

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

This SECOND AMENDMENT TO LEASE NO. LAA-8565 (“Second Amendment”) is made and entered into this _____ day of _____, 2022 (“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 dated April 14, 2011, as amended by the First Amendment to Lease No. LAA-8656A dated April 27, 2021 (“Lease”), 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 The Demised Premises located at 7401 World Way West, Los Angeles, California, at Los Angeles International Airport (“Airport”) consists of (i) 902,096 square feet of maintenance land, comprised of the following parcels: (a) Parcel A – 740,878 square feet; (b) Parcel B – 33,967 square feet; (c) Parcel C – 50,828 square feet; (d) Parcel D – 48,524 square feet; (e) Parcel E – 27,899 square feet; (ii) 316,522 square feet of aircraft parking paving; (iii) 409,028 square feet of auto parking paving; (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 and also identified on Exhibit B, 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, at any time during the term of the Lease, City shall have the absolute right to reduce from the Demised Premises each of Parcel B, Parcel C, Parcel D, and Parcel E (each, a “Reduction Area”) in order to accommodate City’s proposed Taxiway D extension project (“Proposed Project”). City shall give Lessee at least sixty (60) days’ prior written notice (the “Reduction Notice”) to vacate the Reduction Area. The Reduction Notice shall specify the effective date of the removal of the Reduction Area from the Demised Premises (the “Reduction Date”). On the Reduction Date, the Reduction Area referenced in the Reduction Notice shall no longer be a part of the Demised Premises, and Lessee shall vacate and surrender possession of such Reduction Area, free and clear of all trade fixtures and personal property, on the Reduction Date. Except for reduction to the Monthly Rent of the amount attributable to the Reduction Area, Lessee has absolutely no right to any payment, claim, damages, offset or other compensation in connection with City’s reduction from the Demised Premises of the Reduction Area. 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.

1.3.2 On the Reduction Date for Parcel B pursuant to Section 1.3.1 above, Parcel F (consisting of 40,975 square feet of land and 40,975 square feet of auto parking paving) identified on Exhibit A shall become part of the Demised Premises. On the date that Parcel F becomes part of the Demised Premises, Lessee shall pay Monthly Rent for Parcel F in the amount set forth in Exhibit B.

1.3.3 Upon Lessee’s vacation of Parcel D or Parcel E, City will maintain an aircraft ingress and egress route for Lessee’s aircraft to access Parcel A. Both City and Lessee acknowledge the aircraft taxi route may change during the construction of the Proposed Project, resulting in disruption to Lessee’s use of the area described as “Run-Up Pad” in Exhibit A. LAWA and Lessee will cooperate in good faith to minimize as much as is reasonably possible the disruption to both parties.”

3. The following provision shall be added as Section 1.5 of the Lease:

“1.5 Lessee understands that City intends to use the portion of property labeled “RON Parking” on Exhibit A 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 RON Parking, Lessee grants City and Authorized Third Parties the right to ingress and egress over the portion of the Demised Premises identified in Exhibit A as Parcel D so long as Parcel D is part of the Demised Premises. 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 RON Parking 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."

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

"3.4 Use of the Demised Premises shall be subject to, and Lessee agrees to comply fully with the Minimum Standards as adopted by the Board, and which are attached hereto and incorporated by reference herein as Exhibit C."

5. Exhibit A-1 and Exhibit B-1 of the Lease shall be deleted and replaced with the attached Exhibit A and Exhibit B, respectively. Exhibit C attached hereto shall be incorporated into the Lease by reference.

[Remainder of page left intentionally blank.]

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the parties hereto have themselves or through their duly authorized officers caused this Second 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: _____

Date: _____

By: *Cynthia Alexander*
Cynthia Alexander (Mar 24, 2022 15:47 PDT)
Deputy/Assistant City Attorney

By: _____
Chief Executive Officer
Department of Airports

ATTEST:

