

**THIRD AMENDMENT  
TO LEASE AND NON-EXCLUSIVE RIGHT-OF-WAY  
LICENSE AGREEMENT NO. LAA-5316  
BETWEEN THE CITY OF LOS ANGELES  
AND LAXFUEL CORPORATON COVERING PREMSES  
AT LOS ANGELES INTERNATIONAL AIRPORT**

This THIRD AMENDMENT TO LEASE AND NON-EXCLUSIVE RIGHT OF WAY LICENSE AGREEMENT NO. LAA-5316 (this "Third Amendment") is dated as of \_\_\_\_\_, 2022, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners ("City") and LAXFUEL CORPORATION, a California non-profit mutual benefit corporation ("Corporation").

**RECITALS**

WHEREAS, City and Corporation (individually, a "Party"; and collectively, "Parties") entered into that certain (i) First Amendment and Restatement of Agreement No. LAA-5316, dated November 4, 1991 (identified as LAA-5316A) ("First Amended & Restated Lease"), restating that certain Lease and Non-Exclusive Right-of-Way License Agreement No. LAA-5316, dated January 23, 1987 ("Original Lease"), and that certain (iii) Second Amendment to Lease and Non-Exclusive Right-of-Way License Agreement No. LAA-5316, that is undated but bears a footer with a date of December 1996 and has an attorney execution date of March 1997 (identified as LAA-5316B) ("Second Amendment") (First Amended & Restated Lease and Second Amendment collectively, the "Ground Lease").

WHEREAS, the Parties also entered into that certain Second Amended and Restated Lease and Non-Exclusive Right-of-Way License Agreement, dated February 26, 1992 ("Second Amended & Restated Lease"), but it never became effective. It was entered into at Corporation's request, due to a condition precedent contained in the First Amended & Restated Lease that the First Amended & Restated Lease would not become effective unless an assignment and lease with EFC Leasing Corporation ("EFC") was terminated on or prior to December 31, 1991. The sole purpose of the Second Amended & Restated Lease was to extend the December 31, 1991 deadline to June 1, 1992. Corporation has represented that, pursuant to a purchase agreement, EFC was paid in full and the EFC assignment and lease were terminated effective December 30, 1991. As a result of the EFC termination on December 30, 1991: (i) the First Amended & Restated Lease became effective, and (ii) the Second Amended & Restated Lease became moot. The Second Amended & Restated Lease has been treated as never issued, due to fulfillment of the condition precedent to the effectiveness of the First Amended & Restated Lease. The later Second Amendment makes no reference to the Second Amended & Restated Lease.

WHEREAS, pursuant to the Ground Lease, Corporation operates and maintains, on a non-exclusive basis, facilities for the storage and distribution of aviation and automotive fuel and for purposes incidental thereto, including, but not limited to, facilities for fueling aircraft through use of underground fueling systems, apparatus, equipment and other facilities at Los Angeles International Airport ("Airport").

WHEREAS, City through its Department of Airports, commonly known as Los Angeles World Airports ("LAWA") is undergoing final planning efforts and will be implementing an airfield project commonly known as the Taxiway D Extension Project ("Taxiway D Project"). Exhibit I, attached hereto and incorporated herein by this reference, depicts Taxiway D Project orientation. The Taxiway D Project impacts and requires modification of Corporation's current leasehold and infrastructure. The parties have collaborated extensively to develop a solution to accommodate implementation of the Taxiway D Project while providing the necessary replacement infrastructure to enable Corporation's operations to continue effectively. The modification to Corporation's leasehold will require demolition, reconfiguration, and relocation of: fuel truck loading racks located adjacent to the fuel tank farm; connections and other fuel distribution lines to support fueling operations; and areas for on-going storage of equipment and materials, as further described and depicted in this Third Amendment and exhibits hereto.

WHEREAS, the Parties desire to amend the Ground Lease to address the Taxiway D Project impacts as further described and upon the terms and conditions set forth in this Third Amendment.

