

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 11, 2024

CAO File No. 0150-12746-0000

Council File No.

Council District: 11

To: The Mayor

From: Matthew W. Szabo,  City Administrative Officer

Reference: Correspondence from the Los Angeles World Airports Board of Airport Commissioners (Board) dated July 18, 2024 and August 5, 2024; referred by the Mayor for a report on July 29, 2024

Subject: **RESOLUTION 27978 AND PROPOSED SECOND AMENDMENT TO CONTRACT DA-5322 WITH LOS ANGELES GATEWAY PARTNERS FOR THE LANDSIDE ACCESS MODERNIZATION PROGRAM'S CONSOLIDATED RENT-A-CAR FACILITY PROJECT AT LOS ANGELES INTERNATIONAL AIRPORT TO CLOSE OUT PROJECT ALLOWANCES, CREDIT BACK COST SAVINGS, AND REPURPOSE FUNDS TO THE OWNER'S PROJECT CONTINGENCY**

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### RECOMMENDATION

That the Mayor:

1. Approve Los Angeles World Airports (LAWA) Board Resolution No. 27978 authorizing a proposed Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport to: 1) close out existing project allowances, 2) credit back cost savings for an amount not-to-exceed \$9,714,543, and 3) repurpose those funds to the Owner's Project Contingency;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the August 5, 2024 Board of Airport Commissioners (Board) Resolution 27978, that this action is exempt from CEQA pursuant to Article II, Section 2(i) of the Los Angeles City CEQA Guidelines; and
3. Authorize the LAWA Chief Executive Officer, or designee, to execute the proposed agreement upon approval as to form by the City Attorney and approval by the City Council.

### SUMMARY

The Los Angeles World Airports (LAWA) Board of Airport Commissioners (Board) requests approval of its August 5, 2024 Resolution No. 27978, authorizing a proposed Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners (hereinafter referred to as "LA Gateway")

for the Landside Access Modernization Program's (known as "LAMP") Consolidated Rent-A-Car (ConRAC) Facility Project at Los Angeles International Airport (LAX). The proposed amendment aims to close out existing project allowances, credit back up to \$9,714,543 in cost savings from the Private Carrier Infrastructure work, and reallocate these credits to the Owner's Project Contingency to address change orders and unforeseen events during project close-out and ConRAC commissioning preparation.

The 28-year contract commenced on November 6, 2018 and expires on November 5, 2046.

The underlying contract has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years. Our Office has reviewed the request and recommends approval.

## **BACKGROUND**

*Initial Contract and Subsequent Board Actions* - On October 18, 2018, the Board authorized LAWA to execute a 28-year contract for approximately \$2 billion with LA Gateway to design, build, finance, operate, and maintain a ConRAC facility at LAX (Resolution Nos. 26617 and 26618). Additionally, two consecutive resolutions were approved to replenish the Owner's Project Contingency for the LAMP ConRAC facility: 1) Resolution 27423 approved on February 3, 2022, appropriating \$37.8 million in capital funds, and 2) Resolution 27933, approved on April 4, 2024, allocating \$6.9 million from the Los Angeles Unified School District and the Los Angeles Department of Water and Power.

On July 18, 2024 and August 5, 2024, the Board approved a LAWA staff report and Resolution 27978 requesting authority to execute a proposed Second Amendment to the LA Gateway contract. Approval of the proposed amendment will enable the Department to repurpose unused funds in the Private Carrier Infrastructure allowance to resolve various changes and relief events as part of the ConRAC design and construction close-out phases. Except as proposed in this amendment, all other terms and conditions remain unchanged.

*Fund Reallocation* - As a result of scaling back the Private Carrier Infrastructure work, its budget will be reduced by \$9,714,543, lowering it from \$16,500,000 to \$6,785,457. The savings will be redirected to the Owner's Project Contingency, enhancing financial flexibility for managing project expenses and unforeseen costs, while also ensuring sufficient resources are set aside for future contingencies.

*Pending Change Orders and Relief Events Claims* – There are approximately 15 pending change orders, with an estimated value of \$6 million. Additionally, two outstanding Relief Event Claims remain unresolved, and no exact dollar amount has been determined to settle these issues. These claims are still under review and could significantly impact the overall project contingency costs once finalized.

*ConRAC Facility Service Launch* – The ConRAC facility is expected to begin operations ahead of the Automated People Mover system, with LAWA implementing shuttle services to transport

travelers between the facility and airport terminals. Avis Budget Group is projected to commence rental car services at the ConRAC in the fourth quarter of 2024. Meanwhile, planning is underway to potentially allow the remaining rental car companies in and around the airport to begin phasing in rental car operations at the facility between the second and third quarters of 2025.

