

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 22, 2024

CAO File No. 0150-12703-0000

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 June 13, 2024 and July 1, 2024; referred by the Mayor for a report on June 20, 2024

Subject: **RESOLUTION NO. 27954 AND PROPOSED FIRST AMENDMENT TO LEASE NO. LAA-8800 WITH AIR NEW ZEALAND LIMITED TO EXTEND THE LEASE TERM AND INCREASE THE BUILDING RENTAL RATE FOR THE LOS ANGELES WORLD AIRPORTS-OWNED PROPERTY AT 7007 WEST IMPERIAL HIGHWAY AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve Los Angeles World Airports (LAWA) Board Resolution No. 27954 authorizing a proposed First Amendment to Lease No. LAA-8800 with Air New Zealand Limited for 99,486 square feet of space on the LAWA-owned premises situated at 7007 West Imperial Highway at Los Angeles International Airport, extending the term by five years, retroactive to July 1, 2024 to June 30, 2029, and implementing a new building rent rate of \$19.50 per square foot per year, resulting in net revenues that will pay LAWA approximately \$450,000 during the first year of the extended period and \$2,250,000 over the full term;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the July 1, 2024 Board of Airport Commissioners (Board) Resolution 27954, that this action is exempt from the CEQA pursuant to Article III, Class 1 (18)(c) 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 Council.

SUMMARY

The Los Angeles World Airports (LAWA) Board of Airport Commissioners (Board) requests approval of its July 1, 2024 Resolution 27954 authorizing a proposed five-year extension to Lease

LAA-8800 with Air New Zealand Limited (hereinafter referred to as “ANZ”). The lease covers an off-terminal facility located at 7007 West Imperial Highway (known as “Imperial Highway”) at Los Angeles International Airport (LAX). The premises comprises a 10,524-square-foot building, 49,743 square feet of airport industrial land, and a 39,219-square-foot paved parking area. ANZ uses these premises for aircraft maintenance, document storage, administrative and training operations, and storage of ground service vehicles and equipment.

The original 10-year lease expired on June 30, 2024. The First Amendment extends it for five years, retroactively from July 1, 2024 to June 30, 2029, bringing the total lease term to 15 years.

Approval of the proposed First Amendment to the lease is projected to generate approximately \$2,250,000 in net revenue over the five-year term, with an estimated \$450,000 expected in the first year.

The underlying lease has been approved as to form by the City Attorney. Pursuant to Charter Section 606 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative lease term exceeds five years. Our Office has reviewed the request and recommends approval.

BACKGROUND

ANZ occupies an off-terminal LAX facility at the Imperial Highway site under Lease LAA-8800. The lease was approved by the Board on December 17, 2013 (Resolution 25299) and adopted by the Council on April 1, 2014 (C.F. 14-0297). The lease, which commenced on February 1, 2014, consisted of an initial five-year term with a five-year extension option that permitted ANZ to use the facility for office space, aircraft parts storage, and minor aircraft maintenance. The lease ran its full 10-year course, expiring on June 30, 2024.

On June 13, 2024 and July 1, 2024, the Board approved a LAWA staff report and Resolution 27954 requesting authority to extend the lease for five years, retroactive to July 1, 2024 to June 30, 2029, for the tenant to continue operating its aircraft operations at the Imperial Highway facility.

Annual Revenue from Air New Zealand – Over the past three fiscal years, LAWA’s annual revenue from the lease totaled \$998,133. Specific revenues were:

- FY 2021-22: \$306,877
- FY 2022-23: \$313,382
- FY 2023-24: \$377,874

Rental Rates – Under the amended agreement, the building rental rate will increase from \$13.34 per square foot per year (PSFPY) to \$19.50 PSFPY. This 46 percent increase raises the annual rent from \$377,874 to \$450,000, an increase of \$72,126. The proposed rental rate is consistent with rates charged for other buildings situated near the airport of similar age and condition, while

the land rates are based on an appraisal of LAWA-owned land (on and off the airport).

Projected Revenue - Over the five-year duration, the lease will generate at least \$450,000 in annual net revenue for LAWA during the first year of the extended period and approximately \$2,250,000 over the total term. The table below summarizes ANZ's financial obligations to Los Angeles World Airports for the initial year of the proposed First Amendment:

Lease Category	Area: Square Feet (SF)	RATE (per square foot, per year)	Monthly Rent	Annual Rent
Building	10,524	\$19.50	\$17,102	\$205,218
Land	49,743	4.51	18,695	224,341
Auto Parking	39,219	0.52	1,699	20,394
Total	99,953		\$37,496	\$449,953
<i>The lease is subject to automatic, annual rental adjustments of three percent over the prior year on July 1.</i>				

Faithful Performance Guarantee - The tenant shall provide LAWA with a security deposit of \$112,500 to ensure the faithful performance of the tenant's obligations under the amended lease agreement.

