THE CITY OF LOS ANGELES,

DEPARTMENT OF AIRPORTS,

Landlord

and

SOUTHWEST AIRLINES CO.

Tenant

LEASE AGREEMENT

Dated as of _____

Concourse 0
Los Angeles International Airport

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of _____, 2023 between the CITY OF LOS ANGELES, acting by and through the Board of Airport Commissioners of its Department of Airports, as landlord and licensor ("Landlord"), and SOUTHWEST AIRLINES CO. as tenant and licensee ("Tenant"). Landlord and Tenant may sometimes be referred to herein individually as "party" and collectively as "parties."

RECITALS

WHEREAS, Landlord and Tenant are parties to a terminal facilities lease and license agreement (LAA-8757) (as amended, the "T1 Lease") for space in Terminal 1;

WHEREAS, Tenant wishes to enter into a lease with Landlord for land located east of Terminal 1 to construct a new concourse building to be called Concourse 0 (such construction project, the "Concourse 0 Project";

WHEREAS, the Concourse 0 Project is part of the LAX Airfield and Terminal Modernization Project (the "ATMP");

WHEREAS, on October 7, 2021, Landlord approved the ATMP, including the Concourse 0 Project;

WHEREAS, in approving ATMP, Landlord certified an Environmental Impact Report ("EIR"), adopted findings under the California Environmental Quality Act ("CEQA"), and adopted a Mitigation Monitoring and Reporting Program ("MMRP");

WHEREAS, on November 10, 2021, the City Council upheld Landlord's certification of the EIR and approval of the ATMP;

WHEREAS, pursuant to the National Environmental Policy Act ("NEPA"), the FAA prepared and circulated an Environmental Assessment ("EA") for, and on December 31, 2021 adopted a record of decision ("ROD") and approved, the ATMP, including the Concourse 0 Project; and

WHEREAS, the parties desire to enter into this Lease to allow for the construction of Concourse 0 and the occupancy and operation of certain space in Concourse 0 once the Improvements (defined below) are completed, as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained in this Lease, Landlord and Tenant agree with each other as follows (certain terms used in this Lease and not defined elsewhere in the text of this Lease are used with the meanings specified in Section 24; terms defined elsewhere in the text of this Lease are listed in the Index of Defined Terms appearing following the Table of Contents):

AGREEMENT

1. Term; Lease of Demised Premises.

Landlord shall lease to Tenant, and Tenant shall lease from Landlord, the Demised Premises (as defined herein) for the consideration and subject to the terms and conditions set forth in this Lease. This Lease and the parties' performances hereunder are generally defined by three (3) periods: (a) the Pre-Term, during which Tenant will have a temporary non-exclusive right of entry to the Demised Premises (see Sections 1.1.6 and 4.2); (b) the Construction Term, during which Tenant will have exclusive possession of the Demised Premises to construct certain Improvements (see Section 1.2); and (c) the Terminal Operation Term, during which beneficial occupancy and operation of the Demised Premises will occur (see Section 1.3). The Pre-Term, Construction Term, and Terminal Operation Term are sometime collectively referred to in this Lease as the "Term."

As of the Effective Date, the Demised Premises on a preliminary basis shall initially be the site as described and delineated in Exhibit "A" attached to this Lease. Upon the development of the Concourse 0 Project on the Demised Premises, the Demised Premises shall eventually consist of and will be categorized as three (3) areas: (i) City Areas, (ii) Airline Areas, and (iii) Apron Areas. The description and delineation of the Demised Premises and Concourse 0 Project shall be further refined during the Pre-Term and be reflected in the C0 Final Terms Lease Amendment. Upon the completion of the Concourse 0 Project and as provided under the C0 Final Terms Lease Amendment, modification(s) of the Demised Premises may be made by the CEO 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. Thus, for example, upon the completion of the Apron Areas and City's acquisition thereof pursuant to Section 1.2.5, the Demised Premises will be amended to reflect the transfer of the Apron Areas and the Land Rent will be adjusted to reflect the removal of the Apron Areas from the Demised Premises.

1.1. Pre-Term. The "Pre-Term" shall commence on the Effective Date and end on the earlier of either (i) the occurrence of the Commencement Date or (ii) the termination of this Lease for non-satisfaction of the Pre-Term Conditions Precedent (defined in Section 1.1.1 below) as provided in Section 1.1.1. During the Pre-Term, Tenant's rights to the Demised Premises shall be as set forth in Section 1.1.6.

1.1.1. Pre-Term Conditions Precedent. The effectiveness and commencement of the leasing of the Demised Premises by Landlord to Tenant and commencement of the Construction Term under this Lease shall be subject to the following: (i) agreement by Landlord and Tenant on the C0 Final Terms Lease Amendment (including agreement on the C0 Final Terms and the C0 Project Plan of Finance) and the T1 Lease Fourth Amendment, (ii) the Board and City Council's approval of the C0 Final Terms Lease Amendment and T1 Lease Fourth Amendment (both of which are required to be executed by Tenant prior to Landlord submitting them to the Board and City Council for their respective consideration and approval), and (iii) if the C0 Project Plan of Finance includes the use of one or more Third-Party Construction Financings, the Final Third-Party Construction Financing Requirements shall have been satisfied (collectively, the "Pre-Term Conditions Precedent"). In the event that all of the Pre-Term

Conditions Precedent have not been satisfied on or before the C0 Final Terms Lease Amendment Completion Due Date, then this Lease shall automatically terminate (such termination, "Pre-Term Termination"); provided that, notwithstanding anything to the contrary herein, if the Third-Party Construction Financing shall not be in full force and effect by the earlier of (i) ninety (90) days following the date of the execution and delivery of the C0 Final Terms Lease Amendment (which will occur following approval by the Board and City Council) and (ii) the C0 Final Terms Lease Amendment Completion Due Date, this Lease shall automatically terminate. Upon Pre-Term Termination, except as otherwise expressly provided herein (including, but not limited to, the payment obligations under Sections 1.1.3 and 1.1.4, which survive such termination), neither party will have any further obligation to the other party under this Lease.

1.1.2. C0 Final Terms. The parties shall use good faith efforts to work cooperatively to reach timely agreement on the C0 Final Terms and the C0 Final Terms Lease Amendment (and all exhibits to be appended thereto) in accordance with the process and items described in Exhibits "B, B-1, B-2, B-3, and B-4" and execute and deliver the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment on or prior to the C0 Final Terms Lease Amendment Completion Due Date. Subject to Section 1.1.4 below, each party shall bear its respective costs incurred by such party in connection with negotiation of the C0 Final Terms.

Landlord and Tenant agree that the C0 Final Terms and the C0 Final Terms Lease Amendment shall not be considered final and Landlord shall not present the C0 Final Terms Lease Amendment or the T1 Lease Fourth Amendment to the Board and City Council for their consideration and approval unless (i) the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment have been executed by Tenant, and (ii) the Pre-Term Third-Party Construction Financing Requirements (as described in Section 1.2.3(a)(ii) have been satisfied.

1.1.3. C0 Environmental Analysis and Project Approvals. The parties understand and agree that an environmental analysis of the Concourse 0 Project was performed as a component of the ATMP EIR and EA, as described above. The parties anticipate and intend that the Concourse 0 Project shall be constructed and operated in a manner that is consistent with the Concourse 0 Project as described in the ATMP EIR and EA. Accordingly, Tenant shall ensure that the design, construction, and operation of Concourse 0 shall be consistent with (i) the size and description of Concourse 0 and all Concourse 0 enabling projects in the ATMP EIR, including, but not limited to, Section 2 of the Draft EIR and Section F3.2 of the Final EIR, (ii) the size and description of Concourse 0 and all enabling projects in the ATMP EA, including but not limited to, the Proposed Project Design Features and Commitments and construction commitments (including phasing, staging, contractor parking, and haul routes) identified in Appendix B of the ATMP EA. In the event Tenant identifies a need to design, construct or operate Concourse 0 or any Concourse 0 enabling project in a manner that is inconsistent with the description in either the ATMP EIR or the ATMP EA, Tenant shall promptly consult with Landlord and shall revise the design, construction or operation of Concourse 0 or any Concourse 0 enabling project only with Landlord's express written consent and (where applicable) only after Landlord performs appropriate further environmental review under CEQA and NEPA ("C0 Further Environmental Analysis"), as determined by Landlord and approved by the City Attorney. Whether and to what extent C0 Further Environmental Analysis is required as a result of the revisions shall be determined by Landlord in consultation with Tenant. The cost of considering such revisions, and

of C0 Further Environmental Analysis (if any), shall be borne by Tenant, except in the event of a Pre-Term Termination, in which case such costs shall be subject to the cost sharing provisions of Section 1.1.4 below.

1.1.4. Sharing of Pre-Term Costs in the Event of Pre-Term Termination. Except as may otherwise be provided, in the event of a Pre-Term Termination, all actual, documented, and reasonable out-of-pocket costs that are incurred by either Landlord or Tenant ("Pre-Term Costs") that directly relate to the inspection, design and engineering purposes for the Concourse 0 Project and to facilitate preparation of construction plans for the Concourse 0 Project shall be aggregated and paid by the parties as follows: 50% by Landlord and 50% by Tenant. The Pre-Term Costs may include payments to outside counsel for fees incurred in connection with the review, preparation, and negotiation of this Lease, the C0 Final Terms Lease Amendment, the T1 Lease Fourth Amendment, the Landlord's Sublease, and other associated documents, and payments to independent contractors for engineering and architectural design work, but shall not include compensation for parties' in-house counsel, staffs or executives or other corporate overhead costs. Tenant estimates that as of December 2024, it will have expended approximately $160 million in such Pre-Term Costs. Within sixty (60) days after the Pre-Term Termination, Landlord and Tenant shall each submit to the other an Expenditure Schedule setting forth such party's Pre-Term Costs, together with all required documentation in support thereof in accordance with and subject to the provisions of Section 5.1. Within thirty (30) days of verification and approval of all Pre-Term Costs in accordance with Section 5.1, the party that has paid less than 50% of the total aggregate Pre-Term Costs amount shall make an appropriate true-up payment to the other party such that the 50% parity is achieved with regard to the Pre-Term Costs. The parties agree each party's share of Pre-Term Costs payable under this Section 1.1.4 shall not exceed $85 million.

1.1.5. Landlord's Right to Acquire Instruments of Service. It is acknowledged and agreed that subject to the payment of the Pre-Term Costs pursuant to Section 1.1.4 above, Landlord and Tenant will each have fifty percent (50%) interest in and to any and all Instruments of Service (as defined in Section 5.2). Upon the Pre-Term Termination, Landlord shall have the right but not the obligation to purchase Tenant's 50% interest in the Instruments of Service and acquire the full right, title, and interest in same. The purchase price for the Tenant's interest in the Instruments of Service shall be a sum of the Pre-Term Costs expended to prepare and develop the Instruments of Service and paid by Tenant pursuant to Section 1.1.4, which may include costs related to review and supervision of the design professionals but shall not include corporate overhead costs, in-house staff or executive compensation, and legal costs. Upon Landlord's purchase election and payment, Tenant shall convey, assign, and deliver to Landlord all of Tenant's right, title, and interest in and to the Instruments of Service in accordance with the terms and conditions set forth in Section 5.2.

1.1.6. Right of Entry During the Pre-Term. In connection with the Concourse 0 Project and subject to provisions of Section 4.2, Landlord grants to Tenant during the Pre-Term, a temporary non-exclusive right of entry to the Demised Premises. The right of entry shall be for the following purpose and no other: to access the Demised Premises for inspection, design and engineering purposes for the Concourse 0 Project, and to facilitate preparation of

construction plans for the Concourse 0 Project. This Section 1.1.6 shall not be construed to grant Tenant an easement, lease or any other property interest in the Demised Premises.

1.1.7. Landlord Deliverable – LAWA Projects. Following the satisfaction of the Pre-Term Conditions Precedent, Landlord will, at its expense, use good faith efforts to complete the construction projects (the "LAWA Projects") described in Exhibit "C" attached to this Lease such that the associated space can be delivered timely to Tenant. The description, elements, and the anticipated schedule of the LAWA Projects will be more particularly described in the C0 Final Terms Lease Amendment, and contemporaneously with the approval of the C0 Final Terms Lease Amendment, an updated Exhibit "C" based on the C0 Final Terms Lease Amendment shall replace Exhibit "C" attached hereto.

(a) Status and Progress of LAWA Projects. Beginning on the Effective Date, Landlord will provide periodic updates, not less than every three (3) months, to Tenant on the progress of the LAWA Projects and the then estimated completion date(s) of the LAWA Projects (the "LAWA Project Target Date(s)"). It is anticipated that the completion of the LAWA Projects will influence or effect the delivery date of the applicable portions of the Demised Premises as set forth in Section 1.2.1. As such, Landlord will use good faith efforts to coordinate with Tenant regarding the schedule for completing the LAWA Projects for delivery of the applicable portions of the Demised Premises to Tenant. It being acknowledged and agreed that the scope of the LAWA Projects is immense and the schedule of the LAWA Projects depends on completion of other Airport projects, Tenant agrees to collaborate and cooperate with Landlord in good faith prior to and during all aspects of the LAWA Projects to ensure that LAWA Project Target Dates and the interim schedules are met. Through the parties' iterative process, the LAWA Project Target Dates and interim schedules will be developed per the Outline of C0 Final Terms (Exhibit B-3) and will be set forth in the C0 Final Terms Lease Amendment. Moreover, the LAWA Project Target Dates and the interim schedules will be continually updated from time to time to reasonably reflect the conditions necessary for completion of the LAWA Projects, the progress made on the LAWA Projects, and conditions necessary for successful implementation of the Concourse 0 Project.

(b) Material Delay in Completion of the LAWA Projects. Despite Landlord's good faith efforts to complete the LAWA Projects such that the applicable portions of the Demised Premises can be timely delivered to Tenant and the parties' collaboration and cooperation to update the LAWA Project Target Dates and interim schedules, in the event Tenant believes that events or circumstances have occurred that constitute or will reasonably lead to a LAWA Projects Completion Material Delay, Tenant shall promptly notify Landlord in writing (a "Material Delay Objection Notice"). The Material Delay Objection Notice shall explicitly state that such notice constitutes Tenant's assertion of a LAWA Projects Completion Material Delay, and in such notice, Tenant shall demonstrate, in reasonable detail (i) why Tenant believes that such events or circumstances constitute or will reasonably lead to a LAWA Projects Completion Material Delay, (ii) that the asserted LAWA Projects Completion Material Delay could not have been prevented or addressed by the parties' good faith efforts to collaborate and coordinate the LAWA Project Target Dates and the interim schedules as is required under Section

1.1.7(a) above, and (iii) the proposed mitigation measures, which mitigation measures must be reasonable and justified. Such proposed mitigation measures may include, without limitation, (a) extension of the Terminal Operation Term by the number of days equal to the delay in the DBO (as a result of the asserted LAWA Projects Completion Material Delay) or such other duration agreed to by the parties; and/or (b) payment of reasonable compensation (in the form of rent credit or otherwise, as the CEO may reasonably approve) for Tenant's out-of-pocket costs incurred as a result of the asserted LAWA Projects Completion Material Delay.

Promptly following the delivery of a Material Delay Objection Notice, and for a period of not less than ninety (90) days from the delivery of the Material Delay Objection Notice, Landlord and Tenant shall meet and confer in good faith at least twice to evaluate the matters asserted in the Material Delay Objection Notice and attempt to mutually agree on measures to mitigate or otherwise resolve the adverse impacts to the Concourse 0 Project caused by the asserted LAWA Projects Completion Material Delay. Nothing herein shall be construed as Landlord's obligation to approve any form of Tenant's proposed mitigation measures, which shall be subject to the CEO's approval in his or her reasonable discretion.

(c) Early Termination Due to Delay in Completing and Delivering LAWA Projects. If a LAWA Projects Completion Material Delay has occurred and the parties are unable to agree on a mitigation measure therefor pursuant to Section 1.1.7(b) above, subject to the provisions of this Section 1.1.7(c), Tenant shall have the right to early terminate this Lease by providing one hundred eighty (180) days' prior written notice to Landlord, and this Lease will terminate upon expiration of such 180-day period. In the event of a valid early termination of this Lease due to a LAWA Projects Completion Material Delay as provided in this Section 1.1.7(c), Landlord will reimburse Tenant for all actual, documented, and reasonable out-of-pocket costs associated with the Concourse 0 Project, including all Interest Costs, Tenant's actual interest payments to Landlord pursuant to each Pre-IPOD TIF Loan (as defined in Section 1.2.3(c)(2)), costs associated with design and construction contracts, and Permissible Costs (net of any outstanding principal on a Pre-IPOD TIF Loan, which principal shall be cancelled by Landlord pursuant to Section 1.2.3(c)(4)), but excluding any direct or indirect costs of Tenant's staff or executives' time related to the Concourse 0 Project (collectively, the "Early Termination Reimbursement Amount"); provided, however, that the Early Termination Reimbursement Amount shall be capped at a maximum amount to be established by the Parties, expressed in dollars in the same Year as the C0 Final Terms Lease Amendment, and will be reflected in the C0 Final Terms Lease Amendment (hereinafter, "Maximum Early Termination Reimbursement Amount"). Upon Tenant's issuance of a notice of early termination of this Lease due to a LAWA Projects Completion Material Delay as provided in this Section 1.1.7(c), Tenant shall cease all work on the Concourse 0 Project and shall make all reasonable efforts to limit its out-of-pocket costs associated with any Permissible Costs, except as may be otherwise expressly authorized in writing by Landlord. To be deemed reimbursable costs includible in the Early Termination Reimbursement Amount, amounts spent by Tenant must be verified by Landlord. Within sixty (60) days of Tenant's delivery of the termination notice, Tenant shall provide to Landlord an Expenditure Schedule and

all required documents in accordance with and subject to provisions of Section 5.1. Within sixty (60) days of Landlord's verification of such documentation, Landlord will pay the Early Termination Reimbursement Amount. Moreover, concurrently with the payment of the Early Termination Reimbursement Amount, Tenant shall convey, assign, and deliver to Landlord all Instruments of Service as Landlord may request, in accordance with the terms and conditions of Section 5.2.

1.1.8. Landlord Deliverable – LAWA Airfield Improvements. Following the satisfaction of the Pre-Term Conditions Precedent, Landlord will, at its expense, use good faith efforts to timely complete construction of certain airfield improvements at, around and in reasonable service of Concourse 0 (the "LAWA Airfield Improvements") as generally described in Exhibit "D" attached to this Lease. Landlord will use good faith efforts to coordinate with Tenant regarding the schedule for completing the LAWA Airfield Improvements. The description, and the anticipated construction schedule and completion date of the LAWA Airfield Improvements will be more particularly described in the C0 Final Terms Lease Amendment.

1.2. Construction Term. The "Construction Term" shall commence on the Commencement Date and continue up to the DBO, subject to early termination pursuant to Section 1.1.7(c) above.

1.2.1. Delivery of Possession; Condition of the Demised Premises. Following and subject to the satisfaction of the Pre-Term Conditions Precedent and the delivery by Landlord of the applicable portions of the Demised Premises, Tenant shall construct the Improvements in accordance with the terms of this Lease, as amended by the C0 Final Terms Lease Amendment. Except as otherwise expressly provided in the C0 Program Definition Book, the Demised Premises shall be delivered by Landlord and accepted by Tenant in its "as-is" condition. The Demised Premises will be delivered in accordance with the delivery schedule established in the C0 Final Terms Lease Amendment. Upon delivery of all or any portion of the Demised Premises by Landlord, Tenant shall promptly execute and return to Landlord an acknowledgement of delivery, which acknowledgement shall be in form and content satisfactory to Landlord. However, Tenant's failure to execute and return the acknowledgement shall not delay or otherwise affect the delivery of the Demised Premises.

1.2.2. Construction of Improvements by Tenant. Tenant hereby covenants and agrees to construct the Purchase Option Improvements, Apron Area Improvements, and Proprietary Improvements (as will be more particularly described in the C0 Final Terms Lease Amendment) in accordance with the schedule of construction and completion to be set forth in the C0 Final Terms Lease Amendment. The construction of the Improvements shall be subject to the provisions of Section 4 of this Lease. Landlord and Tenant agree that Tenant shall pay for any and all costs associated with the Improvements, subject to Landlord's purchase of the Apron Area Improvements as provided in Section 1.2.5 and purchase option of the Purchase Option Improvements as provided in Section 1.2.6 below. The parties shall, as part of the C0 Final Terms Lease Amendment, agree on a deadline following the commencement of the Construction Term by which Tenant must have commenced construction of the Purchase Option Improvements, the Apron Area Improvements, and the Proprietary Improvements (the earliest of such construction commencement dates shall be referred to herein as the "Planned Construction Start Date"), and a

deadline when the Purchase Option Improvements, the Apron Area Improvements, and the Proprietary Improvements must be completed.

(a) Tenant shall include in its general construction contracts for the Improvements that in the event of termination of this Lease, Landlord shall have the right, in its sole discretion, to have Tenant's construction contracts for the incomplete Improvements assigned to Landlord.

1.2.3. Financing of the Improvements.

(a) Third-Party Construction Financing. Tenant has advised Landlord that some or all of the Permissible Costs of the City Area Improvements, the Apron Area Improvements and the Airline Area Improvements and the costs of designing, constructing and equipping the Proprietary Improvements may be financed with one or more third-party loans and/or other debt obligations (each a "Third-Party Construction Financing"). Each of the Third-Party Construction Financings may involve the Regional Airports Improvement Corporation (the "RAIC"), the California Municipal Finance Authority (the "CMFA") or similar financing authority or entity (such entity a "Conduit Financing Authority"), which will appoint Tenant as agent to manage all aspects of the design and construction of the Improvements. As used in this Lease, the "Borrower" shall be understood to be Tenant or the particular financing authority/entity used by Tenant, as applicable. Each Third-Party Construction Financing may be obtained through various sources, including, but not limited to, (A) a syndicate of lenders or lending institutions, or (B) purchasers of a private placement of debt obligations issued on behalf of Tenant with respect to the Concourse 0 Project, (C) a special purpose entity, or (D) such other holders of debt obligations issued on behalf of Tenant with respect to the Concourse 0 Project (individually or collectively, the "Construction Lender"). Tenant may execute any and all Third-Party Construction Financing Documents in connection with each Third-Party Construction Financing, provided that all principal Third-Party Construction Financing Documents shall be subject to the prior review and written approval of the CEO, which approval shall not be unreasonably withheld or delayed, as described under (ii) (Pre-Term Third-Party Construction Financing Requirements) and (iii) (Final Third-Party Construction Financing Requirements) below. In accordance with (1) Section 1.1.2, prior to Landlord presenting the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment to the Board and City Council for their consideration and approval (A) the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment must be executed by Tenant and (B) the Pre-Term Third-Party Construction Financing Requirements (as described below) must be satisfied, and (2) Section 1.1.1, the Final Third-Party Construction Financing Requirements (as described below) must be satisfied by the earlier of (A) ninety (90) days following the execution and delivery of the C0 Final Terms Lease Amendment (which will occur following approval by the Board and City Council) and (B) the C0 Final Terms Lease Amendment Completion Due Date.

(i) Allowable Terms of Third-Party Construction Financing. The Third-Party Construction Financing Documents may include one or more of

the following terms, in addition to such other terms that may be agreed to by Landlord and Tenant.

(1) The principal Third-Party Construction Financing Documents shall include, among other things, vesting of title upon receipt of Landlord Payments (except Landlord Payments that constitute Landlord's Sublease Rent and/or proceeds of any TIF Loans, for which there is no transfer of title), and appropriate indemnification of Landlord for Tenant's negligent acts and omissions and actions brought by Construction Lender involving the construction financing;

(2) Tenant may assign, and grant a security interest, to the Borrower, the Construction Lender, a trustee acting for the benefit of the Construction Lender (the "Trustee"), or another Person designated by the Construction Lender and approved by Landlord, who shall in turn assign them to the Trustee or another designee approved by Landlord for the benefit of the Construction Lender, which assignment shall not constitute an assignment of this Lease for purposes of Section 16.1, all or any portion of Tenant's rights to receive the payments from Landlord under this Lease, including but not limited to, payments for the purchase of the Apron Area Improvements, payments for the purchase of the Purchase Option Improvements contemplated in Sections 1.2.5 and 1.2.6, respectively, the Landlord's Sublease Rent, and any TIF Loan proceeds (collectively, the "Landlord Payments").

If Tenant assigns its rights to receive all or a portion of the Landlord Payments, the Third-Party Construction Financing Documents shall include (i) directions from Tenant to Landlord to pay such Landlord Payments to the Borrower, the Construction Lender, the Trustee or such other approved designee, and (ii) Landlord's agreement to pay the Landlord Payments to the Borrower, the Construction Lender, the Trustee or such other approved designee.

Except with respect to proceeds of a TIF Loan and Landlord's Sublease Rent, Landlord Payments related to Purchase Option Improvements are contingent on Landlord exercising its option to acquire the Purchase Option Improvements by the Initial Purchase Option Deadline pursuant to Section 1.2.6.

Notwithstanding the foregoing, if Tenant finances the Improvements without a Third-Party Construction Financing, Tenant shall not be required to assign any of its rights to receive Landlord Payments, and it is specifically agreed that Tenant, in its sole discretion, may separately assign to such other Persons (or any combination) of such rights as contemplated hereinabove.

(3) The Third-Party Construction Financing Documents shall include a covenant by the Construction Lender or the Trustee, if applicable, to apply Landlord Payments, no later than ninety (90) days of receipt to the payment

of the Debt Service Costs related to the Third-Party Construction Financing provided by the Construction Lender.

(4) Except as expressly provided in this Section 1.2.3(a), in the event all or a portion of the Landlord Payments are assigned, Landlord shall not be bound, nor shall the terms, conditions, and covenants of this Lease or the rights and remedies of Landlord hereunder be in any manner limited, restricted, modified or affected, by reason of the terms or provisions of the Third-Party Construction Financing Documents.

(5) Landlord agrees that any notices required to be given to Tenant pursuant to this Lease with respect to a termination of this Lease also will be provided to the Construction Lender and the Trustee, if applicable, at the addresses provided to Landlord.

(6) Any construction leasehold deed of trust required by the Construction Lender in connection with the Third-Party Construction Financing shall be subject to the approval of Landlord; it being understood by the parties that it will be necessary for Landlord and the Construction Lender to negotiate the release provisions under the deed of trust.

(7) In the event any Third-Party Construction Financing is issued as tax-exempt obligations, Tenant hereby elects not to claim depreciation or an investment credit for federal income tax purposes with respect to any portion of the Improvements financed with tax-exempt obligations; Tenant will take all actions necessary to make this election binding on all its successors in interest under this Lease, and this election shall be irrevocable.

(ii) Pre-Term Third-Party Construction Financing Requirements. As set forth in Section 1.1.2, prior to Landlord presenting the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment to the Board and City Council for their consideration and approval (A) Tenant shall have executed the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment, and (B) the Pre-Term Third-Party Construction Financing Requirements must be satisfied. The "Pre-Term Third-Party Construction Financing Requirements" are as follows.

(1) At least six (6) months prior to the date Landlord is expected to present the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment to the Board and City Council (but no later than 225 days prior to the C0 Final Terms Lease Amendment Completion Due Date), Tenant shall provide Landlord information regarding the status of any Third-Party Construction Financing.

(2) Tenant agrees to provide the CEO with substantially final drafts of all principal Third-Party Construction Financing Documents

as soon as they are available, but no later than ten (10) days after Tenant's receipt of such documents, and to provide the CEO with a reasonable opportunity, of at least fourteen (14) days, to review and comment on such Third-Party Construction Financing Documents, which review and comments shall be based on whether such documents comply and conform with the terms of this Lease. If an additional period of time is necessary, the CEO shall notify the Tenant (no later than seven (7) days following Landlord's receipt of the copies of the Third-Party Construction Financing Documents) of the additional amount of time needed to complete the review of the Third-Party Construction Financing Documents (which additional period of time shall be mutually agreed to by Landlord and Tenant). Tenant agrees to make representatives of Tenant available to discuss the Third-Party Construction Financing Documents with the CEO.

(3) Prior to Landlord presenting the C0 Final Terms Lease Amendment and the T1 Lease Fourth Amendment to the Board and City Council for their consideration and approval,

a. the CEO shall provide written approval of (which approval shall not be unreasonably withheld, delayed or conditioned):

i. each lead Construction Lender;

ii. substantially final drafts of the principal Third-Party Construction Financing Documents; and

iii. the interest rate(s), interest rate indices and interest rate modes (i.e., fixed or floating) to be charged and used by the Construction Lender and available under the Third-Party Construction Financing Documents.

b. Tenant shall provide Landlord:

i. One or more signed letters from each lead Construction Lender and/or lead arranger/underwriter, if applicable, which letters shall include the following:

(A) confirmation that the lead Construction Lender or the lead arranger/underwriter, if applicable, intends to provide or underwrite the Third-Party Construction Financing;

(B) confirmation that the lead Construction Lender or the lead arranger/underwriter, if applicable, has reviewed all of the current drafts of the Third-Party Financing Documents and has approved, in all

material respects, each of the Third-Party Financing Documents;

(C) confirmation that the lead Construction Lender or the lead arranger/underwriter, if applicable, has completed all material aspects of appropriate and necessary due diligence available at such time, including, financial, model, legal and technical reviews (except for any due diligence to be conducted by any underwriter in a financing necessary to comply with applicable securities laws);

(D) confirmation that (i) the lead Construction Lender or the lead arranger/underwriter, as applicable, has obtained all required approvals (including any relevant evidence) to provide or underwrite, as the case may be, the Third-Party Construction Financing, and that such approvals are not, and will not be, subject to contingencies or conditions precedent other than those customary for financings for projects similar to the Concourse 0 Project, and (ii) drawdowns from the relevant Third-Party Construction Financing will not be subject to contingencies or conditions precedent other than those customary for financings for projects similar to the Concourse 0 Project (as described in the relevant term sheet included in the C0 Project Plan of Finance); and

(E) confirmation of the period of time the lead Construction Lender's intent to provide the Third-Party Construction Financing will be outstanding (which period shall not expire earlier than sixty (60) days after Tenant and Landlord execute and deliver the C0 Final Terms Lease Amendment), and indicate the extent to which (as applicable) loan amount, credit spreads or other debt-related fees are locked or subject to market flex provisions through such anticipated date (or any other applicable date);

ii. A certification signed by an authorized officer of Tenant certifying that the execution, delivery and performance of the then-current substantially final drafts of the Third-Party Financing Documents to which Tenant is a party to have been duly authorized by all requisite corporate action on the part of the Tenant.

c. Except as otherwise provided herein, Tenant shall reimburse Landlord for all costs reasonably incurred by

Landlord associated with the review of the principal Third-Party Construction Financing Documents as required pursuant to this Section 1.2.3(a)(ii), except such costs will not include Landlord's staff hours and other Landlord overhead costs associated with the review of the Third-Party Construction Financing Documents.

(iii) Final Third-Party Construction Financing Requirements. As set forth in Section 1.1.1, satisfaction of the Final Third-Party Construction Financing Requirements are one of the Pre-Term Conditions Precedent. The "Final Third-Party Construction Financing Requirements" are as follows.

(1) a. No later than seven (7) days prior to the expected closing date of the Third-Party Construction Financing, Tenant agrees to provide the CEO with any material changes to the principal Third-Party Construction Financing Documents that were previously approved by the CEO in accordance with Section 1.2.3(a)(ii)(3)(a)(ii) above, in order to ensure compliance and conformance with the terms of this Lease. Tenant agrees to make representatives of Tenant available to discuss any material changes being made to the Third-Party Construction Financing Documents with the CEO.

b. On or prior to the closing date of the Third-Party Construction Financing, the CEO shall provide final written approval of (which approval shall not be unreasonably withheld, delayed or conditioned):

i. any material changes to the principal Third-Party Construction Financing Documents that were previously approved by the CEO in accordance with Section 1.2.3(a)(ii)(3)(a)(ii) above; and

ii. only if different than the rates, indices and modes previously approved by the CEO in accordance with Section 1.2.3(a)(ii)(3)(a)(iii) above, the final interest rate(s), interest rate indices and interest rate modes (i.e., fixed or floating) to be charged and used by the Construction Lender under the Third-Party Construction Financing Documents

(2) No later than five (5) business days following the closing date of the Third-Party Construction Financing (which closing date shall be the earlier of (A) ninety (90) days following the execution and delivery of the C0 Final Terms Lease Amendment (which will occur following approval by the Board and City Council) and (B) the C0 Final Terms Lease Amendment Completion Due Date), Tenant shall provide to Landlord:

a. Fully executed copies of the principal Third-Party Construction Financing Documents;

b. Copies of all final signed legal opinions given pursuant to the terms of the Third-Party Construction Financing Documents (the opinions are not required to be addressed to Landlord); and

c. A certification signed by an authorized officer of Tenant certifying to the following:

1. The Third-Party Construction Financing has closed and Tenant has satisfied or received a waiver of all conditions precedent to the effectiveness of the commitments of the Construction Lender under the Third-Party Construction Financing Documents; and

ii. all representations and warranties of Tenant in the Third-Party Construction Financing Documents remain true in all material respects as of the execution and delivery date of the Third-Party Construction Financing Documents, except for any representation or warranty made as of a specified date, in which case such representation or warranty shall be true as of the specified date and Tenant shall notify Landlord if any such representation is not true and correct as of the execution and delivery date of the Third-Party Construction Financing Documents.

(3) Tenant shall reimburse Landlord for all costs reasonably incurred by Landlord associated with the review of the principal Third-Party Construction Financing Documents as required pursuant to this Section 1.2.3(a)(iii), except such costs will not include Landlord's staff hours and other Landlord overhead costs associated with the review of the Third-Party Construction Financing Documents.

(b) Post-Construction Long-Term Tenant Bond Financing. Tenant has advised Landlord that all or a portion of the Permissible Costs of the Purchase Option Improvements may be refinanced with the proceeds of tax-exempt and/or taxable long-term obligations (such obligations, "Long-Term Bonds"), which may be issued by a Conduit Financing Authority (such financing, a "Long-Term Bond Financing"), and will require Landlord's consent. Landlord is willing to cooperate reasonably with Tenant's efforts to implement a Long-Term Bond Financing subject to the limitations set forth in this Lease, the C0 Final Terms Lease Amendment and to the extent permitted by law.

(1) Long-Term Bond Financing Documents. If Tenant refinances all or a portion of the Permissible Costs of the Purchase Option Improvements (such improvements, the "Long-Term Financed Improvements"), Landlord and Tenant agree to the following with respect to any financing documents related to any Long-Term Bond Financing:

(i) Tenant agrees to provide the CEO with a summary of the plan of finance as soon as practicable after Tenant

determines to refinance any costs of the Long-Term Financed Improvements with the proceeds of Long-Term Bonds. Tenant agrees to make representatives of Tenant available to discuss the plan of finance with the CEO.

(ii) Tenant agrees to provide the CEO with copies of all of the material Long-Term Bond Financing Documents as soon as they are available, but no later than ten (10) days after Tenant's receipt of such documents, and to provide the CEO with a reasonable opportunity, of at least fourteen (14) days, to review and comment on such Long-Term Bond Financing Documents, which comments shall be based on whether such documents comply and conform with the terms of this Lease. If an additional period of time is necessary, the CEO shall notify the Tenant (no later than seven (7) days following Landlord's receipt of the copies of the Long-Term Bond Financing Documents) of the additional amount of time needed to complete the review of the Long-Term Bond Financing Documents, which additional period of time shall be mutually agreed to by the parties. Tenant agrees to make representatives of Tenant available to discuss the Long-Term Bond Financing Documents with the CEO. Prior to proceeding with the issuance of any Long-Term Bonds, Tenant shall have received the prior written approval of CEO. Tenant further agrees to reimburse Landlord for all third-party costs reasonably incurred by Landlord (i.e., excluding Landlord staff and other Landlord overhead costs associated with the review of the Long-Term Bond Financing Documents).

The Long-Term Bond Financing Documents will include, among other provisions that may be required by Landlord: (A) a final maturity date for the Long-Term Bonds of not later than thirty (30) years following DBO, (B) bond redemption/call provisions that provide for not more than ten (10) years of optional call protection, (C) an extraordinary call in the event Landlord exercises its Buyback Right (as defined below), (D) redemption notice provisions that provide for a conditional notice of redemption and a notification period of not less than thirty (30) days prior to the redemption date (or such shorter notice period that is regarded as market-standard at the time of issuance of the Long-Term Bond), (E) Landlord shall be granted the right to require redemption notice(s) to be delivered by the Long-Term Bond trustee regarding the redemption of the outstanding Long-Term Bonds triggered by Landlord exercising its Buyback Right, and (F) total debt service due in any year after principal begins amortizing during the Terminal Operation Term shall be no greater than 105% of total debt service due in the immediately preceding year.

(2) Landlord Buyback Right. (i) In the event any Long-Term Bond Financing is used to refinance the acquisition or construction of the Long-Term Financed Improvements, Landlord may, to the extent permitted by law, purchase from the Tenant all of the Long-Term Financed Improvements and its interests under this Lease in the Demised Premises related to the Long-Term

Financed Improvements thereon by paying the Termination Fee (as defined herein). Such purchase of the Tenant's interest under this Lease in the applicable Demised Premises and Long-Term Financed Improvements located thereon is hereinafter referred to as Landlord's "Buyback Right". Landlord shall exercise its Buyback Right hereunder, if at all, by (A) giving not less than three (3) months' prior written notice to Tenant and the Long-Term Bond trustee, and (B) paying an amount equal to the lesser of (a) all principal and accrued but unpaid interest (including any unamortized original issued premium) on the then-outstanding Long-Term Bonds (including all then-outstanding Long-Term Bonds held by or in the name of any lender or institution providing a credit enhancement device for such Long-Term Bonds) less any applicable outstanding sinking fund balances established for the retirement of such Long-Term Bonds, which amount shall be deposited into an irrevocable escrow account held by the Long-Term Bond trustee, and (b) the Maximum Purchase Option Improvements Acquisition Cost (herein referred to as the "Termination Fee"). Landlord shall pay the Termination Fee to the Long-Term Bond trustee who shall deposit the fee to an escrow account and use the Termination Fee to redeem the Long-Term Bonds. The Long-Term Bonds shall be subject to redemption within thirty (30) days of the deposit of the Termination Fee to the escrow account held by the Long-Term Bond trustee at a redemption price of par plus accrued interest and unamortized original issue premium to the redemption date. In addition, Landlord shall be responsible for all reasonable costs incident to the redemption and/or defeasance of all such Long-Term Bonds including, without limitation, attorneys' fees and Long-Term Bond trustee fees. Upon the earlier of defeasance and/or redemption of the Long-Term Bonds, the provisions of this Lease related to the Long-Term Financed Improvements and Tenant's interest in the Demised Premises related to the Long-Term Financed Improvements shall terminate and Landlord may thereafter, if the Long-Term Bonds were issued as tax-exempt bonds, take immediate possession of the applicable portion of the Demised Premises and the related Long-Term Financed Improvements. Tenant agrees to take the necessary action to transfer and assign to Landlord the title, free and clear of liens and encumbrances, to the Long-Term Financed Improvements upon payment of the Termination Fee. Tenant further agrees to take the necessary actions to facilitate the timely delivery of any redemption notices and/or defeasance notices by the Long-Term Bond trustee and the Long-Term Bond issuer. Landlord agrees to not take any action nor fail to take any action in connection with the defeasance and/or redemption of the Long-Term Bonds that would adversely affect the exclusion of interest on the Long-Term Bonds from gross income, if applicable, of the holders thereof for federal income tax purposes.

(ii) Landlord shall pay the Termination Fee amount into escrow with the Long-Term Bond trustee at least five (5) days before the applicable redemption date for the Long-Term Bonds. If the Termination Fee is insufficient to redeem the outstanding principal, accrued interest, and premium on the Long-Term Bonds, Tenant shall pay such deficit amount into escrow with the Long-Term Bond trustee no earlier than Landlord's payment of the Termination Fee and no later than five (5) days before the applicable redemption date for the Long-Term Bonds. Any

monies remaining in escrow following redemption of the Long-Term Bonds shall be paid to Tenant.

(3) Landlord acknowledges that Tenant may desire to refinance the Long-Term Bonds during the term of this Lease. Any such refinancing will not be permitted without the consent of Landlord, which consent shall not be unreasonably withheld or delayed if such refinancing will substantially meet the requirements of this Section 1.2.3(b).

(4) In the event any Long-Term Bonds are issued as tax-exempt obligations, Tenant hereby elects not to claim depreciation or an investment credit for federal income tax purposes with respect to any portion of the Long-Term Finance Improvements financed with tax-exempt obligations; Tenant will take all actions necessary to make this election binding on all its successors in interest under this Lease, and this election shall be irrevocable.

(5) Mortgages and Other Encumbrances. Notwithstanding any other provision of this Lease, Tenant shall have the right to assign Tenant's interest in this Lease for security and/or encumber Tenant's interest in the leasehold estate hereby created, with the prior written consent of the CEO approved as to form by Landlord's attorney, by mortgage, pledge, deed of trust, or other instrument (a "Long-Term Leasehold Mortgage") to a reputable Long-Term Bond trustee as determined in the sole judgment of the CEO or approved by the Board (a "Long-Term Leasehold Mortgagee") for the purpose of financing or refinancing the acquisition or construction of some or all of the Long-Term Financed Improvements, including any betterments or additions thereto (collectively, a "Long-Term Leasehold Financing") in connection with a Long-Term Bond Financing. In such event, upon Tenant's written request to the CEO, Landlord shall execute an estoppel certificate in form and substance reasonably satisfactory to Landlord and Long-Term Leasehold Mortgagee. Any Long-Term Leasehold Financing attempted without the prior written consent of the CEO shall be null and void and shall be an Event of Default under this Lease. In connection with Tenant's request for consent to any such Long-Term Leasehold Financing, Tenant shall submit for the CEO's prior review and written approval any and all instruments and documents to be executed by, or binding upon, Tenant in connection therewith (the "Long-Term Leasehold Financing Documents"). In the event such Long-Term Leasehold Financing is approved in writing by the CEO and this Lease is so assigned, Tenant's interest in the leasehold estate hereby created is so encumbered, Landlord shall not be bound, nor shall the terms, conditions, and covenants of this Lease or the rights and remedies of Landlord hereunder be in any manner limited, restricted, modified, or affected by reason of the terms or provisions of the Long-Term Leasehold Financing Documents. The only rights of any such Long-Term Leasehold Mortgagee under an approved Long-Term Leasehold Financing shall be as follows:

(i) A Long-Term Leasehold Mortgagee under an approved Long-Term Leasehold Mortgage shall not be entitled to any notice

required to be given by Landlord to Tenant under the provisions of Section 17 (Events of Default, Remedies, Etc.) unless Tenant designates by written notice to Landlord that notices of Events of Default or notices to cure an Event of Default under this Lease are to be sent to such lender's address, as well as to Tenant's address as set forth in Section 23 (Notices).

(ii) In the event of any Event of Default by Tenant under the provisions of this Lease:

1. the Long-Term Leasehold Mortgagee will have the same periods as are given Tenant for remedying such Event of Default or causing it to be remedied, plus, in each case, provided that the Long-Term Leasehold Mortgagee shall pay all unpaid Land Rent under this Lease and, to the extent susceptible of cure by the Long-Term Leasehold Mortgagee, shall promptly commence and diligently pursue to completion any cure with respect to any other acts required to be performed by Tenant under this Lease, an additional period of sixty (60) days after the expiration thereof or after Landlord has served a notice or copy of a notice of such Event of Default upon the Long-Term Leasehold Mortgagee, whichever is later;

2. the Long-Term Leasehold Mortgagee, without prejudice to its rights against Tenant, shall have the right to make good such Event of Default within the applicable grace periods provided for in Subsection 1.2.3(b)(5)(ii)(1) whether the same consists of the failure to pay Land Rent or the failure to perform any other matter or thing which Tenant is hereby required to do or perform, and Landlord shall accept such performance on the part of the Long-Term Leasehold Mortgagee as though the same had been done or performed by Tenant; for such purpose Landlord and Tenant hereby authorize the Long-Term Leasehold Mortgagee to enter upon the Demised Premises and to exercise any of its rights and powers under this Lease and, subject to the provisions of this Lease, under the Long-Term Leasehold Mortgage; and

3. In the event of any Event of Default by Tenant other than in the payment of Land Rent under this Lease, and if prior to the expiration of the applicable grace period specified in Subsection 1.2.3(b)(5)(ii)(1), the Long-Term Leasehold Mortgagee shall give Landlord written notice that Long-Term Leasehold Mortgagee intends to undertake the curing of such Event of Default, or to cause the same to be cured, or to exercise its rights to acquire the leasehold interest of Tenant by foreclosure or otherwise, and shall immediately commence and then proceed with all due diligence to do so, whether by performance on behalf of Tenant or its obligations under this Lease, or by entry on the

Demised Premises by foreclosure or otherwise, then so long as Tenant or Long-Term Leasehold Mortgagee remains current in the payment of Land Rent due under this Lease, Landlord will not terminate or take any action to effect a termination of this Lease or reenter, take possession of or relet the Demised Premises or similarly enforce performance of this Lease in a mode provided by law so long as the Long-Term Leasehold Mortgagee is with all due diligence and in good faith engaged in the curing of such Default Event, or effecting such foreclosure; provided, however, that the Long-Term Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if such Event of Default shall be cured.

(iii) If Tenant files with the CEO a written assignment of its right to participate in the distribution of any insurance proceeds, assigning all of its right, title, and interest in and to such proceeds to an approved Long-Term Leasehold Mortgagee, and further, in the event the indebtedness upon the note or bond secured by such assignment, mortgage, deed of trust, encumbrance, or instrument transferring title has not been fully paid, satisfied and the security for the debt released, then, subject to any limitations imposed under applicable Legal Requirements on the right to use such proceeds to pay off the indebtedness evidenced by the Long-Term Leasehold Financing Documents imposed under applicable Legal Requirements, such approved Long-Term Leasehold Mortgagee shall be entitled to the distribution of the insurance proceeds, if any, payable to Tenant to the extent of such Long-Term Leasehold Mortgagee's interest therein.

(iv) So long as any monetary Events of Default under this Lease have been cured, the Long-Term Leasehold Mortgagee shall have the right to succeed to Tenant's interest in the leasehold estate herein created under the exercise of the power of foreclosure as provided by law or as may be done by voluntary act on the part of Tenant in lieu of sale or foreclosure and such Long-Term Leasehold Mortgagee (or a special purpose subsidiary formed to hold title for the benefit of the Mortgagee) may assign said leasehold estate (i) to a Qualified Operator (as defined below) or to a third party approved by the CEO or Board, as the case may be, in either case in accordance with the provisions of Section 16 (Assignment; Subletting) or (ii) to a third party transferee in accordance with the provisions of Section 16 (Assignment; Subletting) which third party has engaged a Qualified Operator (each party acquiring the leasehold estate, whether the Long-Term Leasehold Mortgage, an approved Qualified Operator or an approved third party, shall hereinafter be referred to as a "Successor by Long-Term Leasehold Mortgage"); provided, however, that upon such succession to or taking over of the leasehold estate, (a) such Successor by Long-Term Leasehold Mortgage shall be bound by all of the terms, conditions, and covenants of this Lease and shall continue the

operation on the Demised Premises only for the purposes provided in Section 2 (Access, Use and Conditions), hereof or for such other purpose as the CEO may, at any time, authorize in writing, (b) unless such Successor by Long-Term Leasehold Mortgage also qualified as a Qualified Operator, such Successor by Long-Term Leasehold Mortgage shall submit a request to the CEO identifying a proposed Qualified Operator no later than ninety (90) days after its succession to the taking over of the Demised Premises to manage the Demised Premises and to operate the business at the Demised Premises with similar services as offered by Tenant in compliance with the terms of this Lease; and (c) no succession by a Successor by Long-Term Leasehold Mortgage shall release the original Tenant from its obligations hereunder. No Successor by Long-Term Leasehold Mortgage shall be obligated to pay any damage or assume any indemnities, losses, costs, liabilities or obligations owing or assumed by Tenant under the terms of this Lease to Landlord for the period prior to the date such Successor by Long-Term Leasehold Mortgage succeeds to or takes over the leasehold estate (the "Succession Date"). From and after the Succession Date, any such Successor by Long-Term Leasehold Mortgage may assign this Lease to a Qualified Operator or to an assignee that engages a Qualified Operator to manage the Demised Premises and to operate the business at the Demised Premises with similar services as offered by Tenant in compliance with the terms of this Lease and with the prior written consent of the CEO, which consent shall not be unreasonably withheld, delayed, or conditioned. However, at the time of such assignment to a Successor by Long-Term Leasehold Mortgage, the Long-Term Leasehold Mortgagee shall pay Landlord fifty percent (50%) of any revenue or other monetary or economic consideration, resulting from such assignment that is greater than the outstanding unpaid amount secured by such Long-Term Leasehold Mortgage.

As used herein, the term "Qualified Operator" shall mean a party who, in the reasonable judgment of the CEO, has (i) sufficient financial capability to perform the remaining obligations under this Lease as they come due, and (ii) has at least five (5) years' experience in owning and/or managing portfolios of aviation assets similar to those having been constructed upon the Demised Premises pursuant to this Lease. With respect to a Qualified Operator which will serve in a property manager role only and not as a lessee, then such Qualified Operator need not meet the requirements of clause (i) in the immediately preceding sentence.

Upon the written request of any Long-Term Leasehold Mortgage proposing a Qualified Operator, the CEO shall approve or disapprove any person, firm or entity as a Qualified Operator which approval by the CEO shall not be unreasonably withheld, delayed, or conditioned, as follows: if the Long-Term Leasehold Mortgage desires the CEO's finding that an entity constitutes as Qualified Operator under this Section 1.2.3(b)(5), then the Long-Term Leasehold Mortgage shall so notify the CEO in writing, with a

copy to the City Attorney, and Landlord shall have sixty (60) days thereafter to request copies of documentation and information concerning the Qualified Operator from the Long-Term Leasehold Mortgagee. If the CEO fails to approve or deny the proposed Qualified Operator within ninety (90) days of Tenant submitting all requested documentation and information (which documentation and information shall be complete and in sufficient detail to the CEO's reasonable satisfaction), the proposed Qualified Operator shall be deemed approved. The CEO shall specify with detail the reasons for any disapproval of a proposed Qualified Operator. Once a Qualified Operator has been approved or deemed approved by the CEO in accordance with this Section 1.2.3(b)(5), then the Long-Term Leasehold Mortgagee shall be required to engage such Qualified Operator within ten (10) days of receiving notice of such approval or the effective date of any deemed approval.

(v) Once a Long-Term Leasehold Mortgage and the Long-Term Leasehold Financing Documents are approved, two (2) copies of any and all Long-Term Leasehold Financing Documents shall be filed with Landlord at least two (2) weeks prior to the effective date thereof, and Tenant shall obtain the CEO's prior written consent of any changes or amendments thereto. Upon and immediately after the recording of any approved Long-Term Leasehold Financing Documents, Tenant shall cause to be recorded in the Office of the County Recorder for the County of Los Angeles a request for a copy of any notice of Event of Default and of any notice of sale, as provided in Section 2924b of the Civil Code of the State of California, duly executed and acknowledged by Landlord and specifying that said notice be mailed to Landlord at the address set forth in Section 23 (Notices).

(vi) Consent by the CEO to one Long-Term Leasehold Mortgage or one Long-Term Leasehold Mortgagee shall not be a waiver of Landlord's rights under this Section as to any subsequent Long-Term Leasehold Financing or assignment or other transfer by such Long-Term Leasehold Mortgagee, and any such subsequent Long-Term Leasehold Mortgage or successor Long-Term Leasehold Mortgagee shall be subject to Landlord's review and approval in accordance with the terms and conditions of this Lease. This prohibition against the transfer of any Long-Term Leasehold Mortgagee's interest includes any transfer which would otherwise occur by operation of law. Notwithstanding the foregoing, consent by the CEO or Landlord shall not be required in the event of any assignment or other transfer by the Long-Term Leasehold Mortgagee upon or arising from a merger, consolidation, or sale of substantially all the assets of such Long-Term Leasehold Mortgagee, provided Tenant shall give Landlord at least ten (10) days' prior written notice of the pending assignment or other transfer, including the name of the proposed Long-Term Leasehold Mortgagee. Tenant shall also notify Landlord within five (5) days after the transfer or assignment has been finalized.

(6) Indemnification. Tenant shall indemnify Landlord, and its officers, agents and employees from, and defend the same against, any and all liens, liability expenses (including attorney's fees) losses, judgments and claims of third parties arising from the Long-Term Leasehold Financing and/or Long-Term Bond Financing.

(c) Tenant Improvement Fund.

(1) Notwithstanding Tenant's ability to issue or incur a Third-Party Construction Financing and Long-Term Bonds as provided in Sections 1.2.3(a) and (b), Landlord will provide Tenant a tenant improvement fund in the form of one or more loans to reimburse Tenant for Permissible Costs incurred by Tenant with respect to substantially complete components/phases of the Airline Area Improvements (excluding Proprietary Improvements) (each a "TIF Loan"). The terms and conditions of the TIF Loans will be agreed upon by Landlord and Tenant and shall be subject to this Section 1.2.3(c) and the TIF Loan financing parameters set forth in Exhibit "R" of this Lease. The TIF Loans shall be in the form of one or more Pre-IPOD TIF Loans (as defined in clause (2) below) and/or one or more Post-IPOD TIF Loans (as defined in clause (3) below), and the total aggregate principal amount of all of the TIF Loans shall not exceed the Maximum Purchase Option Improvement Acquisition Cost of the Airline Area Improvements (excluding Proprietary Improvements). For the avoidance of doubt, TIF Loans shall not be made available to Tenant for any costs of the Proprietary Improvements.

During the Pre-Term, the parties shall use good faith efforts to work cooperatively in an attempt to reach timely agreement on all aspects of the TIF Loans, including, but not limited to: (1) the forms of the loan documentation, including a loan agreement, promissory note, and such other security instruments (collectively, the "TIF Loan Documentation"), and the loan and payment terms, certain of which are included in this Section 1.2.3(c) and in Exhibit R of this Lease, which shall be made a part of the C0 Final Terms Lease Amendment, (2) the maximum amount of each Pre-IPOD TIF Loan and the maximum amount of each Post-IPOD TIF Loan, provided that all TIF Loans in the aggregate shall not exceed the Maximum Purchase Option Improvement Acquisition Cost of the Airline Area Improvements (excluding Proprietary Improvements), (3) itemized Airline Areas project elements (non-Proprietary Improvements only), including detailed information with respect to the major components/phases of the Airline Area Improvements (excluding Proprietary Improvements) that may be eligible to be financed with proceeds of a Pre-IPOD TIF Loan (which shall be determined pursuant to the following clause (4), and the respective estimated costs for which a TIF Loan may be used to fund such Airline Area Improvements costs, (4) the process for determining substantially completion of components/phases of the Airline Area Improvements (excluding Proprietary Improvements) that are eligible to be financed with a pre-DBO TIF Loan (such process shall allow Landlord to rely upon any report of a lender's technical advisor that Tenant is required to engage by the Construction Lender or such other construction progress reports agreed to by Landlord and Tenant), and

(5) the program administrative processes, such as the procedures for Tenant to request a TIF Loan (including the time period for Tenant to request a TIF Loan and the requested loan amount), all of which will be incorporated in the C0 Final Terms Lease Amendment. Notwithstanding any other provision herein to the contrary, each party shall bear its respective costs incurred by such party in connection with the negotiation and development of the TIF Loan(s) and the proposed TIF Loan Documentation.