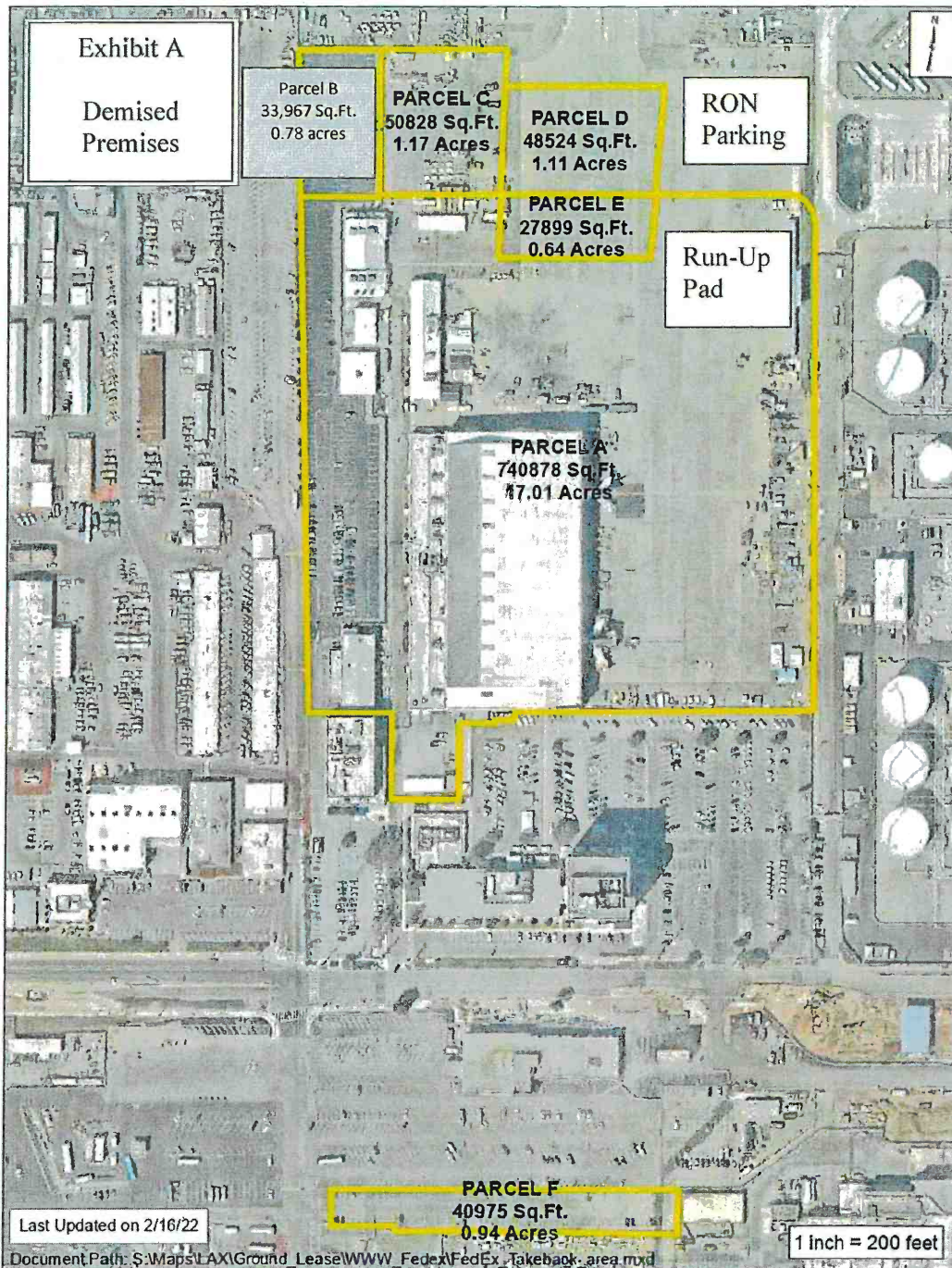
**FEDERAL EXPRESS
CORPORATION**

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

By: *D. Cook*
Signature
Donna W. Cook
Print Name
Vice President

Print Title

Approved by Legal: cjm 03/07/2022
[FedEx Document No. 1594925]