Except as proposed in this amendment, all other terms and conditions of Lease LAA-8800 with Air New Zealand shall remain unchanged.

CITY COMPLIANCE

Small Business Enterprise (SBE), Local Business Enterprise (LBE), Local Small Business Enterprise (LSBE), and Disabled Veterans Business Enterprise (DVBE) Participation - The Department indicates that the City's SBE/LBE/LSBE/DVBE program participation requirements are not applicable to leases.

Charter Section 1022 - Lease agreements are not subject to the provisions of Charter Section 1022 on the use of independent contractors.

California Environmental Quality Act (CEQA) – The issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations, is exempt from CEQA requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

The proposed First Amendment includes provisions to ensure compliance with applicable City Ordinances, contracting, and insurance requirements. The proposed lease will be executed upon approval as to form by the City Attorney and approved by the Council. In accordance with Charter Section 606 and Administrative Code Section 10.5(c), the Agreement requires Council approval because the total term of the Agreement exceeds five years. Our Office recommends approval.

FISCAL IMPACT STATEMENT

Approval of the proposed lease between the Los Angeles World Airports and Air New Zealand at Los Angeles International Airport will result in annual rent revenue of approximately \$450,000 during the first year, and \$2,250,000 over the five-year extended period (excluding automatic annual rental rate adjustments). The lease revenue will be deposited into the Los Angeles International Airport Revenue Fund. The recommendations in this report comply with the Los Angeles World Airports' adopted Financial Policies. Approval of the proposed lease agreement will have no impact on the City's General Fund.

Attachment 1 – June 13, 2024 BOAC Report and July 1, 2024 Resolution No. 27954

MWS/PJH/JVW/JCY:DLG:10250007

June 20, 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 proposed First Amendment to LAA-8800 with Air New Zealand Limited located at 7007 West Imperial Highway

In accordance with Executive Directive No. 4, we are transmitting a copy of the specified board report for the request to approve the proposed First Amendment to LAA-8800 with Air New Zealand Limited located at 7007 West Imperial Highway at Los Angeles International Airport, to extend the lease term for five years and approve the associated building rental rate. The proposed lease will yield \$450,002 in revenue in the first year and \$2,250,012, exclusive of rental rate adjustments, over the term of the lease amendment.

City Council approval is required pursuant to Section 606 of the Los Angeles City Charter.






Sincerely,



Becca Doten
Chief of Staff

BD:MSA:ksf



 <p>Report to the</p> <p>BOARD OF AIRPORT COMMISSIONERS</p>																										
<p><i>Approver:</i> </p> <p>David Jones, Deputy Executive Director Commercial Development Division</p> <p><i>Reviewer:</i> </p> <p>Hector Huevo (Jun 7, 2024 12:55 PDT)</p> <p>Brian C. Ostler, City Attorney</p> <p></p> <p>John Ackerman, Chief Executive Officer</p>	<p><u>Meeting Date</u></p> <p style="text-align: center;">6/13/2024</p> <p>Needs Council Approval: <input checked="" type="checkbox"/> Y</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Reviewed for/by</th> <th>Date</th> <th>Approval Status</th> <th>By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>5/23/2024</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>5/22/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>MO</td> </tr> <tr> <td>Procurement</td> <td>5/30/2024</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond</td> <td>BG</td> </tr> <tr> <td>Guest Experience</td> <td>5/30/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>5/28/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>BNZ</td> </tr> </tbody> </table>		Reviewed for/by	Date	Approval Status	By	Finance	5/23/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	CEQA	5/22/2024	<input checked="" type="checkbox"/> Y	MO	Procurement	5/30/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG	Guest Experience	5/30/2024	<input checked="" type="checkbox"/> Y	TB	Strategic Planning	5/28/2024	<input checked="" type="checkbox"/> Y	BNZ
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Strategic Planning	5/28/2024	<input checked="" type="checkbox"/> Y	BNZ																							

SUBJECT

Request to approve the proposed First Amendment to LAA-8800 with Air New Zealand Limited located at 7007 West Imperial Highway at Los Angeles International Airport, to extend the lease term for five years and approve the associated building rental rate. The proposed lease will yield \$450,002 in revenue in the first year and \$2,250,012, exclusive of rental rate adjustments, over the term of the lease amendment.

