

LEASE

BETWEEN

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

AND

**AIR CENTER AVIATION, INC.
AT**

VAN NUYS AIRPORT

TABLE OF CONTENTS

ARTICLE 1. SPECIFIC TERMS AND PROVISIONS

	<u>Page</u>
Section 1. Demised Premises	1
Section 2. Term of Lease	2
Section 3. Use of Demised Premises	2
Section 4. Payments to City	3
Section 5. Utility Services.....	7
Section 6. Aircraft Noise.....	7
Section 7. Notices	7
Section 8. Assignments and Subletting.....	8
Section 9. Van Nuys Airport Deficit Recovery Program	8

ARTICLE 2. STANDARD TERMS AND PROVISIONS

Section 1. Limitations on Use of Demised Premises.....	10
Section 2. Rental Payments.....	11
Section 3. Liquidated Damages for Delinquent Payment.....	11
Section 4. Reports	12
Section 5. Audits.....	12
Section 6. Performance Guarantee.....	12
Section 7. Improvements and Alterations.....	13
Section 8. Liens.....	15
Section 9. Modification to Size of Demised Premises.....	16
Section 10. Ownership of Improvements.....	17
Section 11. Signs.....	17
Section 12. Maintenance and Repair of Demised Premises	18
Section 13. City's Right of Access and Inspection.....	18
Section 14. Insurance	19
Section 15. City Held Harmless.....	20
Section 16. Nondiscrimination and Equal Employment Practices/Affirmative Action Program	20
Section 17. Taxes, Permits and Licenses	23
Section 18. Assignments and Subleases	23
Section 19. Space Utilization.....	24
Section 20. Default.....	25
Section 21. Waiver.....	28
Section 22. Attorney's Fees	28
Section 23. Hazardous and Other Regulated Substances.....	29
Section 24. Airfield Security.....	31
Section 25. Business Tax Registration.....	31
Section 26. Laws, Rules, and Regulations.....	32
Section 27. Disabled Access	32
Section 28. Living Wage Ordinance and Service Contractor Worker Retention Ordinances.....	32

Section 29.	Child Support Orders	34
Section 30.	Visual Artists' Rights Act.....	35
Section 31.	Equal Benefits Ordinance	35
Section 32.	Condemnation	36
Section 33.	Miscellaneous Provisions.....	38
Section 34.	Other Agreements Not Affected	40
Section 35.	Contractor Responsibility Program.....	40
Section 36.	Campaign Contributions	41
	SIGNATURE BLOCKS	42

EXHIBITS

Exhibit A	Premises
Exhibit B	Payments
Exhibit C-1	Minimum Standards
Exhibit C-2	Noise Ordinance
Exhibit D	Maintenance
Exhibit E	Insurance
Exhibit F	Equal Employment Practices
Exhibit G	Affirmative Action
Exhibit H	Living Wage Ordinance/Compliance
Exhibit I	Service Contract Worker Retention Ordinance
Exhibit J	Child Support Orders
Exhibit K	Contractor Responsibility Program

LEASE
BETWEEN THE CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS
AND AIR CENTER AVIATION, INC. AT VAN NUYS AIRPORT

THIS LEASE ("Lease") is made and entered into this _____ day of _____, 2013 (hereinafter referred to as "Effective Date"), by and between the **CITY OF LOS ANGELES**, a municipal corporation, acting by order of and through its Board of Airport Commissioners (hereinafter referred to as "Board") of the **DEPARTMENT OF AIRPORTS** also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City"), and **AIR CENTER AVIATION, INC.** (hereinafter referred to as "Lessee") (sometimes herein referred to individually as a "party," or together as "parties").

The parties hereto, for and in consideration of the covenants and conditions hereinafter contained to be kept and performed, DO HEREBY AGREE AS FOLLOWS:

ARTICLE 1. SPECIFIC TERMS AND PROVISIONS

Section 1. Demised Premises.

1.1. Description.

1.1.1. From the Effective Date through June 30, 2016, the Demised Premises shall consist of approximately 3.33 acres of Propeller-Only Use Land, 1 acre of General Aviation Use Land, a City-owned hangar containing 6,810 square feet, and a City-owned hangar/office building containing 10,443 square feet, located at 16303 Waterman Drive at Van Nuys Airport (hereinafter referred to as "Airport") in Van Nuys, California, as shown and outlined on Airport Engineer's Drawing No. MLE 87114-81 and the Air Center Building Layout attached as Exhibit A [Premises], and also identified on Exhibit B [Payments], both of which are attached hereto and incorporated by reference herein.

1.1.2. From July 1, 2016 through December 31, 2018, the Demised Premises shall consist of approximately 2 acres of Propeller-Only Use Land, 2.33 acres of General Aviation Use Land, a City-owned hangar containing 6,810 square feet, and a City-owned hangar/office building containing 10,443 square feet, located at 16303 Waterman Drive at Van Nuys Airport (hereinafter referred to as "Airport") in Van Nuys, California, as shown and outlined on Airport Engineer's Drawing No. MLE 87114-81 and the Air Center Building Layout attached as Exhibit A [Premises], which is attached hereto and incorporated by reference herein.

1.2. **Acceptance and Surrender.** It is understood and agreed that Lessee accepts the Demised Premises in an "AS-IS, WHERE-IS, WITH ALL FAULTS" condition. Lessee agrees to surrender the Demised Premises upon the expiration or earlier termination of this Lease in a condition substantially similar to the condition of the Demised Premises on the date the Lease commences, except as modified in

- 1.3. accordance with Article 2, Section 7, Improvements and Alterations, Article 2, Section 9 Modification to Size of Demised Premises, Article 2, Section 11 Signs, and Article 2, Section 12 Maintenance and Repair of Demised Premises or any other modifications made pursuant to this Lease, herein, ordinary wear and tear excepted.

Section 2. Term of Lease.

2.1. This Lease shall commence on the Effective Date (hereinafter referred to as the "Commencement Date"), and shall terminate on December 31, 2018, subject however to earlier termination by either party upon thirty (30) days advance written notice, or as otherwise provided by the terms herein.

2.2. If Lessee remains in possession of all or any part of the Demised Premises after the expiration of the term hereof, with or without the express or implied consent of City, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case, rent and other monetary sums due hereunder shall be payable in the amount of one hundred fifty percent (150%) of the rent paid for the last month of the lease period plus any other charges payable hereunder at the time specified in this Lease and such month to month tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as set forth in this Lease. Acceptance by City of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of City hereunder or as otherwise provided by law, and in no way shall such provisions affect any right which City may otherwise have to recover damages from Lessee for loss or liability incurred by City resulting from such failure by Lessee to surrender the Demised Premises. Nothing contained in this Subsection shall be construed as consent by City to any holding over by Lessee, and City expressly reserves the right to require Lessee to surrender possession of the Demised Premises to City as provided in this Lease upon the expiration or other termination of this Lease.

Section 3. Use of Demised Premises.

3.1. Authorized Uses. The Demised Premises shall be used to: (i) store or maintain operator or sublessee aircraft, and (ii) for office and shop space in connection with approved commercial or non-commercial aeronautical activities.

3.2. Unauthorized Uses. Lessee expressly acknowledges that the Demised Premises shall not be used for any use other than that specified in Subsection 3.1, without the prior written consent of the Executive Director, or her/his designee (hereinafter collectively referred to as "Executive Director"). In addition, Lessee expressly acknowledges that the Demised Premises may not be used for the following purposes:

- Fuel storage;
 - Storing any vehicles not directly connected with Lessee's authorized uses of the Demised Premises, except with the prior written approval of the Executive Director;
- or

- Storage of trailers, mobile homes/recreational vehicles, boats, modular buildings, and storage containers, except with the prior written approval of the Executive Director.

3.3. **Access to Demised Premises.** Throughout the term of this Lease, Lessee, its agents, servants, employees, contractors, licensees and business invitees, shall have ground ingress and egress to and from the Demised Premises. Such access to the Demised Premises shall be subject to reasonable airfield access control and permitting requirements as may be established by City and temporary blockage or redirection due to Airport construction or Airport operational necessity.

3.4. **Minimum Standards.** Use of the Demised Premises will be subject to and Lessee agrees to comply fully with the Minimum Standards, and which are attached hereto and incorporated by reference herein as Exhibit C-1.

Section 4. Payments to City.

4.1. **Rent.** The Monthly Rent shall be as set forth in Exhibit B [Payments], as adjusted pursuant to the terms of this Lease. Lessee acknowledges that the Executive Director is authorized to replace the Exhibit B [Payments], 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 Executive Director specifically waives such responsibility.

4.2. **Rental Adjustments.** It is agreed that rent shall be adjusted each year in accordance with the procedures provided hereinafter.

4.2.1. **Annual Adjustments.** Except when adjusted as provided in Article 1, Subsection 4.2.2. **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 effective July 1 of each year (the "Annual Adjustment Date"). The Monthly Rent shall be adjusted on the Annual Adjustment Date according to the percentage increases over the prior year, if any, in the Consumer Price Index, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area, 1982-84=100 (CPI-U), as published by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS"), or its successor, as follows:

4.2.1.1. Monthly Rent shall be multiplied by the CPI-U for the month of March immediately preceding the Annual Adjustment Date (hereinafter referred to as the "Adjustment Index"), divided by the said CPI-U as it stood on March of the prior year (hereinafter referred to as the "Base Index") and the result shall be the "Adjusted Monthly Rent" to be applied effective July 1 through June 30, subject however to a minimum increase of no less than two percent (2%) and no more than seven percent (7%) in any year. In the event that the Adjusted Monthly Rent indicates a rate increase in excess of seven

(7%), the rental rate increase shall be carried over and implemented in the succeeding year, as necessary, at a rate not to exceed seven (7%) per year.