The source(s) of funding of each TIF Loan shall be subject to Landlord's sole discretion, which source(s) may include, among others (a) proceeds of Landlord's Los Angeles International Airport revenue bonds and notes ("Landlord RBs"), and/or (b) proceeds of Landlord's or such other Landlord selected third-party issuer's Los Angeles International Airport special facility revenue bonds ("Landlord SFRBs"). Landlord's ability to provide any TIF Loan shall be dependent upon Landlord's reasonable determination that:

(i) issuance of Landlord RBs and/or Landlord SFRBs

(A) shall not materially, negatively affect Landlord's finances and operations, which determination shall be based on a report and/or an opinion of an independent third-party consultant (recognized nationally as having experience in the field of airport finances) that concludes that an issuance of Landlord RBs and/or Landlord SFRBs should not have a materially, negatively effect on Landlord's finances and operations. The report and/or opinion of the consultant shall address, among other things, current and projected (such projection period consisting of the period between the first full Fiscal Year following the issuance of the Landlord RBs and/or Landlord SFRBs through and including the fifth (5th) full Fiscal Year following DBO) (1) Landlord revenues and expenses, (2) Landlord debt service coverage levels, (3) Landlord's then-current internal targeted liquidity levels, (4) average airline costs per enplaned passengers at the Airport, and (5) Landlord's then-current capital improvement program and the expecting funding sources of such program;

(B) shall not violate Landlords' debt issuance and management policies, and

(C) shall not negatively affect Landlord's creditworthiness, as indicated by any of the rating agencies, and

(ii) there are no material adverse events having occurred and then-continuing in the then-current bond market that would affect Landlord's ability to issue Landlord RBs and/or Landlord SFRBs.

Thirty (30) days after Landlord's receipt of Tenant's written request for a TIF Loan, Landlord will notify Tenant of its expected TIF funding source(s), and its expected schedule for providing such TIF Loan to Tenant. The parties agree that if Landlord

reasonably determines that the conditions precedent set forth in clauses (i) and (ii) above cannot be met, Landlord's planned schedule to fund a TIF Loan in the full or partial amount requested by Tenant or to fund any of such TIF Loan may be delayed. In the event Landlord is unable to fund the TIF Loan, in whole or in part, on its original schedule as a result of Landlord reasonably determining that the conditions precedent set forth in clauses (i) and (ii) above cannot be met, Landlord will provide Tenant written notice of such delay as soon as practical, and will use its best efforts to continue to attempt to fund the TIF Loan in a timely manner and in the full amount requested by Tenant, unless Tenant rescinds its request for such TIF Loan.

(2) Prior to Initial Purchase Option Deadline. From the date construction of the Concourse 0 Project exceeds 50% completion (as determined pursuant to a report of a lender's technical advisor that Tenant is required to engage by the Construction Lender or such other construction progress reports agreed to by Landlord and Tenant) until the date that is not later than 270 days prior to the Initial Purchase Option Deadline (as defined in Section 1.2.6(b)) (both dates inclusive), upon written request of Tenant, from time to time, Landlord shall provide one or more TIF Loans to Tenant (each a "Pre-IPOD TIF Loan"), the proceeds of which shall be used to reimburse Tenant for Permissible Costs incurred by Tenant with respect to substantially complete components/phases of the Airline Area Improvements (excluding Proprietary Improvements). Each Pre-IPOD TIF Loan shall be subject to the provisions set forth in this Section 1.2.3(c), Exhibit R to this Lease and the C0 Final Terms. For the avoidance of doubt, Tenant may request one or more Pre-IPOD TIF Loans, from time to time, provided that the total aggregate principal amount of all of the Pre-IPOD TIF Loans shall not exceed the Maximum Purchase Option Improvements Acquisition Cost for the Airline Area Improvements (excluding Proprietary Improvements).

(3) After Initial Purchase Option Deadline. If Landlord does not exercise its option under Section 1.2.6(b) to acquire the Purchase Option Improvements by the Initial Purchase Option Deadline, upon written request of Tenant from time to time (which request must be provided to Landlord no later than 120 days after the Initial Purchase Option Deadline), Landlord shall provide one or more TIF Loans to Tenant (each a "Post-IPOD TIF Loan"), the proceeds of which shall be used to reimburse Tenant for Permissible Costs incurred by Tenant with respect to the Airline Area Improvements (excluding Proprietary Improvements). Each Post-IPOD TIF Loan shall be subject to the provisions set forth in this Section 1.2.3(c), Exhibit R to this Lease, and the C0 Final Terms.

(4) Forgiving TIF Loans in Event Landlord Exercises Option to Acquire Purchase Option Improvements. In the event that Landlord (i) exercises its option under Section 1.2.6(b) by the Initial Purchase Option Deadline to acquire the Purchase Option Improvements and has provided one or more Pre-IPOD TIF Loans to Tenant pursuant to Section 1.2.3(c)(2), or (ii) exercises its option under Section 1.2.6(c) to acquire the Purchase Option Improvements and has provided one or more Pre-IPOD TIF Loans to Tenant pursuant to Section

1.2.3(c)(2) and/or provided one or more Post-IPOD TIF Loans to Tenant pursuant to Section 1.2.3(c)(3) Landlord shall forgive and cancel each Pre-IPOD TIF Loan and Post-IPOD TIF Loan effective as of the payment date of the Purchase Option Improvements Acquisition Cost, and credit to the Purchase Option Improvements Acquisition Cost the sum of the unpaid principal balance and any and all interest under each Pre-IPOD TIF Loan and each Post-IPOD TIF Loan accrued but unpaid through the payment date of the Purchase Option Improvements Acquisition Cost. Notwithstanding Landlord forgiving and canceling the Pre-IPOD TIF Loans and each Post-IPOD TIF Loans, Tenant shall continue to be obligated to pay TIF Loan payments if any outstanding Landlord RBs and/or Landlord SFRBs that funded the Pre-IPOD TIF Loans and Post-IPOD TIF Loans also funded debt service reserve fund(s) and costs of issuance. The remaining TIF Loan payments will be equal to the principal of and interest on the outstanding Landlord RBs and/or Landlord SFRBs that is allocable to the debt service reserve fund(s) and costs of issuance funded by such Landlord RBs and/or Landlord SFRBs.

1.2.4. Assignment of Responsibility. Tenant will have the right to assign its responsibility for design and construction of the Concourse 0 Project to a third party or parties, subject to the approval of Landlord, which will not be unreasonably withheld or delayed, if such third party or parties are not a public-private partnership or a special purpose vehicle, the primary purpose of which is to deliver the Concourse 0 Project, and Tenant will remain the guarantor of performance.

1.2.5. Apron Area Improvements Acquisition. Upon the completion of the Apron Area Improvements in accordance with the terms and conditions of this Lease, Tenant shall sell, and Landlord shall purchase, the Apron Area Improvements, and the Apron Area portion of the Demised Premises shall be removed from and no longer be a part of the Demised Premises under this Lease and possession thereof shall revert to Landlord as of the date of transfer of the Apron Area Improvements. The Land Rent payable by Tenant under this Lease shall be reduced to account for the removal of the Apron Area from the Demised Premises. At such time as Tenant believes the Apron Area Improvements (or designated portion of the Apron Area Improvements if the C0 Final Terms Lease Amendment allows the Apron Area Improvements to be completed and acquired in separate phases) to be completed, Tenant shall deliver to Landlord a written request for acknowledgement of completion (herein, a "Completion Notification") with respect to the Apron Area Improvements (or designated portion thereof, if allowed), which Completion Notification shall contain the proof of Beneficial Occupancy and the required supporting Expenditure Schedule, cost accounting, and proof of payment. Within sixty (60) days following the Apron Area Improvements Completion Date (the "Apron Area Improvements Payment Date"), Landlord shall pay to Tenant the Apron Area Improvements Acquisition Cost, provided, however, in no event shall the total aggregate amount of the Apron Area Improvements Acquisition Cost exceed the Maximum Apron Area Improvements Acquisition Cost; provided further that the Permissible Costs includible in the Apron Area Improvement Acquisition Costs and the Expenditure Schedule and the backup documentation submitted by Tenant shall be subject to Landlord's verification in accordance with and subject to the provisions of Section 5.1. Moreover, concurrent with the payment of Apron Area Improvements Acquisition Cost, title to the Apron Area Improvements shall vest in Landlord, and Tenant shall convey, assign, and deliver to

Landlord the title to the Apron Area Improvements in accordance with and subject to provisions of Section 5.3. In the event that any portion of the Apron Area Improvement Acquisition Costs is in dispute (i.e., is subject to further verification by Landlord or is subject to dispute resolution provided in Section 5.1), Landlord shall pay the undisputed portion of the Apron Area Improvement Acquisition Cost, and Tenant shall convey, assign, and deliver to Landlord the title to the Apron Area Improvements, on or before the Apron Area Improvements Payment Date. The disputed portion of the Apron Area Improvement Acquisition Costs shall be paid upon satisfaction of the terms and conditions set forth in Section 5.1.

1.2.6. Landlord's Option to Acquire Purchase Option Improvements and Terminate Lease Early.

(a) Reports on Status and Completion. Tenant agrees to provide periodic reports on the status and estimated completion date of the Purchase Option Improvements. Upon completion of the Purchase Option Improvements (and in any event promptly following Landlord's request therefor), Tenant shall deliver to Landlord a Completion Notification with respect to the Purchase Option Improvements, which Completion Notification shall contain the certificate of occupancy relating to such Purchase Option Improvements and an Expenditure Schedule and documentation substantiating the Purchase Option Improvements Acquisition Cost.

(b) Exercise of Option By the Initial Purchase Option Deadline. On or before the Initial Purchase Option Deadline (defined below), Landlord shall have the option, subject to Board approval, to acquire the Purchase Option Improvements and terminate this Lease upon acquisition of the Purchase Option Improvements. Within ninety (90) days before the anticipated DBO, but no later than the DBO (the "Initial Purchase Option Period"), Landlord will make a determination whether to present to the Board for approval the option to acquire the Purchase Option Improvements pursuant to this Section 1.2.6 and provide a written notice to Tenant of such election within the Initial Purchase Option Period. If Landlord makes a determination during the Initial Purchase Option Period to present to the Board for approval the option to acquire the Purchase Option Improvements, Landlord shall make a good faith effort to bring this matter to the Board for approval by no later than thirty (30) days after the DBO (the "Initial Purchase Option Deadline"). Upon the Board's approval, Landlord shall provide Tenant a Landlord Option Exercise Notice that it will purchase the Purchase Option Improvements on the terms set forth in this Section 1.2.6(b), and such notice will provide the estimated Termination Date. If, however, the Board fails to make the decision either approving or rejecting the option to acquire the Purchase Option Improvements, as of forty-five (45) days from the Initial Purchase Option Deadline, the Board will be presumed to have rejected the option.

(1) If Landlord, subject to the Board's approval, exercises such option to purchase the Purchase Option Improvements by the Initial Purchase Option Deadline pursuant to Section 1.2.6(b), Tenant shall sell, and Landlord shall purchase, the Purchase Option Improvements for the amount equal to the Purchase Option Improvements Acquisition Cost on the terms provided herein. The Permissible Costs incurred by Tenant that are includible in the Purchase

Option Improvements Acquisition Cost are subject to Landlord's verification and approval. Within sixty (60) days of the date of the later of (i) Landlord Option Exercise Notice or (ii) Tenant's completion of the Purchase Option Improvements, Tenant shall submit to Landlord an Expenditure Schedule together with the backup documentation as set forth in Section 5.1 below. Within sixty (60) days from Tenant's submittal of the Expenditure Schedule and all backup documentation, including such additional backup documentation Landlord may request, subject to Section 5.1, Landlord shall pay in cash on the Termination Date the Purchase Option Improvements Acquisition Cost; provided Landlord shall have the right to credit and apply to the Purchase Option Improvements Acquisition Cost, the sum of any Landlord's Sublease Rent (exclusive of operation and maintenance cost payments) paid to date by Landlord to Tenant pursuant to Section 16.3.

(2) If Landlord either decides (i) not to seek the Board's approval, having determined not to exercise the option to purchase the Purchase Option Improvements during the Initial Purchase Option Period, or (ii) the Board does not approve the purchase of the Purchase Option Improvements, then Landlord's Sublease of the City Areas shall commence (or be deemed to commence) on the DBO as set forth in Sections 1.3.2 and 16.3 below, and shall continue until the end of the Terminal Operation Term, subject to the right of early termination provided in Sections 1.2.6(c) and 16.3.

(c) Exercise of Option After the Initial Purchase Option Deadline. Any time following the Initial Purchase Option Period, Landlord shall have the option, subject to Board approval, to acquire the Purchase Option Improvements and to terminate this Lease upon completion of such acquisition, by providing Tenant a Landlord Option Exercise Notice that it will purchase the Purchase Option Improvements on the terms set forth in this Section 1.2.6(c) (and such notice will provide the Termination Date); provided, however, that such acquisition of the Purchase Option Improvements and termination of this Lease shall not occur prior to the transfer of possession of the Apron Areas and ownership of the Apron Area Improvements to Landlord under Section 1.2.5 above.

(1) If Landlord exercises such option to purchase the Purchase Option Improvements after the Initial Purchase Option Deadline, Tenant shall sell, and Landlord shall purchase, the Purchase Option Improvements at a purchase price equal to the Post-IPOD Amount. As used herein, the "Post-IPOD Amount" shall be equal to: (i) if Tenant has entered into a Third-Party Construction Financing to finance all or a portion of the Purchase Option Improvements, the outstanding principal amount of the Third-Party Construction Financing on the Termination Date, together with any accrued and unpaid interest thereon, plus (ii) if Tenant has entered into Long-Term Bond Financing to refinance all or a portion of the Purchase Option Improvements, the Termination Fee, plus (iii) if Tenant has entered into one or more TIF Loans to finance all or a portion of the Airline Area Improvements, the outstanding principal amount of the TIF Loans on the Termination Date, together with any accrued and unpaid interest thereon, plus (iv)

if Tenant has elected to self-finance the Purchase Option Improvements, the depreciated value of the Purchase Option Improvements on a straight line basis over the Terminal Operation Term, minus (v) the Landlord's Sublease Rent paid by Landlord to Tenant pursuant to Section 16.3.1(a) (without double counting). It is hereby acknowledged and agreed that by the time Landlord will exercise the option to acquire the Purchase Option Improvements and to terminate this Lease under this Section 1.2.6(c), Landlord will already have paid the full consideration for the City Area Improvements through a cash payment in the form of the Landlord's Sublease Rent pursuant to Section 16.3.1(a), which shall be applied to the purchase price for the Purchase Option Improvements. Accordingly, the payment of the Post-IPOD Amount in connection with the Airline Areas will satisfy the final condition precedent to transfer of the Purchase Option Improvements, and Tenant shall convey, assign, and deliver to Landlord the title to the Purchase Option Improvements upon the payment of the Post-IPOD Amount.

(2) To be deemed Permissible Costs includible in the Purchase Option Improvements Acquisition Cost, amounts spent by Tenant must be verified by Landlord. Unless otherwise previously provided to and verified by Landlord as described in the immediately following sentence, within sixty (60) days of the date Landlord submits a Landlord Option Exercise Notice to Tenant pursuant to Section 1.2.6(b) or Section 1.2.6(c), Tenant shall submit to Landlord an Expenditure Schedule, together with the backup documentation as set forth in and subject to provisions of Section 5.1 below. Notwithstanding the immediately preceding sentence, Tenant may submit an Expenditure Schedule, together with the backup documentation as set forth in and subject to provisions of Section 5.1 below, to Landlord at any time prior to Landlord's submission of a Landlord Option Exercise Notice to Tenant (specifically including such occasion necessary to determine Landlord's Sublease Rent under Section 16.3.1) and request that Landlord verify and approve such schedule. Provided Tenant has submitted the applicable Expenditure Schedule(s) and all backup documentation to Landlord and Landlord has verified and approved the same in accordance with and subject to Section 5.1, within one hundred twenty (120) days from Landlord's submittal of a Landlord Option Exercise Notice, Landlord shall pay the Purchase Option Improvements Acquisition Cost or Post-IPOD Amount as applicable in cash on the applicable Termination Date (as provided in the applicable Landlord Option Exercise Notice); provided, however, the Purchase Option Improvements Acquisition Cost shall not exceed the Maximum Purchase Option Improvements Acquisition Cost. Upon the payment of Purchase Option Improvements Acquisition Cost or Post-IPOD Amount, as applicable, title to the Purchase Option Improvements shall vest in Landlord. Tenant shall convey, assign, and deliver to Landlord the title to the Purchase Option Improvements in accordance with and subject to the provisions of Section 5.3.

(d) Interim Sublease Period. If Landlord exercises its option to acquire the Purchase Option Improvements, from the date of the Landlord Option Exercise Notice or the DBO, whichever is later, to the Termination Date, Landlord shall sublease

from Tenant and Tenant shall sublease to Landlord the City Areas pursuant to and in accordance with the provisions of Section 16.3. If Landlord subleases the Demised Premises pursuant to this Section 1.2.6(d), the parties will enter into an interim sublease on terms and conditions to be agreed upon and appended to the C0 Final Terms Lease Amendment.

1.2.7. Gates Used During the Construction Term. It is anticipated that to enable the construction of the Concourse 0 Project, up to two (2) existing preferential gates in Terminal 1 will need to be removed, which removal shall be subject to Landlord's approval, not to be unreasonably withheld or delayed ("Approved Closed T1 Preferential Gates"). It is also anticipated that the Concourse 0 Project will include construction of eleven (11) gates in the Concourse 0 (the "Concourse 0 Gates"). In order to accommodate the closure of the Approved Closed T1 Preferential Gates, Landlord shall grant Tenant the temporary right to use the number of Approved Closed T1 Preferential Gates in Concourse 0 (the "Replacement Gates") during the Construction Term (or within the Terminal Operation Term as any work associated with the Concourse 0 Project on the east side of Terminal 1 is completed, as more particularly set forth in the T1 Lease Fourth Amendment) as a Preferential Use Gate (as defined in the LAX Gate Use Protocols), subject to the conditions described below; provided, however, that such temporary right to use will terminate if and when Landlord exercises its option to purchase the Purchase Option Improvements under Section 1.2.6. The Replacement Gates may be temporary facility or part of the Concourse 0 Gates, provided that the number of the Replacement Gates shall not exceed the number of the Approved Closed T1 Preferential Gates. The specifications of the Concourse 0 Gates, including the construction timeline of said gates, are set forth in the C0 Final Terms Lease Amendment. Further, the parties will identify the Replacement Gates and the location of said gates in the C0 Final Terms Lease Amendment. Tenant shall obtain all requisite permits and insurance prior to operation of the Replacement Gates during the Construction Period.

1.2.8. Remedy for Untimely Delivery of LAWA Airfield Improvements. In the event that the construction of the Improvements under Section 1.2 is completed and Tenant is ready to operate flights in or at the Concourse 0, but the LAWA Airfield Improvements are not completed, Tenant may experience difficulty in operating the Concourse 0 and may incur damages as a result. Landlord and Tenant agree that such damages will or are presumed to consist of the Debt Service Cost that continue to accrue after the DBO, Tenant's costs of operation and maintenance of Concourse 0, and such other similar costs that may be incurred to maintain the Purchase Option Improvements in good condition and repair. Therefore, should the LAWA Airfield Improvements not be completed by the DBO such that Tenant cannot operate flights in and/or at Concourse 0, Landlord agrees to pay to Tenant, not as a penalty but as liquidated damages (as provided in Cal. Civ. Code Section 1671), for up to and not to exceed eighteen (18) months from the DBO or the issuance of certificate of occupancy, whichever occurs later ("Liquidated Damages Period"), a daily assessed amount memorialized in the C0 Program Definition Book, incorporated in the C0 Final Terms Lease Amendment, which amount shall be based on and reflect Tenant's estimated costs of operation and maintenance of Concourse 0 and the daily Debt Service Cost related to the Improvements (but excluding the Proprietary Improvements) ("Liquidated Damages"). Notwithstanding the parties' efforts to estimate the amount of the Liquidated Damages, as such estimated costs become ascertainable based on the actual costs incurred or to be incurred at the time the Liquidated Damages become due, the Liquidated Damages amount payable

hereunder shall be based on such actual costs for the operation and maintenance of Concourse 0 and the daily actual Debt Service Cost related to the Improvements (not including the Proprietary Improvements), provided, however, the Liquidated Damages amount payable hereunder shall not exceed the estimated Liquidated Damages amount contained in the C0 Final Terms Lease Amendment. Further, if the LAWA Airfield Improvements are not completed by the end of the twelve (12) month period of the Liquidated Damages Period, Landlord shall purchase all of the Improvements which are subject to Landlord's purchase or option to purchase under this Lease (i.e., the Apron Area Improvements and Purchase Option Improvements, but not the Proprietary Improvements) in accordance with the terms and conditions applicable to such Improvements as set forth in this Lease, including but not limited to, Sections 1.2.5 and 1.2.6. Should Landlord purchase such Improvements and the purchase price is not paid in full before the expiration of the Liquidated Damages Period, notwithstanding expiration of the Liquidated Damages Period, the Liquidated Damages will continue to be assessed and payable until the purchase price is paid in full. In the event that Landlord does not purchase the Improvements under this Section 1.2.8, the Term will be extended for each day that the Liquidated Damages is assessed. Moreover, in the event that any area of the Demised Premises is subleased to Landlord and contemporaneously, Liquidated Damages may be assessed against Landlord under this Section 1.2.8, Landlord will not be assessed both the Liquidated Damages and the Landlord's Sublease Rent for the same area as both Liquidated Damages and the Landlord's Sublease Rent consist of Debt Service Cost. Similarly, Landlord shall not be assessed both Liquidated Damages and Landlord's Sublease Additional Rent for the same area as both Liquidated Damages and the Landlord's Sublease Additional Rent consist of operation and maintenance costs. Rather, the Liquidated Damages payable by Landlord shall be equitably assessed and payable, net of any amount included in the Landlord's Sublease Rent and Landlord's Sublease Additional Rent, to avoid duplicative charges. Notwithstanding anything to the contrary contained herein, no Liquidated Damages shall be payable and Landlord shall have no obligation to purchase the applicable Improvements under this Section 1.2.8 if: (a) notwithstanding the issuance of all the certificates of occupancy for Concourse 0, Tenant is unable to operate Concourse 0 for any reason other than as a result of incomplete LAWA Airfield Improvements; (b) Landlord's failure to timely complete the LAWA Airfield Improvements is the result of the action or inaction of Tenant; or (c) Landlord and Tenant have otherwise agreed in writing. The Liquidated Damages, the potential acquisition of the applicable Improvements, and potential extension of the Term as provided in this Section 1.2.8 are the exclusive remedy for Landlord's failure to timely complete the LAWA Airfield Improvements.

1.3. Terminal Operation Term. The "Terminal Operation Term" shall commence on the DBO and end on the thirtieth (30th) anniversary of the DBO.

1.3.1. Tenant's Operation. Subject to the terms and conditions set forth in this Lease, from the DBO to the end of the Terminal Operation Term, Tenant shall occupy and operate on the Demised Premises (or that portion of the Demised Premises provided for the Terminal Operation Term, which portion shall be more specifically set forth in the C0 Program Definition Book).

1.3.2. Landlord's Sublease of the City Areas. In the event that Landlord does not exercise its option to acquire the Purchase Option Improvements and terminate this Lease pursuant to Section 1.2.6 above, Landlord shall sublease from Tenant and Tenant shall sublease to

Landlord the City Areas during the Terminal Operation Term ("Landlord's Sublease"). Landlord and Tenant shall enter into a sublease agreement, generally reflecting the terms and conditions set forth in Section 16.3, pursuant to a sublease on terms and conditions to be agreed upon and appended to the C0 Final Terms Lease Amendment. The term of Landlord's Sublease of the City Areas and Landlord's right to possession and use of the City Areas shall commence upon the DBO and shall continue, subject only to any right of early termination provided in Sections 1.2.6(c) and 16.3, until the end of the Terminal Operation Term; provided, however, Landlord shall have an early right of reasonable entry to the City Areas so that Landlord and/or Landlord's selected concessions operator(s) will have the ability to construct any required improvements and install any fixtures and equipment prior to the then-anticipated DBO, all as more particularly provided in Section 16.3.2.

1.3.3. Airline Areas Beneficial Occupancy Payment. The parties hereby acknowledge and agree that to the extent Landlord exercises its option to purchase the Purchase Option Improvements, (i) Tenant will have occupied the Airline Areas for the period commencing on DBO and continuing through the resulting Termination Date (the "Pre-Termination Date Occupancy Period"), (ii) that the Purchase Option Improvements Acquisition Cost shall have been determined as of such Termination Date, and (iii) Tenant will nevertheless have paid the costs relating to its operation and maintenance of the Airline Areas during such Pre-Termination Date Occupancy Period. Accordingly, upon the Termination Date, and as shall be documented in the T1 Lease Fourth Amendment, Tenant shall make a payment to Landlord (the "Pre-TD Occupancy Period Payment") in an amount equal to the remainder of (A) the amounts that Tenant would have paid for the Airline Areas actually occupied or used by Tenant during such Pre-Termination Date Occupancy Period under such T1 Lease Fourth Amendment had the commencement date therefor occurred on the DBO rather than on the day immediately following the Termination Date, after deducting (B) the actual costs of operating and maintaining the Airline Areas during such Pre-Termination Date Occupancy Period that would have been the responsibility of Landlord had the commencement date therefor occurred on the DBO rather than on the day immediately following the Termination Date. The cost of operation and maintenance of the Airline Areas is subject to verification and approval in accordance with the procedures and standard set forth in Section 5.1.

2. Access, Use and Conditions.

2.1. Permitted Uses. At all times relevant herein, subject to the terms and conditions of this Lease, Tenant shall access, use or occupy the Demised Premises in accordance with all the applicable Legal Requirements and only for the specifically permitted uses for the applicable periods as follows: (a) during the Pre-Term, as set forth in Section 1.1.6 above; and (b) during the Terminal Operation Term, as set forth in the Basic Information Schedule.

2.2. Prohibited Uses. Notwithstanding anything in Section 2.1 to the contrary, without the prior consent of Landlord, 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. 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 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 other facilities at the Airport. Without the prior consent of Landlord, Tenant will not install or use any wireless workstations, access control equipment, wireless internet servers, transceivers, modems or other hardware that transmit or otherwise access radio frequencies.

2.4. As-Is Condition. Tenant hereby represents, acknowledges and confirms to Landlord that: (a) Tenant has satisfied itself with respect to the condition of the Demised Premises, the state of compliance of the Demised Premises with Legal Requirements, and the present and future suitability of the Demised Premises for Tenant's intended use; (b) Tenant has made all investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to Tenant's use and occupancy of the Demised Premises; (c) neither Landlord, nor any of Landlord's agents or representatives, has made any oral or written representations or warranties of any kind whatsoever, express or implied, as to such matters concerning the Demised Premises; (d) except as expressly otherwise provided in this Lease, Tenant is accepting possession of the Demised Premises and leasing the Demised Premises from Landlord on an "as-is" basis with all defects, whether patent or latent; and (e) except as expressly otherwise provided in this Lease, any modifications, improvements, additions, or repairs to the Demised Premises and any governmental permits or approvals that are either required to be made or obtained in order to make the Demised Premises suitable for Tenant's intended use or required by Legal Requirements to be made or obtained in connection with this Lease or Tenant's use or occupancy of the Demised Premises shall be made or obtained by Tenant at Tenant's sole cost and expense and in compliance with Legal Requirements and the provisions of the Lease.

2.5. Natural Hazard Disclosure; Inadequate Backfill and Compaction Disclosure. Tenant acknowledges and agrees that Tenant is solely responsible to investigate any and all natural hazards and similar matters that may affect the use and/or development of the Demised Premises, including, without limitation, such natural hazards and similar matters that may be required to be disclosed in connection with the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, and California Public Resources Code Sections 2621.9, 2694, and 4136, and any similar or successor statutes or laws, and Tenant waives any obligations on the part of Landlord with respect to such disclosures to the extent that any such disclosure requirements exist or are applicable to this Lease. Further, Tenant acknowledges that Tenant is aware that inadequate backfill and compaction exists on portions of the Demised Premises and/or adjacent areas as referenced in (i) that certain Affidavit Regarding Maintenance of Backfill recorded on January 9, 1992 as Instrument No. 92-49090 in the Official Records of Los Angeles County, California, and (ii) that certain Affidavit Regarding Maintenance of Parking Lot A/C Pavement recorded on April 2, 1992 as Instrument No. 92-572015 in the Official Records of Los Angeles County, California.

2.6. Environmental Condition. Section 25359.7 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath the real property to provide written notice of such to a lessee of the real property. Tenant acknowledges that Landlord has, prior to the execution of this Lease, disclosed to Tenant in writing that certain hazardous substances may or have come to be located on, under or in the vicinity of the Demised Premises, including, without limitation, the matters described in the reports, assessments and other documents described in that certain Environmental Documents Index regarding the "Park One Property" delivered to Tenant prior to the execution of this Lease.

2.7. Civil Code Section 1938 Disclosure. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Demised Premises has not undergone inspection by a Certified Access Specialist (CASp). Since the Demised Premises has not undergone inspection by a CASp, California Civil Code Section 1938(e) requires the following statement to be set forth in this Lease:

> "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

The parties hereby mutually agree that any inspection by a CASp obtained by Tenant shall be performed at Tenant's sole cost and expense and at a time and in a manner reasonably satisfactory to Landlord. The parties hereby mutually agree that, notwithstanding any presumption set forth in California Civil Code Section 1938, any and all repairs or alterations necessary to correct violations of construction-related accessibility standards within the Demised Premises shall be performed by Tenant at Tenant's sole cost and expense, except as otherwise expressly provided in this Lease.

2.8. Honeywell Groundwater Monitoring and Remediation. Tenant acknowledges that Tenant is fully aware of the Honeywell Groundwater Monitoring and Remediation and is responsible to coordinate and accommodate such activities in connection with Tenant's design, construction and operation of the Concourse 0 Project and not to interfere with the exercise or performance of Honeywell's rights and obligations under the Honeywell Indemnity Agreement and/or the Honeywell License Agreement. To this end, Tenant represents to Landlord that, prior to entering into this Lease, Tenant has met with Honeywell and had discussions with Honeywell on the relocation of wells within the Demised Premises and the location of Honeywell's remediation systems. Tenant acknowledges that the design, construction and operation of the Concourse 0 Project must be done in coordination with Honeywell to ensure that all required or necessary monitoring and remediation activities continue to comply with the directives of the governmental agencies having jurisdiction over the Honeywell Groundwater Monitoring and Remediation. During the term of this Lease, Tenant shall continue to coordinate and cooperate with Honeywell in connection with the ongoing Honeywell Groundwater Monitoring and Remediation, including the schedule for relocating and installing wells and remediation systems and providing continued access for such activities. Prior to the Commencement Date or until Tenant and Honeywell enter into an agreement regarding the coordination efforts as described above, whichever occurs earlier, Landlord will, upon request of Tenant, provide support by

coordinating communication with Honeywell and enforce any rights it may have under Honeywell Indemnity Agreement and/or the Honeywell License Agreement. Any relocations performed by Tenant at the request of Honeywell, will be tracked separately and will not be (i) submitted to Landlord for reimbursement, (ii) included in C0 Project Costs, (iii) included in the Purchase Option Improvements Acquisition Cost, and/or (iv) included in the Early Termination Reimbursement Amount. Tenant shall look solely to Honeywell for any and all costs of such work. The conditions described and work to be performed under this Section 2.8 shall not be a cause for delay in design or construction of the Improvements as provided in Section 1.2 hereof. Tenant is advised to take into account additional time and work that may be necessary in development of the Improvements as a result of the conditions set forth in this Section 2.8.

2.9. Honeywell Residual Environmental Contamination Condition. Tenant acknowledges that the potential exists that, in connection with Tenant's construction of the Improvements, Tenant may encounter a Residual Environmental Contamination Condition. Tenant further acknowledges that, in the event of a Residual Environmental Contamination Condition, Landlord may have certain legal rights and remedies against Honeywell, including, without limitation, those afforded to Landlord under the Honeywell Indemnity Agreement and the Allied-Koll Purchase Contract pursuant to the terms and provisions of the Honeywell Acknowledgement. In the event that Tenant encounters a Residual Environmental Contamination Condition, then Tenant shall immediately notify Landlord of the same and shall meet, confer, cooperate and coordinate with Landlord as to the manner in which such Residual Environmental Contamination Condition will be addressed. Tenant shall comply with Landlord's written directions as to the manner in which such Residual Environmental Contamination Condition will be addressed, which written direction may require that Tenant remediate such Residual Environmental Contamination Condition as a part of Tenant's scope of work for the construction of the Improvements or accommodate and cooperate with Honeywell's remediation of such Residual Environmental Contamination Condition. Tenant shall take no action that would prejudice or otherwise diminish Landlord's legal rights and remedies against Honeywell in connection with any Residual Environmental Contamination Condition and shall fully cooperate with Landlord in all respects in connection with the pursuit of such legal rights and remedies. The conditions described and work to be performed under this Section 2.9 shall not be a cause for delay in design or construction of the Improvements as provided in Section 1.2 hereof. Tenant is advised to take into account additional time and work that may be necessary in development of the Improvements as a result of the conditions set forth in this Section 2.9.

3. Rent.

3.1. Payment of Land Rent. Commencing on the Commencement Date and continuing through the end of the Term, Tenant shall pay Landlord a "Land Rent" for the use of the Demised Premises. The Land Rent shall be calculated in an amount equal to the Land Rental Rate multiplied by the square footage of the then-existing Demised Premises (the portion delivered to Tenant by Landlord with adjustment, upon removal or deletion of the Apron Area or other applicable areas from the Demised Premises). The initial Land Rental Rate shall be based on the then current Board-adopted Land Rental Rate, as adjusted pursuant to the terms of this Lease. The Land Rental Rate in effect as of the Effective Date is the amount reflected on Exhibit "G" as the "Land Rental Rate." Tenant shall be responsible for payment of any and all amounts due to Landlord by any approved sublessees.

3.2. Rental Adjustments. The Land Rental Rate shall be adjusted each year in accordance with the procedures provided hereinafter. However, such adjustment shall not be construed to grant Tenant any rights to extend this Lease.

(a) Annual Adjustments. The Land Rental Rate of the Land Rent for the Demised Premises covered under this Lease shall be subject to automatic, annual rental adjustments effective July 1 of each year (the "Annual Adjustment Date"). However, Landlord may change the Annual Adjustment Date through a resolution adopted by the Board provided that there shall be no more than one annual adjustment pursuant to this Section 3.2(a) in any twelve-month period. The Land Rent shall be adjusted on the Annual Adjustment Date according to the percentage increases over the prior year, if any, in the Consumer Price Index, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area, 1982-84=100 ("CPI-U"), as published by the U.S. Department of Labor, Bureau of Labor Statistics ("B.L.S."), or its successor, as follows:

The Land Rental Rate shall be multiplied by the CPI-U for the month of March immediately preceding the Annual Adjustment Date (the "Adjustment Index"), divided by the said CPI-U as it stood on March of the prior year (the "Base Index") and the result shall be the "Adjusted Land Rental Rate" to be applied effective July 1 through June 30, provided that the annual adjustment shall not be less than two percent (2%) per year nor more than seven percent (7%) per year, in accordance with the calculation below. In the event that the Adjusted Land Rental Rate indicates a rate increase in excess of seven percent (7%), the rental rate increase shall be carried over and implemented in the succeeding year, as necessary, at a rate not to exceed seven (7%) per year.

The formula for calculation of Adjusted Land Rental Rate commencing each July 1 during the term of this Lease shall be as follows:

Adjusted Land Rental Rate = Land Rental Rate x (Adjustment Index/Base Index)

If the B.L.S. should discontinue the preparation or publication of the CPI-U, and if no transposition table is available, then Landlord shall adopt a comparable publicly-available local consumer price index for adjusting and revising the Land Rental Rate on July 1 annually.

(b) With respect to additions, improvements, or alterations to leasehold structures authorized by Landlord and made by Tenant during the term of this Lease (exclusive of the Improvements), Tenant shall not be charged rent for the rental value thereof unless and until title to said additions, improvements, or alterations revert to Landlord pursuant to the terms of this Lease or by operation of law.

(c) Assessments, Fees, and Charges. In addition to the rental obligation, Tenant hereby agrees to pay such assessments, fees, and charges as shall be set by the Board and that shall be generally applicable to similarly situated lessees at Airport.

3.3. [Intentionally Omitted]

3.4. FIS Fee. During the Terminal Operation Term, Tenant shall pay to Landlord an "FIS Fee" for the use of the FIS Areas located within the City Area being subleased by Landlord. The FIS Fee shall be calculated for each calendar month in an amount equal to the FIS Rate multiplied by the number of Tenant's Deplaned International Passengers in the terminal for the month. The FIS Rate in effect as of July 1, 2022 is the amount reflected on the Basic Information Schedule as the "FIS Rate."

3.4.1. Rate Agreement. Tenant has entered into that certain Rate Agreement with Landlord dated July 20, 2020 (the "Rate Agreement"), which Rate Agreement remains in effect and which includes the "Rate Methodology." Notwithstanding Section 3.4, Tenant's FIS Fee shall be adjusted pursuant to the terms and conditions of the Rate Agreement while the Rate Agreement is in effect. If the Board adopts another rate agreement and Tenant and Landlord enter into such an agreement, the terms of such agreement shall be applicable to this Lease.

3.5. [Intentionally Omitted]

3.6. Audit. Within five (5) years following the completion of the Improvements (or early termination of this Lease if no construction of Improvements), Landlord may, at its sole discretion and with thirty (30) days prior written notice to Tenant, require Tenant to provide access to all records and other information necessary to perform an audit of fees and charges paid toward any or all of the Improvements, including the Permissible Costs, and Debt Service Cost, and Tenant's method of allocation of such costs, which shall be subject to Landlord's reasonable approval and satisfaction. The expense of any such examination or audit shall be borne by Landlord, provided that if Tenant's books and records are not made available to Landlord at a location within 50 miles from the Airport or are not made available electronically, Tenant will reimburse Landlord the reasonable out-of-pocket costs incurred by Landlord in inspecting Tenant's books and records, including travel, lodging and subsistence costs. Except to the extent necessary to substantiate charges to other tenants at the Airport, Landlord will keep all information obtained from Tenant's books and records confidential, and Landlord will use good faith efforts to cause Landlord's agents and employees to keep all information obtained from Tenant's books and records confidential. Landlord may, at its option, conduct an audit of such expenditures, or may engage, at Tenant's expense, a CPA firm to conduct such audit. This section shall survive termination of the Lease.

3.7. Other Sums Deemed Additional Rent. Any sum of money payable by Tenant to Landlord under any provision of this Lease, except for the Land Rent, shall be deemed additional rent.

3.8. Late Charges. If Tenant shall fail to pay any installment of the Land Rent or any amount of additional rent within five (5) days after it becomes due, Landlord may require Tenant to pay to Landlord, in addition to the installment of the Land Rent or amount of additional rent, as the case may be, at Landlord's sole discretion, 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 Tenant shall fail to pay any installment of the Land Rent within five (5) days after it becomes due, in addition to interest at the Stipulated Rate, Landlord may require Tenant to pay to Landlord a late charge in the amount of two percent (2%) (the "Rent

Late Charge") of the amount of the delinquent installment of the Land Rent. If Tenant shall fail to pay any additional rent within ten (10) days after it becomes due, in addition to interest at the Stipulated Rate, Tenant will pay to Landlord a late charge in the amount of five percent (5%) (the "Additional Rent Late Charge") of the delinquent additional rent; provided that Tenant has received prior written notice of any variable rent due. No Additional Rent Late Charge shall be payable for any item of additional rent that constitutes a late charge or interest. Tenant acknowledges that the Rent Late Charge and the Additional Rent Late Charge are intended to reasonably compensate Landlord for additional expenses incurred by Landlord by reason of Tenant's failure to timely pay the Land Rent and additional rent, which expenses are difficult to ascertain, and are not intended to be in the nature of a penalty.

3.9. No Counterclaim, Abatement, etc. Except as expressly provided to the contrary in this Lease, Tenant will pay the Land 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 Tenant under this Lease shall in no way be released, discharged or otherwise affected for any reason, whether foreseen or unforeseen. Except as provided to the contrary in this Lease, 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 Land Rent and all additional rent payable by Tenant hereunder. Except as provided in this Section 3.9, all payments by Tenant to Landlord made hereunder shall be final, and 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 Land Rent or any amount of additional rent payable under this Lease, (a) Landlord's computation of the amounts due shall be presumed correct, and Tenant will continue to pay the amounts due as computed by Landlord unless 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, 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 Tenant was not obligated to pay any amount disputed by Tenant but nevertheless paid by Tenant under protest, Landlord will refund to Tenant the amount of any excess payments, together with interest on the amounts refunded from the time of their payment to Landlord until the time of refund, at an annual rate per annum equal to the Reimbursement Rate.

3.10. No Waiver; Retroactive Payments. The failure by Landlord to timely comply with the provisions of this Section 3.10 relating to the adjustment of the Land Rent or any item of additional rent shall not be construed as a waiver of Landlord's right to the adjustment of the Land Rent or to the adjustment of any additional rent. If a determination of the adjusted Land Rent of any item of additional rent is not completed before any relevant date, Tenant will continue to pay the amounts applicable to the preceding period, and if the Land Rent as of the relevant adjustment date or any item of additional rent as of any relevant date is thereafter determined to be an amount greater than that paid by Tenant, the adjusted amount shall take effect, and shall promptly be paid by 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 Landlord has substantially complied with the provisions of this Section 3.10 relating to the adjustment, Landlord shall have the right to charge interest on the retroactive amounts from the date the Board adopts the applicable adjustment retroactively due, and Tenant is notified, in writing, of such

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

3.11. Manner of Payment. All payments of Land Rent and other amounts payable under the preceding provisions of this Section 3.11 shall be paid in U.S. dollars without setoff or deduction, except as expressly set forth in this Lease, by mailing to the following address:

City of Los Angeles
Department of Airports
Accounts Receivable
Los Angeles, California 90074-4989

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 Landlord to Tenant, but notwithstanding any custom of Landlord in sending invoices, the receipt of an invoice shall not be a condition to any payment due to Landlord from Tenant, provided that Landlord otherwise complies with notice requirements pursuant to Section 17.1(a). All payments, including each payment check and remittance advice, shall include the contract number assigned to this Lease by Landlord, which is stamped on the first page of this Lease (but failure to do so shall not constitute a default by Tenant under this Lease). No payment by Tenant or receipt by 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 Tenant. No endorsement or statement on any check or any letter accompanying a check or other payment from Tenant shall be deemed an accord and satisfaction, and Landlord may accept the check or other payment, and pursue any other remedy available under this Lease. Landlord may accept any partial payment from 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. Investigation; Construction of Improvements and Other Alterations.

4.1. Investigation of the Demised Premises and Alterations, Generally. Tenant's right to access the Demised Premises during the Pre-Term and the rights and obligations in connection with the construction of the Alterations (including Improvements) during the Construction Term and the Terminal Operation Term shall be subject to provisions of this Section 4, including all its subsection. As used herein, any alterations, installations, additions and improvements in and to the Demised Premises shall be collectively referred to as "Alterations". For avoidance of doubt, the term Alterations includes the Improvements, any of them.

4.2. Provisions Applicable to the Pre-Term. Tenant's right to inspect and investigate the Demised Premises during the Pre-Term shall be subject to the provisions of this Section 4.2, including all its subsections.

4.2.1. Standard of Care. All inspection or investigation work performed by Tenant will be performed diligently and in a manner consistent with the standards of care, diligence, and skill exercised by entities engaged in undertaking similar activities, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws.

4.2.2. Authorization for Entry. Prior to entry onto the Demised Premises, Tenant shall submit to Landlord a copy of a reasonably detailed scope of work to be performed for which such entry is being requested. Landlord will use commercially reasonable efforts to timely review the scope of work, and if Landlord requires a change or limitation on the scope of work, Tenant shall meet and confer with Landlord to agree upon a reasonable scope of work. Upon approval of the scope of work, Tenant shall provide at least 72 hours' notice (which may be by email to CDG-Tenant-Notices@lawa.org or such other contact person as will be provided to Tenant) that it wants access to the Demised Premises to perform the work in the agreed upon scope of work. Landlord reserves the right, but not obligation, to accompany and observe any activity on the Demised Premises.

4.2.3. Reports and Studies. Upon completion of any investigation or inspection, Tenant shall promptly provide Landlord with a copy of the finalized reports, studies, plans, drawings, and analyses prepared or produced as a result of such investigation or inspection, at no cost to Landlord.

4.2.4. No Nuisance or Interference. Tenant shall not cause or allow anyone to cause any damage, nuisance, or waste on the Demised Premises. Tenant agrees to not unreasonably affect or interfere with Airport operations at the Demised Premises or elsewhere at the Airport. Tenant shall comply with the Airport rules and regulations at all times.

4.3. Provisions Applicable to the Initial Improvements During the Construction Term. During the Construction Term, Tenant shall construct the Improvements in accordance with this Section 4.3, including all its subsections.

4.3.1. Prevailing Wage. Construction, alteration, demolition, installation, repair or maintenance work performed on the Demised Premises or other areas of Landlord's property may require payment of prevailing wages in accordance with federal or state prevailing wage and apprenticeship laws. Tenant is obligated to make the determination as to whether prevailing wage laws are applicable and shall be bound by and comply with all applicable provisions of the California Labor Code and federal, state and local laws related to labor. Tenant shall indemnify and pay or reimburse Landlord for any damages, penalties or fines (including, but not limited to, attorneys' fees and costs of litigation) that Landlord incurs, or pays, as a result of noncompliance with applicable prevailing wage laws in connection with the work performed by Tenant or its contractors for the Improvements.

4.3.2. Competitive Bidding/Proposals. 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 design and construction of the Improvements shall be based upon competitive bids or proposals as follows:

(a) Tenant shall use reasonable efforts to secure the commitment to bid or propose on the Improvements from a minimum of three (3) bidders or proposers.

(b) In the event that Tenant obtains fewer than three (3) bids or proposals, it shall provide 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 Tenant believes the cost of such bid or proposal is reasonable.

(c) In the event that Tenant elects not to proceed to award the bid or proposal solely on the basis of price, it shall provide Landlord with a written justification of the reasons therefor.

4.3.3. Payment Bonds. Tenant agrees to be subject to the provisions in Exhibit "E" attached hereto with respect to the provision of payment bonds in connection with the Apron Area Improvements, and the provisions in Exhibit E are incorporated herein by reference.

4.3.4. Warranty. Tenant warrants that the work and services provided herein shall conform to the highest professional standards pertinent to respective industry. Tenant warrants that all materials and equipment furnished for the 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. Further, Tenant agrees to have all manufacturer's warranties for the Improvements be effective from the date of completion of the applicable Improvements and, in the event that Landlord acquires the Purchase Option Improvements and terminates this Lease, then such warranties shall be assigned to Landlord which assignment shall be effective as of the applicable date of transfer from Tenant to Landlord for such Improvements. Complete and accurate warranty books shall be delivered by Tenant to Landlord no later than the applicable date of transfer of such Improvements. The C0 Program Definition Book contains a schedule of minimum warranty standards for all major components of the Improvements (including, without limitation, the minimum length of the term of such warranties), and Tenant shall cause such warranties to be issued in compliance with such minimum warranty standards.

4.3.5. Rules and Regulations.

(a) 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. 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 CEO which are now in force or which may be hereafter adopted by the Board and/or the CEO with respect to the operation of the Airport. In addition, 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) 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 Tenant as a result of the Improvements must comply with Federal provisions established by laws and statutes.

(c) Tenant and its contractors shall be responsible for all civil penalties assessed as a result of their 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 Improvements. Tenant and its contractors shall hold Landlord harmless and indemnify Landlord for all civil penalties resulting from such failure.

4.3.6. Independent Contractor. In furnishing the work and services provided in Sections 1.2 and 4, Tenant is acting as an independent contractor. Tenant is to furnish such work and services in its own manner and method and is in no respect to be considered an officer, employee, servant, or agent of Landlord.

4.3.7. Project Labor Agreement and Workforce Development for Construction Work. Landlord, through its agreement coordinator, has entered into a project labor agreement with various trades (the "PLA"). Tenant agrees to require its general contractor(s), each of them, to comply with the terms of the PLA and policies as set forth in Exhibit "H" (attached hereto) and deliver a written assent, agreeing to be subject to the terms of the PLA, in the form and content required by Landlord.

4.3.8. Management of Improvements. Tenant agrees that it will manage the Improvements in such a manner that the Airport operates efficiently during such construction so as to minimize disruptions to operations and to the passengers and other Airport visitors.

4.3.9. MBE/WBE/SBE Policy. Tenant has advised Landlord that it intends to employ a MBE/WBE/SBE policy for the design and construction of the Concourse 0 Project and will report the status of attainment of the policy as specified in Exhibit "H".

4.3.10. Performance of Improvements. Before the commencement of construction of any Improvements, Tenant will obtain and deliver to Landlord (a) all required permits, (b) insurance for the contractor for such coverages and in such amounts as may be reasonably acceptable to Landlord, and (c) surety bonds or other security in such amounts and otherwise reasonably satisfactory to Landlord. All of Tenant's Improvements shall be (i) effected at Tenant's expense and promptly and fully paid for by 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, and (iv) performed without interfering with (A) the use and occupation or conduct of the business of any other tenant or occupant of Concourse 0 or the Airport, (B) any construction work being performed elsewhere at Concourse 0 by Landlord or by any other tenant or occupant of Concourse 0, or (C) ingress and egress to, in and from Concourse 0 or any other premises demised in the Concourse 0. In the course of effecting any Improvements Tenant will use good faith efforts to minimize noise and dust and will keep the Demised Premises and Public Area clean and neat. Upon completion of the Improvements, Tenant will furnish to Landlord, at no charge, two complete reproducible sets of record or as-built drawings of the Improvements, and one complete

set in an electronic format that complies with the then current computer aided design standards of Landlord. The drawings must include any applicable permit numbers, the structural and other improvements installed by 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. 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 one-hundred twenty (120) days following the Completion of the Improvements, Tenant will prepare and submit to Landlord a construction report including the following information regarding the Improvements: (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 Improvements, (4) the completion date for the Improvements, and (5) a copy of the certificate of occupancy for the Improvements (or for the Demised Premises, after giving effect to the Improvements). Without limiting the generality of the remedies available to Landlord for any breach of this Lease under Section 17.3, if Tenant shall fail to timely and completely perform its obligations under the immediately preceding sentence of this Section 4.3.10, Landlord may require Tenant to pay, as additional rent, a late charge equal to $500 for each day for which the failure continues.

4.3.11. Notices of Non-Responsibility. In connection with any Improvements or other Alteration, Landlord may post notices of non-responsibility for the services and material furnished by mechanics, materialmen, and other vendors. Tenant shall provide Landlord an advanced written notice of not less than fifteen (15) days before commencement of any work on the Improvements or other Alterations.

4.4. Provisions Applicable to Alterations During the Terminal Operation Term. During the Terminal Operation Term, all Alterations shall be subject to the then-current version of Landlord's Design and Construction Handbook and the provisions of Section 4.4, including all its subsections.

4.4.1 Alterations Requiring Consent. All Alterations require Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant's request for the consent to make any Alterations shall include reasonably detailed preliminary plans for the Alteration. If Landlord shall approve the preliminary plans, Tenant will prepare working drawings and specifications that are in all respects accurate reflections of the approved preliminary plans and will submit for approval to Landlord two (2) copies of the working drawings and one (1) copy of the specifications. Tenant will not commence work on the proposed Alteration until Landlord shall have approved the working drawings and specifications. 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 Landlord. Tenant will pay to Landlord, within thirty (30) days after demand therefor, Landlord's actual and reasonable out-of-pocket costs (as well as a reasonable allowance for the internal costs of Landlord's use of its own employees) incurred in reviewing or considering any Alterations, and inspecting construction of the Alterations; provided, however, that Landlord's reasonable allowance for the internal costs of Landlord's use of its own employees shall not be charged to Tenant for the initial review or initial consideration of any Alterations, and initial construction inspection of the Alterations.

4.4.2. Performance of Alterations. Before the commencement of any Alteration, Tenant will obtain and deliver to Landlord (a) all required permits, (b) certificates and other proof of insurance for such coverages and in such amounts as may be reasonably acceptable to Landlord, and (c) surety bonds or other security in such amounts and otherwise reasonably satisfactory to Landlord. All of Tenant's Alterations shall be (i) effected at Tenant's expense and promptly and fully paid for by 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, and (iv) performed without interfering with (A) the use and occupation or conduct of the business of any other tenant or occupant of Concourse 0 or the Airport, (B) any construction work being performed elsewhere at Concourse 0 by Landlord or by any other tenant or occupant of Concourse 0, or (C) ingress and egress to, in and from Concourse 0 or any other premises demised in Concourse 0. In the course of effecting any Alterations Tenant will use good faith efforts to minimize noise and dust and will keep the Demised Premises and Public Area clean and neat. Upon completion of the Alteration, Tenant will furnish to Landlord, at no charge, two complete reproducible sets of record or as-built drawings of the Alterations, and one complete set in an electronic format that complies with the then current computer aided design standards of Landlord. The drawings must include any applicable permit numbers, the structural and other improvements installed by 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. 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 one-hundred twenty (120) days following the Completion of the Alteration, Tenant will prepare and submit to 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) if applicable, a copy of the certificate of occupancy for the Alteration (or for the Demised Premises, after giving effect to the Alteration). Without limiting the generality of the remedies available to Landlord for any breach of this Lease under Section 17.3, if Tenant shall fail to timely and completely perform its obligations under the immediately preceding sentence of this Section 4.4.2, Landlord may require Tenant to pay, as additional rent, a late charge equal to $500 for each day for which the failure continues.

4.4.3. Notices of Non-Responsibility. In connection with any Alteration, Landlord may post notices of non-responsibility for the services and material furnished by mechanics, materialmen, and other vendors. Tenant shall provide Landlord an advanced written notice of not less than fifteen (15) days before commencement of any work on the Alterations.

