SPONSORSHIP AGREEMENT

This **SPONSORSHIP AGREEMENT** (with Exhibit A, the "Agreement") is made and entered into as of the Commencement Date by and between JCDecaux Airport, Inc., having an address at Empire State Building, 350 Fifth Avenue, 73rd Floor, New York, New York 10118 (hereinafter referred to as "JCDecaux" or the "TMO") and American Express Travel Related Services Company, Inc., having an address at American Express Tower, 200 Vesey Street, 49th Floor, New York, New York 10285-4900 (hereinafter referred to as "AXP" or "Brand Sponsor").

WITNESSETH:

WHEREAS, JCDecaux entered into the Los Angeles International Airport Terminal Media Operator Concession Agreement, (Contract No. LAA-8796, dated February 1, 2014, the "TMO Agreement") with the City of Los Angeles acting by and through its Department of Airports ("LAWA" or the "City"), and the TMO Agreement calls for the development of indoor advertising, sponsorship and emerging media opportunities at LAX through December 31, 2020, with a potential three-year extension.

WHEREAS, pursuant to the TMO Agreement, the TMO has the right, *inter alia*, to develop and operate certain concession locations, and to market advertising and digital activation opportunities at Los Angeles International Airport ("LAX"), as well as the right to enter into Sponsorships which may include a Brand Sponsorship; and

WHEREAS, AXP and the TMO desire AXP to become a Brand Sponsor at LAX; and

WHEREAS, the AXP Brand Sponsorship will include sponsor messaging and sponsor signage in locations at LAX on inventory operated by the TMO pursuant to the terms set forth herein; and

WHEREAS, the AXP Brand Sponsorship will also include a passenger amenity in the form of a passenger luxury lounge (the "Lounge" or "American Express Centurion Lounge") to be developed and operated by AXP pursuant to the Sponsorship Amenity Premier Passenger Lounge Space Lease ("Sponsorship Amenity Lease"); and

WHEREAS, AXP and the TMO agree that the rents or any other funds paid to LAWA pursuant to the Sponsorship Amenity Lease will not constitute advertising, sponsorship, emerging media, or any other type of revenue under the TMO Agreement and the TMO shall not be entitled to any share of the rent or other funds paid to LAWA pursuant to the Sponsorship Amenity Lease; and

WHEREAS, AXP and the TMO agree that all costs associated with the Sponsorship Amenity Lease and Lounge, including but not limited to costs incurred by the TMO or AXP or others to design, construct and/or operate the Lounge, will not constitute advertising, sponsorship, emerging media or any other type of costs under the TMO Agreement, and such

costs will not be used in calculating TMO sponsorship percentage fees and shall not reduce LAWA's share of any type of revenue under the TMO Agreement; and

WHEREAS, AXP and LAWA are separately entering into the Sponsorship Amenity Lease of even date herewith which provides, *inter alia*, that AXP may construct and operate the Lounge in accordance with the provisions of the Sponsorship Amenity Lease. The "Commencement Date" hereunder shall be the same date as the Commencement Date of the Sponsorship Amenity Lease; and

WHEREAS, AXP acknowledges that this Agreement requires the consent of LAWA, and approval by the City of Los Angeles Board of Airport Commissioners and the Los Angeles City Council, as set forth in the TMO Agreement and as required by law; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the TMO and AXP hereby covenant and agree as follows.

1. **Definitions**. All capitalized undefined terms herein have the definitions assigned in the TMO Agreement, which are hereby incorporated by reference. TMO and AXP each additionally acknowledge and agree that: (a) the granting of Exclusivity or Entitlement in connection with the Sponsorship shall not be a condition or component of this Agreement or a condition of the Sponsorship Amenity Lease; (b) any Content provided by AXP or the AXP Agency does not constitute Advertising, Customized Content, Foundational Content or TMO Content, but otherwise is considered Content for the inventory envisioned in Exhibit A and hereunder, and as between the parties and LAWA shall remain the property of AXP or the AXP Agency; and (c) TMO shall provide this Agreement, including, without limitation, this paragraph, to LAWA for written approval and such written approval is a condition precedent to any obligation of AXP to make payments as contemplated by this Agreement.

2. Sponsorship Elements and Changes to Sponsorship Elements.

- 2.1. **Sponsorship Elements.** As described herein and per Exhibit A, the TMO shall provide opportunities for AXP to communicate information about the Lounge and AXP services and products (collectively "Sponsorship Information") on structures ("Sponsorship Elements") throughout LAX which the TMO is entitled to include in a Sponsorship Agreement, subject to LAWA's approval as provided in the TMO Agreement.
- 2.2. Selection of Sponsorship Elements. "Contract Year" is defined as each 365-day period commencing on the Initial Sponsorship Payment Date (as defined below) and each anniversary successively. The specific Sponsorship Elements shall be selected mutually by AXP and the TMO as follows:
- 2.2.1. Contract Year 1 Sponsorship Elements. The list of specific Sponsorship Elements to be provided by the TMO for the first Contract Year are set forth in Exhibit A attached hereto, subject to LAWA's approval as provided in the TMO Agreement. All

changes to Sponsorship Elements are subject to mutual written agreement by amendment to the AXP Agency Agreement (as defined below) and are further subject to LAWA's approval as provided in the TMO Agreement.

- 2.2.2. Contract Years 2-10 Sponsorship Elements. For Contract Years 2 through 10, AXP shall have the right to continue to utilize the Sponsorship Elements of the previous Contract Year, subject however, to LAWA World Cup Commitments. The parties shall meet no later than ninety (90) days prior to the end of each Contract Year to confirm that AXP will continue to utilize the Sponsorship Elements of the previous Contract Year or whether alternative Sponsorship Elements can be made available to AXP that AXP would prefer. If the parties do not agree to such alternatives prior to the end of each Contract Year, then the same Sponsorship Elements will be utilized for the following Contract Year, subject, however, to the LAWA World Cup Commitments. All alternatives will be documented by the parties via a mutually acceptable and fully executed amendment to Exhibit A, which is subject to LAWA's approval as provided in the TMO Agreement. Additionally, the TMO shall endeavor in good faith to accommodate requests for modifications of Sponsorship Elements requested by AXP at any time.
- 2.3. Unavailable Elements and Substitute Elements. In the event that a previously agreed upon Sponsorship Element (in any Contract Year) becomes unavailable, or such Sponsorship Element has no material market value because its visibility has been blocked or its location is inaccessible (collectively, in all such cases, an "Unavailable Element"), the TMO shall be obligated to provide a Sponsorship Element of at least equivalent market value to the original value of the Unavailable Element (a "Substitute Element") as promptly as possible but in no event later than ninety (90) days from the date AXP requests such Substitute Element (the "Request Date"). If the TMO is unable to provide a Substitute Element for an Unavailable Element within ninety (90) days of the Request Date, AXP shall be entitled to a day-for-day extension of display time on such Substitute Element (or an additional Substitute Element) from the Request Date to assure that AXP receives the value of the Sponsorship Elements it is entitled to utilize. The parties agree that this provision applies to any Unavailable Elements that became unavailable hecause LAWA does not approve any Sponsorship Element in any Contract Year, including, without limitation, the first Contract Year. The parties further agree that if all Substitute Elements are unavailable due to the grant of Exclusivity to another Sponsor at LAWA's direction, such that JCDecaux is unable to provide a Substitute Element to AXP as required pursuant to this Agreement, then AXP's payment obligations hereunder shall be suspended for the period of such Exclusivity. If City's "World Cup Airport Agreement" third party obligations (the "LAWA World Cup Commitments") require use of any AXP Sponsorship Elements, AXP and JCDecaux shall not object to such use. If City's LAWA World Cup Commitments require use of any AXP Sponsorship Elements, and Substitute Elements are not available during the term of the World Cup use, AXP will be entitled to a credit of the fair market value of the Sponsorship Elements for the period so used, which credit will be applied to the next quarterly Sponsorship Fee.
- 3. Sponsorship Fee. AXP hereby guarantees payment by AXP's designated agency ("AXP Agency", with all references to AXP Agency hereunder also applying to any successor agency chosen by AXP) to the TMO of an annual "Sponsorship Fee" for the ten-year term which, for

the first Contract Year, shall be two million two hundred and fifty thousand U.S.D. (\$2,250,000), increasing each Contract Year by one percent (1%). The Sponsorship Fee shall be paid in equal calendar quarterly installments over the ten-year Term as set forth below.

- 3.1. Payment of the Sponsorship Fee for Contract Years 1-10. The first Contract Year for payment purposes guaranteed under this Agreement shall commence on the "Initial Sponsorship Payment Date," which is the date 180 days after the Commencement Date or such earlier date as mutually agreed to by the parties. On a quarterly basis, throughout the 10 year term, AXP guarantees that AXP Agency shall pay the TMO the Sponsorship Fee, as further set forth in Section 3.2 in return for the TMO providing AXP Agency Sponsorship Elements at LAX as described in Exhibit A or such other inventory as agreed upon by the parties and approved by LAWA.
- 3.2. Annual Sponsorship Fee Increase. The Sponsorship Fee that AXP guarantees that AXP Agency shall pay hereunder shall increase by one percent (1%) each Contract Year. AXP Agency will pay as follows:

	Contract Year Quarter A (Commencing	Contract Year Quarter B	Contract Year Quarter C	Contract Year Quarter D			* Payment allocation in the event of Section 4,2 assignment of the Agreement to LAWA	
	(Commencing	(Commencing	(Commencing	(Commencing	Annual	Monthly Pro- Rated	LAWA Share* (85%)	JCD Share* (15%)
1	\$562,500	\$562,500	\$562,500	\$562,500	\$2,250,000	\$187,500	\$1,912,500	\$337,500
2	\$568,125	\$568,125	\$568,125	\$568,125	\$2,272,500	\$189,375	\$1,931,625	\$340,875
3	\$573,806	\$573,806	\$573,806	\$573,806	\$2,295,225	\$191,269	\$1,950,941	\$344,284
4	\$579,544	\$57 9 ,544	\$579,544	\$5,79,544	\$2,318,177	\$193,181	\$1,970,451	\$347,727
5	\$585,340	\$585,340	\$585,340	\$585,340	\$2,341,359	\$195,113	\$1,990,155	\$351,204
6	\$591,193	\$591,193	\$591,193	\$591,193	\$2,364,773	\$197,064	\$2,010,057	\$354,716
7	\$597,105	\$597,105	\$597,105	\$597,105	\$2,388,420	\$199,035	\$2,030,157	\$358,263
8	\$603,076	\$603,076	\$603,076	\$603,076	\$2,412,305	\$201,025	\$2,050,459	\$361,846
9	\$609,107	\$609,107	\$609,107	\$609,107	\$2,436,428	\$203,036	\$2,070,963	\$365,464
10	\$615,198	\$615,198	\$615,198	\$615,198	\$2,460,792	\$205,066	\$2,091,573	\$369,119

- *3.2.1. Payee of Annual Sponsorship Fee. AXP will pay 100% of the Sponsorship Fee to JCDecaux unless and until this Agreement is assigned under the provision entitled "Assignment to LAWA if JCDecaux Ceases to Be the TMO during the Term of this Agreement", in which event the Sponsorship Fee shall be paid as follows:
 - (a) the "LAWA Share" as set forth above shall be paid directly to LAWA; and
 - (b) the "JCDecaux Share" as set forth above shall be paid directly to JCDecaux, subject to the provisions of Section 4.2 of this Agreement in the event the TMO Agreement is terminated by LAWA for cause as further described therein.

- 3.3. Partial Periods. In all partial quarterly periods hereunder (by way of example and not of limitation, due to the date of the opening of the Lounge, or in the event of termination), AXP guarantees that AXP Agency shall pay a pro-rated amount of the Sponsorship Fee calculated on the basis of 1/12th of the Sponsorship Fee per month for each month incurred in the then-current Contract Year. There shall be no partial months for purposes of calculating pro-rated amounts. By way of example and not of limitation, if this Agreement terminates on any day of the second month of the third year, AXP Agency shall pay \$191,269 for each month incurred, resulting in a total payment of \$382,538 U.S.D. Despite such termination, the TMO shall provide AXP Agency with Sponsorship Elements reasonably equivalent to such amounts through the date of termination.
- 3.4. **Method of Payment.** AXP shall pay the Sponsorship Fee and any other fees paid in connection with the activities contemplated hereunder to AXP Agency pursuant to a separate agreement between AXP and AXP Agency. The TMO shall provide the Sponsorship Elements to AXP Agency. A condition precedent for payments of the Sponsorship Fee and such other fees shall be the TMO's compliance with this Agreement and the agreement between the TMO and AXP Agency related to the activities contemplated hereunder (the "AXP Agency Agreement").
- 3.5. Payment Responsibility. AXP shall be jointly and severally liable with AXP Agency for the payment of sums due hereunder. AXP guarantees that AXP Agency shall pay the Sponsorship Fee on or before the first day of the quarter for which payment is due (the "Due Date"). In the event that AXP Agency fails to pay the Sponsorship Fee or any Out-of-Pocket Costs by the Due Date, within five (5) business days after receipt of notice from the TMO requesting AXP to do so, AXP shall notify the TMO of the date of payment by AXP to AXP Agency. The TMO shall be entitled to obtain payment directly from AXP as guarantor if for any reason AXP Agency fails to pay the Sponsorship Fee or any Out-of-Pocket Costs within thirty (30) days of the Due Date.

4. Term and Termination.

- 4.1. Term. This Agreement will commence as of the Commencement Date with a term of 10 years, unless earlier terminated pursuant to the terms herein or by operation of law, (the "Term"). In the event that AXP no longer operates the Lounge during the Term (if AXP is allowed to take such action per the express provisions of the Sponsorship Amenity Lease), JCDecaux shall propose reasonable alternative Sponsorship Elements (at AXP's expense, not to exceed an amount equal to 2% of the Base Rent then payable under the Sponsorship Amenity Lease), to substitute for the Lounge. Any proposed alternative Sponsorship shall be subject to LAWA consent and shall include LAWA's standard contracting terms required by applicable law as set forth in, by way of example and not of limitation, Sections 10, 12 and 22 of the Sponsorship Amenity Lease.
- 4.2. Assignment to LAWA if JCDecaux Ceases to Be the TMO during the Term of this Agreement. AXP acknowledges that in the event JCDecaux ceases to be the TMO prior to the expiration or termination of this Agreement, then JCDecaux shall assign this Agreement to LAWA, and in such event, AXP and JCDecaux shall, within 15 business days,

take all necessary steps to effectuate the assignment of the Agreement to LAWA and the parties shall cooperate in good faith to effectuate such assignment. In addition, at LAWA's determination, LAWA may either: (a) continue to accept payment via the AXP Agency Agreement, or (b) instead require AXP to engage directly with LAWA for all payments and other matters under the Sponsorship Agreement, such that the AXP Agency Agreement shall no longer be applicable to activities envisioned hereunder. Additionally, upon the earlier to occur of (i) execution of the assignment or (ii) AXP's receipt of written notice from LAWA that 15 business days have expired since JCDecaux ceased to be the TMO, AXP shall make payments hereunder as follows: AXP shall pay LAWA 85% of the Sponsorship Fee, and AXP shall pay JCDecaux 15% of the Sponsorship Fee, in both instances pursuant to the payment timing requirements specified in this Agreement, and without any increase in the Sponsorship Fee except as expressly stated in this Agreement. Notwithstanding the foregoing, in the event that the TMO Agreement is terminated by LAWA under Section 11.1 of the TMO Agreement, then LAWA may direct that AXP pay 100% of the Sponsorship Fee to LAWA.

- 4.3. **No Cancellation.** The Agreement is non-cancellable by the parties, except as expressly stated herein.
- 4.4. Termination for Cause. If the TMO breaches this Agreement, AXP may terminate this Agreement upon ninety (90) days' prior written notice, provided, however, that any such termination shall not be effective if the TMO has cured or is taking reasonable steps needed to cure such breach prior to the expiration of such 90-day period (by way of example and not of limitation, the TMO has filed the necessary documents with LAWA to provide a Substitute Element or ordered equipment necessary to repair or install a Sponsorship Element and is awaiting LAWA's approval while the TMO diligently pursues such approval). However, except for delays in curing a breach caused by a Force Majeure Event, the time to take such reasonable steps shall not exceed 90 days beyond such initial 90-day period, after which AXP may terminate this Agreement upon notice to JCDecaux. If AXP breaches this Agreement or fails to pay any fees for which AXP or AXP Agency are legally liable, the TMO may terminate this Agreement by giving ninety (90) days' prior written notice, provided, however, that any such termination shall not be effective if AXP or AXP Agency has cured such breach or failure, or has taken reasonable steps towards curing such breach or failure prior to the expiration of such 90-day period. However, except for delays in curing a breach caused by a Force Majeure Event, the time to take such reasonable steps shall not exceed 90 days beyond such initial 90-day period, after which the TMO may terminate this Agreement upon notice to AXP. A "Force Majeure Event" is a material event constituting elements of nature or acts of God, acts of war, terrorism, riots, revolutions, or strikes or other factor beyond the reasonable control of a party. The party delaying cure of a breach due to a Force Majeure Event agrees to give notice to the other party which describes the Force Majeure Event and includes a good faith estimate as to the impact of the Force Majeure Event upon such party's responsibility to cure.
- 4.5. Termination for Regulatory Reasons. If the U.S. Office of the Comptroller of the Currency gives written notice per applicable law to Λ XP or its affiliates to terminate this Agreement, AXP may do so upon 180 days prior notice (or such shorter period as may be directed by the U.S. Office of the Comptroller of the Currency).

- 4.6. Termination for Insolvency. If either party experiences an Event of Insolvency (as defined herein), then that party must promptly give notice of the Event of Insolvency to the other party, and the other party may, but shall not be obligated to, terminate this Agreement by providing ten (10) days' notice to the affected party. "Event of Insolvency" means a party: (1) becomes insolvent, (2) voluntarily becomes the subject of any insolvency proceeding, whether under the United States Bankruptcy Code or other applicable insolvency law, (3) involuntarily becomes the subject of any insolvency proceeding, whether under the United States Bankruptcy Code or other applicable insolvency law, that is not dismissed within sixty (60) days, (4) makes any assignment for the benefit of a party's creditors, (5) consents to or is subject to the appointment of a receiver, liquidator or trustee of any of a party's assets, (6) generally fails to pay its obligations as they come due or (7) experiences the liquidation, dissolution or winding up of its business.
- 4.7. Wind-Down Assistance. Upon any termination or expiration of this Agreement, and provided the TMO has received payment for the Sponsorship Elements through the date of termination, the TMO will wind down its performance in an orderly manner by continuing to provide the affected Sponsorship Elements (as reasonably needed by AXP) using commercially reasonable efforts to facilitate non-disrupted business continuation for AXP, such assistance deemed to be governed by the applicable provisions of this Agreement.
- Additional Considerations. In the event AXP has the right to terminate 4.8. this Agreement under the "Termination for Cause", "Termination for Regulatory Reasons" or "Termination for Insolvency" provisions hereof, then AXP may either terminate the Agreement in compliance with the express requirements therein, or AXP may choose to instead not terminate the Agreement and to pursue such remedies as permitted at law, in equity or by this Agreement, including, but not limited to, invoking the provisions entitled "Unavailable Elements and Substitute Elements" and "Dispute Resolution" (as they may be applicable). With respect to any AXP right to terminate under the "Termination for Regulatory Reasons" provision, AXP may elect to endeavor to delay termination for up to ninety (90) days (the "Negotiation Period") in order to obtain authority from the U.S. Office of the Comptroller of the Currency to continue to operate under this Agreement by proposing amendments to this Agreement, subject to reasonable approval or reasonable rejection by JCDecaux and LAWA. In addition, during the Negotiation Period, AXP shall make payments due under this Agreement. If this Agreement is assigned to City, AXP agrees that as to any dispute that arose prior to the date of the assignment, AXP shall assert its rights under this Agreement only as to JCDecaux and in any case shall not be entitled to any remedy from City. The foregoing is not intended to apply to any breach of this Agreement by the City.
- 5. Additional Financial Relationships. Except for spending on Co-Branded Airline Spend (as defined below), the Sponsorship Fees and Out-of-Pocket Costs described in this Agreement encompass all sums guaranteed and owed by AXP and its subsidiaries and affiliates to the TMO for any and all Sponsorship Elements and Sponsorship Information at LAX, and the TMO shall not collect or solicit any fees, in regard to the foregoing from AXP pursuant to any separate contractual arrangements. This paragraph does not negate AXP's obligations set forth in the Sponsorship Amenity Lease between AXP and LAWA.

5.1. Out-of-Pocket Costs. The Sponsorship Fees do not include production/installation costs for Sponsorship Elements, including (i) the cost of production of display materials; (ii) the cost of installation, removal and or re-installation of display materials, as set forth in the applicable agreement specification sheets pursuant to the AXP Agency Agreement; and (iii) any extraordinary costs associated with the installation, maintenance or removal of display materials, including, but not limited to, overtime costs (where applicable) (the "Out-of-Pocket Costs"). The Out-of-Pocket Costs shall be separately invoiced to AXP Agency.

5.2. AXP Delta Spend and Co-Branded Airline Spend.

- 5.2.1. **AXP Delta Spend**. All Sponsorship Elements hereunder may promote any of AXP's (including its affiliates' and subsidiaries') services, products and benefits, including, but not limited to, the Lounge, with the exception of "**AXP Delta Spend**" which is defined as any Content paid for by AXP, an AXP affiliate, or AXP Agency to JCDecaux for placement at LAX regarding any AXP product or service bearing the trademark of Delta Airlines, Inc. The parties agree that: (a) AXP Delta Spend shall not apply against AXP's Sponsorship Fee commitment hereunder, (b) no Content related to the American Express Delta Sky Miles credit card shall be included as Sponsorship Information hereunder, (c) no such Content shall be promoted on any Sponsorship Elements hereunder, and (d) should AXP desire to place such Content at LAX, AXP must negotiate an additional agreement to do so separate and apart from this Agreement. Otherwise, all payments guaranteed by AXP hereunder (except for Out-of-Pocket Costs) shall count towards AXP's Sponsorship Fee commitment hereunder.
- 5.2.2. "Co-Branded Airline Spend" is defined as Content paid for per this Agreement by AXP, an AXP affiliate, or AXP Agency to JCDecaux for placement at LAX for any AXP product or service bearing a trademark of an airline other than Delta Airlines, Inc. In applying such payments against AXP's Sponsorship Fee commitment hereunder, such application may not exceed twenty five percent (25%). By way of example and not of limitation, the Sponsorship Fee for the first Contract Year is \$2,250,000, and if AXP spends \$1,000,000 per this Agreement on Co-Branded Airline Spend in the first Contract Year, then only \$562,500 (25% of \$2,250,000) of such \$1,000,000 expenditure applies against the \$2,250,000 Sponsorship Fee for the first Contract Year.
- 6. Parties to TMO Agreement Parties and Sponsorship Amenity Lease. JCDecaux represents that it is the "Terminal Media Operator" or "TMO" pursuant to the TMO Agreement, and, as a result, JCDecaux has the right to provide the Sponsorship Elements and otherwise comply with this Agreement. AXP acknowledges that it has reviewed the TMO Agreement and agrees that AXP may not make requests or take actions that cause JCDecaux to be in violation of the TMO Agreement and that JCDecaux shall not be obligated to take any action in violation of the TMO Agreement. The parties acknowledge and agree that AXP is not a party to the TMO Agreement, and that JCDecaux is not a party to the Sponsorship Amenity Lease. If this Agreement is assigned to City, AXP agrees that it may not make requests of City or take actions that would be contrary to the terms as set forth in the TMO Agreement (regardless of whether the TMO Agreement between JCDecaux and City has terminated) or make requests to the City or take actions, which if made to JCDecaux or taken during the term of the TMO Agreement would have caused JCDecaux to be in breach of the TMO Agreement; and further that AXP will not

make requests to City or take actions that would be contrary to (a) City's rights as described in the TMO Agreement or (b) local, state or federal law, or airport rules and regulations.

7. Publicity. JCDecaux and AXP shall not make any public statements or announcements without the prior written agreement of the other party, which shall not be unreasonably withheld. Notwithstanding anything to the contrary herein, the parties agree that if they can reasonably agree on a joint press release announcing the opening of the Lounge, then they shall jointly issue such release. The parties acknowledge that this provision does not apply to The City.

8. Audits and Records.

- 8.1. Auditors. AXP and its agents, auditors (internal and external), regulators and other representatives as AXP may designate (collectively, "Auditors") shall have the right to inspect, examine and audit the systems, records, data, practices and procedures of JCDecaux (and its subcontractors) that are related to JCDecaux's performance hereunder (collectively, "Audits") to verify: (i) the accuracy of JCDecaux's deployment of Sponsorship Elements as required hereunder, and (ii) JCDecaux's compliance with this Agreement and all laws, regulations and government-issued rules and guidance that are applicable to the subject matter of this Agreement.
- 8.2. Audit Procedures. Audits shall be conducted during business hours and upon reasonable advance notice except in the case of Audits by government regulators, bona fide emergency or security Audits, and Audits investigating claims of fraudulent or deceptive behavior. AXP and its Auditors shall comply with reasonable security and confidentiality requirements when accessing facilities or other resources owned or controlled by JCDecaux, and AXP acknowledges that LAWA facilities may have superseding security requirements which shall govern. JCDecaux shall maintain policies and procedures which reasonably enable the Auditors to conduct Audits. JCDecaux (and its subcontractors) shall cooperate fully with AXP and its Auditors in conducting Audits and provide such assistance as they reasonably require to carry out the Audits. AXP shall use commercially reasonable efforts to have its regulators comply with the foregoing, but their failure to do so shall not constitute a breach of this Agreement.
- 8.3. Audit Sharing. AXP may provide relevant information obtained in connection with the Audits, including the Audit findings, to its Auditors and regulators as necessary to comply with applicable law, regulation and guidance (however, to the extent reasonably permissible, AXP agrees to request confidential treatment of such findings by its regulators). Neither AXP nor its Auditors may share such Audit findings except to the extent required by the TMO Agreement or by law.
- 8.4. Records. JCDecaux shall maintain and provide access upon request to records, documents and other information required to meet AXP's audit rights under this Agreement until the later of (i) three (3) years after the expiration or termination of this Agreement, (ii) the date on which all pending matters relating to this Agreement (e.g., disputes) are closed, (iii) the date on which the information is no longer required to meet AXP's records

retention policy as disclosed by AXP to JCDecaux and as such policy may be adjusted from time to time, or (iv) any periods as required by law.

9. Dispute Resolution.

- 9.1. Arbitration. All disputes, claims or controversies related to or arising under this Agreement (including any under a statute or regulation, "Disputes") shall be submitted to binding arbitration ("Arbitration"), which shall take place in the State of New York, New York County, and shall be administered by, and pursuant to the rules of, the American Arbitration Association ("AAA") in effect at the time of filing, except and unless this Agreement is assigned to the City of Los Angeles Department of Airports, in which case the entirety of this Section 9 shall not apply.
- 9.2. Escalation, Performance and Relief. Before initiating Arbitration, a party shall have a senior-level employee of that party notify a senior level-employee of the other party, and during the next thirty (30) days, those individuals shall reasonably discuss resolutions of the Dispute. During such discussions and any Arbitration, the parties shall continue to perform their obligations hereunder. Either party may seek a temporary restraining order or other temporary or preliminary relief pending final resolution of a Dispute. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.3. **Limitation of Rights.** Neither party shall have the right to litigate the Dispute in court or have a jury trial, or to engage in pre-arbitration discovery except as provided in the AAA rules in effect at the time of filing. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.4. Additional Requirements. Disputes shall be arbitrated on an individual basis, with no right or authority for any Disputes to be arbitrated on a class action basis or in a purported representative capacity on behalf of the general public or similarly situated persons or entities. The arbitrator's authority to resolve and make awards for Disputes is limited to Disputes between the parties to this Agreement alone. Disputes brought by either party to this Agreement against the other may not be joined or consolidated in arbitration with other claims brought by or against any third party, unless agreed to in writing by all parties. No Dispute arbitration award or decision shall be given preclusive effect as to issues or claims in any dispute with any person who is not a party to the arbitration. This "Dispute Resolution" section may be enforced in a court of competent jurisdiction, and should any portion thereof be stricken from this Agreement or deemed otherwise unenforceable, then this entire "Dispute Resolution" section shall be stricken from this Agreement. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.5. Costs. The parties shall be responsible for paying their respective shares of any of the costs associated with the Arbitration. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.

10. Notices. Unless otherwise specified, all notices shall be in writing and delivered personally or mailed, first class mail, postage prepaid, to the addresses of the parties set forth at the beginning of this Agreement, to the attention of the undersigned; provided, however, that a copy of any notice from JCDecaux shall also be sent to: (i) General Counsel's Organization, Technology & Digital Law Group Real Estate Counsel, American Express Tower, 200 Vesey Street, 49th floor, New York, New York 10285-4900; (ii) General Counsel's Organization, U.S. Consumer Services Counsel, American Express Tower, 200 Vesey Street, 49th floor, New York, New York 10285-4900; and (iii) U.S. Consumer Services, Director of Centurion Lounges, American Express Tower, 200 Vesey Street, 34th floor, New York, NY 10285-4900, and further provided that a copy of any notice from AXP shall also be sent to Edward C. Wallace, Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166. Either party may change the address(es) or addressee(s) for notice hereunder upon written notice to the other. All notices are deemed given on the date delivered. A copy of all notices shall also be provided to:

Commercial Development Group Attention: Executive Director 1 World Way Los Angeles CA 90045

With a copy to:

Los Angeles World Airports Attention: General Counsel 1 World Way Los Angeles CA 90045-5803

11. General.

- 11.1. Entire Agreement, Amendments. This Agreement, including Exhibit A, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous agreements, written or oral. This Agreement shall not be modified or amended except in writing signed by both parties and consented to by LAWA. Nothing in this Agreement shall waive, negate or in any way modify the obligations or terms set forth in the Sponsorship Amenity Lease or the TMO Agreement. If there is a conflict between the terms of this Agreement and the Sponsorship Amenity Lease, the Sponsorship Amenity Lease language shall prevail.
- The City is specifically named as and shall be a third party beneficiary to this Agreement. Other than The City, there shall be no third party beneficiaries. This Agreement is for the sole benefit of the parties hereto (and The City) and their successors and permitted assigns and nothing herein, express or implied, shall give or be construed to give any person other than the parties hereto (and The City) any legal or equitable rights hereunder. Nothing in this Agreement shall be construed to create any franchise, joint venture, trust, partnership or any other similar relationship between the parties for any purpose whatsoever.

- 11.3. Waiver. At no time shall any failure or delay by either party in enforcing any provisions, exercising any option, or requiring performance of any provisions hereunder be construed to be a waiver or relinquishing for the future of the same.
- 11.4. Severability. If any term, provision or part of this Agreement is to any extent held invalid, void or unenforceable, the remainder of this Agreement shall not be impaired or affected thereby, and each term, provision and part shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law, provided the essential mutual material purposes of this Agreement are preserved.
- 11.5. Governing Law and Venue. The Parties agree this Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of California without regard to conflict of law principals, and any claim or action brought in connection with the Agreement shall be brought in the Federal or State court located in the County of Los Angeles, and the parties hereto irrevocably consent to the exclusive jurisdiction of such court. If this Agreement is assigned to The City, the parties waive a trial by jury.
- 11.6. Assignments. Except as expressly stated herein, neither party may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party and The City. JCDecaux shall be deemed to consent if AXP assigns its rights under this Agreement in whole or part to an entity that is (a) acquiring all or substantially all of AXP's assets and assuming all liability related to such assets, (b) acquiring the division, business unit or operation of AXP which utilizes the Sponsorship Elements or operates the Lounge and assuming the liabilities of such division, business unit or operation, and (c) any AXP affiliate as reported in its public security or tax filings. Additionally, AXP shall be deemed to consent if JCDecaux assigns its rights under this Agreement in whole or part to an entity that is both: (a) acquiring all or substantially all of JCDecaux's assets and assuming all liability related to such assets, and (b) the terminal media operator under the TMO Agreement. JCDecaux and AXP shall be deemed to consent if this Agreement is assigned pursuant to Section 4.2 of this Agreement. The parties acknowledge that under no circumstances shall The City be deemed to consent to any assignment hereunder. For all assignments hereunder, each party shall ensure that the other party receives prompt notice of such assignment which includes the assignee's agreement in writing to the terms and conditions of this Agreement. Any purported assignment in breach of this "Assignments" subsection shall be null and void.
- 11.7. Counterparts. The parties agree that this Agreement may be executed in counterparts and further agree to accept electronically transmitted copies of executed copies of this Agreement, each of which, when so executed and delivered, shall be deemed and original, but all of which when taken together shall constitute but one and the same instrument.
- 11.8. *Enforceability*. Even if signed by AXP below, or fully executed by the parties, this Agreement shall only become enforceable upon the execution of both this Agreement and the Sponsorship Amenity Lease governing the Lounge.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

JCDECAUX:

By: Sermed Parisot

Title: Co-CEO

Date: 4/2/18

AXP:

By:

Name: Title:

Date:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

By:
Name:
Title:
Date:

AXP:

By: Name:

Dung Buckminster

Title:

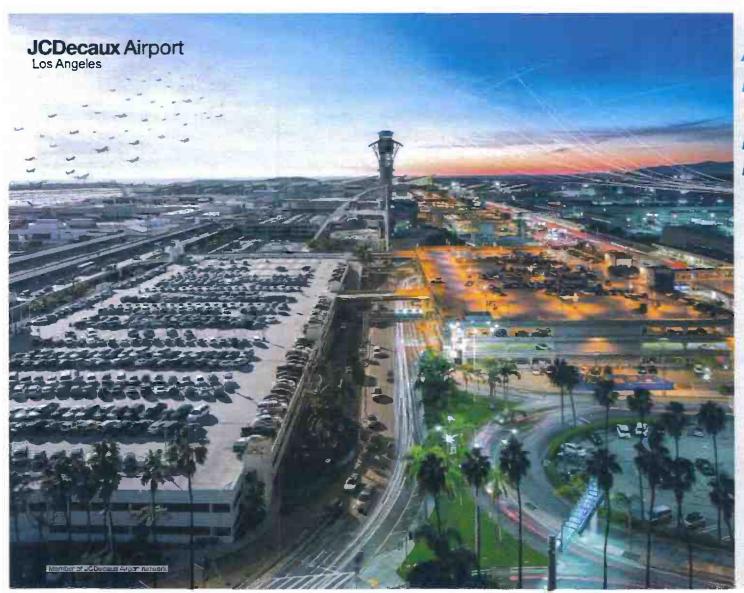
our President, Elibal Consumer

Date: _4

IBAN T NOWAK

ASSISTANT SECRETARY

Exhibit A



AMERICAN EXPRESS

Brand Sponsorship Elements

March 1, 2018

List of Possible Sponsorship **Elements**

Elements Highlighted in Blue are Agreed Upon for Contract Year 1 (Pending Availability)

TFRMINAL	AD UNIT	*DESCRIPTION		
		Located post TBIT security, reaches 100% of departing passengers as they	ANCTONIA DECEMBER	
BIT	Bon Voyage Wall	enter the Great Hall.	0406	
	Recompose Area – Digital			
твіт	Column Network	Network of 10 high impact screens at TSA security	0301-0335	
		Amex branded seating area post security (4x) including flooring, seating &		
TBIT	Recompose Area Sponsorship	branded banners	0906	
		Attract passengers to new Lounge as they transit in between TBIT & AA		
IBIT/T4 Connector Banners & Wraps	Over Size Static Spectacular	hub.	4702	
TBIT/T4 Conne ct or	Framed Banner	Attract passengers to new Lounge as they transit in between TBIT & AA hub.	0848	
TBIT/T4 Connector	Framed Banner	Attract passengers to new Lounge as they transit in between TBIT & AA hub.	0849	
		Large format overhead banner reaches 100% of departing passengers just		
T1 Recompose Banner- Southwest	Dominant ad unit	post TSA checkpoint.	1816	
		Amex branded seating area post security including flooring, seating &		
Γ2 Recompose Package - Domestic/Intl.	Package of Wall wraps/Banner	branded banners	2901	
		Amex branded seating area post security including flooring, seating &		
T3 Recompose Package - Delta	Package of Wall wraps/Banner	branded banners	3901	
		Reach passengers in the main AA terminal after they pass through TSA with		
		Amex branded seating area post security including flooring, seating &		
[4 Recompose Package - American	Network of Wall wraps Post TSA	branded banners	4901	
5 Recompose Package -		Reach passengers in an AA terminal after they pass through TSA with Amex		
American/JetBlue/Spirit/Frontier/Allegiant/Hawaii		branded seating area post security including flooring, seating & branded		
an/SunCountry	Package of Wall wraps/Banner	<u>banners</u>	5901	
6 Recompose Package - Alaska/VirginAmerica/Air		Amex branded seating area post security including flooring, seating &		
Canada/Mokulele/GreatLakes/Ethiopian	Package of Wall wraps/Banner	branded banners	6901	
Г7 Package – United	Dominating Wall wrap	Overhead soffit wrap that dominates United ticketing area	7704	
		Large framed banner reaches United passengers en route to arrival and		
T7 Package – United	Framed Banner	Terminal 8	7817	



CONTRACT YEAR 1 SPONSORSHIP ELEMENTS





Tom Bradley Intl' Great Hall

Bon Voyage Wall

0406

Member of JCDecaux Argon network



Terminal 4 – Tom Bradley Connector

Connector Domination Package

• 4702WW

Member of JCDecaux Argon network



Terminal 4 TSA

Recompose Area Package – Corridor Wraps

• 4901SD



Terminal 4 TSA

Recompose Area Package -**Corridor Wraps**

4901SD



Terminal 4 TSA

Recompose Area Package -**Corridor Wraps**

4901SD



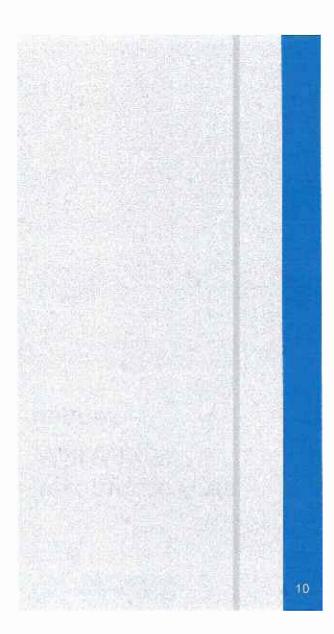
Terminal 5 TSA

Recompose Area -Wall Wraps, Banner

5901



OTHER SPONSORSHIP ELEMENT OPTIONS





Tom Bradley Intl' TSA

Recompose Area – Digital Column Network

• 0301DG-0335DG

Member of JCDecaux Arport network



Tom Bradley Intl' TSA

Recompose Area – Seating, Floor Wraps, Wall Wraps

0906SD

Member of JCDecaux Airport network

Los Angeles



Terminal 4 – Tom Bradley Connector

Connector Domination Package

• 0848

Member of JCDecaux Airpor network



Terminal 4 – Tom Bradley Connector

Connector Domination Package

0849

Member of JCDecaux Argort network

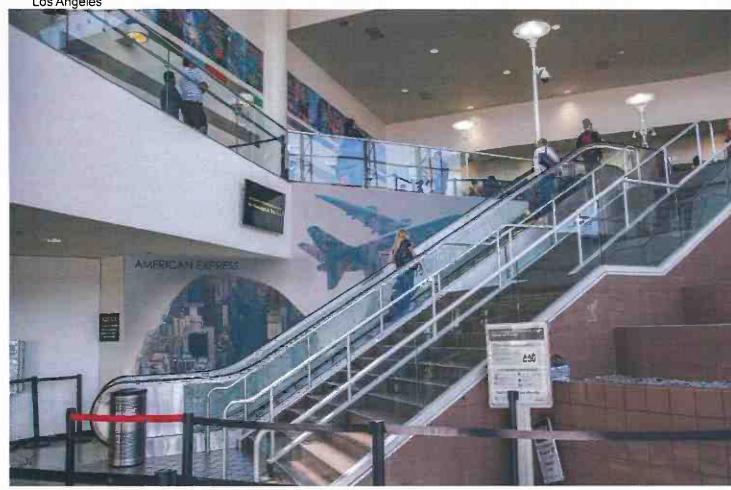


Terminal 1

Recompose Area – Banner

1816

Member of JCDecaux Arbor, network



Terminal 2 TSA

Recompose Area – Wall Wraps, Banner

2901

Momber of JCDecaux Airgon network



Terminal 2 TSA

Recompose Area – Wall Wraps, Banner

• 2901



Terminal 3 TSA

Recompose Area – Wall Wraps, Column Wraps, Stairs Wrap, Banner

• 3901

Member of JCDocaux Airpor, network



Terminal 3 TSA

Recompose Area – Wall Wraps, Column Wraps, Stairs Wrap, Banner

3901

Member of JCDocaux Argon network



Terminal 6 TSA

Recompose Area – Wall Wraps, Column Wraps, Stair Wraps

6901

Member of JCDecaux 4/1001 network



Terminal 6 TSA

Recompose Area – Wall Wraps, Column Wraps, Stair Wraps

6901

Member of JCDecaux Airbor network

JCDecaux Airport Los Angeles



Terminal 7

Large Format Wall Wrap

• 7704

Mamber of JCDecaux Airport network

JCDecaux Airport Los Angeles



Terminal 7

Large Format Banner

7817

Mamber of JCDecaux Anger network

THE CITY OF LOS ANGELES, DEPARTMENT OF AIRPORTS,

Landlord

and

AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC. *Tenant*

SPONSORSHIP AMENITY PREMIER PASSENGER LOUNGE SPACE LEASE

Dated as of
Dated as of

Tom Bradley International Terminal Los Angeles International Airport

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SCHEDULES AND EXHIBITS

SCHEDULES

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EXHIBITS

Exhibit 1 The AXP Sponsorship Agreement
Exhibit A Description of Demised Premises
Exhibit B Rate Methodology
Exhibit C Qualified Lounge Improvements
Exhibit D Child Support Assignment Orders
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Exhibit E Contractor Responsibility Program & Pledge of Compliance
Exhibit F First Source Hiring Program

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Exhibit H Service Contractor Worker Retention Ordinance

Exhibit I Equal Employment Practices

Exhibit J Affirmative Action

Exhibit K Letter of Credit Requirements not listed in the agreement

Exhibit L FORM 50
Exhibit M FORM 55

Exhibit N Alternative Fuel Policy

SPONSORSHIP AMENITY PREMIER PASSENGER LOUNGE SPACE LEASE AND LICENSE AGREEMENT

THIS SPONSORSHIP AMENITY PREMIER PASSENGER LOUNGE SPACE LEASE AND LICENSE AGREEMENT is made as of ______, 2018 between the CITY OF LOS ANGELES, acting by and through the Board of Airport Commissioners of its Department of Airports ("Board" or "BOAC"), as landlord and licensor ("Landlord"), and AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., a New York corporation, as tenant and licensee (hereinafter referred to as "AXP" or "Tenant").