NOW THEREFORE, in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and incorporating the recitals herein by this reference, THE PARTIES HERETO AGREE AS FOLLOWS:

#### AGREEMENT

**Section 1. Premises.** The Premises are generally depicted within Exhibit II. Exhibit II-1, attached hereto and incorporated herein by this reference, depicts the existing leasehold and the impacted area (highlighted in red). Exhibit II-2, attached hereto and incorporated herein by this reference, depicts the amended leasehold upon completion of the Taxiway D Project. All measurements are estimates and subject to verification after execution of this Third Amendment and completion of the Taxiway D Project as-built conditions are verified.

**Section 2. Rent.** Land rental rates shall continue to be in accordance with the rates as established and periodically adjusted pursuant to provisions set forth in the existing Ground Lease. The Parties understand that, after project completion, there will likely be a reduction in the size of the premises, and rent will be adjusted accordingly. Rental amounts charged for the final, adjusted leasehold shall be effective upon the date that the relocated fuel load

racks are commissioned and placed into service and any temporarily assigned premises to enable construction are vacated.

**Section 3. Required Tenant Improvements.** Corporation will complete all design, engineering plans, permitting, construction, and demolition of all improvements necessary to vacate the impacted area (area shown in red on Exhibit II-1 hereto) within a schedule mutually agreed upon between the Parties. LAWA and Corporation understand and agree to work in good faith to ensure that the scope of work performed pursuant to this agreement does not impact or delay work under the LAWA portion of the Taxiway D project and affect airfield movement area closures and airfield operations. Corporation's preliminary scope of work is further identified on Exhibit IV, attached hereto and incorporated herein by this reference. The Parties, including LAWA's Taxiway D contractor (once known), will work in good faith to ensure that the scope of work is clarified and ensure a seamless integration of work performed by LAWA's contractor and Corporation. Corporation's preliminary cost estimate is identified on Exhibit III, attached hereto and incorporated herein by this reference. The Parties understand and acknowledge that the cost estimate will be updated as the project advances through design and a detailed scope of work is better known after LAWA's Taxiway D contractor is secured.

**Section 4. Required LAWA Improvements.** LAWA, through LAWA's contractor, will complete improvements that integrate with the scope being performed by Corporation into the overall Taxiway D Project. The Parties recognize that this scope will be defined in collaboration with the LAWA contractor, once known, to ensure a seamless integration with the work to be performed by Corporation.

**Section 5. LAWA Costs.** LAWA will reimburse Corporation for real property eligible costs incurred by Corporation as a result of the scope of work described on Exhibit IV hereto ("Eligible Costs"). Eligible costs include: (i) design, engineering and construction work to create replacement space to accommodate operational uses being disrupted by relocating from the impacted area, (ii) rent associated with required interim laydown areas related to this project, and (iii) permits and other costs to enable construction and obtain occupancy permits. Costs associated with certain improvements and tasks are noted within Exhibit III hereto, and LAWA and Corporation shall agree on a total not-to-exceed project cost amount for Eligible Costs prior to issuance of the Work Letter referenced in Section 8 of this Third Amendment. In the event LAWA and Corporation cannot agree on a total not-to exceed project cost amount of Eligible Costs, LAWA, at its sole discretion, may withhold issuance of the Work Letter and cease advancing the Project and be only responsible to reimburse Corporation for Eligible Costs related to work completed to then current date.

**Section 6. Corporation Costs.** Specific items excluded from Eligible Costs, and which shall be the responsibility of Corporation, include: (i) all environmental and/or hazardous material remediation and associated costs incurred as a result of existing contamination that may be found during Corporation's work, (ii) the differential cost of discretionary Corporation-desired upgraded systems to the extent such systems exceed existing conditions or the similar comparable modern system to the one being replaced that

complies with current codes and standards, and (iii) trade fixtures and personal property that are not part of the real property asset improvements (examples include, but are not limited to: fuel trucks, fuel test carts, other mobile equipment, and above ground improvements that may be removed by Corporation at the expiration or earlier termination of the Ground Lease).

