before starting or ending the day. That, combined with the potentially odd hours of airport flights, make it a challenge to find and retain good associates.

In light of the above, DFA works especially hard to find the right employees and then to retain them. Many of DFA’s airport employees have been with the company for over 20 years. Our Airport President, Denise Erickson has been with DFA for 28 years; our General Manager in New York JFK, Elida Espinosa, has been with DFA for 35 years, our General Manager in Washington DC, Thomas Woldeyohannis, has been with DFA for 24 years, our General Manager in Miami, Sergio Contreras, has been with DFA for 9 years. The numbers speak for themselves: DFA’s Airport Division has 115 associates with over 10 years experience at the company.

Airport Managers and Associates with 10 years or more working at Duty Free Americas

MIA	54	IAD	27	JFK	17	ATL	16
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DFA’s retention success is built upon 4 main pillars.

- 1. Hire the right people.** When DFA takes over an airport concession, we work very hard to retain the best employees of the prior concessionaire. These employees have shown both excellence and a commitment to working at the airport. When existing employees are not available or available for the right position, DFA looks to hire from within to offer our internal talent the opportunity to relocate and grow their careers. When that is not possible, DFA advertises in local media and holds job fairs from which the best retail talent are selected.
- 2. Training.** Provide excellent training so that associates have the skills necessary to be successful. When DFA negotiates with our top vendors for additional training, a training trip to Scotland to learn from the distillery masters can go a long way toward employee satisfaction.



3. **Income Potential.** DFA pays competitive wages with excellent benefits and then supplements that basic package with opportunities for bonuses, not just for front-line sales staff but for every member of the team.
4. **Career Growth.** Wherever possible, DFA looks first to promote from within, giving staff a chance to move up the ladder. Support staff grow into sales associates; sales associates grow into senior sales associates then into managers.

Describe your operating standards:

10.5.5 Standards for day-to-day operations

Customer service standards are discussed in section 10.5.6.

Delivering duty free purchases to customers at the gate -- in compliance with U.S. Customs (CBP) regulations, all duty free purchases to international passengers must be delivered at the point-of-no-return which for airports, is interpreted as the departure gate. Store purchases are packaged in a duty free bag . and / or a tamper proof STEB bag for liquor which allows transfers between international airports. Attached to the package is a copy of the sales receipt with the customer name, flight number, departure time, and items purchased. Depending upon the number of packages to be delivered for an individual flight, the sales support associate either hand carries the packages or uses a delivery cart to take the sealed packages to the departure gate. DFA works with the individual airlines to be certain of the flight boarding time commencement. Associates are at the gate to deliver packages at the time of the commencement of boarding and, in compliance with CBP regulations, remain there until the aircraft backs away from the jetway. Any purchases after the commencement of boarding are delivered by an additional associate to the gate. There is, however, a last cutoff time for sales to ensure that customers get to the gate on time and have their purchase available to them. Sales of any unclaimed packages are returned to the store where a refund is processed.

Order Processing / customer check-out -- In terms of other operations, for any retailer and particularly for duty free where shoppers come in bunches for the large transoceanic flights, being able to quickly process transactions becomes paramount. DFA has invested heavily in point-of-sale (POS) equipment to allow us to accomplish this.





- Credit Card Processing -- Our POS units employ the latest technology to ensure efficient speed of service including a 1 to 2 second approval on credit cards and digital displays and printouts.
- Scan-and-Pay . As reported recently in the New York Times, among urban Chinese, cash is becoming obsolete. Instead, these customers rely on the QR code on their phone to scan payment to their AliPay, WeChat, or Union Pay account. Recognizing this trend, DFA has enabled a scan-and-pay option which would be identified by Chinese language signage at the store entrance and which can also be used in the airport lounges.
- Mobile Tablets -- In addition to its fixed POS stations with dedicated cashiers, DFA employs mobile tablets in which floor sales associates can check out additional purchasers should a line develop at the POS counter.
- Pre-Order . DFA's proprietary pre-order system lets travelers make purchases from any e-device and have that purchase waiting for them on the day and time of their departure.