WHEREAS, the Landlord is the owner and operator of the Los Angeles International Airport ("Airport" or "LAX") located in the City of Los Angeles, County of Los Angeles, State of California; and

WHEREAS, it is necessary, in the promotion of air commerce and air transportation, that premier passenger lounges be provided at the Terminal; and

WHEREAS, AXP, pursuant to the LAX TMO Concession Agreement¹ has entered into the City approved 10 year Sponsorship Agreement (attached hereto as Exhibit 1) with JCDECAUX AIRPORTS INC. ("JCD"); and

WHEREAS, the Sponsorship Agreement contains a requirement that APX develop and operate an LAX passenger amenity consisting of an approximately 13,693 square foot premier passenger lounge (AXP Lounge) in the Tom Bradley International Terminal ("TBIT"); and

WHEREAS, Landlord desires to lease Tenant certain space in TBIT in which Tenant will develop and operate the Sponsorship Amenity AXP Lounge; and

WHEREAS, Tenant will be responsible for all costs associated with the AXP Lounge, including but not limited to, design, construction, and operation of the Lounge, and unless specifically stated otherwise in this Lease, LAWA shall not be responsible for any costs associated with the AXP Lounge.

NOW, THEREFORE, in consideration of the clauses set forth above, as well as the other mutual agreements contained in this Lease, the Landlord and the Tenant agree with each other as follows:

¹ The "TMO Concession Agreement" or "TMO Agreement" refers to The Los Angeles International Airport Terminal Media Operator Concession Agreement between JCDECAUX AIRPORTS INC. and THE CITY OF LOS ANGELES DEPARMENT OF AIRPORTS, Agreement No. LAA-8796, dated February 1, 2014, as amended. AXP Sponsorship Amenity Premium Lounge Space Lease Final

1. Demise; Grant of License; Term.

1.1. Demise.

- 1.1.1 Upon and subject to the conditions and limitations set forth in this Lease, the Landlord hereby leases to the Tenant, and the Tenant hereby rents from the Landlord, the Demised Premises as described and delineated in Exhibit A.
- 1.1.2 Minor Modifications to Demised Premises. Following the completion of the Lounge Improvements (as defined in Section 1.4.1), (i) minor modifications to the Demised Premises, not to exceed a cumulative rental adjustment of \$150,000, may be made by the Executive Director by an amendment to Exhibit A, subject to City Attorney approval as to form, with an appropriate adjustment in rental charges without the prior approval or later ratification by the Board or the City Council, and (ii) minor modification(s) of the Demised Premises, not to exceed a cumulative total of ten percent (10%) of the Demised Premises as delineated in Exhibit A, may be made by the Board by an amendment to Exhibit A, subject to City Attorney approval as to form, with an appropriate adjustment in rental charges without the prior approval or later ratification by the City Council. If, following the completion of the Lounge Improvements, minor modification(s) of the Demised Premises exceed a cumulative ten percent (10%) of the Demised Premises as delineated in Exhibit A, such modification shall be subject to approval by the Board and City Council.
- 1.2. <u>Grant of License.</u> In connection with the lease of the Demised Premises, the Landlord grants to the Tenant a non-exclusive license to use the Public Areas in the Terminal, which license shall expire simultaneously with the expiration or earlier termination of the Term.

1.3. Term, Reduction of Term and Early Termination Options.

- 1.3.1. This Lease shall commence on the first day of the month after the Lease is signed by the Landlord (the "Commencement Date"), and shall terminate ten (10) years (the "Term") from the Rent Commencement Date, unless (i) earlier terminated pursuant to terms hereinafter set forth or, (ii) at the option of Landlord, and upon one hundred and eighty (180) days written notice to the Tenant, extended for one additional five (5) year period. Landlord's option to extend shall take effect unless Tenant notifies LAWA, in writing, at least 160 days prior to the expiration of the initial term that it declines the additional five year extension.
- 1.3.2. Reduction of Term. The Tenant acknowledges that the term of this Lease was determined by the Landlord on the assumption that the Tenant will make the Lounge Improvements (as defined in Section 1.4.1) required under Section 1.4 of this Lease and the Lease will remain in place throughout the AXP Sponsorship Agreement. Notwithstanding Section 1.3.1, if the Tenant does not complete construction of the Lounge Improvements within one (1) year after the Commencement Date (the "Non-

<u>Completion Date</u>"), LAWA may, terminate the Lease after the Non-Completion Date or pursue any other remedies available at law or equity; provided, however, that the Non-Completion Date may be extended by the Executive Director in his or her sole discretion, reasonably exercised.

1.3.3. Landlord Early Termination Options.

- 1.3.3.1. The Landlord shall also have the option to terminate this Lease for security and airport operational needs by providing the Tenant a 90 day advance written notice (the "<u>Termination Notice</u>"), provided, however, that the Landlord may not terminate this Lease pursuant to this <u>Section 1.3.3.1</u> for (a) accommodating additional concession uses, or (b) providing lounge space to other premier passenger lounge operators.
- 1.3.3.2. If the Landlord exercises its right of early termination pursuant to Section 1.3.3.1 above, the Landlord will purchase, subject to Board approval, either the Completed Qualified Lounge Improvements Investment (defined below) or the Uncompleted Qualified Lounge Improvements Investment (defined below) pursuant to the terms in Sections 1.3.3.2 (a) and (b) below so long as the Completed Qualified Lounge Improvements or Uncompleted Qualified Lounge Improvements Investment, as applicable, equals or exceeds the Capital Improvements Requirement pursuant to Schedule 5.
 - Completed Qualified Lounge Improvements Investment. If the Completion Date has occurred as of the date of the Termination Notice (the "Termination Notice Date"), the Landlord shall purchase the Completed Qualified Lounge Improvements Investment identified in general terms in Exhibit C hereto. The purchase price for the Completed Qualified Lounge Improvements Investment will be the undepreciated amount of the Completed Qualified Lounge Improvements Investment identified as included in Exhibit C and installed by the Tenant in the Demised Premises based on a straight-line depreciation starting on the Completion Date through the end of the Term. The Completed Qualified Lounge Improvements Investment shall be determined as follows: within sixty (60) days of the Completion Date, the Tenant shall provide the Landlord a Lounge Improvements Investment Report, which lists, in detail, the specific improvements and the actual verified costs incurred by the Tenant for the Lounge Improvements. Within sixty (60) days of receiving the Lounge Improvements Investment Report, the Executive Director will review the Lounge Improvements Investment Report and, in his or her sole discretion, make a final determination of the improvements and associated costs that are identified in general terms in Exhibit C hereto and qualify as reasonable and permanent lounge improvements (such improvements, the "Completed Qualified Lounge Improvements

Investment"), Within the same 60-day period, the Executive Director will issue to the Tenant the Executive Director's determination of the Completed Qualified Lounge Improvements Investment ("ED Determination Letter"). The ED Determination Letter shall be attached to the Lease as an addendum to Exhibit C and will be included in the Project Closeout Letter as an official project cost.

- Uncompleted Qualified Lounge Improvements Investment. If the Completion Date has not occurred as of the date of the Termination Notice Date, the Landlord shall purchase the Uncompleted Qualified Lounge Improvements identified in general terms in Exhibit C hereto. The purchase price for the Uncompleted Qualified Lounge Improvements Investment will be the actual out-of-pocket expenses incurred by the Tenant up to the Termination Notice Date attributable to the Uncompleted Qualified Lounge Improvements Investment identified in general terms in Exhibit C hereto. The Uncompleted Qualified Lounge Improvements Investment shall be determined as follows: within sixty (60) days of the Termination Notice Date, the Tenant shall provide the Landlord a Lounge Improvements Investment Report, which lists, in detail, the specific improvements and the actual verified costs incurred by the Tenant for the Lounge Improvements as of the Termination Notice Date. Within sixty (60) days of receiving the Lounge Improvements Investment Report, the Executive Director will review the Lounge Improvements Investment Report and, in his or her sole discretion, make a final determination of the improvements and associated costs that are included in Exhibit C hereto and qualify as reasonable lounge improvement costs (such improvements, the "Uncompleted Qualified Lounge Improvements Investment"), Within the same 60-day period, the Executive Director will issue to the Tenant the Executive Director's determination of the Uncompleted Qualified Lounge Improvements Investment.
- 1.3.3.3 Audit Rights. In addition to the provision in Section 3.5.2, the Landlord may, at its sole discretion and with reasonable notice to the Tenant, require the Tenant to provide access to all records and other information necessary to perform an audit of all or any of the Lounge Improvements. The Landlord shall have the right to commence such audit at any time up to three (3) years beyond the payment of the Completed Qualified Lounge Improvements Investment or the Uncompleted Qualified Lounge Improvements Investment pursuant to Sections 1.3.3.2(a) or 1.3.3.2(b) as applicable. The Landlord's right to access such records and information shall continue until any audit so commenced is concluded to the Landlord's reasonable satisfaction. The Tenant shall retain all records and other information necessary to perform such an audit until so concluded.

- 1.3.3.4 Upon the purchase and payment of the Completed Qualified Lounge Improvements Investment or the Uncompleted Qualified Lounge Improvements Investment, as applicable, title to such improvements shall vest in the Landlord
- 1.3.3.5 <u>Survival</u>. Sections <u>1.3.3.2</u>, <u>1.3.3.3</u> and <u>1.3.3.4</u> shall survive the termination of the Lease.
- 1.3.4 Tenant Early Termination Option. Provided the Tenant is not in default of this Lease or the Sponsorship Agreement beyond any applicable notice and cure period, Tenant shall have an option to terminate this Lease before the end of the Term (the "Early Termination Option") at the end of the Fifth year following the Rent Commencement Date (the "Early Termination Date"), provided Tenant (1) gives LAWA written notice at least 180 days prior to the Early Termination Date, (2) pays the first installment of the Early Termination Option Fee defined below, and (3) cures any default of the Lease or Sponsorship Agreement (regardless of whether the cure period has Other than early termination, all other terms of the Lease will remain unchanged (including without limitation the obligation of Tenant to pay all of the installments of the Early Termination Option Fee) per section 25.16. The "Early Termination Option Fee" shall be defined as five times the annual rental rate in effect at the Early Termination Date, reduced by any rentals for the Demised Premises actually received by LAWA during the five year period following the Early Termination Date (The Option Fee Payment Period), to be paid by Tenant in five equal installments over The Option Fee Payment Period, with the first installment due on the Early Termination Date and subsequent payments to be made on that same calendar date the following four years. Any rentals received by LAWA for the Demised Premises during The Option Fee Payment Period shall be applied to reduce the next annual payment. Tenant agrees LAWA shall have no obligation to seek a new tenant for the space or lease the Demised Premises following Tenant's exercise of the Early Termination Option. If Tenant exercises the Tenant Early Termination Option, LAWA will not pay for any unamortized Qualified Lounge Improvements. By way of clarification, after the Lease is terminated under this provision. Tenant acknowledges and agrees: (a) Tenant's obligation to pay all additional installments of the Early Termination Option Fee expressly survives such termination and remains in full force and effect, and (b) if Tenant shall fail to pay any installment of the Early Termination Option Fee on its due date as provided above and such failure shall continue for more than 10 days after Tenant receives written notice from Landlord of such failure, then Landlord shall have all rights and remedies at law and in equity to collect such amounts due, plus all late charge(s) due in the amount described in Section 3.7. Additionally, if Tenant does not cure such failure to pay within such 10 day period, Landlord shall have the right to issue a second notice to Tenant of such failure to pay, and if Tenant does not cure such failure within 10 days of Tenant's receipt of the second notice, then Landlord shall have the right to declare all unpaid installments of the Early Termination Option Fee immediately due and payable and Landlord shall

have all rights and remedies at law and in equity to collect such amounts due, plus all late charge(s) due in the amount described in Section 3.7.

1.4. Lounge Improvements.

Generally. At the Tenant's sole cost and expense, the Tenant shall be required to make permanent capital improvements in the Demised Premises (the "Lounge Improvements"), which shall be subject to Sections 4 of this Lease. The Tenant shall make Lounge Improvements in a dollar amount commensurate with the "Capital Improvements Requirement" as provided in Schedule 5. In addition to the requirements of Section 4, the Tenant shall also provide with its request for consent for the Lounge Improvements pursuant to Section 4, detailed drawings, plans and cost estimates of the Lounge Improvements. The Tenant also agrees to perform all alterations to the Demised Premises in accordance and compliance with the most current published versions of the LAWA Design and Construction Handbook and the Design Guidelines for the Bradley West Core and Concourses and Tom Bradley International Terminal Modifications (the current versions can be found at http://www.lawa.org/laxdev/Handbook.aspx).

- 1.4.1. <u>Additional Use of Space outside of Lease</u>. To the extent the Tenant requires the use of space in the terminals at the Airport in addition to the Demised Premises under this Lease for construction related to the Lounge Improvements, the Tenant shall use such space pursuant to the terms of the Tariff.
- 1.4.2. Prevailing Wage. Construction, alteration, demolition, installation, repair or maintenance work performed on the Landlord's property may require payment of prevailing wages in accordance with federal or state prevailing wage and apprenticeship laws. The Tenant is obligated to make the determination as to whether prevailing wage laws are applicable, and shall be bound by and comply with applicable provisions of the California Labor Code and Federal, State, and local laws related to labor. The Tenant shall indemnify and pay or reimburse the Landlord for any damages, penalties or fines and interest (including, but not limited to, attorney's fees and costs of litigation) that the Landlord incurs, or pays, as a result of noncompliance with applicable prevailing wage laws in connection with the work performed for the Lounge Improvements.
- 1.4.3. <u>Competitive Bidding/Proposals</u>. The Tenant recognizes and accepts that the contractor selection procedures specified herein are intended to promote pricing and responsive and responsible proposals in a fair and reasonable manner. As such, the selection of contractors for the construction of the Lounge Improvements shall be based upon competitive bids or proposals as follows:
 - 1.4.3.1. The Tenant shall use reasonable efforts to secure the commitment to bid or propose on the Lounge Improvements from a minimum of three (3) bidders or proposers.

- 1.4.3.2. In the event that the Tenant obtains fewer than three (3) bids or proposals, it shall provide the Landlord with a written description of its efforts to obtain competition and, if it believes that it should proceed to award the bid or proposal with fewer than three (3) bidders or proposers, the justification therefor, including why the Tenant helieves the cost of such bid or proposal is reasonable.
- 1.4.3.3. In the event that the Tenant elects not to proceed to award the bid or proposal solely on the basis of price, it shall provide the Landlord with a written justification of the reasons therefor.
- 1.4.4. Warranty. The Tenant warrants that the services provided herein shall conform to the highest professional standards pertinent to respective industry. The Tenant warrants that all materials and equipment furnished for the Lounge Improvements will be new and of good quality unless otherwise specified, and that all workmanship will be of good quality, free from faults and defects and in conformance with the design documents approved by the City of Los Angeles Department of Building and Safety.

1.4.5. Rules and Regulations.

- (a) The Tenant shall have sole responsibility for fully complying with any and all present and future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government applicable to the Improvements. The Tenant shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the Executive Director which are now in force or which may be hereafter adopted by the Board and/or the Executive Director with respect to the operation of the Airport. In addition, the Tenant agrees to specifically comply with any and all Federal, State, and/or local security regulations, including, but not limited to, 14 CFR Parts 107 and 108, regarding unescorted access privileges.
- (b) The Tenant shall comply with the Title VI of the Civil Rights Act of 1964 relating to nondiscrimination. Additionally, FAR Clause 52.203-11 "Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions" is incorporated herein by reference into this Lease. Contracts awarded by the Tenant as a result of these Lounge Improvements must comply with Federal provisions established by laws and statutes.
- (c) The Tenant and its contractors shall be responsible for all civil penalties assessed as a result of failure to comply with any and all present and future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government regarding the Lounge Improvements. The Tenant and its contractors shall hold the Landlord harmless and indemnify the Landlord for all civil penalties resulting from such failure.

1.4.6. Independent Contractor. In furnishing the services provided in <u>Section 1.4</u>, the Tenant is acting as an independent contractor. The Tenant is to furnish such services in its own manner and method and is in no respect to be considered an officer, employee, servant or agent of the Landlord.

2. Use.

- 2.1. <u>Permitted Uses</u>. The Tenant may, subject to any applicable Legal Requirements and to all other applicable Legal Requirements provisions of this Lease, use and occupy the Demised Premises only for development and operation of a sponsorship amenity premier passenger lounge, which may include offering Tenant's products and services (and related products and services) offered publicly and not exclusively in connection with the lounge.
- 2.2. <u>Prohibited Uses</u>. Notwithstanding anything in <u>Section 2.1</u> to the contrary, without the prior consent of the Landlord the Tenant will not use or occupy, or permit any portion of the Demised Premises to be used or occupied for any other use not specifically permitted.
- 2.3. Other Use Limitations. The Tenant will conduct its operations at the Demised Premises in such a manner as to reduce as much as is reasonably practicable, considering the nature and extent of the Tenant's operations, any and all activities that interfere unreasonably (whether by reason of noise, vibration, air movement, fumes, odors or otherwise) with the use by any other Person of space in the Terminal or other facilities at the Airport.
- 2.4. <u>Limitations on WiFi.</u> The Tenant shall be allowed to provide wireless internet service ("<u>WiFi</u>"), which will allow passengers in the Demised Premises to access the internet, so long as the installation of the access control equipment, wireless internet servers, transceivers, modems or other hardware that transmit or otherwise access radio frequencies has been approved by the Landlord pursuant to <u>Section 4</u> of this Lease. The Landlord shall not unreasonably withhold or delay such approval and the Tenant shall cooperate and provide any necessary information or documents prior to such approval.
 - 2.4.1. Should approval be given by the Landlord, the Tenant shall do the following: (a) the Tenant's WiFi equipment signal shall be controlled to limit access to the passengers in the Demised Premises only within the boundary of the Demised Premises and may not interfere with the Landlord's or another's control equipment, wireless internet servers, transceivers, modems or other hardware that transmit or otherwise access radio frequencies, (b) the Tenant shall have sole responsibility for fully complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government, including orders, directives and/or conditions issued, given or imposed by the Executive Director which are now in force or which may be hereafter adopted by the Board, and (c) the Tenant agrees to comply with all applicable present and future privacy laws, U.S. or foreign (European Union, etc.); including those set forth in California Civil Code Sections 1798.29, 1798.82 and 1798.84, as may be amended from time to time.

- 2.4.2. The Tenant shall be solely responsible for any and all civil and or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, ordinances, statutes, laws and/or orders, directives or conditions.
- 2.4.3. Notwithstanding the prior consent of the Landlord for the installation of any such system or equipment, the Executive Director shall have the absolute right, upon thirty (30) days' prior written notice, to require the removal of any such system or equipment (at the Tenant's sole expense) in the event that such system or equipment interferes with any present or future systems or equipment installed by the Landlord or other authorized users as determined by the Executive Director in his or her sole discretion.
- 2.4.4. The Tenant shall be responsible for any and all liabilities arising out of its violation of any privacy laws related to or in connection with providing WiFi service to its passengers. The Tenant further agrees to indemnify and hold harmless the City of Los Angeles, its respective agencies, department, boards, all of their commissioners, officers, employees, and authorized agents, and at the option of the City of Los Angeles, to provide defense against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever caused or brought by any person, including any aggrieved party under California Civil Code Sections 1798.29, 1798.82 and 1798.84, as amended from time to time, and arising out of Tenant's breach of any of its duties and obligations under California Civil Code Sections 1798.29, 1798.82 & 1798.84, as amended from time to time. The indemnification herein includes all awards, damages, interests, costs and attorneys' fees, if any. Such defense will be consistent with City Charter Sections 271, 272 and 273.
 - 2.4.5. Section 2.4.4 shall survive the termination of the Lease.
- 3. Rent. The Tenant shall pay as rent the fees and charges calculated pursuant to the Board-adopted rates and charges methodology for the Tariff (the "Rate Methodology") and as set forth in this Lease. The Board-adopted Rate Methodology is attached hereto as Exhibit B. The rent described in Section 3.1 is subject to adjustment by the Board by resolution, and the Tenant shall pay the rent based on the then Board-approved rates. The methodology for calculating the rent under Section 3 is the methodology that is, as of the execution date of this Lease, the methodology used in the Tariff. The Tariff contains the terms and conditions applicable to all Airlines using terminal space at the Airport that do not have a lease. The Tenant acknowledges that the Tariff may be amended from time to time. Upon the amendment of the methodology for calculating rates and charges under the Tariff, the Tenant acknowledges and agrees to be subject to such new methodology for calculating rates and charges and agrees that such new methodology as described and defined under the Tariff shall be incorporated into this Lease by reference and Section 3.1 shall be deemed amended without the need for any further action. In addition to the Tenant's audit right pursuant to Section 3.5.1, the Landlord agrees to consult with the Tenant before adopting a replacement methodology for calculating terminal rates and charges

and to provide the Tenant with 60 days to provide written comments on such replacement methodology.

3.1. <u>Terminal Buildings Charge</u>. From the Rent Commencement Date to the end of the Term, the Tenant shall pay to the Landlord a "<u>Terminal Buildings Charge</u>" for the use of the Demised Premises. The Terminal Buildings Charge is comprised of the Unified Capital Charge and an Operations and Maintenance Charge for the use of the Demised Premises. The Terminal Buildings Charge shall be calculated each for each calendar month in an amount equal to the Terminal Buildings Rate for the month multiplied by the square footage of the Demised Premises. The Terminal Buildings Rate in effect as of the Commencement Date is the amount reflected on the Basic Information Schedule as the "Terminal Buildings Rate."

3.2. Payments.

- 3.2.1. <u>Rental Payments</u>. The Tenant shall be subject to the payment terms for fees and charges as set forth in the Tariff for its payment of Base Rent and additional rent to the Landlord.
- 3.2.2. <u>Rental Adjustments</u>. Any adjustment of Base Rent and additional rent shall be pursuant to the terms of the Tariff.

3.3. Percentage Rent.

3.3.1. For each calendar month during the Term, the Tenant will pay to the Landlord, as additional rent, a percentage of the Tenant's gross receipts, if any, from (a) the sale by the Tenant at the Terminal of goods (including food and beverages) and services (other than air transport services and services related to air transport services such as handling services) to the Tenant's passengers and invitees, and (b) the sale by Tenant of Day Passes used for entry at the LAX AXP Lounge but not (c) revenue generated from offering Tenant's products and services (and related products and services) offered publicly and not exclusively in connection with the AXP Lounge and other transactions which do not generate revenue at the AXP Lounge. The additional rent payable is referred to as the "Percentage Rent." The percentage of the gross receipts to be used in calculating the Percentage Rent payable by the Tenant for any calendar month will be the same as the highest percentage rates then being paid to the Landlord by concessionaires selling similar goods or services in the terminal buildings at the Airport, except that with respect to Percentage Rent payable for the sale of Day Passes: (a) the rate shall be 20% throughout the term of the lease (regardless of the rate being paid to Landlord by other concessionaires selling similar goods) and (b) Day Pass gross receipts shall include all amounts paid for all Day Passes used for entry to the AXP Lounge, regardless of method, mode or location of sale or payment ("Day Passes"). Tenant's only intended gross receipts revenue as of the Commencement Date is Day Pass Revenue. However, if Tenant intends to generate additional non-Day Pass revenue during the Term, then Tenant shall give written notice to Landlord of such intention and shall pay Percentage Rent on such additional non-Day Pass revenue. The Tenant will pay

installments of Percentage Rent on the first day of each calendar month, with the amount of each installment of Percentage Rent being calculated based on the Tenant's gross receipts from sales for the last month for which the Tenant's records of sales are complete, but in any event not further in arrears than the second complete month prior to the date that the Percentage Rent is due. After the expiration or termination of the Term, the Tenant will continue to pay installments of Percentage Rent for the calendar months falling within the Term and for which payments have not been made during the Term.

3.3.2 Notwithstanding <u>Section 3.3.1</u>, the Tenant shall not be subject to <u>Section 3.3.1</u> with respect to the sale of alcohol in the Demised Premises if such alcohol was purchased from the Landlord's concessionaire.

3.4. Other Charges.

3.4.1. The Landlord and the Tenant may from time to time agree upon the installation for the Tenant's use at the Terminal of special equipment that is not generally available to all of the Terminal Users or for the provision of services to the Tenant that are not generally provided to all of the Terminal Users, in which case the Landlord and the Tenant (and any other Terminal Users by which the equipment or services will be used) will enter into a separate agreement allocating the cost associated with the equipment or services. In the absence of such a separate agreement, the Tenant will pay for the use of the equipment or services the assessments, fees and charges as shall be set by the Landlord and generally applicable to similarly situated Airline tenants at the Airport. Any costs payable by the Tenant in connection with such a separate agreement (or in the absence of such a separate agreement, the assessments, fees and charges set by the Landlord) shall be deemed additional rent payable under this Lease.

3.5. Books and Records; Annual Consultation.

3.5.1. Landlord's Records. The Landlord will keep books and records sufficient for the purpose of substantiating for auditing purposes all amounts of the Base Rent and additional rent. The Tenant may from time to time, but no more often than once during any calendar year, examine (and, in the course of the examination, may copy) and audit the Landlord's books and records for the purpose of verifying the amounts of the Base Rent payable by the Tenant (whether or not already paid). The Tenant shall only be permitted to examine and audit the Landlord's books and records using a nationally recognized independent accounting firm. The expense of any such examination or audit shall be borne by the Tenant. The conduct of any examination or audit as provided in this Section 3.5.1 shall not affect the Tenant's obligations to pay all amounts due and payable in accordance with the provisions of this Lease. The Tenant will keep all information obtained from the Landlord's books and records confidential, and the Tenant will use good faith efforts to cause the Tenant's agents and employees to keep all information obtained from the Landlord's books and records confidential.

- 3.5.2. Tenant's Records. The Landlord's verification of the accurate payment of Percentage Rent is dependent upon receiving from the Tenant timely and accurate information regarding the Tenant's operations. The Tenant will promptly and periodically (but not less frequently than monthly) provide to the Landlord sufficient information about the Tenant's operations as the Landlord may find necessary or useful in calculating the Percentage Rent, and the Tenant will keep books and records sufficient for the purpose of substantiating the Tenant's operations information for auditing purposes. The Landlord may from time to time, but no more often than once during any calendar year, examine (and, in the course of such examination, may copy) and audit the Tenant's books and records for the purpose of verifying the Tenant's operations information. The expense of any such examination or audit shall be borne by the Landlord, provided that if the Tenant's books and records are not made available to the Landlord at a location within 50 miles from the Airport, the Tenant will reimburse the Landlord the reasonable out-of-pocket costs incurred by the Landlord in inspecting the Tenant's books and records, including travel, lodging and subsistence costs. Except to the extent necessary to substantiate charges to other tenants of the Terminal, the Landlord will keep all information obtained from the Tenant's books and records confidential, and the Landlord will use good faith efforts to cause the Landlord's agents and employees to keep all information obtained from the Tenant's books and records confidential.
- 3.5.3. <u>Annual Consultation</u>. On at least one occasion during each complete Lease Year during the Term, the Landlord will attempt to arrange a meeting with representatives of the Tenant for the purpose of discussing matters relating to the financial aspects of this Lease. At the request of the Landlord or the Tenant, the meeting will include representatives of the other Terminal Users that are Airlines.
- 3.6. Other Sums Deemed Additional Rent. Any sum of money payable by the Tenant to the Landlord under any provision of this Lease, except for the Base Rent, shall be deemed additional rent.
- 3.7. <u>Late Charges</u>. If the Tenant shall fail to pay any installment of the Base Rent or any amount of additional rent within five days after it becomes due, the Tenant will pay to the Landlord, in addition to the installment of the Base Rent or amount of additional rent, as the case may be, as additional rent, a sum equal to interest at the Stipulated Rate on the unpaid overdue amount, computed from the date the payment was due to and including the date of payment. If the Tenant shall fail to pay any installment of the Base Rent within five days after it becomes due, in addition to interest at the Stipulated Rate, the Tenant will pay to the Landlord a late charge in the amount of two percent (the "Base Rent Late Charge") of the amount of the delinquent installment of the Base Rent. If the Tenant shall fail to pay any additional rent within ten days after it becomes due, in addition to interest at the Stipulated Rate, the Tenant will pay to the Landlord a late charge in the amount of five percent (the "Additional Rent Late Charge") of the delinquent additional rent. No Additional Rent Late Charge shall be payable for any item of additional rent that constitutes a late charge or interest. The Tenant acknowledges that the Base

Rent Late Charge and the Additional Rent Late Charge are intended to reasonably compensate the Landlord for additional expenses incurred by the Landlord by reason of the Tenant's failure to timely pay the Base Rent and additional rent, which expenses are difficult to ascertain, and are not intended to be in the nature of a penalty.

- 3.8. No Counterclaim, Abatement, etc. Except as expressly provided to the contrary in this Lease, the Tenant will pay the Base Rent and all additional rent payable under this Lease without notice, demand, counterclaim, setoff, deduction, defense, abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of the Tenant under this Lease shall in no way be released, discharged or otherwise affected for any reason, whether foreseen or unforeseen. The Tenant waives, to the extent permitted by applicable law, all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or the Demised Premises or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of the Base Rent and all additional rent payable by the Tenant hereunder. To the extent permitted by applicable law, all payments by the Tenant to the Landlord made hereunder shall be final, and the Tenant will not seek to recover any such payment or any part thereof for any reason. In the event of any dispute regarding the amount of the Base Rent or any amount of additional rent payable under this Lease, (a) the Landlord's computation of the amounts due shall be presumed correct, and the Tenant will continue to pay the amounts due as computed by the Landlord unless the Tenant shall have obtained a final, unappealable order to the contrary from a court of competent jurisdiction, and (b) to the extent permitted by applicable law, the Tenant waives any right to seek or obtain any provisional remedy before obtaining such a final order. If it is determined by a final, unappealable order of a court of competent jurisdiction that the Tenant was not obligated to pay any amount disputed by the Tenant but nevertheless paid by the Tenant under protest, the Landlord will refund to the Tenant the amount of any excess payments, together with interest on the amounts refunded from the time of their payment to the Landlord until the time of refund, at an annual rate per annum equal to the Reimbursement Rate.
- 3.9. No Waiver; Retroactive Payments. The failure by the Landlord to timely comply with the provisions of this Section 3 relating to the adjustment of the Base Rent or any item of additional rent shall not be construed as a waiver of the Landlord's right to the adjustment of the Base Rent or to the adjustment of any additional rent. If a determination of the adjusted Base Rent or of any item of additional rent is not completed before any relevant date, the Tenant will continue to pay the amounts applicable to the preceding period, and if the Base Rent or any item of additional rent as of any relevant date is thereafter determined to be an amount greater than that paid by the Tenant, the adjusted amount shall take effect, and shall promptly be paid by the Tenant, retroactively to the date when the payment would have been due absent the failure to timely complete the determination of the appropriate adjustment. If the Landlord has substantially complied with the provisions of this Section 3 relating to the adjustment, the Landlord shall be entitled to receive, in addition to all amounts of additional rent becoming retroactively effective, interest on the retroactive amounts from the date of the invoice for the

retroactive amount due until the date of payment to the Landlord, at an annual rate per annum equal to the Reimbursement Rate.

3.10. <u>Manner of Payment</u>. All payments of the Base Rent and other amounts payable under the preceding provisions of this <u>Section 3</u> shall be paid in U.S. dollars without setoff or deduction by mailing to the following address:

City of Los Angeles
Department of Airports
Accounting Revenue Operations
P.O. Box 54078
Los Angeles, California 90054-0078

The Landlord may from time to time designate any other address to which the payments shall be made. As a matter of courtesy, invoices may be sent by the Landlord to the Tenant, but notwithstanding any custom of the Landlord in sending invoices, the receipt of an invoice shall not be a condition to any payment due to the Landlord from the Tenant. All payments, including each payment check and remittance advice, shall include the contract number assigned to this Lease by the Landlord, which is stamped on the first page of this Lease (but failure to do so shall not constitute a default by the Tenant under this Lease). No payment by the Tenant or receipt by the Landlord of a portion of any sum due under this Lease shall be deemed to be other than a partial payment on account of the earliest sum next due from the Tenant. No endorsement or statement on any check or any letter accompanying a check or other payment from the Tenant shall be deemed an accord and satisfaction, and the Landlord may accept the check or other payment, and pursue any other remedy available under this Lease. The Landlord may accept any partial payment from the Tenant without invalidation of any notice required to be given under this Lease and without invalidation of any notice required to be given under the provisions of California Code of Civil Procedure Section 1161, et seq.

- 4. Alterations to the Demised Premises by the Tenant.
- 4.1. <u>Landlord's Consent</u>. The Tenant may make alterations, installations, additions and improvements in and to the Demised Premises (referred to as "<u>Alterations</u>") if the Tenant shall comply with the provisions of this <u>Section 4</u> and, except as provided in <u>Section 4.2</u>, if the Tenant shall first obtain the Landlord's consent in accordance with <u>Section 4.3</u>, which consent shall not be unreasonably withheld.
- 4.2. <u>Alterations Not Requiring Consent</u>. The Tenant may, without the Landlord's consent, make Alterations in the Demised Premises (but not in any of the other Demised Premises) consisting of furniture, furnishings, painting, carpeting, wall coverings and other decorative changes.
- 4.3. <u>Alterations Requiring Consent</u>. If the Landlord's consent is required for any Alteration, to include the TBIT Level 4 elevator lobby area used to access the Premises, the Tenant's initial request for the consent shall include reasonably detailed preliminary plans for the

Alteration. If the Landlord shall approve the preliminary plans, the Tenant will prepare working drawings and specifications that are in all respect accurate reflections of the approved preliminary plans and will submit for approval to the Landlord two copies of the working drawings and one copy of the specifications. The Tenant will not commence work on the proposed Alteration until the Landlord shall have approved the working drawings and specifications, as well as (in the Landlord's reasonable discretion) the identity of the architects, engineers, contractors and major subcontractors who the Tenant proposes to construct the Alteration. No material modifications shall be made to the working drawings or specifications, or in the construction of the Alteration described by them, without the prior consent of the Landlord. The Tenant will pay to the Landlord, within 30 days after demand therefor, the Landlord's actual and reasonable out of pocket costs (as well as a reasonable allowance for the internal costs of the Landlord's use of its own employees) incurred in reviewing or considering any Alterations, and inspecting construction of the Alterations.