4.5. Ownership of Improvements and Alterations. Ownership of all improvements and equipment existing in the Demised Premises on the Effective Date is and shall be in Landlord. During the Pre-Term, Tenant shall have only a temporary, non-exclusive access to the Demised Premises and shall have no right, title, and interest in any improvements or equipment thereon. During the Construction Term and Terminal Operation Term, Tenant shall own all Alterations constructed or installed at Tenant's expense unless Tenant has transferred its ownership interests to Landlord, in which case the ownership of such Alterations shall be in Landlord. Upon the expiration or earlier termination of the Term, all Alterations shall become the property of Landlord (without compensation to Tenant). Notwithstanding the foregoing, Tenant

shall have the right, at Tenant's expense, to remove Tenant's Property and Proprietary Improvements that are removable without material damage to the Demised Premises, and Landlord shall have the right to require Tenant to remove Proprietary Improvements, Tenant's Property or any other personal property that Tenant owns, in which case Tenant will promptly remove such Proprietary Improvements and/or personal property at Tenant's expense. All items of Tenant's Property remaining in the Demised Premises shall, if not removed by Tenant within thirty (30) Business Days following the end of the Term, be deemed abandoned and shall, at Landlord's election (i) be disposed of in any manner selected by Landlord, at Tenant's expense, or (ii) become the property of Landlord. Tenant will promptly repair any damage to the Demised Premises resulting from the removal of any items of Tenant's Property or Proprietary Improvements.

5. Procedures for Request for Payment; Transfer of Instruments of Service and Improvements.

5.1. Procedures for Request for Payment. Any request for payment or refund, including, but not limited to, requests for Pre-Term Costs, Early Termination Reimbursement Amount, Apron Area Improvements Acquisition Cost, and Purchase Option Improvements Acquisition Costs, including Permissible Costs and Debt Service Cost includible therein (as the case may be), must be verified by Landlord and shall be subject to these provisions of Section 5.1. Failure to comply with the procedures set forth in Section 5.1 may result in denial or delay in payment. Tenant shall provide to Landlord an Expenditure Schedule and complete documentation evidencing the amounts expended, including, but not limited to, copies of proposals, returned checks, and lien waivers, if requested. Tenant shall also demonstrate that such supporting documentation is true and correct. Moreover, to the extent that any cost is attributable to multiple elements of the Concourse 0 Project (e.g., the Proprietary Improvements and non-Proprietary Improvements), Tenant shall demonstrate to Landlord's satisfaction and approval, the method of allocation and the allocated amount. Landlord, at its option, may conduct an audit of such expenditures, or may engage, at Tenant's expense, a CPA firm to conduct such audit. Landlord shall have the right to dispute the requested payment or reimbursement amount or any portion thereof. To the extent that Landlord disputes Tenant's payment or reimbursement request or validity of the amount, or if there is insufficient documentation with respect thereto, Landlord shall so notify Tenant and shall promptly provide an explanation of the disputed amount. Landlord shall have the right to withhold any disputed amount until such amount has been verified and documented to the reasonable satisfaction of Landlord. Tenant shall respond within thirty (30) days, and Landlord and Tenant, each represented by its executive level representatives, shall meet and confer to resolve any disputes or documentation issues within thirty (30) days of Tenant's response. However, in the event Tenant fails to timely submit the response required by the previous sentence or submit other supporting documentation reasonably requested by Landlord or to submit to an audit requested by Landlord, Tenant shall waive its right to resolve any disputes as provided herein, and Landlord's determination of the requested payment or reimbursement amount and verification thereof shall be final and binding on Tenant.

5.2. Transfer of Instruments of Service to Landlord. In the event that this Lease should terminate early (e.g., Pre-Term Termination), it is acknowledged and agreed that Landlord may be entitled to, or may exercise its right to acquire, as the case may be, any and all drawings, plans, specifications, and other documents developed by Tenant and its design and engineering

professionals for the Concourse 0 Project (collectively, "Instruments of Service"). The purchase price for the Instruments of Service (or any interest therein) shall be the sum of costs Tenant paid to prepare and develop the Instruments of Service, subject to Landlord's verification and approval as set forth in Section 5.1. Such "directly attributable" amounts may include costs related to review and supervision of the design professionals but shall not include corporate overhead costs, in-house staff or executive compensation, and legal costs. Upon Landlord's purchase election and/or payment (as may be required), Tenant shall convey, assign, and deliver to Landlord all of Tenant's right, title, and interest in and to the Instruments of Service, free and clear of any liens, claims or encumbrances, together with all warranties thereon. Promptly following Landlord's request (and in no event later than ten (10) Business Days thereafter), Tenant (a) shall execute assignments or other documents of conveyance for such Instruments of Service and any warranties thereon as Landlord may request, (b) shall take such other actions as Landlord may reasonably request (including, without limitation, using reasonable efforts to obtain any required third party consents) as may be necessary or appropriate in order to convey, assign, and deliver Tenant's right, title, and interest in and to the Instruments of Service (and any warranties thereon) to Landlord as contemplated herein, and (c) shall represent and warrant that the Instruments of Service do not infringe on any intellectual property rights of any third party. The failure of Tenant to timely perform its obligations under this Section 5.2 shall constitute a material breach of this Lease by Tenant.

5.3. Transfer of Improvements to Landlord. It is contemplated that Landlord will acquire the Apron Area Improvements upon completion pursuant to Section 1.2.5 and has the option to acquire the Purchase Option Improvements pursuant to Section 1.2.6. The purchase price for such Improvements (i.e., the Apron Area Improvements Acquisition Cost or the Purchase Option Improvements Acquisition Cost) shall be based on the amounts directly related to or attributable to such Improvements as set forth in Sections 1.2.5 and 1.2.6, subject to Landlord's verification and approval as set forth in Section 5.1. Upon Landlord's payment of the Apron Area Improvements Acquisition Cost or the Purchase Option Improvements Acquisition Cost (as the case may be), Tenant shall convey, assign, and deliver to Landlord all of Tenant's right, title, and interest in and to the applicable Improvements, free and clear of any liens, claims or encumbrances, together with all warranties thereon. Promptly following Landlord's request (and in no event later than ten (10) Business Days thereafter), Tenant (a) shall execute assignments or other documents of conveyance for such Improvements and any warranties thereon as Landlord may request, and (b) shall take such other actions as Landlord may reasonably request (including, without limitation, using reasonable efforts to obtain any required third party consents) as may be necessary or appropriate in order to convey, assign, and deliver Tenant's right, title, and interest in and to the Improvements (and any warranties thereon) to Landlord as contemplated herein. The failure of Tenant to timely perform its obligations under this Section 5.3 shall constitute a material breach of this Lease by Tenant. Further, the provisions of this Section 5.3 shall survive the termination of the Lease.

6. Public Areas.

6.1. Use of Public Areas. The parties acknowledge that following Landlord's sublease of the City Areas as provided in Section 1.3.2 of this Lease, such City Areas may become the Public Areas or other use areas, all as designated by Landlord from time to time in its sole and absolute discretion. Landlord shall have 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 Area, and other areas of the Airport; provided, however, that (i) Landlord shall provide written notice to Tenant for any change under this Section 6.1, and shall obtain Tenant's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned, for any change that is a material alteration, and (ii) no such change shall materially or unreasonably interfere with Tenant's use of or access to Concourse 0. For purposes of this Section 6.1, the term "material alteration" shall mean any alteration that (x) requires a building or construction permit, (y) exceeds $200,000.00 for a particular job of work, or more than $1,000,000.00 in the aggregate in any consecutive twelve (12) month period, and (z) constitutes a "Design Problem." For purposes of this Section 6.1, a "Design Problem" is defined as, and will be deemed to exist if such alterations (1) affect the structural components of Concourse 0 or adversely affect the Concourse 0 systems and equipment, (2) fail to comply with applicable building codes, or would cause another portion of Concourse 0 to fail to so comply with such building codes, (3) would invalidate or otherwise negatively affect any warranty, guaranty or insurance maintained by Tenant, (4) materially increase Tenant's repair obligations hereunder, or (5) affect the certificate of occupancy or its legal equivalent for any Airline Areas within Concourse 0.

7. Access to Demised Premises.

7.1. Landlord's Access to Demised Premises. During the Terminal Operation Term, Landlord, its officers, employees, agents and contractors may, upon reasonable prior written notice to Tenant, enter the Demised Premises at reasonable times for the purpose of (i) inspecting the Demised Premises and making such repairs, restorations or alterations as 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 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 Tenant or the conduct of its business.

7.2. Emergency Access to Demised Premises. If during the Construction Term or Terminal Operation Term an entry onto the Demised Premises by Landlord is urgently necessary by reason of fire or other emergency, and if no authorized representative of Tenant shall be personally present to permit an entry, Landlord may forcibly enter the Demised Premises without rendering Landlord liable therefor, if, to the extent possible and during and following the entry, Landlord will accord due care to the Demised Premises and Tenant's Property. Landlord will notify Tenant of any emergency entry as soon thereafter as practicable.

7.3. Tenant's Access to Demised Premises. At any time during the Term, if no Event of Default shall have occurred and be continuing, Tenant and its agents, employees, contractors, customers and invitees shall have ground ingress to and egress from the Demised Premises and Concourse 0, subject to such reasonable airfield access control and permitting requirements as may from time to time be established by Landlord and to temporary blockage or redirection due to construction work or the requirements of airport operations.

8. Utilities.

8.1. Tenant Responsible. Tenant shall be responsible for the payment of all costs of furnishing utilities to the Demised Premises and Concourse 0, and to equipment such as aircraft support equipment and passenger loading bridges (including all charges for water, gas, heat, light, power, telephone, and other utility service used by Tenant in connection with its use of the Demised Premises and equipment), including deposits, connection fees and meter installation and rentals required by the supplier of any utility service, and the costs of all equipment and improvements necessary for connecting the Demised Premises or Concourse 0 to utility service facilities. To the extent that Landlord is charged for Tenant's use of any utilities, Tenant shall pay Landlord for Landlord's costs for Tenant's use of such utilities.

8.2. Landlord Not Liable. Landlord will not be liable to 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. Interruptions of Service. At all times during the Term, Landlord reserves the right to temporarily interrupt the systems and services at the Airport including, but not limited to, heating, ventilation, air conditioning, elevator, plumbing and electrical systems or other systems at the Demised Premises when necessary by reason of accident or emergency or for repairs, alterations, replacements or improvements. During the Construction Term and Terminal Operation Term, Landlord shall provide reasonable notice to Tenant prior to the interruption of such services and shall make good faith efforts not to interrupt such services.

9. Maintenance, Repair, and Operations.

9.1. Maintenance and Repair by Tenant. Subject to Section 9.1.3 below, and the Landlord's Sublease, Tenant at all times and at its sole cost shall maintain the Demised Premises, Concourse 0, and all improvements, fixtures, equipment and appurtenances located thereon, and every part thereof, in a first-class, structurally sound, sanitary, and safe condition and state of repair and in accordance with all requirements of applicable laws, governmental authorities, insurance underwriters, and covenants, conditions, and restrictions pertaining to the Demised Premises Concourse 0, or the improvements, fixtures, equipment and appurtenances located thereon. To that end, Tenant shall timely perform all required repairs or replacements of the Demised Premises, Concourse 0, and the improvements, fixtures, equipment and appurtenances located thereon (whether interior or exterior, structural or nonstructural, foreseeable or unforeseeable, ordinary or extraordinary). 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. 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.

9.1.1. Tenant may, with the prior written approval of the CEO, which approval shall not be unreasonably withheld or delayed, enter into written subcontracts for the operation and maintenance of areas and equipment that are under Tenant's responsibility pursuant to Section 9.1; provided, however, that Tenant shall remain solely responsible to Landlord for the quality and performance of such operations. Further, Tenant shall cause such subcontractors to (i) maintain insurance, with such endorsements as Landlord may request, (ii) provide appropriate

indemnities on behalf of Landlord as requested by Landlord, and (iii) comply with all applicable Legal Requirements.

9.1.2. Subject to the terms of Section 9.1.3 below and the Landlord's Sublease, Landlord shall have no obligation whatsoever to maintain, repair, alter, improve, or reconstruct the Demised Premises or the improvements, fixtures, equipment and appurtenances located thereon or to comply with any applicable laws concerning the condition or repair of the Demised Premises or the improvements, fixtures, equipment and appurtenances located thereon. Tenant expressly recognizes that, because of the length of the Term of this Lease, it may be necessary for Tenant to perform substantial maintenance, repair, rehabilitation, or reconstruction of the Demised Premises, Concourse 0, and the improvements, fixtures, equipment and appurtenances located thereon in order to ensure that the same are kept in the condition required by this Lease. In this regard, except as otherwise provided in the Landlord's Sublease, Tenant expressly waives: (a) all defenses to its maintenance obligations under this Lease; (b) the right to require Landlord to make repairs; (c) any right to make repairs at the expense of Landlord; and (d) the right to reduce or offset rent as a consequence of the condition of the Premises or the Improvements. Nothing herein shall be construed as a waiver of Tenant's right to file a claim using Landlord's claim processing procedure for any damage or injury caused by Landlord.

9.1.3. In the event that Landlord subleases the City Areas, Landlord shall reimburse Tenant for the cost of the maintenance and repair of such subleased area provided and to the extent that such maintenance and repair cost is not already payable under Section 16.3.1. Landlord, at its option, may reimburse Tenant for the maintenance and repair cost by issuing rent credit to be applied to the Land Rent payable by Tenant to Landlord. In the event that Landlord subleases any portion of the Demised Premises upon the exercise of the option to acquire the Purchase Option Improvements, Landlord shall maintain and operate such area of the Demised Premises as more particularly described in Exhibit "S".

9.2. Operation and Management Plan. At least ninety (90) days prior to the scheduled DBO, Tenant shall prepare a proposed detailed plans for the operation and management of the Airline Areas within the Demised Premises, which operation and management plans shall at all times be subject to the approval of the CEO (which approval shall not be unreasonably withheld or delayed). Thereafter, such operation and management plans shall be updated by Tenant and submitted for approval by the CEO at least annually (or more frequently as may be reasonably determined by the CEO), no later than ninety (90) days following the end of each Lease Year, through the expiration of the Terminal Operation Term. Such operation and management plans, as approved by the CEO from time to time, are referred to herein as the "Operation and Management Plans." Tenant shall manage the operations within the Airline Areas of the Demised Premises substantially in accordance with the Operation and Management Plans as approved by the CEO. Notwithstanding anything contained in the Operation and Management Plans, in the event of a conflict between the provisions of this Lease and the provisions of the Operation and Management Plans, the provisions of this Lease shall control. The contents of the Operation and Management Plans shall include, but not be limited to, the following:

(a) Customer service and experience.

(b) Safety and security.

(c) Operation and maintenance.

(d) Management and use of gates, including the accommodation of other airlines on Concourse 0 gates if requested by an airline or Landlord, unless Tenant demonstrates to the satisfaction of Landlord, which will not be unreasonably withheld or delayed, that such accommodation will require a displaced scheduled Southwest Airline flight to be accommodated on gates other than Concourse 0 gates. Any airline operating at Concourse 0 gates other than Southwest Airlines will require the prior written approval of Landlord pursuant to the licensing and sublease provisions in Sections 16.1 and 16.2 below.

(e) The basis for establishing rates and charges that would be paid by airlines other than Tenant that are operating in Concourse 0. In addition, Tenant will demonstrate to the satisfaction of Landlord, which will not be unreasonably withheld, that such rates and charges are consistent with the Department of Transportation Policy Regarding the Establishment of Airport Rates and Charges.

(f) Renewal and replacement of the Improvements (except such Improvements acquired or subleased by Landlord), including hand-back requirements.

For the avoidance of doubt, Tenant shall be responsible for the following costs: (i) all costs associated with the preparation of the Operation and Management Plans pursuant to this Section 9.2, and (ii) all operating and maintenance expenses, renewal and replacement, and hand-back expenses and requirements for the Improvements (except such Improvements acquired or subleased by Landlord). Landlord's sublease of any area of the Demised Premises and the Improvements thereon will be on terms and conditions set forth in Section 16.3 and any other sublease entered into by and between the parties with regards to the Demised Premises, including the Landlord's Sublease.

10. Indemnity; Insurance.

10.1. Indemnity. Tenant will indemnify Landlord against and hold Landlord harmless from all claims, actions, proceedings, expenses (including litigation and court costs, reasonable attorneys' fees and disbursements), liabilities, losses, damages or fines (collectively, "Claims" or individual, "Claim") incurred or suffered by Landlord by reason of, arising out of, resulting from, or in any way connected to, based upon, or relating to: (i) any breach or nonperformance by 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 Tenant, (ii) the carelessness, negligence or willful misconduct of Tenant, or its agents, employees, contractors and invitees in, on or about the Demised Premises or arising out of Tenant's occupancy of the Demised Premises, (iii) the financing of the Improvements as set forth in Section 1.2.3 or any document related to the financing of the Improvements, or (iv) any and all Environmental Losses arising from Application of Hazardous Materials at the Airport by Tenant or its employees, contractors, assignees, successors, sublessees, agents, or invitees. The foregoing enumerated list of bases for defense and indemnity shall not be construed to limit Tenant's obligation to defend and indemnify Landlord as such obligation may arise from other express provisions of this Lease. To the extent

the Lease provides for Tenant's defense and indemnity of Landlord in places other than this Section 10.1, such defense and indemnity obligation shall be in addition to those provided in this Section 10.1. Landlord will promptly notify Tenant of any Claim asserted against Landlord for which Tenant may be liable under this Section 10.1 and will promptly deliver to 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 Tenant becomes aware of any Claim asserted against Landlord for which Tenant may be liable under this Section 10.1, and of which Tenant has not yet been notified by Landlord under the provisions of the immediately preceding sentence, Tenant will promptly notify Landlord of the Claim. If any Claim is made or brought against Landlord for which Tenant would be liable under this Section 10.1, upon demand by Landlord, Tenant, at its expense, will defend the Claim in Landlord's name, if necessary, by such attorneys as Landlord shall approve, which approval shall not be unreasonably withheld or delayed. Attorneys for Tenant's insurance carrier are deemed approved for purposes of this Section 10.1 (and if Tenant's insurance carrier offers Tenant more than one choice of counsel, Tenant will select the counsel provided by the insurance carrier that is reasonably acceptable to Landlord). Tenant shall, in any event, have the right, at Tenant's expense, to participate in the defense of any Claim brought against Landlord and in negotiations for and settlement thereof if, under this Section 10.1, Tenant may be obligated to reimburse Landlord in connection therewith. Landlord in its discretion may settle any Claim against it that is covered by Tenant's indemnity in this Section 10.1, if Landlord shall first have provided notice to Tenant of Landlord's intention to settle the Claim and the material terms of the proposed settlement and if Tenant does not object to the proposed settlement within five (5) Business Days of its receipt of the notice (or, if 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 Landlord's proposed settlement includes the payment of more than $100,000, Landlord may settle the Claim over Tenant's objection unless Tenant furnishes Landlord with either (i) a bond in an amount equal to the Claim in a form and from a surety reasonably satisfactory to Landlord, or (ii) other security reasonably satisfactory to Landlord. For the purposes of this Section 10.1 and any other indemnity by Tenant in this Lease, any indemnity of Landlord shall be deemed to include an indemnity of the Board and all of Landlord's officers, employees and agents.

10.2. Insurance. 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 Exhibit "I". Based on its periodic review of the adequacy of insurance coverages, Landlord may from time to time, but 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 Tenant, the risks to be insured and the minimum policy limits, on thirty (30) days' prior notice to Tenant. All policies of insurance required to be maintained by Tenant under this Section 10.2 (a) shall be primary and noncontributing with any other insurance benefiting Landlord where liability arises out of or results from the acts or omissions of Tenant, its agents, employees, officers, assigns or any other Person acting on behalf of Tenant, and (b) may provide for reasonable deductibles or retention amounts satisfactory to Landlord based upon the nature of Tenant's operations and the risks insured. Without limiting the generality of Section 10.1 or the remedies available to Landlord for any breach of this Lease under Section 17.3, if Tenant does not furnish Landlord with evidence of insurance and maintain insurance in accordance with this Section 10.2, Landlord may, but shall not be obligated to, procure the insurance at the expense of Tenant, in which event Tenant will promptly reimburse Landlord

for any amounts advanced by Landlord in procuring the insurance, together with a charge of fifteen percent (15%) of the amounts so advanced for Landlord's administrative costs in so doing. 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 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 Landlord in duplicate 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 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. 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 Section 10.2. 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, Tenant will provide Landlord with proof of insurance from the non-California admitted carriers through a surplus lines broker licensed by the State of California. Tenant will promptly furnish Landlord with (i) notice of cancellation or change in the terms of any policy of insurance required to be maintained by this Section 10.2, and (ii) evidence of any renewals, replacement or endorsements of or to the policies (and, in the case of renewals or replacements, no later than two (2) days after the expiration of the corresponding existing policy).

10.3. Carriers; Policy Provisions. All insurance policies referred to in Section 10.2 that are carried by Tenant shall be maintained with insurance companies of recognized standing and with an A.M. Best rating of A-IV or better (or its equivalent). Each insurance policy referred to in Section 10.2 shall also, whether under the express provisions of the policy or by other endorsement attached to the policy, include Landlord, the Board and all of Landlord's officers, employees, and agents, as additional 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, reduction in coverage, or nonrenewal except after written notice, at least thirty (30) days before the effective date, by mail to Landlord at its address specified in or under the provisions of Section 23.

11. Liens, etc. Tenant will not permit to be created or to remain, and will 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 Tenant, including any

mechanic's liens arising from any work performed for the benefit of Tenant, or, to the extent caused or created by the act of 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 Landlord or any Person claiming by, through or under Landlord (other than Tenant or any Person claiming by, through or under 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 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 Landlord shall not be liable for any labor or materials furnished or to be furnished to 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 Landlord in and to the Airport, Concourse 0, the Demised Premises or the Demised Premises. Without limiting the generality of Section 10.1 or the remedies available to Landlord for any breach of this Lease under Section 17.3, if Tenant does not, within thirty (30) days following the imposition of any lien, deed of trust, mortgage or other encumbrance caused or created by Tenant, including any mechanic's liens arising from any work performed for the benefit of Tenant, that 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, Landlord shall have, in addition to all other remedies provided by law, the right, but not the obligation, upon ten (10) Business Days prior notice to Tenant, to cause the Impermissible Lien to be released by such means as Landlord shall deem proper, including payment in satisfaction of the claim giving rise to the Impermissible Lien. All sums paid by Landlord and all expenses incurred by it in connection with the release of the Impermissible Lien, including costs and attorneys' fees, shall be paid by Tenant to Landlord on demand.

12. Compliance with Legal Requirements and Insurance Requirements, etc. 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 Landlord or 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, Tenant will, at 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 ("ADA"), 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 Tenant. Tenant will cooperate with Landlord in 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. Tenant will cooperate with Landlord and participate in and comply with activities organized by Landlord and to comply with any governmental agency mandates, including recycling programs. Landlord will not be liable to Tenant, nor shall Tenant be entitled to terminate this Lease in whole or in part, by reason of any diminution or deprivation of Tenant's rights or benefits under this Lease that may result from Tenant's obligation to comply with applicable Legal Requirements. If and when Landlord implements or amends any rules and regulations applicable to Tenant or to Concourse 0, or to the Airport or any part thereof, Landlord shall comply with any consultation requirements of this Lease or of any applicable Legal Requirement, including Federal Aviation Administration regulations.

13. Permitted Contests. 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 Tenant is otherwise obligated to 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 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 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, Tenant will furnish to Landlord either (x) a bond of a surety company reasonably satisfactory to Landlord, in form and substance reasonably satisfactory to Landlord, and in the amount of the lien or the cost of compliance (as reasonably estimated by Landlord) or (y) other security reasonably satisfactory to 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, 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 Tenant to comply therewith shall not cause the insurance premiums payable by 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 Tenant to comply therewith during the contest will not adversely affect the ongoing operation or leasing of the Airport, and will not subject Landlord to any civil liability, and (I) Tenant shall have furnished such security, if any, as may be required in the proceedings.

14. Damage or Destruction.

14.1. Damage During the Construction Term. If during the Construction Term, the Demised Premises shall be damaged or destroyed by fire or other casualty, then, whether or not (i) the damage or destruction shall have resulted from the fault or neglect of Tenant or any other Person, or (ii) the insurance proceeds shall be adequate therefor, Tenant shall repair the damage, and restore the Demised Premises at Tenant's expense, promptly and expeditiously and with reasonable continuity, to the same condition as existed before the casualty and in such a manner as is otherwise consistent with this Lease and Tenant's uses of the Demised Premises, in each case subject to all then existing Legal Requirements; provided, however, that any such repair, reconstruction or restoration by Tenant would be without prejudice to Tenant's rights (or of its insurers) to claim any amounts incurred by such reconstruction to the responsible party. Any repair or restoration by Tenant of the Demised Premises following a casualty shall be considered an Alteration for the purposes of Section 4. Notwithstanding the foregoing sentence, Tenant shall not be required to obtain Landlord's consent for the reasonably detailed preliminary plans for the

Alteration pursuant to Section 4.3 if such preliminary plans were already approved by Landlord prior to the damage or destruction of the Demised Premises.

14.2. Damage During Terminal Operation Term; Restoration by Tenant. If during the Terminal Operation Term, the Demised Premises shall be damaged or destroyed by fire or other casualty and if this Lease shall not have been terminated due to damage or destruction as provided in Section 14.3, then, whether or not (i) the damage or destruction shall have resulted from the fault or neglect of Tenant or any other Person, or (ii) the insurance proceeds shall be adequate therefor, Tenant will repair the damage, and restore the Demised Premises at Tenant's expense (except with respect to improvements made to the City Areas by Landlord, which shall be at Landlord's expense), promptly and expeditiously and with reasonable continuity, to the same condition as existed before the casualty and in such a manner as is otherwise consistent with this Lease and Tenant's uses of the Demised Premises, in each case subject to all then existing Legal Requirements; provided, however, that any such repair, reconstruction or restoration by Tenant would be without prejudice to Tenant's rights (or of its insurers) to claim any amounts incurred by such reconstruction to the responsible party. Any repair or restoration by Tenant of the Demised Premises following a casualty shall be considered an Alteration for the purposes of Section 4. Notwithstanding the foregoing sentence, Tenant shall not be required to obtain Landlord's consent for the reasonably detailed preliminary plans for the Alteration pursuant to Section 4.3 if such preliminary plans are for repair or restoration to return the Demised Premises to substantially the same condition that existed immediately prior to the casualty. If as a result of the repairs or restoration, a new certificate of occupancy shall be necessary for the Demised Premises, Tenant will obtain and deliver to Landlord a temporary or final certificate of occupancy or its legal equivalent before the damaged portions of the Demised Premises shall be reoccupied for any purpose.

14.3. Termination of Lease Due to Destruction. During the Terminal Operation Term, if substantially all of the Improvements shall be damaged by fire or other casualty, and the repair or restoration of the damage would, in Tenant's reasonable judgment, require more than one (1) year to complete, then Tenant shall have the right to terminate this Lease by giving a written notice of such election within ninety (90) days following the occurrence of the circumstance giving rise to the damage, which occurrence date (the "Occurrence Date") shall be determined by Landlord in its sole discretion. Tenant shall provide Landlord written notice of its reasonable judgment on how long the repair or restoration of the damage will take ("Tenant's Damage Notice"), which notice shall indicate whether Tenant will terminate this Lease under this Section 14.3 or repair and restore the Improvements and continue under this Lease. In the event of termination pursuant to this Section 14.3, any sublease between Landlord and Tenant shall terminate simultaneously with this Lease.

14.3.1. Landlord's Right to Terminate. Notwithstanding that the repair or restoration of the damage may require more than one (1) year to complete and Tenant may elect not to terminate the Lease under Section 14.3, if the damage occurs within the last three (3) years of the Terminal Operation Term and in Landlord's reasonable judgment, the repair or restoration will take substantially longer than one year, then Landlord shall have the option to terminate this Lease. Landlord shall provide written notice to Tenant within sixty (60) days of Tenant's Damage Notice if it wishes to terminate this Lease pursuant to this Section 14.3.1. However, if Landlord does not exercise its right to terminate this Lease under this Section 14.3.1, during the period that

Tenant is restoring or repairing the damage and to the extent the subleased area, access to such subleased area, and Landlord's or its subtenants' operations are affected by the damage, Landlord's obligation to pay sublease rent shall cease until such time that the repair or restoration of the damage is completed and the Demised Premises can be occupied by Landlord and its subtenants.

14.3.2. Effect of Termination. In the event of the termination of this Lease under the provisions of Section 14.3, this Lease shall expire (subject to the provisions of Section 25.18) on the date fixed in the notice of termination as if such date were the date originally fixed for the expiration of the Term, and Tenant will vacate the Demised Premises and surrender them to Landlord on the date fixed for termination. The Land Rent and additional rent shall be apportioned and paid by Tenant up to and including the date of termination. Tenant shall be entitled to retain all insurance proceeds under insurance policies maintained by Tenant in connection with the casualty to all or substantially all of the Improvements, unless and to the extent such proceeds cover the City Areas Improvements up to and including the amount equivalent to the Landlord's Sublease Rent (i.e., the total, aggregate rent payable under the Landlord's Sublease), which portion of such proceeds shall be remitted to Landlord.

14.4. Notice of Damage. Each party shall give notice in case of material damage or destruction to the Demised Premises promptly after such party becomes aware of the event.

14.5. Waiver. Landlord and Tenant intend that all of their rights and obligations arising out of any damage to or destruction of the Demised Premises shall be governed by the provisions of this Lease. Landlord and 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. Total Taking. If there shall occur a Taking (other than for temporary use) of the whole of the Demised Premises (a "Total Taking"), this Lease shall terminate as of the Taking Date and any sublease between Landlord and Tenant pursuant this Lease shall also terminate simultaneously with this Lease.

15.2. Partial Taking. If there shall occur a Taking (other than for temporary use) of any part of the Demised Premises, and if the Taking shall not constitute a Total Taking (a "Partial Taking"), Tenant may elect to terminate this Lease if the Partial Taking shall be of a portion of the Demised Premises such that, in Tenant's reasonable judgment (taking into account any alternatives proposed by Landlord), the remaining portion of the Demised Premises shall not be adequate for the proper conduct of Tenant's operations. Tenant will give at least thirty (30) days' notice of Tenant's election to Landlord not later than sixty (60) days after the later to occur of (i) the delivery by Landlord to Tenant of notice of the Partial Taking, and (ii) the Taking Date. If Tenant does not elect to terminate this Lease as provided above, this Lease shall nonetheless be considered terminated with respect to the Demised Premises subject to the Partial Taking and Tenant's and Landlord's rental obligation hereunder shall be adjusted accordingly to account for such Partial Taking.

15.3. Awards. Tenant shall not be entitled to receive any portion of Landlord's award in any proceeding relating to any Total Taking or Partial Taking. 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 Tenant's estate under this Lease, of Tenant's Property, for any Alterations made to the Demised Premises after the Effective Date at 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 Landlord for the Demised Premises, the remainder of the Airport and the fixtures and equipment of Landlord so taken. In any Taking proceeding in which Tenant is claiming the value of Tenant's estate under this Lease, Tenant shall have the burden of proving the value thereof, and that the amount of compensation to be awarded to Landlord will not be reduced by the amount of compensation to be awarded to Tenant on account of the value of Tenant's estate under this Lease.

15.4. Temporary Taking.

15.4.1. In General. If there shall occur a Taking for temporary use of all or part of the Demised Premises, Tenant shall be entitled, except as hereinafter set forth, to receive the portion of the award for the Taking that represents compensation for the temporary use and occupancy of the Demised Premises, except such portion of the Demised Premises that is subleased to Landlord. Landlord shall be entitled to receive the compensation award for the temporary use and occupancy of the portion of the Demised Premised that it subleases from Tenant. Subject to the provisions of Section 15.4.2, Tenant's rights and obligations under this Lease shall be unaffected by the Taking for temporary use and 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 Landlord and Tenant so that Tenant shall receive so much thereof as relates to the period before the expiration date and Landlord shall receive so much thereof as relates to the period after the expiration date. All payments to which Tenant may be entitled as part of an award for temporary use or occupancy for a period beyond the date to which the Land Rent and additional rent hereunder have been paid by Tenant shall be payable to Landlord, to be held by it as a trust fund for payment of the Land Rent and additional rent falling due hereunder and shall be applied by Landlord to the Land Rent and additional rent as the Land Rent and additional rent fall due. If Tenant receives an award for the Taking to compensate Tenant for temporary use and occupancy of the Demised Premises, Tenant shall not be entitled to any abatement of Land Rent or any additional rent during any Taking for temporary use or occupancy. Any compensation award Tenant may receive for temporary use or occupancy for that portion of the Demised Premises subleased to Landlord shall be paid to Landlord. If Tenant does not receive such award, Tenant's rental obligation hereunder shall be adjusted accordingly to account for and during the time of such temporary Taking.

15.4.2. Extensive Temporary Taking. If there shall occur a Taking for temporary use of (i) substantially all of the Demised Premises, or (ii) any Critical Portion of the Demised Premises for a period reasonably estimated to exceed one (1) year at any time during the Term, Tenant may terminate this Lease by giving Landlord at least thirty (30) days' prior notice to that effect within sixty (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 Demised Premises that does not result in a termination of this Lease, Tenant will repair, alter and restore the remaining part of the Demised Premises, at 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; provided, however, that if such Taking is exercised by the City of Los Angeles, such repairs, alterations and restoration shall be made at Landlord's expense. 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 25.18) 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 Tenant will vacate the Demised Premises and surrender them to Landlord on the date of termination. In such event, any sublease between Landlord and Tenant shall terminate simultaneously with this Lease. The Land Rent and additional rent shall be apportioned and paid by Tenant up to and including the date of termination. Any sublease rent owed by Landlord under the Interim Sublease shall also be apportioned and paid by Landlord up to and including the date of termination.

16. Assignment; Subletting.

16.1. Landlord's Consent Required. At all times relevant herein, including the Term, subject to the provisions of Section 16.2, Tenant shall not sublet, license, nor sublicense the Demised Premises or any part thereof, to anyone except (i) to license a gate to an airline under the conditions described in Section 9.2(d) of this Lease and sublease space that will support such gate operations such as back office space, holdroom ticket counters, adjacent holdroom space, and flight operations space, loading bridge, and baggage handling systems (such sublicensed space, "Operations Space") and which licensing and subleasing is subject to Landlord's prior written approval, not to be unreasonably withheld or delayed as further described below, or (ii) to sublease space to Landlord as contemplated under this Lease. At all times relevant herein, including the Term, except as provided in Section 1.2.3 above, Tenant shall not assign, mortgage or encumber this Lease without the prior written consent of Landlord, which consent may be withheld in its sole and absolute discretion, and any assignment, mortgage, or encumbrance made without the consent of Landlord shall be void. The consent by Landlord to any assignment, mortgage, or encumbrance shall not relieve Tenant from obtaining the consent of Landlord to any other or further assignment, mortgage or encumbrance not expressly permitted by this Section 16.1. Any Person accepting an assignment of this Lease shall be deemed to have assumed all of the obligations of Tenant hereunder. For the purposes of this Section 16.1, (i) any merger or consolidation of Tenant (in which Tenant is not the surviving party), (ii) any sale of substantially all of the assets of Tenant, (iii) any other circumstance that results in an assignment of this Lease by operation of law, and (iv) the transfer (as part of a single plan of transfer) of 50% or more of the voting securities of Tenant ((i) – (iv), each a "change of control event") shall be deemed an assignment of this Lease subject to the provisions of this Section 16.1; provided, however, Landlord's consent for a change of control event shall not be unreasonably withheld or delayed.

16.2. Licensing and Subletting.

16.2.1. Landlord Request. As contemplated under Section 9.2(d), Landlord may request for an airline to be accommodated on a gate in Concourse 0. As described in Section 9.2(d), if Tenant cannot demonstrate to the satisfaction of Landlord, which will not be unreasonably withheld or delayed, that such accommodation will require a displaced scheduled Southwest Airline flight to be accommodated on gates other than Concourse 0 gates, Tenant shall accommodate such airline by (i) licensing a Concourse 0 gate and subleasing associated Operations Space to such airline or (ii) licensing a Concourse 0 gate and subleasing associated Operations Space to Landlord, and Landlord shall sub-license a gate and sub-sublease such Operations Space to such airline. In the event that Tenant licenses a Concourse 0 gate and subleases associated Operations Space to Landlord, the license fee and sublease rent shall be the sum of the Debt Service Cost and operations and maintenance cost proportionate to such Concourse 0 gate and associated Operations Space, which amount shall be payable on a monthly basis.

16.2.2. Airline Request. If an airline requests to license a Concourse 0 gate and sublease Operations Space from Tenant and Tenant wishes to license and sublease the same, Tenant will notify Landlord of Tenant's request for Landlord's consent to license and sublet, including (i) a description of the location of the gate and the Operations Space in the Demised Premises that the Tenant intends to sublet (the "Proposed License and Sublease Space"), and (ii) the date on which the Proposed License and Sublease Space will become available, which date shall be no later than six (6) months following the delivery of the notice. Tenant will also submit with such request the following information: (i) the name and address of the proposed subtenant, (ii) the basic economic terms and conditions of the proposed licensing and subletting, (iii) the nature and character of the business of the proposed subtenant and of its proposed use of the Operations Space, and (iv) current financial information as to the proposed licensee/subtenant. Within thirty (30) days following Landlord's receipt of the request for consent to the proposed licensing and subletting (and of Landlord's receipt of such further financial and other information regarding the proposed subtenant as Landlord may reasonably request), Landlord will advise Tenant whether Landlord consents to the proposed licensee/subtenant. If Landlord approves the proposed licensee/subtenant, Landlord shall have the further right to approve the form of license and sublease, which approval shall not be unreasonably withheld. Within thirty (30) days following Tenant's request for Landlord's consent to the form of the license/sublease (which request shall include an original or copy of the fully executed license/sublease), Landlord will advise Tenant as to whether Landlord consents to the form.

16.2.3. Terms of All Licensing and Subletting. Every licensing and subletting by Tenant to an airline is subject to the express condition, and by accepting a license/sublease hereunder each subtenant shall be conclusively deemed to have agreed, that the license/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 Landlord shall succeed to Tenant's estate in the Demised Premises, then, at Landlord's election (i) the licensee/subtenant shall attorn to and recognize Landlord as the licensee/subtenant's landlord under the license/sublease and the licensee/subtenant will promptly execute and deliver any instrument Landlord may reasonably request to evidence the attornment, or (ii) Landlord may terminate the license/sublease in the exercise of the Landlord's discretion. Tenant shall remain fully liable for the performance of all of Tenant's obligations hereunder notwithstanding any assignment of this Lease or licensing/subletting of any portion of

the Demised Premises and, without limiting the generality of the foregoing, shall remain fully responsible and liable to Landlord for all acts and omissions in violation of any of the provisions of this Lease of any licensee/subtenant or anyone claiming by, through or under any licensee/subtenant. Each license/sublease of all or a portion of the Demised Premises shall expressly prohibit the licensee/subtenant thereunder from further licensing/subletting any portion of the licensed/subleased premises without the consent of Landlord and Tenant. In the case of any license/ sublease entered into by Tenant under Section 16.2.1, the license/sublease shall not be effective until Tenant and the proposed Licensee/subtenant shall have executed and delivered to Landlord the Landlord's customary form of consent to licensing/subletting. In no event will Tenant knowingly (i) enter into a license/sublease with any Person entitled to claim sovereign immunity other than the federal government, or (ii) enter into an assignment with any Person entitled to claim sovereign immunity.

16.3. Terms of Landlord's Sublease. Landlord's sublease of the City Areas commencing on the DBO through the Termination Date (in the event Landlord exercises its Option to acquire the Purchase Option Improvements and terminate this Lease early pursuant to Section 1.2.6(b) or (c)) or the expiration of the Term (if Landlord subleases the City Areas pursuant to Section 1.3.2) shall be generally on the following terms and conditions:

16.3.1. Landlord's Sublease Rent. Landlord shall pay rent for the City Areas during the Landlord's Sublease term as follows:

(a) Sublease Base Rent. Landlord shall pre-pay the base rent for the entire term of the Landlord's Sublease of the City Areas in one, lump sum payment ("Landlord's Sublease Rent") equal to the Purchase Option Improvements Acquisition Cost for the City Areas, not to exceed the proportion of the Maximum Purchase Option Improvements Acquisition Cost associated with the City Areas, which payment shall be made as provided in Section 16.3.1(c) below. The Purchase Option Improvements Acquisition Cost and the proportionate share allocable to the City Areas are subject to Landlord's verification and approval in accordance with and subject to Section 5.1.

(b) Sublease Additional Rent. In addition to the pre-payment of the Landlord's Sublease Rent, during the term of the Landlord's Sublease, Landlord shall pay, on a monthly basis, the estimated common area operation and maintenance costs allocable to the City Areas ("Landlord's Sublease Additional Rent"), which shall be subject to Landlord's review and audit. Annually, or as Landlord may from time to time request, Tenant shall deliver to Landlord a statement setting forth in reasonable detail the common area operation and maintenance costs actually paid by Tenant during the preceding annual period (or such period that Landlord may define) and the allocable share related to the City Areas. Upon receipt of such statement and payment of such costs, there shall be an adjustment between Landlord and Tenant (with payment to or refund given by Tenant, as the case may be) so that Tenant will receive as the Landlord's Sublease Additional Rent only the amount defined in this Section 16.3.1(b), namely, the actual common area operation and maintenance costs allocable to the City Areas for the applicable period. Landlord shall have the right to review Tenant's books and records during normal business hours relating the common area operation and maintenance costs, and allocation of such amounts. In addition, Tenant shall provide to Landlord's reasonable satisfaction

documents evidencing the payment and demonstrate that they are true and correct. To the extent that Landlord disputes the billed and collected sublease payment amount, or there is insufficient documentation with respect thereto, Landlord shall notify Tenant and provide an explanation of the disputed amount and shall have the right to withhold any disputed amount pending verification and documentation of same to the reasonable satisfaction of Landlord. The provisions of this Section 16.3.1(b) shall survive the termination of this Lease.

(c) Deferment of Payment of Rent. In the event that Landlord elects to present to the Board a recommendation to acquire the Purchase Option Improvement as provided by Section 1.2.6(b), Landlord's obligation to pay the Landlord's Sublease Rent and the Additional Rent shall be deferred until such time as the Board has either approved or rejected (or is deemed to have rejected as a result of the Board's failure to make the decision either approving or rejecting the option to acquire the Purchase Option Improvements as contemplated in Section 1.2.6(b)) the option to acquire the Purchase Option Improvements. If Landlord elects not to present to the Board a recommendation to acquire the Purchase Option Improvements, or if the Board rejects the option to acquire the Purchase Option Improvements, then Landlord shall, within forty-five (45) days of the Initial Purchase Option Deadline or the date of the Board's rejection, as applicable, (1) pay all deferred Landlord's Sublease Additional Rent, retroactive to the DBO, and thereafter continue to pay the Landlord's Sublease Additional Rent as provided above, and (2) pay to Tenant the entire Landlord's Sublease Rent, which Landlord's Sublease Rent shall be paid to Tenant no later than the earlier of: (i) the date Landlord funds any request for a Post-IPOD TIF Loan under Section 1.2.3(c)(3), or (ii) two hundred ten (210) days following DBO. If the Board fails to make the decision either approving or rejecting the option to acquire the Purchase Option Improvements, at the end of the aforementioned 45-day period, the Board will be presumed to have rejected the option. In the event that the Board approves the option to acquire the Purchase Option Improvements, Landlord shall, notwithstanding Section 16.3.1(a) above, have no obligation to pay the Landlord's Sublease Rent, it being understood that the payment of the Purchase Option Improvements Acquisition Cost fairly compensates Tenant for the use of the City Areas through the Termination Date; provided, however, Landlord shall, contemporaneously with the payment of the Purchase Option Improvements Acquisition Cost, pay Tenant the amount of deferred Landlord's Sublease Additional Rent due for the City Areas for the period from DBO to the Termination Date.

16.3.2. Right of Early Entry. Provided that Landlord, as subtenant, and its agents do not interfere with or otherwise impede the construction of the Improvements, including Tenant's ability to obtain a certificate of occupancy, Landlord shall have reasonable access to the City Areas commencing on the date that Tenant, as sublessor, estimates is two hundred seventy (270) days prior to the DBO for the purposes of Landlord and its sub-subtenants constructing subtenant improvements in the City Areas and installing Landlord's or sub-subtenants' furniture, fixtures, and equipment (including Landlord's monthly data and telephone equipment) in the applicable portions of the City Areas; provided that such early access shall not be provided until such time that Tenant has reasonably determined that the condition of Concourse 0 is safe for entry by Landlord, its sub-subtenants, and their respective vendors and contractors and their activities will not impeded the construction of the Improvements and Tenant's ability to obtain certificate of

occupancy from LADBS. Prior to Landlord's or sub-subtenants' entry into the Demised Premises as permitted by the terms of this Section 16.3.2, Landlord shall (i) submit a schedule to Tenant and its contractor, for their reasonable approval, which schedule shall detail the timing and purpose of Landlord's or sub-subtenants' entry and (ii) deliver to Tenant the policies or certificates evidencing Landlord's insurance as required under Landlord's Sublease of City Areas. Landlord's indemnities set forth in Landlord's Sublease of City Areas shall apply during any such period of early entry by Landlord.

16.3.3. Airline Areas; Pre-Termination Date Occupancy Payment. In the event that Landlord's Board approves the option to acquire the Purchase Option Improvements, Tenant shall pay the Pre-TD Occupancy Period Payment relating to the Pre-Termination Date Occupancy Period, as more particularly detailed in Section 1.3.3 of this Lease.

16.3.4. Maintenance, Repair, and Operations. Except as may be provided in the Landlord's Sublease for Landlord's obligations, Tenant shall, at all times during the operation of any sublease to Landlord (regardless of whether the sublease includes the City Areas and/or Airline Areas), be obligated to maintain Concourse 0 in accordance with the provisions of Section 9, including but not limited to the foundation, exterior, roof (both structure and membrane), central mechanical systems, central electrical system, vertical transportation systems, baggage handling systems, and other, similar building-wide or central systems of Concourse 0. During Landlord's sublease of any portion of the Demised Premises, Landlord, at its expense, will maintain all subleased area and make all repairs to the subleased area and to all fixtures, equipment, and appurtenances thereon as and when needed to preserve them in good working order and safe condition. During Landlord's sublease of any portion of the Demised Premises, all damage or injury to the subleased area or the fixtures, equipment, and appurtenances thereon caused by Landlord's removal of furniture, fixtures or other property shall be promptly repaired to its condition existing before the damage or injury, and Landlord shall be responsible for the expenses of such repair. Moreover, Landlord will at all times keep the subleased area free and clear of wastepaper, discarded plastic, graffiti, and all other trash and debris of any kind. Landlord 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.

16.3.5. Right to Sub-sublease. Tenant acknowledges that the Landlord may sub-sublease any portion of the sublease area to third parties upon reasonable notice to Tenant, but Landlord shall not be required to obtain Tenant's consent for sub-subleasing space to third parties.

16.3.6. Correction of Violations. During the term of the Landlord's sublease, Landlord shall be responsible for any repairs or Alterations necessary to correct violations of construction-related accessibility standards within the sublease area identified in any CASp (as defined below) inspection report to the extent that (i) such violations did not occur prior to the commencement of the Landlord's sublease, and (ii) were not directly a result of Tenant's construction of the Improvements.

16.3.7. Environmental Condition. Notwithstanding Section 21.7 below, during the term of the Landlord's sublease, the Landlord's activities at or about the sublease area and the Application of all Hazardous Materials by the Landlord, its employees, agents, contractors, or subcontractors at or about the sublease area, shall comply at all times with all Environmental

Requirements. Further, during the term of the Landlord's sublease, except for conditions existing before the commencement of the Landlord's sublease, in the case of any spill, leak, discharge, release or improper storage of any Hazardous Materials in the sublease area or contamination of the sublease area with Hazardous Materials by the Landlord, its employees, agents, contractors, or subcontractors, (or by the Landlord or its employees, agents, contractors, or subcontractors onto any other property at the Airport), Landlord 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. Landlord will, at its expense, promptly take all actions required by any governmental agency in connection with Landlord's Application of Hazardous Materials at or about the sublease area during the Landlord's sublease, 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 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 use, operation and sublease and other tenants' quiet enjoyment of their premises.

16.3.8. No Consent Required. Landlord shall not be required to obtain consent from Tenant for any Alterations made by Landlord or its sub-sublessees to the sublease area during the term of the Landlord's sublease.

16.3.9. Form of Landlord's Sublease. The parties shall enter into sublease reflecting the terms set forth in Section 16.3 and its subsections and on terms and conditions to be agreed upon and appended to the C0 Final Terms Lease Amendment.

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 Tenant shall fail to pay any installment of Land Rent or any amount of additional rent on the date the same becomes due and payable and the failure shall continue for more than five (5) Business Days after a written notice by Landlord; or

(b) if Tenant shall fail to perform or comply with the provisions of Section 9.1, and the failure shall continue for more than the thirty (30) days after a written notice by Landlord, provided that in the case of any such failure that is susceptible of cure but that cannot with diligence be cured within thirty (30) days, if 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 Landlord, in the exercise of its reasonable 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 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 in effect 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 Tenant shall enter into any assignment of this Lease or any sublease without the consent of Landlord under the terms of Section 16.1; or

(e) if Tenant shall fail to comply with any provision of Section 18, and the failure shall continue for more than thirty (30) days after a written notice by Landlord, provided that in the case of any such failure that is susceptible of cure but that cannot with diligence be cured within thirty (30) days, if 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 shall be extended for such period of time as shall be reasonably necessary for the cure of the failure with diligence; or

(f) if Tenant shall fail to perform or comply with any material 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 thirty (30) days after a written notice by Landlord, provided that in the case of any such failure that is susceptible of cure but that cannot with diligence be cured within thirty (30) days, if 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 shall be extended for such period of time as shall be reasonably necessary for the cure of the failure with diligence; or

(g) if Tenant or the Guarantor shall (i) file, or consent by answer or otherwise to the filing against it or, 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 Tenant, a custodian, receiver, trustee or other officer with similar powers with respect to 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 Tenant, or if any petition for any such relief shall be filed against Tenant and the petition shall not be dismissed within thirty (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 such petition shall not be dismissed within sixty (60) days; or

(j) if Tenant shall vacate the Demised Premises without a demonstrable intention to return, whether or not Tenant continues to pay the Land Rent and additional rent in a timely manner; or

(k) if (i) Tenant, or (ii) any of its Affiliates that is a parent or wholly-owned subsidiary of Tenant, shall be in default beyond the expiration of any applicable notice and cure periods under any other lease, license, permit or contract to which Landlord shall be a party; or

(l) if Tenant shall fail to pay when due any amount due under the Landing Fee and such failure continues for the longer of (i) ten (10) days after a written notice by Landlord, or (ii) the cure period for a failure to pay such Landing Fee under the terms and conditions of the applicable agreement;

(m) if Tenant shall fail to remit when due to Landlord any Passenger Facility Charges;

(n) if Tenant shall fail to make any payment to Landlord when due under the TIF Loan Documentation or shall fail to perform any other obligation to be performed by Tenant under the TIF Loan Documentation and such failure shall continue for more than five (5) Business Days after a written notice by Landlord; or

(o) if Tenant shall fail to promptly commence construction of the Improvements as required under Section 1.2.2 and by the Planned Construction Start Date, and such failure continues for more than thirty (30) days after a written notice by Landlord.

then and in any such event Landlord may at any time thereafter, during the continuance of the Event of Default, give a written termination notice to Tenant specifying a date on which this Lease shall terminate, which termination date shall not be fewer than thirty (30) days from the date of the notice if the Event of Default is for failure to pay money (i.e., an Event of Default under clauses (a), (l), (m), or (n) above), or sixty (60) days from the date of the notice if the Event of Default is for failure to perform or comply with any material terms or covenants (i.e., an Event of Default under clauses (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) or (o)). Said notice period (either 30 days or 60 days, as applicable) until the effective termination date is in lieu of, not in addition to, the notice periods provided under California Code of Civil Procedure Sections 1161, et seq. or any successor or similar provision of law now or hereafter in effect. Notwithstanding the issuance of the notice of termination, if Tenant cures all the defaults stated in the notice during the applicable notice period (30 days or 60 days), the termination notice shall not be enforceable, and the Lease shall remain in full force and effect. If, however, the default(s) remain uncured during the notice period, subject to the provisions of Section 25.18, the Lease shall terminate and all rights of Tenant under this Lease shall cease; provided, however, the obligation of Landlord to pay the Landlord Payments to Tenant hereunder shall survive a termination of this Lease due to an Event of Default unless the Event of Default was triggered under Sections 17.1(a), 17.1(b), 17.1(c), 17.1(d), 17.1(e), 17.1(f), 17.1(g), 17.1(h), 17.1(i), 17.1(l) 17.1(m), or 17.1(o). Tenant will pay, as additional rent,

all reasonable costs and expenses incurred by or on behalf of Landlord (including, without limitation, reasonable attorneys' fees and expenses) occasioned by any default by Tenant under this Lease.

17.2. Re-entry; Removal of Personal Property. If an Event of Default shall have occurred and be continuing, Landlord, whether or not the Term of this Lease shall have been terminated under Section 17.1, may enter upon the Demised Premises or any part thereof by summary proceedings, legal process or otherwise in accordance with applicable law, and may remove Tenant and all other persons and any and all personal property from the Demised Premises in accordance with applicable law. At the expense of Tenant, Landlord may store any personal property so removed from the Demised Premises in a public warehouse or elsewhere at the cost of and for the account of Tenant. Landlord shall be under no liability for or by reason of such entry or removal. No re-entry upon the Demised Premises or any part thereof by Landlord shall be construed as an election by Landlord to terminate this Lease unless notice of the termination be given to Tenant pursuant to Section 17.1.

17.3. Remedies. Upon an Event of Default, Landlord may exercise any one or more of the following rights:

17.3.1. Monthly Installments. In the event of a termination of this Lease as a result of Tenant's default, Tenant will pay to Landlord as damages, sums equal to the aggregate Land Rent and additional rent that would have been payable by Tenant had this Lease not terminated, payable upon the due dates therefor specified herein until the last day of the Term (had this Lease not been terminated). Suit or suits for the recovery of any damages payable hereunder by Tenant, or any installments thereof, may be brought by Landlord from time to time at its election, and Landlord need not postpone suit until the date when the Term would have expired but for the termination.