## **CITY COMPLIANCE**

*Small Business Enterprise (SBE), Local Business Enterprise (LBE), Local Small Business Enterprise (LSBE), and Disadvantaged Veteran Business Enterprise (DVBE) Participation* – Los Angeles Gateway Partners has committed to and achieved the Business Enterprise goals detailed in Attachment 1.

*Charter Section 1022* – The Department has determined that the work specified in the proposed Second Amendment can be performed more feasibly or economically by an Independent Contractor than by City Employees.

*California Environmental Quality Act (CEQA)* – The proposed Second Amendment with Los Angeles Gateway Partners to close out existing project allowances, credit back cost savings, and repurpose funds to the Owner's Project Contingency for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at LAX will not directly impact the environment and is exempt from CEQA pursuant to Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

The proposed Second Amendment includes provisions to ensure compliance with applicable City Ordinances, contracting, and insurance requirements. The underlying contract has been reviewed and approved as to form by the City Attorney. In accordance with Charter Section 373 and Administrative Code Section 10.5(a) and 10.5 (b)(2), the proposed amendment requires Council approval because the total term of the agreement, executed November 6, 2018, exceeds three years. Our Office recommends approval.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners closing out existing project allowances from the Private Carrier Infrastructure budget, reallocating up to \$9,714,543 to the Owner's Project Contingency will have no impact on the City's General Fund. Costs associated with the proposed Second Amendment are programmed in LAWA's 10-year Capital Improvement Plan (CIP). The proposed action is a reimbursement that will not result in a net increase to the Department's CIP or the ConRAC Facility's budget. Project costs will be capitalized, and when operational, associated expenses will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues. The recommendations in this report comply with the Los Angeles World Airports' adopted Financial Policies.

Attachment 1 – LA Gateway Business Enterprise Participation

Attachment 2 - July 18, 2024 BOAC Report and August 5, 2024 Resolution No. 27978

MWS/PJH/JVW:DLG:10250036

<b>LA Gateway Partners Contract No. DA-5322 Business Enterprise Participation</b>				
<b>Business Category</b>	<b>Enterprise</b>	<b>LAWA Goal</b>	<b>LAGP Committed</b>	<b>LAGP Achieved</b>
<i>Design</i>				
	SBE	18%	18%	14%
	LBE	5%	50%	53%
	LSBE	3%	10%	9%
	DVBE	3%	5%	2%
<i>Construction</i>				
	SBE	22%	22%	27%
	LBE	8%	20%	39%
	LSBE	5%	5%	15%
	DVBE	5%	5%	9%
<i>Operation &amp; Maintenance*</i>				
	SBE	20%	20%	
	LBE	7%	7%	
	LSBE	5%	5%	
	DVBE	3%	3%	

Tenants of the ConRAC facility are currently engaged in tenant improvement activities, which has prevented the project developer from fully operating and maintaining the facility. Consequently, no Operations and Maintenance Business Enterprise goals have been achieved.

July 23, 2024

The Honorable Karen Bass  
Mayor, City of Los Angeles  
City Hall – Room 303  
Los Angeles, CA 90012

ATTN: Heleen Ramirez, Legislative Coordinator  
ATTN: Thomas Arechiga, Deputy Legislative Coordinator

**LAX**

**Van Nuys**

**City of Los Angeles**

Karen Bass  
Mayor

**Board of Airport  
Commissioners**

Karim Webb  
President

Matthew M. Johnson  
Vice President

Vanessa Aramayo  
Courtney La Bau  
Victor Narro  
Nicholas P. Roxborough  
Valeria C. Velasco

John Ackerman  
Chief Executive Officer

RE: Request to approve the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners

In accordance with Executive Directive No. 4, we are transmitting a copy of the specified board report for the request to approve the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport, to close out existing project allowances, credit back cost savings in the not-to-exceed amount of \$9,714,543, and repurpose the same amount to the Owner's Project Contingency.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter.