Performance of Alterations. Before the commencement of any Alteration, the Tenant will obtain and deliver to the Landlord (i) all required permits, (ii) insurance for the contractor for such coverages and in such amounts as may be reasonably acceptable to the Landlord, and (iii) surety bonds or other security in such amounts and otherwise reasonably satisfactory to the Landlord. All of the Tenant's Alterations shall be (i) effected at the Tenant's expense and promptly and fully paid for by the Tenant, (ii) performed with due diligence, in a good and workmanlike manner and in accordance with all Legal Requirements and Insurance Requirements, (iii) made under the supervision of a licensed architect or licensed professional engineer reasonably satisfactory to the Landlord, and (iv) performed without interfering with (A) the use and occupation or conduct of the business of any other tenant or occupant of the Terminal, (B) any construction work being performed elsewhere in the Terminal by the Landlord or by any other tenant or occupant of the Terminal, or (C) ingress and egress to, in and from the Terminal or any other premises demised in the Terminal. In the course of effecting any Alterations the Tenant will use good faith efforts to minimize noise and dust and will keep the Demised Premises and Public Areas clean and neat. Upon completion of the Alteration, the Tenant will furnish to the Landlord, at no charge, two complete reproducible sets of record or asbuilt drawings of the Alterations, and one complete set in an electronic format that complies with the then current computer aided design standards of the Landlord. The drawings must include any applicable permit numbers, the structural and other improvements installed by the Tenant in the Demised Premises, and the location and details of installation of all equipment, utility lines, heating, ventilating, and air-conditioning ducts and related matters. The Tenant will keep the record or as-built drawings current by updating them in order to reflect any changes or modifications that may later be made in or to the Demised Premises. Within 120 days following the latter of the written dates of "Final Inspections" for the "Fire Sprinkler" and "LAFD Fire Life Safety" on the document entitled "Inspection Record of the City of Los Angeles Building and Safety" (which also has "Final Inspections" typewritten on the top of the document) obtained by Tenant, the Tenant will prepare and submit to the Landlord a construction report including the following information regarding the Alteration: (1) a description of the type of improvements

constructed or altered, (2) the floor area or capacity of the improvements constructed or altered, (3) the total cost of the Alteration, (4) the completion date for the Alteration, and (5) a copy of the "Inspection Record of the City of Los Angeles Building and Safety" (for the Demised Premises, after giving effect to the Alteration). Without limiting the generality of the remedies available to the Landlord for any breach of this Lease under Section 17, if the Tenant shall fail to timely and completely perform its obligations under the immediately preceding sentence of this Section 4.4, the Tenant will pay to the Landlord, as additional rent, a late charge equal to \$500 for each day for which the failure continues.

- 4.5. Ownership of Improvements and Alterations. Ownership of all improvements and equipment existing in the Demised Premises on the Commencement Date is and shall be in the Landlord. Ownership of all improvements, additions, alterations and equipment constructed or installed in the Demised Premises at the Landlord's expense after the Commencement Date shall be and remain in the Landlord. During the Term, the Tenant shall own all Alterations constructed or installed at the Tenant's expense. Upon the expiration or earlier termination of the Term, all Alterations, other than equipment, trade fixtures and similar installations that are removable without material damage to the Demised Premises, shall become the property of the Landlord (without compensation to the Tenant), unless the Landlord requests that the Tenant remove some or all of the equipment, trade fixtures, and similar installations, in which case the Tenant will promptly remove them at the Tenant's expense. All items of Tenant's Property remaining in the Demised Premises or at the Terminal shall, if not removed by the Tenant within thirty (30) Business Days following the end of the Term, be deemed abandoned and shall, at the Landlord's election (i) be disposed of in any manner selected by the Landlord, at the Tenant's expense, or (ii) become the property of the Landlord. The Tenant will promptly repair any damage to the Demised Premises or the Terminal resulting from the removal of any items of Tenant's Property.
- 4.6. <u>Notices of Non-Responsibility.</u> In connection with any Alteration, the Landlord may post notices of non responsibility for the services and material furnished by mechanics, materialmen and other vendors.
- 5. Alterations to Common Use Areas and Public Areas by the Landlord. The Landlord reserves the right to change the arrangement, design, number and location of entrances, passageways, doors, doorways, corridors, elevators, stairways, restrooms, roads, sidewalks, landscaping and other parts of the Public Areas, the Common Use Areas, the FIS Areas, and other areas of the Terminal and the Airport (but not any part of the Demised Premises, as to which the Landlord will not make any changes except as may be required in connection with the Landlord's performance of its obligations hereunder or the exercise of the Landlord's rights specifically elsewhere set forth in this Lease), provided that the Landlord will not exercise its rights under this Section 5 so as to affect the entrances, passageways, doors, doorways, lobby and other hallways, corridors and stairways providing access to the Demised Premises if access to the Demised Premises, or the use or enjoyment thereof, would be unreasonably interfered with or impaired.

6. <u>Pipes, Ducts and Conduits</u>. The Landlord may, without any compensation to the Tenant, erect, use and maintain pipes, ducts and conduits in and through the Demised Premises, provided that they are installed by such methods and at such locations as will not materially interfere with the Tenant's use of the Demised Premises.

7. Access to Demised Premises.

- 7.1. Landlord's Access to Demised Premises. The Landlord, its officers, employees, agents and contractors may enter the Demised Premises at reasonable times for the purpose of (i) inspecting the Demised Premises and making such repairs, restorations or alterations as the Landlord shall be required or shall have the right to make in accordance with the provisions of this Lease, (ii) inspecting the Demised Premises or exhibiting them to prospective tenants, or (iii) doing any other act or thing that the Landlord may be obligated or have the right to do in accordance with the provisions of this Lease. Such inspections and exhibitions shall be conducted in such a manner as to cause no unreasonable or unnecessary disruption to the Tenant or the conduct of its business. During the last three months of the Term, Landlord may show the Demised Premises to prospective tenants during normal business hours upon no less than forty-eight (48) hours notice to Tenant.
- 7.2. Emergency Access to Demised Premises. If no authorized representative of the Tenant shall be personally present to permit an entry into the Demised Premises at any time when such an entry shall be urgently necessary by reason of fire or other emergency, the Landlord may forcibly enter the Demised Premises without rendering the Landlord liable therefor, if, to the extent possible and during and following the entry, the Landlord will accord due care to the Demised Premises and the Tenant's property under the emergency circumstances. The Landlord will notify the Tenant of any emergency entry as soon thereafter as practicable.
- 7.3. Tenant's Access to Demised Premises. During the Term, if no Event of Default shall have occurred and be continuing, the Tenant and its agents, employees, contractors, customers and invitees shall have ground ingress to and egress from the Demised Premises, subject to such reasonable airfield access control and permitting requirements as may from time to time be established by the Landlord and to temporary blockage or redirection due to construction work or the requirements of airport operations.

8. <u>Utilities</u>.

- 8.1. <u>Tenant Responsible</u>. The Tenant shall be responsible for the payment of all costs of furnishing utilities to the Demised Premises (including all charges for water, gas, heat, light, power, telephone, and other utility service used by the Tenant in connection with its use of the Demised Premises), including deposits, connection fees and meter installation and maintenance, and rentals required by the supplier of any utility service, and the costs of all equipment and improvements necessary for connecting the Demised Premises to utility service facilities.
- 8.2. <u>Landlord Not Liable</u>. With the exception of willful misconduct or gross negligence by the Landlord, the Landlord will not be liable to the Tenant for any failure, defect,

impairment or deficiency in the supply of any utility service furnished to the Demised Premises or in any system supplying the service.

8.3. <u>Interruptions of Service</u>. The Landlord reserves the right to temporarily interrupt the services provided by the Terminal's heating, ventilation, air conditioning, elevator, plumbing and electrical systems or other Terminal systems when necessary by reason of accident or emergency or for repairs, alterations, replacements or improvements. The Landlord shall provide reasonable notice to the Tenant prior to the interruption of such services, and shall make good faith efforts not to interrupt such services.

9. Maintenance and Repair.

- 9.1. Maintenance and Repair by Tenant. At the Tenant's expense, and to the extent identified on the maintenance schedule attached to this Lease as Schedule 1, the Tenant will maintain the Demised Premises and will make all repairs to the Demised Premises and to all the fixtures, equipment and appurtenances therein as and when needed to preserve them in good working order and good and safe condition. With respect to Alterations and other structural improvements made by the Tenant in or on the Demised Premises for which there are construction defects, the Tenant shall be solely responsible for the repair of such improvements or Alterations. Notwithstanding the foregoing, all damage to the Demised Premises and the fixtures, equipment and appurtenances therein, or the Terminal, in each case requiring structural repairs or requiring repairs that affect the Terminal systems, and all damage or injury to any Terminal system, caused by or resulting from the negligence of the Tenant, its servants, employees, agents, customers, invitees or licensees, shall be repaired by the Landlord, at the Tenant's expense, payable within 15 days after the Landlord's delivery of an invoice therefor. Without limiting the generality of the remedies available to the Landlord for any breach of this Lease under Section 17, if, in the reasonable determination of the Landlord, the Tenant shall have regularly failed to maintain equipment in the Demised Premises, the Landlord may elect, upon notice to the Tenant, to maintain the neglected equipment (directly or through third-party contractors and at the Tenant's expense payable promptly after the Landlord's delivery of invoices therefor from time to time) for all or any portion of the remainder of the Term. All damage or injury to the Terminal, the Demised Premises or its fixtures, equipment and appurtenances therein or thereto caused by the Tenant's removal of furniture, fixtures or other property, shall be repaired to its condition existing before the damage or injury, or restored or replaced promptly by the Tenant at its expense. The Tenant will at all times keep the Demised Premises free and clear of wastepaper, discarded plastic, graffiti, and all other trash and debris of any kind. The Tenant hereby waives the provisions of subsection 1 of Section 1932 and of Sections 1941 and 1942 of the California Civil Code or any successor or similar provision of law, now or hereafter in effect.
- 9.2. <u>Maintenance and Repair by the Landlord</u>. At the Landlord's expense, the Landlord will maintain the Public Areas and will make all repairs to the Public Areas and areas to the extent identified on the maintenance schedule attached to this Lease as <u>Schedule 1</u>, and to all the fixtures, equipment and appurtenances therein (but excluding Tenant's Property and the

property of other tenants of the Terminal), as and when needed to preserve them in good working order and good and safe condition. The Landlord may in its discretion elect to delegate some or all of its obligations under this <u>Section 9.2</u> to any Person (including the Tenant and one or more of the other Terminal Users), under such terms as the Landlord and the Person may agree. Indemnity; Insurance.

10.0 Indemnity.

The Tenant will indemnify the Landlord against and hold the Landlord harmless from all expenses (including reasonable attorneys' fees and disbursements), liabilities, losses, damages or fines incurred or suffered by the Landlord by reason of (i) any breach or nonperformance by the Tenant, or its agents, employees, contractors, customers and invitees, of any covenant or provision of this Lease to be observed or performed on the part of the Tenant, (ii) the carelessness, negligence or improper conduct of the Tenant, or its agents, employees, contractors and invitees, and (iii) all Environmental Losses arising from the Tenant's Application of Hazardous Materials at the Airport. The Landlord will promptly notify the Tenant of any claim asserted against the Landlord for which the Tenant may be liable under this Section 10.1 and will promptly deliver to the Tenant the original or a true copy of any summons or other process, pleading, or notice issued in any suit or other proceeding to assert or enforce the claim. If the Tenant becomes aware of any claim asserted against the Landlord for which the Tenant may be liable under this Section 10.1, and of which the Tenant has not yet been notified by the Landlord under the provisions of the immediately preceding sentence, the Tenant will promptly notify the Landlord of the claim. If any claim, action or proceeding is made or brought against the Landlord for which claim, action or proceeding the Tenant would be liable under this Section 10.1, upon demand by the Landlord, the Tenant, at its expense, will defend the claim, action or proceeding, in the Landlord's name, if necessary, by such attorneys as the Landlord shall approve, which approval shall not be unreasonably withheld. Attorneys for the Tenant's insurance carrier are deemed approved for purposes of this Section 10.1 (and if the Tenant's insurance carrier offers the Tenant more than one choice of counsel, the Tenant will select the counsel provided by the insurance carrier that is reasonably acceptable to the Landlord). The Tenant shall, in any event, have the right, at the Tenant's expense, to participate in the defense of any action or other proceeding brought against the Landlord and in negotiations for and settlement thereof if, under this Section 10.1, the Tenant may be obligated to reimburse the Landlord in connection therewith. The Landlord in its discretion may settle any claim against it that is covered by the Tenant's indemnity in this Section 10.1, if the Landlord shall first have provided notice to the Tenant of the Landlord's intention to settle the claim and the material terms of the proposed settlement and if the Tenant does not object to the proposed settlement within five Business Days of its receipt of the notice (or, if the Tenant receives immediate notice of the offer of settlement and its terms, such lesser time as was given as a condition of the settlement offer). In the case of any claim for which the Landlord's proposed settlement includes the payment of more than \$100,000, the Landlord may settle the claim over the Tenant's objection unless the Tenant furnishes the Landlord with either (i) a bond in an amount equal to the claim in a form and from a surety reasonably satisfactory to the Landlord, or (ii) other

security reasonably satisfactory to the Landlord. For the purposes of this <u>Section 10.1</u> and any other indemnity by the Tenant in this Lease, any indemnity of the Landlord shall be deemed to include an indemnity of the Board and all of the Landlord's officers, employees and agents. In the Tenant's defense, negotiation, compromise or settlement under this Section of any action against the Landlord, the Landlord shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals therefrom, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

10.2. Insurance. The Tenant will obtain and keep in full force and effect during the Term, at its expense, policies of insurance of the types, with the coverages and insuring the risks specified in the insurance schedule attached to this Lease as Schedule 2. Based on its periodic review of the adequacy of insurance coverages, the Landlord may from time to time, hut not more than once in each Lease Year, in the exercise of its reasonable judgment revise the types of insurance required to be maintained by the Tenant, the risks to be insured and the minimum policy limits, on 30 days' prior notice to the Tenant. All policies of insurance required to be maintained by the Tenant under this Section 10.2 (a) shall be primary and noncontributing with any other insurance benefiting the Landlord where liability arises out of or results from the acts or omissions of the Tenant, its agents, employees, officers, assigns or any other Person acting on behalf of the Tenant (other than policies for worker's compensation, employer's liability, property and fire and extended coverages), and (b) may provide for reasonable deductibles or retention amounts satisfactory to the Landlord based upon the nature of the Tenant's operations and the risks insured. Without limiting the generality of Section 10.1 or the remedies available to the Landlord for any breach of this Lease under Section 17, if the Tenant does not furnish the Landlord with evidence of insurance and maintain insurance in accordance with this Section 10.2, the Landlord may, but shall not be obligated to, procure the insurance at the expense of the Tenant, in which event the Tenant will promptly reimburse the Landlord for any amounts advanced by the Landlord in procuring the insurance, together with a charge of 15% of the amounts so advanced for the Landlord's administrative costs in so doing. The Tenant will provide proof of all insurance required to be maintained by this Section 10.2 by (a) production of the certificate of insurance with endorsements, with additional insured endorsements, (b) production of certified copies of the actual insurance policies, containing additional insured and 30-day cancellation notice language, or (c) broker's letter satisfactory to the Landlord in substance and form only in the case of foreign insurance syndicates. Verifications, memoranda of insurance and other non-binding documents submitted alone are not acceptable proof of insurance. The documents evidencing all specified coverages shall be filed with the Landlord and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of Administrative Code of the City of Los Angeles before the Tenant occupies the Demised Premises or any other portions of the Demised Premises. The documents evidencing the coverages shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, and shall bear an original signature of an authorized representative of the carrier. The Landlord reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing any policy of insurance

required by this <u>Section 10.2</u>. Policies of insurance issued by non-California admitted carriers are subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and directives from the California Department of Insurance or other regulatory board or agency. Unless exempted, the Tenant will provide the Landlord with proof of insurance from the non-California admitted carriers through a surplus lines broker licensed by the State of California. The Tenant will promptly furnish the Landlord with (i) notice of cancellation or change in the terms of any policy of insurance required to be maintained by this <u>Section 10.2</u>, and (ii) copies of any renewals, replacement or endorsements of or to the policies (and, in the case of renewals or replacements, at least 15 days before the expiration of the corresponding existing policy).

- 10.3. <u>Carriers; Policy Provisions.</u> All insurance policies referred to in Section 10.2 that are carried by the Tenant shall be maintained with insurance companies of recognized standing and with an A.M. Best rating of A/IV or better. Each insurance policy referred to in Section 10.2 (other than policies for worker's compensation, employer's liability, property and fire and extended coverages) shall also, whether under the express provisions of the policy or by other endorsement attached to the policy, include the Landlord, the Board and all of the Landlord's officers, employees, and agents, as additional named insureds for all purposes of the policy. Each insurance policy referred to in Section 10.2 (other than policies for workers' compensation, employers' liability and fire and extended coverages) shall contain (a) a "Severability of Interest (Cross Liability)" clause stating "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability", and (b) a "Contractual Endorsement" stating "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under its lease of property at Los Angeles International Airport with the City of Los Angeles." Each insurance policy referred to in Section 10.2 shall provide that the insurance provided under the policy shall not be subject to cancellation except after written notice, at least 30 days before the effective date, by certified mail, return receipt requested, to the Landlord at its address specified in or under the provisions of Section 23.
- discharge (by payment, filing of an appropriate bond or otherwise), any lien, deed of trust, mortgage or other encumbrance affecting the Demised Premises caused or created by the Tenant, including any mechanic's liens arising from any work performed for the benefit of the Tenant, or, to the extent caused or created by the act of the Tenant, the Airport or any part thereof, other than (i) this Lease, (ii) any encumbrance affecting the Demised Premises or the Airport and arising solely from any act or omission of the Landlord or any Person claiming by, through or under the Landlord (other than the Tenant or any Person claiming by, through or under the Tenant), (iii) liens or other encumbrances being contested under Section 13, and (iv) inchoate liens of mechanics, materialmen, suppliers or vendors, or rights thereto incurred by the Tenant in the ordinary course of business for sums that under the terms of the related contracts are not yet due. Notice is hereby given that the Landlord shall not be liable for any labor or materials furnished or to be furnished to the Tenant upon credit, and that no mechanics' or other lien for

any such labor or materials shall attach to or affect the reversion or other estate or interest of the Landlord in and to the Airport, the Terminal, the Demised Premises or the Demised Premises. Without limiting the generality of Section 10.1 or the remedies available to the Landlord for any breach of this Lease under Section 17, if the Tenant does not, within 30 days following the imposition of any lien, deed of trust, mortgage or other encumbrance caused or created by the Tenant, including any mechanic's liens arising from any work performed for the benefit of the Tenant, that the Tenant is required to discharge (any of the foregoing being referred to as an "Impermissible Lien"), cause the Impermissible Lien to be released of record by payment or posting of a proper bond or otherwise, the Landlord shall have, in addition to all other remedies provided by law, the right, but not the obligation, upon ten Business Days prior notice to the Tenant, to cause the Impermissible Lien to be released by such means as the Landlord shall deem proper, including payment in satisfaction of the claim giving rise to the Impermissible Lien. All sums paid by the Landlord and all expenses incurred by it in connection with the release of the Impermissible Lien, including costs and attorney's fees, shall be paid by the Tenant to the Landlord on demand.

- 12. Compliance with Legal Requirements and Insurance Requirements, etc. The Tenant at its expense will comply with all current and future Legal Requirements and Insurance Requirements (other than Legal Requirements and Insurance Requirements being contested under Section 13) that impose any violation or obligation upon the Landlord or the Tenant relating to the Demised Premises or the use or occupancy thereof. Without limiting the generality of the foregoing, but subject to the provisions of Section 13, the Tenant will, at the Tenant's expense, comply with any Legal Requirement that requires repairs or alterations within the Demised Premises so as to cause the Demised Premises to comply with the Americans with Disabilities Act, California Financial Code Section 13082 regarding touch screen devices, and any other Legal Requirements regarding access of disabled persons to the Demised Premises, including any services, programs or activities provided by the Tenant. The Tenant will cooperate with the Landlord in the Landlord's efforts to ensure compliance by the Airport with all applicable Legal Requirements, including Legal Requirements regarding access of disabled persons to the Airport. The Tenant will cooperate with the Landlord and participate in and comply with activities organized by the Landlord and mandated by any governmental agency, including recycling programs. The Landlord will not be liable to the Tenant, nor shall the Tenant be entitled to terminate this Lease in whole or in part, by reason of any diminution or deprivation of the Tenant's rights or benefits under this Lease that may result from the Tenant's obligation to comply with applicable Legal Requirements.
- 13. Permitted Contests. The Tenant at its expense may contest by appropriate legal proceedings conducted in good faith and with due diligence (i) the amount or validity or application, in whole or in part, of any claims of contractors, mechanics, materialmen, suppliers or vendors or liens therefor and (ii) the interpretation or applicability of any Legal Requirement or Insurance Requirement affecting the Demised Premises or any part thereof and may withhold payment and performance of the foregoing (but not the payment of any amount or the performance of any term for which the Tenant is otherwise obligated to the Landlord under this

Lease) pending the outcome of the proceedings if permitted by law, provided that (A) in the case of any claims of contractors, mechanics, materialmen, suppliers or vendors or lien therefor, the proceedings shall suspend the collection thereof from the Landlord and any part of the Airport, (B) in the case of any lien of a contractor, mechanic, materialman, supplier or vendor, the lien has been discharged by bonding or otherwise, (C) in the case of any lien of a contractor, mechanic, materialman, supplier or vendor, the lien does not encumber any interest in any part of the Airport other than the Tenant's interest in the Demised Premises and the lien will not adversely affect the ongoing operation or leasing of any part of the Airport, (D) in the case of a Legal Requirement or an Insurance Requirement, the cost of compliance with which is reasonably estimated to exceed \$50,000, as adjusted by the CPI from July 1, 2005 to the date of determination, the Tenant will furnish to the Landlord either (x) a bond of a surety company reasonably satisfactory to the Landlord, in form and substance reasonably satisfactory to the Landlord, and in the amount of the lien or the cost of compliance (as reasonably estimated by the Landlord) or (y) other security reasonably satisfactory to the Landlord, (E) neither the Airport nor any part thereof nor interest therein would be sold, forfeited or lost, (F) in the case of a Legal Requirement, the Landlord shall not be subject to any criminal liability, and neither the Airport nor any interest therein would be subject to the imposition of any lien or penalty, as a result of the failure to comply during the pendency or as a result of the proceeding, (G) in the case of an Insurance Requirement, the failure of the Tenant to comply therewith shall not cause the insurance premiums payable by the Landlord for the Airport to be greater than they otherwise would be, (H) in the case of any Legal Requirement or Insurance Requirement, the failure of the Tenant to comply therewith during the contest will not adversely affect the ongoing operation or leasing of the Airport, and will not subject the Landlord to any civil liability, and (I) the Tenant shall have furnished such security, if any, as may be required in the proceedings.

14. Damage or Destruction.

14.1. Tenant to Restore. If the Terminal or the Demised Premises shall be damaged or destroyed by fire or other casualty (and if this Lease shall not have been terminated as provided in Section 14.2), then, whether or not (i) the damage or destruction shall have resulted from the fault or neglect of the Tenant or any other Person, or (ii) the insurance proceeds shall be adequate therefor, the Tenant will repair the damage, and restore the Demised Premises at the Tenant's expense, promptly and expeditiously and with reasonable continuity, to the same or better condition as existed before the casualty and in such a manner as is otherwise consistent with this Lease and the Tenant's uses of the Demised Premises, in each case subject to all then existing Legal Requirements; provided, however, that (x) any such repair and restoration obligation of the Tenant shall be contingent upon the Landlord's repair and restoration of the Terminal and all structural components of the Demised Premises, (y) in accordance with Section 9.2 the Landlord shall make all repairs and restoration necessary in the Public Areas and (z) if the damage or destruction resulted from any plumbing, electrical or structural failure, then the Landlord shall be responsible for all related repairs and restoration. Any repair or restoration by the Tenant of the Demised Premises following a casualty shall be considered an Alteration for the purposes of Sections 4.2 through 4.5. If as a result of the repairs or restoration, a new certificate of occupancy shall be necessary for the Demised Premises, the Tenant will obtain and deliver to the Landlord a temporary or final certificate of occupancy before the damaged portions of the Demised Premises shall be reoccupied for any purpose.

14.2. Termination of Lease.

- 14.2.1. <u>Destruction at End of Term</u>. If a Substantial Destruction shall occur during the last 18 months of the Term, and the repair or restoration necessitated by the Substantial Destruction, under normal construction procedures would, in the Landlord's reasonable judgment, require more than three months to complete, then the Landlord will so notify the Tenant, and the Landlord or the Tenant may terminate this Lease upon notice to the other given within 30 days after the Substantial Destruction. The date fixed in the Landlord's notice of the termination of this Lease shall be not earlier than 30 days following the delivery of the notice.
- 14.2.2. <u>Destruction of Terminal</u>. If substantially all of the Terminal shall be damaged by fire or other casualty, the Landlord may terminate this Lease upon notice to the Tenant given within 30 days after the damage. The date fixed in the Landlord's notice of the termination of this Lease shall be not earlier than 30 days following the delivery of the notice.
- 14.2.3. <u>Substantial Destruction</u>. If a Substantial Destruction shall occur, other than during the last 18 months of the Term, and the repair or restoration of the Substantial Destruction would, in the Landlord's reasonable judgment, require more than six months to complete, the Tenant may terminate this Lease by giving the Landlord notice of its election to terminate this Lease within 30 days following the occurrence of the circumstance giving rise to the Substantial Destruction.
- 14.2.4. Effect of Termination. In the event of the termination of this Lease under the provisions of Section 14.2.1, 14.2.2, or 14.2.3, this Lease shall expire (subject to the provisions of Section 25.17) as fully as of the earlier of (i) the date on which the Tenant could no longer operate from the Demised Premises as a result of such casualty, or (ii) on the date fixed in the notice of termination, in each case, as if such date were the date originally fixed for the expiration of the Term, and the Tenant will vacate the Demised Premises and surrender them to the Landlord on the date fixed for termination. The Base Rent and additional rent shall be apportioned and paid by the Tenant up to and including the date of termination. If the Tenant elects to terminate this Lease under the provisions of Section 14.2.1 or 14.2.3, the Tenant will (at the Tenant's expense), unless otherwise directed by the Landlord, demolish all damaged improvements in the Demised Premises and remove and properly dispose of the debris.
- 14.3. <u>Tenant to Give Notice</u>. The Tenant will give the Landlord notice in case of material damage or destruction to the Demised Premises promptly after the Tenant becomes aware of the event.

14.4. <u>Waiver</u>. The Landlord and the Tenant intend that all of their rights and obligations arising out of any damage to or destruction of the Terminal shall be governed by the provisions of this Lease. The Landlord and the Tenant therefore waive the provisions of California Civil Code Sections 1932 and 1933, and of any other Legal Requirements that relate to termination of a lease when property is damaged or destroyed

15. Eminent Domain.

- 15.1. <u>Total Taking</u>. If there shall occur a Taking (other than for temporary use) of the whole of the Terminal (a "<u>Total Taking</u>"), this Lease shall terminate as of the Taking Date.
- 15.2. Partial Taking. If there shall occur a Taking (other than for temporary use) of any part of the Terminal, and if the Taking shall not constitute a Total Taking (a "Partial Taking"), the Tenant may elect to terminate this Lease if the Partial Taking shall be of a portion of the Terminal such that, in the Tenant's reasonable judgment (taking into account any alternatives proposed by the Landlord), the remaining portion of the Demised Premises shall not be adequate for the proper conduct of the Tenant's operations. The Tenant will give at least 30 days notice of the Tenant's election to the Landlord not later than 60 days after the later to occur of (i) the delivery by the Landlord to the Tenant of notice of the Partial Taking, and (ii) the Taking Date.
- 15.3. Awards. The Tenant shall not be entitled to receive any portion of the Landlord's award in any proceeding relating to any Total Taking or Partial Taking. The Tenant shall, however, be entitled to appear, claim, prove and receive in the proceedings a separate award relating to any Total Taking or Partial Taking, for the then value of the Tenant's estate under this Lease, of the Tenant's Property, for any Alterations made to the Demised Premises after the Commencement Date at the Tenant's expense and for moving expenses, but only to the extent a separate award shall be made in addition to, and shall not result in a reduction of the award made to the Landlord for the Terminal, the remainder of the Airport and the fixtures and equipment of the Landlord so taken. In any Taking proceeding in which the Tenant is claiming the value of the Tenant's estate under this Lease, the Tenant shall have the burden of proving the value thereof, and that the amount of compensation to be awarded to the Landlord will not be reduced by the amount of compensation to be awarded to the Tenant on account of the value of the Tenant's estate under this Lease.

15.4. Temporary Taking.

15.4.1. <u>In General</u>. If there shall occur a Taking for temporary use of all or part of the Demised Premises, the Tenant shall be entitled, except as hereinafter set forth, to receive the portion of the award for the Taking that represents compensation for the use and occupancy of the Demised Premises, for the taking of the Tenant's Property, for any Alterations made to the Demised Premises after the Commencement Date at the Tenant's expense, for moving expenses, and for the cost of restoration of the Demised Premises. Subject to the provisions of <u>Section 15.4.2</u>, the Tenant's rights and obligations under this Lease shall be unaffected by the Taking for temporary use and the Tenant shall continue to be responsible for the performance of all of its obligations hereunder except insofar as the performance is rendered impractical by the Taking.

If the period of temporary use or occupancy shall extend beyond the expiration date of the Term, the portion of the award that represents compensation for the use or occupancy of the Demised Premises shall be apportioned between the Landlord and the Tenant so that the Tenant shall receive so much thereof as relates to the period before the expiration date and the Landlord shall receive so much thereof as relates to the period after the expiration date. All payments to which the Tenant may be entitled as part of an award for temporary use or occupancy for a period beyond the date to which the Base Rent and additional rent hereunder have been paid by the Tenant shall be payable to the Landlord, to be held by it as a trust fund for payment of the Base Rent and additional rent falling due hereunder and shall be applied by the Landlord to the Base Rent and additional rent as the Base Rent and additional rent fall due. The Tenant shall not be entitled to any abatement of the Base Rent or additional rent during any Taking for temporary use or occupancy.

- 15.4.2. Extensive Temporary Taking. If there shall occur a Taking for temporary use of (i) any substantial part of the Demised Premises at any time during the last six months of the Term, (ii) substantially all of the Demised Premises during the last 18 months of the term, or (iii) any Critical Portion of the Demised Premises for a period reasonably estimated to exceed one year at any time during the Term, the Tenant may terminate this Lease by giving the Landlord at least 30 days' prior notice to that effect within 60 days after the Taking Date, and this Lease shall then terminate on the date specified in the notice.
- 15.5. Restoration. In the event of any Taking of any portion of the Terminal that does not result in a termination of this Lease, the Tenant will repair, alter and restore the remaining part of the Demised Premises, at the Tenant's expense, promptly and expeditiously and with reasonable continuity, so as to constitute (to the maximum extent feasible) a complete and tenantable Demised Premises that shall be substantially comparable in quality and service to the Demised Premises, as they existed immediately before the Taking. All repairs, alterations or restoration shall otherwise be performed in substantially the same manner and subject to the same conditions as provided in Section 14.1 relating to damage or destruction.
- 15.6. Effect of Termination. In the event of the termination of this Lease under the provisions of Sections 15.1, 15.2, or 15.4.2, this Lease shall expire (subject to the provisions of Section 25.17) as fully on the date specified herein for termination, or fixed in the applicable notice of termination, as if that were the date originally fixed for the expiration of the Term, and the Tenant will vacate the Demised Premises and surrender them to the Landlord on the date of termination. The Base Rent and additional rent shall be apportioned and paid by the Tenant up to and including the date of termination.

16. Assignment, Subletting.

16.1. <u>Landlord's Consent Required</u>. Subject to the provisions of <u>Section 16.2</u>, the Tenant will not assign, mortgage or encumber this Lease without the prior written consent of the Board; and Tenant will not sublet, license, or sublicense the Demised Premises or any part

thereof, without the prior consent of the Executive Director. Any such assignment, mortgage, encumbrance, license, subletting, or sublicensing made without the consent of the Board or the Executive Director, as applicable, shall be void. The Landlord may withhold its consent to any assignment, mortgage or encumbrance of this Lease, or any subletting, license, or sublicense of the Demised Premises or any part thereof in the exercise of the Landlord's reasonable discretion. The consent by the Landlord to any assignment, mortgage, encumbrance, license, subletting, or sublicensing shall not relieve the Tenant from obtaining the consent of the Landlord to any other or further assignment, mortgage, encumbrance, license, subletting, or sublicensing not expressly permitted by this Section 16. Any Person accepting an assignment of this Lease shall be deemed to have assumed all of the obligations of the Tenant hereunder. Any license or sublicense of the Demised Premises or any portion thereof shall be deemed a subletting for all purposes of this Section 16. For the purposes of this Section 16, any merger or consolidation of the Tenant (in which the Tenant is not the surviving party), any sale of substantially all of the assets of the Tenant, any other circumstance that results in an assignment of this Lease by operation of law, and the transfer (as part of a single plan of transfer) of 50% or more of the voting securities of the Tenant shall be deemed an assignment of this Lease subject to the provisions of this Section 16.

16.2. Sublettings and Assignments.

16.2.1. Sublettings. If the Tenant wishes to sublet any portion of the Demised Premises, the Tenant will notify the Landlord of the Tenant's intention to sublet, including (i) a description of the portion of the Demised Premises that the Tenant intends to sublet (the "Proposed Sublease Space"), and (ii) the date on which the Proposed Sublease Space will become available, which date shall be no later than six months following the delivery of the notice. The Landlord may, within 30 days after delivery of the Tenant's notice, elect by notice to the Tenant to recapture or not to recapture the Proposed Sublease Space in accordance with the provisions of Section 16.2.2. If the Landlord fails to timely make either election, the Landlord will be deemed to have made an election not to recapture the Proposed Sublease Space, with the same effect as if that election had been made. Before subletting the Demised Premises or any portion thereof, the Tenant will submit to the Landlord a request for the Landlord's consent to the subletting, which request shall contain or be accompanied by the following information: (i) the name and address of the proposed subtenant, (ii) the basic economic terms and conditions of the proposed subletting, (iii) the nature and character of the business of the proposed subtenant and of its proposed use of the Demised Premises, and (iv) current financial information as to the proposed subtenant. Within 30 days following the Landlord's receipt of the request for consent to the proposed subletting (and of the Landlord's receipt of such further financial and other information regarding the proposed subtenant as the Landlord may reasonably request), the Landlord will advise the Tenant whether the Landlord consents to the proposed subtenant. If the Landlord approves the proposed subtenant, the Landlord shall have the further right to approve the form of sublease, which approval shall not be unreasonably withheld. Within 30 days following

the Tenant's request for the Landlord's consent to the form of the sublease (which request shall include an original or copy of the fully executed sublease), the Landlord will advise the Tenant as to whether the Landlord consents to the form.

16.2.2. Recapture of Sublet Space. If the Landlord elects to recapture Proposed Sublease Space in accordance with the provisions of Section 16.2.1, (i) the Tenant will surrender the Proposed Sublease Space on the date specified in the Tenant's notice referred to in the first sentence of Section 16.2.1, in the condition required by the provisions of this Lease, (ii) the Proposed Sublease Space shall be eliminated from the Demised Premises, (iii) the Base Rent shall be recalculated after subtracting the square footage of the Proposed Sublease Space from the then square footage of the Demised Premises immediately before the recapture, (iv) any other additional rent payable for any period from and after the date of the recapture shall be appropriately adjusted, (v) any necessary proration of the Base Rent, and all other additional rent will be made as if, for the Proposed Sublease Space, the date of the recapture were the last day of the Term, (vi) the Tenant will reimburse the Landlord, promptly upon request, for the Landlord's reasonable costs of separately demising the Proposed Sublease Space, in a manner mutually acceptable to the Landlord and the Tenant, and (vii) the Tenant shall be released from all liability or obligations hereunder relating to the Proposed Sublease Space except such liabilities or obligations that occurred during the Tenant's occupancy and which expressly survive termination of this Lease. If the Proposed Sublease Space is all of the Demised Premises (or so much of the Demised Premises that, in the Landlord's reasonable opinion, no other potential Terminal User could make use of the remaining Demised Premises for the purpose of conducting passenger flight operations from the Terminal), and if the Landlord elects to recapture the Proposed Sublease Space in accordance with the provisions of this Section 16.2.1, of this Lease (i) the Tenant will surrender the Demised Premises on the date specified in the notice referred to in the first sentence of this Section 16.2.1, in the condition required by the provisions of this Lease, (ii) the Base Rent and all additional rent will be prorated as of the date of the recapture, and (iii) this Lease will terminate (subject to the provisions of Section 25.17) as of the date of the recapture.

16.2.3. <u>Assignments</u>. If the Tenant wishes to assign this Lease, the Tenant will notify the Landlord of its intention to assign and the date on which the Demised Premises will become available, which date shall be no later than twelve months following the delivery of the notice. The Landlord may, within 30 days after the delivery of the Tenant's notice, elect by notice to the Tenant to recapture the Demised Premises in accordance with the provisions of this <u>Section 16.2.3</u>. If the Landlord fails timely to make either election, the Landlord will be deemed to have made an election not to recapture the Demised Premises, with the same effect as if that election had been made. If the Landlord elects to recapture the Demised Premises, in accordance with the provisions of this <u>Section 16.2.3</u>, (i) the Tenant will surrender the Demised Premises on the date specified in the notice referred to in the first sentence of this <u>Section 16.2.3</u>, in

the condition required by the provisions of this Lease, (ii) the Base Rent and all additional rent will be prorated as of the date of the recapture, and (iii) this Lease will terminate (subject to the provisions of Section 25.16) as of the date of the recapture. Before assigning this Lease, the Tenant will submit to the Landlord a request for the Landlord's consent to the assignment, which request shall contain or be accompanied by the following information: (i) the name and address of the proposed assignee, (ii) the basic economic terms and conditions of the proposed assignment, (iii) the nature and character of the business of the proposed assignee and of its proposed use of the Demised Premises, and (iv) current financial information as to the proposed assignee. Within 30 days following the Tenant's request for the Landlord's consent to an assignment, the Landlord will advise the Tenant as to whether the Landlord consents to the assignment.