17.3.2. Damages Upon Termination. Landlord shall have the immediate right to terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of such intention to terminate, in which event Landlord shall have the right to recover damages as provided herein or under any Applicable Law, including the following damages provided by California Civil Code Section 1951.2 or its successor statute:

(a) the value at the time of the award of any unpaid Land 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 Land 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 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 Land 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 Tenant shall have affirmatively proven could have been reasonably avoided;

(d) any other amount necessary to compensate Landlord for all detriment caused by (and that would be reasonably likely in the future to result from) Tenant's failure to perform Tenant's obligations under this Lease; and

(e) all other amounts in addition to or in lieu of those set out in clauses (a) through (d) of this Section 17.3.2 as may from time to time be permitted by applicable California law.

As used in clauses (a) and (b) above in this Section 17.3.2, the "value at the time of the award" is computed by allowing interest at the annual rate of ten percent (10%); as used in clause (c), 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 (1%); as used in clauses (a), (b) and (c), 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 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. Tenant acknowledges and agrees that in the absence of written notice pursuant to this Section 17.3.2 terminating Tenant's right to possession, no other act of Landlord shall constitute a termination of Tenant's right to possession or an acceptance of Tenant's surrender of the Demised Premises. Acts of maintenance or preservation, efforts to relet the Demised Premises, or the appointment of a receiver to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

17.3.3. Civil Code Section 1951.4. Landlord shall have all rights and remedies under California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due) or its successor statute. Notwithstanding provisions of Section 16.1 to the contrary, during such time as Tenant is in or sustains an Event of Default, if Landlord has not terminated this Lease by written notice and if Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Demised Premises, Landlord shall not unreasonably withhold its consent to such assignment or sublease. Tenant acknowledges and agrees that the provisions of this Section 17.3.3 shall be deemed reasonable limitations on Tenant's right to assign or sublet.

17.3.4. Remedies Cumulative. The remedies and rights provided to Landlord in this Lease are cumulative. Mention in this Lease of any particular remedy shall not preclude Landlord from pursuing any other remedy at law or equity.

17.4. Security. Following the occurrence and during the continuance of an Event of Default, Landlord may apply the amount held by it under the Performance Guaranty toward any obligation of Tenant under this Lease. 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

Tenant or to clean the demised premises, Tenant having agreed in this Lease that Landlord may, in addition, claim those sums specified in this Section 17.4. Neither the Performance Guaranty nor any other security or guaranty for the performance of Tenant's obligations that Landlord may now or hereafter hold shall constitute a bar or defense to any action initiated by Landlord for unlawful detainer or for the recovery of the Demised Premises, for the enforcement of any obligation of Tenant, or for the recovery of damages suffered by 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 repossession of the Demised Premises under Section 17.2, Landlord may relet the Demised Premises on such terms as Landlord in its discretion may deem advisable. If 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), Landlord will credit Tenant with the net rents (including any other sums) received by Landlord from the reletting, the net rents to be determined by first deducting from the gross rents as and when received by Landlord from the reletting the expenses incurred or paid by Landlord in terminating this Lease and re-entering 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 Tenant be entitled to receive any excess of the net rents over the sums payable by Tenant to Landlord hereunder, (ii) in no event shall 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 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 rentable area shall be made of the rent received from the reletting and of the expenses of reletting. The inability of Landlord to relet the Demised Premises or any part thereof shall not release or affect 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 Tenant of any of the provisions of this Lease, 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 Landlord herein. No exercise by 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 Landlord of its right to terminate this Lease unless Landlord has in fact given written notice of the termination of this Lease. Notwithstanding the exercise of any other remedy, Landlord may at any later time exercise its right to terminate this Lease.

17.7. Tenant's Waiver of Statutory Rights. Except for the rights reserved for a construction leasehold mortgagee as may be provided in connection with a Third-Party Construction Financing as set forth in Section 1.2.3(a), or a Long-Term Leasehold Mortgagee as set forth in Sections 1.2.3(b) of this Lease, Tenant hereby expressly waives any and all rights, so far as is permitted by law, that 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 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 Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under the terms of this Lease, Landlord may, without being under any obligation to do so, and without waiving the default, remedy the default for the account of Tenant, immediately and without notice in case of emergency, and in any other case if Tenant shall fail to remedy the default with all reasonable dispatch after Landlord shall have notified Tenant of the default and the applicable grace period for curing the default shall have expired. If Landlord makes any expenditures or incurs any obligations for the payment of money in connection with the remedy of any such default, the actual sums paid and obligations incurred (together with a charge of twenty-five percent (25%) of the actual sums paid and obligations incurred for Landlord's related administrative costs and overhead) shall be deemed to be additional rent hereunder and shall be reimbursed by Tenant to Landlord promptly after submission of a statement to Tenant therefor, together with interest at the Stipulated Rate from the date of payment by Landlord to the date of reimbursement. In the case of Landlord's remedy of any default by Tenant of Tenant's obligations under Section 9.1, or any other default requiring the performance of work at the Demised Premises, Landlord shall also charge a surcharge of twenty-five percent (25%) of Landlord's out-of-pocket costs as administrative costs.

18. Performance Guaranty.

18.1. Initial Performance Guaranty. It shall be a condition to the effectiveness of this Lease that, on or before the Commencement Date, Tenant shall have delivered a security deposit (the "Performance Guaranty") to 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 as the "Performance Guaranty Amount", which is three times the sum of the amount of the initial estimated monthly installments of the Land Rent, and all other additional rent, including any TIF Loan repayment, including interest (which repayment will be based on a moving 12-month average). Accordingly, Tenant acknowledges and agrees that the Performance Guaranty shall be increased as necessary to reflect additional rents, including any TIF Loan repayment that may become due during the Term. 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 approved by Landlord, which approval shall not be unreasonably withheld or delayed. Any irrevocable bank letter of credit shall be self-renewing annually (but subject to termination as of any renewal date upon not less than sixty (60) days' prior notice to Landlord, in accordance with Section 20) and

shall otherwise be in such form as may be approved by the City Attorney, which approval shall not be unreasonably withheld or delayed. The Performance Guaranty shall not be in lieu of any other guaranty required by Landlord in connection with this Lease, nor shall any other guaranty in favor of Landlord relating to any obligation of Tenant, whether in connection with this Lease or otherwise, stand wholly or partly in lieu of the Performance Guaranty. To the extent there is a security deposit held by Landlord prior to the Commencement Date pursuant to the Tariff, such security deposit shall be applied towards the Performance Guaranty required under this Section 18.1.

18.2. Increases to Performance Guaranty. Whenever under the terms of this Lease the monthly amounts payable by Tenant on account of the Land Rent, and all other additional rent increase, such that the amount of the aggregate cumulative increase shall exceed ten percent (10%) of the amount of the existing Performance Guaranty, Tenant will, within thirty (30) days of the delivery by Landlord of a notice requiring that the Performance Guaranty be increased, deliver a new Performance Guaranty to Landlord at the address specified in Section 18.1 (or such other address as 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 Land Rent, and all other additional rent. Upon the application by Landlord of any portion of the Performance Guaranty under the terms of Section 17.4, Tenant will immediately deliver a new Performance Guaranty to Landlord in the amount of the Performance Guaranty immediately before the application.

18.3. Purpose; Return. The Performance Guaranty shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, provisions, and covenants to be performed by Tenant under this Lease, including the payment of the Land Rent, and all other additional rent. Upon the expiration or earlier termination of the Term, and if Tenant has satisfied all of its obligations to Landlord under this Lease, Landlord will return the Performance Guaranty to 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 Landlord to retain the Performance Guaranty until any final damages have been determined, Tenant waives the application of Section 1950.7 of the California Civil Code.

18.4. Replacement Security Deposit Methodology. Notwithstanding anything to the contrary in this Section 18, if Landlord adopts and implements an airline funded bad debt reserve or similar methodology to replace the current performance guaranty requirements for airlines under the Tariff or concourse leases at the Airport, Landlord and Tenant agree that upon mutual agreement, such replacement security deposit methodology shall replace the Performance Guarantee requirement under this Section 18 without the prior approval or later ratification by the Board or the City Council; provided, however, the Performance Guarantee requirement applicable to the TIF Loans shall not be replaced without prior approval or later ratification by the Board or the City Council.

19. [Intentionally Omitted]

20. End of Term.

20.1. Surrender. Upon the expiration of the Term or earlier termination of this Lease, Tenant will promptly and expeditiously quit and surrender to Landlord the Demised Premises, broom clean, in good order and in the condition required by the provisions of this Lease, ordinary wear and tear, casualty damage governed by Section 14 and damage which Landlord is obligated to repair under this Lease in each case excepted.

20.2. Holdover. Tenant has no right to remain in possession of the Demised Premises or any part thereof beyond the expiration or termination of this Lease. If 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 or an extension or amendment to this Lease, without derogation of any other rights of Landlord hereunder, including Landlord's right to holdover use fees, then such occupancy shall be subject to the terms of the Tariff. For such holdover occupancy period, the holdover use fees shall be equal to the then applicable Tariff rates. Acceptance by Landlord of holdover use fees 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 Landlord's right of re-entry or any other right of Landlord under this Lease or as otherwise provided by law, and shall not affect any right that Landlord may otherwise have to recover damages from Tenant for loss or liability incurred by Landlord resulting from Tenant's failure to timely surrender the Demised Premises. Nothing contained in this Section 20.2 shall be construed as a consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Demised Premises to Landlord upon the expiration or earlier termination of the Term as provided in this Lease. Notwithstanding anything to the contrary contained in this Lease, imposition of the Tariff rates as the holdover use fees following termination of this Lease (whether at the end of the Term or otherwise) shall be at the sole discretion of Landlord.

21. Other Covenants.

21.1. Quiet Enjoyment. Landlord covenants with Tenant that, upon Tenant paying the Land Rent and all additional rent and observing and performing all the other terms, covenants and conditions on Tenant's part to be observed and performed under this Lease, 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 Landlord.

21.2. Rights of Flight. Landlord reserves, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the Demised Premises, 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. Tenant will not make any claim against Landlord under any theory of recovery for any interference with 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 Concourse Management.

21.3.1. Authority of Landlord in Public Area. Tenant acknowledges that the Airport is a public facility essential to regional and national transport and economy and that Landlord is a political subdivision with a public responsibility for the proper functioning of the Airport and Concourse 0. 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), Landlord must therefore have broad power to regulate activities in the Airport and in the areas of Concourse 0. Without limiting any other specific provisions of this Lease, 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 Area. Tenant shall at all times comply with any rules and regulations from time to time so adopted and any specific orders so made by Landlord (and of which Tenant shall have received a copy in writing), provided only that the rules and regulations are adopted, and the orders made, by Landlord in the good faith discharge of its public responsibilities and do not unreasonably discriminate against the business operations of Tenant in the Demised Premises.

21.3.2. Major Changes. Tenant acknowledges that Landlord may undertake various improvements to the Airport and the City Areas that Landlord determines may be necessary or desirable during the Term, and that the construction of the improvements may interfere with Tenant's operations at Concourse 0. Landlord and Tenant will cooperate in good faith to address the construction requirements and to attempt to mitigate the effects on Tenant's operations.

21.4. No Landlord's Representations. Tenant has examined and agrees to accept the Demised Premises "as-is, where-is, with all faults", in its condition and state of repair existing on the date of Tenant's execution and delivery of this Lease. Landlord makes no representations, express or implied, as to the current condition of the Airport or the Demised Premises, or the equipment and systems serving the Airport or the Demised Premises. To the maximum extent permitted by law, Tenant waives the right to make repairs at the expense of Landlord and the benefit of the provisions of Sections 1941 and 1942 of the California Civil Code.

21.5. Communications Equipment and Antennae. Tenant has no right to install or use any telecommunications equipment or antennae on the roof or exterior of the Demised Premises, unless (a) the installation and use are directly related to the conduct of Tenant's business at the Demised Premises and are in full compliance with Landlord's permit process and telecommunications policies, as established in the discretion of Landlord and from time to time in effect, and (b) the installation is effected in compliance with the requirements of Section 4. Tenant will not license, sublease or in any other manner permit any other Person to use any telecommunications equipment or antennae installed by Tenant at the Demised Premises; provided, however, that Tenant may license, sublease or in any other manner permit Tenant's subtenants and Affiliates to use any telecommunications equipment or antennae installed by Tenant at the Demised Premises so long as (i) such use is for aeronautical purposes and (ii) neither Tenant, Tenant's subtenants or Affiliates receive compensation from such use. Landlord shall have the right, without compensation to 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, Tenant will not place any signs or advertising materials, other than identification signs for Tenant's operations, in any location at Concourse 0 without the prior consent of Landlord, which consent may be withheld in the discretion of Landlord. Tenant will not place any identification signs for Tenant's operations in any location at Concourse 0 without the prior consent of Landlord, which consent shall not be unreasonably withheld or delayed. Any request for the approval of identification signs for Tenant's operations shall be accompanied by illustrative drawings and design dimensions together with information about the type of identification signs proposed by Tenant and the locations in which the signs are proposed to be installed. Tenant will comply with any conditions to the installation or use of signs to which Landlord may make its consent subject. Tenant will keep all ticket counter space used by Tenant and any associated ticket lifts and podiums free of all signs, advertising materials, credit card application dispensing units, posters and banners. Landlord may without notice remove any unauthorized signs or advertising materials, and may store them at Tenant's expense, and may dispose of them if they are not promptly claimed by Tenant after notice from Landlord.

21.7. Environmental Matters. Tenant's activities at or about the Demised Premises and the Application of all Hazardous Materials by 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 Tenant that were not caused or contributed to by Tenant, including Residual Environmental Contamination Condition, in the case of any 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 Tenant, its employees, agents, contractors, or subcontractors, (or by Tenant or its employees, agents, contractors, or subcontractors onto any other property at the Airport), 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, Tenant will promptly remove from the Demised Premises all Hazardous Materials Applied by Tenant at the Demised Premises. If 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, Tenant will, upon the expiration or earlier termination of the Term, remove or clean up such improvements, at the election of Landlord, at the sole expense of Tenant and in compliance with all Environmental Requirements and the reasonable directions of Landlord, provided, however, that this sentence shall not apply to the portion of the pipelines that extend from the fuel vault to the fuel farm. Tenant shall be responsible and liable for the compliance with all of the provisions of this Section 21.7 by Tenant's officers, employees, contractors, assignees, sublessees, agents and invitees. Tenant will, at its expense, promptly take all actions required by any governmental agency in connection with 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 Landlord's use, operation and leasing of Concourse 0 or the Airport and other tenants' quiet enjoyment of their premises. At Landlord's request, Tenant will deliver to Landlord copies of all permits, manifests, notices, and all other documents relating to Tenant's Application of Hazardous Materials at or about the Demised Premises. Notwithstanding the foregoing, Tenant will, without Landlord's request, deliver to Landlord before delivery to any agency, or promptly after receipt from any agency, copies of all closure or remedial plans, notices, and all other documents relating to any spill, leak, discharge, release, improper storage, contamination or cleanup resulting from Tenant's Application of Hazardous Materials at or about the Demised Premises. Tenant will keep Landlord fully informed of its Application of Hazardous Materials, and, if Tenant Applies Hazardous Materials, 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. Landlord's reasonable out-of-pocket costs of engaging the consultants will be paid by Tenant.

21.8. Security. Tenant will fully comply with all Legal Requirements relating to airfield and airport security. 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 Tenant. Tenant will comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 CFR Sections 1500 through 1550, as may be amended from time to time, or any successor statute, including the establishment and implementation of procedures acceptable to 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. Tenant will exercise exclusive security responsibility for the Demised Premises and, if Tenant is an air carrier, will do so under Tenant's Federal Aviation 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, Tenant will keep gates and doors in the Demised Premises that permit entry to restricted areas at the Airport locked at all times when not in use or under Tenant's constant security surveillance. Tenant will report gate or door malfunctions that permit unauthorized entry into restricted areas to Landlord's operations center without delay, and Tenant will maintain the affected gate or door under constant security surveillance until repairs are effected by Tenant or Landlord and the gate or door is properly secured. 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 Tenant.

21.9. Noise Abatement Procedures. Tenant will comply with Landlord's Noise Abatement Rules and Regulations. Under the requirements of the 1993 LAX Noise Variance and in order to limit the use of auxiliary power units, Tenant will provide a sufficient number of ground power units at each gate and maintenance area used by Tenant's aircraft at Concourse 0. This section applies to the extent it (i) is applicable to Tenant's operations at the Demised Premises, and (ii) does not conflict with any Legal Requirement.

22. Federal and Municipal Requirements.

22.1. Business Tax Registration. 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). Tenant will maintain, or obtain as necessary, all certificates required of 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 "J". Under this Section, Tenant (and any subcontractor of Tenant providing services to Landlord under this Lease) will (1) fully comply with all State and Federal employment reporting requirements for Tenant's or Tenant's subcontractor's employees applicable to Child Support Assignments Orders; (2) certify that the principal owners of 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 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 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 ninety (90) days after notice of the failure to Tenant by Landlord (in lieu of any time for cure provided elsewhere in this Lease).

22.3. Contractor Responsibility Program. 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 "K".

22.4. Equal Benefits Ordinance.

22.4.1. Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("EBO"), Tenant certifies and represents that 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. 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 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 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 Tenant to its employees, their spouses and the domestic partners of employees.

22.4.2. 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, 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 Tenant to comply with the EBO will be deemed to be a material breach of this Lease by Landlord. If Tenant fails to comply with the EBO, Landlord may cancel or terminate the Lease, in whole or in part, and all monies due or to become due under this Lease may be retained by Landlord. 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 Tenant in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.,* Contractor Responsibility Ordinance. If Landlord determines that Tenant has set up or used its contracting entity for the purpose of evading the intent of the EBO, Landlord may terminate the Lease.

22.5. First Source Hiring Program. 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 "L".

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 "M". 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 twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) 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. 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, 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), Tenant will comply with federal law prohibiting retaliation for union organizing.

22.6.2. Living Wage Coverage Determination. 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 by 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 Tenant in writing about any redetermination by the City of Los Angeles of coverage or exemption status. To the extent Tenant claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Tenant to prove the non-coverage or exemption.

22.6.3. Compliance. If Tenant is not initially exempt from the LWO, 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 Tenant is initially exempt from the LWO, but later no longer qualifies for any exemption, Tenant will, at such time as 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 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 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. Workers Retention Ordinance. This Lease may be subject to the Worker Retention Ordinance ("WRO"), Section 10.36, et seq., of the Los Angeles Administrative Code, a copy of which is attached for convenience as Exhibit "N". If applicable, Tenant must also comply with the WRO 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 ninety (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 WRO. 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 Tenant violated the provisions of the WRO.

22.8. Nondiscrimination and Equal Employment Practices.

22.8.1. Federal Non-Discrimination Provisions.

(a) 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, 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) 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 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.

(c) Tenant assures that it will comply with pertinent statutes, Executive 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 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) 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 Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(e) 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 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 Tenant or any person claiming under or through 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, 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. 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 Landlord under this Lease are $1,000 or more, this provision shall apply. During the performance of this Lease, 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 "O". 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 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 Tenant. Upon a finding duly made that 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 Landlord under this Lease are $100,000 or more, this provision shall apply. During the performance of this Lease, 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 "P". 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 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 Tenant. Upon a finding duly made that 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. Tenant will pay any and all taxes of whatever character that may be levied or charged upon the Demised Premises, or upon Tenant's improvements, fixtures, equipment, or other property thereon or upon Tenant's use thereof. Tenant will also pay all license or permit fees necessary or required by law or regulation for the conduct of 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 Tenant. If such a possessory interest is deemed to be created, 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. Tenant may contest the validity and applicability of any taxes or fees, and during the period of any lawful contest, 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 Tenant is held responsible for such taxes or fees, 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 Landlord, Landlord will remit to Tenant such sums to which Tenant is legally entitled.

22.10. Visual Artists' Rights Act. 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 Landlord and approved as to form and legality by the City Attorney. The waiver shall be in full compliance with VARA and shall name Landlord as a party for which the waiver applies. Tenant will not install, or causing to be installed, any piece of artwork covered under VARA at the Demised Premises without the prior approval and waiver of Landlord. Any work of art installed at the Demised Premises without such prior approval and waiver shall be deemed a trespass, removable by Landlord, upon three (3) days' written notice, with all costs, expenses, and liability therefor to be borne exclusively by Tenant.

22.11. Alternative Fuel Vehicle Requirement Program. Tenant shall comply with the provisions of the alternative fuel vehicle requirement program (the "Alternative Fuel Vehicle Requirement Program"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are attached as Exhibit "Q" and made a material term of this Lease. Tenant shall complete and submit to Landlord the vehicle information required on the reporting form accessible online at https://sbo.lawa.org/altfuel on a semi-annual basis. The reporting form may be amended from time to time by Landlord.

23. Notices. 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, in any case addressed as follows:

If to Landlord:

Department of Airports of the City of Los Angeles
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216
Attention: CEO

with a copy to:

Department of Airports of the City of Los Angeles
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216
Attention: City Attorney

Electronic Mail address: CDG-Tenant-Notices@lawa.org

If to Tenant:

to the addresses shown on the Basic Information Schedule under the heading "Tenant Addresses for Notices".

Landlord or 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 email shall be deemed delivered when the transmission is sent, if sent during normal business hours, followed by a copy sent via First Class Mail, postage prepaid, and date-stamped the same date of the email, provided, however, any notice regarding any Event of Default or exercise of any option under this Lease shall be followed by a copy sent via United States Postal Service certified mail, postage prepaid, return receipt requested or a nationally recognized overnight courier service with tracking service, delivery service prepaid, and the date of delivery for such Event of Default or exercise of any option shall be as set forth for the manner in which the required copy is sent. If the notice or other communication is not sent during normal business hours, such notice or communication shall be deemed delivered on the following Business Day. Any notice or other communication may be given on behalf of Landlord or Tenant by their respective attorneys, provided that the attorneys represent their capacity as such in the notice or other communication.

24. Definitions. 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.

"ADA" shall have the meaning as set forth in Section 12 of this Lease.

"Additional Rent Late Charge" shall have the meaning as set forth in Section 3.8 of this Lease.

"Adjusted Land Rental Rate" shall have the meaning as set forth in Section 3.2(a) of this Lease.

"Adjustment Index" shall have the meaning as set forth in Section 3.2(a) of this Lease.

"Affiliate" means any air transportation company that (i) is a parent or subsidiary of Tenant, or (ii) operates at the Airport under a trade name of Tenant and uses Tenant's two-letter designator code for its flights serving the Airport, or (iii) operates at the Airport using a trade name of a parent or subsidiary of Tenant and uses the two-letter designator code of such parent or subsidiary for its flights serving the Airport. Prior to the execution of this Lease, Tenant shall provide Landlord with a list of its current Affiliates. Tenant may update such list from time to time to add additional persons that fall within the definition of Affiliate hereunder provided that Tenant provides prior written notice to the CEO, including a brief explanation as to how such additional Person satisfies the definition of "Affiliate". Tenant shall provide Landlord with written notice if at any time a Person on the list shall no longer be considered an Affiliate of Tenant for purposes of this Lease.

"Affirmative Action Program" shall have the meaning as set forth in Section 22.8.2(d) of this Lease.

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

"Airline Area Improvements" means the improvements and equipment to be made or installed by Tenant to the Airline Areas pursuant to the terms of this Lease, excluding however the Proprietary Improvements.

"Airline Areas" means that portion of the Demised Premises comprised of the areas used for the processing of passengers, including holdrooms/gates, ticketing functions, offices, curbside check-in, baggage systems, as to be more particularly described in the C0 Program Definition Book and incorporated into C0 Final Terms Lease Amendment. For the avoidance of doubt, the Airline Areas do not include the City Areas.

"Airport" 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).

"Allied-Koll Purchase Contract" means that certain Agreement of Purchase and Sale and Joint Escrow Instruction dated October 14, 1988 between Allied-Signal, Inc., a Delaware corporation, and The Koll Company, a California corporation, concerning the purchase and sale of portions of the Demised Premises.

"Alterations" shall have the meaning as set forth in Section 4.1 of this Lease.

"Alternative Fuel Vehicle Requirement Program" shall have the meaning as set forth in Section 22.11 of this Lease.

"Annual Adjustment Date" shall have the meaning as set forth in Section 3.2(a) of this Lease.

"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 Tenant or its officers, employees, contractors, assignees, successors, sublessees, agents or invitees.

"Approved Closed T1 Preferential Gates" shall have the meaning as set forth in Section 1.2.7 of this Lease.

"Apron Area Improvements" means the improvements and equipment to be made or installed by Tenant to the Apron Areas pursuant to the terms of this Lease.

"Apron Area Improvements Acquisition Cost" means the sum of (a) the Permissible Costs incurred by Tenant for the Apron Area Improvements up to and including their completion, and (b) Interest Costs related to the Apron Area Improvements incurred by Tenant (but excluding any early prepayment penalties or premiums) up to and including the date upon which the Apron Area Improvements Acquisition Cost is paid to Tenant, as verified by Landlord and as certified by an officer of Tenant in a written declaration as required under Section 5.1; provided, however, in no event shall the total aggregate amount of the Apron Area Improvements Acquisition Cost exceed the Maximum Apron Area Improvements Acquisition Cost. For avoidance of doubt, the Apron Area Improvements Acquisition Cost does not include the cost of the Proprietary Improvements.

"Apron Area Improvements Completion Date" means the date that the following has occurred to the reasonable satisfaction of City: (i) Tenant has completed all requirements under this Lease and the construction approval permits have been issued by Landlord for the Apron Area Improvements for completion of the Apron Area Improvements; and (ii) Tenant has provided Landlord with the Completion Notification together with (1) a complete and accurate Expenditure Schedule for the Apron Area Improvements, (2) a written declaration by an officer of Tenant that certifies the actual expenses incurred by Tenant for the Apron Area Improvements, and (3) proof of payment, including, but not limited to, copies of invoices of the actual expenses incurred by Tenant for the Apron Area Improvements. The CEO shall separately issue a letter to Tenant confirming the Apron Area Improvements Completion Date.

"Apron Area Improvements Payment Date" shall have the meaning as set forth in Section 1.2.5 of this Lease.

"Apron Areas" means that portion of the Demised Premises comprised of the areas where aircrafts are parked, loaded, unloaded, refueled, boarded, or maintained, as to be more particularly described in the C0 Program Definition Book and incorporated in the C0 Final Terms Lease Amendment.

"ATMP" shall have the meaning as set forth in the Recitals.

"Base Index" shall have the meaning as set forth in Section 3.2(a) of this Lease.

"Basic Information Schedule" means the schedule containing certain basic information and sample calculations relating to this Lease, including the rates and charges applicable to Tenant in effect as of the DBO, and attached to this Lease as Schedule 1.

"Beneficial Occupancy" means when Tenant completes the activation and operational readiness activities for the relevant area of the Concourse 0 Project, closed out all required permits for said area, and there is acceptance of proof of activation and readiness by Landlord, which acceptance shall be issued in its reasonable discretion.

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

"Borrower" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"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.

"Buyback Right" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"C0 Airfield Parcels" means the airfield areas to be constructed by Landlord that are included in the airport layout plan and the EIR for the ATMP that are related to the Concourse 0 Project and provide operational benefits to the LAX airfield.

"C0 Final Terms" means the terms of the C0 Final Terms Lease Amendment, the C0 Project Plan of Finance, and certain other matters to be agreed upon between the parties during the Pre-Term as more particularly described in Exhibit "B-3."

"C0 Final Terms Lease Amendment" means a written amendment to this Lease entered into by Landlord and Tenant and duly approved by the Board and City Council incorporating the C0 Final Terms, including, but not limited to, (i) the respective agreed upon dollar amounts of the Maximum Purchase Option Improvements Acquisition Cost, the Maximum Apron Area Improvements Acquisition Cost, the Maximum Early Termination Reimbursement Amount, and other caps on various components of the C0 Project Costs payable by Landlord pursuant to this Lease, (ii) the C0 Project Plan of Finance, and (iii) the TIF Loan procedures and the TIF Loan Documentation. As a point of clarification only and without limiting the rights of the parties to amend any provisions of this Lease or exhibits thereto (to the extent such amendment can be made), it is the intent of the parties that certain exhibits to this Lease will be amended and incorporated in the C0 Final Terms Lease Amendment, certain exhibits will be of no force or effect

and will not be included in the C0 Final Terms Lease Amendment, and certain exhibits will remain in full force and effect and continue to be made part of the C0 Final Terms Lease Amendment. Exhibits A, B-2, B-4, C, D, and R to this Lease will be amended, and as amended, will be included in the C0 Final Terms Lease Amendment. Exhibits B and B-3 will be of no force and effect and these exhibits will be marked "intentionally omitted" or other words to that effect in the C0 Final Terms Lease Amendment. Exhibits B-1, E through Q, and S will continue and remain in effect and will be made part of the C0 Final Terms Lease Amendment.

"C0 Final Terms Lease Amendment Completion Due Date" means the date that is five hundred forty (540) days following the Effective Date; provided, however, that said date may be extended upon the written agreement of Tenant and the CEO (on behalf of Landlord).

"C0 Further Environmental Analysis" shall have the meaning set forth in Section 1.1.3 of this Lease.

"C0 Project Plan of Finance" means a detailed description of how Tenant intends to finance all costs associated with the design, construction and equipping of the Concourse 0 Project, specifically including the Apron Area Improvements, the Purchase Option Improvements, and the Proprietary Improvements. The C0 Project Plan of Finance shall specifically include indications of tenor and pricing to support the determination of the Maximum Apron Area Improvements Acquisition Cost, the Maximum Purchase Option Improvements Acquisition Cost, and other values to be established as part of the C0 Final Terms Lease Amendment. An outline of information to be included in the C0 Project Plan of Finance is identified on Exhibit "B-3."

"C0 Program Definition Book" means the document that establishes and describes the scope of the Concourse 0 Project.

"C0 Project Costs" means the hard and soft costs (excluding Interest Costs) of building the Concourse 0 Project, including non-proprietary improvements, that will be established by the parties in connection with the C0 Final Terms and included in the C0 Final Terms Lease Amendment, and any subsequent revisions agreed to by the parties. Tenant incurred soft costs will be capped at an amount to be established by the parties in connection with the C0 Final Terms and included in the C0 Final Terms Lease Amendment for all pre-construction activities related to C0 Project Costs.

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

"CEQA" shall have the meaning as set forth in the Recitals to this Lease.

"change of control event" shall have the meaning as set forth in Section 16.1 of this Lease.

"City Area Improvements" means the improvements to be made by Tenant to the City Areas pursuant to the terms of this Lease.

"City Areas" means that portion of the Demised Premises comprised of the Public Area, concession, and FIS Areas that are included in the Concourse 0 Project, including the square footage of the following areas that are reasonably allocated to public circulation and concession

areas, restrooms, mechanical, electrical, and storage space as to be more particularly described in the C0 Program Definition Book and incorporated in the C0 Final Terms Lease Amendment.

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

"City Council" means the Los Angeles City Council.

"Claim" or "Claims" shall have the meaning as set forth in Section 10.1 of this Lease.

"CMFA" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Commencement Date" means the date when both (i) the Pre-Term Conditions Precedent have been satisfied and (ii) possession of any portion of the Demised Premises has been delivered by Landlord to Tenant pursuant to Section 1.2.1 hereof. Landlord shall give a written notice confirming the Commencement Date when such is ascertained.

"Completion Notification" shall have the meaning as set forth in Section 1.2.5 of this Lease.

"Concourse 0 Gates" shall have the meaning as set forth in Section 1.2.7 of this Lease.

"Concourse 0" or "C0" means the proposed Concourse 0, which will be more particularly described in the C0 Final Terms Lease Amendment.

"Concourse 0 Project" shall have the meaning as set forth in the Recitals to this Lease, as will be further described in the C0 Program Definition Book. As of the date of this Lease, the C0 Program Definition Book is under development. A draft copy of the C0 Program Definition Book and the development schedule of same are set forth in Exhibit "B-2" attached hereto. The C0 Program Definition Book as finalized will be attached as Exhibit "B-2" to the C0 Final Terms Lease Amendment."

"Conduit Financing Authority" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Construction Lender" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Construction Term" shall have the meaning as set forth in Section 1.2 of this Lease.

"CPI-U" 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, 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, 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 Commencement Date. Any adjustments to the CPI (if it is calculated differently) shall be made by Landlord, subject to Tenant's right to reasonably approve the adjustments.

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

"DBO" means the date that the City of Los Angeles issues all of the Certificates of Occupancy for Concourse 0 to be built as part of the Improvements on the Demised Premises.

"Debt Service Cost" means the principal of and interest on any approved Third-Party Construction Financing, Long-Term Bond Financing, TIF Loans issued and/or incurred to finance or refinance Improvements, as applicable, and if Tenant uses its own funds, imputed project interest costs calculated as simple interest at a rate equal to the rate of interest on a ten (10) year U.S. Treasury bond as of the Effective Date plus 200 basis points.

"Demised Premises" means the real property being leased to Tenant by Landlord pursuant to this Lease as preliminarily shown on Exhibit "A" attached to this Lease and as to be refined and more particularly determined and described in the C0 Program Definition Book and the C0 Final Terms Lease Amendment.

"discretion" means sole and absolute discretion; any provision of this Lease referring to the exercise by Landlord or Tenant of its discretion, whether in those words or words of similar import, shall (unless expressly subject to a different standard) permit the party exercising its discretion to do so in any manner and for any reasons it chooses, and, to the maximum extent permitted by law, the exercise of that discretion is not intended to be reviewable by any judicial or regulatory authority.

"EA" shall have the meaning as set forth in the Recitals.

"Early Termination Reimbursement Amount" shall have the meaning as set forth in Section 1.1.7(c) of this Lease.

"EBO" shall have the meaning as set forth in Section 22.4.1 of this Lease.

"Effective Date" means the date upon which this Lease has been fully executed by both Landlord and Tenant following due approval by the Board and City Council. The Effective Date shall be inserted in the blank space provided in the first sentence of this Lease.

"EIR" shall have the meaning as set forth in the Recitals.

"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, Concourse 0 or the Airport.

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

"Equal Employment Practices" shall have the meaning as set forth in Section 22.8.2(c) of this Lease.

"Event of Default" shall have the meaning as set forth in Section 17.1 of this Lease.

"Expenditure Schedule" means detailed line item information as to each cost, including but not limited to, description, payee, and date of payment, accompanied by a written certification by an officer of the party submitting the information.

"FAA" means Federal Aviation Administration.

"Final Third-Party Construction Financing Requirements" shall have the meaning as set forth in Section 1.2.3(a)(iii) of this Lease.

"FIS Areas" means the space in the terminals at the Airport designated by the CEO 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.

"Force Majeure" means an event or effect beyond a party's reasonable control (obligations to make money payments and other financial inability excepted) and related to the elements, including, but not limited to, earthquakes, mud slides, drought, extreme rain, tidal waves, hurricanes, tornadoes, lightning strikes, floods, fires, and other extreme weather conditions and acts of God, and other unforeseen conditions beyond the control of the parties such as war, hostilities (whether war be declared or not), invasion, national emergencies, acts of public enemies, acts or threats of terrorism, rebellion, revolution, insurrection, or military or usurped power, riots, civil commotion, strikes, lock outs, interruption of services, and shortages of labor or supply (other than by reason of lack of funds).

"Guarantor" means, if Tenant's obligations under this Lease have been guaranteed by any Person, the guarantor under the Guaranty, the identity of which is reflected in the Basic Information Schedule under the heading "Guaranty".

"Guaranty" means the guaranty to and in favor of Landlord of Tenant's obligations under this Lease, if Tenant's obligations under this Lease have been guaranteed by any Person, reflected in the Basic Information Schedule under the heading "Guaranty".

"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 Concourse 0 causes or threatens to cause a nuisance at Concourse 0 or adjacent property, or poses or threatens to pose a hazard to the health or safety of persons on or about Concourse 0 or adjacent property, or (iv) the presence of which on adjacent property could constitute a trespass by Tenant.

"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.

"Honeywell" means Honeywell International, Inc., a Delaware corporation, formerly known as Allied-Signal, Inc., a Delaware corporation.

"Honeywell Acknowledgement" means that certain Acknowledgement Regarding Indemnity Agreement and License Agreement dated June 16, 2009 executed by Honeywell in favor of Landlord.

"Honeywell Groundwater Monitoring and Remediation" means the currently ongoing groundwater monitoring and remediation activities of Honeywell to address the Residual Environmental Contamination of the groundwater under and in the vicinity of the Demised Premises.

"Honeywell Indemnity Agreement" means that certain Indemnity Agreement dated March 15, 1989 between Allied-Signal, Inc., a Delaware corporation, and Koll LAX Associates Joint Venture, a California general partnership.

"Honeywell License Agreement" means that certain License Agreement dated March 15, 1989 between Allied-Signal, Inc., a Delaware corporation, as Licensee, and Koll LAX Associates Joint Venture, a California general partnership, as Licensor.

"Impermissible Lien" shall have the meaning as set forth in Section 11 of this Lease.

"Improvements" means, collectively, the Concourse 0 Project improvements, fixtures and equipment to be constructed or installed by Tenant pursuant to the terms of this Lease consisting of the City Area Improvements, Apron Area Improvements, Airline Area Improvements and Proprietary Improvements as delineated and described in the C0 Program Definition Book and to be incorporated in the C0 Final Terms Lease Amendment.

"including" and "include" mean including or include without limiting the generality of any description preceding that term; for the purposes of this Lease the rule of ejusdem generis shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to the matters specifically mentioned.

"Initial Purchase Option Deadline" shall have the meaning as set forth in Section 1.2.6(b) of this Lease.

"Initial Purchase Option Period" shall have the meaning as set forth in Section 1.2.6(b) of this Lease.

"Instruments of Service" shall have the meaning as set forth in Section 5.2 of this Lease.

"Insurance Requirements" means all terms of any insurance policy covering Tenant or covering or applicable to Concourse 0 or any part thereof, all requirements of the issuer of the 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 Concourse 0 or any part thereof or any use or condition of Concourse 0 or any part thereof.

"Interest Costs" means, with respect to the design, construction and equipping of any Improvements, the sum of (a) if Tenant utilizes a Landlord-approved Third-Party Construction Financing and/or a Long-Term Bond Financing, the interest on the bonds, notes, loans or other obligations provided by the Construction Lender or such other lender, any on-going fees charged to Tenant by the Construction Lender or such other lender (including its administrative agent and the Trustee, if any), and any annual administrative fees charged by a Conduit Financing Authority, and (b) if Tenant uses its own funds, imputed project interest costs calculated as simple interest at a rate equal to the rate of interest on a ten (10) year U.S. Treasury bond as of the Effective Date plus 200 basis points from the date of expenditure by Tenant to the projected date of payment for the Improvements. "Interest Costs" shall not include underwriting fees or discounts, placement agent fees, financial advisor fees, consultant fees, rating agency fees, or legal fees.

"Land Rent" means the rental payable for the use of the Demised Premises in monthly installments as provided in Section 3.1.

"Land Rental Rate" shall have the meaning as set forth in Section 3.1 of this Lease.

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

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

"Landlord Funding Source" or "Landlord Funding Sources" means (a) individually, Landlord RBs or Landlord SFRBs, and (b) collectively, Landlord RBs and Landlord SFRBs.

"Landlord Option Exercise Notice" shall mean a written notice given by Landlord to Tenant stating that Landlord will purchase the Purchase Option Improvements pursuant to Section 1.2.6(b) or 1.2.6(c), as the case may be.

"Landlord Payments" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Landlord RBs" shall have the meaning as set forth in Section 1.2.3(c)(1) of this Lease.

"Landlord SFRBs" shall have the meaning as set forth in Section 1.2.3(c)(1) of this Lease.

"Landlord's Sublease" shall have the meaning as set forth in Section 1.3.2 of this Lease.

"Landlord's Sublease Additional Rent" shall have the meaning as set forth in Section 16.3.1(b) of this Lease.

"Landlord's Sublease Rent" shall have the meaning as set forth in Section 16.3.1(a) of this Lease.

"LAWA Airfield Improvements" shall have the meaning as set forth in Section 1.1.8 of this Lease.

"LAWA Project Target Date(s)" shall have the meaning as set forth in Section 1.1.7(a) of this Lease.

"LAWA Projects" shall have the meaning as set forth in Section 1.1.7 of this Lease.

"LAWA Projects Completion Material Delay" means projected or actual material delay(s) in completing the LAWA Projects and the resulting delay in delivery of applicable portions of the Demised Premises or specific points of interface as may be negotiated and agreed to in the C0 Final Terms Lease Amendment that will have a material adverse effect on the performance of Tenant's obligations under this Lease, which material adverse effect could not be addressed or mitigated despite the parties' good faith collaboration and cooperation (as provided in Section 1.1.7(a)) to ensure that LAWA Project Target Dates and the interim schedules set forth in the C0 Final Terms Lease Amendment are met. The "material adverse effect," as used herein, shall be defined in terms of the dollar amount increase in the C0 Project Costs and the number of days by which the DBO is delayed, which definition shall be determined using the critical path method for scheduling and managing the Concourse 0 Project and set forth in the C0 Program Definition Book, included in the C0 Final Terms Lease Amendment.

"Lease" means this Lease Agreement and the Schedule and Exhibits hereto, as amended from time to time.

"Lease Year" means the fiscal year of 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 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 Tenant or to Concourse 0, or to the Airport or any part thereof.

"Liquidated Damages" shall have the meaning as set forth in Section 1.2.8 of this Lease.

"Liquidated Damages Period" shall have the meaning as set forth in Section 1.2.8 of this Lease.

"Long-Term Bond" or "Long-Term Bonds" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Bond Financing" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Bond Financing Documents" shall mean any trust indenture, loan agreement, bond, note, security instruments relating to the Long-Term Bonds and any offering documents (preliminary or final, as the case may be) related to the Long-Term Bonds.

"Long-Term Financed Improvements" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Leasehold Financing" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Leasehold Financing Documents" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Leasehold Mortgage" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Long-Term Leasehold Mortgagee" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"LWO" shall have the meaning as set forth in Section 22.6.1 of this Lease.

"Material Delay Objection Notice" shall have the meaning as set forth in Section 1.1.7(b) of this Lease.

"Maximum Apron Area Improvements Acquisition Cost" means the maximum total dollar amount payable by Landlord for the acquisition of the Apron Area Improvements to be agreed upon between the parties during the Pre-Term and incorporated in the C0 Final Terms Lease Amendment.

"Maximum Early Termination Reimbursement Amount" shall have the meaning as set forth in Section 1.1.7(c) of this Lease.

"Maximum Purchase Option Improvements Acquisition Cost" means the maximum total dollar amount payable by Landlord for the acquisition of the Purchase Option Improvements to be agreed upon between the parties during the Pre-Term and incorporated in the C0 Final Terms Lease Amendment.

"MMRP" shall have the meaning as set forth in the Recitals to this Lease.

"NEPA" shall have the meaning as set forth in the Recitals to this Lease.

"Non-ERISA Benefits" shall have the meaning as set forth in Section 22.4.1 of this Lease.

"Occurrence Date" shall have the meaning as set forth in Section 14.3 of this Lease.

"Operation and Management Plans" shall have the meaning as set forth in Section 9.2 of this Lease.

"Operations Space" shall have the meaning as set forth in Section 16.1 of this Lease.

"Partial Taking" shall have the meaning as set forth in Section 15.2 of this Lease.

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

"Performance Guaranty" shall have the meaning as set forth in Section 18.1 of this Lease.

"Permissible Costs" means the actual costs expended by Tenant for development, design/engineering, permitting, testing, construction, equipping and/or financing (including, among other customary costs, capitalized interest related to a financing, upfront closing fees, underwriting fees or discounts, placement agent fees, financial advisor fees, consultant fees, debt service reserve fund deposits, rating agency fees, bond insurance/reserve surety bond premiums, upfront letter of credit fees, and permissible legal fees related to such financing, but excluding Debt Service Costs) for the City Area Improvements, Apron Area Improvements, or Airline Area Improvements, as applicable, plus the cost of required bonds, construction insurance, materials, outside counsel legal fees, and other similar fees related to the development, design/engineering, permitting, testing, construction, and financing costs incurred by Tenant and other eligible expenses related to the Demised Premises, less any refunds from the cancellation of such contracts in such amounts as (i) have been actually incurred by Tenant, whether prior to or after the date of this Lease but in no event prior to March 23, 2021, (ii) are determined by Landlord to be reasonable and fair and are otherwise no less favorable to Tenant than would be obtained in a comparable arm's-length transaction with an unrelated third party, (iii) have been verified by Landlord by the Expenditure Schedule and the supporting documents, (iv) were identified in the C0 Program Definition Book as potential costs, and (v) such amounts are consistent with the estimated line item costs identified in the C0 Program Definition Book. Only payments actually made by Tenant, and Tenant's contractors and subcontractors (without duplication) may be included as Permissible Costs.

"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.

"PLA" shall have the meaning as set forth in Section 4.3.7 of this Lease.

"Planned Construction Start Date" shall have the meaning as set forth in Section 1.2.2 of this Lease.

"Post-IPOD Amount" shall have the meaning as set forth in Section 1.2.6(c) of this Lease.

"Post-IPOD TIF Loan" shall have the meaning as set forth in Section 1.2.3(c)(3) of this Lease.

"PRA" shall mean the California Public Records Act as set forth in Section 25.13 of this Lease.

"Pre-IPOD TIF Loan" shall have the meaning as set forth in Section 1.2.3(c)(2) of this Lease.

"Pre-TD Occupancy Period Payment" shall have the meaning as set forth in Section 1.3.3 of this Lease.

"Pre-Term" shall have the meaning as set forth in Section 1.1 of this Lease.

"Pre-Term Conditions Precedent" means, collectively, all of the conditions precedent set forth in Section 1.1.1 of this Lease, which are to be satisfied prior to the delivery by Landlord of possession of the Demises Premises to Tenant, the occurrence of the Commencement Date and the performance of the parties' respective obligations to be performed under the terms of this Lease following the Commencement Date.

"Pre-Term Costs" shall have the meaning as set forth in Section 1.1.4 of this Lease.

"Pre-Term Termination" shall have the meaning as set forth in Section 1.1.1 of this Lease.

"Pre-Term Third-Party Construction Financing Requirements" shall have the meaning as set forth in Section 1.2.3(a)(ii) of this Lease.

"Pre-Termination Date Occupancy Period" shall have the meaning as set forth in Section 1.3.3 of this Lease.

"Proposed License and Sublease Space" shall have the meaning as set forth in Section 16.2.2 of this Lease.

"Proprietary Improvements" means those proprietary improvements and equipment to be constructed or installed by Tenant in the Airline Areas pursuant to this Lease as delineated and described in the C0 Program Definition Book as being the Proprietary Improvements for purposes of this Lease. For clarity and avoidance of doubt, the Proprietary Improvements are not a part of either the Airline Area Improvements, Apron Area Improvements, or the City Area Improvements, and the cost of the Proprietary Improvements shall be funded solely by Tenant. The Proprietary Improvements shall not be funded by the TIF Loans and will not be included in any acquisition of either the Apron Area Improvements or the Purchase Option Improvements by Landlord.

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

"Purchase Option Improvements" means the City Area Improvements and Airline Area Improvements collectively, which are subject to City's option to purchase and terminate this Lease pursuant to Section 1.2.6.

"Purchase Option Improvements Acquisition Cost" means the sum of (a) the Permissible Costs incurred and paid by Tenant for the Purchase Option Improvements, (b) any Interest Costs related to the Purchase Option Improvements incurred by Tenant (but excluding any early prepayment penalties or premiums), up to and including the Termination Date (or such other applicable date upon which the Purchase Option Improvements Acquisition Costs are paid to Tenant), and (c) any interest on any TIF Loans related to the Purchase Option Improvements incurred by Tenant, up to and including the Termination Date (or such other applicable date upon which the Purchase Option Improvements Acquisition Costs are paid to Tenant), all as verified by Landlord and as certified by an officer of Tenant in a written declaration as required under Section 5.1; provided, however, in no event shall the total aggregate amount of the Purchase Option Improvements Acquisition Cost exceed the Maximum Purchase Option Improvements Acquisition Cost. For avoidance of doubt, the Purchase Option Improvements Acquisition Cost does not include the cost of the Proprietary Improvements. Tenant's estimate of Purchase Option Improvements Acquisition Cost (or any portion thereof) shall be supported by a Calculation of Purchase Option Improvements Acquisition Cost worksheet. Such worksheet shall be substantially in the form of Exhibit "F", itemizing the type of expenses and costs and demonstrating the manner of calculation. Exhibit "F" is provided as an illustrative purpose only and is not intended to provide the determinative amount for any costs itemized therein.

"Purchase Option Improvements Completion Date" means the date that the following has occurred to the reasonable satisfaction of City: (i) Tenant has completed all requirements under this Lease and the construction approval permits issued by Landlord for the Purchase Option Improvements for completion of the Purchase Option Improvements; and (ii) Tenant has provided Landlord with the Completion Notification together with (1) a complete and accurate Expenditure Schedule for the Purchase Option Improvements, (2) a written declaration by an officer of Tenant that certifies the actual expenses incurred by Tenant for the Purchase Option Improvements, and (3) proof of payment, including, but not limited to, copies of invoices of the actual expenses incurred by Tenant for the Purchase Option Improvements. The CEO shall separately issue a letter to Tenant confirming the Purchase Option Improvements Completion Date.

"Qualified Operator" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"RAIC" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Rate Agreement" shall have the meaning as set forth in Section 3.4.1 of this Lease.

"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 Landlord) for fixed rate bonds having a term remaining to maturity of one (1) year (with no credit enhancement) and bearing interest that is not excluded from gross income for federal income tax purposes.

"Rent Late Charge" shall have the meaning as set forth in Section 3.8 of this Lease.

"Replacement Gates" shall have the meaning as set forth in Section 1.2.7 of this Lease.

"Residual Environmental Contamination" means residual Hazardous Materials located on, under or in the vicinity of the Demised Premises associated with the prior ownership, use or occupancy of the Demised Premises (or areas adjacent thereto) by Garrett Corporation, a manufacturer of military and industrial products for aerospace and general industry, and/or its successor Honeywell.

"Residual Environmental Contamination Condition" means Residual Environmental Contamination that is encountered in connection with the construction of the C0 Project that requires investigation, assessment, management, remediation and/or removal under any Environmental Requirement, other than the Honeywell Groundwater Monitoring and Remediation. Examples of a Residual Environmental Contamination Condition include, without limitations, encountering soils on the Demised Premises with Residual Environmental Contamination requiring special handling, management and/or disposal under applicable Environmental Requirements.

"ROD" shall have the meaning as set forth in the Recitals to this Lease.

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

"Succession Date" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Successor by Long-Term Leasehold Mortgage" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"T1 Lease" shall have the meaning as set forth in the Recitals of this Lease.

"T1 Lease Fourth Amendment" means that certain amendment to the T1 Lease that is contemplated to be entered into by Landlord and Tenant concurrently with execution and delivery of the C0 Final Terms Lease Amendment, and which shall additionally have provisions to expand the Premises under the T1 Lease to include the areas of Concourse 0 leased exclusively to Tenant at such time as Landlord purchases the Purchase Option Improvements and this Lease is terminated.

"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 Concourse 0, 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 Landlord of any portion of the Demised Premises, or exercise by Landlord of any similar right under the terms of this Lease, shall constitute a Taking.

"Taking Date" 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.

"Tariff" means the Los Angeles International Airport Passenger Terminal Tariff adopted by the Board, as may be amended from time to time, or any successor or similar provision of law, ordinance or regulation.

"Tenant" means the entity specified in the preamble to this Lease as 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 Damage Notice" shall have the meaning as set forth in Section 14.3 of this Lease.

"Tenant's Property" means items of personal property owned by Tenant, including back wall signage, 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.

"Term" shall have the meaning as set forth in Section 1 of this Lease.

"terminal" means the terminal buildings at the Airport, including any concourse building.

"Terminal Operation Term" shall have the meaning as set forth in Section 1.3 of this Lease.

"Termination Date" shall mean the date that the title to the Purchase Option Improvements will transfer from Tenant to Landlord, upon which the Lease will terminate.

"Termination Fee" shall have the meaning as set forth in Section 1.2.3(b) of this Lease.

"Third-Party Construction Financing" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Third-Party Construction Financing Documents" shall mean any trust indenture, loan agreement, credit agreement, deed of trust or mortgage, bond, note, security instruments, offering documents (preliminary or final, as the case may be), instruments related to a swap or other derivative and such other documents each related to a Third-Party Construction Financing.

"TIF Loan" or "TIF Loans" shall have the meaning as set forth in Section 1.2.3(c) of this Lease. TIF Loans shall be in the form of one or more Pre-IPOD TIF Loans and/or one or more Post-IPOD TIF Loans.

"TIF Loan Documentation" shall have the meaning as set forth in Section 1.2.3(c) of this Lease.

"Total Taking" shall have the meaning as set forth in Section 15.1 of this Lease.

"Trustee" shall have the meaning as set forth in Section 1.2.3(a) of this Lease.

"Unavoidable Delays" 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 Tenant.

"VARA" shall have the meaning as set forth in Section 22.10 of this Lease.

"WRO" shall have the meaning as set forth in Section 22.7 of this Lease.

25. Miscellaneous.

25.1. Waiver. 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 Landlord will be deemed binding upon 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, Landlord's acceptance of payments of the Land Rent or additional rent shall not be deemed a waiver of the Event of Default or breach. The failure of Landlord or Tenant to insist upon the strict performance of any provision of this Lease shall not be deemed a waiver and shall not bar Landlord or Tenant from thereafter insisting upon strict performance of the provision.

25.2. Surrender. No agreement to accept a surrender of this Lease shall be valid unless in writing signed by Landlord.

25.3. Entire Agreement. This Lease contains the entire agreement between Landlord and 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). Tenant waives any right or benefit in any way related to the Airport or its operations to which 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 Landlord under this Lease shall be approvals of the City of Los Angeles Department of Airports acting as 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 not unreasonably delayed. Any other requirement in this Lease that an 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 Landlord will be deemed binding upon 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 Tenant under this Lease would (if exercised by Tenant) result in a violation of any Legal Requirement, 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 Tenant to the extent necessary to prohibit the conduct that would result in the violation of the Legal Requirement, by delivering to 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, Landlord will furnish to 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 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 ninety (90) 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. 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, Landlord may unilaterally amend this Lease to the extent necessary to bring this Lease into conformity with the revised policy, by delivering to 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, Landlord will furnish to 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. No such amendment will become effective on fewer than ninety (90) 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. By agreeing to this Section 25.7 Tenant does not waive and Tenant hereby retains all of its rights to challenge the validity of any such Legal Requirement or policy change.