#### **Section 7. Financial Reimbursement.**

Corporation and LAWA shall work together to establish a mutually agreeable project reimbursement process and approach which said process will be included within the future Work Letter described in Section 8 .

Corporation will carry out its contracting work consistent with all applicable rules and regulations as required through federal, state and city laws/ordinances and project labor rules. The Parties recognize that the Taxiway D Project and its related work may be completed through federal Airport Improvement Program grants and as such federal requirements and Federal Aviation Administration grant assurance regulations as applicable may be required to be followed.

Corporation recognizes and accepts that the contractor selection procedures specified herein are intended to promote competitive pricing and responsive and responsible proposals.

The Parties acknowledge that Corporation has selected Burns & McDonnell as the Design and Engineering firm for this project. Corporation represents that such selection was completed through a procurement/qualification process in 2018. Burns & McDonnell has been an integral part of: 1) the jet fuel system design at LAX since the major integration of the LAX fuel system in 1988; 2) the design and construction of major LAX fuel system modifications since 1988; and 3) have been working on the Taxiway D Project impacts to Corporation leasehold since 2018. Corporation's selection was based on the unique qualifications for aviation fuel system design and construction experience as well as historically demonstrated qualifications and competence with the LAX fuel system and its original design.

The selection of contractors/subcontractors for the construction of the Corporation's Required Tenant Improvements will be based upon competitive bids or proposals following the below frame work:

(1) Corporation or representative shall use reasonable efforts to secure a minimum of three (3) bidders or proposals for major portions of the work, for example; demolition, civil, mechanical, and electrical contractors.

(2) In the event that Corporation obtains fewer than three (3) bids or proposals for major contractors and believes that it should proceed to award the bid or proposal; it shall provide LAWA with a justification, including why the Corporation believes the cost of such bid or proposal is reasonable.

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

Further, the Parties agree and understand that a transparent process will be implemented to include submission of information and back-up documents to support all work performed using an agreed to schedule of values as part of Lump Sum procurement process for Eligible Costs being sought for reimbursement and construction of Required Tenant Improvements. Details to be determined in the Work Letter referenced herein.

In the event any self-performed work is contemplated by Corporation and/or its designer firm or general contractor, such work will require specific prior approval from LAWA. Concurrently with Corporation's request for authorization for self-performance of work by its designer, and/or general contractor; Corporation must submit for each self-perform project component:

- 1) justification of necessity of self-performance for project schedule, costs reductions, or other benefit provided; and
- 2) independent validation by an industry recognized certified project cost estimator that the self-performance costs to be incurred represent competitive fair market costs.

LAWA retains the sole right to decline such self-performance request and will work in good faith with Corporation to address schedule and other impacts of such action. Further, the Parties acknowledge public procurement requirements and alterations to assumptions of work scope used to develop the project can have significant implications to project costs and schedule and will work in good faith to minimize and address any potential negative impacts.

Any change orders or modifications to the scope and estimated costs as outlined in the Work Letter referenced herein must be approved in writing between LAWA and Corporation.

Consistent with Section 5 above, LAWA and Corporation shall work in good faith to agree on a not to exceed project cost amount for Eligible Costs prior to issuance of the Work Letter referenced herein.

In addition to complying with all public procurement requirements as noted above, the Parties agree to work in good faith to ensure the project approach to bidding and other procurements seek to achieve the most economical and cost-effective delivery of the project.

The Parties understand that time is of the essence related to the Taxiway D Project, and additional detail and refinement of scope and schedules can only be completed upon commencement of design and engineering work. Upon execution of this Third Amendment after approval by the Board of Airport Commissioners and the City Council,

Corporation shall commence design and engineering of this project. An initial not to exceed authorization for Eligible Costs, provided Corporation follows the provision of this Section 7 and elsewhere in the Ground Lease and Amendments, of \$4,000,000 will be authorized to carry out initial design, engineering, and advance work prior to issuance of the Work Letter for the remainder of the project.

**Section 8. Construction Responsibility and Work Letter.**

A work letter will be developed and issued (“Work Letter”) upon further refinement of the scopes of work and responsibilities of each party described in Section 3 and Section 4 of this Third Amendment. The Work Letter will guide Corporation and LAWA’s Contractor by defining all construction responsibilities among the parties.