RECOMMENDATIONS

Management **RECOMMENDS** that the Board of Airport Commissioners:

1. **ADOPT** the Staff Report.
2. **DETERMINE** that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. **APPROVE** the proposed First Amendment to LAA-8800 with Air New Zealand to extend the term by five years.
4. **FURTHER APPROVE** the associated building rental rate as referenced in this report.
5. **AUTHORIZE** the Chief Executive Officer, or designee, to execute the First Amendment upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

Approval of the proposed five-year lease extension will allow Air New Zealand Limited (Air New Zealand, ANZ) to continue aircraft line maintenance operations at Los Angeles International Airport (LAX) and generate additional revenue to the Los Angeles World Airports (LAWA).

2. Prior Related Actions/History of Board Actions

- **December 17, 2013 – (LAA-8800)**

The Board of Airport Commissioners approved a five-year lease with ANZ with one five-year extension option for a total of 10 years. The lease will expire on June 30, 2024.

3. Background

Air New Zealand currently leases property at 7007 West Imperial Highway to perform maintenance on its aircraft. The lease, which includes a building and parking, will expire on June 30, 2024.

4. Current Action/Rationale

Air New Zealand has a continuing need for use of the site for aircraft maintenance. The proposed amendment will extend the term through June 30, 2029. The amendment will also increase the building rental rate from \$13.34 per square foot per year (PSFPY) to \$19.50 PSFPY based on recent appraised rental value. The new rental rate will increase rents by approximately \$65,000 from \$385,000 to \$450,000 per year.

5. Fiscal Impact

Approval of the proposed lease extension will generate approximately \$450,000 in revenue over the first year of the lease and \$2.25 million over the five-year term of the lease, exclusive of the periodic and annual rental rate adjustments.

6. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended. Approval of the proposed new lease will increase annual revenue and enable ANZ to continue its cargo operations at LAX.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

1. The issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from CEQA requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.
4. Air New Zealand Limited (ANZ) will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. The Small Business Enterprise, Local Business Enterprise/Local Small Business Enterprise, and Disabled Veterans Business Enterprise Programs do not apply to leases.
6. Air New Zealand Limited (ANZ) will comply with the provisions of the Affirmative Action Program.
7. Air New Zealand Limited (ANZ) is not required to obtain a Business Tax Registration Certificate for this Lease Agreement.
8. Air New Zealand Limited (ANZ) will comply with the provisions of the Child Support Obligations Ordinance.
9. Air New Zealand Limited (ANZ), has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).
11. Air New Zealand Limited (ANZ) has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Air New Zealand Limited (ANZ) has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance.
13. Air New Zealand Limited (ANZ) will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
15. Air New Zealand Limited (ANZ) has submitted the Municipal Lobbying Ordinance CEC Form 50 and will comply with its provisions.
16. This action is not subject to the Iran Contracting Act.

July 1, 2024

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

Subject: First Amendment to Lease LAA-8800 with Air New Zealand Limited

Enclosed for your consideration is the First Amendment to Lease LAA-8800 with Air New Zealand Limited that was approved by the Board of Airport Commissioners at its June 13, 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 III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and
2. Approve the First Amendment to Lease LAA-8800 with Air New Zealand Limited, to extend the term by five (5) years, covering premises located at 7007 West Imperial Highway at Los Angeles International Airport; and
3. Concur with said Board's action on June 13, 2024, by Resolution 27954, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said First Amendment to Lease LAA-8800 with Air New Zealand Limited.

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 606 via the City Clerk's website when the file is complete.

Very truly yours,



Grace Miguel, Commission Executive Assistant II
Board of Airport Commissioners Office
Los Angeles World Airports

Enclosures

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



RESOLUTION NO. 27954

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Lease LAA-8800 with Air New Zealand Limited, and associated building rental rate, to extend the term by five (5) years, covering premises located at 7007 West Imperial Highway at Los Angeles International Airport; and

WHEREAS, under said lease, Air New Zealand Limited (ANZ) leases property at 7007 West Imperial Highway to perform maintenance on its aircraft. The lease, which includes a building and parking, will expire on June 30, 2024; and

LAX

Van Nuys

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John Ackerman
Chief Executive Officer

WHEREAS, ANZ has a continuing need for use of the site for aircraft maintenance. The First Amendment will extend the lease term through June 30, 2029. It will also increase the building rental rate from \$13.34 per square foot per year (PSFPY) to \$19.50 PSFPY based on recent appraised rental value; and

WHEREAS, the new rental rate will increase rents by approximately \$65,000 from \$385,000 to \$450,000 per year. The lease extension will generate approximately \$2.25 million over the five (5)-year term of the lease, exclusive of the periodic and annual rental rate adjustments; and

WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from CEQA requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, ANZ will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, ANZ will comply with the provisions of the Affirmative Action Program; and