25.8. Time Periods. 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 Landlord or Tenant is required to perform any action (other than 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 FIS Areas, and (c) any other relevant portion of Concourse 0 shall be made (except as required to the contrary by the express terms of this Lease) by Landlord using actual field measurements when available or any other consistent methods from time to time adopted by Landlord. Any measurements of the Rentable Area of any terminal at the Airport shall be adjusted from time to time by Landlord to take into account changes in the measurements of relevant portions of Concourse 0. For the purposes of any computation of area required by this Lease, (a) the measurement of any area in any terminal at the Airport will not be affected by the temporary unavailability of floor area in such terminal at the Airport due to maintenance, repairs, and construction activity in or affecting such terminal, and (b) additions to any area in any terminal at the Airport resulting from the construction of new improvements will not be included in the measurement of any area in such terminal until the new improvements are placed in service. The computation by Landlord of any area required by this Lease shall be deemed conclusive absent manifest error. If at any time Landlord concludes that any computation of floor area measurement proves to have been incorrect, Landlord will promptly disclose the inaccuracy to Tenant, and Landlord and 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 Land Rent and other financial matters relevant to this Lease, Landlord has delivered or may deliver to 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 Landlord or 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. Subordination to Government Agreements. Tenant's rights and leasehold estate under this Lease shall be subordinate to the provisions of any existing or future agreement between Landlord and the United States relating to the development, operation, or maintenance of the Airport.

25.13. Public Records Act.

25.13.1 Tenant acknowledges and agrees that all submittals, records, documents, drawings, plans, specifications and other materials in Landlord's possession, including any books and records submitted by Tenant to Landlord, may be considered public information subject to disclosure under the California Public Records Act (the "PRA").

25.13.2 If Tenant believes any books and records submitted to Landlord constitute trade secrets, proprietary information or other information that is not subject to or excepted from disclosure under the PRA, Tenant shall be solely responsible for specifically and conspicuously designating that information by placing "CONFIDENTIAL" in the center header of each such page affected, as it determines to be appropriate. Any such designation of trade secret or other basis for exemption shall be accompanied by a concise statement of reasons supporting the claim including the specific law that authorizes the exemption from disclosure under the PRA.

25.13.3 If Landlord receives a request for public disclosure of information or materials that have been designated by Tenant as "CONFIDENTIAL," Landlord will use reasonable efforts to notify Tenant of the request and may request advice from Landlord's counsel before disclosing any such documents in accordance with applicable law. Tenant shall then have the opportunity to either consent to the disclosure or assert its basis for non-disclosure and claimed exception under the PRA or other applicable law to Landlord within the time period specified in the notice issued by Landlord (if any) and before the deadlines for release in the PRA and other applicable law. However, it is the responsibility of Tenant to monitor requests for disclosure and proceedings and make timely filings. Landlord may make filings of its own concerning possible disclosure; however, Landlord is under no obligation to support Tenant's positions. By entering into this Lease, Tenant consents to, and expressly waives any right to contest, provision by Landlord to Landlord's counsel of all, or representative samples of, information or materials designated as "CONFIDENTIAL" by Tenant, in accordance with the PRA. Landlord shall have no responsibility or obligation for a failure of Tenant to respond or to respond timely to any request for disclosure of information or materials designated as "CONFIDENTIAL" by Tenant, in accordance with the PRA, and Landlord shall not be required to wait for a response before making a disclosure or otherwise taking action under the PRA or other applicable law. Under no circumstances will Landlord be responsible or liable to Tenant or any other party as a result of disclosing any such materials, including materials marked "CONFIDENTIAL", whether the disclosure is deemed required by the PRA or other applicable law or by an order of court or Landlord's general counsel or occurs through inadvertence, mistake or negligence on the part of Landlord or its officers, employees, contractors or consultants.

25.13.4 Nothing contained in this Section 25.13 shall modify or amend requirements and obligations imposed on Landlord by the PRA or other applicable law, and the provisions of the PRA or other laws shall control to the extent of a conflict between the procedures under this Lease and applicable law. Landlord will not advise a submitting party or Tenant as to the nature or content of documents entitled to protection from disclosure under the PRA or other applicable law, as to the interpretation of such laws, or as to definition of trade secret. Tenant is advised to contact its own legal counsel concerning the effect of applicable laws to Tenant's books and records and actions to be taken to preserve confidentiality.

25.13.5 In the event of any proceeding or litigation concerning the disclosure of any books and records to third parties, Landlord's sole involvement will be as a stakeholder retaining the material until otherwise ordered by a court or other authority having jurisdiction. Tenant shall be responsible for prosecuting or defending any action, acting on its own behalf, concerning such materials at its sole expense and risk; provided, however, that Landlord may intervene or participate in the litigation in such manner as it deems necessary or desirable. Tenant shall indemnify and hold harmless the indemnified parties listed in Section 10.1 from and against any and all claims, causes of action, suits, legal or administrative proceedings, damages, losses, liabilities, response costs, costs and expenses, including any injury to or death of persons or damage to or loss of property (including damage to utility facilities), and including attorneys' and expert witness fees and costs, arising out of, relating to or resulting from Landlord's refusal to disclose any material that Tenant has designated as a trade secret.

25.14. No Joint Venture. The provisions of this Lease shall not be construed to create a joint venture or partnership between Landlord and Tenant.

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

25.16. Captions, etc. 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.

25.17. Waiver of Trial by Jury. Landlord and Tenant do hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other relating to any matters arising out of or in any way connected with this Lease, the relationship of Landlord

and Tenant, Tenant's use or occupancy of the Demised Premises, or any other claims (except claims for personal injury or property damage) or any other statutory remedy.

25.18. Survival of Obligations. Unless expressly provided to the contrary, the obligations of Landlord and Tenant hereunder shall survive, to the extent previously accrued, any termination of this Lease, the expiration of the Term or the exercise by Landlord or Tenant of any of their respective remedies for the breach by the other of the provisions of this Lease.

25.19. 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.

25.20. Interpretation. 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.

25.21. Successors and Assigns. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and, except as otherwise provided in this Lease, their assigns, and shall run with the land.

25.22. 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).

25.23. Authority. Except as expressly provided in this Section 25.23 to the contrary, (a) the powers of 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 CEO, and (b) any notice, election, approval or consent that this Lease by its terms requires or permits Landlord to give may be given by the CEO, in each case as if exercised or given by resolution or order of the Board. Without limitation of the authority of the CEO expressly provided herein (after giving effect to the foregoing provisions of this Section 25.23), the CEO shall have the authority to bind 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 Tenant to Landlord under this Lease. The authority of the CEO under this Section 25.23 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 (5) 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, Tenant shall be entitled to rely on the authority of the CEO as specified in this Section 25.23.

[signature page follows]

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

LANDLORD:

CITY OF LOS ANGELES

By: _____
Justin Erbacci
Chief Executive Officer
Department of Airports

APPROVED AS TO FORM:

Hydee Feldstein Soto,
City Attorney

Date: Apr 12, 2023

By: Tamami Yamaguchi
Tamami Yamaguchi (Apr 12, 2023 14:25 PDT)
Deputy/Assistant City Attorney

TENANT:

SOUTHWEST AIRLINES CO.

ATTEST:

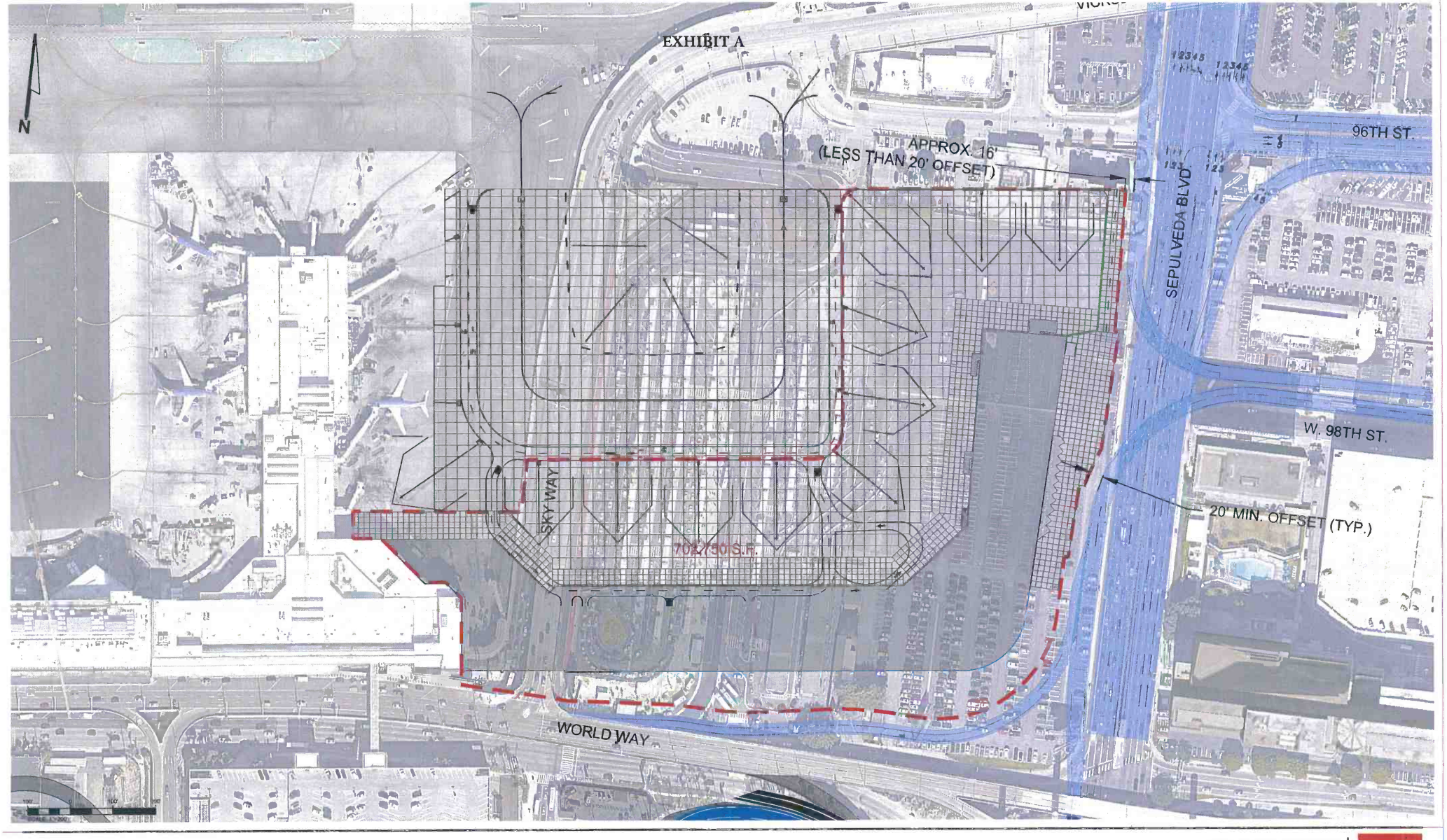
By: _____
Name: Jeff Norota
Title: Assistant Corporate Secretary

By: _____
Name: Mark Shaw
Title: EVP

[Corporate Seal]

Exhibit "A"

Preliminary Demised Premises Description



LAX Concourse 0

Southwest

SITE AREA EXHIBIT

12/01/22

EXHIBIT #A-1

PGAL

ADCI

Exhibit "B"

Overview of C0 Program Definition Book

The parties shall use good faith efforts to work cooperatively to reach timely agreement on the C0 Program Definition Book prior to the C0 Final Terms Lease Amendment Completion Due Date in accordance with the process described below.

The following items shall be agreed upon, finalized and incorporated into the C0 Program Definition Book:

1. Scope.
The scope of the Concourse 0 Project to be set forth in the C0 Program Definition Book shall include, but not be limited to, those areas, facilities, equipment and systems as described in this Section 1 as well as the results of the C0 Conceptual Design Phase as further described below.

The Concourse 0 Project shall satisfy the following minimum requirements:

- The Concourse 0 Project shall deliver a net-increase of 9 new ADG-III Gates and 2 new ADG-III aircraft parking/holding positions as reflected in Exhibit 2-8 of the Draft EIR for the ATMP.

- The Concourse 0 Project shall deliver a Multiple Aircraft Ramp System (MARS) to accommodate wide-body aircraft in accordance with the Draft EIR for the ATMP.

- The Concourse 0 Project shall deliver a new 3-level facility with ≈ 650,000 – 700,000 ft^2 of new usable building area. This shall include, but not be limited to, Holdrooms, Concessions, Restrooms, Domestic Bag Claim, Circulation Areas, Airline & Airport Operations Areas, Building Infrastructure & Utility Areas, Pet Relief Areas, Offices, Storage, etc. This shall also include ≈ 100,000 ft^2 of "Core & Shell" area at Level 1 for LAWA's future use.

- The Concourse 0 Project shall comply with LAWA's Design Construction Handbook (DCH). This includes, but is not limited to;

    - §1.02: Achieve **Level of Service (LOS) Optimum** as described in the Airport Development Reference Manual (ADRM) produced by the International Air Transport Association (IATA) and Airports Council International (ACI)

    - §3.06: Provide **Enhanced Backup Power** to ensure operational continuity during grid-level power disruptions.

    - §3.15: Provide **Enhanced Technology** to ensure improved user experience and efficiency (ACAMS, CCTV, CUBD, DAS, eGates, EVIDS, WiFi, etc.)

- §7.01: Provide **Enhanced Sustainability** and comply with the applicable Mitigation Monitoring & Reporting (MMRP) Requirements (400-Hz, Tier 4 Equipment, etc.).

- §9.13: Provide a new **Terminal Vertical Core & Façade** and **Pedestrian Walkway** to the APM East Station in accordance with LAWA's Terminal Core & Façade Design Requirements.

- The Concourse 0 Project shall accommodate the existing & proposed Groundwater Remediation & Monitoring Program by Honeywell.

- The Concourse 0 Project shall comply with all applicable codes & regulations from authorities having jurisdiction (DHS, FAA, LADBS, LAFD, etc.).

- The Concourse 0 Project shall deliver aircraft support equipment, including but not limited to, passenger boarding bridges, 400-Hz ground power, preconditioned air, and electric ground service equipment (the "eGSE") charging units

- The Concourse 0 Project shall achieve LEED Gold Certification from the US Green Building Council.

- The Concourse 0 Project shall deliver new Baggage Make-Up (BMU) facilities for Concourse 0, including 2 additional BMU Carousels to serve checked bags that may be screened & sorted at C0, to be delivered to another terminal.

- The Concourse 0 Project shall deliver an airside bus-gate adjacent to the "Core & Shell" area.

- The Concourse 0 Project shall provide right-of-way for a future sterile-corridor system from the gates to the Airside Bus Gate and Core & Shell area.

- The Concourse 0 Project shall deliver capacity-enhancements at the Security Screening Checkpoint (SSCP) at Terminal 1 to serve the new C0 gates.

- The Concourse 0 Project shall deliver Building Services Areas (Loading Dock, Trash, Trituator, etc.)

- The Concourse 0 Project shall deliver all necessary Site Utilities (Power, Water, Sewer, Gas, Jet Fuel, Communications, Storm, etc.), including obtaining new points-of-connection from utility providers (LABOS, LADWP, LAXFuel, Sempra, etc.), and the associated building systems & infrastructure (mechanical, electrical, plumbing, IT & Security, Fire & Life-Safety Systems, etc.)

- The Concourse 0 Project shall deliver a new Terminal Vertical Core and Pedestrian Walkway for connectivity to/from the CTA-East APM station and Parking Structure 1.

This shall include relocation of the associated traffic management systems & equipment mounted on the walkway over the roadways (Automatic Vehicle Identification [AVI] and Traffic Monitoring Equipment, Signage, etc.). Upon completion, the Concourse 0 Project shall also remove the existing (abandoned) P1 Bridge.

  - To facilitate the installation of the new Terminal Vertical Core, and the apron area to the north of the Core, the Concourse 0 Project shall remove the Skyway Bridge.

- The Concourse 0 Project shall deliver a cohesive interface between C0, Terminal 1, and Terminal 1.5

- The Concourse 0 Project shall deliver other improvements in accordance with the C0 Program Definition Book

At a minimum, the C0 Program Definition Book shall demonstrate compliance with the requirements described above, and shall include:

- Conceptual Design Package (≈10%)
  - Project Description (Narrative, Area & Quantity Breakdowns, etc.)
  - Dimensioned Site Plan
  - Dimensioned Floor Plans
  - Dimensioned Building Elevations & Sections
  - Dimensioned Aircraft Parking Plans
  - Dimensioned Civil Plans (Grading, Paving, Utilities, etc.)
  - Passenger Flow Diagrams
  - Preliminary Interior & Exterior Renderings
  - Project Cost Estimate (See Section 5)
  - Project Delivery Schedule (See Section 6)

2. Scope of Project/Design.

(a) Tenant shall be responsible for designing the Concourse 0 Project consistent with the approved ATMP EIR and EA, including the conditions of approval, Project design features and commitments, and MMRP adopted as part of the ATMP. The MMRP requirements are attached hereto as Exhibit "B-1".

(b) Tenant will use an interactive and iterative process with Landlord that is anticipated to be completed no later than March 31, 2023 to
  (i) create a design vision for the Concourse 0 Project,
  (ii) develop planning and phasing options,
  (iii) develop interior and exterior design solutions,
  (iv) develop architectural and engineering plans,
  (v) create a scope of work for the Concourse 0 Project based upon Section 1 above, including a description of the Improvements to be constructed by Tenant

(clauses (i) through (v) above are collectively referred to as the "C0 Project Conceptual Design Phase").

(c) The C0 Program Definition Book will include, but not be limited to

(i) principles and criteria for the Concourse 0 Project developed by the parties,

(ii) the matters developed and agreed to during the C0 Project Conceptual Design Phase, including, but not limited to, the final conceptual design of the Concourse 0 Project agreed upon by Landlord and Tenant (as provided in subsection (a) above),

(iii) Landlord-defined sustainability requirements for the design, construction, and operation of the Concourse 0 Project, including but not limited to, minimum leadership in energy and environmental design (the "LEED") rating of gold, water filtration systems, waste sorting and the other requirements listed in Section 3 below,

(iv) Landlord-defined construction mitigation measures (e.g., construction noise control plan, construction scheduling) as set forth in the ATMP MMRP and the FAA ROD,

(v) use of a tribal monitor and a cultural resource monitor prior to and during construction of the Concourse 0 Project (consistent with the LAWA Archaeological Treatment Plan and Landlord's agreement dated July 6, 2020 with the San Gabrieleno Band of Mission Indians Kith – Nation, and FAA requirements),

(vi) compliance with LAWA Design and Construction Handbook and other guidelines, including, but not limited to the LAX Terminal Core and Façade Design Requirements,

(vii) process for LAWA approval of construction,

(viii) Landlord inclusivity principles and goals, and

(ix) Proposed Project Design Features and Commitments and construction commitments (including phasing, contractor parking, and haul routes) identified in Appendix B of the ATMP Environmental Assessment.

(d) The parties shall identify which Improvements are Apron Area Improvements, City Area Improvements, Airline Area Improvements, and Proprietary Improvements and provide a detailed description of each. The parties shall also identify the components for each type of Improvement.

(e) The parties shall identify the various areas that will comprise the City Areas such as the Public Area, FIS Areas, concession areas, including the estimated square footage of the restrooms and storage space that will be reasonably allocated to public circulation and concession areas.

(f) Landlord and Tenant will select one agreed upon conceptual design of the Concourse 0 Project, and all elements of the selected Concourse 0 Project conceptual design will be included in the final approved C0 Program Definition Book.

3. Sustainability Requirements.

The following sustainability requirements shall be part of the C0 Project and shall be incorporated into the C0 Program Definition Book:

PROJECT RELATED

- Compliance with Sustainability Action Plan programs and initiatives
- Compliance with tribal and cultural monitoring policies
- Provide 400 hz power and pre-conditioned air at all passenger contact gates, aircraft parking positions, and Remain-Over-Night (the "RON") positions if power is available
- Buildings should have room for waste sorting facilities to expand recycling
- Use reclaimed water for dust control during construction where feasible
- Install purple pipe and optimize use of reclaimed/recycled water
- Install electricity and water sub-meters to measure usage
- Install urinals with a 0.11 gallons per flush, high efficiency dual flush toilets with a flush volume of "1.12" gallons per flush or less, and energy star certified residential dishwashers, if feasible—standard or compare with 3.5 gallons/cycle or less
- Solar where feasible or solar ready
- WELL certification, if feasible
- Move to all electric building or areas of buildings where feasible
- Any landscaping should be drought tolerant, and use micro-irrigation
- During construction, recycle a minimum of 85% construction and demolition debris
- Provide sufficient charging infrastructure to support all-electric ground support equipment

- Use final Tier 4 diesel construction equipment or better where feasible
- Achieve LEED Gold certification or better

OPERATING RELATED

- Compliance with Sustainability Action Plan programs and initiatives
- Use all electric ground support equipment on ramps, where feasible
- Lounges and concessionaires will participate in food donation program and organics recycling program
- Pool ground service equipment (the "GSE") equipment where feasible and comply with GSE emissions policy
- If run buses, should be electric
- Commit to Transportation Management Organization (the "TMO") and Transportation Demand Management (the "TDM") strategies for employees
- Hydrant fueling system provided for new aircraft parking positions

Exhibit "B-1"

MMRP Requirements

The C0 tenant and its contractors shall comply with all mitigation measures and other requirements of the Airfield and Terminal Modernization Project (ATMP) Environmental Impact Report (EIR), including all applicable project design features and commitments incorporated into the ATMP, except for the following portions of the Mitigation Monitoring and Reporting Program (MMRP):

MM- AQ/GHG (ATMP) – 3 – Parking Cool Roof

MM – AQ/GHG –(ATMP) – 4 – EV Charging Infrastructure

MM-AQ/GHG (ATMP) – 5 – Electric Vehicle Purchasing

MM – GHG (ATMP) – 3 Green Procurement

MM – AN (ATMP) – 1 – Sound Insulation Program

MM – T (ATMP) – 1 – VMT Reduction Program – LAWA will monitor and track VMT Reduction for LAX employees overall. However, C0 tenant must comply with Vehicle Miles Traveled reduction strategies in the mitigation measure including complying with the TMO policy and implementing Transportation Demand Management strategies to reduce VMT for its tenants' employees.

While the EIR prescribes a minimum of LEED Silver, Concourse 0 must achieve LEED Gold.

For those portions of the MMRP that prescribe requirements related to on-going operation of Concourse 0 (including, but not limited to, MM - GHG (ATMP) – 3, MM - GHG (ATMP) MM - GHG (ATMP) - 5), the C0 tenant shall be expected to comply only to the extent such compliance is within tenant's reasonable control.

Data Collection and Reporting System (DCRS)

The C0 contractors must monitor and report monthly (or as agreed on) to LAWA on compliance with the requirements of the EIR and the MMRP, and must immediately inform LAWA of any noncompliance, or anticipated noncompliance, with such requirements. The C0 tenant shall be required to upload all records, reports, and documentation related to environmental requirements and mitigation measures into the DCRS (or such other reporting system as LAWA may designate), in a form acceptable to LAWA, subject to LAWA's discretion.

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Annual MMRP Progress Report

An annual MMRP Progress Report is required. The C0 tenant shall provide LAWA with information on compliance with requirements and mitigation measures for inclusion in the annual report in a form and manner as designated by LAWA. LAWA will notify contractor on timing and schedule for reporting for inclusion in the annual MMRP report.

Exhibit "B-2"

C0 Program Definition Book Development Schedule

& DRAFT C0 Program Definition Book

- Proposed LAX Concourse 0 Project Definition Booklet dated September 16, 2022, as defined in Exhibit B;

- Landlord's Comment Log dated November 17, 2022 (see attached); and

- C0 Program Interface and Responsibility Matrix Unpopulated dated November 17, 2022 (see attached)

Landlord acknowledges receipt of the Tenant's proposed LAX Concourse 0 Project Definition Booklet dated September 16, 2022 ("Proposed PDB") as defined in Exhibit B. Upon review of this Proposed PDB, Landlord has generated a comprehensive list of comments ("Comment Log") dated November 17, 2022 pertaining to scope items that need additional clarification, explanation, development, or resolution before the Proposed PDB will be accepted.

In an effort to mutually agree on currently unresolved scope items, Tenant and Landlord are to coordinate various stakeholder meetings to mutually agree on a path forward to address and resolve all open items that impact the scope of the proposed project. The Comments Log dated November 17, 2022, will be used as the guide for these items that need resolution.

Stakeholder groups that have been identified as critical participants to the resolution of these open comments and scope items include, but are not limited to:

- LAWA Operations (Airside & Terminal)
- LAWA Facilities and Maintenance
- LAWA Commercial Development Division
- LAWA Innovation and Technology (inc. Guest Experience)
- LAWA Airport Planning Unit

To clearly define and document the proposed Concourse 0 program scope moving forward, Tenant is to address the open comments to Landlord's satisfaction prior to proceeding with issuance of the 30% design documents.

LAX Concourse 0
Project Definition Book
September 16, 2022

Southwest®

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TABLE OF CONTENTS

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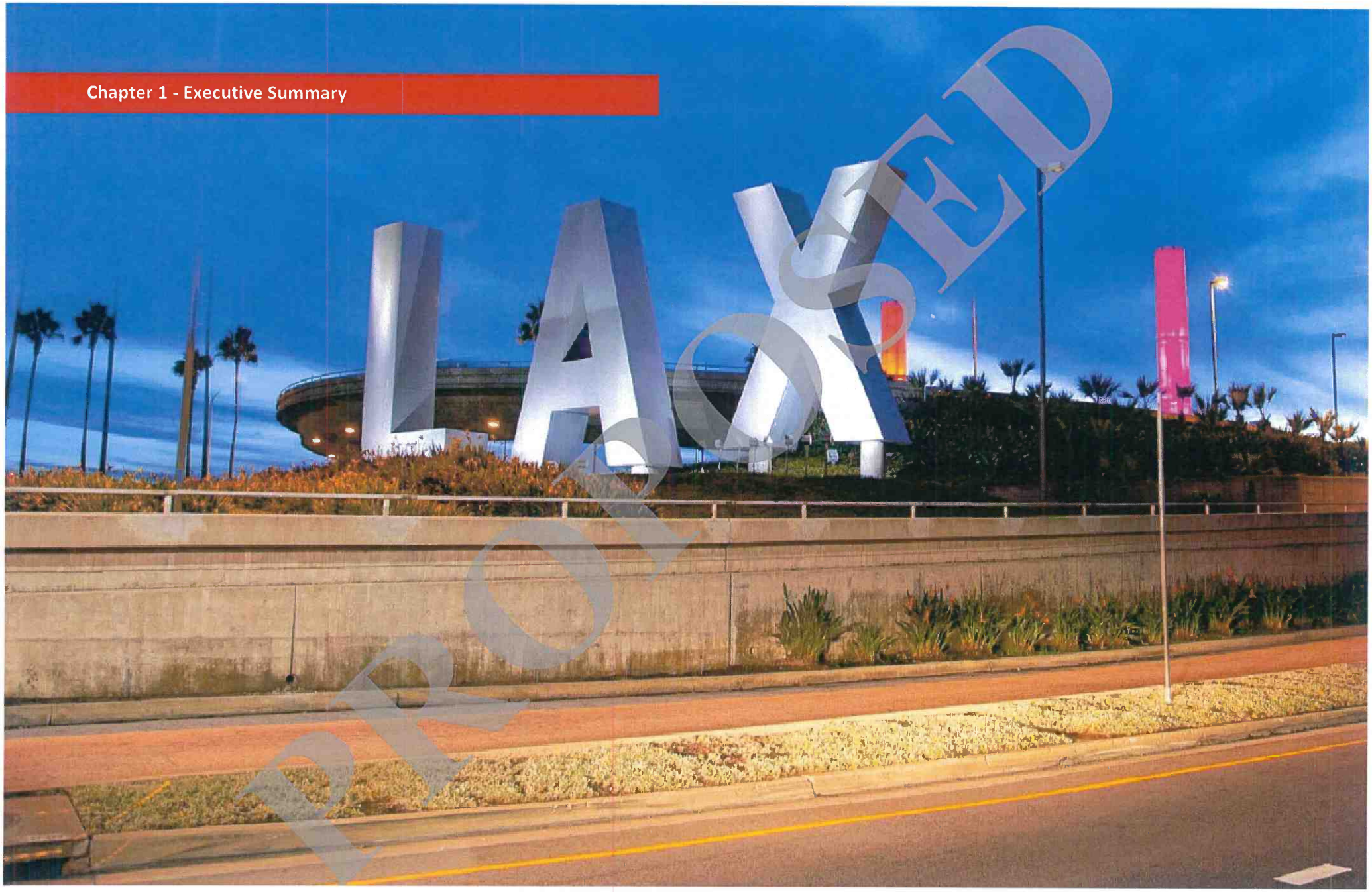
Chapter 1 - Executive Summary



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1.1. PREFACE

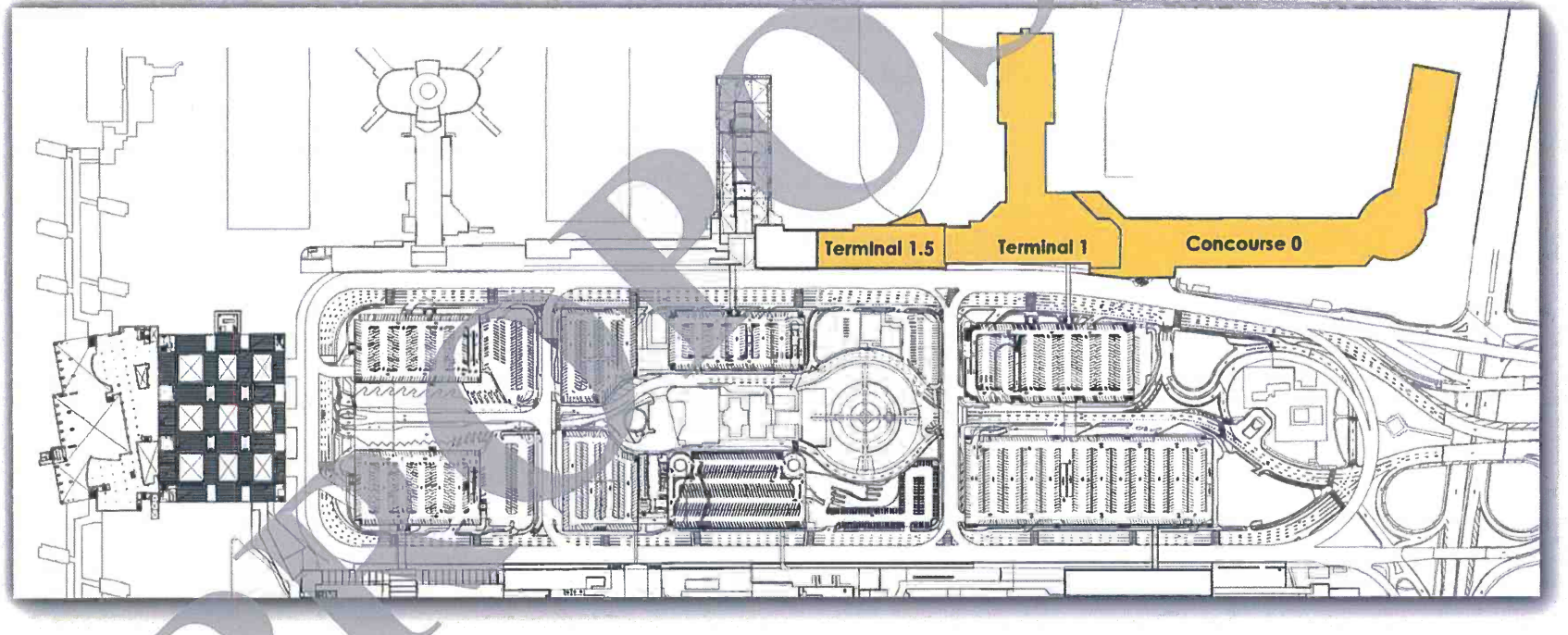
This Program Definition Book is intended to describe the scope of the Concourse 0 Program as well as a preliminary conceptual design by which that scope can be delivered in alignment with specific, stated programming assumptions. Any change in the scope of the Concourse 0 Program or the identified programming assumptions will be subject to review and confirmation as part of the Concourse 0 Program governance structure. However, the preliminary conceptual design is specifically subject to evolution and revision as part of the normal design-development and project-review processes. Accordingly, details – like dimensions, elevations, configurations, features, and materials – *are expected to change* as part of those iterative processes. The preliminary conceptual design should *not* be understood as any kind of representation, warranty, or covenant related to the final configuration of the delivered Concourse 0 Program.

1.2. INTRODUCTION

A. OVERVIEW

1. The Los Angeles International Airport (LAX) is owned and operated by the City of Los Angeles. Los Angeles World Airports (LAWA) is the city department responsible for operation and management of the airport. For some time, LAWA has been developing plans for the construction of a new concourse building found on the east side of Terminal 1, which has now been included in the Airport's masterplan. This project is commonly referred to as Concourse 0.

2. The Concourse 0 site is bounded by Sky Way Road and Terminal 1 on the west, World Way on the south, Sepulveda Blvd. and the 96th Street and Bridge crossing over Sepulveda Blvd on the east, along with an adjacent Airport Police building and a recently demolished Medical Clinic building to the north.



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B. SOUTHWEST TO SPONSOR CONCOURSE 0 PROJECT

1. Since 2013, Southwest Airlines (Southwest) has been and continues to implement a long-term facility modernization and capital improvement program to support operational needs at LAX. The Terminal 1 Modernization Program was the first step in this strategy. Construction of a new terminal addition to the west of Terminal 1 known as Terminal 1.5 was the second step. The addition of Concourse 0 will be the third step of this strategy.

2. Southwest and LAWA are developing an agreement whereby Southwest will construct the project, and LAWA may acquire the facility after its completion.

C. PURPOSE OF CONCOURSE 0 PDB

1. The purpose of the Concourse 0 Project Definition Book (PDB) is to sufficiently document the project scope and other requirements necessary for the design, construction, and development of the Concourse 0 site and building. This document may also be used as a baseline to analyze the necessity of certain program spaces in the scope and consider possible alternatives where required. Upon mutual agreement it shall be used as a reference document and incorporated into the lease agreement between Southwest and LAWA. It will also be used as the baseline to define whether scope changes post PDB may be incorporated into the project or not. As such, this PDB describes the design requirements for the project, including the project's scope, scale, qualities, characteristics, performance requirements, and implementation requirements that will guide the subsequent design and construction of the project.

D. TERMINAL 1 DEVELOPMENT PROGRAM

1. As mentioned previously, the expansion and modernization of Terminal 1 is occurring in three primary stages which are generally described in Sections E thru F which follow. Each stage is complementary to and builds upon the prior capital investment.

2. Within the appendices of this document, a high-level set of concept plans illustrate the building area, gates, check-in positions, bag claim units, SSCP lanes, CBIS machines, concessions, etc. for each stage of the development culminating in a complete Terminal 1 Complex inclusive of Terminal 1, Terminal 1.5, and Concourse 0.

3. Southwest currently operates from Terminal 1, and recently completed a comprehensive Terminal Modernization Program to upgrade the terminal facilities and improve the passenger experience. In 2018, the project was completed, and the terminal gained enhanced facilities throughout the building, including the following:

   a). Thirteen gates accommodating B737-800W aircraft with new aircraft parking ramps and passenger boarding bridges

   b). A New Departures Hall with Ticketing/Check-in stations, including Self-Check and Bag Tag Kiosks

   c). A New Domestic Bag Claim Hall with two large bag claim carousels

   d). A new consolidated 12-lane Security Screening Check Point (SSCP)

   e). A Fully automated inline Checked Baggage Inspection System (CBIS) replacing a manual "drop-and-go" screening system previously located in the departures lobby

   f). An enhanced concourse passenger experience with expanded gate lounge holdrooms

   g). New vibrant Food & Beverage and Retail Concessions

   h). Renovated and new Public Restrooms

   i). New Family/Companion Restrooms

   j). New Mothers' Nursing Room

   k). A New Pet Relief Area, and

   l). Other passenger amenities

E. TERMINAL 1.5 DEVELOPMENT PROGRAM

1. Southwest also developed and executed an agreement with LAWA to construct a new extension to the west side of Terminal 1, the project is commonly referred to as Terminal 1.5. This project added additional passenger processing capacity for Terminal 1. While the Terminal 1 Modernization Program expanded Terminal 1 slightly to allow for a new Security Screening Checkpoint (SSCP), additional holdroom area and concourse concessions, space constraints prevented more than two

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baggage claim carousels from being included in the Terminal 1 Modernization Program and limited the amount of leasable area to support Southwest and other airport tenants.

2. The construction of Terminal 1.5 building added space to Terminal 1 to the west and provided opportunities to ease potential passenger overcrowding issues and address facility deficiencies that would be necessary to support future passenger activity levels in anticipation of Concourse 0's development by adding additional baggage claim, ticketing, and security screening capacity needed to support the Tom Bradley West Gates (MSC) and the planned passenger processing needs of Concourse 0. Terminal 1.5 included the following additional features:

   a). Full-service and Self-Check-in Ticket Counters

   b). Expanded Curbside Check-in Counters

   c). Expanded domestic baggage claim facilities with two additional bag claim devices

   d). Transportation Security Administration (TSA) Security Screening Check Point (SSCP) with six screening lanes, and TSA staff support space

   e). An Airside Bus Gate to allow the transport of passengers between Terminal 1, and the new MSC facility.

   f). A new vertical circulation core connecting to the new Automated People Mover System (APM), and adjacent public parking structures located within the central terminal area.

   g). Leasable office space for future airport tenants or LAWA personnel.

F. CONCOURSE 0

1. Unlike the first two stages of the Terminal 1 Development Program, the Concourse 0 site is currently "landside" property. Through the development of the project, the site will transition to "airside" uses. The concourse itself does not include the typical "landside" departure/arrival components.

2. The development of Concourse 0 will be the third major step to Southwest's strategy for improving their facilities and operations at LAX. The Concourse 0 site will contain an airside concourse developed as an eastward addition to the existing Terminal 1 Complex. To seamlessly integrate the newly constructed concourse addition into the existing terminal and achieve optimal passenger and baggage flow, certain existing Terminal 1 functions will be relocated to Concourse 0. Many vacated areas will be repurposed for other functions or future needs.

3. The new concourse building will contain three main stories, which will connect to the existing Arrivals, Departures, and Concourse Levels of Terminal 1.

4. Between Concourse 0 and Terminal 1, a new APM pedestrian walkway will be provided to give passengers easy access from the east APM Station. A new vertical circulation core will be provided within Concourse 0 to efficiently connect passengers between the pedestrian walkway and other critical levels of the building. The pedestrian walkway also provides a connection to the terminal from the upper levels of Parking Structure 1.

G. CONCOURSE 0 OPERATIONAL OBJECTIVES

1. The Concourse 0 project will be implemented with similar operational objectives established under the Terminal 1 Modernization Program and Terminal 1.5 Development Program, and to those as described below.

2. Passenger Experience: Provide a high-quality passenger experience in all areas of the concourse consistent with the Southwest Airlines Mission, (which is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit) and meet an Optimum Level of Service as defined by IATA's new Level of Service framework using the average day of the peak month as the measurement.

3. Operational Needs: Provide sufficient space for the passenger and baggage processing activities, support infrastructure, and passenger amenity spaces to the extent feasible within the physical constraints of the site, while also providing components and facilities within the building as may be required by Southwest, LAWA and other stakeholders. A description of the programmatic spaces to be included in the project is provided in the appendix of this PDB.

H. BUILDING PERFORMANCE OBJECTIVES

1. Incorporate energy efficiencies through the incorporation of cost-effective passive and active building systems as necessary to meet California Title 24 requirements and achieve LEED Gold certification under the current USGBC LEED program.

1. It is anticipated that the design will utilize the 2021 edition of the LAWA Design and Construction Handbook.

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2. The building systems shall be designed for energy efficient operations.

3. The building design shall incorporate passive energy efficiency elements into the building design where possible.

4. Ensure single-point-of-failure systems are not installed.

I. REGULATORY REQUIREMENTS

1. Meet current Federal, State and Local regulatory requirements including:

   a). FAA regulations

   b). TSA passenger and baggage security screening requirements

   c). Fire and life safety systems and emergency egress requirements

   d). City, State, and other local building codes, requirements, and standards as determined by the Authorities Having Jurisdiction (AHJ).

J. REFERENCE DOCUMENTS

1. During the development of this PDB, the design team has referenced and produced several documents that are useful in the design development of the project. Below is a list of those reference documents, which are available to the airport and other stakeholders of the project.

   a). "Support Services for Domestic and Fire Water Distribution Systems at Los Angeles International Airport, Sentral Terminal Area" – Dated January 30, 2013

   b). "LAX Utility Infrastructure Plan" – Dated March 11, 2016

   c). "Geotechnical Evaluation Concourse 0 Los Angeles International Airport" (Draft) – Dated July 15, 2022

   d). "Construction Site Best Management Practices (BMP's) Manual – Dated August 2010

   e). "Planning and Land Development Handbook for Low Impact Development (LID) – Dated May 9, 2016

2. As of the printing of this PDB, several other documents have been produced by the Concourse 0 team and delivered to the airport for its acceptance. These documents are listed below, and will be included in their entirety in the appendix of this PDB, which include the following:

   a). "Concourse 0 Building Extension Analysis" – Dated August 2, 2022

   b). "LAX C0/T1E – Pedestrian Bridge Utility Feeds" – Dated September 9, 2022

   c). "LAX C0/T1E – Concourse Building Structural Blast Design" – Dated August 3, 2022

   d). "LAX C0/T1E – Central Utility Plant (CUP) Capacity to Serve Concourse 0 – Dated September 9, 2022

K. INFORMATION TECHNOLOGY INFRASTRUCTURE REQUIREMENTS

1. Provide building systems and technologies necessary to support the building, which include but are not limited to the following:

   a). Building HVAC systems

      i). Automated building management systems

   b). Baggage Handling Systems (BHS)

   c). Access Control Management System (ACAMS)

   d). Fire Protection and Fire Alarm Systems

   e). Smoke Control Systems, as required by Building Code

   f). Emergency Alert Notification Systems

   g). Visual and hearing-impaired Public Phone and Paging Systems

   h). Airport Electronic Display Signage Systems

   i). Flight Information Displays (FIDS)

   j). Baggage Information Displays (BIDS)

   k). Gate Information Displays (GIDs)

   l). Wi-Fi and Distributed Antenna Systems (DAS)

2. Lighting Control Systems

   a). Provide a flexible information technology backbone infrastructure to support a variety of airline and agency operational requirements, including LAWA, TSA, and Law Enforcement users along with other airlines.

L. IMPLEMENTATION

1. The construction of Concourse 0 will coincide with other ongoing capital improvement projects at the airport, including, but not limited to, the APM system and the Sepulveda Blvd. widening and reconstruction project, which may be at various stages of completion. Coordination of Work is necessary and required to support the efficient construction of each project to ensure an acceptable landside and airside operating environment is maintained.

2. The project will incorporate safety and airline operating requirements into the project's construction and phasing plan, which should include considerations for the following:

   a). The staging of construction equipment and material.

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b). LAWA shall institute communication protocols as necessary to provide Southwest with a reasonable look ahead schedule of construction activities and milestones associated with adjacent or nearby projects being planned and/or constructed.

c). Thirteen active gates at Terminal 1 shall be maintained throughout the duration of construction of Concourse 0, which may require the inclusion of remote hardstands as necessary to be located within the Concourse 0 site boundary.

3. During construction, the use of a tribal monitor and cultural resource monitor prior to and during construction of the Concourse 0 Project (consistent with the LAWA Archaeological Treatment Plan and Landlord's agreement dated July 6, 2020, with the San Gabrieleno Band of Mission Indians Kith – Nation, and FAA requirements).

M. WARRANTY REQUIREMENTS

1. The Concourse 0 program is intending to comply with the minimum warranty requirements defined for each system of the building as described in the LAWA Design and Construction Handbook. The date upon which the warranty period will begin will coincide with the date a temporary certificate of occupancy for the building is issued by The City of Los Angeles.

N. PROPRIETARY & NON-PROPRIETARY IMPROVEMENTS

1. The proprietary and nonproprietary improvements and equipment to be constructed or installed by the program will be delineated through a set of exhibits located in the appendix of this PDB. A methodology chart is also included in the appendix of this PDB that will help determine, which improvements are proprietary versus improvements that are nonproprietary.

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1.1. FACILITY OVERVIEW

A. OVERVIEW

1. Subsequent chapters of this PDB include thorough descriptions of the design requirements for the Concourse 0 facility. Below is a general description of these requirements and an outline of how each will impact the design goals of the project.

2. Airfield and Gate Layout

   a). Concourse 0 is planned to include eleven ADG-III narrow body aircraft gates. A total net gain of nine new gates will be added to the Terminal 1 complex at LAX as two existing gates must be repositioned onto the new concourse building. This will give the completed Terminal 1 complex a total of twenty-two aircraft gates. The taxilane, aircraft parking apron, and concourse holdroom seating areas, will be designed to accommodate these narrow body aircraft as the base case. An alternate aircraft parking layout has been developed to evaluate the ability to have four ADG-V wide body aircraft parking positions located around Concourse 0 with modified taxilanes within the Concourse 0/Terminal 1 apron area to meet ADG-V standards.

3. Site Infrastructure Improvements

   a). A significant grade difference will exist between the landside and airside portions of the site ranging from approximately 13 to 15 feet. In order to transition the function of the site from landside to airside and align the existing airfield grade, the Concourse 0 site will require substantial imported fill, site grading, and development to raise the existing ground elevation up to match that of Terminal 1. Detailed site development engineering will be required to prepare a comprehensive site development plan. Runway slope and drainage will be coordinated with the new apron slopes. Taxiway to taxilane connections will be designed per current FAA guidelines.

4. Concourse 0 Space Program

   a). Space program requirements for all components of Concourse 0 have been developed and are described in subsequent sections of this PDB. In summary, the new concourse will require the construction of a three-level building with total gross floor area of approximately 650,000sf.

   b). In addition to the new spaces created by the construction of Concourse 0, the program will require existing spaces within Terminal 1 to be renovated. A description of these spaces is provided within the exhibits located in subsequent sections of this PDB.

   c). Below is a general summary of spaces and programmatic functions to be provided on each of the three main levels of the Concourse 0 building.

      i). Level 1 Arrivals

      - The existing CBIS and CBRA in Terminal 1 will be relocated to Concourse 0, which will provide space in the existing Terminal 1 Arrivals Level for additional bag claim area that will be renovated for two new Bag Claim devices.
      - A "core & shell" space of approximately 100,000sf for a future FIS facility.
      - Building mechanical, electrical, plumbing, and other system support spaces needed for the new concourse building.
      - Loading dock and concession storage spaces to support the operational needs of the building.
      - Trash compactors, recycling bins and organic waste collection bins for the removal of all waste from the building.
      - An exterior service yard, which will house the building's standby generator, and triturator unit.

      ii). Level 2 Departures

      - A new baggage sortation and makeup area. The existing baggage sortation and makeup area located under the Terminal 1 concourse will remain in place for LAWA's use.
      - Additional ramp operations space will be provided throughout this level of the building for Southwest, LAWA and other airline/tenant needs.
      - An expanded security screening checkpoint area will be provided to accommodate anticipated, future passenger processing needs.

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iii). Level 3 Concourse

- Eleven new passenger holdrooms will be located throughout the new concourse on this level.
- Concession lease spaces will be distributed around the concourse level, which will provide a variety of food & beverage and retail opportunities. Where possible, food & beverage concessions will be integrated into holdrooms with visual connectivity to boarding gates.
- Four large public restrooms will be located around the concourse and will be designed to accommodate projected passenger levels.
- Areas to enhance the passenger experience such as art display areas, and performance spaces will be provided.
- Building mechanical, electrical, and IT spaces will be located throughout the concourse level to provide necessary infrastructure to support the building.

iv). Level 4 APM

- A pedestrian bridge will be provided between the building and the East APM station and will be located adjacent to the vertical circulation core within the building at this level.

v). Roof

- A multi-level roof design that layers the scale and visual massing of the building will be explored. Any mechanical equipment located on the roof will be grouped and screened so that it will not be visible from passing motorists and pedestrians. Open and visible non-screened rooftop areas will be kept free and clear of equipment to the extent possible. Screened Areas will be sized to reasonably accommodate the future installation of roof mounted equipment and antenna. As it relates to the future installation of equipment, LAWA, Southwest, other Airlines will install rooftop equipment within screened areas unless proven impractical to do so.

vi). Vertical Circulation Core

- The project will provide a vertical circulation core connecting all critical levels of the building with elevators, escalators, and stairs. The design of the vertical circulation core will comply with the Terminal Vertical Core design standards developed by LAWA to the extent possible.

5. Miscellaneous Areas

a). Each building level will include the necessary rooms, shafts and vents required for mechanical, electrical, and information technology equipment, janitor's closets, storage spaces for large building maintenance equipment and other supplies.

B. FACILITY OPERATIONAL & SUPPORT SYSTEMS

1. In addition to defining the project facility and space program requirements, concept plans and implementation plans, subsequent sections of this PDB also describe the performance requirements for key aspects of the building system components that will need to be addressed during design. The design requirements for each component of Concourse 0 will be defined as the design of the project progresses to completion.

C. CONCOURSE 0 CONCEPT PLANS

1. The concept plans included within the appendix of this PDB graphically describe the proposed building organization, layout, and adjacencies. Plans are intended to illustrate the written portions of this Project Definition Book.

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This Exhibit contains only an excerpt of the full document. Please contact Christine Kalamaros for the full document.