In terms of store maintenance:

- Deliveries . in large part because of the gap between the 2:10 AM Eva Air flight to Taiwan and the last other flights, It is necessary for DFA to have staff on hand for the quiet, late evening hours. During this time, DFA can easily process merchandise deliveries and have those deliveries unpacked and on store shelves when there are no customers in the store. At all costs, DFA would avoid having partially unpacked totes in the aisles while there are customers in the store.
- Cleaning -- a component of every associate's job description includes personal responsibility for cleaning. In between flights, when there is any downtime, DFA's associates reorganize the merchandise within their area to make sure that the shelves are orderly and that labels are facing the proper way. Dusting and other general cleaning maintenance is required in each store at least 3 times per day. Trash, including packaging cartons, is stored in back-office areas outside of the line of sight of any customer. Trash is then disposed of at the times and manner as set by the Airport. Beyond the general cleaning done by sales staff, DFA also employs local ACDBE cleaning services





to do a deeper cleaning including machine-polishing of the floors. These outside services come in weekly.

- Equipment and Furniture Upkeep . Luggage and foot traffic are the bane of store fixtures, but they are a necessary part of retail. We recognize this. Duty Free Americas would employ two dedicated Maintenance Technicians to handle store maintenance. Their job responsibilities for this position would be: (a) to maintain lamps in light fixtures and maintain inventory of spare lamps, (b) to coordinate and/or directly complete store painting and paint touch-ups, (c) to repair mildly broken fixtures and shelving, and (d) to assist store personnel with merchandise moves and display maintenance. Beyond basic weekly cleaning, floors are waxed on a semi-annual basis. Additionally, DFA is constantly swapping out fixtures for new brands and new displays, even before any required mid-term refurbishment.
- Tracking Procedures . Each store manager maintains a log for daily cleaning and maintenance to ensure that these procedures are followed each and every day. Additionally, the store manager performs a weekly inspection of each of the fixtures in the store to make note of any repairs that might be needed. Fixtures needed repair and then put on the maintenance schedule for repair. Obviously, any emergency repair such as a completely broken shelf would be moved to the top of the list for immediate repair.

Describe your customer service practices in terms of:

10.5.6 Passenger engagement and experiences

There are seven main components to DFA's marketing program.

1. DFA would work directly with the airlines to promote duty free by asking the airlines to facilitate using the DFA pre-order system via (i) putting a link to the pre-order system on their website or printed on the boarding card, and (ii) promoting the pre-order within their lounge. The latter item is particularly important as DFA has found many first and business class passengers prefer to remain in the luxury of the lounge until boarding time rather than shopping in the stores
2. DFA would request that Seatac include DFA's pre-order system on its website
3. Monthly Product tastings opportunities for liquor and confection. DFA also promotes interactive beauty events.



- 4. Point-of-purchase (POP) displays and interactive promotions
- 5. Special price promotions within the store including multiple units at discount, e.g., gifts-with-purchase (GWP), Multi unit promotions, buy-one-get-one (BOGO), and purchase-with-purchase (PWP).
- 6. Special Events Marketing -- on a regular basis, DFA has product tastings or other promotions celebrating holidays (U.S. holidays and foreign holidays such as Chinese New Year or Golden Week) or major events happening within Seattle (e.g., World Cup soccer game). DFA's efforts for these special events add excitement to the shopping experience.



LeSher Harvey
Multi-Unit Commercial Manager
4mo

Today we welcomed Aer Lingus to Terminal 7 and Elida with her amazing team at Duty Free Americas took the time to welcome our new passengers with a tasting of Jameson. All the excitement kept the energy level high in T7 today and we're grateful to have such great partners in DFA! #JFKT7 #DFA #JMP



- 7. Duty Free Americas will partner with the digital technology consulting firm, Make Think, whose program is being successfully implemented at LaGuardia Airport. Their program includes the following:



HOW DIGITAL CAN UPLIFT SEATAC DUTY FREE SALES			
Pre-Airport Reach New Customers	In-Airport Drive-to-Store	In-Store Increase Conversion	Post Store & Beyond Generate New Income
<ul style="list-style-type: none"> • Data analysis, usage-based segmentation and strategy • E-commerce platform • Partnerships (ground transportation, airlines, etc.) • Awareness, social media • Early customer engagement • Pre-order + delivery • Fully immersive retail & entertainment experience 	<ul style="list-style-type: none"> • Smart wayfinding • Digital touchpoints • Advertising at moments of truth+ • Impulse purchase generation • Order while waiting in security • Store pick-up or gate delivery 	<ul style="list-style-type: none"> • Individualized in-store %hygital+ experience (screens, projection, AR, VR) • Data driven in-store advertising • Digital tools to support frontline staff with critical information (customer recognition, iPads) 	<ul style="list-style-type: none"> • Loyalty program / CRM • Omnichannel service platform • Shopper journey management • Commission-based partnersqpromotion
<p>Related experience LaGuardia: Digital app concierge, pre-ordering, pre-trip planning timeline digital (API), integration into airport services; Amadeus mobile services, ADP (DF on arrival), major ME Airport.</p>	<p>Related experience LaGuardia eMarketplace, Order in security line, FIDs with wait times and mood messaging, Tap & Pay to skip lines, Milan & Paris metros; major Middle East airport.</p>	<p>Related experience Lagardiere Travel Retail; JCDecaux, Air France (Pads for All CDG hub, on-board staff) LaGuardia: Traveler shopping patterns video analysis</p>	<p>Related experience Major Middle East Airports, French high-speed rail stations.</p>

Additionally, DFA would offer special discounts to airline staff, crew, and all airport employees. While boosting morale in general of employees within the airport who we want to reward and recognize, DFA believes that these special incentives not only assist in maximizing sales revenue but also help to create a feeling of appreciation to the airport family. DFA would offer an everyday discount of 10% to all airport and airline employees. For the holidays and at least twice a year, DFA would offer an additional 10% discount (that is a 20% discount in total) to airline staff, crew, and all airport employees.

10.5.7 Provide a SEA specific customer service plan

Training -- A Duty Free Americas would be taking over the duty free concession at Seatac, the General Manager, Terminal Managers, and Supervisors would begin their service with DFA one month prior to the opening of the concession. These senior managers would travel to other DFA airport locations for 2 weeks of operational training with experienced Managers. Their training would be a comprehensive course on DFA's procedures including operating the point-of-sale system (POS), learning U.S. Customs and Border Patrol (CBP) procedures for handling bonded duty free merchandise including processing inventory receiving and transferring merchandise from the warehouse to stores or from store to store. Managers would also be trained on the gate delivery process and general management of establishing sales shifts and creating incentive programs.

2 weeks prior to the opening of the stores, all associates would be enrolled in a 2week customer training program in Seattle which would cover (a) DFA merchandise and (b) customer service including sales techniques. This training has 6 modules

With the commencement of the concession operation at Seatac, DFA's senior managers from other airports would be present in Seattle on a rotating basis for the first month of operation to ensure that the new associates are both knowledgeable and comfortable with all aspects of the DFA regimen.

Customer Service Plan for Seatac

Greeting -- DFA intends to create and staff a greeter station in both Concourse A and the South Concourse where travelers will be warmly welcomed to the duty free shopping and made aware of any product tasting opportunities and daily specials available that day. Customers will also be able to receive general travel assistance or directions to specific airport services in addition to being guided to the duty free merchandise section most relevant to their preferences. Greeters create an important connection between the traveler and the store. This interaction, we've found, greatly enhances sales. And, as mentioned in section 10.5.6, customers would already be connected to DFA's media presence.

Languages . while many if not most travelers speak English, DFA's experience over many years has been that their greatest trust and willingness to maximize their spending comes if the sales associates speak their home language. For the Chinese, Korean, and Japanese flights, DFA intends to hire sales associates who speak those languages. DFA offers salary bonuses for being able to speak languages in addition to



English. In addition to the sales staff's language abilities, store signage will be printed in multiple languages in order to explain duty free allowances, the unique U.S. gate delivery process, and to highlight sales promotions.

In-Store Specialists . DFA knows very well that effective merchandising requires expertise by the sales associates. This is particularly true for beauty products, luxury accessories, and high-end liquor. To this end, and similar to the experience one might have in a department store, DFA hires Beauty Advisors who are specially trained to represent their brands. Their in-depth knowledge allows them to explain guide customers to the most appropriate product for their needs, whether it is a particular skin whitening product or a certain moisturizer for dry skin, or a unique shade of lipstick or nail polish. Similar to the role of the beauty advisor, DFA uses sales specialists to represent the luxury brands, specialists who can describe the unique properties of a particular Montblanc pen, or the type of leather used in a Longchamp handbag, or which models of Tag Heuer watch are new this season. For liquor, DFA hires liquor specialists who can explain the exceptional tastes of a bottle of Remy Martin XO cognac or the distilling process in a bottle of 40-year old Ballantine scotch.