WHEREAS, ANZ will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, ANZ has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, ANZ has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, ANZ has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, ANZ will be required to comply with the provisions of the First Source Hiring Program for all non-trade Los Angeles International Airport jobs; and

WHEREAS, ANZ has submitted the Municipal Lobbying Ordinance CEC Form 50, and will comply with its provisions; 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 606;



NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the First Amendment to Lease LAA-8800 with Air New Zealand Limited to extend the term by five (5) years, covering premises located at 7007 West Imperial Highway at Los Angeles International Airport; further approved the associated building rental rate; and authorized the Chief Executive Officer, or designee, to execute said First Amendment to Lease LAA-8800 with Air New Zealand Limited after approval by the Los Angeles City Council and approval as to form by the City Attorney.

o0o

I hereby certify that this Resolution No. 27954 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, June 13, 2024.

A handwritten signature in blue ink, appearing to read "Grace Miguel", is positioned above the printed name.

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

**FIRST AMENDMENT TO LEASE NO. LAA-8800
BETWEEN CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS
AND AIR NEW ZEALAND LIMITED
FOR PREMISES AT 7007 WEST IMPERIAL HIGHWAY,
LOS ANGELES, CALIFORNIA**

THIS FIRST AMENDMENT TO THE LEASE (this “First Amendment”) is made and entered into as of June 4, 2024 (the “Amendment Effective Date”) between the City of Los Angeles, acting by and through its Board of Airport Commissioners (“Board”) of the Los Angeles World Airports (“LAWA”), a department of the City of Los Angeles (collectively, “City”), and AIR NEW ZEALAND LIMITED (“Lessee”). City and Lessee are each a “Party” to this First Amendment, and collectively are referred to herein as “Parties”. Los Angeles International Airport is referred to herein as “Airport”.

R E C I T A L S

The Parties hereby acknowledge and agree that their respective decisions to enter into this First Amendment are premised on the following recitals which set forth certain facts upon which the Parties agree:

A. City and Lessee entered into a Lease, designated as Lease No. LAA-8800, dated December 17th, 2013, which was a five (5) year lease with one five (5) year extension option, and which commenced on its Effective Date and expires on Jun 30th, 2024, for premises at 7007 West Imperial Highway at Los Angeles International Airport.

B. The Parties have agreed to extend the term of the Lease under the terms and conditions of this First Amendment so that Lessee can continue its aircraft maintenance operations at LAX while providing flexibility to LAWA for future planning.

A G R E E M E N T

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

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

“2.1 This Lease shall commence as of the Effective Date and shall expire and shall expire June 30, 2029, unless earlier terminate pursuant to the terms provided in this Lease. So long as no Default Event (as defined under Article 2, Section 20.1) has occurred and is continuing and ongoing beyond all applicable cure periods, Lessee shall have the option to terminate this Lease without cause upon one year prior written notice to City. City may terminate this Lease if necessary for Airport operations purposes as related to security or safety requirements and/or Airport redevelopment that incorporates land adjoining the Airport along West Imperial Highway

and includes the Demised Premises, upon giving Lessee one year prior written notice.”

Section 2. Annual Adjustments. Article 1, Section 5.2.1 is hereby deleted in its entirety and replaced with the following:

“5.2.1. Annual Adjustments. Except when adjusted as provided in Article 1, Subsection 5.2.2. Periodic Adjustment to Fair Market Rental, below, the Monthly Rent for the Demised Premises covered under this Lease shall be subject to automatic, annual rental adjustments on July 1 (hereinafter referred to as "Annual Adjustment Date"). The Monthly Rent shall be revised and adjusted on the Annual Adjustment Date to three percent (3%) over the prior year.”

Section 3. Exhibit B. Exhibit B to the Lease is hereby replaced with Exhibit B to this First Amendment.

Section 4. Rental Payments Address. Article 2, Section 2.2 is hereby deleted in its entirety and replaced with the following:

“2.2. All payments shall be mailed to the following address:

LAWA Los Angeles World Airports
P.O. Box 102662
Pasadena, CA 91189-2662”

Section 5. Insurance. Article 2, Section 14.8 is hereby deleted in its entirety.

Section 6. Effect of This First Amendment. Except as modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. If there is any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all terms and provisions of the Lease are amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

Section 7. Integration; No Third Party Beneficiaries. No provisions of the First Amendment may be further amended or added to except by a written agreement signed by the Parties or their respective successors-in-interest. Except as expressly provided for herein, this First Amendment is not intended to confer upon any person other than the Parties any rights or remedies hereunder.