Christine Kalamaros
Property Manager
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Los Angeles World Airports
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Ckalamaros2@lawa.org

LAWA
LOS ANGELES WORLD AIRPORTS

Comment Log - 2022 Design & Construction Handbook (DCH), Dated 11-17-22

Southwest Airlines - Concourse 0 Project

Tracking #A-LAX-13868

No.	Reviewer Name	Division	Email	Phone	Review Stage	Comment Date	PERT Review Comments	Dwg or Spec Section	Designer Response	Status
1	Talmage Jordan	EPD	TJORDAN@LAWA.ORG	424-646-5190	PDB	10/18/22	Continue to communicate plans for removal of wells, remediation soil-vapor-extraction (SVE) equipment, and proposed installation of vapor barriers and new remediation equipment to EPD.	PDB		Open
2	Don Chinery	TDG CALM	dchinery@lawa.org	424-646-7533	PDB	10/18/22	Laydown Map revised - limits were incorrect - please use map sent by email	PDB		Open
3	Eric Ly	TDG-APU	ely@lawa.org	424-646-5183	PDB	10/19/22	LAWA requires a holistic approach to the wayfinding system. Please provide graphic for proposed new signs in their locations and message schedule if applicable.	General		Open
4	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Section 1.2 M. Warranty Requirements should start at acceptance by LAWA, not as determined by a building department occupancy. Various elements of construction are also after a TCO date, and would require different warranty dates. Revise language. Building department occupancy is different than beneficial use taken by the Airport.	Pg. 11		Open
5	Cristina Sjider	TDG	csijder@lawa.org	4246465776	PDB	10/19/22	Section 5.2- G. Pump Room/Energy Transfer Station, Item 1.b- Revise 'plate & frame heat exchangers' to 'brazed plate heat exchangers'. The brazed plate heat exchangers are preferred by LAWA CUP for its durability and ease of maintenance.	P.81, Sec. 5.2 Mech Systems		Open
6	Cristina Sijder	TDG	csijder@lawa.org	4246465776	PDB	10/19/22	Section 5.2- C. Hybrid Displacement Ventilation System- Provide submittal and examples for LAWA TDG- APU & LAWA FTS to review.	P.81, Sec. 5.2 Mech Systems		Open
7	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Letter of pg. 225 and referenced on pg.10 (Section 1.2 J Item 2.c) should be struck from the PDB. Information pertaining to the this item is considered SSI and was discussed between LAWA and members of the project team.			Open
8	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Pg. 86 Back of House Lighting Table appears to have an error under Back Of House lighting and table appears to have been cut-off.	Pg. 86 Section 5.4		Open
9	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Pg. 171 SSCP level does not call out associated spaces north of the machines. (e.g. LEO podium, TSA supervisors or others).	Pg. 171		Open
10	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Pg. 171, enlarged SSCP footprint displaces LAWA storage space. Advise if a suitable makeup location has been identified.	Pg. 171		Open
11	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/19/22	Pg. 187 Advise on Illuminated Graphic Perf. Panels and if this is a new concept.	Pg. 187		Open
12	Sang Kim	TDG-GIS	skim@lawa.org	424-646-5782	PDB	10/20/22	GIS needs DWG and/or SHP files(s). All data and files provide to GIS should follow "10.02 IT Data and Drawings" LAWA standard under DCH link on Pg. 43 4.1.D.1	Pg. 44 Section 4.1.E		Open
13	Greg Nagy	APU	gnagy@lawa.org	424-646-5284	Prelim Site Limits	10/20/22	Project limits should be updated to most recent agreement with TWY D&E Easterly Extension Team			Open
14	gary esquibel	APU-PDG	gesquibel@lawa.org	951-809-0111	PDB	10/20/22	Provide language clarifying conveyances (elev, esc) to be provided with voltage sag protection equipment as per LAWA DCH.	Electrical		Open

Date Printed: 3/8/2023

LAWA
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Comment Log - 2022 Design & Construction Handbook (DCH), Dated 11-17-22

Southwest Airlines - Concourse 0 Project

Tracking #A-LAX-13868

No.	Reviewer Name	Division	Email	Phone	Review Stage	Comment Date	PERT Review Comments	Dwg or Spec Section	Designer Response	Status
15	Steve Ehrlich	TDIP	sehrlich@lawa.org	424-646-5756	PDB	10/20/22	To reduce interproject dependencies and allow better "self" control of site construction, consider including the demolition of the Skyway bridge and adjacent roadwork as part of the scope and project limits.			Open
16	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	10/20/22	Investigate/consider nearby relocation sites for trash compactors near existing Gate 9 and 11A. Proximity of vendor/custodial trash is concerning for complex. A trash study and assessment of current and future needs is desirable.	Pg. 171		Open
17	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	10/20/22	Advise if all the families Jet Blast profiles been run. A350-1000, B777-300, and 787 families for Group V. Has an analysis been run on just the Group III Aircraft. Consider showing others be shown.	Jet Blast Studies 7.15		Open
18	Kwok Su	CALM	ksu@lawa.org	424.220.0651	PDB	10/21/2022	Coordinate signage and communication for the permanent closure of Post 3. Provide logistics for alternative airfield access. Coordinate with VAAU, SACU, CALM.	Preliminary Site Limits		Open
19	Vinita Waskow	EPU	vwaskow@lawa.org	424.646.5131	PDB	10/21/22	See EIR Mitigation Monitoring and Reporting Program uploaded to project documents. ***JP - Acknowledged. This has been incorporated into the lease-agreement as well.***	NA		Closed
20	Vinita Waskow	EPU	vwaskow@lawa.org	424.646.5131	PDB	10/21/22	Please contact Brenda Martinez-Sidhom at bmartinez-sidhom@lawa.org for LAX Design Guidelines Compliance	NA		Open
21	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Provide a glossary to summarize all abbreviations and acronyms used throughout the PDB.	NA		Open
22	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Make sure that the new AOA perimeter fence is part of the scope of work for C0 project or for the enabling projects.	Section F (Page 9 of 230)		Open
23	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Make sure that ADA requirements are included in this Section.	Section I-1.d (Page 10 of 230)		Open
24	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Ensure that existing pavement, curbs and sidewalks are demolished and removed (not left in place).	Section 1.1 -A (Page 13 of 230)		Open
25	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	The paragraph indicates that "the apron pavement will try to tie as best as possible to the existing concrete pavement". Explain what is meant by this statement.	Section 2.1-B.2 (Page 17 of 230)		Open
26	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Clarify if widening of Sepulveda Blvd will be done by LAMP or by CALTRANS. ***JP - Not in scope, not pertinent for Southwest PDB.***	Section 2.2-A.1.e (Page 19 of 230)		Closed
27	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Is there a timeline for Twy D & E extension to occur? Would C0 work occur simultaneously? ***JP - Part B of the PDB will include coordination scheduling with other project interdependencies.***	Section 2.2 - B.1 (Pages 19 and 20 of 230)		Closed
28	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Specify version (year) of DCH will be used for the aircraft gates.	Section 3.2.B.1 (Page 27 of 230)		Open
29	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Provide a list of municipal utility agencies that the designer will be coordinating with.	Section 3.6.A.1 (Page 35 of 230)		Open

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30	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Indicate whether the electric power to C0 will be supplied by RS-X or RS-N.	Section 3.6.H (Pages 36 and 37 of 230)		Open
31	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/25/22	Confirm primary power from RS-X and redundant power from RS-N			Open
32	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Coordinate design of fueling system with Fuel System Analysis Report , dated 1/13/2022 by HOK/ARUP.	Section 3.7 (page 39 of 230)		Open
33	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Verify if CALTRANS needs to be included in list of AHJs.	Section 4.1.B.2 (Page 43 of 230)		Open
34	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Paragraphs G & H have the same title (INBOUND BAGAGGE). Consider changing one of the titles.	Section 4.4.G & H (Page 52 of 230)		Open
35	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Consider CALTRANS code, and traffic manual (WATCH manual) to list of applicable criteria, codes and standards. *JP - Not applicable to Life Safety*	Section 4.9.B Page 61 0f 230)		Closed
36	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Indicate whether the electric power to C0 will be supplied by RS-X or RS-N. ***JP - Duplicate***	Section 5.3 (Page 83 of 230)		Closed
37	Juan Yanez	TDG-APU	jyanez@lawa.org	310.877.0233	PDB	10/25/22	Indicate minimum degree of compaction required for proposed fill. ***JP - To be addressed in later submittals.***	Figure 7.14 (Page 211 of 230)		Closed
38	David Kim	TDG-APU	dkim@lawa.org	424-646-5861	PDB	10/25/22	Instead of "MSC facility" it should be "West Gates at TBIT"	1.2, E, 2, e (Page 9)		Open
39	David Kim	TDG-APU	dkim@lawa.org	424-646-5862	PDB	10/25/22	LAWA DCH should be one of the Concourse 0 Operational Objectives	1.2, G (Page 9)		Open
40	David Kim	TDG-APU	dkim@lawa.org	424-646-5863	PDB	10/25/22	Clarify if 11 or 13 gates at C0. Page 8 and page 13 contradict each other.	1.1, 2, a (Page 13)		Open
41	David Kim	TDG-APU	dkim@lawa.org	424-646-5864	PDB	10/25/22	Is international bag claim accounted for in the FIS space?	1.1, A, 4, c, I (Page 13)		Open
42	David Kim	TDG-APU	dkim@lawa.org	424-646-5865	PDB	10/25/22	Airport Police Station is no longer located at the site.	2.1, A, 3 (Page 17)		Closed
43	David Kim	TDG-APU	dkim@lawa.org	424-646-5866	PDB	10/25/22	"Intermodal Transportation Facility West (ITF West)" should be "LAX Economy Parking"	2.2, A, 1, a (Page 19)		Open
44	David Kim	TDG-APU	dkim@lawa.org	424-646-5867	PDB	10/25/22	TNC users should be noted in the APM passenger note	2.3, A, 3 (Page 21)		Open
45	David Kim	TDG-APU	dkim@lawa.org	424-646-5868	PDB	10/25/22	Please clarify "Other demands for vertical circulation within the terminal were not considered." Vertical circulation should also account for airport employees utilizing APM. Not only the passengers	2.3, D, 3 (Page 22)		Open
46	David Kim	TDG-APU	dkim@lawa.org	424-646-5869	PDB	10/25/22	Vehicle parking needs to accounted for in apron design	3.2 (Page 28)		Open
47	David Kim	TDG-APU	dkim@lawa.org	424-646-5870	PDB	10/25/22	Confirm if grounding rod is needed for fueling operation	3.7 (Page 39)		Open
48	David Kim	TDG-APU	dkim@lawa.org	424-646-5871	PDB	10/25/22	Provide Adult changing room	4.8 (Page 60)		Open
49	David Kim	TDG-APU	dkim@lawa.org	424-646-5872	PDB	10/25/22	Confirm PDB complies to all DCH requirements. If not, incorporate exemption requests.	Page 82, 85, 87, 98		Open
50	David Kim	TDG-APU	dkim@lawa.org	424-646-5873	PDB	10/25/22	Define "loads" mentioned in the Emergency Power System	5.3, C, 5, b & c (Page 87)		Open
51	David Kim	TDG-APU	dkim@lawa.org	424-646-5874	PDB	10/25/22	Confirm that trash compactors meet LAWA's requirements	5.14, C, 3 (Page 111)		Open

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52	David Kim	TDG-APU	dkim@lawa.org	424-646-5875	PDB	10/25/22	Why isn't the long-term projection shown for OAL at T1.5 SSCP when near-term design accounts for OAL?	Page 135		Open
53	David Kim	TDG-APU	dkim@lawa.org	424-646-5876	PDB	10/25/22	Why isn't the long-term projection shown for OAL for the bag claim when near-term design accounts for OAL?	Page 142		Open
54	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	10/20/22	Provide context of where the cut-section is being taken.	Pg. 183		Open
55	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	page 9 Item H. bullet number 1 is used twice in a row.	page 9 Item H.		Open
56	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	page 14 item vi change title of referenced document from Terminal Vertical Core design standards to Terminal Core and Facade Design Requirements.	page 14 item vi		Open
57	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	The current published version of the DCH is 2022. This PDB makes multiple reference to using the 2021 DCH. Please confirm it that is the correct intent.	page 9 Item H. second bullet number 1, and page 43 item D 1,		Open
58	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	page 14 item IV and page 21 item B change word bridge to walkway for code purposes. Same comment for entire PDB	page 14 item IV & page 21 item B 1		Open
59	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	Add reference to comply with LAX Design Guidelines as included within the DCH.	General comment.		Open
60	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	Since LINXS is maintaining the existing APM Pedestrian walkway east of parking structure 1, who will maintain the new pedestrian walkway extension leading from the APM portion to the new C-0?	General comment.		Open
61	Daniel Sneed	TDG-APU	dsneed@lawa.org	424-646-6786	PDB	10/26/22	Will points of connections be provided within the LINXS portion of the APM Pedestrian walkway east of parking structure 1 to allow for new tie-ins by the new C-0 Pedestrian walkway interface?	General comment.		Open
62	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/27/22	Per discussion with Airport Police. Elevators serving areas that access the AOA require vestibules with ACAMs. Confirm Freight/Service elevators all have ACAM'd vestibules, confirm freight elevator has a vestibule in front of Freight elevator 11.	Pg. 173		Open
63	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/27/22	Advise on how maintenance/facilities is going to be get to the get to the roof. No stairwell/portal or others appear present. Facade access equipment and others need to be considered in terms of materials needs that need to get to the roof.	Pg. 175		Open
64	Sang Kim	TDG-GIS	skim@lawa.org	424-646-5782	PDB	10/27/22	Pg. 44 Section E need to clarify that all drawings for GIS group for review should provide DWG and PDF especially from 60% Design Progress Review stage and after. Those should meet DCH 10.02 IT Data and Drawings standards.	Page 44 Section E		Open
65	Sang Kim	TDG-GIS	skim@lawa.org	424-646-5782	PDB	10/27/22	When the project submits Geotechnical Report, please include georeferenced location/point data in DWG and/or GIS file format. DCH 10.02 IT Data and Drawings standards	General comment.		Open

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66	Sang Kim	TDG-GIS	skim@lawa.org	424-646-5782	PDB	10/27/22	When the project submits Site Investigation Report, please include georeferenced location/point data in DWG and/or GIS file format. DCH 10.02 IT Data and Drawings standards	General comment.		Open
67	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/27/22	Identify locations to be solar-ready on the roof	Pg. 175		Open
68	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	10/27/22	Provide a narrative within the electrical systems on equipment to be provided to be solar-ready.	Electrical		Open
69	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8107	PDB	10/28/22	How many of the gates are common use? Who will manage the common use gates, LAWA or WN?	General comment.		Open
70	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8108		10/29/22	For airport consistency please consider Safegate VDGS to match TBIT and MSC	General comment.		Open
71	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8109		10/30/22	Will WN require alternate gates from the airport during construction that will impact gates 9, 11A and possibly 11B, 13 and 15	General comment.		Open
72	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8110		10/31/22	If not adding ticket counters and gates are common use, then does WN plan on allowing other airlines to use their counters or will they reduce the amount that are leased? With no counters for other airlines then common use doesn't seem possible. It is being set up only for WN check in operations with no common use counters. There will be charter counters on arrivals from what I read, but that is not the same.	General comment.		Open
73	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8109		10/30/22	Will the 400hz power and PC Air be attached to the PBBs or standalone units?	General comment.		Open
74	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8110		10/31/22	I recommend the PBB manufacturer be the same as TBIT if common use or same as T1 if southwest will mostly be using the gates	General comment.		Open
75	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8111		11/01/22	Under planning and authority entities you may want to include Customer and Border Protection (CBP) even you are only building an FIS shell. They have requirements for FIS facilities and it may be best to have their input now rather than later.	General comment.		Open
76	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8110		10/31/22	If the loading dock will be airside make sure truck operations in the area do not impact adjacent gates. Maybe paint some truck staging areas if there is room.	General comment.		Open
77	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8110		10/31/22	It appears to me the 4 proposed RONs in the TXL between concourses will be hard to manage. If WN is managing some gates and LAWA the others please define how that coordination will work.	General comment.		Open
78	Rodney Thompson	Terminal Ops	rthompson@lawa.org	310-491-8111		11/01/22	If there are no additional ticket counters then why have Group V gates? Who will use those and who will manage the MARs configuration and gate adjacency rules? If having Group V is a must for some reason then I only recommend one, on the NW corner of the east concourse. The ones deep in the alley will be a jet blast safety concern. Also WN does not have Group V aircraft. If we do assign Group V then it will be easier for one entity to manage all the gates and adjacency rules. Two entities cannot manage the same gates.	General comment.		Open

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79	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8257	PDB	10/28/22	ADG III design base aircraft should be the Boeing 737 Max 10 and the Airbus A321 NEO. The Boeing 737-800W does not constitute full ADG III capability.	Page 8		Open
80	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8258	PDB	10/28/22	Please explain the term "modified taxilanes" for ADG V activity.	Page 13, Section 1.1 A, 2, a		Open
81	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8259	PDB	10/28/22	Any grade should be as close to zero as possible. Any grade should be away from the gate apron area to reduce the need for excessive break away power..	Page 13, Section 1.1, A, 3, a		Open
82	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8260	PDB	10/28/22	Parked aircraft shall have a separation of 25' as identified in AC 150/5300-13B	General comment		Open
83	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8261	PDB	10/28/22	The Terminal Design Advisory Circular needs to be adopted and incorporated into the list of ACs being used for the terminal design. 150/5360-13.	Page 25, Airfield Design requirements		Open
84	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8262	PDB	10/28/22	Breakaway and jet blast exposure shall not exceed the limits outlined in AC 150/5300-13B. Especially for ADG V aircraft departing the apron and taxi-lane area. There shall be no negative of safety hazards present.	General comment		Open
85	Vinita Waskow	EPU	vwaskow@lawa.org	424.646.5131	PDB	10/28/22	Construction team must adhere to the Section 106 Coordination agreement regarding Tribal monitoring (uploaded to documents) prior to grading and excavating. Please contact Environmental Planning Unit (Brenda Martinez-Sidhom at bmartinez-sidhom@lawa.org) 90 days prior to excavation.	NA		Open
86	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8257	PDB	10/28/22	TDG should be used not AAC as described in AC 150/5300-13B	Page 25, apron grading section 2		Open
87	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8257	PDB	10/28/22	The Airfield Signaled AC also needs to be adopted and used. 150/5360-18G	Page 25, Airfield design requirements		Open
88	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8258	PDB	10/28/22	VSR widths shall remain constant in all areas	Page 27, 3.2, C,1		Open
89	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8259	PDB	10/28/22	Considerations need to be made to account for GSE equipment staging and storage.	General comment		Open
90	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8260	PDB	10/28/22	30 MPH jet blast values need to be used to determine negative and safety impacts to adjacent apron areas	Page 33		Open
91	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8261	PDB	10/28/22	TERPS surfaces also need to be evaluated for obstacles.	Page 33		Open
92	Cary Buchanan	Airport Operations	cbuchanan@lawa.org	424-646-8262	PDB	10/28/22	Having a modified ADG V gate configuration is not a preferred design condition.	Page 33		Open
93	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	General: In case of discrepancies between PDB and DCH, the DCH or the more stringent requirements shall apply	All IT/technology related sections		Open
94	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	The MPOE/sub-TR localized 30KVA/20KVA UPS units shall be monitored through the Sitelink/Site Scan system as defined in the DCH and IT Infrastructure Standards of Practice	Page 83 - 5.3.A.6		Open
95	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	nLight is also an acceptable product for lighting system (Used at MSC, ITF West, SBO and other locations throughout LAWA)	Page 86 - 5.4.C.2		Open

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96	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	The lighting system in addition to being monitored by BMS/FMCS shall also be monitored by the manufacturer's Lighting Control System for granular monitoring and controls as per the DCH	Page 86 - 5.4.C.2		Open
97	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	The IT Infrastructure Standards of Practice Volumes 1-3 that correspond to the 2021 DCH is R4.2, November 29, 2018	Page 88 - 5.5.A.1.c.iii		Open
98	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	The extension of the existing service from Terminal 1's MPOE does not mean the extension of the network architecture in terms of distribution and access layer. The physical and logical design of the network shall be coordinated with LAWA IT and be in compliance with the DCH. Deviation from DCH with respect to the design of the network shall be coordinated and approved by LAWA IT during the design process	Page 88 - 5.5.A.2		Open
99	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	Fiber optic cabling between MPOE, MDR, TR shall be designed in a redundant fashion (separate cable/strand bundle) and with path diversity as much as possible (no single point of failure).	Page 89 - 5.5.A.6		Open
100	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	Pathways shall be designed with path diversity in mind	Page 89 - 5.5.A.7		Open
101	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	Should read The Main Distributor Room shall have redundant Distribution switches (PE) installed instead of "core Distributor switches installed"	Page 89 - 5.5.A.8.b.i		Open
102	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	AED cabinets will be deployed throughout the terminal. Location will be coordinated with APD	Page 91 - 5.5.B.5		Open
103	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	Design, coverage density and implementation of the Wi-Fi system shall comply fully with LAWA DCH	Page 92 - 5.5.B.6		Open
104	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	PDB states "The Public Safety Distributed Antenna System (DAS) is intended to amplify cellular signals within the terminal to provide radio coverage for the LAFD, APD, and LAWA OPS". ERRC systems do not include the amplification of cellular (as in mobile phone) signals. Cellular DAS is a separate system than ERRC DAS.	Page 93 - 5.5.D.1.a		Open
105	Ray Parvaresh	IMTG	rparvaresh@lawa.org	424-646-6875	PDB	10/28/2022	No specific mention of Cellular DAS. May require further study/discussions to assess the need and requirements at Concourse 0.	5.5.B		Open
106	Silas Minor	TDG	sminor@lawa.org	424-646-5703	PDB	10/28/2022	LAWA projects that the CUP has capacity for the average day demand of hot and chilled water for C0, however, the CUP may be strained to deliver peak day demands. The designer will have to discuss with LAWA their assumptions for average and peak day demands for confirmation.	3.6 D		Open
107	Silas Minor	TDG	sminor@lawa.org	424-646-5703	PDB	10/28/2022	West Basin currently delivers reclaimed water suitable only for irrigation. Advanced-treated recycled water, sourced from Hyperion Water Reclamation Plant, will be used within the CTA, including at C0. Water is scheduled to be available in 2023.	3.6 E		Open
108	Edmond Hagopyan	TDG-APU	ehagopyan@lawa.org	424-646-5761	PDB	10/28/2022	Seismic design criteria shall be per the latest ASCE7 adopted so far which is 7-16.	page 78of 230		Open

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109	Edmond Hagopyan	TDG-APU	ehagopyan@lawa.org	424-646-5761	PDB	10/28/2022	Seismic importance factor per LAWA DCH to be 1.5 or PBE methods to be used for enhanced seismic performance.	page 78of 231		Open
110	Edmond Hagopyan	TDG-APU	ehagopyan@lawa.org	424-646-5761	PDB	10/28/2022	include in PDB the requirement to design non-structural component anchorage for 1.5SDS, per DCH	structural		Open
111	William Miranda	TDG-APU	wmiranda@lawa.org	424-646-8600	PDB	10/28/2022	Include urinals in the list for uses of Recycled Water.	pg. 97 5.7A(2)(f)		Open
112	William Miranda	TDG-APU	wmiranda@lawa.org	424-646-8600	PDB	10/28/2022	Remove the mention of Modified Hunter's Curve. Design of the plumbing system must follow LA City Requirements. (Cold & Hot Water)	pg. 97 5.7(D) & (E)		Open
113	William Miranda	TDG-APU	wmiranda@lawa.org	424-646-8600	PDB	10/28/2022	Update the fire sprinkler piping material to comply with the DCH 21 13 13 and 21 13 16 Wet pipe shall be Standard Weight, Schedule 40 Black-Steel Pipe: ASTM A53 / A53M, Type E, Grade B, ERW pipe or ASTM A106, Grade B, seamless steel pipe. Dry pipe shall be Standard Weight, Schedule 40 Black-Steel Pipe: ASTM A53 / A53M, Type S, Grade B or ASTM A106, Grade B, seamless steel pipe.	pg. 100 5.8H		Open
114	Tom Hellwig	TDIP	THELLWIG@lawa.org	464-646-7370	PDB	10/30/2022	Correct tribe name from "Kith" to Kizh".	pg. 11 L. 3.		Open
115	Tom Hellwig	TDIP	THELLWIG@lawa.org	464-646-7370	PDB	10/30/2022	2,00 Tons appears to be a typo.	pg. 81 5.2 H. 1. c)		Open
116	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Concessions Program Area. Confirm/identify programmed Concessions Area based on Near-Term & Long-Term SF per 1,000 Epax. Establish a minimum (target) Long-Term SF per 1,000 Epax equal to (or greater than) the current value Concessions Area for T1 (Current = 6.8 SF per Epax).	Section 4.7		Open
117	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	LT-DDFS. Confirm WN's LT-DDFS assumption for remote/busing operations from T1.5 to/from MSC (TBIT-West) for at least 4-gate operations. As provide, the T1/C0 ADG-III airfield layout only accommodates a 22-gate operation.	Section 7.1		Open
118	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Ticketing. As stated in the PDB, WN asserts how existing T1.5 & T1 Ticketing and Check-In Counters are 'adequate' to serve the completed T1.5/T1/C0 terminal complex. Provide additional clarification around the Near-Term DDFS assumptions, requirements for "Other Airline" and address where/how Common-Use Ticket Counters will support the ADG-V airfield configuration at C0. Clarification(s) to include checked baggage induction/check-in, screening capacity/location, and baggage make-up (current and construction phasing) prior to C0 completion.	Sections 4.3		Open
119	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Ticketing. As provided in the PDB, WN's Near-Term DDFS assumes a minimum of 4-gates (22-flights) being utilized by "Other Airlines". Provide adequate accommodations for where/how these Common-Use Ticket Counters are provided in the overall T1.5/T1/C0 program. As currently illustrated, no Ticket Counters are noted for "Other Airlines".	Sections 4.3 & 7.1		Open

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120	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Ticketing. As provided in the PDB, the C0 ADG-V Airfield Layout assumes "Other Airlines" operating from C0. Identify, in plan, the location/provisions for Common-Use Ticket Counters, ATO and BSO for "Other Airlines" operating from T1.5/T1/C0 and gated in C0.	Section 7.6		Open
121	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Airfield Layout. The PDB for C0 illustrates either an ADG-III or ADG-V airfield layout; however, the PDB does not illustrate where/how Common-Use facilities are addressed to accomplish the ADG-V airfield layout, nor where/how RON parking will be address in the final design for C0.	Sections 3.5 & 7.6		Open
122	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Baggage Make-Up. In support of "Other Airlines", how will the planned Common-Use Baggage Make-Up units in T1 be supported? Are this LAWA - Common-Use Baggage Make-Up units fed from either the T2/3 CBIS and/or the C0 CBIS?	Sections 1.1 & 7.6		Open
123	David Arredondo	CDD	darredondo@lawa.org	424.354.6331	PDB	10/28/2022	Terminals 1 & 1.5 Real Estate. As part of the C0 development program the PDB asserts that WN 'may' vacate/relocate current support space at both the T1 Apron (Baggage Make-Up) and T1.5 Office Level (WN Flight Ops & In-Flight Services) to C0 and make space available for 'other LAWA tenants'; however, the PDB does not define where/how passenger processing for "Other Airlines/Tenants" would be accommodated or supported by the C0 Program or facility improvements.	Sections 6.3 & 7.6		Open
124	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	11/1/2022	On behalf of APD VAAU. Consider installation/procurement of additional bomb-proof trash bins in Landside areas	General Comment		Open
125	Sophie Cai	TDG-APU	qcai@lawa.org	424-646-7133	PDB	11/1/2022	Facility naming used in the PDB are working names during design & construction. New facility naming will be adopted according to the LAX Wayfinding Strategy. (e.g. APM east station will be station C). Confirm the verbiage on signage with LAWA in the design phase.	General Comment		Open
126	Sophie Cai	TDG-APU	qcai@lawa.org	424-646-7133	PDB	11/1/2022	Please keep track of how much sqft of on-side media/advertising billboard are removed, and keep APU informed. This is related to the LA city Sign District Ordinance.	2.2.A.b)		Open
127	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	The 2022 LAWA Design & Construction Handbook was published in June 2022. Please confirm that the 2022 LAWA DCH will be utilized (rather than 2021 as indicated in the PDB)	Page 9		Open

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128	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"4.2. A. 4. The Long-Term Design-Day Flight Schedule (LT-DDFS) represents an estimated, maximum quantity of flights that could be operated from the completed Terminal complex by Southwest. This schedule was created and is used to generate the highest foreseeable levels of passenger demand on the completed terminal facility and assumes that the other carriers operating out of Terminal 1 have relocated to other facilities." Was the highest foreseeable levels of passenger demand account for Southwest fleet/pax mix, or common-use (which has higher demand?)? Who is responsible for relocating existing Terminal 1 (1.5) carriers to other facilities? In the event that DOES NOT happen, what does that mean for WN if they operate all gates out of Terminal 1 (including C0)?	Page 47		Open
129	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"4.7 D. 1. Wherever possible, service corridors should be provided to all concession spaces so that the pathway for deliveries and waste removal occurs through back-of-house corridors away from public view." Agree with statement. However, current plans don't reflect this. Make conscious effort to incorporate this logic, particularly at Food & Beverage locations.	Page 57		Open
130	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"2. Passenger activity levels forecast for the Terminal 1 complex will support a Concessions Program of approximately 64,000 SF. The existing Terminal 1 Concessions Program (without C0) is 32,500SF. Therefore, the Concourse 0 project will include a new concessions program of approximately 35,000 SF of new concessions space." Plans within the PDB only include +/-24,000 SF of premise space	Page 57		Open
131	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"3. Currently the design term is planning to supply concession areas with food preparation equipment natural gas." Agreed that gas infrastructure will be provided to food & beverage concession units. Reword.	Page 57		Open
132	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	LAWA is embarking on a comprehensive Wayfinding program which may result in revised/updated Wayfinding Standards. Do not preclude/rule out the ability to be agile in adopting new/updated Wayfinding Standards which may be beneficial for the Concourse 0 program	Page 103		Open

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133	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"D. 1. A 750-gallon or larger Gravity Grease Interceptor will be installed" Size/Quantity of Gravity Grease Interceptor(s) will be based on concessions plan & anticipated loads. Do not rule out more than one Grease Interceptor.	Page 112		Open
134	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"A. 2. b). The existing concession space found on the east end of Terminal 1 will be displaced and replaced with a new concession space of equivalent size so that this concession space may be relocated" Will need to buy-out existing concession at time of impact. Additional concession space is being provided in the C0 Arrivals Level footprint (not replacement/relocation space)	Page 119		Open
135	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"A. 3. a). Several concession spaces on the concourse level may be affected as part of the Concourse 0 program. Each of these spaces will be moved to new concession spaces in Terminal 1 or Concourse 0" Replacement space must be located in Terminal 1. New space in Concourse 0 does not count as replacement space. Any/all impacts may require early termination buy-out. Must define any/all anticipated impacts.	Page 119		Open
136	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	7.1 Planning Calculations Long-term calculations appear to have been generated using Southwest-only factors. Please confirm that this is "worst case" from a planning perspective and that using common-use, wide-body (or mixed) factors will not over-stress building program	Page 125		Open
137	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Need additional explanation/clarifications on Annual Passenger Enplanement Calculations. Project Team to walk-through/explain formulas in future coordination meeting.	Page 130		Open
138	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Other Airlines Ticket Counter positions go from 18 to 9 to 0. Where will Other Airlines who operate out of Terminal 1.5 process passengers?	Pages 131-133		Open
139	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	"Eplanements" is spelled incorrectly	Page 149		Open
140	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	LAWA Principals & Criteria states "Concessions at 8 SF to 10 SF/1000 enplanements. How was did the program team arrive at 5 SF/1000 enplaned passengers (excluding concession seating areas)?	Page 149		Open
141	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Need additional explanation/clarifications on Current Concession Allocation, Proposed Terminal 1 Concession Changes, & Proposed Terminal 1 Complex Concession Program . Project Team to walk-through/explain formulas in future concessions coordination meeting.	Page 150-154		Open
142	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Ensure that adequate/appropriate locations for Luggage Carts (SmarteCartes) are being provided	Page 169		Open

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143	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Need to identify locations for an ATM (1) & vending machines (2). Preferably located within a visible niche.	Page 169		Open
144	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	LAWA CDD planning for a centralized kitchen (immediately below the "knuckle") & adjacent concessions storage (Unassigned 7438 SF & Unassigned 7694 SF spaces)	Page 171		Open
145	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Need to identify locations for ATMs (2) & vending machines (2-4). Preferably located within visible niches.	Page 173		Open
146	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	LAWA Principals & Criteria states "Maximize Revenue Opportunities, including non-aeronautical streams". By locating mechanical rooms (and other building system spaces) on the concourse level seemingly conflicts with that direction. Please justify rationale given the already deficient space allocation for concessions and lack of a common-use lounge location on the concourse level.	Page 173		Open
147	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	LAWA & Southwest have had initial discussions regarding the inclusion of a common-use lounge in this facility. Do not preclude +/-5,000 SF being provided to accommodate a common-use lounge on the concourse level	Page 173		Open
148	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Do not preclude the ability to add dumb-waiters (or other hoisting equipment) between the Departures/Apron and Concourse Levels to support food & beverage concession operations	Page 171-173		Open
149	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Confirm that all concession locations (including storage) do not exceed maximum allowed travel distances to restrooms & mop sinks	Page 169-173		Open
150	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Southwest/Southwest Project Management Team to coordinate with LAWA CDD Concessions team on concessions retail category plan/mix (unit type), concession unit locations, sizes, etc.	Page 173		Open
151	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Southwest/Southwest Project Management Team to coordinate with LAWA CDD Concessions team on generation of a utility matrix indicating infrastructure being delivered to each concession unit	Page 173		Open
152	Mick Waterhouse	CDD	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Southwest/Southwest Project Management Team to coordinate with LAWA CDD Concessions team on generation of a 'Roles & Responsibilities' matrix to define scope of work that will be completed by base building team and future scope of work that will be completed by LAWA (or their concessions partner/future concessionaire)	Page 173		Open
153	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Current furniture layout/configuration solely includes traditional hold room seating. Look for creative opportunities to include alternate seating solutions (countertop seating, fun/creative seating, etc.) where feasible (without impacting seat counts relative to IATA standards)	Page 173		Open
154	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Generally - no objections to proposed 'Outdoor Seating' area. However, who will be responsible for furnishing, maintenance, etc.?	Page 173		Open

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155	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	11/4/2022	For the FIS shell space. Provide rough layout of what a future build-out space may look like to LAWA. Show/verify that the space is sized appropriately and make sure provisions are built-into the shell space for its future build-out	Pg. 169, 171		Open
156	John Plunkett	TDIP	jplunkett@lawa.org	424-356-9033	PDB	11/4/2022	Do not preclude installing vertical transportation between the FIS shell, FIS bus-gate and FIS corridor in this project.	Pg. 169, 171		Open
157	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Ensure compliance with 2022 DCH Section 3.06 (A) Electrical Design Requirements; 1.3 Power Distribution System; A.2	General		Open
158	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Southwest Airlines Project Management team to coordinate with current and future LAWA/Tenant programs/projects that interface with or relate to Concourse 0, including, but not limited to: Taxiway D&E Easterly Extension, ATMP Roadways, Landscaping, Wayfinding, etc.	General		Open
159	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Do not preclude performing building code &/or ADA-required upgrades to the existing Terminal 1 facility as part of the Concourse 0 scope (extension of T1, T1 therefore subject to code-required upgrades for items no longer compliant within two most recent code cycles)	General		Open
160	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Where is the Illuminated Graphic Perforated Panel finish intended for? What are the graphics intended to be? Or is this just a "placeholder" until finishes are further	Page 187		Open
161	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Provide currently anticipated Exemption Requests (historical from T1 or T1.5) based on current stage of design	General		Open
162	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	As part of design development, further evaluate, develop, and refine skylight strategy to complement and enhance overall architecture of building	General		Open
163	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424.646.6434	PDB	10/28/2022	Who is Keith? (Keith's Corner Cafe)	Page 161		Open
164	Stephen Russell	Arup	-			10/21/2022	The PDB should be developed in line with the terms and requirements agreed with LAWA.	1.1 Preface p7 of 230		Open
165	Stephen Russell	Arup	-			10/21/2022	These reference documents were not made available to HOK-Arup and therefore were not reviewed.	1.2.J.2 p10 of 230		Open

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166	Jonathan Meier	HOK	-			10/21/2022	Further to comment #3 above, and Section 1.2.C (Purpose of the Concourse 0 PDB) stating that the PDB will be used as a baseline to evaluate scope changes post-PDB (i.e., a contract document), it would be prudent to be explicit about what scope is included and excluded in this program. As such, statements under Section 1.2.K (IT Infrastructure Requirements) that say things like "include but are not limited to" put all parties in a difficult position to evaluate scope changes post-PDB if the scope is not explicitly defined somewhere (either in the PDB or Lease Agreement, which does not appear to be the case either). For example, the PDB (and this IT section) does not include e-Gates, which are listed in the lease agreement in a list of "enhanced technology" systems that is not comprehensive either. Explicit scope inclusions and exclusions should be defined somewhere as a general comment for the C0 program.	1.2.K p10 of 230		Open
167	Stephen Russell	Arup	-			10/21/2022	There are duplicate numbers through the document. Example is 1.1 which appears on both p7 and p13 without a divide / section cover	Various (section numbering)		Open
168	Stephen Russell	Arup	-			10/21/2022	Confirmation of ADG-V gates upon opening day required	1.1.A.2(a) p13 of 230		Open
169	Stephen Russell	Arup	-			10/21/2022	Please confirm in this section the areas in the existing terminal to be included in scope and it is not clear in the exhibits	1.1.A.4(b) p13 of 230		Open
170	Jonathan Meier	HOK	-			10/21/2022	Roof paragraph mentions multi-level roof which does not match the renderings and the DCH generally requires a flat roof. Please clarify if this implies any deviation from the DCH or what is illustrated in the renderings. Screening of any roof equipment should generally be visually integrated into the building massing and not appear as a standalone element.	p14		Open
171	Stephen Russell	Arup	-			10/21/2022	D6 and D7 taxilanes are to be ADG-V capable	2.2.B.2 p19 of 230		Open
172	Stephen Russell	Arup	-			10/21/2022	Generally support the proposed core arrangement, however the plans included of the proposed C0 core make it difficult to understand the proposed core arrangement due to the mid-levels etc. Please provide additional information on floor levels, sections, axo or walk through snap shots	2.3.D p22 of 230		Open
173	Stephen Russell	Arup	-			10/21/2022	Within some of these standards and criteria, there are recommendations which can be reduced under certain circumstances (i.e. 150/5300-13B wingtip clearance). Where reductions are sought, these should be highlighted and relevant justification or mitigations provided to LAWA for review.	3.1.A.2 p 25 of 230		Open
174	Stephen Russell	Arup	-			10/21/2022	Confirmation of ADG-V gates upon opening day required	3.2.A.1 p27 of 230		Open
175	Stephen Russell	Arup	-			10/21/2022	Please confirm the number of hardstand positions when the apron is planned with ADG-V aircraft	3.2.B.1 p27 of 230		Open

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176	**Stephen Russell**	Arup	-			10/21/2022	150/5300-13B issued 31 March 2022 increased the clearance of airside road around aircraft. Please confirm whether the recommendations under 13B are being met or whether reduced clearances will be sought.	3.2.C p27 of 230		Open
177	Stephen Russell	Arup	-			10/21/2022	Please confirm the provision of services (fuel, PBB, ADGS, power etc.) includes accommodating ADG-V aircraft	3.2 p27/28 of 230		Open
178	Stephen Russell	Arup	-			10/21/2022	Please reference the diagram number showing the ADG-V accommodation - cannot be found.	3.5.B.1(a)		Open
179	Stephen Russell	Arup	-			10/21/2022	DDFS were discussed during the LAWA / SWA workshops and have not been received by Arup. As such, comment `beyond that provided during the workshops cannot be provided on the Terminal Planning Calculations and Requirements.	Chapter 4 - general		Open
180	Stephen Russell	Arup	-			10/21/2022	Does this statement refer to the operation of the facility as single airline operator (i.e. SWA) or including common use gates by OAL?	4.3 p49 of 230		Open
181	Jonathan Meier	HOK	-			10/21/2022	The exterior renderings depicted on p177 and p179 are different designs. The same model should be used to render both day and night views.	Chapter 7 - Appendices		Open
182	Jonathan Meier	HOK	-			10/21/2022	The exterior renderings on p177 and p179 lack detail and resolution on multiple elements including roadway design, landscaping, site elements (e.g., Honeywell compound), and materiality. These renderings represent the new front door of LAX in and around the Gateway area and require the utmost attention to meet LAWA's goals and guidelines for a consistent identity and an enhanced user experience.	Chapter 7 - Appendices		Open
183	Jonathan Meier	HOK	-			10/21/2022	Please confirm the materiality of the retaining/screen walls around the site.	Chapter 7 - Appendices		Open
184	Jonathan Meier	HOK	-			10/21/2022	In general the building footprint is shown inconsistently in site plans and renderings. For example, building footprint shown in plans on pgs. 193-199 is different from p191 and renderings.	Chapter 7 - Appendices (e.g. p 193-199)		Open
185	Jonathan Meier	HOK	-			10/21/2022	In general the floor plans do not clearly indicate the scope of renovation work in T1. While the plans feature a grayscale background to suggest areas that will not be renovated, it is likely that some areas directly adjacent to new work will feature some level of renovation work. Clearly indicating such areas will minimize confusion over the scope of work.	Chapter 7 - Appendices		Open
186	Jonathan Meier	HOK	-			10/21/2022	On the Arrivals Level (p169), the entire curbside area outside the building is undefined. It is not clear the extent of work and what the final curbside condition will be.	Chapter 7 - Appendices		Open
187	Jonathan Meier	HOK	-			10/21/2022	On the Arrivals Level (p169), the recheck function / location is inconvenient for international passengers and should be studied.	Chapter 7 - Appendices		Open
188	Jonathan Meier	HOK	-			10/21/2022	Please show an indicative layout within the FIS area and full sterile corridor network to prove out international processing capability.	Chapter 7 - Appendices		Open

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189	Jonathan Meier	HOK	-			10/21/2022	On the Departures Level (p171), please confirm there is sufficient queuing for all SSCP lanes especially the ones to the far east of the plan.	Chapter 7 - Appendices		Open
190	Jonathan Meier	HOK	-			10/21/2022	On the Concourse Level (p173), locating mechanical rooms on the concourse level is an ineffective use of the most profitable floor space in C0. We recommend finding an alternative way to locate the mechanical equipment to free up that space on the concourse level for either more retail space, more consolidated retail space, or other uses.	Chapter 7 - Appendices		Open
191	Jonathan Meier	HOK	-			10/21/2022	The rendering on p184 indicates an angled façade element on the north pier. This feature appears inconsistent with DCH and the rest of the architectural design.	Chapter 7 - Appendices		Open
192	Jonathan Meier	HOK	-			10/21/2022	The rendering on p183 seems to indicate the suspended ceiling concealing the skylights. Please clarify.	Chapter 7 - Appendices		Open
193	Jonathan Meier	HOK	-			10/21/2022	It is not clear if the proposed site limits plan on p191 indicates the limit of work or general site boundaries. For example, there is no clear delineation of work between C0 and World Way, the extent of demo work is not clear, and there may be work required to make utility connections that may fall outside the boundaries indicated. A series of drawings may be required to clearly indicate the scope of demo and new work.	Chapter 7 - Appendices		Open
194	Jonathan Meier	HOK	-			10/21/2022	On p191, the Honeywell treatment plant location and access does not appear to be fully coordinated. For example, landside access is preferred.	Chapter 7 - Appendices		Open
195	Jonathan Meier	HOK	-			10/21/2022	Utility plans (p201-209) only appear to indicate location of existing utilities and nothing related to the C0 scope of work (e.g., points of connection and limits of work). What is the scope of work required for utilities if not indicated here?	Chapter 7 - Appendices		Open
196	Justin Wortman	HOK	-			10/21/2022	Item 2 indicates that all design and construction issues related to new Honeywell remediation program will be borne by Honeywell. However, additional landscape buffer or other screening devices may be required due to the high visibility of the potential injection pump house and access gate from Sepulveda. PDB should acknowledge that landscape buffers and/or architectural screening may be required as part of the C0 program.	Section 3.4, Pg 31		Open
197	Justin Wortman	HOK	-		PDB	10/21/2022	List of enabling work does not include demolition of Honeywell monitoring well or relocation of ATSAC from basement of abandoned LAPD building.	Section 2.2, Pg 19		Open
198	Justin Wortman	HOK	-		PDB	10/21/2022	Item E from the overview list of enabling work identifies widening of Sepulveda Blvd as enabling work. This is a site constraint, not an enabling project. This item should be consolidated with other site constraints and have process defined for how that boundary will be negotiated with LAWA. Identification of minimum setbacks/rights of way should also be included.	Section 2.2, Pg 19		Open

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Comment Log - 2022 Design & Construction Handbook (DCH), Dated 11-17-22

Southwest Airlines - Concourse 0 Project

Tracking #A-LAX-13868

No.	Reviewer Name	Division	Email	Phone	Review Stage	Comment Date	PERT Review Comments	Dwg or Spec Section	Designer Response	Status
199	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Remove call-outs of specific IT devices (e.g. 9130 Wi-Fi device or Cisco 8851 phone models). Section 5.5 Low Voltage system general. Phone section is calling out 2016 DCH as well.	General Comment section 5.5 Low Voltage		Open
200	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Cut-sections with floor elevations would be helpful in understanding some of the spaces. E.g. How far the grade differential is between the existing T1 arrivals and the new arrivals level in the new Concourse?	General Comment		Open
201	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Is the roof level the same as it is as Terminal 1?	Pg. 175		Open
202	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Consider adding floor elevations to the floor plans to give some perspective on differences.	General Comment		Open
203	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Antenna Farm is mentioned on pg. 93. Can this be illustrated on the presentation plans where a proposed location may be.	Pgs. 93 & 175		Open
204	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Non-Proprietary allocation definitions need to be reviewed/evaluated further with LAWA. Infrastructure should be allocated to spaces depending on their intended future use.	Pg. 228		Open
205	John Plunkett	TDG	jplunkett@lawa.org	424-356-9033	PDB	11/7/2022	Advise where this the group ticketing check-in function will reside on Arrivals the sizing and requirements that would be needed. Does this require some sort of ticketing type of positions/kiosk or other support space?	Section 4.3 item A. 3. (pg. 49)		Open
206	James Owen	TDG	jowen@lawa.org	424-646-6513	PDB	11/8/2022	Revise "LAX Master Plan Mitigation Monitoring and Reporting Program" to "ATMP Mitigation Monitoring and Reporting Program"	Section 4.1, Item B.2.h.v (pg. 43)		Open
207	Stephen Russell	Arup				10/21/2022	The generator backup they have noted is currently 1 x 750kW so is presumably sized for life safety loads only and not for 100% backup as provided on the Delta terminals and proposed for T9.	Section 5.3		Open
208	Jonathan Meier	HOK				10/21/2022	SWA notes that the C0 PDB, schedule, and budget does not reflect any additional requirements that may be related to a threat and vulnerability assessment and associated design basis threat criteria. The need for such criteria should be confirmed with LAWA's security specialist(s).	Section 7.16 Other Reference Documents		Open
209	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Define and agree upon backup requirements with LAWA Operations & Facilities Maintenance			Open
210	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Define and agree to blast criteria requirements with LAWA Operations, Security, and Airport Planning Unit			Open
211	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Further develop conceptual façade design			Open
212	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Clarify/explain the following Operational assumptions (Day 1 & in the future) and confirm with LAWA Operations: -Ticketing Usage (SW & OALs) -Bag Claim Usage (SW & OALs) -Make-Up Capacity (SW & OALs) -Relocation of T1 & T1.5 WN spaces to C0 & back-fill intent			Open

Date Printed: 3/8/2023

LAWA
LOS ANGELES WORLD AIRPORTS

Comment Log - 2022 Design & Construction Handbook (DCH), Dated 11-17-22

Southwest Airlines - Concourse 0 Project

Tracking #A-LAX-13868

No.	Reviewer Name	Division	Email	Phone	Review Stage	Comment Date	PERT Review Comments	Dwg or Spec Section	Designer Response	Status
213	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Clarify/explain the following Day 1 Operational assumptions and confirm with LAWA Operations: -Dual vs single Taxilanes -Group III vs Group V Aircraft Configuration (MARS Gates), Fuel Pits, Apron Lighting, Apron Striping -Confirm 25' wingtip clearance -Use of Bus Gate: Domestic & International			Open
214	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Confirm whether the CUP has available capacity to support C0 requirements/demands			Open
215	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Define common-use facility understanding and intent for both day 1 and future			Open
216	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Define Interior Finish Material selection process and			Open
217	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Define guest experience and innovation initiatives that are being explored and incorporated as part of the C0 program. Coordinate with LAWA Chief of Innovation and Technology to define baseline expectations from a guest experience and technology perspective			Open
218	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Clearly define solar scope included as part of Concourse 0 program			Open
219	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Confirm & incorporate Ramp Operations space requirements for OALs			Open
220	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Confirm that 800 sf/NB gate is being provided for LAWA Operations			Open
221	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Confirm IATA LOS Optimum or C+			Open
222	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Clearly define Anticipated Project Schedule/Expectations (Start & Finish before or after LA28, approach to interdependencies, etc.)			Open
223	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Clearly dilineate scope of work boundaries (site lines, utilities, etc.)			Open
224	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Coordinate removal of billboards with LAWA CDD personnel (advise of date needed removed by in order to give adequate notice, phasing, etc.)			Open
225	Mick Waterhouse	TDIP	mwaterhouse@lawa.org	424-646-6434	PDB	11/17/2022	Coordinate with LAWA TDIP & CDD on the development of the 'Exhibit "X" - C0 Program Interface and Responsibility Matrix'			Open
226										
227										
228										
229										

Date Printed: 3/8/2023

C0 Program Interface and Responsibility Matrix

11-17-22

List of Design & Construction Interfaces with Concourse 0:

Interface / Facility	Contract (if any)
LAWA	CPXX
ATMP	CPXX
Landscaping	CPXX
Groundwater Treatment	CPXX
LAMP	CPXX
Site Utilities	CPXX
Building Systems & Major Equipment	CPXX
Wayfinding and Signage	CPXX
Tenant Improvement Areas	CPXX

Interface	Scope by C0	Scope by Others
LAWA		
Geotech		
AIRFIELD & TERMINAL MODERNIZATION PROGRAM (ATMP)		
Civil Work		
Structural Work		
Landside Access Roads		
Airside / Airfield Improvements		
Security Access Post?		
Other		
LANDSCAPING		
Irrigation System(s)		
Plantings		
Other		
GROUNDWATER TREATMENT		
Authority Approvals		
Treatment Facility		
Access Road(s) and Parking		
LANDSIDE ACCESS MODERNIZATION PROGRAM (LAMP)		
APM Bridge		
Demising Wall(s)		

Interface	Scope by C0	Scope by Others
SITE UTILITIES		
Electrical Power Distribution System		
Emergency Power Distribution system		
Domestic Water and Fire Water		
Hot & Chilled Water		
Recycled/Reclaimed Water		
Sanitary Sewer		
Storm Drain		
Fuel System		
BUILDING SYSTEMS & MAJOR EQUIPMENT		
Structural		
Architectural		
AV Equipment		
Vehicle Service Equipment (incl charging)		
Food Service Equipment		
Loading Dock Equipment		
Conveying Equipment		
Fire Suppression		
Plumbing		
HVAC		
HVAC Instrumentation and Control		
Integrated Automation		
Electrical		
Electrical Instrumentation and Control		
Network Lighting Control		
Architectural Lighting		
Apron Flood Lighting		
Structured Cabling		
Data Communications (incl. LAN, WLAN)		
Voice Communications (incl. VOIP)		
EVIDS (incl. FIDS, BIDS, GIDS, etc)		

Interface	Scope by C0	Scope by Others
Digital Content Management System (incl. IPTV, Digital advertising, Interactive content – could combine with EVIDS)		
Public Address (incl. STI/acoustic performance)		
Clock Systems		
Internal Cellular, Paging, and Antenna Systems		
Radio/TETRA		
Master Intercom		
Access Control (incl. duress alarm, BDRM)		
Security Screening Systems		
Video Surveillance		
Perimeter Intrusion Detection		
Tracking Systems (incl. bag tracking, GLS)		
DAS		
Queue Management		
Fire Detection and Alarm		
VDGS		
PARCS?		
Parking Guidance?		
CUTE		
CUSS		
Baggage Conveying		
Passenger Loading Bridges		
Baggage Reconciliation		
Misc Airport / Airline Systems (eg. AODB, ESB, RMS, etc)		
Any others (Intelligent Transportation Systems, Air/Ground Traffic Control?)		
Hydrant Fueling		
Waste Systems		
WAYFINDING AND SIGNAGE		
Design / Graphics		

Interface	Scope by C0	Scope by Others
Floor / Walls / Ceilings		
Mock-Ups / Prototypes		
Power & Data		
Other		

Exhibit "B-3"

Outline of C0 Final Terms

1. Process for Completion of C0 Program Definition Book.

   (a) Each party agrees to develop and maintain a project team (consisting of a core team and subject matter experts) that will be responsible for reviewing and revising the C0 Final Terms. The joint steering committee will include Landlord and Tenant executives with appropriate levels of terminal development and project delivery experience.

   (b) Unless the parties agree otherwise during the Pre-Term, the parties shall use Landlord's governance structure and processes that have been used for other terminal development projects at the Airport, including, but not limited to, the use of a joint steering committee and a program management team.

2. C0 Project Plan of Finance

(a) The parties shall agree upon Tenant's plan of finance for paying the costs of designing, constructing and equipping the Concourse 0 Project.

(b) The sources of funding shall include one of more of the following:
   (i) Third-Party Construction Financing
   (ii) TIF Loans
   (iii) Long-Term Bond Financing

(c) For each source of financing, the C0 Project Plan of Finance shall include, among other items to be agreed to be Landlord and Tenant, the following (as applicable):
   (i) Lender(s) (including the unsecured rating(s) of the lender(s))
   (ii) Issuer
   (iii) Underwriter(s)
   (iv) Guarantor
   (v) Trustee
   (vi) Debt size and tenor
   (vii) Interest rate, interest rate indices and interest rate modes (i.e., fixed, variable, etc.)
   (viii) Duration of lender's commitment to provide Third-Party Construction Financing and/or Long-Term Bond Financing
   (ix) Call provisions
   (x) Fees
   (xi) Required collateral
   (xii) Financing documents (including which financing documents are subject to review and approval by the CEO)
   (xiii) Conditions precedent and other material conditions, representations and covenants

3. Estimation of Costs; Establishment of Sublease Rent.

(a) Based upon the scope of work developed in the C0 Conceptual Design Phase, the parties shall agree upon estimated costs of the various projects, including:

(i) Minimum capital investment by Tenant;
(ii) Maximum allowable financing costs based on the proposed C0 Project Plan of Finance and the maximum allowable interest rates chargeable by Tenant's lenders under any Third-Party Construction Financing or Long-Term Bond Financing, including the base rate and any credit spreads or margins;
(iii) a schedule of values (SOV) breakdown;
(iv) estimation and breakdown of indirect/soft costs and allocation of such costs to each type of Improvement (e.g., City Area Improvements versus Airline Area Improvements); and
(v) Line-Item Cost Estimate (Uniformat II – Level 3+)
(vi) Separate Cost-Estimates for Additive & Deductive Alternates.

Based upon such cost estimates, the parties will determine, and incorporate into the C0 Program Definition Book:

(i) Maximum Apron Area Improvements Acquisition Cost;
(ii) Maximum Purchase Option Improvements Acquisition Cost;
(iii) Maximum Early Termination Reimbursement Amount;

4. Schedule and Phasing.

(a) The parties shall agree upon the following schedules and such schedule shall be incorporated into the C0 Program Definition Book.

- Design Schedule
- Permitting Schedule
- Procurement Schedule
- Construction Schedule & Phasing Plans
- Commissioning & Activation Schedule
- Acquisition Schedule

(b) Landlord shall provide an estimated schedule for delivery of the LAWA Projects and LAWA Airfield Improvements. Tenant shall coordinate and identify with Landlord on any timing, implementation, or other issues related to the completion of the LAWA Projects and LAWA Airfield Improvements as they relate to the overall schedule of the C0 Project. The parties shall agree upon scheduling of the various elements of the overall project, such that it incorporates mitigation measures for possible delays.

5. TIF Loans

(a) Modify and finalize, as applicable, Exhibit R to this Lease

(b) Agree on final TIF Loan procedures and forms of the TIF Loan Documentation

(c) Agree on estimated Pre-IPOD TIF Loan Draw Schedule and Post-IPOD TIF Loan Draw Schedule

Exhibit "B-4"

C0 Design Deliverables

- Design Deliverable Matrix representing the various stages of the project from the Proposed PDB through Close-out

The attached matrix is intended to work in concert with LAWA's Design Construction Handbook ("DCH"). It is intended to summarize the requirements of the DCH into a simple format to communicate the types of deliverables Landlord expects to receive at certain project life cycle points of the project. Should there be a discrepancy between this document and the DCH, the DCH shall take precedence.

Except to the extent agreed otherwise in the C0 Final Terms Lease Amendment or through the parties' governance processes, the deliverables of this document and the requirements of the DCH shall remain in effect throughout the life cycle of the Project.