4.2.1.2. The formula for calculation of Adjusted Monthly Rent commencing each July 1 during the term of this Lease shall be as follows:

$$\text{Adjusted Monthly Rent} = \text{Monthly Rent} \times \frac{\text{Adjustment Index}}{\text{Base Index}}$$

4.2.1.3. If the B.L.S. should discontinue the preparation or publication of the CPI-U, and if no transposition table is available, then City shall adopt a basis for adjusting and revising the Monthly Rent on July 1 annually to vary said Monthly Rent according to any increase in commodity consumer prices over the prior year.

4.2.2. Periodic Adjustment to Fair Market Rental. It is agreed that the land rental rate payable hereunder shall next be adjusted on July 1, 2015 and every five (5) years thereafter to a fair market rental value. It is agreed that the improvements rental rate payable hereunder shall next be adjusted five (5) years from the Commencement Date and every five (5) years thereafter to a fair market rental value.

4.2.2.1. Parties May Negotiate in Good Faith. In accordance with the "Periodic Adjustment to Fair Market Rental" provision above, the parties may, in good faith, negotiate the rental rate(s) applicable to the subject adjustment period(s) as referenced above. Such good faith negotiations may include the involvement of a third party reviewer to review and make nonbinding recommendations regarding each party's rate adjustment proposal. The parties shall have continuing opportunities to negotiate in good faith in an attempt to reach agreement on rental adjustment(s) notwithstanding each party's obligation to perform its duties as described under Subsection 4.2.2.2 below. If the parties are able to reach an agreement on the adjustment to the rental rate(s), then said rate(s) shall be presented as a recommendation to the Board.

4.2.2.2. Appraisal Process. If the parties cannot reach agreement on the rental rate(s), or the Board does not approve the agreed upon rental rate(s) as described in Subsection 4.2.2.1, then, at least twelve (12) months prior to the Periodic Adjustment Date parties shall determine the Monthly Rent by the following procedure. The City may elect to have such procedures apply only to the rent applicable to improvements and may adjust the land rental rates on the basis of airport wide land rental rates then in effect, provided that such rates were adopted in compliance with applicable laws.

- Step 1: The Executive Director shall provide the Lessee with a copy of the City's list of qualified appraisers for the Airport. Each appraiser on the City's list shall be a member of the Appraisal Institute, or its

successor organization, and shall meet such other minimum qualifications as may be established by the Executive Director ("a Qualified Appraiser"). No later than fifteen (15) calendar days thereafter, the Lessee shall select one Qualified Appraiser and notify the Executive Director of such selection. If for any reason the selected Qualified Appraiser is unable to complete the appraisal, the Lessee shall select another Qualified Appraiser within fifteen (15) calendar days. The Executive Director shall set the time and place for a conference, at which time the Qualified Appraiser shall be instructed to conduct the appraisal in substantially the same manner as established by the Executive Director, with reasonable input from the Lessee, and applicable to the Demised Premises and similar premises at the Airport ("Appraisal Instructions"). The City shall pay the fees and expenses of the selected Qualified Appraiser. The appraisal and the completed appraisal report must meet the Uniform Standards of Professional Appraisal Practice (USPAP) or it will be rejected. A copy of the completed, USPAP compliant appraisal report (the "Appraisal Report") shall be made available to the Lessee for review within a time specified by the Executive Director, but in any event no later than sixty (60) calendar days of the conference set by the Executive Director. This time for delivery of the Appraisal Report may be extended if mutually agreed to, in writing, by the parties. Within fifteen-(15) calendar days of delivery of the appraisal report, the Executive Director shall fix the time and place for a conference between the parties hereto. At such conference, the parties shall attempt to reach an agreement on rentals. If Lessee and City reach agreement, the Executive Director shall present the results as a recommendation to the Board.

- Step 2: If Lessee and City are still unable to reach agreement on the adjusted rental(s), then the Executive Director's recommended rentals, the Appraisal Reports, and any other relevant material shall be furnished to Board. In the event the parties are still unable to reach agreement, and Lessee obtains and pays for a USPAP compliant appraisal report from an appraiser who meets the qualification standards for a Qualified Appraiser and follows the Appraisal Instructions, all as described above, then that appraisal report shall also be presented to the Board. Board shall review all facts and evidence, including the appraisal report(s), submitted to it and shall then prescribe the adjusted rental that, in the Board's opinion, is the most appropriate to apply throughout the respective adjustment period.

4.2.3. With respect to additions, improvements, or alterations to leasehold structures authorized by City and made by Lessee during the term of this Lease, Lessee shall not be charged rent for the rental value thereof unless and until title to said additions, improvements, or alterations revert to City pursuant to the terms of this Lease or by operation of law.

4.2.4. Nothing herein shall prejudice the right of Lessee to contest, in a court of competent jurisdiction, such adjusted rental in the event said Board may have acted arbitrarily or unreasonably. However, pending the outcome of any such litigation, Lessee shall be obligated first to either pay the new rental and all retroactive amounts directly to City as they come due, or deposit such increased amounts of such rental and the retroactive amounts into a joint escrow account. Provision shall be made for the payment to the City of the escrowed funds, including accrued interest, (to the extent such funds are owed by Lessee to City) upon a final determination of the appropriate rental adjustment, if any.

4.2.5. It is agreed that failure by the parties to timely comply with the rental readjustment procedures herein shall not be construed to constitute a waiver of the right of City to a rental readjustment. In the event adjustment of rental is not completed prior to the adjustment date, Lessee shall continue to pay the rent set for the preceding period, at the intervals and in the manner fixed for such preceding period, and if such rent is thereafter fixed in a different amount, such new rental shall take effect retroactively back to the beginning date of the readjustment period. Subject to Lessee's right of contest and right to escrow funds, Lessee shall immediately pay to City that sum, if any, which has accrued as a result of such retroactive application. If a rental reduction occurs, City shall immediately credit Lessee's account that sum which has accrued as a result of such retroactive application.

4.2.6. If the City has complied with the appraisal procedure and related time frames set forth in Subsections 4.2.1 through 4.2.5 above, City shall be entitled to receive, in addition to all retroactive rents that become due as a result of Board adjusted rental rate(s), the time value of said rental increase(s) calculated from the effective date of the increase(s) to the time period that the rental increase(s) are assessed to the Lessee at an interest rate representing what the City may have otherwise been entitled to if the funds associated with the increase(s) were available for City's use. However, in no event shall said interest rate referred to in this subsection be less than five percent (5%) per annum.

4.2.7. Assessments, Fees, and Charges. In addition to the rental obligation, Lessee hereby agrees to pay such assessments, fees, and charges as shall be set by the Board and that shall be generally applicable to similarly situated lessees at Airport.

4.3. Retroactive Rent. Lessee acknowledges and agrees that the land retroactive rent amount due City from the period of March 1, 2012 to the Effective Date, shall be due and payable either (a) in a lump sum on the Effective Date of the Lease or (b) in equal monthly installments, beginning on the first day of the month following the Effective Date and ending three (3) years from Effective Date. The land retroactive rent shall be as set forth in Exhibit B [Payments].

Section 5. Utility Services.

All utilities shall be separately master metered by Lessee and Lessee shall be required to install and maintain all meters at its cost. All charges for water, gas, heat, light, power, telephone, and any other utility service used by Lessee in connection with its occupancy of the Demised Premises, including deposits, connection fees, or charges and meter installation rentals required by the supplier of any such utility service, and the costs of all equipment and improvements necessary for connecting the Demised Premises to such utility service facilities, shall be paid by Lessee. City may, at City's own expense, install, maintain and repair utilities under, over, through or in any part of the Demised Premises and Lessee shall not be entitled to payment or abatement of rent or any other compensation in connection with any such installation, maintenance and/or repair. Lessee also waives any and all claims against City for compensation for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of any water supply system, drainage or sewer system, gas supply system, telephone system, electrical supply system, or electrical apparatus or wires serving the Demised Premises.

Section 6. Aircraft Noise.

6.1. This Lease and the uses to which Lessee shall put the Demised Premises and Airport shall be expressly subject to the following access and noise restrictions:

6.1.1. Lessee shall comply with the terms of the Van Nuys Noise Abatement and Curfew Regulation, as amended, as set forth in Los Angeles Ordinance Nos. 155727, 171889 and 173215, which is incorporated herein by this reference. Copies of the Ordinances have been attached to this Lease for the convenience of the parties on the Van Nuys Airport Noise Ordinances, Exhibit C-2. Upon request from City with regard to its noise investigations, Lessee agrees to cooperate with City in its efforts to identify any pilot, operator and/or aircraft owner that is the subject of City's investigations.

6.1.2. Lessee fully understands City's desire and goal to eliminate both the use and hangaring of all Stage 1 and Stage 2 aircraft at Airport. The restrictions contained herein are recognized by the parties hereto as steps toward accomplishing this noise mitigation goal.

6.1.3. Lessee specifically agrees that City shall not be liable or responsible to Lessee for any damage, injury, economic loss or deprivation which may develop or arise by reason of any existing noise abatement requirements or any future aircraft access, aircraft phase-out, noise abatement or noise curfew ordinances adopted by City at Van Nuys Airport. Lessee agrees not to institute any legal action or make any claims with regard to any such City noise reduction or abatement ordinances.

Section 7. Notices.

7.1. Written notices to City hereunder shall be sent to the Executive Director with a copy sent to the City Attorney of the City of Los Angeles and addressed to said parties at:

**Executive Director
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

**City Attorney
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

and via electronic mail to CDG-Tenant-Notices@lawa.org or to such other address as City may designate by written notice to Lessee.

7.2. Written notices to Lessee hereunder shall be given by registered or certified mail, postage prepaid, and addressed to:

**Air Center Aviation, Inc.
16231 Waterman Drive
Van Nuys, California 91406
Attention: Larry Feuerhelm, Vice President**

or to such other address as Lessee may designate by written notice to City.

7.3. The execution of any such notice by the Executive Director shall be as effective as to Lessee as if it were executed by Board or by Resolution or Order of said Board, and Lessee shall not question the authority of the Executive Director to execute any such notice.

7.4 All such notices, except as otherwise provided herein, may either be delivered personally to the Executive Director or to the Office of the City Attorney, Airport Division, in the one case, or to Lessee in the other case, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail, or may be delivered by a nationally recognized overnight commercial courier service that requires the recipient's signature for delivery, and shall be effective one (1) business day after delivery to such courier.