Terms of all Sublettings, etc. Every subletting by the Tenant is subject to the express condition, and by accepting a sublease hereunder each subtenant shall be conclusively deemed to have agreed, that the sublease is subject to all of the provisions of this Lease, and that if this Lease should be terminated before its expiration date or if the Landlord shall succeed to the Tenant's estate in the Demised Premises, then, at the Landlord's election (i) the subtenant shall attorn to and recognize the Landlord as the subtenant's landlord under the sublease and the subtenant will promptly execute and deliver any instrument the Landlord may reasonably request to evidence the attornment, or (ii) the Landlord may terminate the sublease in the exercise of the Landlord's discretion. The Tenant shall remain fully liable for the performance of all of the Tenant's obligations hereunder notwithstanding any assignment of this Lease or subletting of any portion of the Demised Premises and, without limiting the generality of the foregoing, shall remain fully responsible and liable to the Landlord for all acts and omissions in violation of any of the provisions of this Lease of any subtenant or anyone claiming by, through or under any subtenant. Each sublease of all or a portion of the Demised Premises shall expressly prohibit the subtenant thereunder from further subletting any portion of the subleased premises without the consent of the Landlord and the Tenant. In the case of any sublease entered into by the Tenant under Section 16.2.1, the sublease shall not be effective until the Tenant and the proposed subtenant shall have executed and delivered to the Landlord the Landlord's customary form of consent to subletting. In no event will the Tenant knowingly enter into a sublease or an assignment with any Person entitled to claim sovereign immunity. No assignment of this Lease shall be binding upon the Landlord unless (i) the assignment is approved by the Landlord, and (ii) the assignee shall execute and deliver to the Landlord an instrument, recordable in form, under which the assignee agrees unconditionally to be personally bound by and to perform all of the obligations of the Tenant hereunder. A failure or refusal of the assignee to execute or deliver such an instrument shall not release the assignee from its liability for the obligations of the Tenant assumed by the acceptance of the assignment of this Lease.

17. Events of Default, Remedies, etc.

17.1. Events of Default. If any one or more of the following events shall occur (each being referred to as an "Event of Default"):

- (a) if the Tenant shall fail to pay any installment of the Base Rent or any amount of additional rent on the date the same becomes due and payable and the failure shall continue for more than three days after the Tenant receives notice from the Landlord of the failure (which notice and three-day period shall be in lieu of, and not in addition to, the notice requirements of Section 1161 of the California Code of Civil Procedure or any successor or similar provision of law, now or hereafter in effect); or
- (b) if the Tenant shall fail to perform or comply with the provisions of Section 9.1, and the failure shall continue for more than the number of days specified for the cure thereof in any notice from the Landlord to the Tenant of the failure, provided that in the case of any such failure that is susceptible of cure but that cannot with diligence be cured within the period of time specified by the Landlord in its notice, if the Tenant shall promptly have commenced to cure the failure and shall thereafter prosecute the cure of the failure in good faith and with diligence, the period within which the failure may be cured may be extended by the Landlord, in the exercise of its discretion, for such period of time as shall be reasonably necessary for the cure of the failure with diligence; or
- (c) if any insurance required to be maintained by the Tenant under the terms of Section 10 shall be cancelled or terminated or shall expire (and if replacement insurance complying with the terms of Section 10 shall not have been effected prior to the cancellation, termination or expiration), or shall be amended or modified, except, in each case, as permitted by the terms of Section 10; or
- (d) if the Tenant shall enter into any assignment of this Lease or any sublease without the consent of the Landlord under the terms of <u>Section 16</u>;
- (e) if the Tenant shall fail to comply with any provision of Section 18, and the failure shall continue for more than 30 days after the Tenant receives notice from the Landlord of the failure (which notice and 30-day period shall be in lieu of, and not in addition to, the notice requirements of Section 1161 of the California Code of Civil Procedure or any successor or similar provision of law, now or hereafter in effect); or
- (f) if the Tenant shall fail to perform or comply with any term of this Lease (other than those referred to in clauses (a) through (e) of this sentence) and the failure shall continue for more than ten days after the Tenant receives notice from the Landlord of the failure (which notice and ten-day period shall be in lieu of, and not in addition to, the notice requirements of Section 1161 of the California Code of Civil Procedure or any successor or similar provision of law, now or hereafter in effect); or
- (g) if the Tenant or the Guarantor shall (i) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts when due, (iii) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of

itself or of any material part of its properties, (iv) be adjudicated insolvent or be liquidated, or (v) take corporate action for the purpose of any of the foregoing; or

- (h) if a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Tenant, a custodian, receiver, trustee or other officer with similar powers with respect to the Tenant or with respect to any material part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Tenant, or if any petition for any such relief shall be filed against the Tenant and the petition shall not be dismissed within 30 days; or
- (i) if a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Guarantor, a custodian, receiver, trustee or other officer with similar powers with respect to the Guarantor or with respect to any material part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Guarantor, or if any petition for any such relief shall be filed against the Guarantor and the petition shall not be dismissed within 30 days; or
- (j) if the Tenant shall vacate the Demised Premises without a demonstrable intention to return, whether or not the Tenant continues to pay the Base Rent and additional rent in a timely manner; or
- (k) if the Tenant or any of its Affiliates shall be in material breach of the terms of any other lease, license, permit or contract to which the Landlord shall be a party; or
- (I) if the Tenant shall fail to pay when due any amount due under the Landing Fee; or
- (m) if the Tenant shall fail to remit when due to the Landlord any Passenger Facility Charges;
 - (n) if the AXP Sponsorship Agreement terminates before its 10 year term;
- (o) if AXP is in material breach or default of the AXP Sponsorship Agreement beyond the applicable notice and cure period.

then and in any such event the Landlord may at any time thereafter, during the continuance of the Event of Default, give a written termination notice to the Tenant specifying a date (not fewer than 30 days from the date the notice is given) on which this Lease shall terminate, and on that date, subject to the provisions of Section 25.17, the Term shall terminate by limitation and all rights of the Tenant under this Lease shall cease. The Tenant will pay, as additional rent, all reasonable costs and expenses incurred by or on behalf of the Landlord (including, without

limitation, reasonable attorneys' fees and expenses) occasioned by any default by the Tenant under this Lease.

17.2. Repossession, etc. If an Event of Default shall have occurred and be continuing, the Landlord, whether or not the Term of this Lease shall have been terminated under Section 17.1, may enter upon and repossess the Demised Premises or any part thereof by summary proceedings, legal process or otherwise in accordance with applicable law, and may remove the Tenant and all other persons and any and all property from the Demised Premises. At the expense of the Tenant, the Landlord may store any property so removed from the Demised Premises. The Landlord shall be under no liability for or by reason of the entry, repossession or removal. No re-entry or repossession of the Demised Premises or any, part thereof by the Landlord shall be construed as an election by the Landlord to terminate this Lease unless notice of the termination be given to the Tenant under Section 17.1.

17.3. <u>Damages; Remedies</u>.

- 17.3.1. Termination. In the event of a termination of this Lease under <u>Section</u> 17.1, the Tenant will pay to the Landlord, an amount equal to the sum of the following:
- (a) the value at the time of the award of any unpaid Base Rent, and all other additional rent due as of the date of the termination of this Lease;
- (b) the value at the time of the award of the amount by which (i) the unpaid Base Rent, and all other additional rent that would have been payable after the date of the termination of this Lease until the time of the award, exceeds (ii) the amount of rental loss, if any, that the Tenant shall have affirmatively proven could have been reasonably avoided;
- (c) the value at the time of the award of the amount by which (i) the unpaid Base Rent, and all other additional rent that would have been payable after the date of the award, exceeds (ii) the amount of rental loss, if any, that the Tenant shall have affirmatively proven could have been reasonably avoided;
- (d) any other amount necessary to compensate the Landlord for all detriment caused by (and that would be reasonably likely in the future to result from) the Tenant's failure to perform the Tenant's obligations under this Lease; and
- (e) all other amounts in addition to or in lieu of those set out in <u>clauses (a)</u> through <u>(d)</u> of this sentence as may from time to time be permitted by applicable California law.

As used in <u>clauses (a)</u> and <u>(b)</u> of the immediately preceding sentence, the "value at the time of the award" is computed by allowing interest at the annual rate of ten percent; as used in <u>clause (c)</u> of the immediately preceding sentence, the "value at the time of the award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, expressed as an annual rate of interest, plus one percent; as

used in clauses (a), (b) and (c) of the immediately preceding sentence, the "value at the time of the award" is computed to the extent necessary on the basis of reasonable estimates of all of the factors unknown at the time of computation and necessary for the computation. If, before presentation of proof of final damages to any court, commission or tribunal, the Demised Premises, or any part thereof, shall have been relet by the Landlord for the period that otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon the reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Demised Premises so relet during the term of the reletting.

17.3.2. Continuation of Agreement. In the event of any Event of Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord shall have the remedy described in California Civil Code Section 1951.4 and the following provision from such Civil Code Section is hereby repeated:

"The Lessor has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if Lessee has right to sublet or assign, subject only to reasonable limitations.)"

In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Demised Premises. For purposes of this Section 17.3.2, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Demised Premises: (1) Acts of maintenance or preservation or efforts to relet the Demised Premises, including, without limitation, alterations, remodeling, redecoratings, repairs, replacements or paining as Landlord shall consider advisable for the purpose of reletting the Demised Premises or any part thereof, or (2) the appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Demised Premises.

17.4. Guaranty. Following the occurrence and during the continuance of an Event of Default, the Landlord may apply the amount held by it under the Performance Guaranty toward any obligation of the Tenant under this Lease. The Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of any successor or similar provision of law, now or hereafter in effect, that provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by the tenant or to clean the demised premises, the Tenant having agreed in this Lease that the Landlord may, in addition, claim those sums specified in this Section 17. Neither the Performance Guaranty nor any other security or guaranty for the performance of the Tenant's obligations that the Landlord may now or hereafter hold shall constitute a bar or defense to any action initiated by the Landlord for unlawful detainer or for the recovery of the Demised Premises, for the enforcement of any obligation of the Tenant, or for the recovery of damages suffered by the Landlord as a result of any Event of Default.

- 17.5. Reletting. In case of any termination of this Lease under Section 17.1 or any repossession of the Demised Premises under Section 17.2, the Landlord may relet the Demised Premises on such terms as the Landlord in its discretion may deem advisable. If the Landlord relets all or any part of the Demised Premises for all or any part of the period commencing on the day following the date of the termination or repossession and ending on the last day of the Term (had this Lease not been terminated), the Landlord will credit the Tenant with the net rents (including any other sums) received by the Landlord from the reletting, the net rents to be determined by first deducting from the gross rents as and when received by the Landlord from the reletting the expenses incurred or paid by the Landlord in terminating this Lease and reentering the Demised Premises and securing possession thereof, as well as the reasonable expenses of reletting, including altering and preparing the Demised Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Demised Premises and the rental therefrom in connection with the reletting, it being understood that any reletting may be for a period equal to or shorter or longer than the balance of the Term, provided that (i) in no event shall the Tenant be entitled to receive any excess of the net rents over the sums payable by the Tenant to the Landlord hereunder, (ii) in no event shall the Tenant be entitled, in any suit for the collection of damages under this Section 17.5, to a credit in respect of any net rents from a reletting except to the extent that the net rents are actually received by the Landlord, and (iii) if the Demised Premises or any part thereof should be relet in combination with other space, then proper apportionment on the basis of square footage shall be made of the rent received from the reletting and of the expenses of reletting. The inability of the Landlord to relet the Demised Premises or any part thereof shall not release or affect the Tenant's liability for damages for any breach of the provisions of this Lease.
- 17.6. Other Remedies. Upon the occurrence of an Event of Default by the Tenant of any of the provisions of this Lease, the Landlord shall have the right of injunction and the right to invoke any remedy permitted at law or in equity in addition to any other remedies specifically mentioned in this Lease. The remedies specified herein are cumulative, and the exercise of one remedy shall not preclude the exercise of any other remedy available to the Landlord herein. No exercise by the Landlord of any remedy specifically mentioned in this Lease or otherwise permitted by law shall be construed, alone or in combination, as the exercise by the Landlord of its right to terminate this Lease unless the Landlord has in fact given written notice of the termination of this Lease. Notwithstanding the exercise of any other remedy, the Landlord may at any later time exercise its right to terminate this Lease.
- 17.7. Tenant's Waiver of Statutory Rights. The Tenant hereby expressly waives any and all rights, so far as is permitted by law, that the Tenant might otherwise have to (a) redeem the Demised Premises or any interest therein, (b) obtain possession of the Demised Premises, or (c) reinstate this Lease, after any repossession of the Demised Premises by the Landlord or after any termination of this Lease, whether the repossession or termination shall be by operation of law or under the provisions of Section 17.1 or 17.2.

17.8. Landlord's Right to Perform Tenant's Covenants. If the Tenant shall default in the observance or performance of any term or covenant on the Tenant's part to be observed or performed under the terms of this Lease, the Landlord may, without being under any obligation to do so, and without waiving the default, remedy the default for the account of the Tenant, immediately and without notice in case of emergency, and in any other case if the Tenant shall fail to remedy the default with all reasonable dispatch after the Landlord shall have notified the Tenant of the default and the applicable grace period for curing the default shall have expired. If the Landlord makes any expenditures or incurs any obligations for the payment of money in connection with the remedy of any such default, the sums paid and obligations incurred (together with a reasonable allowance for related administrative costs and overhead) shall be deemed to be additional rent hereunder and shall be reimbursed by the Tenant to the Landlord promptly after submission of a statement to the Tenant therefor, together with interest at the Stipulated Rate from the date of payment by the Landlord to the date of reimbursement. The reasonable allowance for administrative costs and overhead referred to in the immediately preceding sentence shall include the reasonable value of the efforts of the City Attorney in connection with the remedy of the default. In the case of the Landlord's remedy of any default by the Tenant of the Tenant's obligations under Section 9.1, or any other default requiring the performance of work at the Demised Premises, the reasonable allowance for administrative costs and overhead shall also include a surcharge of 50 percent of the Landlord's out-of-pocket costs.

18. Performance Guaranty.

18.1. <u>Initial Performance Guaranty</u>. It shall be a condition to the effectiveness of this Lease that, before the Commencement Date, the Tenant shall have delivered a security deposit (the "Performance Guaranty") to the Landlord at the following address:

Revenue Accounting
Department of Airports
P.O. Box 92214
Los Angeles, California 90009

The initial amount of the Performance Guaranty shall be the amount reflected on the Basic Information Schedule (Schedule 4) as the "Performance Guaranty Amount", which is three times the sum of the amount of the initial estimated monthly installments of the Base Rent, and all other additional rent. The Performance Guaranty may only be in the form of a cashier's check or in the form of an irrevocable bank letter of credit (and if the Performance Guaranty is for an amount equal to or greater than \$5,000.00, the Performance Guaranty must be in the form of an irrevocable bank letter of credit), in either case issued by a bank satisfactory to the Landlord. Any irrevocable bank letter of credit shall be self-rencwing annually (but subject to termination as of any renewal date upon not less than 60 days' prior notice to the Landlord, in accordance with Section 20) and shall otherwise be in such form as may be approved by the City Attorney. The Performance Guaranty shall not be in lieu of any other guaranty required by the Landlord in connection with this Lease, nor shall any other guaranty in favor of the Landlord

relating to any obligation of the Tenant, whether in connection with this Lease or otherwise, stand wholly or partly in lieu of the Performance Guaranty.

- 18.2. Increases to Performance Guaranty. Whenever under the terms of this Lease the monthly amounts payable by the Tenant on account of the Base Rent, and all other additional rent increase, such that the amount of the aggregate cumulative increase shall exceed ten percent of the amount of the existing Performance Guaranty, the Tenant will, within 30 days of the delivery by the Landlord of a notice requiring that the Performance Guaranty be increased, deliver a new Performance Guaranty to the Landlord at the address specified in Section 18.1 (or such other address as the Landlord may from time to time specify for the purpose of this Section 18.2) in the amount of three times the sum of the amount of the then current monthly installments of the Base Rent, and all other additional rent. Upon the application by the Landlord of any portion of the Performance Guaranty under the terms of Section 17.4, the Tenant will immediately deliver a new Performance Guaranty to the Landlord in the amount of the Performance Guaranty immediately before the application.
- 18.3. Purpose; Return. The Performance Guaranty shall be held by the Landlord as security for the faithful performance by the Tenant of all of the terms, provisions, and covenants to he performed by the Tenant under this Lease, including the payment of the Base Rent, and all other additional rent. Upon the expiration or earlier termination of the Term, and if the Tenant has satisfied all of its obligations to the Landlord under this Lease, the Landlord will return the Performance Guaranty to the Tenant. Without limiting the generality of the first sentence of this Section 18.3, the Performance Guaranty is intended as security for the final damages under this Lease described in Section 17.3.2, as well as for the monthly installments of damages described in Section 17.3.1. To the extent necessary to permit the Landlord to retain the Performance Guaranty until any final damages have been determined, the Tenant waives the application of Section 1950.7 of the California Civil Code.
- 18.4. <u>Policy Change.</u> The Board reserves the right, power and duty to revise and readjust the Performance Guaranty policy and amount at any time throughout the Term. Upon the adoption of a revised Performance Guaranty Policy by the Board, such policy shall be applicable to the Tenant.
 - 19. Space Utilization.
- 19.1. <u>Policy</u>. Because the Airport is a public facility essential to regional and national transport and economy, as a matter of public policy the Landlord requires that space at the facilities of the Airport be fully utilized.
 - 20. End of Term.
- 20.1 <u>Surrender</u>. Upon the expiration of the Term or earlier termination of this Lease, the Tenant will quit and surrender to the Landlord the Demised Premises, broom clean, in good order and in the condition required by the provisions of this Lease including, but not limited to, the provisions set forth in Section 1.3.3.2 a and b and Exhibit C, ordinary wear and tear, casualty

damage governed by <u>Section 14</u> and damage which the Landlord is obligated to repair under this Lease in each case excepted.

Tenant shall remove all AXP Brand Improvements identified in Exhibit C hereto and ensure removal of those items does not impact mechanical, electrical, plumbing, technology, infrastructure to include fire/life safety doors. Tenant shall not remove infrastructure and shall fix anything visible from the outside. Tenant shall leave the Demised Premises in "vanilla shell condition," which for purposes hereof shall mean that the Demised Premises shall have a minimally finished interior, with ceilings, lighting, plumbing, heating and cooling (HVAC), interior walls (painted or unpainted), electrical outlets, restrooms, and a concrete floor, and such condition shall include the Qualified Lounge Improvements (except for the AXP Brand Improvements (see Exhibit C)).

20.2. Holdover. If the Tenant remains in possession of the Demised Premises after the termination of this Lease (whether at the end of the Term or otherwise) without the execution of a new lease, the Tenant, without derogation of any other rights of the Landlord hereunder, shall be deemed to be occupying the Demised Premises as a tenant from month to month, at a monthly rental equal to 150% of the Base Rent and all additional rent payable for the last month of the Term, and subject to all of the other terms of this Lease, unless the Landlord, at its sole discretion, agrees to the imposition of the Tariff following termination of this Lease (whether at the end of the Term or otherwise), by providing thirty (30) days advanced written notice to Tenant. Acceptance by the Landlord of holdover rent after the termination of this Lease shall not be deemed to create or evidence a renewal of this Lease. The foregoing provisions of this Section 20.2 are not intended to limit or otherwise modify the Landlord's right of re-entry or any other right of the Landlord under this Lease or as otherwise provided by law, and shall not affect any right that the Landlord may otherwise have to recover damages from the Tenant for loss or liability incurred by the Landlord resulting from the Tenant's failure to timely surrender the Demised Premises. Nothing contained in this Section 20 shall be construed as a consent by the Landlord to any holding over by the Tenant, and the Landlord expressly reserves the right to require the Tenant to surrender possession of the Demised Premises to the Landlord upon the expiration or earlier termination of the Term as provided in this Lease.

21. Other Covenants.

- 21.1. Quiet Enjoyment. The Landlord covenants with the Tenant that, upon the Tenant paying the Base Rent and all additional rent and observing and performing all the other terms, covenants and conditions on the Tenant's part to be observed and performed under this Lease, the Tenant may peaceably and quietly enjoy the Demised Premises (subject, however, to the terms and conditions of this Lease) free of interference by anyone claiming by, through or under the Landlord.
- 21.2. <u>Rights of Flight</u>. The Landlord reserves, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the Terminal, including the right to cause any noise and vibration inherent in the operation of any aircraft through the airspace or

landing at, taking off from, or operating at the Airport. The Tenant will not to make any claim against the Landlord under any theory of recovery for any interference with the Tenant's use and enjoyment of the Demised Premises that may result from noise or vibration emanating from the operation of aircraft at the Airport.

21.3. Airport and Terminal Management.

- 21.3.1. Authority of Landlord in Public Areas. The Tenant acknowledges that the Airport is a public facility essential to regional and national transport and economy and that the Landlord is a political subdivision with a public responsibility for the proper functioning of the Airport and the Terminal. In order to carry out its responsibilities (including its obligations to comply with the requirements of the Federal Aviation Administration, the U.S. Transportation Security Administration, and other Legal Requirements), the Landlord must therefore have broad power to regulate activities in the Airport and in the areas of the Terminal not part of the Demised Premises. Without limiting any other specific provisions of this Lease, the Landlord shall have the right to adopt from time to time rules and regulations, and may make other specific orders, for the conduct of operations in the Public Areas. The Tenant shall at all times comply with any rules and regulations from time to time so adopted and any specific orders so made by the Landlord (and of which the Tenant shall have received a copy in writing), provided only that the rules and regulations are adopted, and the orders made, by the Landlord in the good faith discharge of its public responsibilities and do not unreasonably discriminate against the business operations of the Tenant in the Demised Premises.
- 21.3.2. <u>Major Changes</u>. The Landlord may make any change to the Terminal or the Airport that the Landlord determines may be necessary or desirable. The Tenant acknowledges that the Landlord may undertake various improvements to the Airport and the Terminal during the Term, and that the construction of the improvements may interfere with the Tenant's operations at the Terminal. The Landlord and the Tenant will cooperate in good faith to address the construction requirements and to attempt to mitigate the effects on the Tenant's operations.
- 21.3.3. Other Users. The Tenant acknowledges that other users of the Terminal may undertake various improvements in the Terminal during the Term, and that the construction of such user's improvements may require interference with the Tenant's operations at the Terminal. The Tenant also acknowledges that the Tenant may undertake various improvements in the Terminal during the Term, and that the construction of the Tenant's improvements may require interference with other users' operations at the Terminal. The Tenant agrees to (a) cooperate in good faith with other users of the Terminal to address such user's construction requirements, and (b) cooperate in good faith with other users of the Terminal that may be impacted by the Tenant's construction requirements and to attempt to mitigate the effects on such user's operations.

- 21.4. No Landlord's Representations. The Tenant agrees to accept the Demised Premises and the Terminal "as is," in their condition and state of repair existing on the date of the Tenant's execution and delivery of this Lease. The Landlord makes no representations, express or implied, as to the current condition of the Terminal, the Airport or the Demised Premises, or the equipment and systems serving the Terminal, the Airport or the Demised Premises. To the maximum extent permitted by law, the Tenant waives the right to make repairs at the expense of the Landlord and the benefit of the provisions of Sections 1941 and 1942 of the California Civil Code.
- 21.5. Communications Equipment and Antennae. The Tenant has no right to install or use any telecommunications equipment or antennae on the roof or exterior of the Terminal, unless (a) the installation and use are directly related to the conduct of the Tenant's business at the Demised Premises and are in full compliance with the Landlord's permit process and telecommunications policies, as established in the discretion of the Landlord and from time to time in effect, and (b) the installation is effected in compliance with the requirements of Section 4. The Tenant will not license, sublease or in any other manner permit any other Person to use any telecommunications equipment or antennae installed by the Tenant at the Terminal. The Landlord shall have the right, without compensation to the Tenant, to install or use telecommunications equipment or antennae on the roof or exterior of the Demised Premises and to install and attach cables, wires and conduits on, over or under the Demised Premises in connection with telecommunications equipment or antennae, or to license or otherwise permit others to do so.
- 21.6. Signs and Advertising Materials. Except as set forth in this Section 21.6, the Tenant will not place any signs or advertising materials in any location at the Terminal without the prior consent of the Landlord, which consent may be withheld in the discretion of the Landlord. Any request for the approval of identification signs for the Tenant's operations shall be accompanied by illustrative drawings and design dimensions together with information about the type of identification signs proposed by the Tenant and the locations in which the signs are proposed to be installed. The Tenant will comply with any conditions to the installation or use of signs to which the Landlord may make its consent subject. The Landlord may without notice remove any unauthorized signs or advertising materials, and may store them at the Tenant's expense, and may dispose of them if they are not promptly claimed by the Tenant after notice from the Landlord.
- 21.7. Environmental Matters. The Tenant's activities at or about the Demised Premises and the Application of all Hazardous Materials by the Tenant, its employees, agents, contractors, or subcontractors, shall comply at all times with all Environmental Requirements. Except for conditions existing before the original occupancy of the Demised Premises by the Tenant, in the case of any the spill, leak, discharge, release or improper storage of any Hazardous Materials on the Demised Premises or contamination of the Demised Premises with Hazardous Materials by the Tenant, its employees, agents, contractors, or subcontractors, (or by the Tenant or its employees, agents, contractors, or subcontractors onto any other property at the Airport), the

Tenant will make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any spill, leakage, discharge, release or contamination, all in accordance with applicable Environmental Requirements. At the expiration or earlier termination of the Term, the Tenant will promptly remove from the Demised Premises all Hazardous Materials Applied by the Tenant at the Demised Premises. If the Tenant installs or uses underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Demised Premises for the storage, distribution, use, treatment, or disposal of any Hazardous Materials, the Tenant will, upon the expiration or earlier termination of the Term, remove or clean up such improvements, at the election of the Landlord, at the sole expense of the Tenant and in compliance with all Environmental Requirements and the reasonable directions of the Landlord. The Tenant shall be responsible and liable for the compliance with all of the provisions of this Section 21.7 by the Tenant's officers, employees, contractors, assignees, sublessees, agents and invitees. The Tenant will, at its expense, promptly take all actions required by any governmental agency in connection with the Tenant's Application of Hazardous Materials at or about the Demised Premises, including inspection and testing, performing all cleanup, removal and remediation work required for those Hazardous Materials, complying with all closure requirements and post closure monitoring, and filing all required reports or plans. All of the foregoing work and all Application of Hazardous Materials shall be performed in a good, safe and workmanlike manner by personnel qualified and licensed to undertake the work and in a manner that will not materially interfere with the Landlord's use, operation and leasing of the Terminal or the Airport and other tenants' quiet enjoyment of their premises. The Tenant will deliver to the Landlord before delivery to any agency, or promptly after receipt from any agency, copies of all permits, manifests, closure or remedial action plans, notices, and all other documents relating to the Tenant's Application of Hazardous Materials at or about the Demised Premises. The Tenant will keep the Landlord fully informed of its Application of Hazardous Materials, and, if the Tenant Applies Hazardous Materials, the Landlord may engage one or more consultants to review all permits, manifests, remediation plans and other documents related to the Application of the Hazardous Materials. The Landlord's reasonable out of pocket costs of engaging the consultants will be paid by the Tenant.

21.8. Security. The Tenant will fully comply with all Legal Requirements relating to airfield and airport security. The Tenant will maintain and keep in good repair that portion of the Airport perimeter fence, including gates and doors, that are in the Demised Premises or controlled by the Tenant. The Tenant will comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 CFR Sections 1500 through 1550 (and 49 CFR Part 129), including the establishment and implementation of procedures acceptable to the Landlord to control access from the Demised Premises to air operation areas in accordance with the Airport Security Program required by 49 CFR Part 1542, as may be amended from time to time, or any successor statute. The Tenant will exercise exclusive security responsibility for the Demised Premises and, if the Tenant is an air carrier, will do so under the Tenant's Transportation Security Administration approved Air Carrier Standard Security Program used in accordance with 49 CFR Part 1544, as may be amended from time to time, or any successor

statute. Without limiting the generality of the foregoing, the Tenant will keep gates and doors in the Demised Premises and that permit entry to restricted areas at the Airport locked at all times when not in use or under the Tenant's constant security surveillance. The Tenant will report gate or door malfunctions that permit unauthorized entry into restricted areas to the Landlord's operations center without delay, and the Tenant will maintain the affected gate or door under constant security surveillance until repairs are affected by the Tenant or the Landlord and the gate or door is properly secured. The Tenant will pay all civil penalties levied by the Transportation Security Administration for violation of Transportation Security Administration Regulations pertaining to security gates or doors in the Demised Premises or otherwise controlled by the Tenant.

22. Federal and Municipal Requirements.

- 22.1. <u>Business Tax Registration</u>. The Tenant represents that it has registered its business with the office of the City Clerk of the City of Los Angeles and has obtained and presently holds a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by the Business Tax Ordinance (Article I, Chapter 2, Sections 21.00 and following, of the Municipal Code of the City of Los Angeles). The Tenant will maintain, or obtain as necessary, all certificates required of the Tenant under that ordinance, and shall not allow any such certificate to be revoked or suspended during the Term.
- 22.2. Child Support Orders. This Lease is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, a copy of which is attached for convenience as Exhibit D. Under this Section, the Tenant (and any subcontractor of the Tenant providing services to the Landlord under this Lease) will (1) fully comply with all State and Federal employment reporting requirements for the Tenant's or the Tenant's subcontractor's employees applicable to Child Support Assignments Orders; (2) certify that the principal owners of the Tenant and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain compliance throughout the Term. Under Section 10.10(b) of the Los Angeles Administrative Code, failure of the Tenant or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owners of the Tenant or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where the failure shall continue for more than 90 days after notice of the failure to the Tenant by the Landlord (in lieu of any time for cure provided elsewhere in this Lease).
- 22.3. <u>Contractor Responsibility Program</u>. The Tenant will comply with the provisions of the Contractor Responsibility Program adopted by the Board. The rules,

regulations, requirements and penalties of the Contractor Responsibility Program and the Pledge of Compliance Form are attached to this Lease as Exhibit E.

22.4. Equal Benefits Ordinance.

22.4.1. Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("EBO"), the Tenant certifies and represents that the Tenant will comply with the applicable provisions of EBO Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time. The Tenant shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration. As used above, the term "Non-ERISA Benefits" shall mean any and all benefits payable through benefit arrangements generally available to the Tenant's employees which are neither "employee welfare benefit plans" nor "employee pension benefit plans", as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by the Tenant to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as "employee welfare benefit plans" or "employee pension benefit plans", and, which include any bereavement leave, family and medical leave, and travel discounts provided by the Tenant to its employees, their spouses and the domestic partners of employees.

22.4.2. The Tenant agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the term of a Lease with the City of Los Angeles, the Tenant will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at 213-847-6480."

22.4.3. The failure of the Tenant to comply with the EBO will be deemed to be a material breach of the Lease by the Landlord. If the Tenant fails to comply with the EBO, the Landlord may cancel or terminate the Lease, in whole or in part, and all monies due or to become due under the Lease may be retained by the Landlord. The Landlord may also pursue any and all other remedies at law or in equity for any breach. Failure to comply with the EBO may be used as evidence against the Tenant in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance. If the Landlord determines that the Tenant has set up or used its contracting entity for the purpose of evading the intent of the EBO, the Landlord may terminate the Lease.

22.5. <u>First Source Hiring Program</u>. The Tenant will comply with the provisions of the First Source Hiring Program adopted by the Board. The rules, regulations, requirements, and penalties of the First Source Hiring Program are attached to this Lease as Exhibit F.

22.6. Living Wage Ordinance.

22.6.1. General Provisions; Living Wage Policy. This Lease is subject to the Living Wage Ordinance ("LWO"), Section 10.37, et seq., of the Los Angeles Administrative Code, a copy of which is attached hereto for convenience as Exhibit G. The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of property of the City of Los Angeles who render services on the leased premises or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least 12 compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten additional days per year of uncompensated time under Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars per hour of their possible right to the federal Earned Income Tax Credit and to make available the forms required to secure advance Earned Income Tax Credit payments from the employer under Section 10.37.4. The Tenant will permit access to work sites for authorized representatives of the City of Los Angeles to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City of Los Angeles. Whether or not subject to the LWO, the Tenant will not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, under Section 10.37.6(c), the Tenant will comply with federal law prohibiting retaliation for union organizing.

22.6.2. <u>Living Wage Coverage Determination</u>. An initial determination has been made that this Lease is a public lease under the LWO, and that it is not exempt from coverage by the LWO. Determinations as to whether this Lease is a public lease or license covered hy the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. The City of Los Angeles will notify the Tenant in writing about any redetermination by the City of Los Angeles of coverage or exemption status. To the extent the Tenant claims non-

coverage or exemption from the provisions of the LWO, the burden shall be on the Tenant to prove the non-coverage or exemption.

- 22.6.3. Compliance. If the Tenant is not initially exempt from the LWO, the Tenant will comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Commencement Date. If the Tenant is initially exempt from the LWO, but later no longer qualifies for any exemption, the Tenant will, at such time as the Tenant is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease and the Landlord shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if the City of Los Angeles determines that the Tenant violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Lease. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.
- 22.7. Service Contractor Workers Retention Ordinance. This Lease may be subject to the Service Contractor Worker Retention Ordinance ("SCWRO"), Section 10.36, et seq., of the Los Angeles Administrative Code, a copy of which is attached for convenience as Exhibit H. If applicable, the Tenant must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three months shall provide retention by a successor contractor for a 90-day transition period of the employees who have been employed for the preceding twelve 12 months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, the City of Los Angeles has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if the City of Los Angeles determines that the Tenant violated the provisions of the SCWRO.

22.8. Nondiscrimination and Equal Employment Practices.

22.8.1. Federal Non-Discrimination Provisions.

(a) The Tenant for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Demised Premises or the other Demised Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant will maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49

- CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
- (b) The Tenant for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the land and the furnishing of services 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, (3) that the Tenant will use the Demised Premises and the other Demised Premises in compliance with all other requirements imposed by or pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
- Orders, and such rules as are promulgated to assure that no person shall, on the grounds or race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the Tenant or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property.
- (d) The Tenant will furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- (e) The Tenant will insert the provisions found in clauses (c) and (d) of this Section 22.8.1 in any sublease, assignment, license, or permit by which the Tenant grants a right or privilege to any Person to render accommodations or services to the public at the Demised Premises.

22.8.2. City Non-Discrimination Provisions.

(a) Non-Discrimination In Use Of Premises. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap,

marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Demised Premises or any part of the Demised Premises or any operations or activities conducted on the Demised Premises or any part of the Demised Premises. Nor shall the Tenant or any person claiming under or through the Tenant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees of the Demised Premises. Any sublease or assignment that may be permitted under this Lease shall also be subject to all non-discrimination clauses contained in this Section 22.8.2.

- (b) Non-Discrimination In Employment. During the Term, the Tenant agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. The Tenant will take affirmative action to insure that applicants for employment are treated, during the Term, without regard to the aforementioned factors and will comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.
- (c) Equal Employment Practices. If the total payments made to the Landlord under this Lease are \$1,000 or more, this provision shall apply. During the performance of this Lease, the Tenant will comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), a copy of which is attached hereto for convenience as Exhibit 1. By way of specification but not limitation, under Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of the Tenant to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Tenant. Upon a finding duly made that the Tenant has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated, cancelled or suspended.
- (d) Affirmative Action Program. If the total payments to the Landlord under this Lease are \$100,000 or more, this provision shall apply. During the performance of this Lease, the Tenant will comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), a copy of which is attached hereto for convenience as Exhibit J. By way of specification but not limitation, under Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of the Tenant to comply with the Affirmative Action Program provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Tenant. Upon a finding duly made that the Tenant has failed to comply with

the Affirmative Action Program provisions of this Lease, this Lease may be forthwith terminated, cancelled or suspended.

- 22.9. Taxes, Permits and Licenses. The Tenant will pay any and all taxes of whatever character that may be levied or charged upon the Demised Premises, or upon the Tenant's improvements, fixtures, equipment, or other property thereon or upon the Tenant's use thereof. The Tenant will also pay all license or permit fees necessary or required by law or regulation for the conduct of the Tenant's business or use of the Demised Premises. By executing this Lease and accepting the benefits hereof, a property interest in the nature of a "possessory interest" may be created in the Tenant. If such a possessory interest is deemed to be created, the Tenant, as the party in whom the possessory interest is vested, will be subject to the payment of the property taxes levied upon the possessory interest. The Tenant may contest the validity and applicability of any taxes or fees, and during the period of any lawful contest, the Tenant may refrain from making, or direct the withholding of, any such payment without being in breach of the provisions of this Section 22.9. Upon a final determination in which the Tenant is held responsible for such taxes or fees, the Tenant will promptly pay the required amount plus all legally imposed interest, penalties and surcharges. If all or any part of such taxes, fees, penalties or surcharges are refunded to the Landlord, the Landlord will remit to the Tenant such sums to which the Tenant is legally entitled.
- 22.10. Visual Artists' Rights Act. The Tenant will not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. §106A, et seq., or California Code Section 980, et seq., (collectively, "VARA") on or about the Demised Premises without first obtaining a written waiver from the artist of all rights under VARA, satisfactory to the Landlord and approved as to form and legality by the City Attorney. The waiver shall be in full compliance with VARA and shall name the Landlord as a party for which the waiver applies. The Tenant is prohibited from installing and will not install, or cause, or allow to be installed, any piece of artwork covered under VARA at or about the Demised Premises without the prior written approval and waiver of the Landlord. Any work of art installed at or about the Demised Premises without such prior approval and waiver shall be deemed a trespass, removable by the Landlord, upon three days' written notice, with all costs, expenses, and liability therefor to be borne exclusively by the Tenant. Tenant, in addition to other obligations to indemnify, defend and hold City and City Agents harmless, as more specifically set forth in this Lease, shall indemnify, defend and hold City and City Agents harmless from all Claims resulting from Tenant's failure to obtain a waiver of VARA and failure to comply with any portion of this provision. The rights afforded City under this provision shall not replace any other rights afforded City in this Lease or otherwise, but shall be considered in addition to all its other rights.
- 22.11. Compliance with Los Angeles City Charter Section 470(c)(12). The Tenant, its sublessees, and their principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, the AXP Sponsorship Amenity

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Tenant is required to provide and update certain information to City as specified by law. Any tenant subject to Charter Section 470(c)(12), shall include the following notice in any contract with a sublessee expected to receive at least \$100,000 for performance under this Lease:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a sublessee on City of Los Angeles contract #______. Pursuant to City Charter Section 470(c)(12), sublessees and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. The sublessee is required to provide to the lessee names and addresses of the sublessee's principals and contact information and shall update that information if it changes during the 12 month time period. The sublessee's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at http://ethics.lacity.org/ or by calling 213/978-1960.