Exhibit B-4

Project Deliverables Matrix

Note:
1) Each design-stage builds upon the previous stages. Therefore, each submittal shall include updated deliverables from all prior stages
2) All disciplines shall be at the same level of development at each submission

Deliverables	PDB Stage (5%)	Schematic Design Stage (30%)	Detailed Design Stage (60%) (Basis for Lease Amendment)	Final Design Stage (90%)	Construction Documents Stage (100%)	Record Documents
Project PDB + Narrative	Conceptual Design Drawings & Narrative	Updated PDB with Track Changes Applicable DCH Exemption Requests	Updated PDB with Track Changes Applicable DCH Exemption Requests	Applicable DCH Exemption Requests		
Design Drawings See DCH Section 9.02, and the list below	Conceptual Design Drawings & Narrative (included within PDB)	Schematic Design Drawings	Detailed Design Drawings and Scope Clarifications & Assumptions	Final Design Drawings	Issued For Construction RTI Drawings Including AHJ Permits & Approvals	Record Drawings
General	Sheet Index (incl. Table of Contents only within PDB) Vicinity Map (incl within PDB) Site Plans (incl. within PDB) Area Calcs (incl. program area calculations within PDB)	Code Information Survey Control Plans	Accessibility Plans			
Architectural	Floor Plans (incl within PDB) Building Sections	Roof Plans Reflected Ceiling Plans Lighting Plans FF&E Plans Signage & Wayfinding Plans Arts & Advertising Plans Building Elevations	Doors (Schedules & Details) Windows (Schedules & Details) Lighting (Schedules & Details) Finishes (Schedules & Details) FF&E (Schedules & Details) Signage (Schedules & Details)			
Civil & Airfield	Grading Plans Paving Plans	Existing Conditions (Photos) Paving Sections Paving Details Airfield Equipment Plans Demolition Plans	Bollards (Plans & Details) Signage (Plans & Details) Striping (Plans & Details) Equipment (Plans & Details)			
Electrical		Single Line Diagrams Electrical Plans	Electrical Details Electrical Panel Schedules			
Communications (IT)		Single Line Diagrams IT Plans (MPOE, IT Rooms, DAS, etc.)	IT Equipment Plans (Wi-Fi Access Points, Racks, Antennae, Speakers, etc.)	IT Equipment (Schedules & Details) IT Distribution (Plans & Details)		
Life Safety		Occupancy & Egress (Plans & Calcs) FLS Plans (Fire Control Room, Sprinklers, Separations, Alarms, Smoke-Evac, etc.)	Accessory Plans (Fire Extinguishers, Fire Hoses, Defibrillators, etc.)			
Mechanical		Mechanical Plans Mechanical Equipment Schedule	Mechanical Details			
Plumbing		Plumbing Plans Plumbing Fixture Schedule	Plumbing Details			
Security		Security Plans	CCTV Plans CCTV Coverage Maps	ACAMS (Schedules & Details) CCTV (Schedule & Details)		

Exhibit B-4

Project Deliverables Matrix

Note:
1) Each design-stage builds upon the previous stages. Therefore, each submittal shall include updated deliverables from all prior stages
2) All disciplines shall be at the same level of development at each submission

Deliverables	PDB Stage (5%)	Schematic Design Stage (30%)	Detailed Design Stage (60%) (Basis for Lease Amendment)	Final Design Stage (90%)	Construction Documents Stage (100%)	Record Documents
Site Utilities (Electrical Power, Domestic Water, Fire Water, Natural Gas, Sanitary Sewer, Storm Drain, Jet Fuel, Hot & Chilled Water, Data & Communications, etc.)		Utility Plans (Existing & Proposed) Utility Profiles Utility Sections Points-of-Connection (POC)	Utility Details			
Special Systems		Ramp Equipment (PBBs, VGDS, eGSE, 400 Hz, PC Air, etc.) Electronic Video Information Displays (EVIDS) Paging Systems	Ramp Equipment (Schedules & Details) EVIDS (Schedules & Details) Paging (Schedules & Details)			
Structural		Foundation Plan Framing Plan	Structural Details			
Vertical Transportation (VT)		VT Plans & Sections	VT Schedules & Details			
Other / Miscellaneous	2-4 Architectural Renderings (Interior & Exterior)	Additional renderings to support the design, especially in areas that require design intent resolution. To be used in workshops and executive presentations	Finish and Color Boards Update all renderings to support design. To be used in workshops and executive presentations	Final Finish and Color Boards All Final Renderings	Final Finish and Color Boards All Final Renderings	
Schedule		Master Schedule (≈ Lvl 1) Design & Permitting Milestones, Construction Start & End Dates.	Project Summary Schedule (≈ Lvl 2) Quarterly Milestones, Monthly Activities, etc.	Critical Path Schedule	Monthly Updates	Record Schedule
Phasing		Preliminary Phasing Plans	Phasing Plans			
Budget	ROM Budget for Program (excl Financing)	Target Budget Process (COW Only), IGMP Estimate and preliminary Soft Costs, Other Construction, Risk Methodology/Contingency (excluding Financing)	Detailed Cost Estimate (FGMP) - Compare to Target Budget Introduce Soft Costs, Other Construction, Risk Methodology/Contingency	Monthly Reporting / Buyout Allowance / Change Order Pricing	Monthly Reporting / Buyout Allowance / Change Order Pricing	Final Cost
Design Studies & Alternatives Analysis		As Needed				
Calculations & Reports	Outline & Draft Reports Structural, Architectural, Building Systems (MEPF), Civil, etc.		Revised Reports,	Final Reports		

Exhibit B-4

Project Deliverables Matrix

Note:
1) Each design-stage builds upon the previous stages. Therefore, each submittal shall include updated deliverables from all prior stages
2) All disciplines shall be at the same level of development at each submission

Deliverables	PDB Stage (5%)	Schematic Design Stage (30%)	Detailed Design Stage (60%) (Basis for Lease Amendment)	Final Design Stage (90%)	Construction Documents Stage (100%)	Record Documents
Agency Agreements with LADBS, Utility Providers, FAA, etc.			Program acknowledges that it must satisfy all agency/authority having jurisdiction requirements and incorporate comments necessary to obtain applicable permits	Amend as needed with the understanding that responsibilities remain as defined at 60% and as modified by any Final Agency agreements (MOU, Electric Service Plan, Reimbursement Agmt.	Revised (as needed) + RTI Permits with the understanding that responsibilities remain as defined at 90%	
Technical Specifications		Schematic Level Specification	Detailed Design Drawings Level Specification	Final Design Drawings Level Specification	Issued For Construction (IFC) Drawings Including AHJ Permits & Approvals	Record Specifications
Division 01 — General Requirements Division 02 — Existing Conditions Division 03 — Concrete (Airfield) Division 03 — Concrete (Building) Division 04 — Masonry Division 05 — Metals Division 06 — Wood, Plastics, and Composites Division 07 — Thermal and Moisture Protection Division 08 — Openings Division 09 — Finishes Division 10 — Specialties Division 11 — Equipment Division 12 — Furnishings Division 13 — Special Construction Division 14 — Conveying Equipment Division 21 — Fire Suppression Division 22 — Plumbing Division 23 — Heating, Ventilating, and Air Conditioning (HVAC) Division 25 — Integrated Automation Division 26 — Electrical Division 27 — Communications Division 28 — Electronic Safety and Security Division 31 — Earthwork Division 32 — Exterior Improvements Division 33 — Utilities Division 34 — Transportation	**See Above**					
Mock Ups		Identification of what elements of the project are candidates for Mock-Ups	Final list of what project elements shall be mocked-up	Incorporate mock up requirements into the specifications	Actual mock-ups for review and comments by LAWA's applicable stakeholders	Reflect field condition in As-Builts
Product Selections to Support PDB			Final Preferred Products Selection and Confirmation for Building Finishes			

Exhibit B-4

Project Deliverables Matrix

Note:
1) Each design-stage builds upon the previous stages. Therefore, each submittal shall include updated deliverables from all prior stages
2) All disciplines shall be at the same level of development at each submission

Deliverables	PDB Stage (5%)	Schematic Design Stage (30%)	Detailed Design Stage (60%) (Basis for Lease Amendment)	Final Design Stage (90%)	Construction Documents Stage (100%)	Record Documents
Submittal Register			Register of Submittals that will be submitted to LAWA for review & approval	Submittal Process activated		
Virtual Modeling		Virtual Modeling To support 30% Level of Design	Virtual Modeling & BIM Modeling To support 60% Level of Design	Virtual Modeling & BIM Modeling To support 90/100% Level of Design		Record Model
Site Investigations	Photographs, Records-Research, Stakeholder Meetings, Site-Investigations Plan, etc.	Surveying, Additional Exploratory/Discovery Tasks - As-Needed	Surveying, Additional Exploratory/Discovery Tasks - As-Needed Incorporate all investigation information from previous phases into the design			
Other: Commissioning Plan AOR Plan Governance Criteria Inclusivity & Mentoring Strategy Partnering Strategy		Define schedule when document is to be submitted with more detail as required (it is assumed some will be more developed than others at this stage)	Detailed narrative of each element			

Notes
1) The Project Team shall provide electronic copies of all deliverables
2) LAWA will review each design package submittal and return a comment log to the Designer. The Designer shall return the Comment Log with each Design Package Submittal, including a written response to each review comment from the previous design-packages, and a written indication of where and how each comment was addressed in the current design package.
3) The Project Team shall have briefings as needed to support each design-milestone to various stakeholders. This may include, but not be limited to; LAWA Staff & Executives, Board of Airport Commissioners (BOAC), City & Other Agencies (Cultural Affairs, LADBS, DHS, FAA, etc.), Airlines & Tenants, etc.

Exhibit "C"

LAWA Projects

Tenant shall work with LAWA, in good faith, to coordinate the design and construction of the Concourse 0 Project with other related projects. This includes, but is not limited to, the Airfield & Terminal Modernization Program (ATMP), the Landside Access Modernization Program (LAMP), and other projects at the Airport.

Among other things, this includes coordination with the following "LAWA Projects" as described in Section 1.2 of the Lease:

- Vacating the former Park One site that is not used for LAX-it operations
- Vacating LAX-it
- Demolition of the former LAX Police Headquarters Building, Trailers, and associated vehicle parking
- Demolition of the existing Vicksburg Avenue Bridge, 96th Street, and Alverstone Avenue
- Demolition of the existing Vehicle service road "E" and Airport security post #3
- Vacating other buildings, parking areas, and miscellaneous items within the Project Area
- Design & Construction of the C0 Airfield Parcels (as defined in the Lease)
- Design & Construction of Roadway improvements required to replace the existing Sky Way / Vicksburg Avenue Bridge, and the associated roads, bridges, ramps, intersection-improvements, etc.
- Removal of all billboards, including foundation and structure

The Parties understand that the automated people mover (APM) system must be operational, and a series of roadway improvements must be delivered, prior to demolishing the existing Sky Way / Vicksburg Ave. Bridge. To that end, LAWA intends to provide the Demised Premises to Tenant in at least 3 stages:

- Landlord anticipates providing "Part A" of the Demised Premises to Tenant after the Park One has been vacated (which is not predicated on APM operational date)
- Landlord anticipates providing "Part B" of the Demised Premises to Tenant after the new APM is in service and LA-Xit is decommissioned.
- Landlord anticipates providing "Part C" of the Demised Premises to Tenant after a sufficient portion of the ATMP Roadway System has been delivered to enable the closure of the existing Sky Way / Vicksburg Ave. / 96th Street Roadway System.

Landlord will work in good faith to deliver all portions of the Demised Premises to Tenant as soon as practicable. At a minimum, this will include providing quarterly reports on Landlord's progress on these efforts.

Exhibit "D"

LAWA Airfield Improvements Description

Tenant acknowledges that Landlord shall perform the following LAWA Airfield Improvements:

- Easterly extension of the Taxilane D as an ADG V taxiway
- Easterly extension of the Taxiway E as an unrestricted ADG V/restricted ADG VI Taxiway
- Relocation of the easternmost portion of vehicle service road E
- New Taxiways D7, D6, and D5 between Taxilane D and Taxiway E easterly extensions
- Drainage Improvements for the extension area
- Airfield Lighting and Signage Systems for the extension area
- FAA Systems (i.e. impacted NAVAID equipment, FOTS, RSL, etc) associated with the extension

Landlord will work in good faith to deliver all portions of these improvements in coordination with Tenant's work on the Concourse 0 Project, which coordination will include providing periodic reports on Landlord's progress on these efforts.

Exhibit "E"

Requirements for Public Works With Respect to Apron Area Improvements

The following provisions apply to the construction of the Apron Area Improvements. Nothing herein shall be construed to limit Tenant's responsibilities under the Lease, including responsibilities related to other parts of the Demised Premises. In the event of conflict between the provisions of the forepart of this Lease and this Exhibit, the provisions of forepart of this Lease shall control.

A. Tenant Responsibilities with respect to the Site Conditions and Construction the Apron Area Improvements.

1. **Responsibility for Site Conditions Including Utilities.** Tenant acknowledges and agrees that it is fully responsible for ascertaining the conditions at the Demised Premises, including existing utilities, and ensuring that the plans and specifications for Apron Area Improvements to be developed on the Demised Premises appropriately address site conditions. Any information regarding site conditions included in this Lease and any other information provided by Landlord shall not be considered "indicated" in this Lease as such term is used in Public Contract Code section 7104. Tenant specifically waives the benefit of Public Contract Code section 7104 and Government Code section 4215 to the extent that such statutes apply to this Lease and are deemed inconsistent with the provisions set forth in Section 2 of the Lease.

2. **Trenching.** Tenant shall ensure compliance with Labor Code Section 6705 in connection with the excavation of any trench or trenches five feet or more in depth.

3. **Contractors and Subcontractors.**

   3.1. **Contractor and Subcontractors.** Tenant shall require the Contractor to obtain written consent from Tenant prior to the substitution of any subcontractor on the Apron Area Improvements project.

   3.2. **Ineligible Contractors and Subcontractors.** Pursuant to the provisions of Section 6109 of the Public Contract Code, Tenant shall ensure that no firm performs work on the Project Site if the firm is ineligible to perform work on the public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.

4. **Payment Bonds for Apron Area Improvements.** As a condition to start of construction of the Apron Area Improvements, Tenant shall deliver to the Landlord payment bonds on forms provided by the Landlord, from the prime

contractor(s) for the Apron Area Improvements. The payment bond shall meet applicable requirements under Civil Code section 9554. The payment bond shall be issued by an admitted surety insurer licensed by the California Department of Insurance and authorized to issue surety bonds in the State of California.

5. **Notification of Claims.** If Landlord receives notice of a claim, cause of action, suit, legal or administrative proceeding covered by the indemnities in this Lease, or otherwise has actual knowledge of such a claim, cause of action, suit, legal or administrative proceeding that it believes is within the scope of the indemnities under this Lease, Landlord shall by writing as soon as practicable after receipt of the claim, cause of action, suit, legal or administrative proceeding: (a) inform Tenant of the claim, cause of action, suit, legal or administrative proceeding, and (b) send to Tenant a copy of all written materials Landlord has received asserting such claim, cause of action suit, legal or administrative proceeding.

6. **Waiver of Licensing Requirements**. Tenant has, pursuant to this Lease, been designated by Landlord as Landlord's "authorized representative" for causing the construction of the Improvements. Provided that (a) any and all construction work on the Apron Area Improvements is performed in all respects by contractors duly licensed in accordance with California Business and Professions Code sections 7000-7191 and (b) such contractors provide payment and performance bonds as specified herein, Landlord, to the extent permitted by law, hereby waives any right, claim or defense against Tenant arising solely out of Tenant's failure to hold a state contractor's license, based on the assumption that as an "authorized representative" Tenant is not required, pursuant to the exemption set forth therefor in California Business and Professions Code section 7040, to acquire or hold a State contractor's license.

B. <u>Design of the Improvements</u>

1. **Design Approval.** Landlord shall have the right to review and approve the design of the Apron Area Improvements. Disapproval may be based on Landlord's determination that the design fails to comply with requirements of this Lease or applicable law, or on Landlord's determination, in its sole discretion, that construction of the Improvements or any component thereof as provided in such documents or instruments, would either (a) jeopardize the health, safety and welfare of the Airport customer's and/or the public or otherwise be required in order to maintain Landlord's sovereign immunity for design defects under Government Code section 830.6; or (b) interfere with proper and efficient development and function of Airport systems.

   Landlord's approval of plans and specifications for the Apron Area Improvements or any other portion of the Apron Area Improvements shall constitute approval of the plans and design by Landlord for purposes of California Government Code section 830.6, but shall not be deemed to relieve Tenant of liability for the design.

2. **Specifications.** Unless otherwise approved in writing by Landlord, the specifications for the Apron Area Improvements may not (a) be drafted in a manner that limits the bidding, directly or indirectly, to any one specific concern, or (b) or call for a designated material, product, thing, or service by specific brand or trade name unless the specification is followed by the words "or equal" so that bidders may furnish any equal material, product, thing, or service.

C. **Provisions to be Included in Construction Contracts**

1. **Contract Provisions.** Each construction contract for the Apron Area Improvements shall include the following provisions:

A. **Worker's Compensation.** Contractor shall comply with the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code.

B. **Prevailing Wages.** In accordance with the provisions of Los Angeles City Charter Section 377 and Section 1773 of the California Labor Code, Tenant has obtained the general prevailing rate of wages (which rate includes employer payments for health and welfare, pension, vacation, travel time and subsistence pay as provided for in Section 1773.1 of said Code), apprenticeship or other training programs authorized by Section 3093 of said Code, worker protection and assistance programs or committees established under the Federal Labor Management Cooperation Act of 1978, industry advancement and collective bargaining agreements administrative fees, provided that these payments are required under a collective bargaining agreement pertaining to the particular craft, classification, or type of work within the locality or the nearest labor market area at issue and other similar purposes applicable to the Work to be done, for straight time, overtime, Saturday, Sunday, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned; provided that if the prevailing wage rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate are paid shall be as provided in Section 6700 of the California Government Code. Copies of the prevailing rates of wages are on file at Tenant's offices, and will be furnished to Contractor and other interested parties on request. For crafts or classifications not shown on the prevailing wage determinations, Contractor may be required to pay the wage rate of the most closely related craft or classification shown in such determinations.

If the Division of Labor Standards Enforcement determines that employees of any subcontractor were not paid the general prevailing rate of per diem wages, Contractor shall withhold an amount of moneys due to

the subcontractor sufficient to pay those employees the general prevailing wage rate of per diem wages if requested by the Division of Labor Standards Enforcement. Contractor shall pay any money retained from and owed such subcontractor upon receipt of notification by the Division of Labor Standards Enforcement that the wage complaint has been resolved. Pursuant to Section 1773.2 of the Labor Code, Contractor shall post prevailing wage rates at a prominent place at the worksite.

C. **Hours of Work.** Eight hours labor constitutes a legal day's work.

D. **Apprenticeship.** Contractor shall comply with the provisions of Labor Code Sections 1777.5 and 1777.6, and Title 8, Code of Regulations, Sections 200 et. seq., relating to apprentice employment and training. Contractor shall assume full responsibility for compliance with said sections with respect to all apprenticeable occupations on the Project. To ensure compliance and complete understanding of the law regarding apprentices, and specifically the required ratio thereunder, Contractor should, where some question exists, contact the Division of Apprenticeship Standards, Los Angeles Office, 320 West 4th Street, Room 950, Los Angeles, CA 90013, prior to commencement of the work.

2. **Subcontract Addendum.** Each construction contract for the Apron Area Improvements shall include as an exhibit the most recent version of the "Subcontract Addendum for California Public Works Projects" published by the Associated General Contractors of America.

3. **Provisions Applicable to Procurement of Prime Construction Contracts.** Each bidder for the Apron Area Improvements shall be required to provide, with its bid to Tenant, the Non-Collusion Declaration and Iran Contracting Certification set forth below:

[declaration/certification follows]

NON-COLLUSION DECLARATION

[To be signed by authorized representatives of the bidder and each of its joint venture members. The form may be signed in counterparts.]

The undersigned declare:

A. _____ is the _____ of _____ and _____ is the _____ of _____, which entity(ies) are the _____ of _____, the entity making the foregoing bid.

B. The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived or agreed with any bidder or anyone else to put in a sham bid or to shall refrain from proposing. The bidder has not in any manner, directly or indirectly, sought by agreement, communication or conference with anyone to fix the bid prices of the bidder or any other bidder, or to fix any overhead, profit or cost element included in the bid, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted its bid prices or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, joint venture, limited liability company, organization, bid depository or any member, partner, joint venture member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person for such purpose.

C. The bidder will not, directly or indirectly, divulge information or data regarding the price or other terms of its bid to any other bidder, or seek to obtain information or data regarding the price or other terms of any other bid, until after award of the Contract or rejection of all bids and cancellation of the RFP.

D. Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], _____ [state]."

_____	_____
(Signature)	(Signature)
_____	_____
(Name Printed)	(Name Printed)
_____	_____
(Title)	(Title)

IRAN CONTRACTING CERTIFICATION

The undersigned hereby certifies that:

1. It is not identified on a list created pursuant to Section 2203(b) of the California Public Contract Code as a person engaging in investment activities in Iran described in Section 2202.5(a), or as a person described in Section 2202.5(b), as applicable; or

2. It is on such a list but has received permission pursuant to Section 2203(c) or (d) to submit a bid or bid in response to work for Apron Area improvements at Los Angeles International Airport.

Note: Providing a false certification may result in civil penalties and sanctions.

Date: _____

Entity: _____

Signature: _____

Title: _____

[*Duplicate this form so that it is signed by the bidder and all joint venture members of the bidder.*]

Exhibit "F"

Illustrative Calculation of Purchase Option Improvements Acquisition Costs

Exhibit F

ILLUSTRATIVE CALCULATION OF PURCHASE OPTION IMPROVEMENTS ACQUISITION COSTS (a)

Proposed Concourse 0 Project
Los Angeles International Airport
(in millions)

		Costs at Landlord Option Exercise Notice (b)	Costs from Landlord Option Exercise Notice to Termination Date (c)	Total
		[A]	[B]	[C=A+B]
PERMISSIBLE COSTS (d) (e)				
Design costs		$87.5	$ -	$87.5
Project costs (e)				
Project costs up to and including DBO		1,750.0	-	1,750.0
Project costs after DBO		-	250.0	250.0
Other costs		20.0	-	20.0
Financing costs (f)		27.0	-	27.0
Total Permissible Costs	**[1]**	**$1,884.5**	**$250.0**	**$2,134.5**
INTEREST COSTS (g)				
Third-party financing interest costs and fees		$162.3	$27.0 (i)	$189.3
Tenant funds interest costs (h)		25.2	4.2 (i)	29.5
Total Interest Costs	**[2]**	**$187.5**	**$31.3**	**$218.8**
TIF INTEREST COSTS (j)				
TIF interest costs (k)	**[3]**	31.2	5.2	36.4
Purchase Option Improvements Acquisition Cost	**[4=1+2+3]**	**$2,103.3**	**$286.5**	**$2,389.7**

Notes: Columns may not add to totals shown due to rounding. Hypothetical amounts shown.
This illustrative calculation does not distinguish between Apron Areas, Airline Areas, and City Areas.
Interest Costs and TIF interest costs are based on the following hypothetical sources of funding:

Third-party funds (90%)	$1,623.0	$0.0	$1,623.0
Tenant funds (10%)	180.3	-	180.3
TIF Loans	300.0	-	300.0
Total Funding Sources	**$2,103.3**	**$0.0**	**$2,103.3**

(a) The calculations shown on this exhibit assume that all actual amounts would be less than or equal to the Maximum Purchase Option Improvements Acquisition Cost.
(b) Pursuant to Section 1.2.6. (b) of the Lease, Landlord has the option to acquire the Purchase Option Improvements and terminate the Lease early.
(c) Includes Interest Costs from the date of the Landlord Option Exercise Notice through the Termination Date.
(d) Subject to the definition of Permissible Costs in the Lease.
(e) Permissible Costs may occur after DBO, but still be counted as Permissible Costs pursuant to the Lease. In this example, C0 project costs are shown through DBO and after DBO to illustrate that Permissible Costs are not limited to those costs incurred prior to DBO.
(f) Includes, among other customary costs, capitalized interest related to a financing, upfront closing fees, underwriting fees or discounts, placement agent fees, all as included in the definition of Permissible Costs".
(g) Subject to the definition of Interest Costs in the Lease.
(h) The imputed interest costs pursuant to "(b)" in the defined term "Interest Costs" in the Lease.
(i) The interest costs incurred up to and including the Termination Date pursuant to (b) in the defined term "Purchase Option Improvements Acquisition Cost" in the Lease.
(j) The interest costs pursuant to (c) in the defined term "Purchase Option Improvements Acquisition Cost" in the Lease.
(k) Any interest on TIF loans up to and including the Termination Date pursuant to (c) in the defined term "Purchase Option Improvements Acquisition Cost" in the Lease.

Exhibit "G"

Land Rental Rate

Land Rent	Current Rate = $4.07/YR
Annual Adjustment	Based on Consumer Price Index with a minimum increase of 2% and maximum increase of 7%.

Exhibit "H"

Workforce Development & Business Inclusion Provisions

A. Project Labor Agreement and Workforce Development for Construction Work

The Landlord, through its agreement coordinator, has entered into a project labor agreement with various trades ("PLA"). The Tenant agrees to require its general contractor(s) to sign the Letter of Assent, attached hereto as Exhibit H agreeing to be subject to the terms of the PLA. All construction work is subject to PLA, as amended. General Contractor shall comply with the terms of the PLA; however, the PLA shall not be construed as superseding California Labor Code requirements or any applicable federal, state, or local laws. If changes in laws have occurred since the date of the current PLA, general contractor shall also be responsible for understanding and complying with the then current applicable laws affecting its labor requirements and obligations. The PLA is available on Landlord's website:

The general contractor shall remain neutral in employee or labor organization efforts to organize workers performing operations and maintenance for union representation and/or collective bargaining.

The general contractor shall maximize the employment of local workers in performance of construction work and shall work within the framework of the PLA hiring and referral provisions, as well the guidelines of the applicable union/joint-labor management apprenticeship programs; and:

(i) Ensure that at least 30% of hours worked in performance of construction work by each craft at all tiers are performed by local workers and shall make a good faith effort to hire up to 50 new, first-period apprentices through collaboration with the HireLAX Apprenticeship Readiness Program and local MC3 apprenticeship readiness/pre-apprenticeship programs;

(ii) Develop strategy to retain local workers performing project work and transition local craft workers to union apprenticeship programs; and

(iii) As preferred by Landlord, submit certified payroll reports through Landlord's LCPtracker system account or provide Landlord designee(s) with access to LCPtracker to monitor local worker hiring achievements.

B. Workforce Development for Non-Construction Work

The Landlord and Tenant agree that cultivating a diverse, skilled workforce is necessary to ensure the successful completion of the project. Therefore, the Tenant agrees to provide the Landlord with a detailed workforce development plan, with schedule and narrative approach, that includes the following elements:

(i) A descriptive approach to long-term skills pathway development, including (i) local K-12 school outreach; (ii) engagement with Landlord's Aviation Careers Education Academy; (iii) workforce education and training collaboration with local community colleges, universities and community organizations; and (iv) approach to monitor, track and report participation and placement.

(ii) Internship Program, including (i) outreach strategy; (ii) how interns will be exposed and engaged to all elements project work; (iii) number of interns that will be hired throughout project term; (iv) preliminary position descriptions and skills requirements; (v) hiring and placement process; (vi) onboarding process and entry level training; (vii) intern retention and upward mobility strategy; and (viii) coordination with Landlord's TDG Internship Program. Participating interns shall reside within the boundaries of the Airport Impact Area cities and City of Los Angeles.

(iii) On a quarterly basis, the Tenant will report to the Landlord on the status, progress and outcomes of the Internship Program and long-term skills workforce development activities.

(iv) The Workforce Development Plan includes only activities during the construction phase of the project.

C. MBE/WBE/SBE Policy

The Tenant has advised the Landlord that it intends to employ an MBE/WBE/SBE policy for the design and construction of the project at twenty percent (20%) SBE, of which fifty percent (50%) shall be MBE/WBE participation. The status shall be reported through the use of the Landlord's B2Gnow system.

The Tenants' general contractor shall maximize the participation of MBE/WBE/SBE firms and establish a framework to support their success and growth on the project, including:

(i) Develop and manage a Mentor-Protégé Program to increase the competitive capacity of MBE/WBE/SBE firms in all categories of work: design, professional services, and construction. The Mentor-Protégé Program shall define cohort size and frequency; establish Mentor/Mentee participation agreement that defines roles and responsibilities, objectives and metrics; and provide development of technical skills, business operations and professional development.

(ii) Develop and sustain resources and approaches to address MBE/WBE/SBE barriers to bonding, capital, certification, and technical skills and systems to comply with project submittal requirements, labor compliance, and cashflow management.

(iii) On an annual basis at a minimum, the Tenant will report to the Landlord on the status, progress and outcomes of the Mentor Protégé Program and its capacity building and business development resources.

Exhibit "H-1"

Letter of Assent

[To be signed by all Contractors Undertaking Work on the Concourse 0 Project (Tenant Project) and covered by the Los Angeles World Airports Project Labor Agreement.]

(Contractor Letterhead)

c/o Parsons Constructors Inc.
100 West Walnut Street
Pasadena, California 91124
Attn: Jessica Jones

Re: Los Angeles International Airport Project
Labor Agreement – Letter of Assent

Dear Sir:

This is to confirm that (Name of Company) (the "Company") agrees to be a party to and bound by the Los Angeles International Airport Project Labor Agreement (the "Agreement") as entered into by and between Parsons Constructors Inc., its successors or assignees, and the Building and Construction Trades Department, AFL-CIO and other Building and Construction Trades Councils and signatory unions, dated November 19, 1999, as such agreement may, from time to time, be amended by the negotiating parties or interpreted pursuant to its terms.

Such obligation to be a party to and bound by this Agreement shall extend to all construction work undertaken by this Company pursuant to Construction Contract No. _____, issued to this Company for work on the Concourse 0 Project (Tenant Project). This Company shall require all its subcontractors, of whatever tier, to be similarly bound for all their construction work within the Scope of the Agreement by signing an identical Letter of Assent.

Sincerely,

(Name of Construction Company)

By:

(Name of Title of Authorized Executive)

Cc: City of Los Angeles, Department of Airports

(Copies of this Letter will be available for inspection or copying on request of the Union).

Exhibit "I"

Insurance Schedule

LOS ANGELES WORLD AIRPORTS

RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS

NAME: **SOUTHWEST AIRLINE CO**

AGREEMENT/ACTIVITY: DA-SOLE SOURCE SW CONCOURSE 0 GROUND LEASE – lease for one (1) year for a right of entry to allow due diligence activities in preparation for the construction of the future Concourse 0, which is adjacent to Terminal 1 at LAX - **REQUIRING AOA ACCESS**

LAWA DIVISION: **COMMERCIAL DEVELOPMENT DIVISION**

WIZARD NO: **10448**

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 evidence of insurance required and must be at least the level of the limits indicated. All policies must be occurrence based with the minimum required per occurrence limits indicated below.

	LIMITS
(X) Workers' Compensation	
(X) Waiver of Subrogation, specifically naming LAWA **(Please see attached supplement)**	**Statutory**
() Voluntary Compensation Endorsement	
(X) Commercial Automobile Liability - covering owned, non-owned & hired auto	**$10,000,000 (CSL)**
(X) 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) Additional Insured Endorsement, specifically naming LAWA **(Please see attached supplement).**	
(X) Explosion, Collapse & Underground - required when work involves digging, excavation, grading or use of explosive materials.	
(X) Property Insurance	
(X) Building, including contents	
All Risk/Special Form Coverage, including flood and earthquake	**100% Replacement Cost**
LAWA named as additional insured and loss payee	
(X) Tenant Improvements	
All Risk/Special Form Coverage, including flood and earthquake	**100% Replacement Cost**
LAWA named as loss payee	
(X) Builder's Risk Insurance	**Total project value - 100% Replacement Cost**
All Risk/Special Form Coverage, including flood and earthquake	
LAWA named as loss payee required if property or building ultimately	
(X) Waiver of Subrogation **(Please see attached suppliment)**	
X) Professional Liability - including Technical Errors and Omissions	**$1,000,000**

Claims made policy with continuous coverage for three (3) years after contract completion, or three year extended reporting period beginning after contract completion.

****Coverage for Hazardous Substances must meet contractual requirements

RETURN THIS PAGE WITH EVIDENCE OF YOUR INSURANCE**

PLEASE SUBMIT ALL DOCUMENTS TO RISKINSURANCE@LAWA.ORG

LOS ANGELES WORLD AIRPORTS

RISK MANAGEMENT DIVISION

INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The only evidence of insurance accepted will be either an ACORD Certificate of Insurance, or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

Insurance companies, must have an AM Best rating of A- or better, and have a minimum financial size of at least four.

Endorsements:

- Workers Compensation Waiver of Subrogation Endorsement (WC 04 03 06 or similar)
- General Liability Additional Insured Endorsement
- Ongoing and Products - Completed Operations Endorsement (ISO Standard Indorsements Preferred)

Waiver:

- Commercial Auto and Commercial General Liability
  - Add to COI: The City of Los Angeles, Department of Airports, also known as Los Angeles World Airports, its Board, and all of its officers, employees, directors, and agents are included as additional insured under the General Liability and Auto Liability policies, which coverage is primary, and any insurance carried by LAWA be non-contributory.

Certificate Holder:

City of Los Angeles, Department of Airports, also known as, Los Angeles World Airports

PO Box 92216

Los Angeles, CA 90009

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.

A BLANKET/AUTOMATIC ENDORSEMENT IS NOT ACCEPTABLE UNLESS YOU HAVE A DIRECT CONTRACT WITH LAWA.

Language written on a certificate of insurance is not acceptable as an endorsement.

Exhibit "J"

Child Support Assignment Orders

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

CHILD SUPPORT

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.

b. 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.

d. 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.

SECTION HISTORY

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

Exhibit "K"

Contractor Responsibility Program Rules and Regulations

LOS ANGELES WORLD AIRPORTS

CONTRACTOR RESPONSIBILITY PROGRAM

RULES AND REGULATIONS FOR LEASES

Effective date: July 1, 2012

Procurement Services Division
7301 World Way West, 4th Floor
Los Angeles, CA 900145
(424) 646-5380
(424) 646-9262 (Fax)

EXHIBIT K

CONTENTS

These Rules and Regulations are promulgated pursuant to Board Resolution #21601, the Los Angeles World Airports Contractor Responsibility Program (CRP). Each Requesting LAWA Division shall cooperate to the fullest extent with the Executive Director in the administration of the CRP. The Executive Director may amend these Rules and Regulations from time to time as required for the implementation of the CRP.

A. DEFINITIONS

(a) "**Awarding Authority**" means either the Executive Director or the Board or the Board's designee.

(b) "**Bid**" means an application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.

(c) "**Bidder**" means any person or entity that applies for any contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

(d) "**Board**" means the City of Los Angeles Board of Airport Commissioners.

(e) "**Contract**" means any agreement for the performance of any work or service, the provisions of any goods, equipment, materials or supplies, or the rendition of any service to LAWA or to the public or the grant of a Public Lease, which is awarded or entered into by or on behalf of LAWA. The provisions of these Rules and Regulations shall apply to all leases that require Board approval.

(f) "**Contractor**" means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with LAWA and includes a Public Lessee.

(g) "**CRP Pledge of Compliance**" means the CRP Pledge of Compliance developed by PSD. The CRP Pledge of Compliance shall require Public Lessees and Public Sublessees to sign under penalty of perjury that the Public Lessees and Public Sublessees will:

(1) Comply with all applicable Federal, State, and local laws and regulations during the performance of the lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

(2) Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that

the tenant or did not comply with subparagraph (g)(1) above in the performance of the contract.

(3) Notify LAWA within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the Public Lessee or Public Sublessee has violated subparagraph (g)(1) above in the performance of the Public Lease.

(4) Provide LAWA within 30 calendar days updated responses to the CRP Questionnaire if any change occurs which would change any response contained within the completed CRP Questionnaire. Note: This provision does not apply to amendments of Public Leases not subject to the CRP and to Public Sublessees not required to submit a CRP Questionnaire.

(5) Ensure that Public Lessees and Public Sublessees with LAWA leases shall complete, sign and submit a CRP Pledge of Compliance attesting under penalty of perjury to compliance with subparagraphs (u)(1) through (4).

(6) Notify LAWA within 30 days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving Public Sublessees in the performance of a LAWA contract.

(7) 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.

(h) "**CRP Questionnaire**" means the set of questions developed by PSD that will assist LAWA in determining a bidder, proposer's or contractor's responsibility. Information solicited from the CRP Questionnaire may include but is not limited to: ownership and name changes, financial resources and responsibility, satisfactory performance of other contracts, satisfactory record of compliance with relevant laws and regulations, and satisfactory record of business integrity. PSD may amend the CRP Questionnaire from time to time.

(i) "**Executive Director**" means the Executive Director of the City of Los Angeles Department of Airports.

(j) "**Invitation for Bid**" ("**IFB**") means the process through which the City solicits Bids including Request for Proposals ("**RFP**") and Requests for Qualifications ("**RFQ**").

(k) "**Los Angeles World Airports**" means the City of Los Angeles Department of Airports.

(l) "**PSD**" means LAWA's Procurement Services Division.

(m) "**Public Lease**" means a lease of LAWA property.

(n) "**Public Lessee**" means a Contractor that leases LAWA property under a Public Lease.

(o) "**Public Sublessee**" means a Subcontractor that subleases LAWA property from a Public Lessee.

(p) "**PSD**" means LAWA's Procurement Services Division.

(q) "**Subcontactor**" means any person not an employee who enters into a contract with a Contractor to assist the Contractor in performing a Contract, including a Contractor or subcontractor of a Public Lessee or Public Sublessee, to perform or assist in performing services on the leased premises.

(r) "**Prospective Lessee**" means any person, firm, corporation, partnership, association or any combination thereof that currently does not have a Public Lease.

(s) "**Prospective Sublessee**" means any person, firm, corporation, partnership, association or any combination thereof that currently does not sublease LAWA property from a Public Lessee.

(t) "**Requesting LAWA Division**" means the LAWA division(s) which issued the RFB, RFP or RFQ.

(u) "**Responsibility**" means possessing the necessary "trustworthiness" and "quality, fitness and capacity" to perform the work set forth in the contract.

B. SUBMISSION OF CRP QUESTIONNAIRES

1. **Prospective Lessees** are required to submit a completed and signed CRP Questionnaire for determination of responsibility prior to award of a Public Lease.

2. **Public Lessees, Prospective Sublessees and Public Sublessees** are not required to submit a completed and signed CRP Questionnaire.

C. LAWA REVIEW OF SUBMITTED CRP QUESTIONNAIRES (APPLICABLE TO PROSPECTIVE LESSEES ONLY)

1. Posting of CRP Questionnaires and Sublessee Lists:

The Requesting LAWA Division will forward to PSD the completed CRP Questionnaires and sublessee list(s), if any, submitted by the Prospective Lessees to make available for public review and comment for a minimum of fourteen (14) calendar days prior to the award of the Public Lease.

2. Departmental Review of CRP Questionnaires

a. PSD will determine Contractor Responsibility from the completeness and accuracy of the information in the submitted CRP Questionnaire; information from various

compliance and regulatory agencies; accuracy and completeness of the information received from the public; and through PSD's own reviews and investigations.

b. PSD may submit written requests to the Prospective Lessee for clarification or additional documentation. Failure to respond to these requests within the specified time may render the Prospective Lessee non-responsible and disqualified.

c. PSD will report its findings and determination to the Requesting LAWA Division.

d. No award of a Public Lease will be made by LAWA until after the CRP Questionnaire review and Contractor Responsibility determination has been made.

e. The CRP Questionnaire of the Prospective Lessee that is awarded a Public Lease will be retained by PSD. The CRP Questionnaires of the Prospective Lessees that are not awarded a Public Lease will also be retained by PSD.

3. Claims Resulting from Public Review and Comments

Prospective Lessees:

a. Claims regarding a Prospective Lessee's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a Prospective Lessee's responsibility, whether or not it is submitted in writing.

b. If PSD receives information which calls into question a Prospective Lessee's responsibility, and the information was received **before** LAWA awards a Public Lease to the Prospective Lessee, PSD shall:

(1) Notify the Requesting LAWA Division in writing that LAWA will not award a Public Lease, until PSD has completed investigation into the matter.
(2) Investigate the complaint, collect necessary documentation, and determine the complaint's validity.
(3) Upon completion of the investigation, notify the Requesting LAWA Division in writing of the results of the investigation.
(4) Findings from the PSD investigation received by the Requesting LAWA Division will be considered by the Awarding Authority as part of the determination of the Prospective Lessee's responsibility.

Public Lessee:

a. Claims regarding a Public Lessee's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a Public Lessee's responsibility, whether or not it is submitted in writing.

b. If PSD receives written information that calls into question a Public Lessee's responsibility, PSD shall investigate the matter as required in Section G, LAWA Investigation.

D. AWARD AND EXECUTION OF PUBLIC LEASES

1. Determination of Responsibility and Award of Public Lease

a. PSD shall determine whether a Prospective Lessee is a responsible lessee with the necessary trustworthiness, quality, fitness and capacity to comply with the terms of the Public Lease by considering the following:

(1) Completeness and accuracy of the information contained in the CRP Questionnaire;
(2) Completeness and accuracy of the information received from the public;
(3) Information and documentation from PSD's own investigation; and
(4) Information that may be available from any compliance or regulatory governmental agency.

b. The Awarding Authority may award and execute a Public Lease to a Prospective Lessee only if:

(1) The Prospective Lessee's CRP Questionnaire, and sublessee's list(s), if any, has been made available for public review for at least fourteen (14) calendar days unless otherwise exempted from the posting requirement by the CRP;
(2) The Prospective Lessee is not being investigated pursuant to the CRP;
(3) The Prospective Lessee has not been found to be a non-responsible lessee pursuant to the CRP;
(4) The Prospective Lessee does not appear on any City list of debarred bidders or contractors; and
(5) The Prospective Lessee has met all other applicable City requirements.

2. Submission of Pledge of Compliance

Prospective Lessees/Prospective Sublessees:

a. Unless otherwise exempt from the CRP, all Prospective Lessees and Prospective Sublessees are required to submit a CRP Pledge of Compliance signed under penalty of perjury. Failure to submit a CRP Pledge of Compliance as required may render the Prospective Lessees or Prospective Sublessees, as applicable, non-compliant with the terms of the Public Lease or a consent to sublease, as applicable, and subject to sanctions.

Public Sublessees:

b. Prior to LAWA's execution of a consent to sublease with a Prospective Sublessee, the Public Lessee shall submit to LAWA a signed CRP Pledge of Compliance from each Public Sublessee listed as occupying space on the leasehold premises.

3. Public Sublessee Responsibility

a. Public Lessees shall ensure that their sublessees meet the criteria for responsibility set forth in the CRP and these Rules and Regulations.

b. Public Lessees shall ensure that sublessees occupying space on the LAWA leasehold premises shall complete and submit a signed CRP Pledge of Compliance.

c. Public Lessees shall not sublease to any sublessee that has been determined or found to be a non-responsible contractor by LAWA or the City.

d. Subject to approval by the Awarding Authority, Public Lessees may substitute a non-responsible sublessee with another sublessee.

4. Execution of Public Leases/Consent to Subleases

Prospective Lessees:

a. Unless exempt from the CRP, all Public Leases subject to the CRP shall contain language obligating the Public Lessee to comply with the CRP.

b. No Public Lease may be awarded unless:

(1) The Prospective Lessee's CRP Questionnaire, unless otherwise exempt, has been made available for public review for at least fourteen (14) calendar days
(2) The Prospective Lessee has submitted a signed CRP Pledge of Compliance.
(3) The Prospective Lessee's sublessee list, if any, has been made available for public review for at least fourteen (14) calendar days.
(4) The Prospective Lessee is determined by LAWA to be a Responsible Contractor.

Prospective Sublessee:

a. Unless exempt from the CRP, all subleases subject to the CRP shall contain language obligating the Public Sublessee to comply with the CRP.

b. No consent to sublease will be executed by LAWA unless the Public Lessee has submitted a signed CRP Pledge of Compliance by the Prospective Sublessee.

E. LEASE AMENDMENTS

Compliance with the CRP is required in any amendment to a Public Lease if the initial lease was not subject to the CRP, but the total term and amount of the lease, inclusive of all amendments, would make the lease subject to the CRP.

a. A Public Lessee subject to the CRP because of an amendment to the Public Lease shall submit a CRP Pledge of Compliance to LAWA before the amendment can be executed by LAWA.

b. Unless exempt from the CRP, all Public Lease amendments shall contain contract language obligating the Public Lessee to comply with the CRP.

F. NOTIFICATION OF INVESTIGATIONS AND UPDATE OF INFORMATION

1. Notification of Investigations

Public Lessees shall:

a. Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Public Lessees is not in compliance with any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

b. Notify LAWA within 30 calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that the Public Lessee violated any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

2. Public Sublessee Notification of Investigations

Public Lessees shall ensure that Public Sublessees occupying the LAWA leasehold premises abide by these same updating requirements, including the requirement to:

a. Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Public Sublessee did not comply with any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

b. Notify LAWA within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the Public Sublessee violated any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

3. **Update of CRP Questionnaire Information – applies to Public Lessees only.**

a. Updates of information contained in the Public Lessee's responses to the CRP Questionnaire shall be submitted to LAWA within thirty (30) days of any changes to the responses if the change would affect the Public Lessee"s fitness and ability to comply with the terms of the Public Lease.

b. PSD, or the Requesting LAWA Division, shall determine whether a Public Lessee in a specific situation should have provided updated information.

(1) If PSD, or the Requesting LAWA Division, becomes aware of new information concerning a Public Lessee and determines that the Public Lessee should have provided information or updated LAWA of such information, but the Public Lessee has not done so, PSD shall issue a written notice to the Public Lessee requiring the Public Lessee to submit the required information within (ten) 10 calendar days.

(2) If PSD or the Requesting LAWA Division becomes aware of new information concerning a Public Sublessee and determines that the Public Sublessee should have provided information or updated LAWA of such information, but the Public Sublessee has not done so, PSD shall issue a written notice to the Public Lessee requiring the Public Sublessee to submit the required information within (ten) 10 calendar days of receipt of the written notice.

c. The Public Lessee's failure to provide information or updated information when required by LAWA, the CRP or these Rules and Regulations, may be considered a material breach of the Public Lease, and LAWA may initiate a "Non-Responsibility Hearing" pursuant to the procedures set forth in Section I of these Rules and Regulations.

4. **Submission of CRP Questionnaire and Updates of CRP Questionnaire Responses Not Applicable to Sublessees:** The requirement that Public Lessees submit to LAWA CRP Questionnaires and updates to the CRP Questionnaire responses does not apply to Public Sublessees.

G. LAWA INVESTIGATION

1. **Reporting of Alleged Violations:** Allegations of violations of the CRP or these Rules and Regulations shall be reported to PSD. Complaints regarding a Prospective

Lessee's or Public Lessee's responsibility should be submitted to PSD in writing. However, PSD may investigate any claim or complaint regarding a Prospective Lessee's or Public Lessee's responsibility, whether or not it is submitted in writing. Whether based on a written complaint or otherwise, PSD shall be responsible for investigating such alleged violations.

2. **Process**:

a. Upon receipt of a complaint or upon initiation of an investigation, PSD shall notify the Requesting LAWA Division, the Awarding Authority, and the Prospective Lessee or Public Lessee, as applicable, in writing that an investigation has been initiated.

b. The Prospective Lessee or Public Lessee, as applicable, shall cooperate fully with PSD in providing information. If the Prospective Lessee or Public Lessee, as applicable, fails to cooperate with PSD's investigation or fails to timely respond to PSD's requests for information, LAWA may initiate a non-responsibility hearing as set forth in Section I of these Rules and Regulations. A failure to cooperate by a Public Lessee may be deemed a material breach of the Public Lease, and the City may pursue all available remedies.

c. To the extent permissible, PSD shall maintain the identity of the complainant, if any, confidential.

d. Upon completion of the investigation, PSD shall prepare a written report of the findings and notify the Requesting LAWA Division, the Awarding Authority, and the Prospective Lessee or Public Lessee, as applicable, of the results.

3. **Results of Investigation**

Prospective Lessee

a. When an investigation is completed before a Public Lease is awarded, PSD shall notify the Requesting LAWA Division and the Awarding Authority of the results, and the Requesting LAWA Division and the Awarding Authority will consider the information as part of the determination of a Prospective Lessee's responsibility during the bid/proposal review process.

Public Lessees

b. When an investigation is completed after the execution of a Public Lease:

(1) If violations of the CRP are found, PSD shall notify the Requesting LAWA Division and the Public Lessee of the violation and require the Public Lessee to make corrections or take reasonable measures within 10 calendar days.

(2) If the Public Lessee fails to make corrections as required, PSD shall notify the

Requesting LAWA Division and the Awarding Authority and may recommend that the Awarding Authority:

(i) Terminate the Public Lease.

(ii) Initiate a hearing to declare the Public Lessee a non-responsible lessee.

H. VIOLATIONS OF THE CRP OR ITS RULES AND REGULATIONS

1. Violations of the CRP or of these Rules and Regulations may be considered a material breach of the Public Lease and may entitle LAWA or the City to terminate the Public Lease.

2. Alleged violations of the CRP or of these Rules and Regulations shall be reported to the PSD which will investigate all such complaints.

3. When a violation of the CRP or of these Rules and Regulations is found, PSD shall notify the Public Lessee and the Awarding Authority of the violation. PSD shall require the Public Lessee to correct the violation within 10 calendar days. Failure to correct violations or take reasonable measures to correct violations within 10 calendar days may result in PSD:

   a. Recommending that the Awarding Authority declare a material breach of the Public Lease and that the Awarding Authority exercise all contractual and legal remedies available, including but not limited to termination of the Public Lease.

   b. Recommending that the Awarding Authority declare the Public Lessee a non-responsible lessee by initiating, within 30 calendar days or as soon as practicable, a non-responsibility hearing in accordance with Section I of these Rules and Regulations.

I. NON-RESPONSIBILITY HEARING

1. The process of declaring a Prospective Lessee or a Public Lessee a non-responsible lessee shall be initiated by the Awarding Authority after consultation with the City Attorney's Office.

2. Before a Prospective Lessee or a Public Lessee may be declared non-responsible, the Prospective Lessee or a Public Lessee shall be notified of the proposed determination of non-responsibility and provided with an opportunity for a hearing.

3. The Awarding Authority or the Executive Director's designee shall preside over the non-responsibility hearing and shall provide the Prospective Lessee or Public Lessee with the following:

a. The Prospective Lessee or Public Lessee shall be provided with written Notice of intent to declare the Prospective Lessee or Public Lessee non-responsible ("Notice") which shall state that the Awarding Authority intends to declare the Prospective Lessee or Public Lessee a non-responsible bidder, proposer or lessee.

b. The Notice shall provide the Prospective Lessee or Public Lessee with the following information:

   (1) That the Awarding Authority intends to declare the Prospective Lessee or Public Lessee a non-responsible bidder, proposer or lessee.
   (2) A summary of the information upon which the Awarding Authority is relying.
   (3) That the Prospective Lessee or Public Lessee has a right to respond to the information by requesting a hearing to rebut adverse information and to present evidence of its necessary trustworthiness, quality, fitness and capacity to comply with the terms of the Public Lease or proposed Public Lease.
   (4) That the Prospective Lessee or Public Lessee must exercise the right to a hearing by submitting to the Awarding Authority a **written request** for a hearing **within 10 working days** of the date of the Notice.
   (5) That failure to submit a written request for hearing within 10 working days of the date of the Notice shall be considered a waiver of the right to a hearing that allows the Awarding Authority to proceed with the determination of non-responsibility.

c. If the Prospective Lessee or Public Lessee submits a written request for a hearing, the hearing may be held by the Awarding Authority for recommendation to the Board, which shall make the final decision.

d. The hearing must allow the Prospective Lessee or Public Lessee an opportunity to address the issues contained in the Notice of Intent to declare the Prospective Lessee or a Public Lessee non-responsible.

e. The Awarding Authority may determine that the Prospective Lessee or Public Lessee:
   (1) Does not possess the necessary trustworthiness, quality, fitness, or capacity to comply with the terms of the Public Lease or proposed Public Lease, should be declared a non-responsible bidder, proposer or lessee, and recommend to the Board invocation of the remedies set forth in Section J of these Rules and Regulations.
   (2) Should not be declared a non-responsible bidder, proposer or lessee.

f. The Board's determination shall be final and constitute exhaustion of administrative remedies.

g. The Board's final decision shall be in writing and shall be provided to the Prospective Lessee or Public Lessee, the LAWA Requesting Division and to PSD. If the Prospective Lessee or Public Lessee is declared to be non-responsible, a copy of the final decision shall also be provided to the CAO.

J. NON-RESPONSIBILITY SANCTIONS

Sanctions for Airline Tenants:

Airline lessees that do not comply with the CRP requirements or are determined non-responsible by LAWA will be declared to have a material breach of the Public Lease. LAWA may exercise its legal remedies thereunder, which are to include, but are not limited to:

1. Non-issuance of a successor air carrier operating permit, resulting in the payment of higher landing fees as a non-permitted carrier.
2. Termination of the Public Lease, which may result in the loss of exclusive or preferential gate assignments.

Sanctions for Non-Airline Tenants:

1. **Prospective Lessees** that do not comply with CRP requirements and/or are determined non-responsible by LAWA will be disqualified and will not be awarded a Public Lease.

2. **Public Lessees** that do not comply with CRP requirements and/or are determined non-responsible will be declared to have a material breach of the Public Lease. LAWA may exercise its legal remedies thereunder, which are to include, but not limited to the termination of the Public Lease.

   Such lessee shall not occupy any leasehold premises in the proposed Public Lease, whether as a master lessee, a sublessee, a partner in a partnership, a participant in a joint venture, a member of a consortium, or in any other capacity.

3. Upon final determination of a Prospective Lessee or Public Lessee as a non-responsible lessee, PSD shall provide the LAWA Requesting Division and the Prospective Lessee or Public Lessee, as applicable, with a written notice summarizing the findings and applicable sanctions.

4. PSD shall maintain a listing of Prospective Lessees/Public Lessees who have been found non-responsible by LAWA pursuant to the CRP.

K. EXEMPTIONS

1. **Categorical Exemption**: The following types of Public Leases are categorically exempt from the CRP and these Rules and Regulations:

   Public Leases with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

2. **Board approval required for CRP Exemptions:** The following types of Public Leases are exempt from the requirement to submit a Questionnaire but remain subject to the

requirement that the Public Lessee submit a Pledge of Compliance and notify the Awarding Authority within 30 days of any information regarding investigations of the results of investigations by any governmental agency into the Public Lessee's compliance with applicable laws.

a. Public Leases awarded on the basis of exigent circumstances when the Board finds that LAWA would suffer a financial loss or that LAWA operations would be adversely impacted.

   (1) The Awarding Authority shall submit a request to PSD for waiver along with written certification that the required conditions exist.
   (2) No contract may be exempted under this provision unless PSD has granted written approval of the waiver.

b. Public Leases entered into based on Charter Section 371(e)(6). The Awarding Authority must certify in writing that the Public Lease is entered into in accordance with Charter Section 371(e)(6).

L. EFFECTIVE DATE OF RULES AND REGULATIONS

1, These Rules and Regulations apply to RFBs and RFPs issued after the Executive Director has approved these Rules and Regulations.

2. These Rules and Regulations apply to Public Leases entered into by LAWA after the Executive Director has approved these Rules and Regulations.

3. Public Leases amended after these Rules and Regulations are approved by the Executive Director will become subject to CRP and these Rules and Regulations if they meet definitions contained in the CRP and these Rules and Regulations.

M. CONSISTENCY WITH FEDERAL AND STATE LAW

The CRP and these Rules and Regulations do not apply in instances where application would be prohibited by Federal and State law or where the application would violate or be inconsistent with the terms and conditions or a grant or contract with the Federal or State agency.

N. SEVERABILITY

If any provision of the CRP or these Rules and Regulations are declared legally invalid by any court of competent jurisdiction, the remaining provisions remain in full force and effect.

Exhibit "L"

First Source Hiring Program

FIRST SOURCE HIRING PROGRAM FOR AIRPORT EMPLOYEES

I. Purpose. The purpose of this First Source Hiring Program is to facilitate the employment of Targeted Applicants by Airport Employers. It is a goal of this First Source Hiring Program that this Program benefit Airport Employers by providing a pool of qualified job applicants through a non-exclusive referral system.

II. Definitions. As used in this Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport" shall mean Los Angeles International Airport.

"Airport Employer" shall mean a party that, through a contract, lease, licensing arrangement, or other arrangement, agrees to comply with this First Source Hiring Program with regard to Airport Jobs. Operators of transportation charter party limousines, non-tenant shuttles, and taxis shall not be considered Airport Employers.

"Airport Job" shall mean a job that either (i) is performed On-Site, or (ii) is directly related to a contract, lease, licensing arrangement, or other arrangement under which the employer is an Airport Employer. Positions for which City's Worker Retention Policy requires hiring of particular individuals shall not constitute Airport Jobs for purposes of this Program.

"City" shall mean the City of Los Angeles.