Section 8. Assignments and Subletting. In the case of an assignment, Lessee shall pay to City an amount equal to ten percent (10%) of the gross transaction value inuring to the benefit of Lessee and or affiliates, as determined by the City.

Section 9. Van Nuys Airport Deficit Recovery Program. In accordance with, and without any limitation with respect to, City's Leasing Policy, City reserves the right to implement a "Van Nuys Airport Deficit Recovery Program" (hereinafter "DRP") whereby certain annual deficits with respect to the operation of the Airport may be allocated to and recovered from tenants (including Lessee) at Airport. The DRP shall only become effective as of January 1st of the first calendar year after the City has entered into leases with Airfield Tenants (as defined in Section 9.1) who agree to the DRP that cumulatively occupy no less than fifty (50%) of all of the premises subject to the provisions of this Section 9. The DRP shall not be effective if deemed invalid or unenforceable by judicial determination. Upon adoption of such program by the City, it shall be binding on Lessee, and Lessee shall make all payment required thereunder, provided that such program contains the following elements:

9.1. Such program shall include an annual determination of the actual (not budgeted) net income for the Airport. In making the determination of net income, either the Board or the Executive Director, as the case may be, shall exclude non-operating revenues, including by way of illustration: (a) any revenues from LAX that have been used to defray expenses at the Airport; (b) any non-recurring transaction-based revenue; and (c) any payments received under the DRP on account of deficits in previous fiscal years. If the net income for any fiscal year is negative, then, subject to the limitations of Subsection 9.6 below, such deficit (the "FY Deficit") shall be allocated in a proportional manner, as described in Subsection 9.4 below, to the tenants at the Airport occupying and/or leasing demised premises in any "Aviation Area" as such term is defined in the Van Nuys Master Plan (collectively, "Airfield Tenants"). If at the end of any fiscal year, there is positive net income at the Airport, such net surplus shall be carried over to the next succeeding fiscal years to reduce any otherwise-indicated FY Deficit.

9.2. Within ninety (90) days following the determination of the FY Deficit, City shall make publicly available a statement showing in reasonable detail the calculation of the FY Deficit and shall provide such statement to all Airfield Tenants. Lessee shall have the opportunity to comment on the FY Deficit and request copies of documentation for the FY Deficit, provided that City may request Lessee to pay for reasonable copying costs and any costs of providing Lessee with documentation that is not readily available. In any year when the DRP has been activated and Lessee is paying a FY Deficit, Lessee shall have a reasonable opportunity to review the Van Nuys Airport operating budget prior to Board approval by either (1) LAWA staff providing Lessee a copy of the proposed operating budget 21 days prior to consideration by the Board; or (2) LAWA staff presenting the VNY operating budget to the BOAC at least 21 days prior to the formal adoption of the operating budget by the Board. Within seven (7) days after receiving the proposed operating budget or Board presentation, Lessee may provide written comments to City. City shall use reasonable efforts to notify Lessee and consult with Lessee at Lessee's request regarding any capital projects not mandated by any law, regulation, policy or agreement, which project exceeds \$1 million in net cost to LAWA after accounting for anticipated grant funds.

9.3. Airfield Tenants (including Lessee) shall pay their FY Deficit allocation in the calendar year that commences six months after any fiscal year for which the City determines that a FY Deficit has occurred. Such payment may be made in one (1) lump sum, or in twelve (12) equal monthly payments.

9.4. The FY Deficit shall be allocated proportionately to the Airfield Tenants by multiplying the FY Deficit by a fraction, the numerator of which shall be the gross acreage of the total demised premises for the applicable Airfield Tenant and the denominator of which shall be (a) the gross acreage of all demised premises for all Airfield Tenants plus (b) the gross acreage of the "Runway Area" (as such term is defined in the Van Nuys Airport Master Plan Map) at the Airport.

9.5. In the event that any Airfield Tenant shall have occupied their demised premises for less than the entire fiscal year for which the FY Deficit is being allocated, then such Airfield Tenant's share of the FY Deficit shall be prorated accordingly.

9.6. Lessee's share of the FY Deficit during any given fiscal year shall not exceed fifty percent (50%) of Lessee's base rent for the preceding fiscal year. However, if as a result of this limitation the City does not fully recover a FY Deficit in the following calendar year, the shortfall shall be carried over to the subsequent calendar year until the City has fully recovered any and all FY Deficits. However, Lessee shall have no liability for any shortfall (accrued or otherwise) after Lessee's surrender of the Demised Premises after the expiration of the Lease.

9.7. Lessee shall only be obligated to pay its share of any FY Deficit so long as the program is imposed on Airfield Tenants in a manner that is reasonable and not unjustly discriminatory under applicable federal law.

Any failure of Lessee to comply with such program in accordance with the terms of this Section shall constitute a default under the Lease.

ARTICLE 2. STANDARD TERMS AND PROVISIONS

Section 1. Limitations on Use of Demised Premises.

1.1. Lessee shall not use the Demised Premises, nor any portion thereof, for any purpose other than that hereinabove set forth in Article 1, without first having had and obtained the written consent of the Executive Director, which consent may be withheld in the Executive Director's sole discretion, and which written consent is approved as to form by the City Attorney.

1.2. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Demised Premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on Airport. Lessee agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with Lessee's use and enjoyment of the Demised Premises which may result from noise emanating from the operation of aircraft to, from, or upon Airport except for claims or actions brought by third parties against Lessee arising from City's operation of Airport. [LEASE GUIDE, paragraph 5]¹

1.3. Lessee, by accepting this Lease, 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 landing and taking off of aircraft from Airport or otherwise constitute a hazard to such operations. In the event the aforesaid covenant is breached, City reserves the right to enter upon the Demised Premises hereby leased and cause the abatement of such interference at the expense of Lessee. [LEASE GUIDE, paragraph 8]

¹ The paragraph references are to mandatory requirements contained in a document entitled, "LEASE AND USE AGREEMENT GUIDE," dated June 6, 1984, revised January 2004, published by the Federal Aviation Administration.

1.4. Lessee shall conduct its, and cause its sublessees to conduct their, operations on the Demised Premises in such manner as to reduce as much as is reasonably practicable, considering the nature and extent of said operations, any and all activities which interfere unreasonably with the use of other premises adjoining the Demised Premises at Airport, including, but not limited to, the emanation from the Demised Premises of noise, vibration, movements of air, fumes, and odors.

1.5. Lessee is prohibited from installing or using any wireless workstations, access control equipment, wireless internet servers, application or system software such as transceivers, modems, or other interface units that access frequencies from 2.0 Gigahertz to 6.0 Gigahertz, inclusive, without first obtaining approval from the Executive Director.

1.6. Lessee has no rights under this Lease to install or use any antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises, unless such installation or use is directly related to the conduct of Lessee's business and in full compliance with City's permit process and telecommunications policies as they may be modified from time to time at the sole discretion of the Executive Director. Lessee may not license or sublease to others the right to install or use antennae or other telecommunications equipment on the Demised Premises.

Section 2. Rental Payments.

2.1. **Delivery of Rental.** Rental shall be paid by Lessee to City on or before the first day of each calendar month of the term hereof. In the event the commencement or termination date of this Lease falls on any date other than the first day of the calendar month, the applicable rental for that month shall be calculated pro rata according to the number of days during which the Demised Premises, or any part of same, were occupied by Lessee during said month. All payments shall include the contract number, which is stamped on the first page of this Lease, on each payment check and the remittance advice attached to the invoice, if any, delivered to Lessee by City.

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

**City of Los Angeles
Los Angeles World Airports
P.O. Box 54078
Los Angeles, CA 90054-0078**

2.3. City may designate an alternate address at any time upon giving Lessee a thirty (30) day advance, written notice. Invoices may be sent by City to Lessee as a customer courtesy, and receipt of such invoice shall not be a condition prior to payment of rent.

Section 3. Liquidated Damages for Delinquent Payment.

3.1. Payment of rentals, fees, and charges shall be delinquent if not received by City within ten (10) days following the due date. Without waiving any rights available under this

Lease or by law, in the event of delinquent payments, Lessee recognizes that City will incur certain expenses, the amount of which is difficult to ascertain. Therefore, in addition to payment(s) owing, Lessee agrees to pay the liquidated damages set forth below to compensate City for all expenses and/or damages and loss resulting from said delinquent payments by Lessee.

3.2. The liquidated damages for delinquent payments shall be twenty percent (20%) per annum on the balance of the unpaid monthly amount calculated from the date of the delinquency until the close of the business day upon which the delinquency payment is received by City. City may also draw such delinquent payments from the Performance Guarantee required pursuant to Article 2, Section 6 Performance Guarantee and continue assessing liquidated damages until the Performance Guarantee is replenished to the level required in Article 2, Section 6 Performance Guarantee.

Section 4. Reports.

4.1. City may, at its discretion and with reasonable notice to Lessee, require Lessee within ten (10) days after the end of each calendar month, to report to the Airport's Chief Financial Officer certain operating statistical and financial data applicable to City airports covering the previous calendar month in such form and content as shall reasonably be specified by the Chief Financial Officer.

Section 5. Audits.

5.1. City may, at its sole discretion and with reasonable notice to Lessee, require Lessee to provide access to all records and other information necessary to perform an audit of rental, fees, and other charges paid and payable to City. City's right to access such records and information shall survive three (3) years beyond the expiration or early termination of this Lease. Lessee shall retain all records and other information necessary to perform an audit as described above for a minimum of seven years.

Section 6. Performance Guarantee.

6.1. Lessee shall furnish to City and maintain throughout the term of this Lease a Faithful Performance Guarantee to secure the faithful performance by Lessee of all the terms, provisions, and covenants contained herein including, but not limited to, the payment of rent and any other specified compensation. Such Guarantee shall be separate from any other Guarantee(s) required by City. The initial amount of said Guarantee shall be three (3) times the highest monthly rental prescribed herein.