The Tenant, its sublessees, and their principals shall comply with these requirements and limitations. Violation of this provision shall entitle City to terminate this Lease and pursue any and all legal remedies that may be available.

23. <u>Notices</u>. Any notice or other communication required or permitted to be given, rendered or made by either party to the other, by any provision of this Lease or by any applicable law or requirement of public authority, shall (unless otherwise expressly set forth herein) be in writing and shall be deemed to have been properly given, rendered or made, if delivered by hand or received by certified mail, postage prepaid, return receipt requested, or delivered by nationally recognized overnight courier service, delivery service prepaid, or delivered by telecopier, in any case addressed as follows:

If to the Landlord:

Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216
Attention: Executive Director
Telecopier No. (310) 646-0523

with a copy to:

Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216
Attention: City Attorney
Telecopier No. (310) 646-9617

If to the Tenant:

American Express 200 Vesey Street MC: 01-22-04

New York, NY 10285

Attn: Global Real Estate & Workplace Enablement, Americas Transactions Vice President

With a copy at the same time and in the same manner to:

American Express 200 Vesey Street MC: 01-49-07

New York, NY 10285

Attn: General Counsel Organization Attorney for Global Real Estate & Workplace Enablement

American Express 200 Vesey Street MC: 01-22-04

New York, NY 10285

Attn: Global Real Estate & Workplace Enablement, Americas Transactions Coordinator

American Express 1500 NW 136th Avenue FL05-02-09 – Facilities Sunrise, FL 33323

Attn: Manager Lease Administration

Global Real Estate & Workplace Enablement

All Rent invoices to be sent to:

CBRE, Inc. – Portfolio Services Attn: AMERICAN EXPRESS account 6055 Primacy Parkway Building II, Suite 300

Memphis, TN 38119 Email: CA.amex@cbre.com

The Landlord or the Tenant may from time to time, by notice, designate a different or additional address within the United States or attention designation for communications intended for it. Any notice or other communication given by certified mail shall be deemed given as of the date of delivery as indicated on the return receipt, or when the delivery is first refused. Any notice or other communication delivered by a nationally recognized overnight courier service shall be deemed delivered on the Business Day following the day upon which the notice or other communication was delivered to the courier. Any notice or other communication delivered by

telecopier shall be deemed delivered when the transmission is actually received, if received during normal business hours, otherwise the notice or other communication, if received, shall be deemed delivered on the following Business Day. Any notice or other communication may be given on behalf of the Landlord or the Tenant by their respective attorneys, provided that the attorneys represent their capacity as such in the notice or other communication.

24. <u>Definitions.</u> The terms defined in this Section 24 shall have, for all purposes of this Lease, the meanings herein specified unless unambiguously required to the contrary by their context.

"Affiliate" means any company that (i) is a parent or subsidiary of the Tenant, or (ii) that directly or indirectly through one or more intermediary controls or is controlled by or is under the common control with Tenant. The term "control" (including the terms controlling, controlled by and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities by contract or otherwise. Prior to the execution of this Lease, the Tenant shall provide the Landlord with a list of its current Affiliates. The Tenant may update such list from time to time to add additional persons that fall within the definition of Affiliate hereunder provided that the Tenant provides prior written notice to the CEO, including a brief explanation as to how such additional Person satisfies the definition of "Affiliate." The Tenant shall provide the Landlord with written notice if at any time a Person on the list shall no longer be considered an Affiliate of the Tenant for purposes of this Lease.

"Airline" means an Air Carrier or Foreign Air Carrier as defined in 49 U.S.C. § 40102(A)(2) & (a)(21), respectively.

"Airport" or "LAX" means Los Angeles International Airport in Los Angeles, California.

"Airport Engineer" means the Chief Airports Engineer of the Airport from time to time, as successors to that position may be designated (by whatever title).

"Apply," "Applied," or "Application" mean any installation, handling, generation, storing, treatment, application, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials by the Tenant or its officers, employees, contractors, assignees, sublessees, agents or invitees.

"AXP" means American Express Travel Related Services Company, Inc. "AXP Sponsorship Agreement" means the Sponsorship Agreement between JCD and AXP attached hereto as Exhibit 1.

"Base Rent" means the rental payable for the use of the Demised Premises in monthly installments as provided in Section 3. As of the Commencement Date, the Base Rent is the Terminal Buildings Charge.

"Basic Information Schedule" means the schedule provided to the Tenant containing certain basic information relating to this Lease, including the rates and charges applicable to the Tenant in effect as of the Commencement Date, and identified as Schedule 4.

"Board" and "BOAC" means the Board of Airport Commissioners of the Department of Airports of the City of Los Angeles, California.

"Beneficial Occupancy" means use of the Demised Premises for its intended purpose after completion of construction.

"Business Day" means any day excluding Saturdays, Sundays, and any other day designated as a holiday under the federal laws of the United States or under the laws of the State of California or the City of Los Angeles.

"Capital Costs" means all capital costs of the Airport, including the following:

- (a) debt service (net of Passenger Facility Charges) allocable to bond-funded Capital Improvements;
- (b) debt service coverage allocated in accordance with stated bond covenant requirements;
- (c) amortization allocable to Capital Improvements funded with airport revenue, based on the economic life for each Capital Improvement and calculated using an interest rate set to equal the average all-in cost of Airport debt sold by the Landlord during the calendar year when such Capital Improvement is put in service, or if no Airport debt was sold, set to equal comparable published average borrowing costs.

"Capital Improvement" means any improvement or item or related group of items acquired, purchased, leased or constructed to improve, maintain or develop the Airport, as well as any extraordinary or substantial expenditure whose object is to preserve, enhance or protect the Airport that, in accordance with generally accepted accounting principles consistently applied, is capitalized by the Landlord.

"CEO" means the chief executive officer of the Department of Airports of the City of Los Angeles, California, or his or her designee.

"City Attorney" means the Office of the City Attorney of the City of Los Angeles.

"Commencement Date" means the date of full execution of the Lease.

"Common Use Areas" means the space in any terminal at the Airport designated by the Executive Director to be used in common by one or more Airlines or otherwise benefitting one or more Airlines for operations and include, without limitation, Common Use Holdrooms, Common Use Ticket Counters, Common Use Baggage Claim Areas and Common Use Outbound Baggage System Areas.

"Common Use Baggage Claim Areas" means the space in any terminal at the Airport (excluding the FIS Areas) designated by the Executive Director to be used in common with other Airlines for the delivery of inbound baggage to arriving passengers, including the baggage recheck areas and the areas where Common Use Baggage Claim Systems are located.

"Common Use Baggage Claim System" means equipment that delivers inbound baggage to arriving passengers.

"Common Use Holdrooms" means the space in any terminal at the Airport designated by the Executive Director to be used in common with other Airlines for passenger holdrooms and gate areas.

"Common Use Outbound Baggage System" means equipment that sorts outbound baggage for delivery to departing aircraft.

"Common Use Outbound Baggage System Areas" means the space in any terminal at the Airport designated by the Executive Director to be used in common with other Airlines for the sorting of outbound baggage for delivery to departing aircraft and includes the areas that the Common Use Outbound Baggage System is located.

"Common Use Ticket Counters" means the space in any terminal at the Airport designated by the Executive Director to be used in common with other Airlines for ticket counters and associated queuing space.

"Completion Date" means the date noted as project complete on the Tenant's Project Closeout Letter for the improvements.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), as published from time to time by the U.S. Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Riverside Orange County area, All Items (1982-84 = 100), or, if that index shall cease to be regularly published, such replacement index (adjusted for any difference in base year and absolute amount) as shall from time to time be published by the Bureau. If the U.S. Department of Labor ceases to publish such an index, the Landlord will adopt in its place a comparable index published at the time of the cessation by a responsible financial periodical, if any. If there is no comparable index published by a responsible financial periodical, the Landlord will adopt any other comparable index available, and make any adjustments required thereto to reflect the 1982-84 = 100 base year. In addition, if the method of calculating the consumer price index changes in any way, for the purposes of this Lease, the CPI shall be determined without giving effect to the new methods, and the CPI shall continue to be calculated in the manner as of the Rent Commencement Date. Any adjustments to the CPI (if it is calculated differently) shall be made by the Landlord, subject to the Tenant's right to reasonably approve the adjustments.

"Critical Portion" means any portion of the Demised Premises that, if not usable by the Tenant in its customary manner (taking into account any alternatives proposed by the Landlord) would, in the Tenant's reasonable judgment, render the balance of the Demised Premises insufficient for the proper and ordinary conduct of the Tenant's operations.

"Demised Premises" means the space (if any) demised for the exclusive use of the Tenant under this Lease, consisting of approximately the number of square feet reflected on the Basic Information Schedule under the heading "Demised Premises", located in the Terminal and shown in heavy black outline on the Airport Engineer's Drawing described on the Basic Information Schedule under the heading "Demised Premises", a copy of which is attached to this Lease as Exhibit A.

"Environmental Losses" means all costs and expenses of any kind (including remediation expenses), damages, fines and penalties incurred in connection with any violation of and compliance with Environmental Requirements and all losses of any kind attributable to the diminution of value, loss of use or adverse effects on marketability or use of any portion of the Demised Premises, the Terminal or the Airport.

"Environmental Requirements" means all present and future governmental statutes, codes, ordinances, regulations, rules, orders, permits, licenses, approvals, authorizations and other requirements of any kind applicable to Hazardous Materials.

"Executive Director" also referred to as the "CEO" means the chief executive officer of the Department of Airports of the City of Los Angeles, California, or his or her designee.

"FIS Areas" means the space in the Terminals designated by the Executive Director to be used in common with other Airlines for federal inspection services (including sterile corridors, customs areas, baggage service areas, customs baggage claim areas, cashier areas, interline baggage areas, immigration inspection areas, storage areas, locker areas, federal inspection service swing areas, conference room areas and registration areas), offices for federal agencies, restrooms included in or adjacent to the foregoing areas, transit lounge space and other in transit facilities for international passengers.

"Hazardous Materials" means any substance (i) that now or in the future is regulated or governed by, requires investigation or remediation under, or is defined as a hazardous waste, hazardous substance, extremely hazardous waste, hazardous material, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any governmental statute, code, ordinance, regulation, action, case law, rule or order, and any amendment thereto, including the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., (ii) that is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, mutagenic, or otherwise hazardous, including aviation fuel, jet fuel, gasoline, diesel, petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, radon and urea formaldehyde, (iii) the presence of which at the Terminal causes or threatens to cause a nuisance at the Terminal or adjacent property, or poses or threatens to pose a hazard to the health or safety of persons on or about the Terminal or adjacent property, or (iv) the presence of which on adjacent property could constitute a trespass by the Tenant.

"Insurance Requirements" means all terms of any insurance policy covering the Tenant or covering or applicable to the Terminal or any part thereof, all requirements of the issuer of the AXP Sponsorship Amenity
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policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Terminal or any part thereof or any use or condition of the Terminal or any part thereof.

"Landing Fee" means the landing fees and charges payable by the Tenant under the terms of any operating permit issued by the Landlord and held by the Tenant as an air carrier or as established by any resolution of the Board.

"<u>Landlord</u>" means the City of Los Angeles, acting by and through the Board of Airport Commissioners of its Department of Airports, in its capacities as the landlord and the licensor under this Lease.

"<u>Lease</u>" means this Airline Terminal Space Lease and License Agreement and the Schedule and Exhibits hereto, as amended from time to time.

"Lease Year" means the fiscal year of the Landlord, which is currently the year beginning on July 1 and ending on the following June 30, or any other fiscal year as may from time to time be adopted by the Landlord.

"Legal Requirements" means all laws, statutes, codes, acts, ordinances, charters, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, that now or at any time hereafter may be applicable to the Tenant or to the Terminal, or to the Airport or any part thereof.

"Lounge Improvements Investment Report" means the report submitted to the Landlord by the Tenant pursuant to Sections 1.3.3.2(a) or (b), which lists, in detail, the specific improvements and the actual verified costs incurred by Tenant for the Lounge Improvements.

"Lounge Improvement Recovery Fee" means a fee paid to the Landlord in monthly installments for the recovery of cumulative costs incurred by the Landlord for the purchase of lounge improvements associated with Premium Passenger Lounge Leases executed May 16, 2006, as provided for in Section 3.4.1.

"Operations and Maintenance Charge" means a charge assessed to the Tenant through the Terminal Buildings Charge and the Common Use Areas rates and charges that is based on an equalized rate for the recovery of the Operations and Maintenance Expenses and Reserve Deposits that are included in the Operations and Maintenance Requirement (defined in the Rate Methodology).

"Operations and Maintenance Expenses" means the total operation and maintenance expenses of the Airport.

"Passenger Facility Charges" means passenger facility charges remitted to the Landlord under 49 U.S.C. § 40117 and 14 C.F.R. Part 158 as they may be amended from time to time.

"Person" means a corporation, an association, a partnership, a limited liability company, an organization, a trust, a natural person, a government or political subdivision thereof or a governmental agency.

"Project Closeout Letter" means the letter issued by the Landlord's Airport Development Group upon receiving 1) a final inspection by the City, and 2) a Lounge Improvements Investment Report by the Tenant.

"Public Areas" means sidewalks, concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Landlord from time to time for use by passengers, the Landlord and Airline employees and other members of the public, as designated by the Executive Director.

"Reimbursement Rate" means, as of any date of determination, the annual rate of interest equal to two per cent per annum in excess of the fixed rate of interest quoted in The Bond Buyer 25 Revenue Bond Index (or, if that index is no longer published, such successor or replacement index or similar index selected by the Landlord) for fixed rate bonds having a term remaining to maturity of one year (with no credit enhancement) and bearing interest that is not excluded from gross income for federal income tax purposes.

"Rent Commencement Date" means the earlier of: (1) The Date of Beneficial Occupancy; or (2) 365 days from the Commencement Date, unless extended beyond 365 days at the discretion of the CEO.

"Rentable Area" means any areas in the terminals at the Airport that are available for use by Airlines, other aeronautical users, concessionaires or the Landlord or other governmental users on an exclusive, common or preferential use basis, as designated by the Executive Director. Rentable Area does not include any areas that are located outside the Terminals nor does Rentable Area include any space (such as security checkpoints) used by federal governmental agencies (such as Customs and Border Patrol or the TSA) or local law enforcement agencies to carry out their operations at the Airport.

"Reserve Deposits" means the amounts deposited to funds and accounts for operation and maintenance reserves, to satisfy debt service reserve requirements, and similar expense reserves under the terms of any applicable bond covenants or as required by the Los Angeles City Charter.

"Stipulated Rate" means the rate of interest per annum equal to the lesser of (a) 20% or (b) the maximum rate permitted by applicable law.

"Substantial Destruction" means damage or destruction to the Demised Premises making the Demised Premises unfit for the Tenant's normal operations and resulting from a cause not insured against in the policies of insurance maintained by the Tenant (and not required to be maintained by the Tenant under the provisions of Section 9.2).

"Taking" means a temporary or permanent taking by a government or political subdivision thereof or by a governmental agency (or by any other Person exercising the power of condemnation or eminent domain) for public or quasi public use of all or any part of the Terminal, or any interest therein or right accruing thereto, including, without limitation, any right of access thereto existing on the date hereof, as the result of or in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain. No recapture by the Landlord of any portion of the Demised Premises, or exercise by the Landlord of any similar right under the terms of this Lease, shall constitute a Taking.

"<u>Taking Date</u>" means, in connection with a Taking, the earlier of the date on which title vests due to the Taking and the date on which possession of the property affected by the Taking is required to be, or is, delivered to or at the direction of the condemning authority.

"<u>Tariff</u>" means the Los Angeles International Airport Passenger Terminal Tariff adopted by the Board, as may be amended from time to time.

"Tenant" means the entity specified in the preamble to this Lease as the tenant and licensee under this Lease, and any permitted assignee from time to time of the leasehold estate and license created by this Lease.

"Tenant's Property" means all furniture, furnishings, office equipment, books, records, office supplies, computers and related equipment, audio visual equipment, telephone systems and equipment, art work and rugs installed at or located in the Demised Premises at the expense of the Tenant and removable without damage to the Terminal that cannot be readily repaired.

"Terminal" means the airline passenger terminal at the Airport reflected on the Basic Information Schedule as the "Terminal".

"<u>Terminal Buildings Rate</u>" means the amount calculated pursuant to the Rate Methodology, expressed in U.S. dollars per square foot of Rentable Area, by which the Terminal Buildings Charge is computed under the terms of Section 3.

"Terminal Users" means, for any Terminal on any date, all passenger Airlines and other non-governmental Persons then leasing space at the Terminal, all passenger Airlines and other non-governmental Persons using space under the Tariff, and all other passenger Airlines and other non-governmental Persons then having other contractual arrangements with the Landlord for the use and occupancy of the Terminal, but excluding (a) all concessionaires, and (b) all itinerant and charter Airlines not leasing space at the Terminal and not signatories to a contractual arrangement with the Landlord having substantially the same economic provisions with respect to charges for the use of Common Use Areas and FIS Areas as those contained in this Tariff.

"TBIT" means the Tom Bradley International Terminal at LAX.

"TMO" means the Terminal Media Operator pursuant to The Los Angeles International Airport Terminal Media Operator Concession Agreement between JCDECAUX AIRPORTS

INC. and THE CITY OF LOS ANGELES DEPARMENT OF AIRPORTS, Agreement No. LAA-8796, dated February 1, 2014, as amended from time to time (The TMO Agreement), and if, the TMO Agreement terminates prior to the termination of this Lease, the TMO may refer to the Board of Airport Commissioner's approved successor TMO.

"TMO Agreement" means The Los Angeles International Airport Terminal Media Operator Concession Agreement between JCDECAUX AIRPORTS INC. and THE CITY OF LOS ANGELES DEPARMENT OF AIRPORTS, Agreement No. LAA-8796, dated February 1, 2014, as may be amended from time to time, and if, the TMO Agreement terminates prior to the termination of this Lease, the TMO Agreement may refer to the Board of Airport Commissioner's approved successor TMO Agreement.

"TSA" means the United States Department of Homeland Security Transportation Security Administration, or its successor agency.

"<u>Unavoidable Delays</u>" means delays due to strikes, acts of God, interruption of services, enemy action, terrorist acts, civil commotion, shortages of labor or supply or other similar causes beyond the reasonable control of the party whose action is required; but lack of funds shall not be deemed a cause beyond the control of the Tenant.

"<u>Unified Capital Charge</u>" means a charge assessed to the Tenant through the Terminal Buildings Charge and the Common Use Areas rates and charges that is based on an equalized rate for the recovery of Capital Costs that are included in the Unified Capital Requirement (defined in the Rate Methodology).

25. Miscellaneous.

- 25.1. <u>Waiver</u>. No provision of this Lease may be waived, discharged or modified without an instrument in writing, signed by the party against whom enforcement of the waiver, discharge or modification is sought. No waiver on behalf of the Landlord will be deemed binding upon the Landlord unless approved in writing as to form by the City Attorney. During any period in which an Event of Default shall have occurred and be continuing, or during the existence of any breach of the terms of this Lease that, after the lapse of time or the giving of notice (or both), would constitute an Event of Default, the Landlord's acceptance of payments of the Terminal Buildings Charge or additional rent shall not be deemed a waiver of the Event of Default or breach. The failure of the Landlord or the Tenant to insist upon the strict performance of any provision of this Lease shall not be deemed a waiver and shall not bar the Landlord or the Tenant from thereafter insisting upon strict performance of the provision.
- 25.2. <u>Surrender</u>. No agreement to accept a surrender of this Lease shall be valid unless in writing signed by the Landlord.
- 25.3. Entire Agreement. This Lease contains the entire agreement between the Landlord and the Tenant relating to the subject matter hereof.

- 25.4. Rights Limited by Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and are intended to be limited to the extent necessary so that they will not render this Lease invalid, illegal, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of the term shall not be affected.
- 25.5. Certain Statutes. No provision of this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act, 49 U.S.C. 40103(e) and 40107(a)(4) (Public Law 103-272). The Tenant waives any right or benefit in any way related to the Airport or its operations to which the Tenant would otherwise be entitled as a result of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 49 U.S.C. 4601, et seq. (Public Law 91-646), Title 1, Division 7, Chapter 16 of the California Government Code (Sections 7260, et seq.), or any other Legal Requirement conferring similar rights and benefits.
- 25.6. Approvals. Any approvals or consents required from or given by the Landlord under this Lease shall be approvals of the Department acting as the Landlord, and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the rights or prerogatives of the City of Los Angeles as a government, including the right to grant or deny any permits required for construction in the Demised Premises or maintenance of the Demised Premises and the right to enact, amend or repeal Legal Requirements, including those relating to zoning, land use, and building and safety. Any requirement in this Lease that an approval or consent be not unreasonably withheld shall also be deemed to require that the approval or consent be obtained shall entitle the party whose approval or consent is required to withhold the approval or consent in its discretion. No approval or consent on behalf of the Landlord will be deemed binding upon the Landlord unless approved in writing as to form by the City Attorney.
- 25.7. Certain Amendments. If the City Attorney shall determine that any provision of this Lease is in conflict with any Legal Requirement or that any right otherwise afforded to the Tenant under this Lease would (if exercised by the Tenant) result in a violation of any Legal Requirement, the Landlord may unilaterally amend this Lease to the extent necessary to bring this Lease into conformity with the Legal Requirement or to restrict the rights otherwise afforded to the Tenant to the extent necessary to prohibit the conduct that would result in the violation of the Legal Requirement, by delivering to the Tenant a notice specifying the text of the amendment and the date on which the amendment will become effective. Together with any notice amending the terms of this Lease as permitted by the preceding sentence of this Section 25.7, the Landlord will furnish to the Tenant an opinion of the City Attorney that specifies the conflict and the narrowest amendment, consistent with the remaining terms of this Lease, that would bring this Lease, as so amended, into conformity with the Legal Requirement or that would restrict the rights otherwise afforded to the Tenant to the extent necessary to prohibit the conduct that would

result in the violation of the Legal Requirement. No such amendment will become effective on fewer than 30 days' notice to the Tenant, unless in the opinion of the City Attorney a shorter period of time is required in order to avoid any civil or criminal penalty or any other adverse effect on the Landlord. If the City Attorney shall determine that any policy of the Federal Aviation Administration, the U.S. Department of Transportation, the U.S. Transportation Security Administration, or any other federal or state regulatory agency shall have changed on or after the Commencement Date, whether or not the change shall have the force of law and whether or not the change shall have retroactive effect, the Landlord may unilaterally amend this Lease to the extent necessary to bring this Lease into conformity with the revised policy, by delivering to the Tenant a notice specifying the text of the amendment and the date on which the amendment will become effective. Together with any notice amending the terms of this Lease as permitted by the immediately preceding sentence of this Section 25.7, the Landlord will furnish to the Tenant an opinion of the City Attorney that specifies the change in policy and the narrowest amendment, consistent with the remaining terms of this Lease, that would bring this Lease, as so amended, into conformity with the new policy. Such notice shall also include an explanation of how such amendment is necessitated by such regulatory agency generally to the Landlord's similarly situated tenants. No such amendment will become effective on fewer than 30 days' notice to Tenant, unless in the opinion of the City Attorney a shorter period of time is required in order to avoid any civil or criminal penalty or any other material adverse effect on Landlord.

- 25.8. <u>Time Periods</u>. Unless otherwise specified, any reference to "days" in this Lease shall mean calendar days. Time of performance shall be of the essence of this Lease, provided that whenever a day is established in this Lease on or by which either the Landlord or the Tenant is required to perform any action (other than the Tenant's obligation to make any payment of money required by this Lease), the time for performance shall be extended by the number of days (if any) during which the party whose performance is required is prevented from performing due to Unavoidable Delays.
- 25.9. Measurements. All measurements of (a) the Demised Premises, (b) the Common Use Areas, (c) the FIS Areas, and (d) any other relevant portion of the Terminal shall be made (except as required to the contrary by the express terms of this Lease) under ANSI/BOMA Z65.1-2017 ("Standard for Measuring Floor Area in Office Buildings") or any other consistent methods from time to time adopted hy the Landlord. Any measurements of the Rentable Area of any Terminal shall be adjusted from time to time by the Landlord to take into account changes in the measurements of relevant portions of the Terminal. For the purposes of any computation of area required by this Lease, (a) the measurement of any area in the Terminal will not be affected by the temporary unavailability of floor area in the Terminal due to maintenance, repairs, and construction activity in or affecting the Terminal, and (b) additions to any area in the Terminal resulting from the construction of new improvements will not be included in the measurement of any area in the Terminal until the new improvements are placed in service. The computation by LAWA of any area required by this Lease shall be deemed conclusive absent manifest error. If at any time the Landlord concludes that any computation of floor area measurement proves to

have been incorrect, the Landlord will promptly disclose the inaccuracy to the Tenant, and the Landlord and the Tenant will promptly make such payments to the other as may be necessary to correct retroactively for the economic effect of the error.

- 25.10. Certain Exhibits and Deliveries. Exhibits to this Lease consisting of provisions of ordinances and the Administrative Code of the City of Los Angeles are attached to this Lease only as a matter of convenience. In the event of a conflict between the Exhibits to this Lease and the official text of the ordinance or Administrative Code provision, the official text shall govern. In order to illustrate the computation of the Terminal Buildings Charge and other financial matters relevant to this Lease, the Landlord has delivered or may deliver to the Tenant sample calculations in written or electronic form. In the event of a conflict between the sample calculations and the terms of this Lease, the terms of this Lease shall govern.
- 25.11. Other Agreements not Affected. The provisions of this Lease shall apply only to the Demised Premises and shall not modify in any respect any of the rights or obligations of the Landlord or the Tenant under any other lease or other agreement between them. Except as expressly provided in this Lease, no third-party is intended to be a beneficiary of the provisions of this Lease.
- 25.12. <u>Subordination to Government Agreements</u>. The Tenant's rights and leasehold estate under this Lease shall be subordinate to the provisions of any existing or future agreement between the Landlord and the United States relating to the development, operation, or maintenance of the Airport.
- 25.13. <u>No Joint Venture</u>. The provisions of this Lease shall not be construed to create a joint venture or partnership between the Landlord and the Tenant.
- 25.14. <u>Counterparts</u>. This Lease may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute a single instrument.
- 25.15. <u>Captions, etc.</u> The captions, table of contents and cover page of this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.
- 25.16. <u>Survival of Obligations</u>. Unless expressly provided to the contrary, the obligations of the Landlord and the Tenant hereunder shall survive, to the extent previously accrued, any termination of this Lease, the expiration of the Term or the exercise by the Landlord or the Tenant of any of their respective remedies for the breach by the other of the provisions of this Lease.
- 25.17. Governing Law. Irrespective of the place of execution or performance, this Lease shall be governed by and construed and enforced in accordance with the laws of the State of California.
- 25.18. <u>Interpretation</u>. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Any references in this Lease to a specific Legal Requirement shall be deemed to include a reference

to any similar or successor provision. Use of the words "herein", "hereof", "hereto", "hereunder" and similar terms contained in this Lease refer to this Lease as a whole and not to any particular Section, paragraph or provision of this Lease unless the limitation is specifically stated to the contrary within the section or paragraph. Use of the words "including" and "include" mean including or include without limiting the generality of any description preceding that term.

- 25.19. <u>Successors and Assigns</u>. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the Landlord and the Tenant and their respective successors and, except as otherwise provided in this Lease, their assigns, and shall run with the land.
- 25.20. Attorneys' Fees. In any action brought to enforce the terms of this Lease, the party substantially prevailing in the action shall be entitled to recover from the other party the prevailing party's reasonable expenses of the action (including reasonable attorneys' fees).
- 25.21. Authority. Except as expressly provided in this Section 25.21 to the contrary, (a) the powers of the Landlord under this Lease, including the power to interpret and implement the provisions of this Lease, have been delegated to and may be exercised by the Executive Director, and (b) any notice, election, approval or consent that this Lease by its terms requires or permits the Landlord to give may be given by the Executive Director, in each case as if exercised or given by resolution or order of the Board. Without limitation of the authority of the Executive Director under Sections 14,2,1, 16.2.1, and 16.2.3 (after giving effect to the foregoing provisions of this Section 25.21), the Executive Director shall have the authority to bind the Landlord to any amendment of this Lease having the effect of increasing or decreasing by not more than \$150,000 in any Lease Year the amounts payable by the Tenant to the Landlord under this Lease. The authority of the Executive Director under this Section 25.21 shall not extend to either of the following actions without the prior approval or later ratification of the Board: (a) any extension of the Term for a period that, when added to the Term originally specified in this Lease, exceeds five years, or (b) any amendment of the terms of this Lease if the specific text of this Lease has been presented to and approved by the City Council of the City of Los Angeles. In taking any action under this Lease, the Tenant shall be entitled to rely on the authority of the Executive Director as specified in this Section 25.21.
- 25.22. Third Party Operator. Tenant may engage a third party operator to manage day to day operations of the Lounge, provided the third party operator is qualified, of good repute, and in compliance with all Tenant obligations under this lease as well as all applicable federal, state, and local laws and regulations and City of Los Angeles and LAWA laws, codes, policies, rules and requirements. Tenant shall notify Landlord if it engages a third party operator and shall provide information regarding the identity, qualifications and reputation of the third party operator. Regardless of whether LAWA objects or does not object to a third party operator, Tenant shall be and remain fully responsible and liable for the performance of Tenant's obligations under this Lease.

25.23 <u>Municipal Lobbying Ordinance</u>. Tenant shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance throughout the term of this Lease. See Exhibit L.

25.24 Compliance with Los Angeles City Charter Section 470(c)(12).

25.24.1 Tenant, its sublessees and their respective officers, directors, contractors, agents, servants, employees, invitees, guests or licensees are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the lease is valued at One Hundred Thousand and 00/100 Dollars (\$100,000.00) or more and requires approval of a City elected official. See Exhibit M. Additionally, Tenant is required to provide and update certain information to City as specified by law. Any Tenant subject to Charter Section 470(c)(12) shall include the following notice in any lease with a sublessee that has an anticipated value of at least \$100,000:

"Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a sublessee on City of Los Angeles Lease #______. Pursuant to City Charter Section 470(c)(12), sublessees and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City lease is signed. Sublessee is required to provide to lessor the names and addresses of the sublessee's principals and contact information and shall update that information if it changes during the 12 month time period. Sublessee's information included must be provided to lessor within 5 business days. Failure to comply may result in termination of the lease or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at http://ethics.lacity.org/ or by calling 213/978-1960."

- 25.24.2 Tenant, its sublessees and their respective officers, directors, contractors, agents, servants, employees, invitees, guests or licensees shall comply with these requirements and limitations throughout the term of this Lease. Violation of this provision shall entitle City to terminate this Lease and pursue any and all legal remedies that may be available.
- 25.25 <u>Alternative Fuel Vehicle Requirement Program</u>. Lessee shall comply with the provisions of the Alternative Fuel Vehicle Requirement Program. The rules, regulations, and requirements of the Alternative Fuel Vehicle Requirement Program are attached hereto as Exhibit N and made a material term hereof.

25.26 Force Majeure. If the Tenant is unable to access the lounge due to a Force Majeure event, the Lease term shall be extended one (1) day for each day the Tenant is unable to access the lounge. Such extension shall be for the number of days the lounge is not accessible due to the Force Majeure event and the applicability of the Force Majeure event causing the lounge inaccessibility shall be determined by the CEO in his or her reasonable discretion. Force Majeure means an event or effect beyond a party's reasonable control (financial inability excepted) such as a strike, lockout, embargo, unavailability of services, labor or material, wars, insurrections, rebellions, civil disorders, declaration of national emergencies, and acts of God.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Landlord and the Tenant have respectively executed this Lease as of the day and year first above written.

	LANDLORD:
APPROVED AS TO FORM:	CITY OF LOS ANGELES
Michael N. Feuer, City of Attorney Date: 417, 2018 By: Deputy/Assistant City Attorney	By: Executive Director Department of Airports
By: A Mount I NOWAK	TENANT: AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC. By: Name: Suzane Heidelbagu Title: SUP GREWE
Title: ASSISTANT SECRETARY APPROVED AS TO FORM:	Title: JVP GREWE
Date:	
Ву:	
Name: Jason Mark Anderman Title: Vice President and Senior Couns	

IN WITNESS WHEREOF, the Landlord and the Tenant have respectively executed this Lease as of the day and year first above written.

	LANDLORD:
APPROVED AS TO FORM:	CITY OF LOS ANGELES
Michael N. Reuer, City of Attorney Date: Deputy/Assistant City Attorney	By:Executive Director Department of Airports
ATTEST: By: Name: Title:	TENANT: AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC. By: Name: Title:
APPROVED AS TO FORM:	
Date: April 2, 2018 By: Many Mark Anderman Title: Vice President and Senior Coun American Express Travel Relate	sel,
American Express Travel Relate	ou services company me.

Maintenance

		Premises	Terminal Common Areas	Building Exterior		
	Electrical:			and/or Ramp		
	Master electrical panels and main electrical equipment	PRESENTE PARTY	LAWA	SECTION OF THE PERSONS		
	Electrical sub-panels and equipment and distribution	Tenant	LAWA- unless tenant installed	N/A		
	Common Area Lighting: Lamps, Ballasts, Fixtures	N/A	LAWA- unless terrant installed	LAWA		
	Lighting Interior within Leased Premises	Tenant	N/A	N/A		
	Eiro/Suppression/System/					
	Fire sprinkler and fire-life-safety systems	Tenant	LAWA	LAWA		
	Fire Alarm Detection	Tenant	LAWA	LAWA		
	Fire Suppression System (Building Wide)	NA NA	LAWA	LAWA		
	Fire Suppression Equipment Exclusive to the Lease Premises					
	(i.e. Fire Extinguisher, etc.)	Tenant	N/A	N/A		
	HVA(Q)	Sandala etaka				
	HVAC	Tenant	LAWA- unless tenant installed	LAWA		
	Chilled/hot water for HVAC	Tenant	LAWA	N/A		
	Thermostats	Tenant	LAWA	N/A		
ιΩ.	HVAC stand alone systems Rlumbings Tenant Installed plumbing Main water and sewer lines Plumbing systems from source to LAWA main Backflow preventers	Tenant	LAWA	N/A		
eП	Plumbing: See the least of the					
S	Tenant Installed plumbing	Tenant	N/A	N/A		
Ś	Main water and sewer lines		LAWA			
	Plumbing systems from source to LAWA main	Tenant	LAWA_	N/A		
		Tenant	LAWA	N/A		
	Mornetion (Comology)	ur (III o I milablaca)				
	Telephone and data circuits	Tenant	LAWA- unless tenant installed	LAWA		
	Telecommunications conduits	Tenant	LAWA- unless tenant installed	N/A		
	Wi-Fi Equipment	Tenant	LAWA- unless tenant installed	LAWA		
	Telecommunications cable (fiber/copper) from demised space	Tenant installed	N/A	N/A		
	to Tenant Wiring Closet (TWC)					
	Telecommunications conduit and cable from TWC to MPOE	N/A	LAWA	N/A		
	ACAMS	Tenant	LAWA			
	CCTV	Tenant	LAWA	N/A		
	EVIDS (FIDS, GIDS, BIDS, VGDS)	Tenant	LAWA	N/A		
	Paging System	Tenant	LAWA	N/A		
	AED Monitors	Tenant	LAWA	LAWA		
\dashv	Distributed Antenna System	an in National Annie	LAWA	eroner og fil i Till og en skriver i Storen		
	EnvironmentaliManagement/Sustainability:					
	Energy Conservation	Tenant	LAWA LAWA	N/A N/A		
	Reclaimed Water (Purple Pipe)	N/A	LAWA	IN/A		
	Energy and building management Building Exteriors					
	Exterior Walls, Roof and Foundation	Seat and Second Secondaries	LAWA			
	Ramp-side dumpster and trash removal	_	LAWA			
	Grease Interceptors: maintenance, repair, monitoring		LAWA			
ė.	Window washing - Exterior	LAWA				
Repair	Rulking Favolopes	-5481 V				
02 Ti	Terminal elevators, escalators, moving walkways		LAWA- unless installed by Tena			
and and		Topost	8.11.8	N/A		
ė	Exclusive use elevator(s) and dumbwaiters Roofing Hoods, Ducts, and Fans Associated with Kitchen	Tenant	N/A	INA		
_	Exhaust	Tenant	N/A	N/A		
E .	Industrial Garbage Disposal	Tenant	N/A	N/A		
뀰	Heat Exchangers	Tenant	N/A	N/A		
ਲ	Equipment and improvements installed by Tenant (whether	Tellalit				
2	authorization was given or not)	Tenant	N/A	N/A		
	Furnishings/Fixtures/Equipment	Tenant	LAWA	LAWA		
ő	Restrooms	Tenant	LAWA	N/A		
	Celling tiles/grid	Tenant	LAWA	N/A		
	Flooring/Floor finishes	Tenant	LAWA	N/A		
	Wall finishes (including store front)	Tenant	LAWA	N/A		
	Interior and Exterior Tenant-Installed doors	Tenant	N/A	N/A		
	Building Automation System	CHUIR	LAWA	, 7// 1		
i	Grease Traps/Grease Interceptors	Tenant	LAWA- unless installed	by Tenant		

SCHEDULE 1 Maintenance

Building Exterior Premises **Terminal Common Areas** and/or Ramp Janitorial: Basic Janitorial and window cleaning, to include Level 4 LAWA or other LAWA Tenant N/A elevator lobby access into the Level 2 space designated third party LAWA High dusting Waste Disposal and Recycling Window-washing (TBIT Core lightwells) LAWA Tenant Tenant LAWA LAWA NA LAWA LAWA Pest Control LAWA Tenant LAWA Building Pest Control Program Fixtures and Decor installed by Tenant LAWA N/A Tenant N/A Window-washing of tenant installed windows/glazing Elevator Vestibule serving Premises at Level 4 Tenant N/A N/A Tenant N/A N/A _Signage: Wayfinding and building signage LAWA Tenant installed signage (interior and exterior to Premises) Tenant

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS

NAME: AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.

AGREEMENT / ACTIVITY: Premier Passenger Lounge Space Lease in the Tom Bradley Intl. Terminal (LAX)

LAWA DIVISION: Commercial Development Group

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All limits are per occurrence unless otherwise specified.