The Parties understand that Corporation will be required to obtain and maintain commercial liability insurance, performance bonds for completion of work, and indemnify LAWA during the course of the project implementation as is required under the terms and conditions of the Ground Lease for Corporation construction projects.

**Section 9. Targeted Schedule.** The targeted schedule includes the following: (i) May 2022, for final formal Work Letter and with Notice to Proceed issued for approved plans and construction work to commence, and (ii), The Target Date established by LAWA based on the Taxiway D project is July, 31, 2023 for Corporation to complete its work and vacate the impacted area. All parties will work in good faith towards meeting this target date.

**Section 10. Further Assurances.** The Parties shall cooperate, including performing acts and executing instruments as reasonably required to effectuate the purposes and intent of this Third Amendment.

**Section 11. Authority.** Each signatory hereto confirms that they have the authority to sign on behalf of the respective entity it represents.

**Section 12. Counterparts; Electronic Signatures.** This agreement and any other document necessary for the consummation of the transaction contemplated by this agreement 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 agreement 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 agreement had been delivered that had been signed using a handwritten signature. All parties to this agreement (i) agree that an electronic signature,

whether digital or encrypted, of a party to this agreement 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 agreement based on the foregoing forms of signature. If this agreement 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 13. No Further Modification.** Except as specifically provided herein, this Third Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties, or obligations of either of the Parties under or by reason of the Ground Lease, and except as expressly amended herein, all of the terms, covenants, and conditions of the Ground Lease, as amended, shall remain in full force and effect. Terms not otherwise defined herein shall have the meanings given to them in the Ground Lease.

[SIGNATURES NEXT PAGE]

whether digital or encrypted, of a party to this agreement 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 agreement based on the foregoing forms of signature. If this agreement 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."

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[SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, City has caused this Third Amendment to Lease and Non-Exclusive Right-of-Way Agreement No. LAA-5316 to be executed by the Chief Executive Officer of its Department of Airports or his or her authorized designee, and Corporation has caused the same to be executed by its duly authorized signatories as of the date first set forth above.

**APPROVED AS TO FORM:**  
Michael N. Feuer, City Attorney

**CITY OF LOS ANGELES**  
**DEPARTMENT OF AIRPORTS**

Date \_\_\_\_\_  
By *Nargis Cloudhey*  
Deputy/Assistant City Attorney

By \_\_\_\_\_  
(for) Chief Executive Officer  
Department of Airports

**ATTEST:**

**LAXFUEL CORPORATION**

By: *[Signature]*  
Secretary (Signature)

Bruno Dos Santos  
Print Name

By: *[Signature]*  
Signature

John V Trozzo  
Print Name

Chairman  
Print Title

[SEAL]

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**APPROVED AS TO FORM:**  
Michael N. Feuer, City Attorney