6.2. If Lessee has previously provided such Guarantee to City and if, for any reason, Lessee's monthly monetary obligation to City is thereafter increased in excess of ten percent (10%), then the amount of Lessee's Guarantee shall, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum three (3) times the new amount.

6.3. If Lessee has previously provided such Guarantee to City and if, for any reason, Lessee's monthly monetary obligation to City is thereafter decreased in excess of ten percent

(10%), then the amount of Lessee's Guarantee may be correspondingly decreased to a sum three (3) times the new amount thirty (30) days following written notice to City by Lessee.

6.4. Performance Guarantees of Five Thousand Dollars (\$5,000) or less shall be in the form of a Cashier's Check, Company Check, Money Order, Certificate of Deposit or Irrevocable Letter of Credit. Performance Guarantees in excess of Five Thousand Dollars (\$5,000) shall be in the form of an Irrevocable Letter of Credit. Letters of Credit shall be self-renewing from year-to-year and subject to termination upon sixty (60) days written notice. All Performance Guarantees must be approved as to form by the City Attorney.

6.5. Lessee shall furnish such Guarantee in duplicate prior to lease commencement or within thirty (30) days following notice of adjustment of rental. If, for any reason, said Guarantee is not provided by Lessee and/or is not thereafter maintained in sufficient amount throughout the term hereof, City, subject to the notice requirements of Article 2, Subsection 20.1.2, may terminate this Lease at any time upon giving Lessee a thirty (30) day advance, written notice. Upon the expiration or earlier termination of this Lease, and if Lessee has satisfied all of its obligations to City hereunder, City shall relinquish to Lessee said Guarantee following such expiration or earlier termination and satisfaction of all obligations to City. The Guarantee shall be submitted to:

**Los Angeles World Airports
Attn: Accounting Revenue FPG Administrator
PO Box 92216
Los Angeles CA 90009-2216**

Section 7. Improvements and Alterations.

7.1. By Lessee.

7.1.1. Prior to the construction of any improvements, Lessee shall submit to the Chief Airports Engineer for concept approval the preliminary plans and estimated construction cost for such improvements. Said approval, subject to the conditions set forth herein, shall be given in a reasonably timely manner. Upon approval by the Executive Director of Lessee's preliminary plans, Lessee shall prepare working drawings and specifications which shall be true and correct developments of the preliminary plans so approved. Lessee shall then submit a written request for construction approval and a minimum of five (5) complete sets of said approved working drawings and copies of the specifications to the Chief Airports Engineer's office for written approval by the Executive Director. The Executive Director's written approval and any conditions related to the construction of the improvements or alterations shall become a part of the Lease as though fully set forth herein once the document is fully executed by both parties. Upon receipt of the Executive Director's approval, Lessee shall cause the construction called for by the approved working drawings and specifications to be commenced and completed promptly. No substantial changes, additions, or alterations shall be made in said working drawings or specifications, or in the construction called for thereby, without first obtaining the Executive Director's approval in writing. Upon completion of the improvements, Lessee shall furnish to City, at no charge, three complete sets of "record"

drawings, and one complete set in Computer Aided Design (CAD) format which complies with the then current LAWA CAD standards. These drawings must include any applicable permit numbers, the structural and other improvements installed by Lessee in the Demised Premises, and the location and details of installation of all equipment, utility lines, heating, ventilating, and air-conditioning ducts and related matters. Lessee shall keep said drawings current by updating them in order to reflect any changes or modifications which may be made in or to the Demised Premises.

7.1.2. Lessee shall make no structural improvements, additions, or alterations in, to or upon the Demised Premises, nor erect, construct, or place any sign upon said Demised Premises, without first obtaining the written consent of the Executive Director. Any conditions, restrictions, or limitations placed upon the approval by the Executive Director shall be conditions of this Lease as though fully set forth herein once the document is fully executed by both parties. Lessee shall hold City harmless from liability with respect to any claims regarding any improvements, additions, or alterations made thereto.

7.1.3. For each and every construction or alteration project undertaken on the Demised Premises, Lessee shall prepare a construction report. This report shall contain the following elements: (1) type of improvement constructed or altered; (2) floor area or capacity of improvement constructed or altered; (3) total cost of construction or alteration; (4) completion date for construction or alteration; and (5) a copy of the certificate of occupancy. The construction report shall be mailed to the Chief Airports Engineer at the address provided in the Notices Section of the Lease not later than sixty (60) days following completion of the construction or alteration.

7.1.4. Lessee shall also keep the Demised Premises and any improvements constructed thereon free and clear of liens for labor and material expended by or for Lessee or on its behalf in accordance with Article 2, Section 8 Liens (except when such improvement is constructed by City).

7.1.5. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations in the event any future structure or building is planned for the Demised Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Demised Premises. [LEASE GUIDE, paragraph 6]

7.1.6. Lessee agrees that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation obstruction contours shown on the contour drawings on file with the Airport Engineer, if applicable. In the event the aforesaid covenants are breached, City reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee. [LEASE GUIDE, paragraph 7]

7.2. By City.

7.2.1. City reserves the right to further develop or improve the landing area of Airport or any other portion of the Airport, as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance. If any such development or improvement interferes substantially with Lessee's use and occupancy of the Demised Premises, Lessee shall be entitled to an appropriate reduction in rental or termination of this Lease. [LEASE GUIDE, paragraph 2]

7.2.2. City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. [LEASE GUIDE, paragraph 3]

7.2.3. Lessee acknowledges that the City retains the right without compensation to Lessee to install or use antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises (and the right to install and attach cables, wires and conduits on, over or under the Demised Premises), or to lease or license others to do so. City agrees to install such antennae and/or telecommunications equipment in such a manner that will not cause a loss of water-tightness in the roof or wall structures or their related components. The right to install or use said antennae or telecommunications equipment shall not include the right to penetrate fully through roof or wall structures without first obtaining approval of the Lessee, which approval may not be unreasonably withheld. City further agrees to repair any damage caused by City's installation of antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises. City will make best efforts not to interfere with the use of the Demised Premises, as described herein, during the installation or maintenance of such antennae and/or telecommunications equipment.

Section 8. Liens.

8.1. During the term of this Lease, the fee interest in the real property underlying the Demised Premises shall not be used as security for any loans or mortgages or otherwise have any liens placed on it. Additionally, Lessee shall keep any City-owned improvements on the Demised Premises free and clear of any liens or other encumbrances. By way of specification without limitation, Lessee shall keep the Demised Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee and shall indemnify, hold harmless and defend City from any liens and encumbrances arising out of any work performed or materials furnished by or at the request of Lessee. In the event that Lessee does not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, City shall have in addition to all other remedies provided herein and by law, the right, but not the obligation to cause, upon ten (10) business days prior written notice to Lessee, the same to be released by such means as it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. All such sums paid by City and all expenses incurred by it in connection therewith, including costs and attorney's fees, shall be paid by Lessee to City on demand. Nothing in this Section shall be construed to limit any rights of Lessee to use its leasehold interest as security for any loans to the extent that such use is permitted under this Lease. Nothing in this Section shall be construed to place any obligations upon Lessee with respect to liens, loans, or mortgages placed upon the

Demised Premises by City, its Department of Airports, its Board, City officers, agents, or employees.

Section 9. Modification to Size of Demised Premises.

9.1. **Modification of Premises and Documents.** Addition or deletion of space for which Lessee is charged, not to exceed a cumulative total of twenty percent (20%) of the Demised Premises as described at the commencement of the Lease, may be made by mutual agreement of City and Lessee, except as otherwise provided pursuant to Article 2, Section 19 **Space Utilization**, if applicable. Such addition or deletion shall be by written amendment and shall specify appropriate adjustments in rental, charges, or credits, as applicable, and shall not require approval by Board or Council, unless the modification involves an amount in excess of \$150,000, in which case prior Board approval shall be required. The Executive Director shall revise and replace the Premises, **Exhibit A** and the Payments, **Exhibit B**, as necessary.

9.2. **Relocation of Demised Premises Reimbursement for Improvements.** If City requires Lessee to relocate from Demised Premises to another reasonably comparable area, City shall reimburse Lessee for the unamortized cost of building improvements made by Lessee amortized on a straight-line basis over a period not to exceed the number of months between the date a certificate of occupancy for the improvements is issued by a responsible building inspector of City and the expiration of this Lease. Costs of said improvements must be identified in the construction report specified in Article 2, Subsection 7.1.3 of this Lease and be determined in the sole discretion of the Executive Director to constitute reasonable and permanent improvements to the Demised Premises. Said reimbursement shall only be applicable if Lessee has constructed building improvements authorized by City during the term of this Lease and absent reimbursement conditions to the contrary in the City's construction approval letter.

9.3. Damage to or Destruction of Improvements.

9.3.1. If, during the term of this Lease, any buildings, structures, or improvements on the Demised Premises are partially or totally destroyed from a risk covered by the insurance described in the Article 2, Section 14 **Insurance**, herein, thereby rendering said Demised Premises partially or totally inaccessible or unusable, Lessee must restore the Demised Premises to substantially the same condition as they were immediately before destruction.

9.3.2. If, during the term of this Lease, improvements on the Demised Premises are partially or totally destroyed from a risk not covered by the fire and extended coverage insurance described in the Insurance, **Exhibit E**, herein, thereby rendering said Demised Premises partially or totally inaccessible or unusable, such destruction shall not automatically terminate this Lease. If, however, the cost of restoration exceeds ten percent (10%) of the full replacement value of improvements, as said value existed immediately before said destruction, Lessee may, at Lessee's option, terminate this Lease by giving written notice to City within sixty (60) days from the date of destruction. If Lessee elects to terminate as above provided, Lessee shall be obligated, unless otherwise directed by City, to demolish all damaged improvements and remove all debris from the Demised Premises at Lessee's sole cost. If Lessee fails to exercise its right to terminate

this Lease, this Lease shall continue in full force and effect for the remainder of the term specified herein and Lessee shall restore the Demised Premises to substantially the same condition as they were in immediately before destruction.