LIMITS

(X) Workers' Compensation (Statutory)/Employer's Liability

Statutory

(X) Voluntary Compensation Endorsement

(X) Waiver of Subrogation, specifically naming LAWA (Please see attached supplement)

(X) Automobile Liability - covering owned, non-owned & hired auto

\$10,000,000 CSL

Note: If vehicles are to be utilized on the AOA or AOA access is later needed, the Minimum Auto

Liability coverage amount will be \$10,000,000.

(X) Aviation/Airport or Commercial General Liability, including the following coverage:

\$10,000,000

- (X) Premises and Operations
- (X) Contractual (Blanket/Schedule)
- (X) Independent Contractors
- (X) Personal Injury
- (X) Products /Completed Operations
- (X) Damage to Premises Rented to You (minimum \$1 million each occurrence)
- () Liquor Liability
- () Explosion, Collapse & Underground

(required when work involves digging, excavation, grading or use of explosive materials.)

- () Hangarkeepers Legal Liab. (At least at a limit of liability of \$ 1 million)
- (X) Additional Insured Endorsement, specifically naming LAWA

(Please see attached supplement).

Note: If AOA access is required later, the minimum CGL coverage amount will need to be \$10,000,000.

(X) Property Insurance

() Building, including contents

100% Replacement Cost

All Risk/Special Form Coverage, including flood and earthquake

LAWA named additional insured and loss payee

(X) Tenant improvements

100% Replacement Cost

All Risk/Special Form Coverage, including flood and earthquake

LAWA named loss payee , subject to reasonable sub-limits

(X) Waiver of subrogation naming LAWA

(Please see attached supplement)

(X) Builder's Risk Insurance

Total project value -

All Risk/Special Form Coverage, including flood and earthquake

LAWA named loss payee Subject to reasonable sub limits

Required if property or building ultimately revert to City

Pollution Legal Liability

\$ ***

*** Must meet contractual requirements

CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.

INSURANCE COMPANIES WHICH <u>DO NOT</u> HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The <u>only</u> evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

• Endorsements:

- 1. Workers Compensation Waiver of Subrogation Endorsement (WC 04 03 06 or similar)
- 2. General Liability Additional Insured Endorsements (ISO Standard Endorsements)
- 3. Property Insurance Waiver of Subrogation Endorsement

****All endorsements must specifically name in the schedule:

The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.

A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A CERTIFICATE OF INSURANCE IS ACCEPTABLE.

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.
- Certificate Holder:
- Los Angeles World Airports
- ➤ P.O. Box 92216
- ➤ Los Angeles, CA 90009

[Intentionally Omitted]

American Express Travel Related Services Company, Inc.

Basic Information Schedule

Terminal:

Tom Bradley International Terminal (TBIT)

Demised Premises

Location

TBIT Level 2 (North)
TBIT Level 3 (North)

Master Lease Exhibit

MLE3CT MLE2CT

Total Demises Premises (SF)

Area (SF)

12,018 1,675

13,693

Rent

Demised Premises Terminal Buildings Rate/per square foot*

Estimated Monthly Rent

13,693 \$190.35

\$217,205.21

Initial Performance Guaranty Requirement:

\$651,615.64

Rent Commencement Date:

Earlier of 1) the Date of Beneficial Occupancy of the Demised Premises, or 2) 365 days from the

Commencement Date of the Lease, unless extended at the

discretion of the LAWA Chief Executive Officer.

Permitted Uses:

Development and operation of a sponsorship amenity premier passenger lounge, which may include offering Tenant (and related) products and services that are offered publicly and not exclusively in connection with the lounge.

Tenant Contact for Notices**:

American Express
200 Vesey Street
MC: 01-22-04
New York, NY 10285 Attn:
Global Real Estate &
Workplace Enablement,
Americas Transactions Vice
President

American Express
200 Vesey Street
MC: 01-22-04
Attn: New York, NY 10285
Attn: General Counsel
Organization Attorney for
Vice Global Real Estate &
Workplace Enablement

American Express
200 Vesey Street
MC: 01-22-04
New York, NY 10285 Attn
Global Real Estate &
Workplace Enablement,
Americas Transactions

American Express
1500 NW 136th Avenue
FLO5-02-09-Facilities
Attn: Sunrise, FL 33323
Attn: Manager Lease
Administration Global Real
Estate & Workplace
Enablement

Coordinator

^{*}Rates subject to change on an annual basis by LAWA Board of Airport Commissioners.

^{**}Send notices to all listed.

Schedule 5

Tenant is required to make a minimum investment in capital improvements in the Demised Premises, excluding any exterior terrace area, according to the following schedule. All improvements are subject to LAWA Chief Executive Officer approval and LAWA's Tenant Improvement Approval Process.

- Up to 5,000 square feet: \$500 / square foot
- 5,0001 10,000 square feet: \$450 / square foot
- 10,001 20,000 square feet: \$400 / square foot
- 20,001 30,000 square feet: \$350 / square foot
- Over 30,000 square feet: \$300 / square foot

EXHIIBIT 1

EXHIBIT A

SPONSORSHIP AGREEMENT

This SPONSORSHIP AGREEMENT (with Exhibit A, the "Agreement") is made and entered into as of the Commencement Date by and between JCDecaux Airport, Inc., having an address at Empire State Building, 350 Fifth Avenue, 73rd Floor, New York, New York 10118 (hereinafter referred to as "JCDecaux" or the "TMO") and American Express Travel Related Services Company, Inc., having an address at American Express Tower, 200 Vesey Street, 49th Floor, New York, New York 10285-4900 (hereinafter referred to as "AXP" or "Brand Sponsor").

WITNESSETH:

WHEREAS, JCDecaux entered into the Los Angeles International Airport Terminal Media Operator Concession Agreement, (Contract No. LAA-8796, dated February 1, 2014, the "TMO Agreement") with the City of Los Angeles acting by and through its Department of Airports ("LAWA" or the "City"), and the TMO Agreement calls for the development of indoor advertising, sponsorship and emerging media opportunities at LAX through December 31, 2020, with a potential three-year extension.

WHEREAS, pursuant to the TMO Agreement, the TMO has the right, *inter alia*, to develop and operate certain concession locations, and to market advertising and digital activation opportunities at Los Angeles International Airport ("LAX"), as well as the right to enter into Sponsorships which may include a Brand Sponsorship; and

WHEREAS, AXP and the TMO desire AXP to become a Brand Sponsor at LAX; and

WHEREAS, the AXP Brand Sponsorship will include sponsor messaging and sponsor signage in locations at LAX on inventory operated by the TMO pursuant to the terms set forth herein; and

WHEREAS, the AXP Brand Sponsorship will also include a passenger amenity in the form of a passenger luxury lounge (the "Lounge" or "American Express Centurion Lounge") to be developed and operated by AXP pursuant to the Sponsorship Amenity Premier Passenger Lounge Space Lease ("Sponsorship Amenity Lease"); and

WHEREAS, AXP and the TMO agree that the rents or any other funds paid to LAWA pursuant to the Sponsorship Amenity Lease will not constitute advertising, sponsorship, emerging media, or any other type of revenue under the TMO Agreement and the TMO shall not be entitled to any share of the rent or other funds paid to LAWA pursuant to the Sponsorship Amenity Lease; and

WHEREAS, AXP and the TMO agree that all costs associated with the Sponsorship Amenity Lease and Lounge, including but not limited to costs incurred by the TMO or AXP or others to design, construct and/or operate the Lounge, will not constitute advertising, sponsorship, emerging media or any other type of costs under the TMO Agreement, and such

costs will not be used in calculating TMO sponsorship percentage fees and shall not reduce LAWA's share of any type of revenue under the TMO Agreement; and

WHEREAS, AXP and LAWA are separately entering into the Sponsorship Amenity Lease of even date herewith which provides, *inter alia*, that AXP may construct and operate the Lounge in accordance with the provisions of the Sponsorship Amenity Lease. The "Commencement Date" hereunder shall be the same date as the Commencement Date of the Sponsorship Amenity Lease; and

WHEREAS, AXP acknowledges that this Agreement requires the consent of LAWA, and approval by the City of Los Angeles Board of Airport Commissioners and the Los Angeles City Council, as set forth in the TMO Agreement and as required by law; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the TMO and AXP hereby covenant and agree as follows.

1. **Definitions**. All capitalized undefined terms herein have the definitions assigned in the TMO Agreement, which are hereby incorporated by reference. TMO and AXP each additionally acknowledge and agree that: (a) the granting of Exclusivity or Entitlement in connection with the Sponsorship shall not be a condition or component of this Agreement or a condition of the Sponsorship Amenity Lease; (b) any Content provided by AXP or the AXP Agency does not constitute Advertising, Customized Content, Foundational Content or TMO Content, but otherwise is considered Content for the inventory envisioned in Exhibit A and hereunder, and as between the parties and LAWA shall remain the property of AXP or the AXP Agency; and (c) TMO shall provide this Agreement, including, without limitation, this paragraph, to LAWA for written approval and such written approval is a condition precedent to any obligation of AXP to make payments as contemplated by this Agreement.

2. Sponsorship Elements and Changes to Sponsorship Elements.

- 2.1. **Sponsorship Elements.** As described herein and per Exhibit A, the TMO shall provide opportunities for AXP to communicate information about the Lounge and AXP services and products (collectively "Sponsorship Information") on structures ("Sponsorship Elements") throughout LAX which the TMO is entitled to include in a Sponsorship Agreement, subject to LAWA's approval as provided in the TMO Agreement.
- 2.2. Selection of Sponsorship Elements. "Contract Year" is defined as each 365-day period commencing on the Initial Sponsorship Payment Date (as defined below) and each anniversary successively. The specific Sponsorship Elements shall be selected mutually by AXP and the TMO as follows:
- 2.2.1. Contract Year 1 Sponsorship Elements. The list of specific Sponsorship Elements to be provided by the TMO for the first Contract Year are set forth in Exhibit A attached hereto, subject to LAWA's approval as provided in the TMO Agreement, All

changes to Sponsorship Elements are subject to mutual written agreement by amendment to the AXP Agency Agreement (as defined below) and are further subject to LAWA's approval as provided in the TMO Agreement.

- 2.2.2. Contract Years 2-10 Sponsorship Elements. For Contract Years 2 through 10, AXP shall have the right to continue to utilize the Sponsorship Elements of the previous Contract Year, subject however, to LAWA World Cup Commitments. The parties shall meet no later than ninety (90) days prior to the end of each Contract Year to confirm that AXP will continue to utilize the Sponsorship Elements of the previous Contract Year or whether alternative Sponsorship Elements can be made available to AXP that AXP would prefer. If the parties do not agree to such alternatives prior to the end of each Contract Year, then the same Sponsorship Elements will be utilized for the following Contract Year, subject, however, to the LAWA World Cup Commitments. All alternatives will be documented by the parties via a mutually acceptable and fully executed amendment to Exhibit A, which is subject to LAWA's approval as provided in the TMO Agreement. Additionally, the TMO shall endeavor in good faith to accommodate requests for modifications of Sponsorship Elements requested by AXP at any time.
- 2.3. Unavailable Elements and Substitute Elements. In the event that a previously agreed upon Sponsorship Element (in any Contract Year) becomes unavailable, or such Sponsorship Element has no material market value because its visibility has been blocked or its location is inaccessible (collectively, in all such cases, an "Unavailable Element"), the TMO shall be obligated to provide a Sponsorship Element of at least equivalent market value to the original value of the Unavailable Element (a "Substitute Element") as promptly as possible but in no event later than ninety (90) days from the date AXP requests such Substitute Element (the "Request Date"). If the TMO is unable to provide a Substitute Element for an Unavailable Element within ninety (90) days of the Request Date, AXP shall be entitled to a day-for-day extension of display time on such Substitute Element (or an additional Substitute Element) from the Request Date to assure that AXP receives the value of the Sponsorship Elements it is entitled to utilize. The parties agree that this provision applies to any Unavailable Elements that became unavailable because LAWA does not approve any Sponsorship Element in any Contract Year, including, without limitation, the first Contract Year. The parties further agree that if all Substitute Elements are unavailable due to the grant of Exclusivity to another Sponsor at LAWA's direction, such that JCDecaux is unable to provide a Substitute Element to AXP as required pursuant to this Agreement, then AXP's payment obligations hereunder shall be suspended for the period of such Exclusivity. If City's "World Cup Airport Agreement" third party obligations (the "LAWA World Cup Commitments") require use of any AXP Sponsorship Elements, AXP and JCDecaux shall not object to such use. If City's LAWA World Cup Commitments require use of any AXP Sponsorship Elements, and Substitute Elements are not available during the term of the World Cup use, AXP will be entitled to a credit of the fair market value of the Sponsorship Elements for the period so used, which credit will be applied to the next quarterly Sponsorship Fee.
- 3. Sponsorship Fee. AXP hereby guarantees payment by AXP's designated agency ("AXP Agency", with all references to AXP Agency hereunder also applying to any successor agency chosen by AXP) to the TMO of an annual "Sponsorship Fee" for the ten-year term which, for

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the first Contract Year, shall be two million two hundred and fifty thousand U.S.D. (\$2,250,000), increasing each Contract Year by one percent (1%). The Sponsorship Fee shall be paid in equal calendar quarterly installments over the ten-year Term as set forth below.

- 3.1. Payment of the Sponsorship Fee for Contract Years 1-10. The first Contract Year for payment purposes guaranteed under this Agreement shall commence on the "Initial Sponsorship Payment Date," which is the date 180 days after the Commencement Date or such earlier date as mutually agreed to by the parties. On a quarterly basis, throughout the 10 year term, AXP guarantees that AXP Agency shall pay the TMO the Sponsorship Fee, as further set forth in Section 3.2 in return for the TMO providing AXP Agency Sponsorship Elements at LAX as described in Exhibit A or such other inventory as agreed upon by the parties and approved by LAWA.
- 3.2. Annual Sponsorship Fee Increase. The Sponsorship Fee that AXP guarantees that AXP Agency shall pay hereunder shall increase by one percent (1%) each Contract Year. AXP Agency will pay as follows:

	Contract Year Quarter A	Contract Year Quarter B	Contract Year Quarter C	Contract Year			* Payment allocation in the event of Section 4.2 assignment of the Agreement to LAWA	
	(Commencing	(Commencing ((Commencing	(Commencing	Annual	Monthly Pro- Rated	LAWA Share* (85%)	JCD Share* (15%)
1	\$562,500	\$562,500	\$562,500	\$562,500	\$2,250,000	\$187,500	\$1,912,500	\$337,500
2	\$568,125	\$568,125	\$568,125	\$568,125	\$2,272,500	\$189,375	\$1,931,625	\$340,875
3	\$573,806	\$573,806	\$573,806	\$573,806	\$2,295,225	\$191,269	\$1,950,941	\$344,284
4	\$579,544	\$579,544	\$579,544	\$57 9,5 44	\$2,318,177	\$193,181	\$1,970,451	\$347,727
5	\$585,340	\$585,340	\$585,340	\$585,340	\$2,341,359	\$195,113	\$1,990,155	\$351,204
6	\$591,193	\$591,193	\$591,193	\$591,193	\$2,364,773	\$197,064	\$2,010,057	\$354,716
7	\$597,105	\$597,105	\$597,105	\$597,105	\$2,388,420	\$199,035	\$2,030,157	\$358,263
8	\$603,076	\$603,076	\$603,076	\$603,076	\$2,412,305	\$201,025	\$2,050,459	\$361,846
9	\$609,107	\$609,107	\$609,107	\$609,107	\$2,436,428	\$203,036	\$2,070,963	\$365,464
10	\$615,198	\$615,198	\$615,198	\$615,198	\$2,460,792	\$205,066	\$2,091,673	\$369,119

- *3.2.1. Payee of Annual Sponsorship Fee. AXP will pay 100% of the Sponsorship Fee to JCDecaux unless and until this Agreement is assigned under the provision entitled "Assignment to LAWA if JCDecaux Ceases to Be the TMO during the Term of this Agreement", in which event the Sponsorship Fee shall be paid as follows:
 - (a) the "LAWA Share" as set forth above shall be paid directly to LAWA; and
 - (b) the "JCDecaux Share" as set forth above shall be paid directly to JCDecaux, subject to the provisions of Section 4.2 of this Agreement in the event the TMO Agreement is terminated by LAWA for cause as further described therein.

- 3.3. **Partial Periods.** In all partial quarterly periods hereunder (by way of example and not of limitation, due to the date of the opening of the Lounge, or in the event of termination), AXP guarantees that AXP Agency shall pay a pro-rated amount of the Sponsorship Fee calculated on the basis of 1/12th of the Sponsorship Fee per month for each month incurred in the then-current Contract Year. There shall be no partial months for purposes of calculating pro-rated amounts. By way of example and not of limitation, if this Agreement terminates on any day of the second month of the third year, AXP Agency shall pay \$191,269 for each month incurred, resulting in a total payment of \$382,538 U.S.D. Despite such termination, the TMO shall provide AXP Agency with Sponsorship Elements reasonably equivalent to such amounts through the date of termination.
- 3.4. **Method of Payment.** AXP shall pay the Sponsorship Fee and any other fees paid in connection with the activities contemplated hereunder to AXP Agency pursuant to a separate agreement between AXP and AXP Agency. The TMO shall provide the Sponsorship Elements to AXP Agency. A condition precedent for payments of the Sponsorship Fee and such other fees shall be the TMO's compliance with this Agreement and the agreement between the TMO and AXP Agency related to the activities contemplated hereunder (the "AXP Agency Agreement").
- 3.5. Payment Responsibility. AXP shall be jointly and severally liable with AXP Agency for the payment of sums due hereunder. AXP guarantees that AXP Agency shall pay the Sponsorship Fee on or before the first day of the quarter for which payment is due (the "Due Date"). In the event that AXP Agency fails to pay the Sponsorship Fee or any Out-of-Pocket Costs by the Due Date, within five (5) business days after receipt of notice from the TMO requesting AXP to do so, AXP shall notify the TMO of the date of payment by AXP to AXP Agency. The TMO shall be entitled to obtain payment directly from AXP as guarantor if for any reason AXP Agency fails to pay the Sponsorship Fee or any Out-of-Pocket Costs within thirty (30) days of the Due Date.

4. Term and Termination.

- 4.1. Term. This Agreement will commence as of the Commencement Date with a term of 10 years, unless earlier terminated pursuant to the terms herein or by operation of law, (the "Term"). In the event that AXP no longer operates the Lounge during the Term (if AXP is allowed to take such action per the express provisions of the Sponsorship Amenity Lease), JCDecaux shall propose reasonable alternative Sponsorship Elements (at AXP's expense, not to exceed an amount equal to 2% of the Base Rent then payable under the Sponsorship Amenity Lease), to substitute for the Lounge. Any proposed alternative Sponsorship shall be subject to LAWA consent and shall include LAWA's standard contracting terms required by applicable law as set forth in, by way of example and not of limitation, Sections 10, 12 and 22 of the Sponsorship Amenity Lease.
- 4.2. Assignment to LAWA if JCDecaux Ceases to Be the TMO during the Term of this Agreement. AXP acknowledges that in the event JCDecaux ceases to be the TMO prior to the expiration or termination of this Agreement, then JCDecaux shall assign this Agreement to LAWA, and in such event, AXP and JCDecaux shall, within 15 business days,

take all necessary steps to effectuate the assignment of the Agreement to LAWA and the parties shall cooperate in good faith to effectuate such assignment. In addition, at LAWA's determination, LAWA may either: (a) continue to accept payment via the AXP Agency Agreement, or (b) instead require AXP to engage directly with LAWA for all payments and other matters under the Sponsorship Agreement, such that the AXP Agency Agreement shall no longer be applicable to activities envisioned hereunder. Additionally, upon the earlier to occur of (i) execution of the assignment or (ii) AXP's receipt of written notice from LAWA that 15 business days have expired since JCDecaux ceased to be the TMO, AXP shall make payments hereunder as follows: AXP shall pay LAWA 85% of the Sponsorship Fee, and AXP shall pay JCDecaux 15% of the Sponsorship Fee, in both instances pursuant to the payment timing requirements specified in this Agreement, and without any increase in the Sponsorship Fee except as expressly stated in this Agreement. Notwithstanding the foregoing, in the event that the TMO Agreement is terminated by LAWA under Section 11.1 of the TMO Agreement, then LAWA may direct that AXP pay 100% of the Sponsorship Fee to LAWA.

- 4.3. *No Cancellation*. The Agreement is non-cancellable by the parties, except as expressly stated herein.
- Termination for Cause. If the TMO breaches this Agreement, AXP may 4.4. terminate this Agreement upon ninety (90) days' prior written notice, provided, however, that any such termination shall not be effective if the TMO has cured or is taking reasonable steps needed to cure such breach prior to the expiration of such 90-day period (by way of example and not of limitation, the TMO has filed the necessary documents with LAWA to provide a Substitute Element or ordered equipment necessary to repair or install a Sponsorship Element and is awaiting LAWA's approval while the TMO diligently pursues such approval). However, except for delays in curing a breach caused by a Force Majeure Event, the time to take such reasonable steps shall not exceed 90 days beyond such initial 90-day period, after which AXP may terminate this Agreement upon notice to JCDecaux. If AXP breaches this Agreement or fails to pay any fees for which AXP or AXP Agency are legally liable, the TMO may terminate this Agreement by giving ninety (90) days' prior written notice, provided, however, that any such termination shall not be effective if AXP or AXP Agency has cured such breach or failure, or has taken reasonable steps towards curing such breach or failure prior to the expiration of such 90-day period. However, except for delays in curing a breach caused by a Force Majeure Event, the time to take such reasonable steps shall not exceed 90 days beyond such initial 90-day period, after which the TMO may terminate this Agreement upon notice to AXP. A "Force Majeure Event" is a material event constituting elements of nature or acts of God, acts of war, terrorism, riots, revolutions, or strikes or other factor beyond the reasonable control of a party. The party delaying cure of a breach due to a Force Majeure Event agrees to give notice to the other party which describes the Force Majeure Event and includes a good faith estimate as to the impact of the Force Majeure Event upon such party's responsibility to cure.
- 4.5. Termination for Regulatory Reasons. If the U.S. Office of the Comptroller of the Currency gives written notice per applicable law to AXP or its affiliates to terminate this Agreement, AXP may do so upon 180 days prior notice (or such shorter period as may be directed by the U.S. Office of the Comptroller of the Currency).

- 4.6. Termination for Insolvency. If either party experiences an Event of Insolvency (as defined herein), then that party must promptly give notice of the Event of Insolvency to the other party, and the other party may, but shall not be obligated to, terminate this Agreement by providing ten (10) days' notice to the affected party. "Event of Insolvency" means a party: (1) becomes insolvent, (2) voluntarily becomes the subject of any insolvency proceeding, whether under the United States Bankruptcy Code or other applicable insolvency law, (3) involuntarily becomes the subject of any insolvency proceeding, whether under the United States Bankruptcy Code or other applicable insolvency law, that is not dismissed within sixty (60) days, (4) makes any assignment for the benefit of a party's creditors, (5) consents to or is subject to the appointment of a receiver, liquidator or trustee of any of a party's assets, (6) generally fails to pay its obligations as they come due or (7) experiences the liquidation, dissolution or winding up of its business.
- 4.7. Wind-Down Assistance. Upon any termination or expiration of this Agreement, and provided the TMO has received payment for the Sponsorship Elements through the date of termination, the TMO will wind down its performance in an orderly manner by continuing to provide the affected Sponsorship Elements (as reasonably needed by AXP) using commercially reasonable efforts to facilitate non-disrupted business continuation for AXP, such assistance deemed to be governed by the applicable provisions of this Agreement.
- Additional Considerations. In the event AXP has the right to terminate this Agreement under the "Termination for Cause", "Termination for Regulatory Reasons" or "Termination for Insolvency" provisions hereof, then AXP may either terminate the Agreement in compliance with the express requirements therein, or AXP may choose to instead not terminate the Agreement and to pursue such remedies as permitted at law, in equity or by this Agreement, including, but not limited to, invoking the provisions entitled "Unavailable Elements and Substitute Elements" and "Dispute Resolution" (as they may be applicable). With respect to any AXP right to terminate under the "Termination for Regulatory Reasons" provision, AXP may elect to endeavor to delay termination for up to ninety (90) days (the "Negotiation Period") in order to obtain authority from the U.S. Office of the Comptroller of the Currency to continue to operate under this Agreement by proposing amendments to this Agreement, subject to reasonable approval or reasonable rejection by JCDecaux and LAWA. In addition, during the Negotiation Period, AXP shall make payments due under this Agreement. If this Agreement is assigned to City, AXP agrees that as to any dispute that arose prior to the date of the assignment, AXP shall assert its rights under this Agreement only as to JCDecaux and in any case shall not be entitled to any remedy from City. The foregoing is not intended to apply to any breach of this Agreement by the City.
- 5. Additional Financial Relationships. Except for spending on Co-Branded Airline Spend (as defined below), the Sponsorship Fees and Out-of-Pocket Costs described in this Agreement encompass all sums guaranteed and owed by AXP and its subsidiaries and affiliates to the TMO for any and all Sponsorship Elements and Sponsorship Information at LAX, and the TMO shall not collect or solicit any fees, in regard to the foregoing from AXP pursuant to any separate contractual arrangements. This paragraph does not negate AXP's obligations set forth in the Sponsorship Amenity Lease between AXP and LAWA.

5.1. Out-of-Pocket Costs. The Sponsorship Fees do not include production/installation costs for Sponsorship Elements, including (i) the cost of production of display materials; (ii) the cost of installation, removal and or re-installation of display materials, as set forth in the applicable agreement specification sheets pursuant to the AXP Agency Agreement; and (iii) any extraordinary costs associated with the installation, maintenance or removal of display materials, including, but not limited to, overtime costs (where applicable) (the "Out-of-Pocket Costs"). The Out-of-Pocket Costs shall be separately invoiced to AXP Agency.

5.2. AXP Delta Spend and Co-Branded Airline Spend.

- 5.2.1. AXP Delta Spend. All Sponsorship Elements hereunder may promote any of AXP's (including its affiliates' and subsidiaries') services, products and benefits, including, but not limited to, the Lounge, with the exception of "AXP Delta Spend" which is defined as any Content paid for by AXP, an AXP affiliate, or AXP Agency to JCDecaux for placement at LAX regarding any AXP product or service bearing the trademark of Delta Airlines, Inc. The parties agree that: (a) AXP Delta Spend shall not apply against AXP's Sponsorship Fee commitment hereunder, (b) no Content related to the American Express Delta Sky Miles credit card shall be included as Sponsorship Information hereunder, (c) no such Content shall be promoted on any Sponsorship Elements hereunder, and (d) should AXP desire to place such Content at LAX, AXP must negotiate an additional agreement to do so separate and apart from this Agreement. Otherwise, all payments guaranteed by AXP hereunder (except for Out-of-Pocket Costs) shall count towards AXP's Sponsorship Fee commitment hereunder.
- 5.2.2. "Co-Branded Airline Spend" is defined as Content paid for per this Agreement by AXP, an AXP affiliate, or AXP Agency to JCDecaux for placement at LAX for any AXP product or service bearing a trademark of an airline other than Delta Airlines, Inc. In applying such payments against AXP's Sponsorship Fee commitment hereunder, such application may not exceed twenty five percent (25%). By way of example and not of limitation, the Sponsorship Fee for the first Contract Year is \$2,250,000, and if AXP spends \$1,000,000 per this Agreement on Co-Branded Airline Spend in the first Contract Year, then only \$562,500 (25% of \$2,250,000) of such \$1,000,000 expenditure applies against the \$2,250,000 Sponsorship Fee for the first Contract Year.
- comply with this Agreement. AXP acknowledges that it has reviewed the TMO Agreement and agrees that AXP may not make requests or take actions that cause JCDecaux to be in violation of the TMO Agreement. The parties acknowledge and agree that AXP is not a party to the TMO Agreement, and that JCDecaux is not a party to the Sponsorship Amenity Lease. If this Agreement is assigned to City, AXP agrees that it may not make requests of City or take actions that would be contrary to the terms as set forth in the TMO Agreement (regardless of whether the TMO Agreement between JCDecaux and City has terminated) or make requests to the City or take actions, which if made to JCDecaux or taken during the term of the TMO Agreement would have caused JCDecaux to be in breach of the TMO Agreement; and further that AXP will not

make requests to City or take actions that would be contrary to (a) City's rights as described in the TMO Agreement or (b) local, state or federal law, or airport rules and regulations.

7. Publicity. JCDecaux and AXP shall not make any public statements or announcements without the prior written agreement of the other party, which shall not be unreasonably withheld. Notwithstanding anything to the contrary herein, the parties agree that if they can reasonably agree on a joint press release announcing the opening of the Lounge, then they shall jointly issue such release. The parties acknowledge that this provision does not apply to The City.

8. Audits and Records.

- 8.1. Auditors. AXP and its agents, auditors (internal and external), regulators and other representatives as AXP may designate (collectively, "Auditors") shall have the right to inspect, examine and audit the systems, records, data, practices and procedures of JCDecaux (and its subcontractors) that are related to JCDecaux's performance hereunder (collectively, "Audits") to verify: (i) the accuracy of JCDecaux's deployment of Sponsorship Elements as required hereunder, and (ii) JCDecaux's compliance with this Agreement and all laws, regulations and government-issued rules and guidance that are applicable to the subject matter of this Agreement.
- 8.2. Audit Procedures. Audits shall be conducted during business hours and upon reasonable advance notice except in the case of Audits by government regulators, bona fide emergency or security Audits, and Audits investigating claims of fraudulent or deceptive behavior. AXP and its Auditors shall comply with reasonable security and confidentiality requirements when accessing facilities or other resources owned or controlled by JCDecaux, and AXP acknowledges that LAWA facilities may have superseding security requirements which shall govern. JCDecaux shall maintain policies and procedures which reasonably enable the Auditors to conduct Audits. JCDecaux (and its subcontractors) shall cooperate fully with AXP and its Auditors in conducting Audits and provide such assistance as they reasonably require to carry out the Audits. AXP shall use commercially reasonable efforts to have its regulators comply with the foregoing, but their failure to do so shall not constitute a breach of this Agreement.
- 8.3. Audit Sharing. AXP may provide relevant information obtained in connection with the Audits, including the Audit findings, to its Auditors and regulators as necessary to comply with applicable law, regulation and guidance (however, to the extent reasonably permissible, AXP agrees to request confidential treatment of such findings by its regulators). Neither AXP nor its Auditors may share such Audit findings except to the extent required by the TMO Agreement or by law.
- 8.4. **Records.** JCDecaux shall maintain and provide access upon request to records, documents and other information required to meet AXP's audit rights under this Agreement until the later of (i) three (3) years after the expiration or termination of this Agreement, (ii) the date on which all pending matters relating to this Agreement (e.g., disputes) are closed, (iii) the date on which the information is no longer required to meet AXP's records

retention policy as disclosed by AXP to JCDecaux and as such policy may be adjusted from time to time, or (iv) any periods as required by law.

9. Dispute Resolution.

- 9.1. Arbitration. All disputes, claims or controversies related to or arising under this Agreement (including any under a statute or regulation, "Disputes") shall be submitted to binding arbitration ("Arbitration"), which shall take place in the State of New York, New York County, and shall be administered by, and pursuant to the rules of, the American Arbitration Association ("AAA") in effect at the time of filing, except and unless this Agreement is assigned to the City of Los Angeles Department of Airports, in which case the entirety of this Section 9 shall not apply.
- 9.2. Escalation, Performance and Relief. Before initiating Arbitration, a party shall have a senior-level employee of that party notify a senior level-employee of the other party, and during the next thirty (30) days, those individuals shall reasonably discuss resolutions of the Dispute. During such discussions and any Arbitration, the parties shall continue to perform their obligations hereunder. Either party may seek a temporary restraining order or other temporary or preliminary relief pending final resolution of a Dispute. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.3. Limitation of Rights. Neither party shall have the right to litigate the Dispute in court or have a jury trial, or to engage in pre-arbitration discovery except as provided in the AAA rules in effect at the time of filing. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.4. Additional Requirements. Disputes shall be arbitrated on an individual basis, with no right or authority for any Disputes to be arbitrated on a class action basis or in a purported representative capacity on behalf of the general public or similarly situated persons or entities. The arbitrator's authority to resolve and make awards for Disputes is limited to Disputes between the parties to this Agreement alone. Disputes brought by either party to this Agreement against the other may not be joined or consolidated in arbitration with other claims brought by or against any third party, unless agreed to in writing by all parties. No Dispute arbitration award or decision shall be given preclusive effect as to issues or claims in any dispute with any person who is not a party to the arbitration. This "Dispute Resolution" section may be enforced in a court of competent jurisdiction, and should any portion thereof be stricken from this Agreement or deemed otherwise unenforceable, then this entire "Dispute Resolution" section shall be stricken from this Agreement. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.
- 9.5. Costs. The parties shall be responsible for paying their respective shares of any of the costs associated with the Arbitration. If this Agreement is assigned to the City of Los Angeles Department of Airports, the entirety of this Section 9 shall not apply.

10. Notices. Unless otherwise specified, all notices shall be in writing and delivered personally or mailed, first class mail, postage prepaid, to the addresses of the parties set forth at the beginning of this Agreement, to the attention of the undersigned; provided, however, that a copy of any notice from JCDecaux shall also be sent to: (i) General Counsel's Organization, Technology & Digital Law Group Real Estate Counsel, American Express Tower, 200 Vesey Street, 49th floor, New York, New York 10285-4900; (ii) General Counsel's Organization, U.S. Consumer Services Counsel, American Express Tower, 200 Vesey Street, 49th floor, New York, New York 10285-4900; and (iii) U.S. Consumer Services, Director of Centurion Lounges, American Express Tower, 200 Vesey Street, 34th floor, New York, NY 10285-4900, and further provided that a copy of any notice from AXP shall also be sent to Edward C. Wallace, Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166. Either party may change the address(es) or addressee(s) for notice hereunder upon written notice to the other. All notices are deemed given on the date delivered. A copy of all notices shall also be provided to:

Commercial Development Group Attention: Executive Director 1 World Way Los Angeles CA 90045

With a copy to:

Los Angeles World Airports Attention: General Counsel 1 World Way Los Angeles CA 90045-5803

11. General.

- 11.1. Entire Agreement, Amendments. This Agreement, including Exhibit A, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous agreements, written or oral. This Agreement shall not be modified or amended except in writing signed by both parties and consented to by LAWA. Nothing in this Agreement shall waive, negate or in any way modify the obligations or terms set forth in the Sponsorship Amenity Lease or the TMO Agreement. If there is a conflict between the terms of this Agreement and the Sponsorship Amenity Lease, the Sponsorship Amenity Lease language shall prevail.
- The City is specifically named as and shall be a third party beneficiary to this Agreement. Other than The City, there shall be no third party beneficiaries. This Agreement is for the sole benefit of the parties hereto (and The City) and their successors and permitted assigns and nothing herein, express or implied, shall give or be construed to give any person other than the parties hereto (and The City) any legal or equitable rights hereunder. Nothing in this Agreement shall be construed to create any franchise, joint venture, trust, partnership or any other similar relationship between the parties for any purpose whatsoever.