"Coalition" shall mean the LAX Coalition for Economic, Environmental, and Educational Justice, an unincorporated association comprised exclusively of the following organizations: AGENDA; AME Minister's Alliance; Clergy and Laity United for Economic Justice; Coalition for Clean Air; Communities for a Better Environment; Community Coalition; Community Coalition for Change; Environmental Defense; Inglewood Coalition for Drug and Violence Prevention; Inglewood Democratic Club; Lennox Coordinating Council; Los Angeles Alliance for a New Economy; Los Angeles Council of Churches; Nation of Islam; Natural Resources Defense Council; Physicians for Social Responsibility Los Angeles; Service Employees International Union Local 347; and Teamsters Local 911.

"Coalition Representative" shall mean the following: The Coalition shall designate one individual as the "Coalition Representative" authorized to speak or act on behalf of the Coalition for all purposes under the Cooperation Agreement. The Coalition Representative may designate one or more assistants to assist the Coalition Representative in speaking or acting on behalf of the Coalition with respect to any specific program or activity or any other matter. The Coalition shall provide LAWA with contact information for the Coalition Representative upon request.

"Cooperation Agreement" shall mean the Cooperation Agreement between LAWA and the LAX Coalition for Economic, Environmental and Educational Justice.

"LAWA" shall mean Los Angeles World Airports.

"Low-Income Individual" shall mean an individual whose household income is no greater than 80% of the median income, adjusted for household size, for the Primary Metropolitan Statistical Area.

"On-Site" shall mean physically located on property owned or leased by LAWA and pertaining to Airport.

"Program" shall mean this First Source Hiring Program.

"Project Impact Area" shall have the meaning set forth in the "Final Environmental Impact Report" for the LAX Master Plan Program, dated April 2004, as supplemented by one or more EIR Addenda prior to certification of the EIR by the City Council.

"Referral System" shall mean the referral system established to provide applicant referrals for the Program.

"Special Needs Individuals" shall mean: (i) individuals who receive or have received public assistance through the [Temporary Assistance for Needy Families Program], within the past 24 months; (ii) individuals who are homeless; (iii) ex-offenders, (iv) chronically unemployed, and (v) dislocated airport workers.

"Targeted Applicants" shall have the meaning set forth in Section IV below.

III. Coverage. This Program shall apply to hiring by Airport Employers for all Airport Jobs, except for jobs for which the hiring procedures are governed by a collective bargaining contract that conflicts with this Program.

IV. Targeted Applicants. Referrals under the Program shall, to the extent permissible by law, be made in the order of priority set forth below.

- First Priority: Low-Income Individuals living in the Project Impact Area for at least one year and Special Needs Individuals; and
- Second Priority: Low-Income Individuals residing in City.

V. Initial Airport Employer Roles.

A. Liaison. Each Airport Employer shall designate a liaison for issues related to the Program. The liaison shall work with LAWA, the Coalition Representative, the Referral System provider, and relevant public officials to facilitate effective implementation of this Program.

B. Long-Range Planning. Any entity that becomes an Airport Employer at least two (2) months prior to commencing operations related to Airport shall, at least two months prior to commencing operations related to Airport, provide to the Referral System the approximate number and type of Airport Jobs that it will fill and the basic qualifications necessary.

VI. Airport Employer Hiring Process.

A. Notification of Job Opportunities. Prior to hiring for any Airport Job, an Airport Employer shall notify the Referral System, by e-mail or fax, of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g., language skills, driver's license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.

B. Referrals. After receiving a notification under Section VI.A above, the Referral System shall within five days, or longer time frame agreed to by the Referral System and Airport Employer, refer to the Airport Employer one or more Targeted Applicants who meet the Airport Employer's qualifications.

C. Hiring.

1. New Employer Targeted Hiring Period. When making initial hires for the commencement of an Airport Employer's operations related to Airport, the Airport Employer shall consider and hire only Targeted Applicants for a two week period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.

2. Established Employer Targeted Hiring Period. When making hires after the commencement of operations related to Airport, an Airport Employer shall consider and hire only Targeted Applicants for a five-day period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.

3. Hiring Procedure During Targeted Hiring Periods. During the periods described in Sections VI.C.1 and VI.C.2 above, Airport Employers may hire Targeted Applicants recruited or referred through any source. During such periods Airport Employers shall use normal hiring practices, including interviews, to consider all applicants referred by the Referral System.

4. No Referral Fees. No Airport Employer or referred job candidate shall be required to pay any fee, cost or expense of the Referral System or this Program in connection with referrals.

VIII. Reporting and Recordkeeping.

A. Reports. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall, on a quarterly basis, notify the Referral System of the number, by job classification, of Targeted Applicants hired by the Airport Employer during that quarter, and the total number of employees hired by the Airport Employer for Airport Jobs during that quarter. Any Airport Employer who has not had hiring activity for the quarter, shall also notify the Referral System of such inactivity.

B. Recordkeeping. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall retain records sufficient for monitoring of compliance with this Program with regard to each Airport Job, including records of notifications sent to the Referral System, referrals from the Referral System, job applications received from any source, number of Targeted Applicants hired, and total number of employees hired for Airport Jobs. To the extent allowed by law, and upon reasonable notice, these records shall be made available to LAWA and to the Referral System for inspection upon request. The Coalition Representative may request that LAWA provide such records at anytime. Records may be redacted so that individuals are not identified by name and so that information required by law to remain confidential is excluded.

C. Complaints. If LAWA, the Coalition, or the Referral System believes that an Airport Employer is not complying with this Program, then the designated LAWA office shall be notified to ensure compliance with this program.

D. Liquidated Damages. Each Airport Employer agrees to pay to LAWA liquidated damages in the amount of One Thousand Dollars ($1,000) where LAWA finds that the Airport Employer has violated this Program with regard to hiring for a particular Airport Job. LAWA shall establish procedures providing to Airport Employers notice and an opportunity to present all relevant evidence prior to LAWA's final determination regarding an alleged violation. This liquidated damages provision does not preclude LAWA from obtaining any other form of available relief to ensure compliance with this Program, including injunctive relief.

IX. Miscellaneous.

A. Compliance with State and Federal Law. This Program shall be implemented only to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this Program is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of

this Program, and the conflicting provisions of this Program shall not be enforceable.

B. Severability Clause. If any term, provision, covenant or condition of this Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

C. Binding on Successors. This Program shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of any party that has committed to comply with it. Any reference in this Program to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir or administrator of such party; provided, however, that any assignment, transfer or encumbrance of a lease agreement, permit or contract in which this Program is incorporated shall only be made in strict compliance with the terms of such lease agreement, permit or contract and the foregoing shall not constitute consent to any such assignment, transfer or encumbrance.

D. Lease Agreements and Contracts. Airport Employers shall not execute any sublease agreement or other contract under which Airport Jobs may occur directly or indirectly, unless the entirety of this Program is included as a material term thereof, binding on all parties.

E. Assurance Regarding Preexisting Contracts. Each Airport Employer warrants and represents that as of the date of execution of this Program, it has executed no sublease agreement or other contract that would violate any provision of this Program had it been executed after the date of incorporation of this Program into a binding contract.

F. Intended Beneficiaries. LAWA, the Coalition, and the Referral System are intended third-party beneficiaries of contracts and other agreements that incorporate this Program with regard to the terms and provisions of this Program. However, the parties recognize that only LAWA has the sole responsibility to enforce the provisions of this Program.

G. Material Terms. All provisions of this Program shall be material terms of any lease agreement or contract in which it is incorporated.

H. Effective Date. Section VI of this Program shall become effective on the effective date of the contract or agreement into which it is incorporated.

I. Construction. Any party incorporating this Program into a binding contract has had the opportunity to be advised by counsel with regard to this Program. Accordingly, this Program shall not be strictly construed against any party, and

the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Program.

J. Entire Contract. This Program contains the entire agreement between the parties on the subjects described herein, and supersedes any prior agreements, whether written or oral. This Program may not be altered, amended or modified except by an instrument in writing signed in writing by all parties to the contract in which it is incorporated.

Exhibit "M"

Living Wage Ordinance

CHAPTER 1, ARTICLE 11

LIVING WAGE

Section

Sec. 10.37. Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to other firms for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. These expenditures serve to promote the goals established for the grant programs and for 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.

Experience indicates that procurement by contract of services all too often has resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. The minimal compensation tends to inhibit the quantity and quality of services rendered by those employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article, the City intends to require service contractors to provide a minimum level of compensation which will improve the level of services rendered to and for the City.

The inadequate compensation leaves service employees with insufficient resources to afford life in Los Angeles. Contracting decisions involving the expenditure of City funds should not foster conditions that place a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

In comparison with the wages paid at San Francisco International Airport, the wage for Los Angeles airport workers is often lower even though the airports are similar in the number of passengers they serve and have similar goals of providing a living wage to the airport workforce. Studies show that higher wages at the airport leads to increases in worker productivity and improves customer service. Higher wages for airport workers also results in a decline in worker turnover, yielding savings to the employers and alleviating potential security concerns. Therefore, the City finds that a higher wage for airport employees is needed to reduce turnover and retain a qualified and stable workforce.

Many airport workers who provide catering services to the airlines are paid below the living wage. Federal law allows employment contract agreements between airline caterers and its workers to remain in effect without an expiration date, effectively freezing wages for workers. Long-term employment contract agreements provide little incentive for employers to renegotiate the employment contract agreements with their workers. Airline catering

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workers often struggle to pay their bills, sometimes having to choose between paying medical bills and buying food for their families. The City finds that airline caterers should pay their workers, at a minimum, the living wage with benefits.

Airport workers are also the first to respond when an emergency occurs at the airport. In order to properly assist first responders during a crisis at the airport, the City finds that airport employees of Certified Service Provider License Agreement holders should be formally trained for an emergency response at the airport.

Nothing less than the living wage should be paid by employers that are the recipients of City financial assistance. Whether workers are engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor.

The City holds a proprietary interest in the work performed by many employees of City lessees and licensees and by their service contractors, subcontractors, sublessees and sublicensees. The success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby hinders the opportunity for success of City operations. A proprietary interest in providing a living wage is important for various reasons, including, but not limited to: 1) the public perception of the services or products rendered to them by a business; 2) security concerns related to the location of the business or any product or service the business produces; or 3) an employer's industry-specific job classification which is in the City's interest to cover by the living wage. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage further serves a proprietary concern of the City. If an employer does not comply with this article, the City may: 1) declare a material breach of the contract; 2) declare the employer non-responsible and limit its ability to bid on future City contracts, leases or licenses; and 3) exercise any other remedies available.

SECTION HISTORY

Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.1. Definitions.

The following definitions shall apply throughout this article:

(a) **"Airline Food Caterer"** means any Employer that, with respect to the Airport:

(1) prepares food or beverage to or for aircraft crew or passengers;

(2) delivers prepared food or beverage to or for aircraft crew or passengers;

(3) conducts security or inspection of aircraft food or beverage; or

(4) provides any other service related to or in connection with the preparation of food or beverage to or for aircraft crew or passengers.

(b) **"Airport"** means the Department of Airports and each of the airports which it operates.

(c) **"Awarding Authority"** means the governing body, board, officer or employee of the City or City Financial Assistance Recipient authorized to award a Contract and shall include a department which has control of its own funds.

(d) **"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.

(e) **"City Financial Assistance Recipient"** means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of $1,000,000 or more in any 12-month period shall require compliance with this article for five years from the date such assistance reaches the $1,000,000 threshold. For assistance in any 12-month period totaling less than $1,000,000 but at least $100,000, there shall be compliance for one year, with the period of compliance beginning when the accrual of continuing assistance reaches the $100,000 threshold.

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Categories of 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 at market rate shall not be regarded as financial assistance. The 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. §§ 1274(d) and 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if:

(1) it is in its first year of existence, in which case the exemption shall last for one year;

(2) it employs fewer than five Employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year; or

(3) it obtains a waiver as a recipient who employs the long-term unemployed or provides trainee positions intended to prepare Employees for permanent positions. The recipient shall attest that compliance with this article would cause an economic hardship and shall apply in writing to the City department or office administering the assistance. The department or office shall forward the waiver application and the department or office's recommended action to the City Council. Waivers shall be effected by Council resolution.

(f) **"Contractor"** means any person that enters into:

(1) a Service Contract with the City;

(2) a contract with a Public Lessee or Licensee; or

(3) a contract with a City Financial Assistance Recipient to help the recipient in performing the work for which the assistance is being given.

(g) **"Designated Administrative Agency (DAA)"** means the Department of Public Works, Bureau of Contract Administration, which shall bear administrative responsibilities under this article.

(h) **"Employee"** means any person who is not a managerial, supervisory or confidential employee who expends any of his or her time working for an Employer in the United States.

(i) **"Employer"** means any person who is:

(1) a City Financial Assistance Recipient;

(2) Contractor;

(3) Subcontractor;

(4) Public Lessee or Licensee; and

(5) Contractor, Subcontractor, sublessee or sublicensee of a Public Lessee or Licensee.

(j) **"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.

(k) **"Public Lease or License"** means, except as provided in Section 10.37.15, a lease, license, sublease or sublicense of City property, including, but not limited to, Non-Exclusive License Agreements, Air Carrier Operating Permits and Certified Service Provider License Agreements (CSPLA), for which services are furnished by Employees where any of the following apply:

(1) The services are rendered on premises at least a portion of which is visited by members of the public (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities);

(2) Any of the services feasibly could be performed by City employees if the City had the requisite financial and staffing resources; or

(3) The DAA has determined in writing as approved by the Board of Public Works that coverage would further the proprietary interests of the City. Proprietary interest includes, but is not limited to:

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(i) the public perception of the services or products rendered to them by a business;

(ii) security concerns related to the location of the business or any product or service the business produces; or

(iii) an Employer's industry-specific job classifications as defined in the regulations.

(l) "Service Contract" means a contract involving an expenditure in excess of $25,000 and a contract term of at least three months awarded to a Contractor by the City to furnish services for the City where any of the following apply:

(1) at least some of the services are rendered by Employees whose work site is on property owned or controlled by the City;

(2) the services feasibly could be performed by City employees if the City had the requisite financial and staffing resources; or

(3) the DAA has determined in writing as approved by the Board of Public Works that coverage would further the proprietary interests of the City. Proprietary interest includes, but is not limited to:

(i) the public perception of the services or products rendered to them by a business;

(ii) security concerns related to the location of the business or any product or service the business produces; or

(iii) an Employer's industry-specific job classifications as defined in the regulations.

(m) "Subcontractor" means any person not an Employee who enters into a contract:

(1) to assist in performance of a Service Contract;

(2) with a Public Lessee or Licensee, sublessee, sublicensee or Contractor to perform or assist in performing services for the leased or licensed premises.

(n) "Willful Violation" means that the Employer knew of its obligations under this article and deliberately failed or refused to comply with its provisions.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (e), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through (l) re-lettered (d) through (o), respectively and new Subsecs. (a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.2. Payment of Minimum Compensation to Employees.

(a) **Wages.** An Employer shall pay an Employee for all hours worked on a Service Contract or if a Public Lease or License or for a Contractor of a Public Lessee or Licensee, for all hours worked furnishing a service relating to the City, a wage of no less than the hourly rates set under the authority of this article.

(1) **Non-Airport Employee Wages.**

(i) If an Employer provides an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the following:

a. On July 1, 2018, the wage rate for an Employee shall be no less than $13.25 per hour.

b. On July 1, 2019, the wage rate for an Employee shall be no less than $14.25 per hour.

c. On July 1, 2020, the wage rate for an Employee shall be no less than $15.00 per hour.

d. On July 1, 2022, and annually thereafter, the hourly wage rate paid to an Employee shall be adjusted consistent with any adjustment pursuant to Section 187.02 D. of the Los Angeles Municipal Code.

(ii) If an Employer does not provide an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the applicable wage rate in Section

10.37.2(a)(1)(i) and an additional wage rate of $1.25 per hour.

(iii) Section 10.37.11 is not applicable to this subdivision.

(2) **Airport Employee Wages.**

(i) If an Employer servicing the Airport provides an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the following:

a. On July 1, 2017, the wage rate for an Employee shall be no less than $12.08 per hour.

b. On July 1, 2018, the wage rate for an Employee shall be no less than $13.75 per hour.

c. On July 1, 2019, the wage rate for an Employee shall be no less than $15.25 per hour.

d. On July 1, 2020, the wage rate for an Employee shall be no less than $16.50 per hour.

e. On July 1, 2021, the wage rate for an Employee shall be no less than $17.00 per hour.

f. Beginning on July 1, 2022, the wage rate for an Employee shall increase annually, on July 1, to an amount $2.00 above the minimum rate under the City's Minimum Wage Ordinance for that same period of time.

(ii) If an Employer servicing the Airport does not provide an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the applicable wage rate in Section 10.37.2(a)(2)(i) and an additional wage rate as follows:

a. On July 1, 2017, an Employer servicing the Airport shall pay an Employee an additional wage rate of $5.18 per hour.

b. Beginning on July 1, 2018, an Employer servicing the Airport shall pay an Employee an additional wage rate per hour equal to the health benefit payment in effect for an Employee pursuant to Section 10.37.3(a)(5).

(3) An Employer may not use tips or gratuities earned by an Employee to offset the wages required under this article.

(b) **Compensated Time Off.** An Employer shall provide an Employee compensated time off as follows:

(1) An Employee who works at least 40 hours per week or is classified as a full-time Employee by the Employer shall accrue no less than 96 hours of compensated time off per year.

(2) An Employee who works less than 40 hours per week and is not classified as a full-time Employee by the Employer shall accrue hours of compensated time off in increments proportional to that accrued by an Employee who works 40 hours per week.

(3) **General Rules for Compensated Time Off.**

(i) An Employee must be eligible to use accrued paid compensated time off after the first 90 days of employment or consistent with company policies, whichever is sooner. Compensated time off shall be paid at an Employee's regular wage rate at the time the compensated time off is used.

(ii) An Employee may use accrued compensated time off hours for sick leave, vacation or personal necessity.

(iii) An Employer may not unreasonably deny an Employee's request to use the accrued compensated time off. The DAA, through regulations, may provide guidance on what is considered unreasonable.

(iv) The DAA may allow an Employer's established compensated time off policy to remain in place even though it does not meet these requirements, if the DAA determines that the Employer's established policy is overall more generous.

(v) Unused accrued compensated time off shall carry over until time off reaches a maximum of 192 hours, unless the Employer's established policy is overall more generous.

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(vi) After an Employee reaches the maximum accrued compensated time off, an Employer shall provide a cash payment once every 30 days for accrued compensated time off over the maximum. An Employer may provide an Employee with the option of cashing out any portion of, or all of, the Employee's accrued compensated time off, but, an Employer shall not require an Employee to cash out any accrued compensated time off. Compensated time off cashed out shall be paid to the Employee at the wage rate that the Employee is earning at the time of cash out.

(vii) An Employer may not implement any unreasonable employment policy to count accrued compensated time off taken under this article as an absence that may result in discipline, discharge, suspension or any other adverse action.

(4) **Compensated Release Time.** An Employer servicing the Airport who holds a Certified Service Provider License Agreement and is subject to this article shall comply with the following additional requirements:

(i) A CSPLA Employer shall provide an Employee at the Airport, 16 hours of additional compensated release time annually to attend and complete emergency response training courses approved by the Airport.

(ii) By December 31, 2018, and continuing thereafter on an annual basis, an Employee of a CSPLA Employer shall successfully complete the 16 hours of emergency response training.

(iii) An Employee of a CSPLA Employer hired after December 31, 2018, shall complete the 16 hours of emergency response training within 120 days of the first date of hire.

(iv) The 16 hours of compensated release time shall only be used to attend Airport approved annual emergency response training courses. The 16 hours of compensated release time does not accumulate or carry over to the following year. The 16 hours of compensated release time shall not be included as part of the 96 hours of compensated time off required under this article.

(c) **Uncompensated Time Off.** An Employer shall provide an Employee uncompensated time off as follows:

(1) An Employee who works at least 40 hours a week or is classified as a full-time Employee by an Employer shall accrue no less than 80 hours of uncompensated time off per year.

(2) An Employee who works less than 40 hours per week and is not classified as a full-time Employee by the Employer shall accrue hours of uncompensated time off in increments proportional to that accrued by an Employee who works 40 hours per week.

(3) **General Rules for Uncompensated Time Off.**

(i) An Employee must be eligible to use accrued uncompensated time off after the first 90 days of employment or consistent with company policies, whichever is sooner.

(ii) Uncompensated time off may only be used for sick leave for the illness of an Employee or a member of his or her immediate family and where an Employee has exhausted his or her compensated time off for that year.

(iii) An Employer may not unreasonably deny an Employee's request to use the accrued uncompensated time off. The DAA, through regulations, may provide guidance on what is considered unreasonable.

(iv) Unused accrued uncompensated time off shall carry over until the time off reaches a maximum of 80 hours, unless the Employer's established policy is overall more generous.

(v) An Employer may not implement any unreasonable employment policy to count accrued uncompensated time off taken under this article as an absence that may result in discipline, discharge, suspension or any other adverse action.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Subsec. (a), Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18; Subsec. (a)(1), Ord. No. 185,745, Eff. 10-15-18.

Sec. 10.37.3. Health Benefits.

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment by an Employer of at least $1.25 per hour to Employees towards the provision of health care benefits for an Employee and his or her dependents. On July 1, 2017, the health benefit rate for an Employee working for an Employer servicing the Airport shall be at least $5.18 per hour. On July 1, 2018, the annual increase for Employees working for an Employer servicing the Airport shall continue as provided in Section 10.37.3(a)(5).

(1) Proof of the provision of such benefits must be submitted to the Awarding Authority to qualify for the wage rate in Section 10.37.2(a) for Employees with health benefits.

(2) Health benefits include health coverage, dental, vision, mental health and disability income. For purposes of this article, retirement benefits, accidental death and dismemberment insurance, life insurance and other benefits that do not provide medical or health related coverage will not be credited toward the cost of providing Employees with health benefits.

(3) If the Employer's hourly health benefit payment is less than that required under this article, the difference shall be paid to the Employee's hourly wage.

(4) Health benefits are not required to be paid on overtime hours.

(5) On July 1, 2018, and annually thereafter each July 1, the amount of payment for health benefits provided to an Employee working for an Employer servicing the Airport shall be adjusted by a percentage equal to the percentage increase, if any, in the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: Medical Care Services, as measured from January to December of the preceding year. The DAA shall announce the adjusted rates on February 1st and publish a bulletin announcing the adjusted rates, which shall take effect on July 1st of each year.

(b) **Periodic Review.** At least once every three years, the City Administrative Officer shall review the health benefit payment by Employers servicing the Airport set forth in Section 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.4. Employer Reporting and Notification Requirements.

(a) An Employer shall post in a prominent place in an area frequented by Employees a copy of the Living Wage Poster and the Notice Regarding Retaliation, both available from the DAA.

(b) An Employer shall inform an Employee of his or her possible right to the federal Earned Income Credit (EIC) under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available to an Employee forms informing them about the EIC and forms required to secure advance EIC payments from the Employer.

(c) An Employer is required to retain payroll records pertaining to its Employees for a period of at least four years, unless more than four years of retention is specified elsewhere in the contract or required by law.

(d) A Contractor, Public Lessee, Licensee, and City Financial Assistant Recipient is responsible for notifying all Contractors, Subcontractors, sublessees, and sublicensees of their obligation under this article and requiring compliance with this article. Failure to comply shall be a material breach of the contract.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99: In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.5. Retaliation Prohibited.

An Employer shall not discharge, reduce in compensation, or otherwise discriminate against any Employee for complaining to the City with regard to the Employer's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article,

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for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.6. Enforcement.

(a) An Employee claiming violation of this article may bring an action in the Superior Court of the State of California against an Employer and may be awarded:

(1) For failure to pay wages required by this article, back pay shall be paid for each day during which the violation occurred.

(2) For failure to comply with health benefits requirements pursuant to this article, the Employee shall be paid the differential between the wage required by this article without health benefits and such wage with health benefits, less amounts paid, if any, toward health benefits.

(3) For retaliation the Employee shall receive reinstatement, back pay or other equitable relief the court may deem appropriate.

(4) For Willful Violations, the amount of monies to be paid under Subdivisions (1) - (3), above, shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an Employee who prevails in any such enforcement action and to an Employer who prevails and obtains a court determination that the Employee's lawsuit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies. Contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the Awarding Authority to terminate the contract and otherwise pursue legal remedies that may be available. Contracts shall also include an agreement that the Employer shall comply with federal law proscribing retaliation for union organizing.

(d) The DAA may audit an Employer at any time to verify compliance. Failure by the Employer to cooperate with the DAA's administrative and enforcement actions, including, but not limited to, requests for information or documentation to verify compliance with this article, may result in a determination by the DAA that the Employer has violated this article.

(e) An Employee claiming violation of this article may report the claimed violation to the DAA, which shall determine whether this article applies to the claimed violation.

(1) If any of the Employee's allegations merit further review, the DAA shall perform an audit; the scope of which will not exceed four years from the date the complaint was received.

(2) If the claimed violation is filed after a contract has expired, and information needed for the review is no longer readily available, the DAA may determine this article no longer applies.

(3) In the event of a claimed violation of the requirements relating to compensated time off, uncompensated time off or wages, the DAA may require the Employer to calculate the amount the Employee should have earned and compensate the Employee. Nothing shall limit the DAA's authority to evaluate the calculation.

(i) If the DAA determines that an Employer is in violation of Section 10.37.2(b), the time owed must be made available immediately. At the Employer's option, retroactive compensated time off in excess of 192 hours may be paid to the Employee at the current hourly wage rate.

(ii) If the DAA determines that an Employer is in violation of Section 10.37.2(c), the Employer shall calculate the amount of uncompensated time off that the Employee should have accrued. This time will be added to the uncompensated time off currently available to the Employee and must be available immediately.

(f) Where the DAA has determined that an Employer has violated this article, the DAA shall issue a written notice to the Employer that the violation is to be corrected within ten days or other time period determined appropriate by the DAA.

(g) In the event the Employer has not demonstrated to the DAA within such period that it has cured the violation, the DAA may then:

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(1) Request the Awarding Authority to declare a material breach of the Service Contract, Public Lease or License, or financial assistance agreement and exercise its contractual remedies thereunder, which may include, but not be limited to: (i) termination of the Service Contract, Public Lease or License, or financial assistance agreement; (ii) the return of monies paid by the City for services not yet rendered; and (iii) the return to the City of money held in retention (or other money payable on account of work performed by the Employer) when the DAA has documented the Employer's liability for unpaid wages, health benefits or compensated time off.

(2) Request the Awarding Authority to declare the Employer non-responsible from future City contracts, leases and licenses in accordance with the Contractor Responsibility Ordinance (LAAC Section 10.40, et seq.) and institute proceedings in a manner that is consistent with law.

(3) Impose a fine payable to the City in the amount of up to $100 for each violation for each day the violation remains uncured.

(4) Exercise any other remedies available at law or in equity.

(h) Notwithstanding any provision of this Code or any other law to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.7. Administration.

The DAA shall administer the requirement of this article and monitor compliance, including the investigation of claimed violations. The DAA shall promulgate rules and regulations consistent with this article for the implementation of the provision of this article. The DAA shall also issue determinations that persons are City Financial Assistance Recipients, that particular contracts shall be regarded as "Service Contracts" for purposes of Section 10.37.1(l), and that particular leases and licenses shall be regarded as "Public Leases" or "Public Licenses" for purposes of Section 10.37.1(k), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.14 and 10.37.15.

The DAA may require an Awarding Authority to inform the DAA about all contracts in the manner described by regulation. The DAA shall also establish Employer reporting requirements on Employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 10.37.4. The DAA shall report on compliance to the City Council no less frequently than annually.

Every three years after July 1, 2018, the Chief Legislative Analyst (CLA) with the assistance of the City Administrative Officer (CAO) shall commission a study to review the state of the Airport's regional economy; minimum wage impacts for Employees servicing the Airport; Airport service industry impacts; temporary workers, guards and janitors impacts; restaurants, hotels and bars impacts; transitional jobs programs impacts; service charges, commissions and guaranteed gratuities impacts; and wage theft enforcement. On an annual basis, the CLA and CAO shall collect economic data, including jobs, earnings and sales tax. The Study shall also address how extensively affected Employers are complying with this article, how the article is affecting the workforce composition of affected Employers, and how the additional costs of the article have been distributed among Employees, Employers and the City.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.8. City is a Third Party Beneficiary of Contracts Between an Employer and Subcontractor for Purposes of Enforcement.

Any contract an Employer executes with a Contractor or Subcontractor, as defined in Section 10.37.1(f) and (m), shall contain a provision wherein the Contractor or Subcontractor agree to comply with this article and designate the City as an intended third party beneficiary for purposes of enforcement directly against the Contractor or Subcontractor, as provided for in Section 10.37.6 of this article.

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SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.9. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an Employee's right to bring legal action for violation of other minimum compensation laws.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.10. Expenditures Covered.

This article shall apply to the expenditure – whether through aid to City Financial Assistance Recipients, Service Contracts let by the City or Service Contracts let by its Financial Assistance Recipients – of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.11. Timing of Application.

The provisions of this article shall become operative 60 days following the effective date of the ordinance and are not retroactive.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 2-24-01; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.12. Express Supersession by Collective Bargaining Agreement.

The requirements of this article may be superseded by a collective bargaining agreement if expressly stated in the agreement. This provision applies to any collective bargaining agreement that expires or is open for negotiation of compensation terms after the effective date of this ordinance. Any collective bargaining agreement that purports to supersede any requirement of this article shall be submitted by the Employer to the DAA.

(a) A collective bargaining agreement may expressly supersede the requirements of this article with respect to Employees of Employers servicing the Airport only when an Employee is paid a wage not less than the applicable wage rate in Section 10.37.2(a)(2)(i).

(b) A collective bargaining agreement may expressly supersede the requirements of this article with respect to Employees of Airline Food Caterers only when an Employee of the Airline Food Caterer is paid a total economic package no less than the applicable wage rate in Section 10.37.2(a)(2)(ii).

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; Title and Section In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City Financial Assistance Recipient" in Section 10.37.1(e), of "Public Lease or License" in Section 10.37.1(k), and of "Service Contract" in Section 10.37.1(l) shall be liberally interpreted so as to further the policy objectives of this article. All City Financial Assistance Recipients meeting the monetary thresholds of Section 10.37.1(e), all Public Leases and Licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services shall be presumed to meet the corresponding definition mentioned above, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the City of their opportunity to apply for

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a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.
Amended by: Ord. No. 173,747, Eff. 2-24-01; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18; In Entirety, Ord. No. 185,745. Eff. 10-15-18.

Sec. 10.37.14. Contracts, Employers and Employees Not Subject to this Article.

The following contracts are not subject to the Living Wage Ordinance. An Awarding Authority, after consulting with the DAA, may determine whether contracts and/or Employers are not subject to the Living Wage Ordinance due to the following:

(a) a contract where an employee is covered under the prevailing wage requirements of Division 2, Part 7, of the California Labor Code unless the total of the basic hourly rate and hourly health and welfare payments specified in the Director of Industrial Relations' General Prevailing Wage Determinations are less than the minimum hourly rate as required by Section 10.37.2(a) of this article.

(b) a contract with a governmental entity, including a public educational institution or a public hospital.

(c) a contract for work done directly by a utility company pursuant to an order of the Public Utilities Commission.

SECTION HISTORY

Added by Ord. No. 184,318, Eff. 7-7-16.
Amended by: In Entirety, Ord. No. 185,321, Eff. 1-20-18.

Sec. 10.37.15. Exemptions.

Upon the request of an Employer, the DAA may exempt compliance with this article. An Employer seeking an exemption must submit the required documentation to the DAA for approval before the exemption takes effect.

(a) A Public Lessee or Licensee, that employs no more than seven people total on and off City property shall be exempted. A lessee or licensee shall be deemed to employ no more than seven people if the company's entire workforce worked an average of no more than 1,214 hours per month for at least three-fourths of the previous calendar year. If a Public Lease or License has a term of more than two years, the exemption granted pursuant to this section shall expire after two years, but shall be renewable in two-year increments.

(b) Non-Profit Organizations. Corporations organized under Section 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight times the lowest wage paid by the corporation, shall be exempted as to all Employees other than child care workers.

(c) Students. High school and college students employed in a work study or employment program lasting less than three months shall be exempt. Other students participating in a work-study program shall be exempt if the Employer can verify to the DAA that:

(1) The program involves work/training for class or college credit and student participation in the work-study program is for a limited duration, with definite start and end dates; or

(2) The student mutually agrees with the Employer to accept a wage below this article's requirements based on a training component desired by the student.

(d) Nothing in this article shall limit the right of the Council to waive the provisions herein.

(e) Nothing in this article shall limit the right of the DAA to waive the provisions herein with respect to and at the request of an individual Employee who is eligible for benefits under Medicare, a health plan through the U.S. Department of Veteran Affairs or a health plan in which the Employee's spouse, domestic partner or parent is a participant or subscriber to another health plan. An Employee who receives this waiver shall only be entitled to the hourly wage pursuant to Section 10.37.2(a)(2)(i).

SECTION HISTORY

Added by Ord. No. 184,318, Eff. 7-7-16.
Amended by: In Entirety, Ord. No. 185,321, Eff. 1-20-18.

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Sec. 10.37.16. Severability.

If any subsection, sentence, clause or phrase of this article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this section, and each and every subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.
Amended by: In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

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Worker Retention Ordinance

CHAPTER 1, ARTICLE 10

WORKER RETENTION

(Title amended, Ord. No. 185,356, Eff. 1-26-18.)

Section

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 also leases its property or grants licenses to enter onto its property and these lessees and licensees often perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to other firms for the purpose of economic development or job growth. At the conclusion of the term of a service contract, lease or license with the City or with those receiving financial assistance from the City, a different firm often receives the successor contract to perform the same City services or to lease or license the same City property.

The City obtains benefits achieved through the competitive 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.

The City has a proprietary interest in the work performed by employees of City contractors, lessees and licensees and by the employees of firms receiving City financial assistance. The success or failure of City operations may turn on the success or failure of these firms, and the City has a genuine stake in how the public perceives the services rendered by these firms. Replacement of existing employees can adversely impact the performance by these firms and thereby hinders the opportunity for success of City operations.

Incumbent workers have invaluable existing knowledge and experience with the work schedules, practices and clients. Replacing these workers with workers without these experiences decreases efficiency and results in a disservice to the City and City financed or assisted projects.

Retaining existing workers when a change in firm 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 City constituents and visitors who receive services provided by the City, the City's lessees or licensees, or by City financed or assisted projects.

Contracting decisions involving the expenditure of City funds should avoid a 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, leases and licenses with the City and 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; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) **"Awarding Authority"** means the governing body, board, officer or employee of the City or City Financial Assistance Recipient authorized to award a Contract and shall include a department which

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has control of its own funds if the department adopts policies consonant with the provisions of this article.

(b) **"City"** means the City of Los Angeles and all Awarding Authorities thereof.

(c) **"City Financial Assistance Recipient"** means any person who receives from the City in any 12-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least $100,000; provided, however, that corporations organized under Section 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than $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 at market rate shall not be regarded as financial assistance. The 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. §§ 1274(d) and 7872(f). A recipient shall not be deemed to include lessees and sublessees. Contracts for economic development or job growth shall be deemed providing such assistance once the $100,000 threshold is reached.

(d) **"Contract"** means:

(1) 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 City Financial Assistance Recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of $25,000 and a contract term of at least three months; or

(2) a Public Lease or License as those terms are defined in Los Angeles Administrative Code Section 10.37.1(k) but only if the lessee or licensee is subject to the Living Wage Ordinance and not otherwise exempt from its provisions.

(e) **"Contractor"** means any person that enters into a Contract with the City or a City Financial Assistance Recipient. Governmental entities, including public educational institutions and public hospitals, are not Contractors and are not subject to this article.

(f) **"Designated Administrative Agency (DAA)"** means the Department of Public Works, Bureau of Contract Administration, which shall bear administrative responsibilities under this article.

(g) **"Employee"** means any person employed as an employee of a Contractor or Subcontractor earning no more than twice the hourly wage without health benefits available under the Living Wage Ordinance, Los Angeles Administrative Code Section 10.37 et seq., whose primary place of employment is in the City on or under the authority of a Contract. Examples of Employee includes: 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. Employee does not include a person who is a managerial, supervisory or confidential Employee. An Employee must have been employed by a terminated Contractor for the preceding 12 months or longer.

(h) **"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.

(i) **"Subcontractor"** means any person not an Employee who enters into a contract with a Contractor to assist the Contractor in performing a Contract and who employs Employees for such purpose. A Subcontractor includes a sublessee or sublicensee.

(j) **"Successor Contract"** means a Contract where the service to be performed is substantially similar to the Contract recently terminated. The meaning also includes a Contract that is a Public Lease or License substantially similar to a Public Lease or License recently terminated. Termination includes, but is not limited to: (1) the completion of the Contract; (2) early termination of the Contract in whole or in part; or (3) an amendment that reduces

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services provided under the Contract, in whole or in part.

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; Subsec. (j) added, Ord. No. 176,155, Eff. 9-22-04; Subsec. (j), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.2. Transition Employment Period.

(a) Within ten days of learning that a Contract is to be terminated, the Contractor shall provide to the Successor Contractor, the Awarding Authority and the DAA, the name, address, date of hire, and employment occupation classification of each Employee of the terminated Contractor and Subcontractor working pursuant to the Contract. If the terminated Contractor has not learned the identity of the Successor Contractor, the Contractor shall request the identity from the Awarding Authority. If a Successor Contract has not been awarded by the end of the ten-day period, the Contractor shall provide the employment information referred to earlier in this subsection to the Awarding Authority and the DAA. Where only a subcontract of a Contract has been terminated, the terminated Subcontractor shall for purposes of this Article be deemed a terminated Contractor.

(1) If multiple Contracts providing similar services are terminated, the Awarding Authority shall consult with the DAA to determine whether to pool the Employees, ordered by seniority within job classification and provide a pool list to the Successor Contractor. The Successor Contractor shall provide written notice to the Awarding Authority and the DAA that the Awarding Authority's pool list will be used. The notice must include the following:

(A) the total number of Employees required under the Successor Contract;

(B) a breakdown of the number of Employees required within each job classification and seniority within each class; and

(C) an indication as to which Employees within each job classification shall be offered employment under this article.

The written notice must be provided no later than ten days after the Successor Contractor receives the listing of the terminated Contractor's Employees.

(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 Awarding Authority shall pool, when applicable, the Employees, ordered by seniority within job classification, under such prior Contracts or subcontracts where required by, and in accordance with, rules promulgated by the DAA. The Successor Contractor or Subcontractor shall provide written notice to the Awarding Authority and the DAA that the Awarding Authority's pool list will be used.

(b) If work-related requirements for a particular job classification under the Successor Contract differ from the terminated Contract, the Successor Contractor (or Subcontractor, where applicable) shall give notice to the Awarding Authority and the DAA and provide an explanation including:

(1) the different work-related requirements needed; and

(2) the reason why the different work-related requirements are necessary for the Successor Contract.

(c) Within ten days of receipt of the list of Employees from the terminated Contractor, the Successor Contractor shall make written offers for a 90-day transition employment period to the eligible Employees by letters sent certified mail. The letters shall ask an Employee to return the offers to the Successor Contractor with the Employee's signature indicating acceptance or rejection of the offer of employment. The letters shall state that if an Employee fails to return a written acceptance of the offer within ten days of the date of mailing of the Successor Contractor's certified letter, then the Employee will be presumed to have declined the offer.

The Successor Contractor shall provide copies of the letters offering employment to the Awarding Authority and proof of mailing.

(d) A Successor Contractor shall retain Employees for a 90-day transition employment period. Where pooling of Employees has occurred, the Successor Contractor shall draw from the pools in accordance with rules promulgated by the DAA. During such 90-day period, Employees so hired shall be employed under the terms and conditions established by the Successor Contractor (or Subcontractor) or as required by law.

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(e) If at any time the Successor Contractor determines that fewer Employees are required to perform the new Contract than were required by the terminated Contractor (and Subcontractors, if any), the Successor Contractor shall retain Employees by seniority within job classification. The Successor Contractor shall give notice to the Awarding Authority and the DAA and provide an explanation including:

(1) the reason that fewer Employees will be needed;

(2) the total number of Employees required under the Successor Contract;

(3) a breakdown of the number of Employees required within each job classification;

(4) a listing of the terminated Contractor's Employees by job classification and seniority within each class; and

(5) an indication as to which Employees within each job classification will be offered employment under this article.

The notice must be provided no later than ten days after the Successor Contractor receives the list of the terminated Contractor's Employees pursuant to Section 10.36.2(a).

Letters offering employment shall be made by seniority within each job classification. If an Employee in a job classification declines an offer of employment or fails to respond within ten days pursuant to Section 10.36.2(a), the Successor Contractor shall issue a letter offering employment to the next Employee in that job classification. The Successor Contractor shall continue to offer employment in this manner until all required positions are filled for the Successor Contract or until all Employees have been offered employment.

(f) During the 90-day transition employment period, the Successor Contractor (or Subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered Employees not retained by the Successor Contractor (or Subcontractor) from which the successor Contractor (or Subcontractor) shall hire additional Employees, if needed.

(g) During the 90-day transition employment period, the Successor Contractor (or Subcontractor, where applicable) shall not discharge without cause an Employee retained pursuant to this article. "Cause" for this purpose shall mean fair and honest reasons, regulated by good faith on the part of the Contractor or Subcontractor, that are not trivial, arbitrary or capricious, unrelated to business needs or goals, or pretextual.

(h) At the end of the 90-day transition employment period, the Successor Contractor (or Subcontractor, where applicable) shall perform a written performance evaluation for each Employee retained pursuant to this article. If the Employee's performance during the 90-day period is satisfactory, the Successor Contractor (or Subcontractor) shall offer the Employee continued employment under terms and conditions established by the Successor Contractor (or Subcontractor) or as required by law.

(i) If the City or a City Financial Assistance Recipient enters into a Contract for the performance of work that prior to the Contract was performed by the City's or the City Financial Assistance Recipient's own Employees, the City or the City Financial Assistance Recipient shall be deemed to be a terminated Contractor within the meaning of this article and the Contractor shall be deemed to be a Contractor with a Successor Contract within the meaning of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) added, Ord. No. 172,349, Eff. 1-29-99; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.3. Enforcement.

(a) An Employee who has been discharged in violation of this article by a Successor Contractor or its Subcontractor may bring an action in the Superior Court of the State of California against the Successor Contractor and, where applicable, its Subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the Employee from the terminated Contractor during the last three years of the Employee's employment in the same occupation classification; or

(B) The final regular rate paid by the terminated Contractor to the Employee.

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(2) Costs of benefits the Successor Contractor would have incurred for the Employee under the successor Contractor's (or Subcontractor's, where applicable) benefit plan.

(b) If the Employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all Contracts and shall provide that violation of this article shall entitle the City to terminate the Contract and pursue all legal remedies.

(d) If the DAA determines that a Contractor or Subcontractor violated this article, the DAA may recommend that the Awarding Authority take any or all of the following actions:

(1) Document the determination in the Awarding Authority's Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.;

(2) Require that the Contractor or Subcontractor document the determination in each of the Contractor's or Subcontractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Section 10.40, et seq.;

(3) Terminate the Contract;

(4) Recommend to the Awarding Authority to withhold payments due to the Contractor or Subcontractor.

(e) Notwithstanding any provision of this Code or any other law to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.4. Exemption for Contractor or Contractor's Prior Employees.

(a) An Awarding Authority may allow a Successor Contractor or Subcontractor to fill a position under a Contractor with a person who has been employed by the Contractor or Subcontractor continuously for at least 12 months prior to the commencement of the Successor Contract working in a position similar to the position to be filled in the Successor Contract. The Successor Contractor or Subcontractor shall first obtain written approval of the Awarding Authority by demonstrating that: (a) the person would otherwise be laid off work; and (b) his or her retention would be helpful to the Contractor or Subcontractor in performing the Successor Contract.

(b) Nothing in this article shall limit the right of the DAA to waive the provisions herein with respect to a Contractor if it finds it is not in the best interest of the City.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an Employee's right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through Contracts let by the City or by City Financial Assistance Recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City Financial Assistance Recipients shall apply this article to the expenditure of non-City funds for Contracts to be performed in the City by complying with Section 10.36.2(i) and by contractually requiring their Contractors with Contracts to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

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Sec. 10.36.7. Promulgation of Implementing Rules.

The DAA shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: Ord. No. 176,155, Eff. 9-22-04; Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

Sec. 10.36.8. Severability.

If any subsection, sentence, clause or phrase of this article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this section, and each and every subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

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Exhibit "O"

Equal Employment Practices

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.

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 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.

Exhibit "P"

Affirmative Action Program

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 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.

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.

(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 pre-registration, 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;

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.

Exhibit "Q"

Alternative Fuel Vehicle Requirement Program

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. Maximum Allowable Vehicle Age Requirement. 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.

EXHIBIT Q

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.

Exhibit "R"

Tenant Improvement Fund Loans

Subject to the TIF Loan financing parameters set forth in Section 1.2.3(c) of this Lease and financing parameters set forth below, during the Pre-Term, the parties shall use good faith efforts to work cooperatively to reach timely agreement on all aspects of the Pre-IPOD TIF Loans, the Post-IPOD-TIF Loans and the applicable TIF Loan Documentation.

1. Proceeds and Draws

   a. Maximum principal amount of all TIF Loans will not exceed the Maximum Purchase Option Improvements Acquisition Cost for the Airline Area Improvements (excluding Proprietary Improvements).

   b. Maximum principal amount of all Pre-IPOD TIF Loans will not exceed the Maximum Purchase Option Improvements Acquisition Cost for the Airline Area Improvements (excluding Proprietary Improvements).

   c. Maximum principal amount of all Post-IPOD TIF Loans will not exceed the Maximum Purchase Option Improvements Acquisition Cost for the Airline Area Improvements (excluding Proprietary Improvements), minus the aggregate principal amount of all Pre-IPOD TIF Loans made by Landlord to Tenant.

   d. TIF Loan proceeds may only be used to reimburse Tenant for Permissible Costs incurred by Tenant with respect to substantially complete components/phases of the Airline Area Improvements (excluding Proprietary Improvements), including repaying a Third-Party Construction Financing, the proceeds of which were used to finance Permissible Costs incurred by Tenant with respect to the substantially completed components/phases of the Airline Area Improvements (excluding Proprietary Improvements). For the avoidance of doubt, TIF Loan proceeds cannot be used for the cost of either the Proprietary Improvements, the Apron Area Improvements or for components/phases of the Airline Area Improvements (excluding Proprietary Improvements) that are not substantially complete.

   e. Documentation required for each TIF Loan will include the completed applicable TIF Loan Documentation and a schedule of the Permissible Costs with respect to the Airline Area Improvements (excluding Proprietary Improvements) to be financed or refinanced with the proceeds of the applicable TIF Loan in accordance with Section 1.2.6, including sufficient documentation (such sufficiency being subject to Landlord's approval) substantiating the completeness of the components/phases of the Airline Area Improvements to be financed or refinanced with the appliable TIF Loan. In the event Landlord identifies any costs funded with proceeds of a TIF Loan that were not Permissible Costs of the Airline Area Improvements (excluding Proprietary Improvements), Tenant shall, within fifteen

(15) days of written demand from Landlord, promptly repay such amounts together with interest accrued on such amounts under the TIF Loan.

f. If applicable, Tenant will provide written direction to Landlord that TIF Loan proceeds are to be sent to the Third-Party Construction Financing Trustee to be used and applied to the repayment of the applicable Third-Party Construction Financing. Any TIF Loan proceeds that are to be used to repay a Third-Party Construction Financing, must be applied to the repayment of such Third-Party Construction Financing no later than ninety (90) days of the funding of the TIF Loan.

2. TIF Loan Provisions

a. ***Term of TIF Loan***

(i) The term of each TIF Loan will end no later than the Terminal Operational Term.

(ii) If the TIF Loan is funded with cash of Landlord, the principal amount of such TIF Loan shall be amortized over a term not to exceed the earlier of (A) the economic life of the Airline Area Improvements financed with such TIF Loan and (B) the Terminal Operational Term.

b. ***Interest Rate on TIF Loan***

(i) If the TIF Loan is funded with Landlord RBs and/or Landlord SFRBs, the interest rate on such TIF Loan will be equal to the interest rate on the Landlord RBs and/or Landlord SFRBs, as applicable.

(ii) If the TIF Loan is funded with cash of Landlord, the interest rate on such TIF Loan will be equal to the higher of (i) the average all-in cost of any Landlord RBs sold during the year when such TIF Loan is made, (ii) the average all-in cost of any Landlord SFRBs sold during the year when such TIF Loan is made and (iii) the average all-in costs of any other Landlord debt sold during the year when such TIF Loan is made. If no Landlord RBs, Landlord SFRBs or any other Landlord debt was sold, the interest rate on such TIF Loan shall be equal to a comparable published average borrowing costs.

(iii) Each TIF Loan will begin to accrue interest immediately upon the funding of the loan.

c. ***TIF Loan Principal and Interest Payment Dates***

(i) If the TIF Loan is funded with Landlord RBs and/or Landlord SFRBs, Tenant will make principal and interest payments on the TIF Loan to

Landlord no less frequently than the principal and interest payment dates for such Landlord RBs and/or Landlord SFRBs.

(ii) If the TIF Loan is funded with cash of Landlord, Tenant will make payments to Landlord on such date(s) as agreed to by Landlord and Tenant, which date(s) shall be set forth in the applicable Loan Documentation.

d. ***Amount of Principal and Interest Payments on TIF Loans***

(i) If the TIF Loan is funded with Landlord RBs and/or Landlord SFRBs, TIF Loan payments to be made by Tenant will equal the principal of and interest on the Landlord RBs and/or Landlord SFRBs, and, if applicable, any additional amounts necessary for Landlord to comply with the rate coverage covenants set forth in Landlord's senior and subordinate debt obligation indentures that are related to the Landlord RBs and Landlord SFRBs; provided that any additional amounts paid by Tenant that are necessary for Landlord to comply with the rate coverage covenants set forth in Landlord's senior and subordinate debt obligation indentures shall be credited against the final payment of a TIF Loan made by Tenant. For the avoidance of doubt, the principal payments to be made by Tenant on a TIF Loan funded with Landlord RBs and/or Landlord SFRBs may exceed the total amount of TIF Loan proceeds provided to Tenant, as the Landlord RBs and/or Landlord SFRBs issued by Landlord to fund such TIF Loan may also have funded a debt service reserve fund and costs of issuance, among other uses of the proceeds of such bonds.

(ii) If the TIF Loan is funded with cash of Landlord, such TIF Loan shall provide payment terms which are intended to achieve substantially level debt service over the term of such TIF Loan.

e. ***Prepayment of TIF Loan*** - Tenant shall not be allowed to prepay a TIF Loan without the prior written consent of the CEO. Landlord agrees that any debt obligations issued to fund a TIF Loan will not have call protection greater than 10 years.

f. ***Refinancing of Landlord Funding Source.*** Landlord shall have the option to refinance a Landlord Funding Source at any time with another Landlord Funding Source, subject to providing notice to Tenant of its intention to refinance such Landlord Funding Source. In the event of such a refinancing, Tenant's loan payments for the related TIF Loan shall be subject to the new Landlord Funding Source.

Exhibit "S"

Landlord's Maintenance and Operation Obligations

EQUIPMENT	All Areas	Sublease Premises
Gate jetways, 400 Hz aircraft power, pre-conditioned air, potable water	SW	NA
Bag belt systems	SW	NA
Baggage carousels	SW	NA
Inter-line bag belt systems and carousels	SW	NA
Flight/Gate/Baggage Information displays	SW	NA
Ticket Podium/Card Reader	SW	NA
Signage	SW	NA
Battery Chargers	SW	NA
Paging Systems	SW	NA

SYSTEM	All Areas	Sublease Premises
Fire sprinkler and fire-life- safety systems	SW	NA
Master electrical panels and main electrical equipment	SW	NA
Electrical equipment, sub- panels, and distribution	SW	LAWA
Light bulbs, fixtures, and components	SW	LAWA
Telephone and data lines	SW	LAWA
Telecommunications conduits serving two or more prime tenants/prime users	SW	NA
Shared water and sewer lines	SW	NA
Single user water and sewer system from the point of tie-in to building main, meter or shared system to and including Demised Premises	SW	LAWA
HVAC systems connected to Landlord provided chilled/hot water	SW	LAWA
HVAC stand-alone systems	SW	LAWA
ACAMS	SW	NA

STRUCTRUAL	All Areas	Sub-let Premises
Building exterior and roof, incl. glass	SW	NA
Entrance doors from Demised Premises, incl. Locks	NA	LAWA
Carpeted areas: interior partitions, doors, finishes, furnishings, treatments	NA	LAWA
Hard floor areas, including restrooms: interior partitions, doors, finishes, furnishings, treatments	NA	LAWA

JANITORIAL	SW	LAWA

"LAWA" as used herein shall mean City. To the extent that LAWA, as a subtenant, is responsible for certain maintenance and repair under the Lease, LAWA's maintenance and repair responsibilities are limited to the activities designated on this exhibit.

"SW" as used herein shall mean Southwest Airlines Co. As Tenant, SW's maintenance and repair responsibilities as Tenant shall also include, in addition to the above, areas and equipment that are not designated on this exhibit and which are not subject to any agreement between the Landlord and a third party for maintenance and repair.

SCHEDULE 1
Basic Information Schedule (Illustration)
Southwest Airlines Co.

Concourse Zero

Demised Premises*	Area (SF)
Land Immediately Adjacent to T1 to the East	702,750
Total Occupied Land Area (SF)	702,750

Land Rent	
Demised Premises (SF)	702,750
Land Rental Rate* ($/SF/yr.)	$4.07
Annual Land Rent	$2,860,192.50
Monthly Land Rent	$238,349.38
Tariff FIS Rate	$18.54
Rate Agreement FIS Rate	$17.04
Guarantor	N/A
Initial Performance Guaranty Amount (Subject to adjustment pursuant Section 18):	$715,048.13

Note: 1) The final Demised Premises area will be determined pursuant to Final Term Lease Amendment, and 2) Land Rental Rate shall be adjusted at the time LAWA delivers the Demised Premises to Southwest and annually thereafter pursuant to §3.2.

Commencement Date:	The date when both (i) the Pre-Term Conditions Precedent have been satisfied and (ii) possession of any portion of the Demised Premises has been delivered by Landlord to Tenant pursuant to Section 1.2.1 hereof. Landlord shall give a written notice confirming the Commencement Date when such is ascertained.
Permitted Use During Terminal Operation Term:	To operate a new passenger concourse facility at Los Angeles International Airport, and for purposes reasonably incidental thereto.

TENANT ADDRESSES FOR NOTICE:

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