Section 10. Ownership of Improvements.

10.1. During the term of this Lease, title to all structures, improvements, facilities, or alterations constructed or installed by Lessee shall remain in Lessee. Upon the termination of this Lease, said structures, improvements, facilities, or alterations, other than machines, equipment, trade fixtures, and similar installations of a type commonly removed without structural damage to the Demised Premises, shall become a part of the land upon which they are constructed, or of the building to which they are affixed, and title thereto shall thereupon vest in City unless, however, City requests Lessee to remove some or all of said structures, improvements, facilities, or alterations, in which case Lessee shall promptly remove said items at Lessee's sole cost and expense. In the event the removal of any fixture damages any part of the Demised Premises, Lessee shall repair such damage and restore the Demised Premises to as good condition as the same was in prior to said damage, reasonable wear and tear excepted.

10.2. During the term of this Lease, title to all structures, improvements, facilities, or alterations constructed or installed by Lessee for which Lessee has been reimbursed by City shall thereupon vest in City.

10.3. Upon title to said structures, improvements, facilities, or alterations vesting in City, City shall be entitled to reasonable rent, fees and/or other charges, as determined by the Board, and Lessee shall be obligated to pay same for as long as Lessee occupies said structures, improvements, facilities and alterations.

Section 11. Signs.

11.1. No identification signs pertaining to Lessee's operations shall be installed or placed in or on the Demised Premises or Airport until Lessee has submitted to the Executive Director drawings, sketches, design dimensions, and type and character of such identification signs proposed to be placed thereon or therein and has received written approval from the Executive Director. The Executive Director's written approval and any conditions related to the subject signs shall become a part of the Lease as though fully set forth herein once the document is fully executed by both parties.

11.2. Other than approved identification signs, Lessee shall not, at any time, under any circumstances, install, place, or maintain any type of advertising, on the Demised Premises.

11.3. In addition, Lessee's ticket counter, ticket lifts, and podiums, if any, shall be free of all advertising, signs, credit card application dispensing units, posters, and banners, including, but not necessarily limited to, those showing Lessee's name, destinations, rates, rent-a-car arrangements, or other services. Noncompliance by Lessee with this provision shall result in

City's right to immediately remove said unauthorized signs, advertising, or other written materials and to store same at Lessee's expense. City may dispose of said signs, advertising, or other written materials if Lessee has not paid City's expenses for removal and storage and claimed said signs, advertising, or other written materials within fifteen (15) calendar days after City has provided written removal notice.

Section 12. Maintenance and Repair of Demised Premises.

12.1. Except as otherwise expressly stated in this Lease, Lessee, solely at its own cost and expense, shall:

12.1.1. Maintain and repair the Demised Premises in good and safe condition, in compliance with all requirements of law and in accordance with the Maintenance, Exhibit D, attached hereto and incorporated by reference herein; and

12.1.2. Keep the Demised Premises, at all times, free and clear of weeds, wastepaper, discarded plastic, graffiti, discarded pallets, and all other trash and debris of any kind.

12.2. If Lessee fails to so maintain or repair the Demised Premises, City may serve a "Notice to Cure" upon Lessee. Said Notice shall prescribe the work to be accomplished by Lessee in order to correct the maintenance deficiencies and shall state the number of calendar days Lessee shall have to complete the work as prescribed in the Notice. The period of "calendar days" in said Notice shall commence ten (10) days following City's deposit of said Notice in the mail. In addition, a copy of the "Notice to Cure" shall be posted on the Demised Premises in a conspicuous place.

12.3. If, in the opinion of the Executive Director, any default is of such nature that it cannot physically be corrected within the period originally specified by City, and if the party in default has responded with a course of action and has commenced to remedy such default promptly after the receipt of such Notice, and shall continuously and diligently proceed in good faith to eliminate such default, then the period for correction shall be extended for such length of time as is reasonably necessary to complete the same.

12.4. If the work prescribed in the "Notice to Cure" is not completed by Lessee in a manner reasonably satisfactory to the Executive Director, and Lessee fails to correct such work within the time specified by City in the mailed Notice, or as set forth in Article 2, Subsection 12.3, City may, at City's sole option, and at Lessee's sole cost and expense, enter upon the Demised Premises and perform whatever work may, in the opinion of the Executive Director, be required to correct the maintenance deficiencies. If City exercises this option, Lessee shall pay to City a sum equal to the direct cost of labor and materials expended for said work, plus a surcharge equal to fifty percent (50%) of said direct cost. Payment shall be made within thirty (30) days of invoice date.

Section 13. City's Right of Access and Inspection.

13.1. City, by and through its officers, employees, agents, representatives, and contractors, shall have the right at all reasonable times and in a reasonable manner, upon notice to Lessee, to enter upon the Demised Premises for the purpose of inspecting the same or for doing any act or thing which City may be obligated or have the right to do under this Lease, or otherwise, and no abatement of rental shall be claimed by or allowed to Lessee by reason of the exercise of such rights. In the exercise of its rights under this Section, City, its officers, employees, agents, and contractors shall not unreasonably interfere with the conduct of Lessee's business on the Demised Premises as herein authorized.

Section 14. Insurance.

14.1. Lessee shall procure at its expense, and keep in effect at all times during the term of this Lease, the types and amounts of insurance specified on Insurance, Exhibit E, attached hereto and incorporated by reference herein. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airports, its Board and all of City's officers, employees, and agents, their successors and assigns, as additional insureds, against the areas of risk described on Insurance, Exhibit E, hereof with respect to Lessee's acts or omissions in its operations, use, and occupancy of the Demised Premises or other related functions performed by or on behalf of Lessee in, on or about Airport.

14.2. Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Lease with the City of Los Angeles."

14.3. All such insurance shall be primary and noncontributing with any other insurance held by City's Department of Airports where liability arises out of or results from the acts or omissions of Lessee, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Lessee. Such policies may provide for reasonable deductibles and/or retentions acceptable to the Executive Director based upon the nature of Lessee's operations and the type of insurance involved.

14.4. City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, Board and all of City's officers, employees, and agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Lessee in Lessee's operations at Airport. In the event Lessee fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Lessee, and Lessee agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

14.5. At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Lessee shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

14.6. Lessee shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to the Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Executive Director. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of City's Administrative Code prior to Lessee occupying the Demised Premises. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

14.7. City and Lessee agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this Lease by the Executive Director who may, thereafter, require Lessee, on thirty (30) days prior, written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said Executive Director deems to be adequate.

14.8. Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Lessee agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

Section 15. City Held Harmless.

15.1. In addition to the requirements of Article 2, Section 14 Insurance herein, Lessee shall indemnify, defend, keep, and hold City, including Board, and City's officers, agents, servants, and employees, harmless from any and all costs, liability, damage, or expense (including costs of suit and fees and reasonable expenses of legal services) claimed by anyone by reason of injury to or death of persons, including Lessee, or damage to or destruction of property, including property of Lessee, sustained in, on, or about the Demised Premises, or arising out of Lessee's use or occupancy thereof, Lessee's use or occupancy of any other area of Airport, or arising out of the acts or omissions of Lessee, its agents, servants, or employees acting within the scope of their agency or employment.

Section 16. Nondiscrimination and Equal Employment Practices/Affirmative Action Program.

16.1. Federal Non-Discrimination Provisions.

16.1.1. The Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. (LEASE GUIDE, Paragraph 1).

16.1.2. The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. (LEASE GUIDE, Paragraph 1).

16.1.3. The Lessee assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the Lessee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. [LEASE GUIDE, paragraph 1]

16.1.4. Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. [LEASE GUIDE, paragraph 11]

16.1.5. Lessee agrees that it shall insert the provisions found in Subsections 16.1.3 and 16.1.4 above in any sublease, assignment, license, or permit by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Demised Premises herein leased.

16.2. Municipal Non-Discrimination Provisions.

16.2.1. **Non-Discrimination in Use of Premises.** There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Demised Premises or any part of the Demised Premises or any operations or activities conducted on the Demised Premises or any part of the Demised Premises. Nor shall Lessee or any person claiming under or through Lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees of the Demised Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to all non-discrimination clauses contained in Article 2, Section 16.2.

16.2.2. **Non-Discrimination in Employment.** During the term of this Lease, Lessee agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Lessee shall take affirmative action to insure that applicants for employment are treated, during the term of this Lease, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

16.2.3. **Equal Employment Practices.** If the total payments made to City under this lease are \$1,000 (one thousand dollars) or more, this provision shall apply. During the performance of this Lease, Lessee agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Lease for the convenience of the parties as Exhibit F. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Lessee to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Lessee. Upon a finding duly made that Lessee has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated, cancelled, or suspended.

16.2.4. **Affirmative Action Program.** If the total payments to City under this Lease are \$100,000 (one hundred thousand dollars) or more, this provision shall apply.

During the performance of this Lease, Lessee agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), which is incorporated herein by this reference. A copy of Section 10.8.4 has been attached to this Lease for the convenience of the parties as Exhibit G. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Lessee to comply with the Affirmative Action Program provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Lessee. Upon a finding duly made that Lessee has failed to comply with the Affirmative Action Program provisions of this Lease, this Lease may be forthwith terminated, cancelled, or suspended.

Section 17. Taxes, Permits and Licenses.

17.1. Lessee shall pay any and all taxes of whatever character that may be levied or charged upon the Demised Premises, or upon Lessee's improvements, fixtures, equipment, or other property thereon or upon Lessee's use thereof. Lessee shall also pay all license or permit fees necessary or required by law or regulation for the conduct of Lessee's business or use of the Demised Premises.

17.2. If a claim is made against City for any of the above charges, City shall promptly notify Lessee in writing; provided, however, that failure by City to give such notice shall not constitute a waiver of Lessee's obligation to pay such taxes, license and/or permit fees.

17.3. In addition, by executing this Lease and accepting the benefits thereof, a property interest may be created known as a "possessory interest." If such possessory interest is created, Lessee, as the party in whom the possessory interest is vested, shall be subject to the payment of the property taxes levied upon such interest.