**CITY OF LOS ANGELES**  
**DEPARTMENT OF AIRPORTS**

Date \_\_\_\_\_  
By *Nargis Cloudhey*  
Deputy/Assistant City Attorney

By \_\_\_\_\_  
(for) Chief Executive Officer  
Department of Airports

**ATTEST:**

**LAXFUEL CORPORATION**

By: *[Signature]*  
Secretary (Signature)  
Bruno Dos Santos  
Print Name

By: *[Signature]*  
Signature  
John V Trozzo  
Print Name

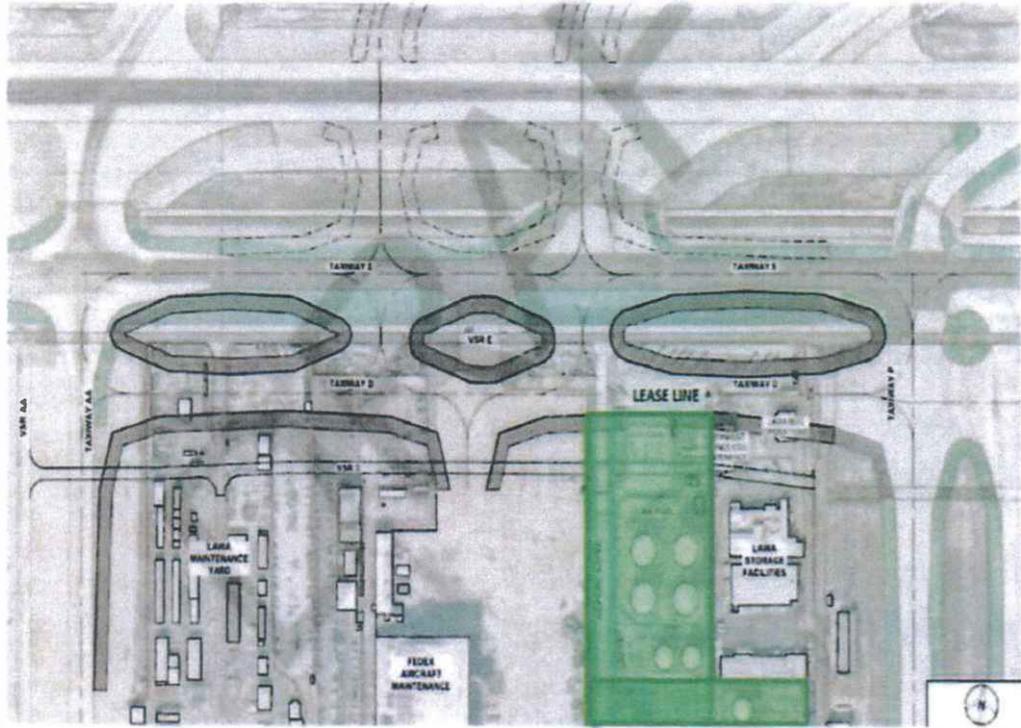
Chairman  
Print Title

[SEAL]

LIST OF EXHIBITS:

- |                         |    |  |
|-------------------------|----|--|
| EXHIBIT I               | -- | Taxiway D Project Orientation                        |
| EXHIBIT II-1            | -- | Existing Leasehold, with impacted area               |
| EXHIBIT II-2<br>Project | -- | Amended Leasehold, after completion of the Taxiway D |
| EXHIBIT III             | -- | LAXFUEL Cost Estimate                                |
| EXHIBIT IV              | -- | LAXFUEL Initial Scope and Schedule                   |

Exhibit 1 - Taxiway D Project Orientation



Leased Premises

Note: image is for illustrative purposes; area shown are approximate and do not replace Exhibits within the Ground Lease



EXHIBIT II-2 -- Amended Leasehold, after completion of the Taxiway D Project

As noted within Section I of this Third Amendment, all measurements are estimates and subject to verification after execution of this Third Amendment and completion of the Taxiway D Project as-built conditions are verified. At such time as-built conditions are known, a revised Exhibit A will be generated and will be issued to supersede and replace the Exhibit A within the Ground Lease.