*Note: Demised Premises Boundary outlined in yellow line

Exhibit B

Payment Schedule

	Area	Rate	Annual Rent	Monthly Rent
Building				
Aircraft Hangar	77552 SF	\$16.58 PSFPY	\$1,285,812.16	\$107,151.01
Office/shop	83448 SF	\$15.45 PSFPY	\$1,289,271.60	\$107,439.30
Outparcel Building	16920 SF	\$15.45 PSFPY	\$261,414.00	\$21,784.50
Training Building	15650 SF	\$15.45 PSFPY	\$241,792.50	\$20,149.38
Land				
Parcel A	740878 SF	\$3.38 PSFPY	\$2,504,167.64	\$208,680.64
Parcel B	33967 SF	\$3.38 PSFPY	\$114,808.46	\$9,567.37
Parcel C	50828 SF	\$3.38 PSFPY	\$171,798.64	\$14,316.55
Parcel D	48524 SF	\$3.38 PSFPY	\$164,011.12	\$13,667.59
Parcel E	27899 SF	\$3.38 PSFPY	\$94,298.62	\$7,858.22
Aircraft Parking Paving				
Parcel A	240099 SF	\$0.88 PSFPY	\$211,287.12	\$17,607.26
Parcel B				
Parcel C				
Parcel D	48524 SF	\$0.88 PSFPY	\$42,701.12	\$3,558.43
Parcel E	27899 SF	\$0.88 PSFPY	\$24,551.12	\$2,045.93
Auto Parking Paving				
Parcel A	324233 SF	\$0.44 PSFPY	\$142,662.52	\$11,888.54
Parcel B	33967 SF	\$0.44 PSFPY	\$14,945.48	\$1,245.46
Parcel C	50828 SF	\$0.44 PSFPY	\$22,364.32	\$1,863.69
Parcel D				
Parcel E				
TOTAL			\$6,585,886.42	\$548,823.87
Faithfull Performance Guarantee (FPG)				\$1,646,471.61

Parcel F (effective upon Reduction Date of Parcel B)

	Area	Rate	Annual	Monthly
Land				
Parcel F	40975 SF	\$3.38 PSFPY	\$138,495.50	\$11,541.29
Auto Parking Paving				
Parcel F	40975 SF	\$0.44 PSFPY	\$18,029.00	\$1,502.42
			<u>\$156,524.50</u>	<u>\$13,043.71</u>

Note:

1. Annual/Monthly Rent is subject to periodic and an annual rental adjustment(s) pursuant to lease.
2. Rates shown are current as of 10/1/21.
3. The parties understand that Land Rent Rate was subject to adjustment 7/1/20 and may be adjusted retroactively as part of an Airport wide land rental adjustment process.
4. The FPG amount is three times the monthly rent.
5. Building areas are contained entirely within land Parcel A
6. Rates for Parcel F will be updated to match the then current Land Rent and Auto Parking Paving rates in effect at the time the parcel is added.

Abbreviations: Square Feet = SF
Per Square Foot Per Year = PSFPY

**MINIMUM STANDARDS FOR USE OF REAL PROPERTY AT
LOS ANGELES WORLD AIRPORTS****1.0 INTRODUCTION*****1.1 Governing Policy***

Los Angeles World Airports (LAWA), a department of the City of Los Angeles (City), has through its Board of Airport Commissioners (Board), adopted a Leasing Policy (Policy) to provide a framework for making leasing and property management decisions for Los Angeles International Airport, Ontario International Airport, Van Nuys Airport, and Palmdale land holdings (collectively and individually referred to herein as Airport). Under the Policy, the Executive Director of LAWA is authorized to promulgate Executive Directives to implement the Policy.

1.2 Purpose and Scope

1.2.1 These Minimum Standards for Use of Real Property at Los Angeles World Airports (Minimum Standards) have been established by the Executive Director to (1) encourage the provision of high quality products, services, and facilities to Airport users; (2) promote safety; and (3) promote the economic health of Airport businesses. To this end, all entities desiring to use Airport property will be accorded reasonable opportunities, without unlawful discrimination, to engage in such activities, subject to these Minimum Standards.

1.2.2 These Minimum Standards specify the standards and requirements that must be met by any entity using Airport property. These Minimum Standards are not intended to be all-inclusive. Any entity using LAWA property will also be required to comply with all applicable regulatory measures pertaining to such activities.

1.2.3 Throughout these Minimum Standards, the words "standards" or "requirements" will be understood to be modified by the word "minimum" except where explicitly stated otherwise. Any required determinations, interpretations, or judgments regarding what constitutes an acceptable minimum standard, or regarding compliance with such standard, will be made by LAW A. All entities are encouraged to exceed the applicable minimum standards. No entity will be allowed to use Airport property under conditions that do not, in LAWA's discretion, meet these Minimum Standards.

1.2.4 Appropriate minimum standards may be developed on a case-by case basis for certain activities, and promulgated by Executive

Directive or incorporated into agreements/permits relating to the occupancy or use of particular Airport land or improvements.

1.2.5 These Minimum Standards may be supplemented, amended, or modified by Executive Directive from time to time and in such manner and to such extent as is deemed appropriate by LAWA.

1.3 Applicability

1.3.1 These Minimum Standards will apply to all agreements relating to the occupancy or use of Airport property or improvements.

1.3.2 These Minimum Standards will not be deemed to modify any existing agreement under which an entity is required to exceed these Minimum Standards, nor will they prohibit LAWA from entering into or enforcing an agreement that requires an entity to exceed the Minimum Standards.