17.4. The obligations of Lessee under this Section, however, shall not prevent Lessee from contesting the validity and/or applicability of any of the above charges and during the period of any such lawful contest, Lessee may refrain from making, or direct the withholding of, any such payment without being in breach of the above provisions. Upon a final determination in which Lessee is held responsible for such taxes and/or fees, Lessee shall promptly pay the required amount plus all legally imposed interest, penalties and surcharges. If all or any part of such taxes and/or fees, penalties, or surcharges are refunded to City, City shall remit to Lessee such sum(s) to which Lessee is legally entitled.

Section 18. Assignments and Subleases.

18.1. Lessee shall not, in any manner, assign, transfer, or encumber this Lease, or any portion thereof or any interest therein, without the prior written consent of the Executive Director, nor sublet or sublease the whole or any part of the Demised Premises, nor license or permit the use of the same, in whole or in part, without the prior written consent of the Executive Director. Any attempts to transfer, assign, or sublease without the consent required by this Section shall be void and shall transfer no rights to the Demised Premises. Consent to one assignment, subletting, or use, or occupation shall not be deemed to be a consent to any

subsequent assignment, subletting, occupation, or use. This Lease shall not, nor shall any interest therein, be assignable as to the interest of Lessee by operation of law without the prior written consent of Board.

18.2. City shall not unreasonably withhold its consent to the assignment of this Lease or the subletting of the Demised Premises or any portion thereof; provided, however, that the use of said premises by any such assignee or sublessee must be consistent with the use authorized herein and the prospective subtenant and/or assignee must agree to execute City's Consent to Sublease and/or Assignment Agreement. A request by Lessee for assignment or subletting shall be submitted to City in writing along with a fully executed copy of the proposed assignment or sublease, as well as a copy of all contracts or writings which set forth payments from subtenant(s)/assignee(s) to Lessee and/or which describe the acts or services to be performed by or for the subtenant(s)/assignee(s) in connection with the use of the space covered by this Lease. Lessee shall promptly advise City of early termination of assignments or subleases.

18.3. Intentionally omitted.

18.4. In the case of a sublease requiring consent by the Executive Director to a change of use of the Demised Premises, it shall not be deemed to be an unreasonable restraint by the City, as a condition to the Consent to Sublease, for City to require that Lessee pay to City a percentage, to be negotiated, of any monetary or other economic consideration received by Lessee as a result of the sublease over and above the amount of Lessee's rental and other payments due City pursuant to this Lease (excluding any consideration attributed to assets other than this Lease) after first deducting the unamortized cost of leasehold improvements which costs had been approved by City and paid for by Lessee.

18.5. (This Subsection applies to LAX, PMD and ONT air carriers only.) Charges to airline sublessees for passenger terminal and cargo premises shall be no greater than the sum of (1) Lessee's tenant's proportionate allocation to sublessee of rents and charges payable to City; (2) capital, operating and maintenance costs directly or proportionately allocable to the sublessee; and (3) an administrative fee of up to fifteen percent of such costs. Sublessee's option to select a ground handler shall not be unreasonably limited by Lessee, provided the ground handler is authorized by City to conduct business at the Airport.

Section 19. Space Utilization.

19.1. **Accommodation.** (Not applicable to leases where commercial activities are prohibited.) It is City's expressed preference that Lessee voluntarily accommodate requests for subleasing underutilized space. When directed by City, Lessee is obliged to enter good faith negotiations with entities designated by City for the occupancy and use of portions of the Demised Premises when those premises are not in reasonably productive use. Prior to directing Lessee to enter such negotiations, City shall determine that Lessee's utilization of the space is deficient as defined by utilization standards issued by the Executive Director. Such utilization standards shall be issued following consultation with the Airport/Airline Affairs Committee and shall be applicable to the Demised Premises and similarly situated premises at Airport.

19.2. **Recapture.** City may remove a portion of the Demised Premises from this Lease in accordance with provisions of this Subsection if City finds that Lessee's utilization of the space is deficient as defined by utilization standards issued by the Executive Director. Such utilization standards shall be issued following consultation with the Airport/Airline Affairs Committee and shall be applicable to the Demised Premises and similarly situated premises at Airport. Upon such finding, City may deliver to Lessee a written "Preliminary Notice of Intent to Recapture" a portion of the Demised Premises. Such Preliminary Notice will provide Lessee an opportunity to demonstrate increased utilization over a period of no less than ninety (90) days. If Lessee fails to adequately demonstrate to the satisfaction of the Executive Director increased utilization within such designated period, the Executive Director may issue a "Notice of Intent to Recapture" to become effective 30 days from the date of the Notice. Said Notice shall include revised lease exhibits to reflect reductions in rental and Demised Premises and shall not require approval of the Board. The Lease shall be considered terminated with regard to the portion of the Demised Premises recaptured by City. City shall not be required to compensate Lessee for Lessee's improvements to the recaptured premises. In no case, shall the City's recapture of the Demised Premises result in Lessee's exceeding the utilization standards of the remaining premises as of the date of recapture.

19.3. **Cancellation.** City retains the right to cancel this Lease on sixty (60) days' advance written notice upon Lessee's cessation of scheduled or actual service at the airport (passenger service, cargo service or maintenance activities, as applicable). City shall not be required to compensate Lessee for Lessee's improvements.

Section 20. Default.

20.1. **Default Events.** The following events shall be deemed to be events of default by Lessee under the Lease:

20.1.1. Lessee fails to pay any Monthly Rent due under this Lease, which failure continues for a period of ten (10) days after such payment should have been paid pursuant to the terms and conditions of this Lease;

20.1.2. Lessee fails to comply with any term, provision or covenant of this Lease, other than paying its Monthly Rent, and does not cure such failure within ten (10) days after Lessor has sent written notice to Lessee specifying such failure or such longer period of time as may be granted by Executive Director to cure such default as long as Lessee commences to cure such default within such ten (10) day period and diligently proceeds to cure such default;

20.1.3. Lessee makes an assignment of this Lease, or any rights granted to Lessee hereunder, to, and for the benefit of, Lessee's creditors;

20.1.4. Lessee, within thirty (30) days after the commencement of any proceeding against Lessee seeking adjudication of bankruptcy or reorganization, rearrangement, composition, readjustment, liquidation, dissolution or similar relief, fails to cause such proceedings to be dismissed;

20.1.5. Lessee, within sixty (60) days after the appointment without Lessee's consent or acquiescence of any trustee, receiver, or liquidator of the Lessee or a material part of its assets, causes such appointment to be vacated.

20.1.6. The interests of Lessee under this Lease shall not, except at City's option and with its written consent, be assignable by operation of law. In case of the bankruptcy of Lessee, or the appointment of a receiver for Lessee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if a receiver is appointed to take possession of the Demised Premises as a result of any act or omission of Lessee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if Lessee makes an assignment of this Lease for the benefit of creditors, or if possession of the Demised Premises is taken by virtue of any attachment, execution, or the levy of any judicial process, City, at its election, may, after written notice to Lessee, terminate this Lease.

20.2. **Lessors Remedies.** Upon the occurrence of a Default Event, City, in addition to any other rights or remedies available to City at law or in equity, shall have the right to:

20.2.1. Terminate this Lease and all rights of Lessee under this Lease, by giving Lessee thirty (30) days written notice that this Lease is terminated, in which case, City may recover from Lessee the aggregate sum of:

20.2.1.1. The worth at the time of award of any unpaid rent that had been earned at the time of termination;

20.2.1.2. The worth at the time of award of the amount by which (A) the unpaid rent that would have been earned after termination until the time of award exceeds (B) the amount of rental loss, if any, that Lessee affirmatively proves could be reasonably avoided;

20.2.1.3. The worth at the time of award of the amount by which (A) the unpaid rent for the balance of the term after the time of award exceeds (B) the amount of rental loss, if any, that Lessee affirmatively proves could be reasonably avoided;

20.2.1.4. Any other amount necessary to compensate City for all the detriment caused by Lessee's failure to perform City's obligations or that, in the ordinary course of things, would be likely to result from Lessee's failure; and

20.2.1.5. All other amounts in addition to or in lieu of those previously set out as may be permitted from time to time by applicable California law.

20.2.1.6. As used in Subsections 20.2.1.1. and 20.2.1.2. of this Section, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in Subsection 20.2.1.3 of this Section, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the

award plus one percent (1%). As used in this Section, the term "rent" shall include the Monthly Rent and any and all other payments required by Lessee under this Lease.

20.2.2. Continue this Lease, and from time to time, without terminating this Lease, either

20.2.2.1. Recover all rent and other amounts payable as they become due or,

20.2.2.2. Relet the Demised Premises or any part on behalf of Lessee on terms and at the rent that City, in City's sole discretion, may deem advisable, all with the right to make alterations and repairs to the Demised Premises, at Lessee's sole cost, and apply the proceeds of reletting to the rent and other amounts payable by Lessee. To the extent that the rent and other amounts payable by Lessee under this Lease exceed the amount of the proceeds from reletting, the City may recover the excess from Lessee as and when due.

20.2.3. Upon the occurrence of a Default Event, City shall also have the right, with or without terminating this Lease, to re-enter the Demised Premises and remove all property from the Demised Premises. City may store the property removed from the Demised Premises at the expense and for the account of Lessee.

20.2.4. None of the following remedial actions, alone or in combination, shall be construed as an election by City to terminate this Lease unless City has in fact given Lessee written notice that this Lease is terminated or unless a court of competent jurisdiction decrees termination of this Lease: any act by City to maintain or preserve the Demised Premises; any efforts by City to relet the Demised Premises; any re-entry, repossession, or reletting of the Demised Premises by City pursuant to this Section. If City takes any of the previous remedial actions without terminating this Lease, City may nevertheless at any later time terminate this Lease by written notice to Lessee.