Section 8. Governing Law; Interpretation. This First Amendment shall be governed by, and construed in accordance with, the laws of the State of California. The Lease and this First Amendment are subject to the provisions of the Los Angeles Administrative Code. Each Party represents and warrants that this First Amendment has been negotiated and drafted at arms length by equally sophisticated parties, and any ambiguity cannot be attributed to either Party hereto. If any provision of this First Amendment, or the application thereof to any persons or circumstances, shall be invalid or unenforceable, the remainder of this First Amendment shall not be affected

thereby, and each provision of this First Amendment shall be valid and shall be enforceable to the fullest extent permitted by law.

Section 9. Rights of United States Government; National Emergency. The Lease and this First Amendment shall be subordinate to the provisions and requirements of any existing or future agreement(s) between City and the United States relative to the development, operation or maintenance of LAX, including but not limited to Airport Grant Assurances. Furthermore, the Lease and this First Amendment shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, taking over, or use (whether exclusive or nonexclusive) of LAX during war or a national emergency.

Section 10. Counterparts and Electronic Signatures. This First Amendment and any other document necessary for the consummation of the transaction contemplated by 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.

[SIGNATURES ON FOLLOWING PAGE]

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SIGNATURE BLOCKS

IN WITNESS WHEREOF, the parties hereto have themselves or through their duly authorized officers caused this Lease to be executed as of the day and year hereinbelow written.

APPROVED AS TO FORM:
HYDEE FELDMAN SOTO,
City Attorney

CITY OF LOS ANGELES

Date: _____

By: _____
Deputy/Assistant City Attorney

By _____
Chief Executive Officer
Department of Airports

ATTEST:

AIR NEW ZEALAND LIMITED

By _____
Secretary (Signature)

By _____
Signature

Print Name

Print Name

[SEAL]

Print Title

SIGNED for and on behalf of
AIR NEW ZEALAND LIMITED
in the presence of

)
)
)

RCA THOMSON
RCA Thomson (May 31, 2024 14:47 GMT+12)
Attorney

Jennifer Page
Attorney

Witness signature

Full name

Address

Occupation

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

WE, Richard Thomson of Auckland, New Zealand, and

Jennifer Page of Auckland, New Zealand;

HEREBY CERTIFY:

1. **THAT** by Deed dated 23 February 2023, **AIR NEW ZEALAND LIMITED** having its registered address at 185 Fanshawe Street, Auckland, New Zealand, appointed the above named persons its Attorneys on the terms and subject to the conditions set out in that Deed.
2. **THAT** at the date of this certificate we have not received any notice or information of the revocation of that appointment.

SIGNED at Auckland this 30th

day of May

2024

RCA THOMSON
RCA Thomson (May 31, 2024 14:47 GMT+12)
.....
Signature

Chief Financial Officer

.....
Occupation

Jennifer Page
.....
Signature

General Counsel

.....
Occupation

EXHIBIT B
Basic Information Schedule

Airport Facilities

Air New Zealand Operations Support Facility at 7007 W. Imperial Hwy., as shown and highlighted on Exhibit A – MLE Map, attached.

Facility User's Initial Basic Rates (Monthly)

Description	Commence- ment Date	Area SF	Basic Rate PSFPY	Monthly Base Charge
7007 W. Imperial Highway, GSE				
Building - GSE	7/1/2024	10,524	\$19.50	\$17,101.50
Land (On-Airport GSE Maintenance)	7/1/2024	49,743	\$4.51	\$21,638.21
Paved Auto Parking	7/1/2024	39,219	\$0.52	\$1,699.49
Sub-total				\$40,439.20
Monthly Rent				\$37,500.21
Faithful Performance Guarantee				\$112,500

Commencement Date

July 1, 2024

Permitted Uses

On-airport GSE maintenance and related uses

Utility Services

All utilities for 7001-7007 W. Imperial Hwy that are not separately metered are to be held in SIA's name and account, and shall be paid for by tenant, subject to a right to receive reimbursement as follows: SIA may invoice other occupant on a pro rata basis equal to the square footage occupied by that occupant, in addition to a fifteen percent (15%) administrative fee

Annual Rate Adjustment

The monthly base charge for the premises covered under this Lease shall be subject to automatic, annual rental increase of 3% effective July 1 of each year

Five-year Periodic Valuation Adjustment to Fair Market Value

Land (On-Airport GSE Maintenance): July 1, 2025

Building: Upon Lease commencement and every 5-years thereafter

Faithful Performance Guarantee (FPG)

Three (3) times monthly monetary obligations

Facility User's Address for Notices

Air New Zealand

Head of Property and Infrastructure

1960 E. Grand Avenue

El Segundo, CA 90245