1.4 Non-Compliance Violations

LAWA reserves the right to prohibit any entity from using Airport property upon determination by LAWA that such entity has not complied with these Minimum Standards, or has otherwise jeopardized the safety of other entities using the Airport.

1.5 Severability

If one or more clauses, sections, or provisions of these Minimum Standards are held to be unlawful, invalid, or unenforceable by final judgment of any court of competent jurisdiction, the invalidity of such clauses, sections, or provisions will not in any way affect other clauses, sections, or provisions of these Minimum Standards.

2.0 GENERAL REQUIREMENTS

All Users (hereinafter includes: lessees, licensees, permittees, facility users, operators, occupants, etc.) using Airport property must comply with the requirements of this Section.

2.1 Experience/Capability

2.1.1 User must have the capability of providing products, services, and facilities and engaging in activities in a good quality manner.

2.1.2 User must have the financial capability to, as appropriate, develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity, as may be required by the agreement.

2.2 Agreement/Approval

2.2.1 No entity may engage in an activity unless the entity has an agreement with LAWA authorizing such activity or the entity has received written approval from LAWA to sublease land or improvements from an authorized lessee to conduct the activity at the Airport.

2.2.2 An agreement will not reduce or limit User's obligations with respect to these Minimum Standards.

2.2.3 User must comply with all the provisions of the agreement between User and LAWA.

2.3 Payment of Rents, Fees, and Charges

2.3.1 User must pay the rents, fees, or other charges specified by LAWA for leasing or using land or improvements or engaging in activities.

2.3.2 No User will be permitted to engage in activities unless said User is current in the payment of all rents, fees, charges, or other sums due to LAWA under any and all agreements User has with LAWA.

2.3.3 User's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to LAWA will be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.

2.4 Facility Maintenance

2.4.1 User must maintain the Premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a clean, neat, and orderly condition, as may be required by the agreement.

2.4.2 User must comply with the Airport's signage requirements.

2.5 Products, Services, and Facilities

2.5.1 Products, services, and facilities must be provided on a reasonable and non-discriminatory basis to all users of the Airport.

2.5.2 User must charge reasonable and non-discriminatory prices for each product or service, provided that User may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

2.5.3 User must conduct its activities on and from the Premises in a safe, efficient, and professional manner consistent with the degree of care and skill exercised by experienced users providing comparable products, services, and facilities and engaging in similar activities from similar leaseholds in like markets.

2.6 Non-Discrimination

User must not discriminate against any person or class of persons by reason of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in providing any products or services or in the use of any of its facilities provided for the public, in any manner prohibited by applicable regulatory measures.

2.7 Licenses, Permits, Certifications, and Ratings

User (and/or User's personnel) must obtain and comply with, at User's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of User's activities at the Airport as required by LAWA or any other duly authorized agency prior to engaging in any activity at the Airport. Upon request, User must provide copies of such licenses, permits, certifications, or ratings to LAWA in a timely manner.

2.8 Personnel

2.8.1 User must have in its employment (as employees), on duty, and on premises during operating hours, trained and courteous personnel in such numbers as to meet the reasonable demands of the aviation public for each activity being conducted in a courteous, prompt, safe, and efficient manner.

2.8.2 User must provide a responsible person on its Premises to supervise activities and such personnel will be authorized to represent and act for and on behalf of User during required hours of activities.

2.9 Equipment

All required equipment must be fully operational and functional at all times. Equipment not being used and not scheduled for repair must be removed from the Premises within a timely basis.

2.10 Regulatory Measures

User must engage in activities in accordance with all applicable regulatory measures, including the Certified Service Provider Program (CSPP) and these Minimum Standards.

2.11 Insurance

User must procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth by LAW A. The insurance company or companies underwriting the required policies must be licensed or authorized to write such insurance in the state of California or be approved in writing by LAW A.

2.12 Suspension, Revocation of Privileges

LAWA reserves the right to suspend or revoke User's privileges (including the right to revoke ramp badges, if issued/required), on a temporary or permanent basis, for failing to abide by these Minimum Standards or any applicable regulatory measures governing the Airport. A cure period may be considered, if in LAW A's discretion one is appropriate and consistent with an agreement.

2.13 City of Los Angeles, Los Angeles World Airports, Board of Airport Commissioners, and Executive Director

The Airport is owned by the City of Los Angeles, operated by LAW A, and governed by and through the Board. Only the Executive Director can amend or modify these Minimum Standards.