20.2.5. If City relets the Demised Premises, City shall apply the revenue from the reletting as follows: first, to the payment of any indebtedness other than rent due from Lessee to City; second, to the payment of any cost of reletting; third, to the payment of the cost of any maintenance and repairs to the Demised Premises; and fourth, to the payment of rent and other amounts due and unpaid under this Lease. City shall hold and apply the residue, if any, to payment of future amounts payable under this Lease as the same may become due, and shall be entitled to retain the eventual balance with no liability to Lessee. If the revenue from reletting during any month, after application pursuant to the previous provisions, is less than the sum of (i) City's expenditures for the Demised Premises during that month and (ii) the amounts due from Lessee during that month, Lessee shall pay the deficiency to City immediately upon demand.

20.2.6. After the occurrence of a Default Event, City, in addition to or in lieu of exercising other remedies, may, but without any obligation to do so, cure the breach underlying the Default Event for the account and at the expense of Lessee. However,

City must by prior written notice first allow Lessee a reasonable opportunity to cure, except in cases of emergency, where City may proceed without prior notice to Lessee. Lessee shall, upon demand, immediately reimburse City for all costs, including costs of settlements, defense, court costs, and attorney fees, that City may incur in the course of any cure.

20.2.7. No security or guaranty for the performance of Lessee's obligations that City may now or later hold shall in any way constitute a bar or defense to any action initiated by City or unlawful detainer or for the recovery of the Demised Premises, for enforcement of any obligation of Lessee, or for the recovery of damages caused by a breach of this Lease by Lessee or by a Default Event.

20.2.8. Except where this is inconsistent with or contrary to any provisions of this Lease, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given now or later existing at law or in equity or by statute. Except to the extent that either party may have otherwise agreed in writing, no waiver by a party of any violation or nonperformance by the other party of any obligations, agreements, or covenants under this Lease shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement, or obligation, nor shall any forbearance by either party to exercise a remedy for any violation or nonperformance by the other party be deemed a waiver by that party of the rights or remedies with respect to that violation or nonperformance.

20.3. **Cross Default.** A material breach of the terms of any other lease, license, permit, or contract held by Lessee with City shall constitute a material breach of the terms of this Lease and shall give City the right to terminate this Lease for cause in accordance with the procedures set forth in this Section.

20.4. **Failure to Pay Landing Fees.** The failure of Lessee (if Lessee is an air carrier) to pay to City its landing fees and charges pursuant to the terms of Lessee's operating permit, or if no such permit exists, then in accordance with the Board's resolution establishing the landing fees and charges, is a material breach of the terms of this Lease for which City shall have the right to declare Lessee in default of this Lease and terminate this Lease for cause in accordance with the procedures set forth in this Section.

Section 21. Waiver.

21.1. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease other than the failure of Lessee to pay the particular rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

Section 22. Attorney's Fees.

22.1. If City shall, without any fault, be made a party to any litigation commenced by or against Lessee arising out of Lessee's use or occupancy of the Demised Premises, then Lessee shall pay all costs, expenses, and reasonable attorney's fees incurred by or imposed upon City in connection with such litigation. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

Section 23. Hazardous and Other Regulated Substances.

23.1. **Definition of "hazardous substance(s)."** For the purposes of this Lease, "hazardous substances" means:

23.1.1. Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

23.1.2. Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

23.1.3. Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

23.1.4. Any substance the presence of which on the Demised Premises causes or threatens to cause a nuisance upon the Demised Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Demised Premises; or

23.1.5. Any substance the presence of which on adjacent properties could constitute a trespass by Lessee; or

23.1.6. Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenyls (PCBs) asbestos, urea formaldehyde or radon gases.

23.2. **Environmental Indemnity.** Except for conditions existing prior to the original occupancy of the Demised Premises by Lessee or by Lessee's predecessors in interest, Lessee agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing, and/or

disposal of hazardous substances, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Demised Premises, on the user of the land, or on the user of the improvements. Lessee agrees that any claims, damages, penalties, or fines asserted against or levied on City and/or the Lessee as a result of noncompliance with any of the provisions in this Section shall be the sole responsibility of the Lessee and that Lessee shall indemnify and hold City harmless from all such claims, damages, penalties, or fines. Further, City may, at its option, pay such claims, damages, penalties, or fines resulting from Lessee's non-compliance with any of the terms of this Section, and Lessee shall indemnify and reimburse City for any such payments.

23.3. Except for conditions existing prior to the original occupancy of the Demised Premises by Lessee or Lessee's predecessors in interest, in the case of any hazardous substance spill, leak, discharge, release or improper storage on the Demised Premises or contamination of the Demised Premises by any person, Lessee agrees to make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any spill, leakage, discharge, release or contamination. In the case of any hazardous substance spill, leak, discharge, release or contamination by Lessee or its employees, servants, agents, contractors, or subcontractors on the Demised Premises or as may be discharged or released in, on or under adjacent property which affects other property of City or its tenants, Lessee agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, discharge, release or contamination. If Lessee fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up, or otherwise correct the conditions resulting from the spill, leak, discharge, release or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Lessee's sole cost and expense and Lessee shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

23.4. If Lessee installs or uses already installed underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Demised Premises for the storage, distribution, use, treatment, or disposal of any hazardous substances, Lessee agrees, upon the expiration and/or termination of this Lease, to remove and/or clean up, at the sole option of the Executive Director, the above-referred-to improvements. Said removal and/or cleanup shall be at the Lessee's sole cost and expense and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as with the reasonable directions of the Executive Director.

23.5. **Lessee's Provision to City of Environmental Documents**. Lessee shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by Lessee to or received by Lessee from any governmental entity regarding any hazardous substance. Such written materials include, without limitation, all documents relating to any threatened or actual hazardous substance spill, leak, or discharge, or to any investigations into or clean up of any actual or threatened hazardous substance spill, leak, or discharge including all test results.

23.6. **Survival of Obligations**. This Section and the obligations herein shall survive the expiration or earlier termination of this Lease.

Section 24. Airfield Security.

24.1. Lessee shall be responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, airport security agreements, and/or orders of any federal, state, and/or local governmental entity regarding airfield security. Lessee shall be responsible for the maintenance and repair of that portion of the Airport perimeter fence, including gates and doors that are located on the Demised Premises or controlled by Lessee. Lessee shall comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 Code of Federal Regulations ("CFR") Sections 1500 through 1550 and 14 CFR Part 129, including the establishment and implementation of procedures acceptable to the Executive Director to control access from the Demised Premises to air operation areas in accordance with the Airport Security Program required by CFR Sections 1500 through 1550. Further, Lessee shall exercise exclusive security responsibility for the Demised Premises and, if Lessee is an aircraft operator, do so pursuant to Lessee's Transportation Security Administration approved Aircraft Operator Standard Security Program used in accordance with 49 CFR, Parts 1510, 1540 and 1546.

24.2. In addition to the foregoing, gates and doors located on the Demised Premises which permit entry into restricted areas at Airport shall be kept locked by Lessee at all times when not in use or under Lessee's constant security surveillance. Gate or door malfunctions which permit unauthorized entry into restricted areas shall be reported to Department of Airports' Operations Bureau without delay and shall be maintained under constant surveillance by Lessee until repairs are affected by Lessee or City and/or the gate or door is properly secured.

24.3. Lessee shall cooperate with City to maintain and improve Airport security, and shall cooperate in investigations of violations of state and local laws, ordinances, and rules and regulations, of any federal, state and/or local governmental entity regarding airport and airfield security. Lessee shall provide necessary assistance to, and cooperate with, City in case of any emergency. Lessee shall, upon request, provide City relevant information which will enable City to provide efficient and effective management in response to any airport or airfield emergency.

24.4. All civil penalties levied by the TSA for violation of TSA Regulations pertaining to security gates or doors located on the Demised Premises or otherwise controlled by Lessee shall be the sole responsibility of Lessee. Lessee agrees to indemnify City for any federal civil penalties amounts City must pay due to any security violation arising from the use of Demised Premises or the breach of any obligation imposed by this Section. Lessee is also responsible for City's attorney's fees and costs.

Section 25. Business Tax Registration.

25.1. Lessee represents that it has registered its business with the Office of Finance of the City of Los Angeles and has obtained and presently holds from that Office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of City's Municipal Code). Lessee shall maintain, or obtain as necessary, all such Certificates required of it under said

Ordinance and shall not allow any such Certificate to be revoked or suspended during the term hereof.

Section 26. Laws, Rules, and Regulations.

26.1. Lessee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government authority.

26.2. Lessee shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the Executive Director which are now in force or which may be hereafter adopted by the Board of Airport Commissioners and/or the Executive Director with respect to the operation of Airport.

26.3. Lessee shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, restrictions, ordinances, statutes, laws, orders, directives and or conditions.

Section 27. Disabled Access.

27.1. Lessee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access to improvements on the Demised Premises including any services, programs, or activities provided by Lessee. Lessee shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Lessee's noncompliance. Further, Lessee agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990, and any amendments thereto or successor statutes.

27.2. Should Lessee fail to comply with Subsection 27.1, then City shall have the right , but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Lessee will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 28. Living Wage Ordinance and Service Contractor Worker Retention Ordinances.

28.1. Living Wage Ordinance

28.1.1. General Provisions: Living Wage Policy. This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code) which is incorporated herein by this reference. A copy of Section 10.37 has been attached hereto for the convenience of the parties as Exhibit H. The LWO

requires that, unless specific exemptions apply, any employees of tenants or Lessees of City property who render services on the leased premises or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Lessee shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Lessee shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Lessee agrees to comply with federal law prohibiting retaliation for union organizing.

28.1.2. Living Wage Coverage Determination. An initial determination has been made that this is a public lease under the LWO, and, that it is not exempt from coverage by the LWO. Determinations as to whether this Lease is a public lease or license covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Lessee in writing about any redetermination by City of coverage or exemption status. To the extent Lessee claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Lessee to prove such non-coverage or exemption.