Sincerely,



Becca Doten  
Chief of Staff

BD:MSA:kfs

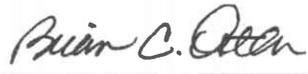


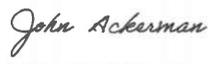


Item Number  
**7**  
has

## Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:   
Jacob Adams (Jun 28, 2024 10:35 PDT)  
Jake Adams, Deputy Executive Director  
Landside Access Modernization Program

Reviewer:   
Brian C. Ostler, City Attorney

  
John Ackerman, Chief Executive Officer

Meeting Date  
7/18/2024

Needs Council Approval:  Y

Reviewed for/by	Date	Approval Status	By
Finance	6/24/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	6/10/2024	<input checked="" type="checkbox"/> Y	VW
Procurement	5/29/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	6/3/2024	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	6/21/2024	<input checked="" type="checkbox"/> Y	BNZ

### SUBJECT

Request to approve the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport, to close out existing project allowances, credit back cost savings in the not-to-exceed amount of \$9,714,543, and repurpose the same amount to the Owner's Project Contingency.

### RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- DETERMINE that any activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) is exempt from further review pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines. The Landside Access Modernization Program Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on March 2, 2017 (Resolution 26185).
- APPROVE the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners to close out existing project allowances and credit back cost savings in the not-to-exceed amount of \$9,714,543.
- FURTHER APPROVE a repurposing of credit allowance funds in the not-to-exceed amount of \$9,714,543 to the Owner's Project Contingency. This contingency can only be utilized

through change orders authorized by the Chief Executive Officer, or designee, or the Board of Airport Commissioners as outlined below.

5. AUTHORIZE the Chief Executive Officer, or designee, to execute the Second Amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council.

## **DISCUSSION**

### **1. Purpose**

The requested action will close out several existing project allowances, credit back costs, and further approve the repurposing of these funds to the Owner's Project Contingency to be utilized for project closeout and changes.

### **2. Prior Related Actions/History of Board Actions**

- **October 18, 2018 – Resolution No. 26617 and 26618 (DA-5322)**

The Board of Airport Commissioners (Board) approved authorization to execute a 28-year Design-Build-Finance-Operate-Maintain (DBFOM) agreement and related ancillary agreement with Los Angeles Gateway Partners (LAGP) in the amount of \$2.03 billion.

- **February 3, 2022 – Resolution No. 27423 (DA-5322)**

The Board approved an appropriation of capital funds to Contract DA-5322 with LAGP in the amount of \$37.8 million to replenish the Owner's Project Contingency for the Landside Access Modernization Program's (LAMP) Consolidated Rent-a-Car Center (ConRAC) Facility Project at Los Angeles International Airport (LAX).

- **April 4, 2024 – Resolution No. 27933 (DA-5322A)**

The Board approved a replenishment of the Owner's Project Contingency amount of \$6.9 million, with reimbursed funds received from the Los Angeles Unified School District and the Los Angeles Department of Water and Power to Contract DA-5322 with LAGP for LAMP's ConRAC Facility Project at LAX.

### **3. Background**

Construction of the ConRAC project commenced in October 2019, and the base building construction was completed on schedule in March 2023. At this time, LAGP has substantially completed the surrounding roadway construction, and the rental car companies are well underway with construction of their tenant improvements. Tenant operations are expected to commence at the ConRAC this summer, and staff have begun the closeout process for the design and construction phases of the project.

### **4. Current Action/Rationale**

Staff are requesting that the project contingency for the ConRAC project be replenished by repurposing the Design and Construction allowance savings of \$9.7 million. This action will allow staff to continue to resolve various changes and relief events as a part of the project closeout process.

## 5. Fiscal Impact

The ConRAC Facility Project is programmed into LAWA's 10-Year Capital Improvement Plan (CIP) with a direct project budget of \$1,461,875,432, which includes hard costs, direct soft costs, project contingency, and developer-funded improvements. There will be no net increase to the CIP with the approval of this amendment. Additionally, as this item is a reimbursement, it will not result in an increase to the programmed ConRAC Facility budget.

Costs incurred through this contract will be capitalized, and, when projects are put in service, those costs will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

LA Gateway Partners has committed to, and achieved to date, the following goals:

	Design			Construction			Ops & Maint	
	Goal	Committed	Achieved	Goal	Committed	Achieved	Goal	Committed
<b>SBE</b>	18%	18%	13.72%	22%	22%	26.62%	20%	20%
<b>LBE</b>	5%	50%	52.57%	8%	20%	38.67%	7%	7%
<b>LSBE</b>	3%	10%	9.00%	5%	5%	14.74%	5%	5%
<b>DVBE</b>	3%	5%	2.45%	5%	5%	8.49%	3%	3%

## 6. Alternatives Considered

- **Take No Action**

If no action is taken to replenish the Owner's Project Contingency with the reimbursed funds as described above, the project may not have sufficient contingency to complete the closeout.

## APPROPRIATIONS

No appropriations are required for this item.

## STANDARD PROVISIONS

The City Attorney has approved this item.

Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.



