

**FIRST AMENDMENT TO LEASE NO. LAA-8565 BETWEEN THE CITY
OF LOS ANGELES AND FEDERAL EXPRESS CORPORATION AT LOS
ANGELES INTERNATIONAL AIRPORT**

This FIRST AMENDMENT TO LEASE NO. LAA-8565 ("First Amendment") is made and entered into this _____ day of _____, 20__ ("Effective Date"), by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through the Board of Airport Commissioners of the Department of Airports also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City"), and FEDERAL EXPRESS CORPORATION, a Delaware corporation (hereinafter referred to as "Lessee") (sometimes herein referred to individually as a "party," or together as "parties").

RECITALS

WHEREAS, City and Lessee are parties to that certain Lease No. LAA-8565 ("Lease") dated as of April 14, 2011, concerning the real property located at 7401 World Way West, Los Angeles, California and more particularly described in Section 1 thereof; and

WHEREAS, the parties desire to amend the Lease as further set forth by the terms herein;

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

AMENDMENTS

1. Section 1.1 of the Lease shall be deleted and replaced with the following:

1.1 "As of the Effective Date of this First Amendment, Parcel No. A1 will no longer be a part of the Demised Premises. The subject property commonly known as 7401 World Way West, Los Angeles, California, at Los Angeles International Airport ("Airport") will be comprised of (i) 902,096 square feet of maintenance land; (ii) 384,300 square feet of paved aircraft parking land; (iii) 358,201 square feet of paved auto parking land; (iv) a 77,552 square-foot hangar building; (v) an 83,448 square-foot office/shop building; (vi) a 16,920 square-foot outparcel building; and (vii) a 15,650 square-foot training building. The Demised Premises are depicted on Exhibit A-1 and also identified on Exhibit B-1, both of which are attached hereto and incorporated by reference herein. The Demised Premises may be further reduced pursuant to Article 1, Section 1.3."

2. The following provision shall be added as Section 1.3 of the Lease:

1.3. "Right to Reduce Demised Premises.

1.3.1. Notwithstanding any other provision of this Lease, City shall have the absolute right to reduce from the Demised Premises the area identified as Parcel No. B1 on Exhibit A-1, consisting of approximately 52,300 square feet of land (“Demised Premises Reduction”), which area may be needed for City’s proposed Taxiway D extension project (“Proposed Project”). The Proposed Project is currently in the environmental review process. The California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) processes will need to be completed and a project approved in order to determine the final land use area needed for the Proposed Project. Lessee recognizes that the Proposed Project may impact its blast fence, composite shop, and other associated areas within the Demised Premises. Any required modification to these areas as a result of the Proposed Project shall be the sole responsibility of Lessee, including all costs. City will give Lessee at least one hundred eighty (180) days’ prior written notice (the “Reduction Notice”) of such Demised Premises Reduction, which Reduction Notice shall specify the effective date of such reduction (the “Reduction Date”). On the Reduction Date, Parcel No. B1 shall no longer be a part of the Demised Premises, and Lessee shall vacate and surrender possession of such area on the Reduction Date. Except for reduction to the Monthly Rent for Parcel No. B1, Lessee has absolutely no right to any payment, claim, damages, offset or other compensation in connection with the Demised Premises Reduction. On the Reduction Date, the Chief Executive Officer may replace the Monthly Rent exhibit to the Lease to reflect the reduction in Monthly Rent without further action from the Board or the Los Angeles City Council.

1.3.2 On the Reduction Date specified in Article 1, Section 1.3.1, the area identified as Parcel No. C1 on Exhibit A-1, consisting of approximately 85,000 square feet of paved aircraft land, will no longer be a part of Lessee’s Demised Premises, and Lessee shall vacate and surrender possession of such area on the Reduction Date; provided however, that City provides Lessee access through Parcel No. C1 to its remaining Demised Premises. Except for reduction to the Monthly Rent for Parcel No. C1, Lessee has absolutely no right to any payment, claim, damages, offset or other compensation in connection with the reduction. On the Reduction Date, the Chief Executive Officer may replace the Monthly Rent exhibit to the Lease to reflect the reduction in Monthly Rent without further action from the Board or the Los Angeles City Council.”