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- 11.3. Waiver. At no time shall any failure or delay by either party in enforcing any provisions, exercising any option, or requiring performance of any provisions hereunder be construed to be a waiver or relinquishing for the future of the same.
- 11.4. Severability. If any term, provision or part of this Agreement is to any extent held invalid, void or unenforceable, the remainder of this Agreement shall not be impaired or affected thereby, and each term, provision and part shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law, provided the essential mutual material purposes of this Agreement are preserved.
- 11.5. Governing Law and Venue. The Parties agree this Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of California without regard to conflict of law principals, and any claim or action brought in connection with the Agreement shall be brought in the Federal or State court located in the County of Los Angeles, and the parties hereto irrevocably consent to the exclusive jurisdiction of such court. If this Agreement is assigned to The City, the parties waive a trial by jury.
- Assignments. Except as expressly stated herein, neither party may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party and The City. JCDecaux shall be deemed to consent if AXP assigns its rights under this Agreement in whole or part to an entity that is (a) acquiring all or substantially all of AXP's assets and assuming all liability related to such assets, (b) acquiring the division, business unit or operation of AXP which utilizes the Sponsorship Elements or operates the Lounge and assuming the liabilities of such division, business unit or operation, and (c) any AXP affiliate as reported in its public security or tax filings. Additionally, AXP shall be deemed to consent if JCDecaux assigns its rights under this Agreement in whole or part to an entity that is both: (a) acquiring all or substantially all of JCDecaux's assets and assuming all liability related to such assets, and (b) the terminal media operator under the TMO Agreement. JCDecaux and AXP shall be deemed to consent if this Agreement is assigned pursuant to Section 4.2 of this Agreement. The parties acknowledge that under no circumstances shall The City be deemed to consent to any assignment hereunder. For all assignments hereunder, each party shall ensure that the other party receives prompt notice of such assignment which includes the assignee's agreement in writing to the terms and conditions of this Agreement. Any purported assignment in breach of this "Assignments" subsection shall be null and void.
- 11.7. Counterparts. The parties agree that this Agreement may be executed in counterparts and further agree to accept electronically transmitted copies of executed copies of this Agreement, each of which, when so executed and delivered, shall be deemed and original, but all of which when taken together shall constitute but one and the same instrument.
- 11.8. *Enforceability*. Even if signed by AXP below, or fully executed by the parties, this Agreement shall only become enforceable upon the execution of both this Agreement and the Sponsorship Amenity Lease governing the Lounge.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

JCDECAUX:

By: Supposed Description

Name: Bernard Ptinsot Title: Co-CEO

Date: 4/2/18

AXP:

By: Name:

Title:

Date:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

JCDE (CAUX:	
By:	X	
By: Name:		
Title:		
Date:		

AXP:

By:

Name Dung BWKM ISTON

Title: Group President, Global Consumer Service

Date:

JOHN J HOWAK

ASSISTANT SECRETARY

Exhibit A



AMERICAN EXPRESS

Brand Sponsorship Elements

March 1, 2018

List of Possible Sponsorship Elements

Elements Highlighted in Blue are Agreed Upon for Contract Year 1 (Pending Availability)

TERMINAL	AD UNIT	DESCRIPTION	SITE#
BIT	Bon Voyage Wall	Located post TBIT security, reaches 100% of departing passengers as they enter the Great Hall.	0406
	Recompose Area – Digital	ENAMES CHINADA PROPERTY AND THE STATE OF THE	
BIT	Column Network	Network of 10 high impact screens at TSA security	0301-0335
		Amex branded seating area post security (4x) including flooring, seating &	
TBIT	Recompose Area Sponsorship	branded banners	0906
		Attract passengers to new Lounge as they transit in between TBIT & AA	
BIT/T4 Connector Banners & Wraps	Over Size Static Spectacular	hub.	4702
TBIT/T4 Connector	Framed Banner	Attract passengers to new Lounge as they transit in between TBIT & AA hub.	0848
FBIT/T4 Connector	Framed Banner	Attract passengers to new Lounge as they transit in between TBIT & AA hub.	0849
•		Large format overhead banner reaches 100% of departing passengers just	
11 Recompose Banner-Southwest	Dominant ad unit	post TSA checkpoint.	181 6
		Amex branded seating area post security including flooring, seating &	
F2 Recompose Package - Domestic/Intl.	Package of Wall wraps/Banner	branded banners	2901
		Amex branded seating area post security including flooring, seating &	
T3 Recompose Package - Delta	Package of Wall wraps/Banner	branded banners	3901
		Reach passengers in the main AA terminal after they pass through TSA with	
		Amex branded seating area post security including flooring, seating &	
4 Recompose Package - American	Network of Wall wraps Post TSA		4901
T5 Recompose Package -		Reach passengers in an AA terminal after they pass through TSA with Amex branded seating area post security including flooring, seating & branded	
American/JetBlue/Spirit/Frontier/Allegiant/Hawail an/SunCountry	Package of Wall wraps/Banner	banners	5901
T6 Recompose Package - Alaska/VirginAmerica/Air	Lacrage of stall stabil parties	Amex branded seating area post security including flooring, seating &	3302
Canada/Mokulele/GreatLakes/Ethiopian	Package of Wall wraps/Banner	branded banners	6901
F7 Package – United	Dominating Wall wrap	Overhead soffit wrap that dominates United ticketing area	7704
		Large framed banner reaches United passengers en route to arrival and	
T7 Package – United	Framed Banner	Terminal 8	7817



CONTRACT YEAR 1 SPONSORSHIP ELEMENTS



Tom Bradley Intl' Great Hall

Bon Voyage Wall

• 0406

Member of JCDecaux Austr network



Terminal 4 – Tom Bradley Connector

Connector Domination Package

4702WW



Terminal 4 TSA

Recompose Area Package – Corridor Wraps

4901SD



Terminal 4 TSA

Recompose Area Package -**Corridor Wraps**

4901SD



Terminal 4 TSA

Recompose Area Package -Corridor Wraps

4901SD



Terminal 5 TSA

Recompose Area -Wall Wraps, Banner

5901



OTHER SPONSORSHIP ELEMENT OPTIONS

Member of JCDebases Solve Incheses



Tom Bradley Intl' TSA

Recompose Area – Digital Column Network

0301DG-0335DG

Member of JCDecaus Argert named



Tom Bradley Intl'

Recompose Area – Seating, Floor Wraps, Wall Wraps

• 0906SD



Terminal 4 - Tom **Bradley Connector**

Connector **Domination Package**

0848

Marrier of JCDecour Article appears



Terminal 4 – Tom Bradley Connector

Connector Domination Package

0849



Terminal 1

Recompose Area – Banner

1816

Member of JCDecaux 4/167 network



Terminal 2 TSA

Recompose Area -Wall Wraps, Banner

2901

Memory of JCDecaus Argon perwerk



Terminal 2 TSA

Recompose Area – Wall Wraps, Banner

• 2901



Terminal 3 TSA

Recompose Area – Wall Wraps, Column Wraps, Stairs Wrap, Banner

• 3901

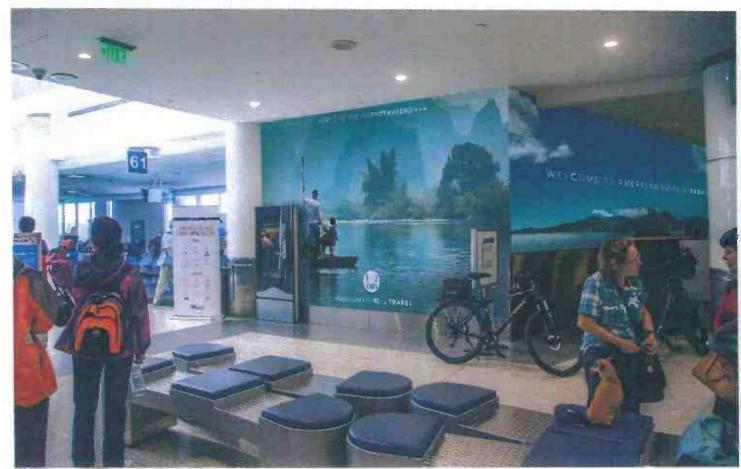


Terminal 3 TSA

Recompose Area – Wall Wraps, Column Wraps, Stairs Wrap, Banner

• 3901

Memoer of JCDecous Argon detects



Terminal 6 TSA

Recompose Area – Wall Wraps, Column Wraps, Stair Wraps

• 6901

Member of JCDecaus Ariser antwark



Terminal 6 TSA

Recompose Area – Wall Wraps, Column Wraps, Stair Wraps

6901

Member of ACDecaus Artist network

JCDecaux Airport



Terminal 7

Large Format Wall Wrap

7704

Member of JCDepaux Arrive meteoric



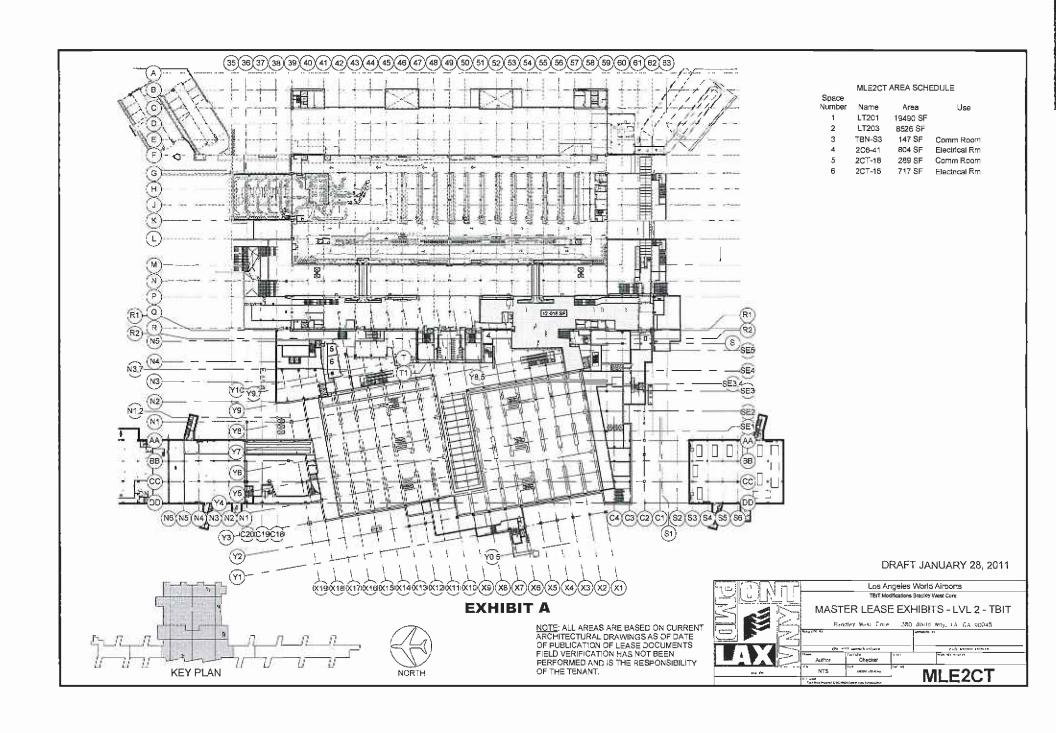
Terminal 7

Large Format Banner

• 7817

Marroon of JCDecause Apply mintwork

EXHIBIT A



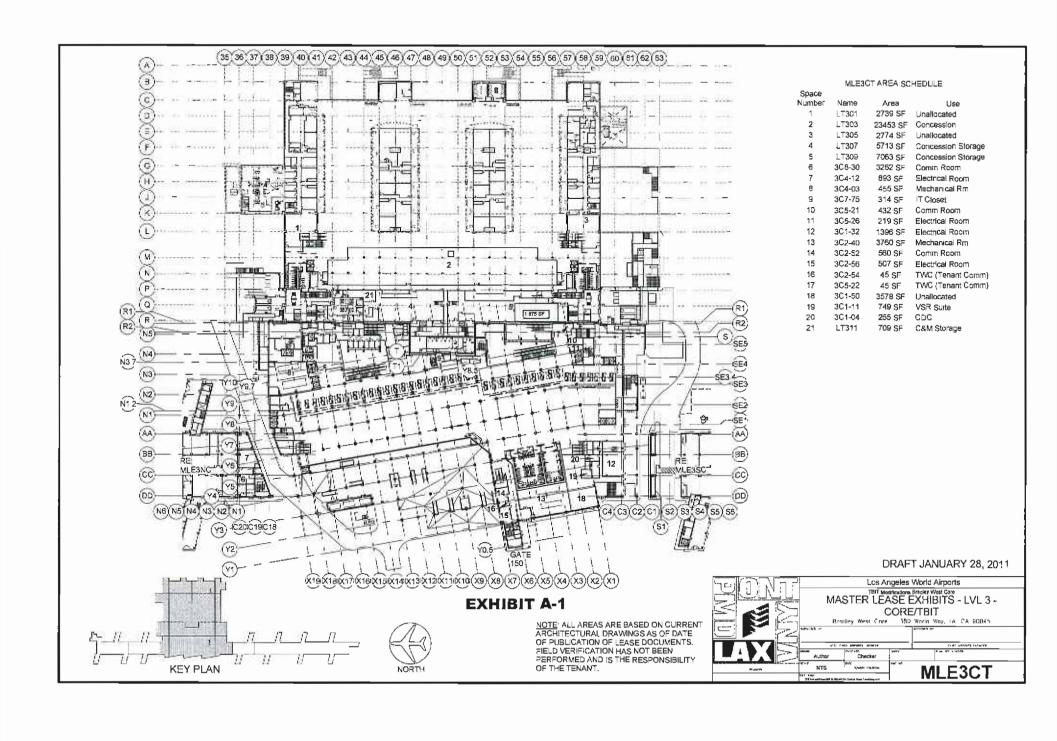


EXHIBIT B

1

RATES AND CHARGES FOR THE USE OF TERMINAL FACILITIES AT LOS ANGELES INTERNATIONAL AIRPORT PURSUANT TO THE

LOS ANGELES INTERNATIONAL AIRPORT PASSENGER TERMINAL TARIFF, AS IT MAY BE AMENDED FROM TIME TO TIME

The following rates and charges methodology for the use of passenger terminals (the "Terminals") at Los Angeles International Airport (the "Airport") by Aeronautical Users subject to the Los Angeles International Airport Passenger Terminal Tariff (the "Tariff"), is established by the City of Los Angeles (the "City"), acting by and through the Board of Airport Commissioners (the "Board") of the Los Angeles World Airports ("LAWA"), under the City of Los Angeles City Charter and Administrative Code, §§ 630 et seq.

Section 1. <u>Definitions</u>. As used in this document, the terms identified in this section shall have the meanings indicated unless the context clearly indicates otherwise. Additional words and phrases used in this document shall have the meanings set forth in the Tariff or, if not so set forth, shall have their usual and customary meaning.

"AAAC" shall mean the Airline Airport Affairs Committee.

"Aeronautical User" shall mean an Airline or any other Person engaged in an activity that involves, makes possible or is required for the safety of, or is otherwise directly related to, the operation of aircraft and includes providers of services related directly and substantially to the movement of passengers, baggage, mail and cargo on the Airport, but does not include any government or political subdivision thereof or a governmental agency.

"Airline" shall mean an Air Carrier or Foreign Air Carrier as defined in 49 U.S.C. §§ 40102(a)(2) and (a)(21), respectively.

"Capital Costs" shall mean all capital costs of the Airport, including the following:

- (a) Debt service (net of PFC's) allocable to bond-funded Capital Improvements.
- (b) Debt service coverage allocated in accordance with stated bond covenant requirements (currently 1.25 for senior debt obligations and 1.15 for subordinate debt obligations).
- (c) Amortization allocable to Capital Improvements funded with airport revenue, based on the economic life for each Capital Improvement and calculated using an interest rate set to equal the average all-in cost of Airport debt sold by LAWA during the calendar year when such Capital Improvement is put in service or, if no Airport debt was sold, set to equal comparable published average borrowing costs.

"Capital Improvement" shall mean any improvement or item or related group of items acquired, purchased, leased or constructed to improve, maintain or develop the Airport, as well

as any extraordinary or substantial expenditure whose object is to preserve, enhance or protect the Airport that, in accordance with generally accepted accounting principles consistently applied, is capitalized by LAWA.

"Common Use Areas," previously referred to as "Joint Use Areas" under the Tariff, shall mean the space in any Terminal designated by the Executive Director be used in common by one or more Airlines or otherwise benefitting one or more Airlines for operations and include, without limitation, Common Use Holdrooms, Common Use Ticket Counters, Common Use Baggage Claim Areas and Common Use Outbound Baggage System Areas.

"Common Use Baggage Claim Areas" shall mean the space in any Terminal (excluding the FIS Areas) designated by the Executive Director to be used in common with other Airlines for the delivery of inbound baggage to arriving passengers, including the baggage recheck areas and the areas where Common Use Baggage Claim Systems are located.

"Common Use Baggage Claim System" shall mean equipment that delivers inbound baggage to arriving passengers.

"Common Use Holdrooms" shall mean the space in any Terminal designated by the Executive Director to be used in common with other Airlines for passenger holdrooms and gate areas.

"Common Use Loading Bridge" shall mean a passenger loading bridge and related equipment owned by LAWA.

"Common Use Outbound Baggage System" shall mean equipment that sorts outbound baggage for delivery to departing aircraft.

"Common Use Outbound Baggage System Areas" shall mean the space in any Terminal designated by the Executive Director to be used in common with other Airlines for the sorting of outbound baggage for delivery to departing aircraft and includes the areas where Common Use Outbound Baggage Systems are located.

"Common Use Ticket Counters" shall mean the space in any Terminal designated by the Executive Director to be used in common with other Airlines for ticket counters and associated queuing space.

"Deplaced Domestic Passengers" shall mean the actual number of passengers, not including the flight crew, disembarking from a domestic flight at the Terminals and shall include passengers clearing customs and immigration in the country that his or her flight originated from, disembarking from an international flight at the Terminals.

"<u>Deplaned International Passengers</u>" shall mean the actual number of passengers, not including the flight crew or passengers clearing customs and immigration in the country that his or her flight originated from, disembarking from an international flight at the Terminals.

"Enplaned Passengers" shall mean the actual number of passengers, not including the flight crew or international in-transit passengers, but including both originating and connecting passengers, embarking on a flight at the Terminals.

"Executive Director" shall mean the Executive Director of the Department of Airports of the City of Los Angeles, California, or his or her designee.

"Fiscal Year" shall mean the twelve (12) month period beginning July 1 of any year and ending June 30 of the following year or any other period adopted by LAWA for its financial affairs.

"FIS Areas," previously referred to as the "International Joint Use Areas" under the Tariff, shall mean the space in the Terminals designated by the Executive Director to be used in common with other Airlines for federal inspection services (including sterile corridors, customs areas, baggage service areas, customs baggage claim areas, cashier areas, interline baggage areas, immigration inspection areas, storage areas, locker areas, federal inspection service swing areas, conference room areas and registration areas), offices for federal agencies, restrooms included in or adjacent to the foregoing areas, transit lounge space and other in transit facilities for international passengers.

"New Rate Methodology" shall mean the rate methodology set forth in this document."

"Operations and Maintenance Expenses," previously referred to as "Terminal Expenses" under the Tariff, shall mean the total operations and maintenance expenses of the Airport.

"Passenger Facility Charges" or "PFC's" shall mean passenger facility charges remitted to LAWA under 49 U.S.C. § 40117 and 14 C.F.R. Part 158 as they may be amended from time to time.

"Person" shall mean a corporation, an association, a partnership, a limited liability company, an organization, a trust, a natural person, a government or political subdivision thereof or a governmental agency.

"Public Area" shall mean sidewalks, concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by LAWA from time to time for use by passengers, LAWA and Airline employees and other members of the public, as designated by the Executive Director.

"Rentable Area," previously referred to as "Measured Area" under the Tariff, shall mean any areas in the Terminals that are available for use by Airlines, other Aeronautical Users, concessionaires or LAWA or other governmental users on an exclusive, common or preferential use basis, as designated by the Executive Director. Rentable Area does not include any areas that are located outside the Terminals nor does Rentable Area include any space (such as security checkpoints) used by federal governmental agencies (such as Customs and Border Patrol or the Transportation Security Administration) or local law enforcement agencies to carry out their operations at the Airport.

• "Reserve Deposits" shall mean the amounts deposited to funds and accounts for operations and maintenance reserves, to satisfy debt service reserve requirements, and similar expense reserves under the terms of any applicable bond covenants or as required by the Los Angeles City Charter.

"Terminals" shall mean all of the airline passenger terminals at the Airport except for Terminal 4 unless and until all Airlines using Terminal 4 are subject to the New Rate Methodology.

"Terminal Airline Support Systems" shall mean an information technology system, used to allocate terminal resources (gates, stands, ticket counters, baggage carousels, bag sortation piers, flight information displays, gate information displays, and public address systems) to assist Airlines with passenger processing.

"Turn" shall mean the active arrival and departure of an aircraft from a gate (including a remote gate) and may be measured in halves. The movement of an empty aircraft to or from a gate shall not constitute half a "Turn."

Section 2. Calculation of Rate and Charges for Airlines.

2.1. Generally.

- 2.1.1. An Airline using any space or equipment in the Terminals pursuant to the Tariff shall be subject to the rates and charges set forth in this Section 2. There are two kinds of rates and charges set forth in this Section: equalized charges for all of the Terminals (described in Sections 2.2 through 2.7 below) and Terminal Special Charges (described in Section 2.8 below), assessed for the use of certain space or equipment in certain Terminals, for the recovery of certain types of Capital Costs or Operations and Maintenance Expenses that are not incurred by LAWA in all of the Terminals and not recovered from the Airlines through the equalized rates and charges. In calculating the Terminal Buildings Requirement. the FIS Requirement and Terminal Special Charges, as set forth below, LAWA shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by government grants or PFC's, (b) has been reimbursed or covered by any insurance recovery, condemnation proceeds or other third-party payment, or (c) has been reimbursed or is required to be reimbursed to LAWA by an individual Airline under the Tariff in connection with projects undertaken by LAWA at the request and for the benefit of an individual Airline. Illustrative calculations displaying how rates and charges will be calculated under this methodology are attached as Exhibit A through Exhibit G-5.
- 2.1.2. Airline Consultations on Proposed Rates and Charges. No later than November 1 of each year, the Executive Director shall provide each Airline then currently using space at the Airport with a complete copy of the then proposed rates and charges, calculated in accordance with this Section 2, for the succeeding calendar year. The Executive Director shall, upon request by any such Airline,

- 2.6. <u>Calculation of Common Use Outbound Baggage System Rate</u>. Each year LAWA shall calculate the estimated Common Use Outbound Baggage System Rate for the next calendar year as follows:
 - 2.6.1. The estimated Common Use Outbound Baggage System Requirement shall be computed as the product of the Terminal Buildings Rate and the total square footage of all Common Use Outbound Baggage System Areas in the Terminals, less any credit for revenue generated by fees imposed under Section 2.6.3.
 - 2.6.2. The estimated Common Use Outbound Baggage System Rate shall then be calculated by dividing the estimated Common Use Outbound Baggage System Requirement by the estimated total annual number of Enplaned Passengers of Airlines using the Common Use Outbound Baggage System Areas in all of the Terminals. LAWA may use the actual number of Enplaned Passengers of Airlines using the Common Use Outbound Baggage System Areas in the immediately preceding Fiscal Year in calculating the estimated Outbound Baggage System Rate.
 - 2.6.3. LAWA may also establish a reasonable fee to be charged to Airlines that use a portion of an outbound baggage system owned or leased by another Airline and pay a fee for such use to such other Airline and also use baggage make-up devices owned by LAWA. The revenue, if any, generated by such a fee shall be credited against the Common Use Outbound Baggage System Requirement calculated under Section 2.6.1.
- 2.7. Common Use Ticket Counter Rate. Each year LAWA shall calculate the estimated Common Use Ticket Counter Rate for all Terminals for the next calendar year as follows:
 - 2.7.1. The estimated Common Use Ticket Counter Requirement shall be computed as the product of the Terminal Buildings Rate and the total square footage of all of the Common Use Ticket Counter space in the Terminals.
 - 2.7.2. The estimated Common Use Ticket Counter Rate shall then be calculated by dividing the Common Use Ticket Counter Requirement by the estimated total annual number of Enplaned Passengers of Airlines using Common Use Ticket Counters. LAWA may use the actual number of Enplaned Passengers in the immediately preceding Fiscal Year in calculating the estimated Common Use Ticket Counter Rate.
- 2.8. <u>Terminal Special Charges</u>. There are certain equipment and services that LAWA provides in some, but not all of the Terminals. Airlines using such equipment or services in certain Terminals pursuant to the Tariff shall be subject to Terminal Special Charges as follows. Any Capital Costs or Operations and Maintenance Expenses that are included in the calculations of Terminal Special Charges shall be excluded from the rates and charges calculated under Sections 2.2 through 2.7.

- 2.8.1. <u>Custodial Rates</u>. Each year LAWA shall calculate estimated Custodial Rates for the next calendar year as follows:
 - 2.8.1.1. The Custodial Requirement shall be calculated by totaling the following from the immediately preceding Fiscal Year:
 - (a) the total actual payments by LAWA under service contracts for janitorial and cleaning services in all Terminals, and
 - (b) the total actual cost to LAWA of providing its own janitorial and cleaning services in all Terminals.
 - 2.8.1.2. The Custodial Requirement shall then be divided by the total square footage of all areas (whether Public Areas or Rental Areas) for which LAWA provides janitorial and cleaning services to derive the Average Custodial Rate. LAWA shall then calculate four separate Custodial Rates for use of Common Use Holdrooms, Common Use Ticket Counters, Outbound Baggage System Areas and Baggage Claim Areas, respectively, by (x) multiplying the total square footage of each such type of space in all Terminals by the Average Custodial Rate and then (y) dividing by the following factors:
 - (a) for Common Use Holdrooms, Enplaned Passengers;
 - (b) for Common Use Ticket Counters, Enplaned Passengers;
 - (c) for Common Use Outbound Baggage System Areas, Enplaned Passengers; and
 - (d) for Common Use Baggage Claim Areas, the total of Deplaned Domestic Passengers.

In making these calculations, LAWA shall only consider the numbers of passengers using the Common Use facilities that are the subject of these Terminal Specific Charges and may use the actual numbers of such passengers in the immediately preceding Fiscal Year in calculating these rates.

- 2.8.4. Common Use Loading Bridge Rate. Each year LAWA shall calculate the estimated Common Use Loading Bridge Capital Rate and the Common Use Loading Bridge O&M Rate for the use of Loading Bridges for the next calendar year as follows:
 - 2.8.4.1. The Average Common Use Loading Bridge Capital Requirement shall be calculated by dividing all budgeted Capital Costs allocable to Common Use Loading Bridges for the following calendar year by the total number of Common Use Loading Bridges.
 - 2.8.4.2. The Average Common Use Loading Bridge O&M Requirement for Common Use Loading Bridges maintained by LAWA shall be calculated by dividing the prior Fiscal Year's Operations and Maintenance Expenses allocable to such Common Use Loading Bridges by the total number of Common Use Loading Bridges maintained by LAWA.
 - 2.8.4.3. The estimated Common Use Loading Bridge Capital Rate shall be calculated by multiplying the Average Common Use Loading Bridge Capital Requirement by the total number of Common Use Loading Bridges and then dividing by the total annual number of Turns at all of the Common Use Loading Bridges, so that the capital charges for use of the Common Use Loading Bridges by each type of aircraft shall bear the relativities to each other set forth in Section 2.4.2. LAWA may use the actual number of Turns at Common Use Loading Bridges in the immediately preceding Fiscal Year in calculating the estimated Common Use Loading Bridge Capital Rate.
 - 2.8.4.4. The estimated Common Use Loading Bridge O&M Rate for Common Use Loading Bridges maintained by LAWA shall be calculated by multiplying the Average Common Use Loading Bridge O&M Requirement by the total number of such Common Use Loading Bridges and then dividing by the total annual number of Turns at all such Common Use Loading Bridges, so that the maintenance charges for use of such Common Use Loading Bridges by each type of aircraft shall bear the relativities to each other set forth in Section 2.4.2. LAWA may use the actual number of Turns at such Common Use Loading Bridges in the immediately preceding Fiscal Year in calculating the estimated Common Use Loading Bridge O&M Rate.
- 2.8.5. Future Terminal Special Charges. The Executive Director, subject to Board approval, may impose additional Terminal Special Charges in similar circumstances, where LAWA is providing certain specified services or equipment in some, but not all of the Terminals; provided, however, that any such services or equipment were first provided by LAWA after December 31, 2012. LAWA shall notify and consult with the Airlines concerning any proposed new Terminal Special Charges at least 60 days before LAWA submits any proposed new Terminal Special Charges for approval by the Board.

- 2.9. Mid-year Adjustments. If it appears to LAWA, on the basis of information it is able to accumulate during the course of any calendar year, that the estimated expenses (excluding Operations and Maintenance Expenses and the costs referred to in Sections 2.8.1.1 and 2.8.2.1) or projected levels of Airline activity it has used to calculate the rates and charges set forth in Section 2 are likely to vary significantly (higher or lower) from actual results, LAWA may make adjustments to such rates and charges at mid-year or at such other time during the calendar year (a) as the need for such an adjustment becomes apparent to LAWA or (b) the variance between the estimated expenses or projected levels of Airline activity and actual results is expected to be ten percent (10%) or more. LAWA shall provide the AAAC with at least thirty (30) days advance written notice ("Mid-Year Adjustment Notice") of any adjustments to be made under this Section 2.9. The AAAC may, within fifteen (15) days of receipt of the Mid-Year Adjustment Notice, request a meeting with LAWA to review the information that LAWA used as the basis for an adjustment under this Section 2.9 and if the AAAC does so, LAWA shall meet with the AAAC within fifteen (15) days of the AAAC's request.
- 2.10. Annual Adjustments-to-Actual. Within 180 days after the close of each calendar year, LAWA shall recalculate the rates and charges as set forth in this Section 2 on the basis of actual expenses (excluding Operations and Maintenance Expenses and the costs referred to in Sections 2.8.1.1 and 2.8.2.1), Airline activity and other factors affecting the prescribed calculations and shall determine the amount of any overpayment (credit) or underpayment (deficit) due to or from each Airline. Any resulting credit will be issued to the Airline, and any resulting debit will be invoiced to and payable by the Airline, as prescribed in the Tariff.
- Section 3. <u>Calculation of Rates and Charges for Aeronautical Users other</u> than Airlines. An Aeronautical User using any space in the Terminals pursuant to the Tariff shall be subject to the Terminal Buildings Charge described in <u>Section 2.2</u>.

Appendix 1

Cost Allocation Method

(1) Description of Cost Centers. Cost centers at the Airport are those functions or physically discrete areas that are used to account for costs incurred by LAWA to own (or otherwise provide), maintain, operate, construct, develop, and administer the Airport. There are two types of cost centers used to account for costs at the Airport: (a) direct cost centers, which are each related to a defined physical area of the Airport that serves a particular function, and (b) indirect cost centers, which are related to service functions that support the direct cost centers. The following are the direct and indirect cost centers used to account for both capital costs and operations and maintenance expenses at the Airport:

Direct Cost Centers

<u>Terminals</u> - the Terminals cost center comprises the land and all passenger terminal buildings and other related and appurtenant facilities, whether owned, operated, or maintained by LAWA. Facilities include the passenger terminal buildings located in the central terminal area, passenger terminal buildings located outside the central terminal area, associated concourses, holdrooms, passenger tunnels, and all other facilities that are a part of the passenger terminal buildings.

<u>Airfield</u> - the Airfield cost center comprises those portions of the Airport (excluding the aircraft aprons associated with the terminal, general aviation, cargo, and aircraft maintenance facilities) providing for the landing, taking off, and taxiing of aircraft, including approach and turning zones, clear zones, navigation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property acquired for noise mitigation purposes.

<u>Apron</u> - the Apron cost center comprises the land and paved areas primarily adjacent to passenger terminal buildings, but also includes remote parking areas that provide for the parking, loading, and unloading of passenger aircraft. The Apron cost center does not include aprons associated with general aviation, cargo, or aircraft maintenance facilities.

<u>Aviation</u> - the Aviation cost center comprises the land and facilities related to air cargo, general aviation, fixed-base operations, aircraft fueling, aircraft maintenance, in-flight catering, and other aviation-related services.

<u>Commercial</u> - the Commercial cost center comprises the land and facilities not located in the Terminal cost centers and that are provided for nonaeronautical commercial and industrial activities, including public automobile parking, car rental service centers, golf courses, the Theme Building, and the Proud Bird restaurant.

Indirect Cost Centers

<u>Access</u> – the Access cost center includes the costs of facilities and services for on-Airport and off-Airport ground access for vehicles and pedestrians, including airside and landside access, and Airport access generally. It also includes the costs of increasing, preserving, or managing the capacity of the Airport's access facilities.

<u>General Administration</u> – the General Administration cost center includes the general administrative and support costs related to providing, maintaining, operating, and administering the Airport that cannot be directly allocated to other cost centers.

- (2) Allocation Methods. Expenses directly attributable to the Terminals, and indirect Administrative and Access cost center expenses are allocated to the Terminals as follows:
 - (i) Wherever possible, expenses directly attributable to the Terminals are allocated to the Terminals.
 - (ii) Expenses attributable to Airport administrative divisions are allocated to the Terminals cost center based on its proportion of total direct expenses.
 - (iii) Expenses directly allocated to the Access cost center are allocated to the Terminals cost center and all other direct cost centers on the basis of the ratio of land area by cost center.

Exhibit A

TERMINAL BUILDINGS RATE

Illustrative Calculation pursuant to the New Rate Methodology

Los Angeles International Airport Calendar year

		Hypothetical
		Year
Unified Capital Requirement (a)		
Gross debt service		\$83,400,000
Less: PFC revenues		(52,600,000)
Debt service		\$30,900,000
Debt service coverage		7,700,000
Amortization		30,800,000
Unified Capital Requirement	[A]	\$69,400,000
Operations and Maintenance Requirement (b)	[B]	221,700,000
Less: Terminal 4 cost requirement	[c] ·	(33,950,000)
Terminal Buildings Requirement	[D=A+B+C]	\$257,150,000
Divided by: Rentable Area (c)	(E)	2,070,000
Terminal Buildings Rate (per square foot)	[=D/E]	\$124.23

Note: The results shown above are not projections.

- (a) See Section 2.2.1(a) of the New Rate Methodology.
- (b) See Section 2.2.1(b) of the New Rate Methodology.
- (c) See Section 1 of the New Rate Methodology.

Exhibit B

FIS RATE

Illustrative Calculation pursuant to the New Rate Methodology

Los Angeles International Airport Calendar year

		Hypothetical
		Year
Capital Costs		
Gross debt service		\$36,400,000
Less: PFC revenues		(9,400,000)
Debt service		\$27,100,000
Debt service coverage		6,800,000
Amortization		2,800,000
Capital Costs	[A]	\$36,700,000
Operations and Maintenance Expenses	[8]	39,700,000
Gross FIS Requirement	[C=A+B]	\$76,400,000
Less: Rental revenue of space in FIS Areas from governmental agencies	[D]	(100,000)
Net FIS Requirement (a)	[E=C+D]	\$76,300,000
Divided by: Deplaned International Passengers (b)	[F]	7,300,000
FIS Rate (per deplaned international passenger)	[=E/F]	\$10.45

Note: The results shown above are not projections.

- (a) See Section 2.3 of the New Rate Methodology.
- (b) See Section 1 of the New Rate Methodology.

Exhibit C

COMMON USE HOLDROOM RATE

Illustrative Calculation pursuant to the New Rate Methodology

Los Angeles International Airport Calendar year

			Hypothetical
· · · · · · · · · · · · · · · · · · ·		0.20	Year
Terminal Bulldings Rate (a)	•	÷.	\$124.23
Times: Common Use Holdroom Space (squa	re feet)	•	268,000
Holdroom Requirement (b)			\$33,300,000
Divided by: Estimated Turns (weighted by ai	rcraft class) (c)		117,300
Common Use Holdroom Rate (per full turn)			\$283.89
Common Use Holdroom Rates (per full turn) (by aircraft class)	: (c)	
			Weighted
	Common Use	Relative charge	Common Use
Class	Holdroom Rate	<u>per turn</u>	Holdroom Rate
	(A)	[8]	[=A*R]

Class	Holdroom Rate	per turn	Holdroom Rate
	[A]	[3]	[=A*B]
1	\$283.89	3.00	\$851.67
2	\$283.89	2.00	\$567.78
3	\$283.89	1.50	\$425.84
4	\$283.89	1.25	\$354.86
5	\$283.89	1.00	\$283.89
6	\$283.89	0.75	\$212.92

Note: The results shown above are not projections.

- (a) See illustrative Exhibit A.
- (b) See Section 2.4.1 of the New Rate Methodology.
- (c) See Section 2.4.2 of the New Rate Methodology. Expected use of Common Use Holdrooms (by aircraft class)

		Relative charge	Illustrative turns
Class	Illustrative turns	per turn	(weighted)
1	1,500	. 3.00	4,500
2	6,000	2.00	12,000
3	14,800	1.50	22,200
4	1,100	1.25	1,400
5	74,500	1.00	74,500
6	3,600	0.75	2,700
	101,500		117,300

Exhibit D

COMMON USE BAGGAGE CLAIM SYSTEM RATE Illustrative Calculation pursuant to the New Rate Methodology Los Angeles International Airport Calendar year

	Hypothetical [.]
	Year
Non-Signatory Airline Terminal Buildings Rate (a)	\$124.23
Multiplied by: Common Use Baggage Claim Areas (square feet)	76,000
Common Use Baggage Claim System Requirement (b)	\$9,441,000
Divided by: Deplaned Domestic Passengers	9,192,000
Common Use Baggage Claim System Rate (per deplaned domestic passenger)	\$1.03
•	_======================================

Note: The results shown above are not projections.

- (a) See illustrative Exhibit A.
- (b) See Section 2.5.1 of the New Rate Methodology.

Exhibit E

COMMON USE OUTBOUND BAGGAGE SYSTEM RATE

Illustrative Calculation pursuant to the New Rate Methodology

Los Angeles International Airport Calendar year

	Hypothetical
	Year
Non-Signatory Airline Terminal Buildings Rate (a) Multiplied by: Common Use Outbound Baggage System Areas (square feet)	\$124.23 152,000
Common Use Outbound Baggage System Requirement (b) Less: Fees for Terminal 6 common use bag make-up unit (c)	\$18,883,000 (500,000)
Net Common Use Outbound Baggage System Requirement (c) Divided by: Enplaned Passengers	\$18,383,000 10,594,000
Common Use Outbound Baggage System Rate (per enplaned passenger)	\$1.74

Note: The results shown above are not projections.

- (a) See illustrative Exhibit A.
- (b) See Section 2.6.1 of the New Rate Methodology.
- (c) Pursuant to Section 2.6.3 of the New Rate Methodology.

Exhibit F

COMMON USE TICKET COUNTER RATE

Illustrative Calculation pursuant to the New Rate Methodology

Los Angeles International Airport Calendar year

	Hypothetical
	Year
Non-Signatory Airline Terminal Buildings Rate (a)	\$124.23
Multiplied by: Common Use Ticket Counter space (square feet)	17,000
Common Use Ticket Counter Requirement (b)	\$2,112,000
Divided by: Enplaned Passengers	5,606,000
Common Use Ticket Counter Rate (per enplaned passenger)	\$0.38

Note: The results shown above are not projections.

- (a) See illustrative Exhibit A.
- (b) See Section 2.7.1 of the New Rate Methodology.

Exhibit G-1

CUSTODIAL RATES

Illustrative Calculation pursuant to the Tariff Los Angeles International Airport Calendar year

					Hypothetical
					Year
CALCULATION OF THE AVERAGE CUS	TODIAL RAT	Γ €			
Payments by LAWA under service cor	ntracts			۷	\$3,885,000
Cost to LAWA of providing janitorial s	ervices				31,683,000
Custodial Requirement (a)					\$35,568,000
Divided by: Terminal Building space	receiving L	AWA Custodial (b)			1,75 6,00 0
Average Custodial Rate					\$20.26
CALCULATION OF THE CUSTODIAL RA	ATES				
		<u> </u>	Common	Use Areas	
				Outbound	
			Ticket	Baggage	Baggage Claim
		Holdrooms	Counters	System Areas	Areas
Average Custodial Rate		\$20.26	\$20.26	\$20.26	\$20.26
Space		268,000	17,000	152,000	76,000
		\$5,428,000	\$344,000	\$3,079,000	\$1,539,000
Passengers (c)		14,247,000	5,606,000	10,594,000	9,192,000
Custodial Rate (per enpl./depl. passe	enger)	\$0.38	\$0.06	\$0.29	\$0.17
Note: The results shown above are i					
(a) See Section 2.8.1 of the New Rat(b) Terminal Building space receiving					Sg ft
	mmon Use !				268,000
		ricket Counters			17,000
		Outbound Baggage	System Area	•	152,000
		Baggage Claim Are			76,000
	Common Use		==		513,000
	ommon ose Public Areas	a Aidas			1,243,000
	ADIIC MICES				1,273,000

(c) Only passengers on airlines using the specified Common Use Areas.

Holdrooms: Enplaned passengers in Terminals 1, 2, 3 and TBIT.

Ticket Counters: Enplaned passengers in Terminal 2 (excluding Hawaiian and Air Canada) and TBIT.

Terminal Building space receiving LAWA Custodial

1,756,000

Outbound Baggage System Areas: Enplaned passengers in Terminals 1, 2 and 3.

Baggage Claim Areas: Deplaned passengers in Terminals 1, 2 (non-FIS) and 3.