August 5, 2024

The Honorable City Council  
of the City of Los Angeles  
(via email)

*Subject:* Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners

Enclosed for your consideration is the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners that was approved by the Board of Airport Commissioners at its July 18, 2024 meeting. There is no impact to the General Fund.

LAX

Van Nuys

City of Los Angeles

Karen Bass  
Mayor

Board of Airport  
Commissioners

Karim Webb  
President

Matthew M. Johnson  
Vice President

Vanessa Aramayo  
Courtney La Bau  
Victor Narro  
Nicholas P. Roxborough  
Valeria C. Velasco

John Ackerman  
Chief Executive Officer

**RECOMMENDATIONS FOR CITY COUNCIL:**

1. Adopt the determination by said Board that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines; and
2. Approve the Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners, for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport, to close out existing project allowances, credit back cost savings in not-to-exceed amount of \$9,714,543, and repurpose the same amount to the Owner's Project Contingency; and
3. Concur with said Board's action on July 18, 2024, by Resolution 27978, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners.

This document and its attachments are advisory only and do not constitute a complete and official submittal to the City Council. The official submittal, including this document and its attachments, will be submitted electronically to the City Council and the Council File Management System pursuant to Charter Section 373 via the City Clerk's website when the file is complete.

Very truly yours,

Grace Miguel, Commission Executive Assistant II  
BOARD OF AIRPORT COMMISSIONERS

Enclosures

cc: CAO (Airport Analyst), e-file  
CLA (Airport Analyst), e-file



RESOLUTION NO. 27978

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners, for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport, to close out existing project allowances, credit back cost savings in not-to-exceed amount of \$9,714,543, and repurpose the same amount to the Owner's Project Contingency; and

WHEREAS, construction of the Consolidated Rent-A-Car Facility (ConRAC) Project commenced in October 2019, and the base building construction was completed on schedule in March 2023. At this time, Los Angeles Gateway Partners (LAGP) has substantially completed the surrounding roadway construction, and the rental car companies are well underway with construction of their tenant improvements. Tenant operations are expected to commence at the ConRAC this summer, and staff have begun the closeout process for the design and construction phases of the project; and

WHEREAS, replenishment of the project contingency for the ConRAC project, by repurposing the Design and Construction allowance savings of \$9.7 million, will allow staff to continue to resolve various changes and relief events as a part of the project closeout process; and

WHEREAS, the ConRAC Project is programmed into LAWA's ten (10)-year Capital Improvement Plan (CIP) with a direct project budget of \$1,461,875,432, which includes hard costs, direct soft costs, project contingency, and developer-funded improvements. There will be no net increase to the CIP with the approval of the Second Amendment. Additionally, as this item is a reimbursement, it will not result in an increase to the programmed ConRAC budget; and

WHEREAS, LAGP has committed to, and achieved to date, the following goals for Small Business Enterprise (SBE), Local Business Enterprise (LBE), Local Small Business Enterprise (LSBE), and Disabled Veteran Business Enterprise (DVBE):

	Design			Construction			Ops & Maint	
	Goal	Committed	Achieved	Goal	Committed	Achieved	Goal	Committed
SBE	18%	18%	13.72%	22%	22%	26.62%	20%	20%
LBE	5%	50%	52.57%	8%	20%	38.67%	7%	7%
LSBE	3%	10%	9.00%	5%	5%	14.74%	5%	5%
DVBE	3%	5%	2.45%	5%	5%	8.49%	3%	3%; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that any activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) is exempt from further review pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines, whereas the Landside Access Modernization Program Environmental Impact Report was certified by the Board of Airport Commissioners for the project on March 2, 2017 (Resolution 26185); approved the Second

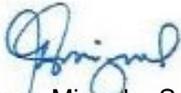
- LAX
- Van Nuys
- City of Los Angeles
  - Karen Bass  
Mayor
- Board of Airport Commissioners
  - Karim Webb  
President
  - Matthew M. Johnson  
Vice President
  - Vanessa Aramayo
  - Courtney La Bau
  - Victor Narro
  - Nicholas P. Roxborough
  - Valeria C. Velasco
- John Ackerman  
Chief Executive Officer



Amendment to Contract DA-5322 with Los Angeles Gateway Partners, for the Landside Access Modernization Program's Consolidated Rent-A-Car Facility Project at Los Angeles International Airport, to close out existing project allowances, credit back cost savings in not-to-exceed amount of \$9,714,543; further approved repurposing of credit allowance funds in not-to-exceed amount of \$9,714,543 to the Owner's Project Contingency, which can only be utilized through change orders authorized by the Chief Executive Officer, or designee, or the Board of Airport Commissioners; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5322 with Los Angeles Gateway Partners after approval by the Los Angeles City Council and approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 27978 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 18, 2024.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS

THIS AMENDMENT TO THE CONTRACT DOCUMENTS FOR THE CONSOLIDATED RENT-A-CAR FACILITY, INCLUDING ALL EXHIBITS, APPENDICES AND INCORPORATIONS BY REFERENCE ("**Amendment No. 2**") dated \_\_\_\_\_, 2024 (the "**Effective Date**") is made by and between the City of Los Angeles Department of Airports, known as Los Angeles World Airports ("**LAWA**") and LA GATEWAY PARTNERS, LLC ("**Developer**") (collectively the "**Parties**" and individually a "**Party**") and amends that certain Design-Build-Finance-Operate-Maintain Agreement between LAWA and the Developer dated as of November 6, 2018, as previously amended (the "**DBFOM Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them by Exhibit 1 to the Agreement or as otherwise provided for by the Contract Documents. Any capitalized terms used herein and not otherwise defined by the Contract Documents shall have the meanings ascribed to them in this Amendment No. 2.

**WHEREAS:**

A. This Amendment is made pursuant to Section 23.2 of the Agreement.

**NOW THEREFORE THIS WRITTEN INSTRUMENT AMENDS THE CONTRACT DOCUMENTS AS FOLLOWS:**

1. The Parties previously executed Change Order No. 85 ("CO 085"), dated July 31, 2023, in response to Directive Letter No. 0029. CO 085 incorporated a modified Exhibit 10B (Interface Obligations – Consolidated Rent-a-Car Facility and Cellular Communications System) to the DBFOM Agreement reflecting a reduction in the scope of the Private Carrier Work. Task Orders TO-00.002.01 and TO-00.002.01 incorporated the final pricing estimate for the Private Carrier Work, totaling \$6,785,457.
2. Accordingly, the Parties acknowledge and agree that the Developer has completed all Private Carrier Work required under the DBFOM Agreement, and hereby desire to amend the DBFOM Agreement by reducing the amount of the Private Carrier Allowance set forth in Section 11.9.1 of the DBFOM Agreement from the original \$16,500,000 and replacing such amount with the final Private Carrier Allowance total of \$6,785,457.
3. The Parties further acknowledge and agree that the amount of reduction in the Private Carrier Allowance, equal to \$9,714,543, will be retained by LAWA to be utilized in LAWA's sole discretion, and no reductions or other adjustments will be made pursuant to Section 11.7(a) of the DBFOM Agreement to the D&C Payments and Availability

Payments calculated in accordance with Article 11 and Exhibit 4 of the DBFOM Agreement.

4. The Parties acknowledge and agree that the Drive Aisle Allowance required by the DBFOM Agreement was not utilized for the Project. Accordingly, the Parties desire to amend the DBFOM Agreement to eliminate references to the Drive Aisle Allowance and all requirements associated therewith, including the following:
  - a. The reference to the Drive Aisle Allowance in Section 11.7(a) of the DBFOM Agreement is deleted;
  - b. Section 11.10 of the DBFOM Agreement is deleted in its entirety; and
  - c. Exhibit 2A-17 (Drive Aisle Pricing Sheet) to the DBFOM Agreement is deleted in its entirety.
5. The Parties further acknowledge and agree that the full amount of Drive Aisle Allowance set forth in Exhibit 2A-17, equal to \$3,050,000, will be retained by LAWA to be utilized in LAWA's sole discretion, and no reductions or other adjustments will be made pursuant to Section 11.7(a) of the DBFOM Agreement to the D&C Payments and Availability Payments calculated in accordance with Article 11 and Exhibit 4 of the DBFOM Agreement.
6. In the event there is a conflict, inconsistency, or incongruity between the terms and conditions of the DBFOM Agreement and this Amendment, the provisions of this Amendment shall govern and control.
7. This Settlement Agreement may be executed in one or more counterparts. Any single counterpart or a set of counterparts executed, in either case, by all of the Parties shall constitute a full, original and binding agreement for all purposes. Counterparts may be executed either in original, or electronic form.

*[Signature pages follow.]*

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

**Los Angeles World Airports**

By: \_\_\_\_\_

Name:

Title: Chief Executive Officer

**LA GATEWAY PARTNERS, LLC**

By:  \_\_\_\_\_

Name: Patrick Freer

Title: Responsible Officer

APPROVED AS TO FORM:  
Hydee Feldstein Soto, City Attorney

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy City Attorney