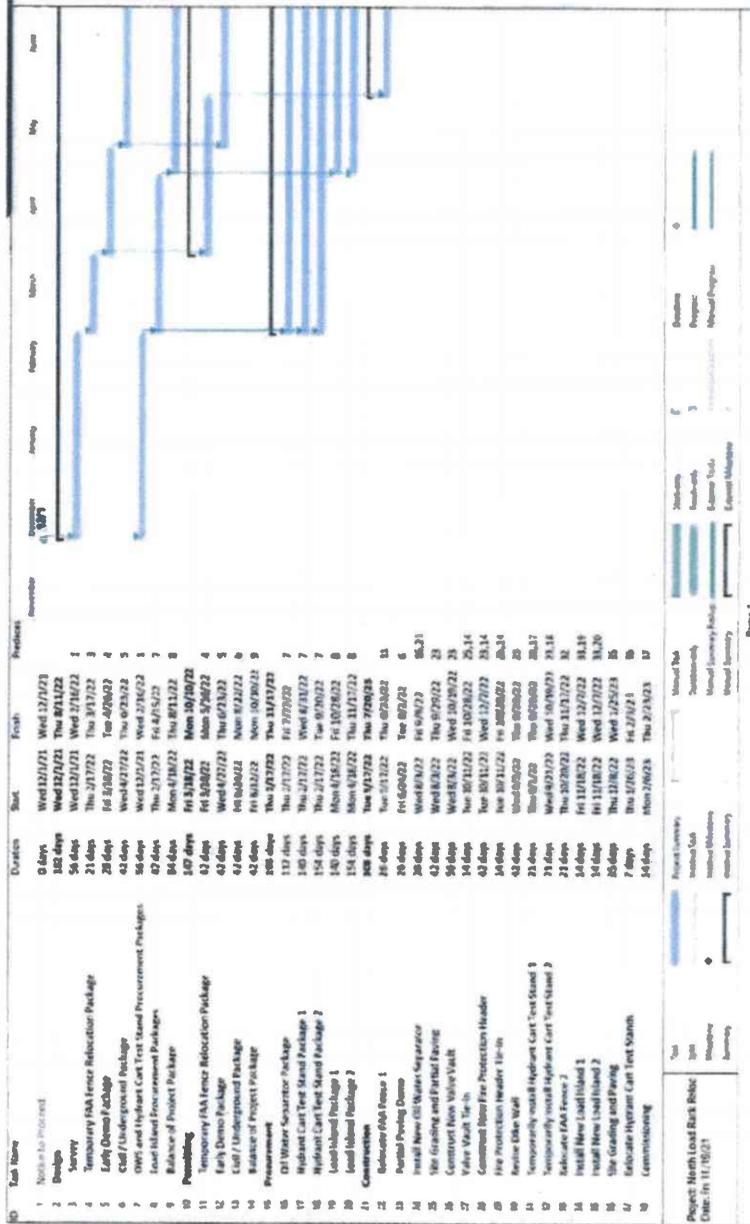
EXHIBIT III -- LAXFUEL Cost Estimate

Initial rough order of magnitude cost for LAXFUEL Project \$23,000,000 as depicted below.

<b>2 Position Load Rack and Hydrant Cart Test Stand</b>	
<b>Activity</b>	<b>Cost</b>
Design	\$ 1,250,000.00
Permitting & Bidding	\$ 250,000.00
Move AOA Fence	\$ 500,000.00
Adjust Dike Wall	\$ 1,500,000.00
Relocate FP Header	\$ 1,500,000.00
Drop Fuel Header into Vault	\$ 2,500,000.00
Prefabricate HCTS / Load Rack	\$ 2,500,000.00
Install HCTS / Load Rack	\$ 4,500,000.00
Paving	\$ 1,500,000.00
Demolish Existing Load Rack	\$ 1,500,000.00
Adjust South Perimeter Wall	\$ 2,500,000.00
<b>Contingency</b>	<b>\$ 3,000,000.00</b>

As noted within Third Amendment, this Exhibit III will be superseded and replaced by a more refined cost estimate as developed through the design phase of this project and a Work Letter is issued.

EXHIBIT IV -- LAXFUEL Initial Scope and Schedule



Task Name	Duration	Start	Finish	Predecessors	Resource	December	January	February	March	April	May	June
00 Release PMS Form 3	21 days	Fri 1/24/23	Fri 2/04/23	00								
01 Remove Existing Oil Water Separator	14 days	Sun 1/27/23	Thu 02/01/23	00								
01 Diene Leaking Above Ground Piping	28 days	Mon 1/29/23	Wed 02/22/23	00								
02 Schedule Piping	50 days	Thu 1/26/23	Thu 03/22/23	01								

Task Name	Project Location	Release Unit	Start	Finish	Predecessors	Resource	December	January	February	March	April	May	June
Project North Level South Side	Project Location	Release Unit	Start	Finish	Predecessors	Resource	December	January	February	March	April	May	June
010101	Project Location	Release Unit	Start	Finish	Predecessors	Resource	December	January	February	March	April	May	June