Exhibit G-2

OUTBOUND BAGGAGE SYSTEM MAINTENANCE RATE

Illustrative Calculation pursuant to the Tariff

Los Angeles International Airport Calendar year

	Hypothetical
	Year
Payments by LAWA under service contracts	\$3,201,000
Cost to LAWA of providing maintenance services	
Outbound Baggage System Maintenance Requirement (a)	\$3,201,000
Divided by: Enplaned passengers (b)	10,594,000
Outbound Baggage System Maintenance Rate (per enpl. passenger)	\$0.30

Note: The results shown above are not projections.

- (a) See Section 2.8.2 of the New Rate Methodology.
- (b) Enplaned passengers for all Terminals with LAWA-maintained Outbound Baggage Systems (T1, T2 and T3).

EXHIBIT B

Exhibit G-3

TERMINAL AIRLINE SUPPORT SYSTEM RATE Illustrative Calculation pursuant to the Tariff Los Angeles International Airport Calendar year

	Hypothetical
	Year
Payments by LAWA under service contracts	\$0
Cost to LAWA of providing maintenance services	2,166,000
Terminal Airline Support System Requirement (a)	\$2,166,000
Divided by: Enplaned Passengers (b)	7,008,000
Terminal Airline Support System Rate (per enplaned passenger)	\$0.31
	=======================================

Note: The results shown above are not projections.

To be calculated separately for each Terminal that has a LAWA-provided Airline Support System.

- (a) See Section 2.8.3 of the New Rate Methodology.
- (b) Enplaned passengers for all Terminals with LAWA-maintained Terminal Airline Support Systems (T3 and TBIT).

EXHIBIT B

Exhlbit G-4 .

LOADING BRIDGE RATE -- MAINTENANCE

Illustrative Calculation pursuant to the Tariff

Los Angeles International Airport Caiendar year

				Hypothetical
				Year
LOADING BRIDGE RATE N	IAINTENANC	E (a)		
O&M Expenses of LAWA-ma	intained load	ling bridges		\$1,719,000
Divided by: Number of LAW	A-maintaine	d loading bridges (b)	43
Loading Bridge Maintenar	ce Charge (p	er bridge) (c)		\$40,000
Divided by: Estimated ann	ual turns (pe	r bridge) (weighte	d)	2,147
Loading Bridge Maintena	nce Rate (pe	r full turn) (d)		\$18.63
Loading Bridge Maintenanc	e Rates (per i	full turn) (by aircra	aft class): (e)	
-		Loading		Weighted
		Bridge	Relative	Loading
1		Maintenance	charge per	Bridge Capital
	Class	Rate	turn	Rate
		(A)		[=A*B]
	1	\$18.63	3.00	\$55.89
	2	\$18.63	2.00	\$37.26
	3	\$18.63	1.50	\$27.95
	4	\$18.63	1.25	\$23.29
•	5	\$18.63	1.00	\$18.63
· <u></u> <u></u> -	6	\$18. 6 3	0.75	\$13.97

Note: The results shown above are not projections.

- (a) See Section 2.8.4 of the New Rate Methodology.
- (b) All bridges in Terminals 1, 2 and 3, and 6 bridges in Terminal 6.
- (c) Per-bridge charge levied to airlines using preferential-use holdrooms.
- (d) Per-turn rate levied to airlines using Common Use Holdrooms.
- (e) Weighting by aircraft class matches the weighting of Common Use Holdroom Rates. Expected use of Common Use Holdrooms (by aircraft class):

			Relative	Illustrati∨e
		Illustrative	charge per	turns
Maintenance:	Class	turns	turn	(weighted)
	1	400	3.00	1,200
:	2	1,600	2.00	3,200
	. З	5,400	1.50	8,100
	4	1,500	1.25	1,900
	5	75,200	1.00	75,200
	6	3,600	0.75	2,700
		87,700		92,300
Divided by: Number of L	AWA-maintained	loading bridges		43
Estimated annual turns (p	er bridge) (weig	hted)		2,147

Exhlbit G-5

LOADING BRIDGE RATE -- CAPITAL

Illustrative Calculation pursuant to the Tariff

Los Angeles International Airport Calendar year

				Hypothetical
				Year
LOADING BRIDGE RATE C	APITAL (a)			
Capital costs of LAWA-owne	ed loading brid	ges		\$1,409,000
Divided by: Number of LAW	/A-owned load	ling bridges (b)		86
Loading Bridge Capital Ch	arge (per brid:	ge) (c)		\$16,000
Divided by: Estimated ann	nual turns (per	bridge) (weighted	d)	1,547
Loading Bridge Capital R	ate (per full tu	rn) (d)		\$10.35
Loading Bridge Capital Rate	es (per full turi	n) (by aircraft clas	ss): (e)	
				Weighted
		Loading	Relative	Loading
		Bridge Capital	charge per	Bridge Capital
	Class	Rate	turn	Rate
		[A]	(B)	(=A*8]
	1	\$10.35	3.00	\$31.05
	2	\$10.35	2.00	\$20.70
	3	\$10.35	1.50	\$15.53
	4	\$10.35	1.25	\$12.94
	5	\$10.35	1.00	\$10.35 \$7.76
	6	\$10.35		

Note: The results shown above are not projections.

- (a) See Section 2.8.4 of the New Rate Methodology.
- (b) All bridges in Terminals 1, 2, 3, 6 and TBIT (including remote gates).
- (c) Per-bridge charge levied to airlines using preferential-use holdrooms.
- (d) Per-turn rate levied to airlines using Common Use Holdrooms,
- (e) Weighting by aircraft class matches the weighting of Common Use Holdroom Rates. Expected use of Common Use Holdrooms (by aircraft class):

			Relative	Illustrative
		Illustrative	charge per	turns
Capital:	Class	turns	turn	(weighted)
	1	1,500	3.00	4,500
;	2	6,000	2.00	12,000
	3	14,800	1.50	22,200
	4	1,100	1.25	1,400
	. 5	85,900	1.00	85,900
	6	8,800	0.75	7,000
		118,100		133,000
Divided by: Number of	LAWA-maintained	loading bridges		86
Estimated annual turns	(per bridge) (weig	hted)		1,547

Qualified Lounge Improvements and AXP Brand Improvements

Qualified Lounge Improvements:

Included Qualified Improvements shall include, but is not limited to the following:

- 1. All structural and permanent improvements (elevators, dumbwaiters, mechanical, plumbing, electrical infrastructure, transformers, fiber runs, grease interceptors, walk in refrigerator/freezer, etc.)
- 2. All built-in furniture (nook seats, café benches, desks, built-in counters, etc.)
- 3. All fixtures (lighting, media wall, cabinets, metal screens, doors, reception desk, counters, bars, buffets, toilets, urinals, showers, etc.)
- 4. All finishes (wood, tile, stone, metal, vinyl, wall-coverings, ceilings, etc.)
- 5. All non-reusable architectural branding & design elements (permanent art installations, façade, entry, living wall, etc.)
- 6. All built-in tech & equipment (non-removable cameras, built-in audio, LAN, etc.)
- 7. All non-reusable back-of-house equipment sinks, hood, etc.

Excluded Qualified Improvements (can be removed at termination of lease):

- 1. All reusable and removable furniture and fixtures (i.e. tables, chairs, barstools, tables, ottomans, removable light fixtures, removable artwork)
- 2. All reusable and removable tech & equipment (i.e. removable cameras, TVs, media wall, cameras, computers and printers)
- 3. All reusable and removable back-of-house equipment (refrigerators, ovens, small kitchen appliances, ice machines, coffee makers)

AXP Brand Improvements:

Tenant shall leave the Demised Premises in "vanilla shell condition", which for purposes hereof shall mean that the Demised Premises shall have a minimally finished interior, with ceilings, lighting, plumbing, heating and cooling (HVAC), interior walls (painted or unpainted), electrical outlets, restrooms, and a concrete floor, and such condition shall include the Included Qualified Lounge Improvements listed above and except for the AXP Brand Improvements listed below:

- Architectural branding on façade, living wall, glass lantern, Centurion pattern, etc.
- 2. All branded design elements (artwork, floating rooms, signage, etc.)
- 3. All branded fixtures (lighting, metal screens, doors, reception desk, bar, buffet, etc).
- 4. Branded finishes which will not impact vanilla shell condition

EXHIBIT D

Sec. 10.10. Child Support Assignment Orders.

- a. Definitions.
- 1. Awarding Authority means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.
- 2. Contract means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.
- 3. Contractor means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.
- 4. Subcontractor means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.
- 5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.
- Mandatory Contract Provisions. Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or

subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

- c. **Notice to Bidders.** Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.
- Current Contractor Compliance. Within 30 days of the operative date of this ordinance, the City. through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State: and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.
- e. City's Compliance with California Family Code. The City shall maintain its compliance with the provisions of California Family Code §§5230 et seq. and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.
- f. Report of Employees Names to District Attorney.
- 1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.
- 2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court-ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTON HISTORY

Added by Ord. No. 172,401, Eff.2-13-99.

EXHIBIT E

LOS ANGELES WORLD AIRPORTS CONTRACTOR RESPONSIBILITY PROGRAM QUESTIONNAIRE FOR PROSPECTIVE TENANTS

On December 4, 2001, the Board of Airport Commissioners adopted Resolution No. 21601, establishing LAWA's Contractor Responsibility Program (CRP). The intent of the program is to ensure that all LAWA tenants have the necessary quality, fitness and capacity to comply with the terms of the lease. To assist LAWA in making this determination, each prospective tenant is required to complete and submit the attached CRP Questionnaire prior to award of the new lease. The submitted CRP questionnaire will become public record and information contained therein will be available for public review for at least fourteen (14) calendar days prior to the award of the new lease, except to the extent that such information is exempt from disclosure pursuant to applicable law.

The signatory of this questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and submit this questionnaire as required may render the prospective tenant non-compliant with the terms of the lease and result in non-award of the proposed lease. During the review period if the prospective tenant is found non-responsible, he/she is entitled to an Administrative Hearing, if a written request is submitted to LAWA within ten (10) working days from the date LAWA issued the non-responsibility notice. Final determination of non-responsibility will result in sanctions as outlined in the CRP Rules and Regulations for Leases.

All questionnaire responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the CRP Questionnaire Attachment A. Submit the completed and signed Questionnaire and all attachments to LAWA. Retain a copy of this completed questionnaire for future reference. Tenants shall submit updated information to LAWA within thirty (30) days if changes have occurred that would make any of the responses inaccurate in any way.

Α.	LEASE DESCRIPTION AND LOCATION: PUSSENGLY LUNGE Space, TBT
в.	TENANT INFORMATION:
	American Express Travel Related Services Company, Inc.
	200 vescy Street NY 10285
	Street Address City State Zip
	Juliana Gansz, Divotor 646-276-3286
	Contact Person, Title Phone Fax
C.	TYPE OF SUBMISSION:
	An initial submission of a CRP Questionnaire. Please complete all questions and sign Attachment A.
	Changes being reported. CRP Questionnaire dated/ and previously submitted to LAWA is being updated. Please complete all questions and sign Attachment A.
	No changes being reported. CRP Questionnaire dated// and previously submitted to LAWA has no changes. Please sign below and return this page.
	I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the firm submitted the last CRP Questionnaire to LAWA. Juliana Ganzi, Divertor, Gignature Date

A. OWNERSHIP AND NAME CHANGES 1. In the past five (5) years, has your firm changed name? If Yes, list on Attachment A, all the principals' names, prior legal and D.B.A. names, addresses, and the dates when used. Explain the specific (s) reason for each name change. B. FINANCIAL RESOURCES AND RESPONSIBILITY 2. In the past five (5) years, has your firm ever been the debtor in a bankruptcy proceeding? X No ☐ Yes If Yes, explain on Attachment A the specific circumstances and dates surrounding each instance. 3. In the past five (5) years, has any bonding company made any payments to satisfy any claims made against a bond issued on your firm's behalf or a firm where you were the principal? ΧNο ☐ Yes If Yes, explain on Attachment A the specific circumstances surrounding each instance. C. PERFORMANCE HISTORY In the past five (5) years, has your firm ever defaulted under a lease agreement with a governmental entity or with a private individual or entity leading to termination of the lease? ☐ Yes X No If Yes, explain on Attachment A the specific circumstances surrounding each instance. D. COMPLIANCE 5. In the past five (5) years, has your firm or any of its partners, or officers, been penalized for or been found to have violated any Federal, State, or local laws in the performance of a lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees? Ø № ☐ Yes If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status. E. BUSINESS INTEGRITY In the past five (5) years, has your firm been convicted of, or been found liable in a civil suit for making a

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status.

false claim(s) or material misrepresentation(s) to any private or governmental entity in the United States?



☐ Yes

7.	In the past five (5) years, has your firm or any of its executives and management personnel, been convicted
	of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or
	performance of a government lease agreement; or the crime of theft, fraud, embezzlement, perjury, or
	bribery?

☐ Yes 💢 No

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and current status.

ATTACHMENT "A" FOR ANSWERS TO QUESTIONS IN SECTIONS A THROUGH E

Use the space below to provide required additional information or explanation(s). Information submitted on this sheet must be typewritten. Indicate the question for which you are submitting the additional information. Information submitted on this Attachment will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. Insert additional Attachment A pages as necessary.

n/a		
	:	

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this CRP Questionnaire. I further certify that I am responsible for the completeness and accuracy of the answers to each question, and that all information provided in response to this Questionnaire is true to the best of my knowledge and belief.

Juliana Gansl, Director

Signature

4/2/18 Date

LOS ANGELES WORLD AIRPORTS CONTRACTOR RESPONSIBILITY PROGRAM PLEDGE OF COMPLIANCE FOR LEASES

The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA Tenants for leases that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Tenants for leases subject to the CRP are required to complete and submit this Pledge of Compliance with the lease agreement.. In addition, within ten (10) days of execution of any sublease agreement, the Tenant shall submit to LAWA this Pledge of Compliance from each Subtenant listed as performing work on, or otherwise occupying, the leasehold premises.

The Tenant agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, State, and local laws that apply to the lease agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (b) To notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Tenant is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Tenant has violated paragraph (a).
- (d) To ensure that Subtenants occupying space through any Sublease in connection with a LAWA lease agreement shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (e) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving any Subtenant(s) in the LAWA lease agreement.
- (f) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA as required may render the Tenant non-complish with the terms of the lease and subject to CRP sanctions. AMERICAN EXPISS, 200 Very Str. NY, NY, 10285, 212-640-0 Company Name, Address and Phone Number	
Signature of Officer or Authorized Representative 4/2/18 Date	
Signature of Officer or Authorized Representative Date	
Iuliana Gansl	
Print Name and Title of Officer or Authorized Representative	
Sponsorohip Amenity Premier Passenger Counge Space	

EXIIIBIT F

FIRST SOURCE HIRING PROGRAM

Pursuant to Resolution No. 22674 adopted by Board of Airport Commissioners on April 18, 2005, any contract awarded July 1, 2005 and thereafter shall be subject to the applicable provisions of the First Source Hiring Program (FSHP) for LAX airport jobs. This program will provide early access to targeted applicants for available LAX airport jobs, and employers will receive prompt, cost-free referrals of qualified and trained applicants.

All Contractors, Lessees, Licensees, and Construction Contractors with non-trade jobs, with new, amended, or renewed contracts will be required to participate in this program. As such, the FSHP will be incorporated as a material term of all LAX airport contracts, lease agreements and licensing or permitting agreements.

LAX employers with open non-construction positions must contact the FSHP, register their company and post their positions on the Applicant Tracking System (ATS) prior to posting their positions to the general public.

Failure to comply with this contract provision may result in liquidated damages of \$1,000.00.

For additional information regarding First Source Hiring Program please contact: Business and Job Resources Center, First Source Hiring Program, 6053 W. Century Blvd., 3rd Floor, Los Angeles, CA 90045, (424) 646-7300, (424) 646-9257 fax., web: https://www.lawa.org/en/lawa-employment/lawa-business-and-job-resources-center

EXHIBIT G

LIVING WAGE ORDINANCE

Unless otherwise exempt in accordance with the provisions of the Living Wage Ordinance, Los Angeles Administrative Code Section 10.37 et seq., as amended from time to time (the "LWO"), (i) contractors under service contracts primarily for the furnishing of services to or for the City and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months, (ii) certain lessees and licensees of City property, and (iii) certain recipients of City financial assistance, shall comply with the provisions of the LWO.

Generally, the LWO requirements are as follows: (i) <u>Wages</u>: employers shall pay its employees a wage of no less than the hourly rates set under the LWO; and (ii) <u>Compensated Days Off</u>: employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation or personal necessity at the employee's request, and employers shall also permit its employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

On September 9, 2009, the Los Angeles City Council unanimously approved an amending ordinance to Living Wage that requires airport employers at all airports in the LAWA system to increase the hourly rate for health benefits of airport employees covered by LWO. For "Airport Employees," the living wage rates, effective July 1, 2017, will increase to \$12.08 per hour. Additionally, in accordance with Section 10.37.3(a) of the LWO, the health benefits are to be adjusted consistent with Section 10.37.2(a). Consequently, the health benefits will increase to \$5.18 per hour or \$17.26 per hour without health benefits.

Compliance with LWO does not require any form to be submitted with the bid/proposal, however, if the Bidders/Proposers believe that they meet the qualifications for one of the LWO Statutory Exemptions (Collective bargaining agreement with supersession language or Occupational license; 501(c)(3) Non-Profit Organizations or One-Person Contractors; Small Business (for lessees and licensees only)), they shall submit with their bid/proposal one of the exemption forms along with supporting documents.

Once the contract is executed, the contractor is required to complete and submit the following forms:

- Employee Information Form
- Subcontractor Information Form

AIL the forms pertaining to LWO compliance are available at: http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm. Please follow instructions on the forms for completion and submittal. If you have questions about LWO compliance at LAWA, please contact us at 424-646-5380 procurementrequriements@lawa.org.

For the most current LWO rates, rules and regulations, please visit the Department of Public Works' website at http://bca.lacity.org or contact the Bureau of Contract Administration, Office of Contract Compliance, 1149 S. Broadway St., Suite 300, Los Angeles, CA 90015; phone: (213) 847-1922, and fax: (213) 847-2777.

City of Los Angeles

CALIFORNIA



Eric Garcetti MAYOR

CURRENT AND PRIOR LIVING WAGE RATES FOR AIRPORT EMPLOYEES

EFFECTIVE DATES	CASH WAGE + HEALTH BENEFITS (HB) ,	-FULL CASH WAGE
July 1, 2017 - June 30, 2018	\$12.08*** + \$5.18*** per hour in HB	\$17.26 per hour
Oct 5, 2016 - June 30, 2017	\$11.68*** + \$5.05*** per hour in HB	\$16.73 per hour
July 1, 2016 - Oct 4, 2016	\$11.27 + \$4.91 per hour in HB	\$16.18 per hour
July 1, 2015 - June 30, 2016	\$11.17 + \$4.87 per hour in HB	\$16.04 per hour
July 1, 2014 - June 30, 2015	\$11.03 + \$4.81 per hour in HB	\$15.84 per hour
July 1, 2013 - June 30, 2014	\$10.91 + \$4.76 per hour in HB	\$15.67 per hour
July 1, 2012 - June 30, 2013	\$10.70 + \$4.67 per hour in HB	\$15.37 per hour
July 1, 2011 - June 30, 2012	\$10.42 + \$4.55 per hour in HB	\$14.97 per hour
July 1, 2010 - June 30, 2011	No Increase**	
Jan 19, 2010 - June 30, 2010	\$10.30 + \$4.50* per hour in HB	\$14.80 per hour
July 1, 2009 - Jan 18, 2010	\$10.30 + \$1.25 per hour in HB	\$11.55 per hour
July 1, 2008 - June 30, 2009	\$10.00 + \$1.25 per hour in HB	\$11.25 per hour
July 1, 2007 - June 30, 2008	\$9.71 + \$1.25 per hour in HB	\$10.96 per hour
July 1, 2006 - June 30, 2007	\$9.39 + \$1.25 per hour in HB	\$10.64 per hour
July 1, 2005 - June 30, 2006	\$9.08 + \$1.25 per hour in HB	\$10.33 per hour
July 1, 2004 - June 30, 2005	\$8.78 + \$1.25 per hour in HB	\$10.03 per hour
July 1, 2003 - June 30, 2004	\$8.53 + \$1.25 per hour in HB	\$9.78 per hour
July 1, 2002 - June 30, 2003	\$8.27 + \$1.25 per hour in HB	\$9.52 per hour

^{*} Amendment to the Living Wage Ordinance to Increase the health benefits effective January 19, 2010.

For additional information or assistance, call:

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015

Phone: (213) 847-2625 - Email: bca.eeoe@lacity.org

Please note, as of July 1, 2017, the City Minimum Wage for Employers with 26 or more Employees increases to \$12.00 per hour for qualified Employees in the City of Los Angeles. Employers will need to ensure compliance with all requirements of the City's Los Angeles Municipal Code 187 and 188, as applicable. For more information about the minimum wage laws, visit wagesla.lacity.org

^{**} The CPI applicable to the COLA for the July 2010 annual adjustment was -0.8% thereby resulting in a 0% adjustment to both the living wage rate and the health benefit contribution.

^{***} Amendment to the Living Wage Ordinance to increase the cash wage and health benefits effective October 5, 2016.

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LOS ANGELES ADMINISTRATIVE CODE Div. 10, Ch. 1, Art. 10

SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different These new contracts often involve contractor. anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

Article and Section Added by Ord. No. 170,784, Eff. 1-13-96, Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

- (a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.
- (b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.
- (c) "City financial assistance recipient" means any person that receives from the City in any twelvemonth period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 50l(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 50l(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax

increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial. assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

- (d) "Contractor" means any person that enters into a service contract with the City or a City financial assistance recipient.
- (e) "Employee" means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.
- (f) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.
- (g) "Service contract" means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.
- (h) "Subcontractor" means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service

contract and that employs employees for such purpose.

(i) "Successor service contract" means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

- (a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.
 - (1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.
 - (2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or

EXHIBIT I

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$1,000 or more shall contain the following provisions, which shall be designated as the EQUAL EMPLOYMENT PRACTICES provision of such contract:

- A. During the performance of this Contract, the Contractor agrees and represents that it will provide Equal Employment Practices and the Contractor and each Subcontractor hereunder will ensure that in his or her Employment Practices persons are employed and employees are treated equally and without regard to, or because of, race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability; marital status or medical condition.
- 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
- 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
- 3. The Contractor agrees to post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.
- B. The Contractor will, in all solicitations or advertisements for employees placed by, or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.
- C. At the request of the Awarding Authority or the DAA, the Contractor shall certify in the specified format that he or she has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.
- D. The Contractor shall permit access to, and may be required to provide certified copies of, all of his or her records pertaining to employment and to employment practices by the awarding authority or the DAA for the purpose of investigation to ascertain compliance ith the Equal Employment Practices provisions of City Contracts. Upon request, the Contractor shall provide evidence that he or she has or will comply therewith.
- E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City Contracts. The failure shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

EXHIBIT I

- F. Upon a finding duly made that the Contractor has failed to comply with the Equal Employment Practices provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to, and retained by, the City of Los Angeles. In addition thereto, the failure to comply may be the basis for a determination by the Awarding Authority or the DAA that the said Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such a determination, the Contractor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until the Contractor shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- H. The Board of Public Works shall promulgate rules and regulations through the DAA, and provide necessary forms and required language to the Awarding Authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this Contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish the contract compliance program.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. By affixing its signature on a Contract that is subject to this article, the Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with employment practices, including, but not limited to:
 - 1. hiring practices;
- 2. apprenticeships where approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
 - 3. training and promotional opportunities; and
 - 4. reasonable accommodations for persons with disabilities.
- L. All Contractors subject to the provisions of this section shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City, and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Subcontracts shall follow the same thresholds specified in Section 10.8.1.1. Failure of the Contractor to comply with this requirement or to

EXHIBIT

obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsec. C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such Contract:

- A. During the performance of a City Contract, the Contractor certifies and represents that the Contractor and each Subcontractor hereunder will adhere to an Affirmative Action Program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.
- 1. This section applies to work or services performed or materials manufactured or assembled in the United States.
- 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
- 3. The Contractor shall post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.
- B. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.
- C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.
- D. The Contractor shall permit access to, and may be required to provide certified copies of, all of its records pertaining to employment and to its employment practices by the Awarding Authority or the DAA for the purpose of investigation to ascertain compliance with the

EXHIBIT J

Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

- E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The failure shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.
- F. Upon a finding duly made that the Contractor has breached the Affirmative Action Program provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City Contract, there may be deducted from the amount payable to the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.
- H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City Contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration of the Contract. The Awarding Authority may also require Contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Program.

EXHIBIT J

- 1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:
 - (a) Recruit and make efforts to obtain employees through:
- (i) Advertising employment opportunities in minority and other community news media or other publications.
- (ii) Notifying minority, women and other community organizations of employment opportunities.
- (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
- (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
- (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
 - (vi) Validating all job specifications, selection requirements, tests, etc.
- (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
- (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.

EXHIBIT J

- (f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.
- (g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.
- (h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:
 - (i) What steps were taken, how and on what date.
 - (ii) To whom those efforts were directed.
 - (iii) The responses received, from whom and when.
 - (iv) What other steps were taken or will be taken to comply and when.
 - (v) Why the Contractor has been or will be unable to comply.
- 2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
- L. The Affirmative Action Program required to be submitted hereunder and the preregistration, pre-bid, pre-proposal or pre-award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
- 1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 2. Classroom preparation for the job when not apprenticeable;
 - 3. Pre-apprenticeship education and preparation;
 - 4. Upgrading training and opportunities;
- 5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; provided, however, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;

EXĤÎBÎT J

- 6. The entry of qualified women, minority and all other journeymen into the industry; and
- 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.
- O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsecs. B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

3 %



LETTER OF CREDIT REQUIREMENTS



The Letter of Credit must:

- 1. Be an irrevocable, stand-by Letter of Credit, issued by a U.S. Bank
- 2. Have a minimum term of one (1) year
- 3. Allow for partial and multiple drawings
- 4. Name the City of Los Angeles, Department of Airports, as beneficiary
- 5. State on the face of the Letter of Credit the following exact language:

"This Letter of Credit is available for drawings in favor of the City of Los Angeles upon City's presentation of the original Letter of Credit and a statement, purportedly signed by the Executive Director Of Department of Airports, or his/her authorized representative, stating: "The Applicant's payment, contractual, or other obligations were not fulfilled when due and are currently outstanding."

"This Letter of Credit shall be deemed automatically renewed on the expiration date stated and every expiration date thereafter, for an additional one-year period, unless the beneficiary is notified via certified mail, 60 days prior to said expiration date, that the letter of credit shall not be renewed."

6. Please have the bank provide a preliminary PDF copy of the proposed document to dcolson@lawa.org before the original is issued so that it can be reviewed for accuracy. All original documentation regarding the financial instrument should be forwarded directly to the following address:

Los Angeles World Airports Attn: Accounting/Revenue FPG Administrator P. O. Box 92216 Los Angeles, CA 90009-2216

Or you may courier it to:

Los Angeles World Airports Attn: Douglas Colson - FPG Administrator 6053 W Century Blvd, Suite 500 Los Angeles, CA 90045 Ph) 424-646-7610

EXHIBIT K



City Ethics Commission 200 N Spring Street City Hall — 24th Floor Los Angeles, CA 90012 Mail Stop 129 (213) 978-1960

Bidder Certification CEC Form 50

This form must be submitted to the awarding authority with your bid or proposal for the contract noted below. Please write legibly.

or proposal for the	e contract noted below. Please write legibly.	
☑ Original filing ☐ Amended filing (original	signed on; last amendment signed on	
Bid/Contract/BAVN Number: Awardin	ng Authority (Department):	
Name of Bidder:	Phone:	
American Express	646-276-3286	
Address:		
200 Vesey Street, NY, 1	<u>vy 18185</u>	
200 Vesey Street, NY, 10 Email: juliana gans Lacexp. Co		
CERTIFICATION		
I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:		
A. I am a person or entity that is applying for a contract with the City of Los Angeles.		
 The performance of work or service to the City or the public; The provision of goods, equipment, materials, or supplies; Receipt of a grant of City financial assistance for economic development or job growth, as further described in Los Angeles Administrative Code § 10.40.1(h); or A public lease or license of City property where both of the following apply, as further described in Los Angeles Administrative Code § 10.37.1(l): I provide services on the City property through employees, sublessees, sublicensees, contractors, or subcontractors, and those services: 		
 C. The value and duration of the contract for which I am applying is one of the following: 1. For goods or services contracts—a value of more than \$25,000 and a term of at least three months; 2. For financial assistance contracts—a value of at least \$100,000 and a term of any duration; or 3. For construction contracts, public leases, or licenses—any value and duration. 		
	n the disclosure requirements and prohibitions established in the Los if I qualify as a lobbying entity under Los Angeles Municipal Code §	
I certify under penalty of perjury under the la information in this form is true and complete.	ws of the City of Los Angeles and the state of California that the	
Date: 4/2/18	Signature:	
	Name: Juliana Bansl	
	Title: Director, Global Business Development	

Los Angeles Administrative Code \$ 10.40,1

(h) "City Financial Assistance Recipient" means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

Los Angeles Administrative Code § 10.37.1

- (I) "Public lease or license".
 - (a) Except as provided in (I)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:
 - (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
 - (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
 - (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.
 - (b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:
 - (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
 - (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
 - (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
 - (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
 - (5) The annual gross revenue threshold shall be adjusted annually at the skame rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
 - (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
 - (7) Public leases and licenses shall be deemed to include public subleases and sublicenses:
 - (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

EXHIBIT L

EXHIBIL M



Fthics Commission 200 N Spring Street City Hall - 24th Floor Los Angeles, CA 90012 (213) 978-1960

Prohibited Contributors (Bidders) Form 55

ethics.lacity.org This form must be completed in its entirety and submitted with your bld or proposal to the City department that is awarding the contract. Failure to submit a completed form may affect your bid or proposal. If you have questions about this form, please contact the Ethics Commission. 🛛 Original filing 🔲 Amended filing (original signed on _ __; last amendment signed on **Date Bid Submitted:** Reference Number (bid or contract number, if applicable): Description of Contract (title of RFP and services to be provided): City Department Awarding the Contract: BIDDER INFORMATION Name: Hymuncon ExPVCS SCHEDULE SUMMARY Please complete all three of the following: SCHEDULE A - Bidder's Principals (check one) The bidder is the Individual listed above and has no other principals (Schedule A is not required). The bidder is the individual listed above or an entity and has other principals, who are listed on the attached Schedule A pages. 2. SCHEDULE B — Subcontractors and Their Principals (check one) The bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more (Schedule B is not required). The bidder has one or more subcontractors on this bid or proposal with subcontracts worth \$100,000 or more, and those subcontractors and their principals are listed on the attached Schedule B pages. TOTAL NUMBER OF PAGES SUBMITTED (including this cover page): BIDDER'S CERTIFICATION I certify that I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter section 470(c)(12) and any related ordinances. I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the Information provided on this form and the attached pages is true and complete to the best of my knowledge and belief. Signature: Name: Bushess Deve

Title:

ALTERNATIVE FUEL VEHICLE REQUIREMENT PROGRAM (LAX ONLY)

I. Definitions.

The following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

- "Airport Contract" shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.
- "Airport Contractor" shall mean (i) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (ii) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (iii) any contractor that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.
- "Airport Lessee" shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.
- "Airport Licensee" shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.
- "Alternative-Fuel Vehicle" shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies.
- "CARB" shall mean the California Air Resources Board.
- "Covered Vehicle" is defined in Section II below.
- "Compliance Plan" is defined in subsection VII.C. below.
- "EPA" shall mean the United States Environmental Protection Agency.
- "Independent Third Party Monitor" shall mean a person or entity empowered by LAWA to monitor compliance with and/or implementation of particular requirements in this Requirement.
- "LAWA" shall mean Los Angeles World Airports.
- "LAX" shall mean Los Angeles International Airport.
- "Least-Polluting Available Vehicle" shall mean a vehicle that (a) is determined by an Independent Third Party Monitor to be (i) commercially available, (ii) suitable for performance of a particular task, and (iii) certified by CARB to meet the applicable engines emission standard in effect at the time of purchase. Where more than one vehicle meets these requirements for a particular task, LAWA, working with the Independent Third Party Monitor, will designate as the

Least-Polluting Available Vehicle the vehicle that emits the least amount of criteria air pollutants.

"LEV" shall mean a vehicle that meets CARB's Low-Emission Vehicle standards for criteria pollutant exhaust and evaporative emissions for medium-duty vehicles at the time of vehicle manufacture.

"LEV II" shall mean a vehicle certified by CARB to the "LEV II" Regulation Amendments that were fully implemented as of 2010. A qualifying "LEV II" vehicle shall meet the least polluting standard in the LEV II category that is available at the time of purchase.

"LEV III" shall mean a vehicle certified by CARB to the increasingly stringent "LEV III" Regulatory Amendments to the California greenhouse gas and criteria pollutant exhaust and evaporative emission standards, test procedures, and on-board diagnostic system requirements for medium-duty vehicles.

"Low-Use Vehicle" shall mean a Covered Vehicle that makes less than five (5) trips per month to LAX.

"Operator" shall mean any Airport Contractor, Airport Lessee, or Airport Licensee.

"Optional Low NOx" shall mean any vehicle powered by an engine that meets CARB's optional low oxides of nitrogen (NOx) emission standards for on-road heavy-duty engines applicable at the time of purchase.

II. Covered Vehicles.

- A. Covered Vehicles. These Requirements shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX ("Covered Vehicles").
- B. **Exemptions**. The following vehicles are exempt from this Requirement:
 - i) Public safety vehicles.
 - ii) Previously approved vehicles. Vehicles previously approved under the 2007 LAX Alternative Fuel Vehicle Requirement Program are exempt from the Maximum Allowable Vehicle Age Requirement, Section III, but are subject to the Annual Reporting Requirement, Section VI.
 - iii) Low-Use Vehicles. Low-use vehicles are exempt from the Compliance Schedule, Section IV, the Maximum Allowable Vehicle Age Requirement, Section III, but are subject to the Annual Reporting Requirement, Section VI.
- III. <u>Maximum Allowable Vehicle Age Requirement</u>. In accordance with the Compliance Schedule dates outlined in Section IV, no Covered Vehicle equipped with an engine older than thirteen (13) model years or that has 500,000 or more miles, whichever comes first, shall operate at LAX.



IV. Compliance Schedule.

- A. By April 30, 2019, one hundred percent (100%) of the Covered Vehicles operated by a Covered Vehicle Operator shall be (a) Alternative-Fuel Vehicles, (b) Optional Low NOx vehicles or (c) LEV II standard vehicles through 2019 or LEV III standard vehicles thereafter.
- B. A new Covered Vehicle Operator who plans to begin operations at LAX prior to April 30, 2019, must comply with the requirement set forth in Section III and subsection IV.A. prior to commencing operations at LAX.
- V. Least-Polluting Available Vehicles. In cases where an Operator cannot comply with the requirements established pursuant to Sections iii and IV above because neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter, are commercially available for performance of particular tasks, LAWA will instead require Operators to use the Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine whether Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available to perform particular tasks, and, in cases where neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, nor LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

VI. Annual Reporting Requirement.

- A. By January 31st of each calendar year, Covered Vehicle Operators must submit to LAWA the vehicle information required on the reporting form accessible online at https://online.lawa.org/altfuel/ for the prior calendar year.
- B. Low-Use Vehicles shall be included in the annual reporting. Where monthly trip data is used to establish low-use, the operator must provide proof such as transponder data records or an attestation acceptable to LAWA.
- C. A Covered Vehicle Operator who plans to begin operations at LAX must comply with this reporting requirement prior to commencing operations, and thereafter comply with the annual reporting deadline of January 31st of each calendar year.

VII. Enforcement.

- A. **Non-Compliance**. The following circumstances shall constitute non-compliance for purposes of this Section VII:
 - i) Failure to submit an annual report pursuant to Section VI above.
 - ii) Failure to use an Alternative Fuel Vehicle, an Optional Low NOx vehicle, a vehicle meeting LEV II standards prior to December 31, 2019, or LEV III standards thereafter, an approved Least-Polluting Available Vehicle, or a vehicle approved under LAWA's former Alternative Fuel Vehicle Requirement, including approved comparable emissions vehicles.



- iii) Failure to submit a Compliance Plan as defined in subsection VII.C. below within 30 days of notice of non-compliance from LAWA.
- iv) Failure to adhere to an approved Compliance Plan as defined in subsection VII.C. below.
- B. **Notice of Non-Compliance**. Covered Vehicle Operators found not to be in compliance with the Alternative Fuel Vehicle Requirement as set forth in subsection VII.A. above will be given a notice of non-compliance. Covered Vehicle Operators will have 30 days to correct the deficiencies documented in the notice of non-compliance by completing the annual report as defined in Section VI or submitting a Compliance Plan as defined in subsection VII.C. below, as applicable to the reason cited for non-compliance.

C. Compliance Plan.

- i) Operators shall transition to compliant vehicles as soon as practicable.
- ii) Non-compliant Covered Vehicle Operators will be required to submit a Compliance Plan indicating the disposition (salvage, replace, remove from service, etc.) date for each non-compliant vehicle ("Compliance Plan") within 30 days of receiving a notice of non-compliance for a vehicle in the Operator's fleet. The Compliance Plan shall provide dates by which the non-compliant vehicle or vehicles in the Operator's fleet will meet the requirements of the LAX Alternative Fuel Vehicle Requirement and a justification for the new date. The Compliance Plan shall be signed under attestation.
- iii) LAWA's Chief Executive Officer or his/her designee shall review the Operator's Compliance Plan and justification to determine its acceptability and authorize approval or disapproval.
- iv) Covered Vehicle Operators shall have 30 days to seek review of LAWA's rejection of a Compliance Plan or any parts thereof by LAWA's Chief Executive Officer or his/her designee.
- D. Default. Three or more instances of non-compliance with the LAX Alternative Fuel Vehicle Requirement as defined in subsection VII.A above within two years shall be considered a default of the applicable LAX permit, license, contract, lease, Non-Exclusive License Agreement (NELA), concessionaire agreement, and/or Certified Service Provider (CSP) Program. LAWA's Chief Executive Officer or his/her designee may, pursuant to the applicable terms provided therein, suspend or cancel a permit, license, contract, lease, NELA, concessionaire agreement or certified provider certification of non-compliant Covered Vehicle Operators who are not in compliance with this Alternative Fuel Vehicle Requirement. In addition, LAWA's Chief Executive Officer or his/her designee may seek to recoup LAWA's administrative costs from non-compliant operators.
- IX. Periodic Review. This Requirement will be reviewed and updated periodically as deemed necessary by LAWA.