Other Customer Service . Customer service excellence is a primary goal for DFA associates and is reflected in their training and in their reward systems. Whether from a greeter, sales specialist, or other sales associate, excellent customer service is a requirement of the job. Associates will always ask the traveler about their trip, about the products they wish to purchase, and about purchasing gifts for anyone else at home. While this ~~feel~~ good+conversation makes the traveler feel important, it is also a key element in maximizing the sales opportunity.

Procedures for Customer Complaints --_Because of the unique requirement for gate delivery of duty free purchases, most issues and complaints involve packages that couldn't be delivered to the passenger, usually due to last minute flight cancellations and gate changes. A customer service telephone number is printed on each receipt. DFA has a dedicated phone number for customer issues and a 4-page manual for the specific procedures for processing the refund. Refunds are processed by the home office and sent to the customers' credit card. If there are damaged goods, these are also either fully refunded or replaced. The number that is used for handling merchandise refunds is also available to the customers for any other complaints. By company policy, any complaint is responded to within 1 working day.

10.5.8 Provide examples of any customer satisfaction comments, survey results, ratings, awards, etc. that the Respondent may have received for the proposed concept(s).

DFA airport division associates routinely receive awards from their airports for their customer service. (note: During Covid, many airports suspended giving awards)

DFW Airport

Customer service awards for each of DFA 3 boutiques: Coach, Michael Kors, and Kate Spade



Briana Hernandez- Kate Spade
Blanca Amaya- Michael Kors
Clanessa Arias- Coach

Washington Dulles

Mystery Shopper Awards 2022



Miami Airport

2019 - OYA Highest Overall E Lobby store
2018 - OYA Highest Overall E Satellite store
2017 - OYA Highest Overall Location Concourse J store
2016 - OYA 100% Overall Customer Service (this was the BEST customer service in all the airport award)



Describe your **environmental philosophy and practices** in terms of the following:

- 10.5.8 Environmental philosophies and practices that are a part of your day-to-day operation.
- 10.5.9 Commitment to participate in airport environmental composting and recycling initiatives and use durable or Cedar Grove approved compostable or recyclable food service- ware.
- 10.5.10 Other environmentally-sustainable sourcing practices and product packaging that will be implemented at SEA.

DFA supports conscientious consumerism by its implementation of a sustainability policy. Both social and environmental sustainability are among the most defining trends of the post pandemic retail evolution. It will impact DFA's operations across the entire supply chain from ethical component sourcing, to water consumption and management, to pollution and waste disposal in conjunction with our brand partners and local operators. DFA is in the early stages of working with Hong Kong-based Elements to source recycled and bio-sustainable, plant-based shopping bags.



DFA will implement sustainability product criteria including product labeling to identify plastic free, vegan, recyclable, reusable, refillable, palm oil free, as well as supporting local communities to work with brand partners to achieve these goals. DFA will evaluate the use of well-being spaces created in our duty free airport stores for showcasing sustainable products and services.

And, lastly, DFA recycles its shipping containers and packaging materials in order to minimize the amount of virgin materials required.



10.5.11 Sustainable practices for design and construction?

DFA's architects are LEED certified and implement sustainability into the designs they propose. As airport stores typically rely on airport infrastructure for HVAC, the largest impact on the environment is in the selection of highly efficient lighting for the duty free stores. By reducing the energy requirements to illuminate the stores, both in illuminating the merchandise fixtures and in the LED advertising displays, DFA is able to significantly reduce the energy consumption.

Minimizing waste is an important part of sustainability. When constructing the Seatac duty free stores, DFA and its architectural team will endeavor to select, where possible, materials that will last for the full 20 years of the contract, thereby minimizing refurbishment necessities for flooring, lighting, and wall fixturing.

Additionally, in creating the merchandise display fixtures, many of which are supplied by the individual brands, DFA attempts to use sustainable wood and other materials whenever possible. When our stores are remodeled, some of our vendors use deep recycling processes whereby they fully strip and separate fixture materials and components for recycling.

Additional information on sustainable construction is included in Section 10.3.4. (see pages 108-110)