

**FIRST AMENDMENT TO LEASE NO. VNA-8825 BETWEEN THE CITY OF LOS ANGELES AND VALLEY SOD FARMS, INC. AT VAN NUYS, CALIFORNIA AT VAN NUYS AIRPORT**

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This FIRST AMENDMENT TO LEASE NO. VNA-8825 (“First Amendment”) is made and entered into this \_\_\_\_ day of \_\_\_\_ 2023 (“Effective Date”), by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners of the Department of Airports also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City"), and VALLEY SOD FARMS, INC., a California corporation (hereinafter referred to as “Lessee”).

**RECITALS**

WHEREAS, on August 19, 2014, City and Lessee entered into Lease No. VNA-8825 (“Lease”) at Van Nuys Airport (“Airport”); and

WHEREAS, City and Lessee, by mutual agreement, desire to amend the Lease in order to reduce the Demised Premises and increase the term of the Lease, as set forth in this First Amendment;

NOW, THEREFORE, the parties hereto, for and in consideration of the terms, covenants and conditions herein contained, City and Lessee do hereby mutually agree that the Lease shall BE AMENDED AS FOLLOWS:

**AMENDMENTS**

**Section 1.** Article 1, Section 1.1 of the Lease is hereby deleted in its entirety and replaced with the following:

“Beginning on October 1, 2023, the Demised Premises shall consist of (i) Parcel 1 consisting of approximately 3.2129 acres of agricultural land located at 16405 Chase Street and (ii) Parcel 2 consisting of approximately 8.2515 acres of agricultural land at Van Nuys Airport (hereinafter referred to as "Airport") in Van Nuys, California, as shown and outlined on Exhibit A-2, and also identified on Exhibit B-1, both of which are attached hereto and incorporated by reference herein.”

**Section 2.** Article 1, Section 2.1 of the Lease is hereby deleted in its entirety and replaced with the following:

“This Lease shall commence on August 19, 2014 (“Commencement Date”), and shall terminate on August 18, 2029, subject however to earlier termination by either party upon twelve (12) months’ advance written notice, or as otherwise provided by the terms herein.”

**Section 3.** Article 1, Section 4.1 of the Lease is hereby deleted in its entirety and replaced with the following:

“Beginning on October 1, 2023, the Monthly Rent shall be as set forth in Exhibit B-1, as adjusted pursuant to the terms of this Lease. Lessee acknowledges that the Chief Executive Officer is authorized to replace the Exhibit B-1, to reflect rental adjustments, fees and/or other charges established periodically by the Board that shall be generally applicable to similarly situated lessees at Airport and that Lessee accepts responsibility for payments based on such modifications. Lessee shall be responsible for payment of any and all amounts due to City by sublessees of this Lease, if any, unless the Chief Executive Officer specifically waives such responsibility.”

**Section 4.** The following provision shall be added to Article 1, Section 1 of the Lease:

“Lessee, by accepting this Lease, acknowledges that City has or intends to enter into a Ground Lease with PCS ENERGY, LLC, a California limited liability company for use of (i) Parcel 1 consisting of approximately 13.2731 acres of open space land located at 16521 Chase Street and (ii) Parcel 2 consisting of approximately 20.5247 acres of open space at Van Nuys Airport, to install, operate, and maintain a ground mount photovoltaic solar power system (“PV System”) and Lessee hereby agrees for itself and its successors and assigns that it will not make use of the Demised Premises in any manner which might interfere with the use and operation of the adjacent PV System, including but not limited to any use or act which could result in the accumulation of dust or other particles leaving the Demised Premises and entering upon the adjacent property containing the PV System. Lessee shall use all available methods to minimize the amount of dust and other particles exiting the Demised Premises and entering upon adjacent parcels. In the event that Lessee’s use interferes with the PV System described above, City reserves the right to enter upon the Demised Premises hereby leased and cause the abatement of such interference at the expense of Lessee.”

**Section 5.** Exhibit A-2 and Exhibit B-1 attached to this First Amendment shall be added to the Lease and incorporated by reference herein.

**Section 6.** **Counterparts; Electronic Signatures.** This First Amendment may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one 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 First Amendment 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 First Amendment had been delivered that had been signed using a handwritten signature. All parties to this First Amendment (i) agree that an electronic signature, whether digital or encrypted, of a party to this First Amendment 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 First Amendment based on the foregoing forms of signature. If this First Amendment 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.

**Section 7.** It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this First Amendment shall not in any manner alter, change, modify or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of the Lease, and except as expressly amended herein, all of the terms, covenants, and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this First Amendment to be executed by the Chief Executive Officer and Lessee has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:  
HYDEE FELDSTEIN SOTO,  
City Attorney

CITY OF LOS ANGELES

Date: Sep 20, 2023  
By: *Cynthia Alexander*  
Deputy/Assistant City Attorney

By \_\_\_\_\_  
Chief Executive Officer  
Department of Airports

ATTEST:

VALLEY SOD FARMS, INC., a  
California corporation

By *Brad Baccus*  
Signature (Secretary)

By *Danny Gibson*  
Signature

Brad Baccus  
Print Name

Danny Gibson  
Print Name

Brad Baccus  
Print Title

President  
Print Title

[SEAL]

May 17, 2023

May 17, 2023

**Exhibit A -2**  
**First Amendment**  
**VNA-8825**  
**Valley Sod Farms Inc.**



Parcel 1  
Valley Sod Farms Inc.  
3.2129 Acres

Parcel 2  
Valley Sod Farms Inc.  
8.2515 Acres

**Exhibit B-1**

First Amendment VNA-8825

Rental Payment

16405 Chase Street, North Hills CA 91343

**RENT PAYMENT**

Rental, fees and other charges effective on Commencement Date of the Lease\*

**Property Address**

**Monthly Rent**

**16405 Chase Street**

**Parcel 1:**

(3.2129 AC @ \$3,182.62 per acre per year/ 12)

**\$852.12**

**Parcel 2:**

(8.2515 AC @ \$3,182.62 per acre per year/ 12)

**\$2,188.45**

Total: **\$3,040.57**

Faithful Performance Guarantee Amount: \$9,121.71

***\*Note: Rental, fees and other charges, as set forth in this Exhibit "B" are subject to adjustment pursuant to this Lease. Parcel 6 is intentionally omitted.***