3. The following provision shall be added as Section 1.4 of the Lease:

1.4 “Lessee shall make an adequate number of parking spaces available for all persons needing access to the Demised Premises, including Lessee’s employees, contractors, sublessees, invitees, visitors, and other users of the leasehold, without infringing upon the rights of the City, other tenants, or other third parties, provided that nothing in this Lease shall be construed to provide any third parties with any causes of action against City or Lessee.”

4. Section 2.1 of the Lease shall be deleted and replaced with the following:

2.1 “This Lease shall commence on April 14, 2011 and shall terminate on June 30, 2024, unless earlier terminated pursuant to the terms provided in this Lease. Upon

mutual agreement of City and Lessee, the Lease may be extended for up to two (2) additional terms of one (1) year each, with each such extension to be exercisable by the Chief Executive Officer.”

5. Intentionally Omitted.

6. The following provision shall be added as Section 3.4 of the Lease:

3.4 Lessee understands that City intends to use the portion of property labeled “Parcel No. A1” on Exhibit A-1 for overnight aircraft parking for City’s airline lessees, or other parties authorized by City (“Third Parties”). In order to provide Third Parties, including their employees, contractors, and invitees (collectively, “Authorized Third Parties”), with access to Parcel No. A1, Lessee grants City and Authorized Third Parties the right to ingress and egress over the portion of the Demised Premises identified in Exhibit A-1 as Parcel No. C1 throughout the term of this Lease. Lessee asserts no objection to such access, and Lessee has no rights or claims to compensation in connection with City’s or Authorized Third Parties’ use of the Demised Premises to access Parcel No. A1 for aircraft parking purposes. Lessee shall not interfere with such access and shall cooperate with City and Authorized Third Parties in all reasonable respects. In exchange for Lessee providing access through the Demised Premises to City and Authorized Third Parties, City shall indemnify, defend, keep and hold Lessee harmless from any and all costs, liability, damage, or expense (including costs of suit and fees and reasonable expenses of legal services) (collectively, “Losses”) claimed by anyone by reason of death of persons, or damage to or destruction of property sustained in, on or about the Demised Premises, to the extent that (i) such Losses are caused by Authorized Third Parties accessing the Demised Premises and (ii) City receives indemnification for such Losses from the Authorized Third Parties pursuant to such Authorized Third Parties’ Air Carrier Operating Permit or other agreement with City.

7. Subsection 5.2.1 of the Lease shall be deleted and replaced with the following:

5.2.1. Annual Adjustments. Except in years when adjusted as provided in Article 1, Subsection 5.2.2. Periodic Adjustment to Fair Market Rental below, the Monthly Rent shall be subject to automatic, annual rental increases of three percent (3%) on July 1 of each year.

[Remainder of page left intentionally blank.]

8. The first two sentences of Section 5.2.2 of the Lease shall be deleted and replaced with the following:

5.2.2. "It is agreed that the land rental rate payable hereunder shall be adjusted effective July 1, 2020 and every five (5) years thereafter to a fair market rental value. The rental rates payable for the (i) hangar building; (ii) office/shop building; (iii) out-parcel building; and (iv) training building shall be adjusted effective February 1, 2020 and every five (5) years thereafter to a fair market rental value."

9. Exhibit A and Exhibit B of the Lease shall be deleted and replaced with the attached Exhibit A-1 and Exhibit B-1, respectively.

SIGNATURE BLOCKS

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

APPROVED AS TO FORM:
MICHAEL N. FEUER,
City Attorney

CITY OF LOS ANGELES

Date: January 20, 2021

Date: _____

By: *Cynthia Alexander*
Deputy/Assistant City Attorney

By: _____
Chief Executive Officer
Department of Airports

ATTEST:

**FEDERAL EXPRESS
CORPORATION**

By: *[Signature]*
Signature (Asst. Secretary)
James A. Davis
Print Name

By: *[Signature]*
Signature
DONNA W. COOK
VICE PRESIDENT
PROPERTIES & FACILITIES
Print Title

Approved
Legal Department
[Signature]

APPROVED
ACCOUNTING DEPARTMENT
[Signature] 4/3/20