28.1.3. Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Lessee is not initially exempt from the LWO, Lessee shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Lease, and shall execute the Declaration of Compliance Form attached to this Lease as Exhibit H contemporaneously with the execution of this Lease. If Lessee is initially exempt from the LWO, but later no longer qualifies for any exemption, Lessee shall, at such time as Lessee is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease and City shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Lessee violated the provisions of the LWO. The

procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Lease. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

28.1.4. **Subcontractor Compliance.** Lessee agrees to include, in every subcontract or sublease covering City property entered into between Lessee and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to City's property; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the Subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to City property, and (ii) invoke, directly against the subcontractor with respect to City property, all the rights and remedies available to City under Section 10.37.5 of the Living Wage Ordinance and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

28.2. **Service Contract Worker Retention Ordinance.** This Lease may be subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached hereto for the convenience of the parties as Exhibit I. If applicable, Lessee must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

Section 29. Child Support Orders.

29.1. This Lease is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of Section 10.10 has been attached hereto for the convenience of the parties on Exhibit J. Pursuant to this Section, Lessee (and any subcontractor of Lessee providing services to City under this Lease) shall (1) fully comply with all State and Federal employment reporting requirements for Lessee's or Lessee's subcontractor's employees applicable to Child Support Assignments Orders; (2) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (3) maintain such compliance throughout the term of this Lease. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Lessee or an applicable subcontractor to comply with all applicable reporting requirements or to

implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Lessee or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Lessee by City (in lieu of any time for cure provided elsewhere in this Lease).

Section 30. Visual Artists' Rights Act.

30.1. Lessee shall not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. 106A, et seq., or California Code Section 980, et seq., hereinafter collectively "VARA" on or about the Demised Premises without first obtaining a waiver, in writing, of all rights under VARA, satisfactory to the Executive Director and approved as to form and legality by the City Attorney's Office, from the artist. Said waiver shall be in full compliance with VARA and shall name City as a party for which the waiver applies.

30.2. Lessee is prohibited from installing, or causing to be installed, any piece of artwork covered under VARA on the Demised Premises without the prior, written approval and waiver of the Executive Director. Any work of art installed on the Demised Premises without such prior approval and waiver shall be deemed a trespass, removable by City, by and through its Executive Director, upon three (3) days written notice, all costs, expenses, and liability therefor to be borne exclusively by Lessee.

30.3. Lessee, in addition to other obligations to indemnify and hold City harmless, as more specifically set forth in this Lease, shall indemnify and hold harmless City from all liability resulting from Lessee's failure to obtain City's waiver of VARA and failure to comply with any portion of this provision.

30.4. The rights afforded City under this provision shall not replace any other rights afforded City in this Lease or otherwise, but shall be considered in addition to all its other rights.

Section 31. Equal Benefits Ordinance.

31.1. Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance ("EBO"), Lessee certifies and represents that Lessee will comply with the applicable provisions of EBO Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time. Lessee shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration. As used above, the term "Non-ERISA Benefits" shall mean any and all benefits payable through benefit arrangements generally available to Lessee's employees which are neither "employee welfare benefit plans" nor "employee pension plans", as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by Lessee to its employees,

the spouses of its employees or the domestic partners of its employees, that are not defined as "employee welfare benefit plans" or "employee pension benefit plans", and, which include any bereavement leave, family and medical leave, and travel discounts provided by Lessee to its employees, their spouses and the domestic partners of employees.

31.2. Lessee agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the term of a Lease with the City of Los Angeles, the Lessee will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480."

31.3. The failure of Lessee to comply with the EBO will be deemed to be a material breach of the Lease by City. If Lessee fails to comply with the EBO, the City may cancel or terminate the Lease, in whole or in part, and all monies due or to become due under the Lease may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach. Failure to comply with the EBO may be used as evidence against Lessee in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance. If the City determines that Lessee has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Lease.

Section 32. Condemnation. The parties hereby agree that:

32.1. If the Demised Premises, or any portion thereof, or any interest therein, are taken by eminent domain, or otherwise, by any governmental authority, or by a "quasi-public entity" for public use, or sold to a governmental authority threatening to exercise the power of eminent domain, this Lease, and Lessee's obligation to pay rent hereunder, shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs, and the rent, fees and/or other charges hereunder shall be apportioned and paid to the date of such taking. A taking of the Demised Premises includes the taking of easements for air, light and any other easements in the land, including, but not limited to an impairment or taking of access to adjoining streets.

32.2. **Effect of Partial Condemnation.** In the event a portion of the Demised Premises are appropriated or taken and Lessee, at its sole discretion, determines that the remainder thereof is not suitable for the continued use of the Demised Premises by Lessee for conducting Lessee's operations thereon in the same manner and extent as carried on prior to such taking, Lessee shall have the right to terminate this Lease upon giving City written notice of its intent to exercise said right. Said notice shall be given not more than one hundred twenty (120) days following the date of service of a complaint in eminent domain upon Lessee, or one hundred twenty (120) days following City's demand that Lessee acknowledge its intent to terminate this Lease, unless City and Lessee agree, in writing, to an earlier termination or to extend said period. If Lessee exercises its right to terminate this Lease pursuant to this Subsection 32.2, Lessee shall give City thirty (30) days prior written notice of the effective date of said termination.

32.2.1. If, in the event of such taking of a portion of the Demised Premises, Lessee does not terminate this Lease, this Lease shall continue in full force and effect as to the part not taken, and the rent to be paid by Lessee during the remainder of the term, subject to adjustment as provided elsewhere in this Lease, shall be as follows: the land and improvement rental shall be reduced in the same proportion as the land taken by eminent domain bears to the area of the Demised Premises before the taking.

32.2.2. In determining whether a partial condemnation renders the remainder of the Demised Premises unsuitable for the use then being made of the Demised Premises by Lessee, Lessee, among other things, shall take into consideration the cost of restoration, the rentable area of the remaining improvements and the suitability of the remaining Demised Premises for conducting Lessee's operations thereon in the same manner and extent as carried on prior to such taking.

32.2.3. Except as provided for in Article 2, Section 10, Ownership of Improvements hereof, should Lessee terminate this Lease pursuant to this Section 32, title to all improvements, additions or alterations constructed or installed by Lessee upon the Demised Premises and which have not already vested in City shall thereupon vest in City.

32.3. Application of Award Upon a Total or Partial Taking.

32.3.1. If this Lease is terminated pursuant to Subsection 32.2 herein, or, if all or a portion of the Demised Premises are taken, then the entire award or compensation paid for land, improvements, and buildings owned by City, the amortized portion of the value of buildings and improvements built by Lessee and which will become the property of City upon termination of this Lease, and/or loss or taking of business goodwill of City or its Department, shall be the property of City.

32.3.2. Lessee shall have the right to receive compensation for the unamortized value of the buildings and any improvements which are still owned by Lessee and which were placed on the Demised Premises by Lessee and located thereon at the time of such taking or appropriation, and for its trade fixtures, equipment, and supplies, and for loss or damage to Lessee's business goodwill. The "amortized value" which City shall be entitled to receive is a portion of the award for said Lessee-owned buildings and improvements equal to an amount determined by a ratio equal to the number of years the building and/or improvements have been in existence over the original term of the Lease, without consideration of any possibility or probability of renewal, or of options, if any. There shall be no amortization of partially constructed improvements authorized by City, if said construction is incomplete within the time period set forth in the approval granted by City. The value, to be determined by City, of such partially constructed improvements shall be paid to Lessee.

32.4. Severance Damages. The entire award of compensation paid for any severance damages, whether paid for impairment of access, for land, buildings, and/or improvements shall be the property of City, regardless of whether any buildings or improvements so damaged are owned or were constructed by City or Lessee. However, should City determine that

improvements are to be restored, that portion of the severance damages necessary to pay the cost of restoration, as set forth in Subsection 32.5 hereof, shall be paid to Lessee upon the written request of Lessee accompanied by evidence that the sum requested has been paid for said restoration and is a proper item of such cost and used for such purpose.

32.5. **Partial Taking: Restoration.** In case of a taking of the Demised Premises other than a total taking and/or should Lessee elect not to terminate this Lease pursuant to this Section, City and Lessee may mutually agree that Lessee shall restore any improvements on the Demised Premises, and Lessee shall, at Lessee's expense, whether or not the awards or payments, if any, on account of such taking are sufficient for the purpose, promptly commence and proceed with reasonable diligence to effect (subject to Force Majeure) restoration of the improvements on the remaining portion of the Demised Premises as nearly as possible to their condition and character immediately prior to such taking, except for any reduction in area caused thereby, or with such changes or alterations as may be made at the election of Lessee in accordance with Article 2, Section 7, **Improvements and Alterations,** of this Lease.

32.5.1. In the event the improvements damaged and/or taken belong to City, City shall not be obligated to restore said improvements should City, in its sole discretion, determine not to do so.

32.6. **Taking for Temporary Use.** In the event of a taking of all or any portion of the Demised Premises for temporary use, this Lease shall continue in full force and effect without reduction or abatement of rental or other sum payable hereunder, and Lessee shall be entitled to make claim for, recover and retain any awards or proceeds made on account thereof, whether in the form of rent or otherwise, unless such period of temporary use or occupancy extends beyond the term of this Lease, in which case such awards or proceeds shall be apportioned between City and Lessee as heretofore specified. Lessee shall restore or cause to be restored any such areas temporarily taken to the condition existing before the taking.

Section 33. Miscellaneous Provisions.

33.1. **Fair Meaning.** The language of this Lease shall be construed according to its fair meaning, and not strictly for or against either City or Lessee.

33.2. **Section Headings.** The section headings appearing herein are for the convenience of City and Lessee, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Lease.

33.3. **Void Provisions.** If any provision of this Lease is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect.

33.4. **Two Constructions.** It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

33.5. **Laws of California.** This Lease shall be construed and enforced in accordance with the laws of the State of California and venue shall lie at Airport.

33.6. **City's Consent.** In each instance herein where City's, Board's or the Executive Director's approval or consent is required before Lessee may act, such approval or consent shall not be unreasonably withheld, unless otherwise provided.

33.7. **Gender.** The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

33.8. **Exclusivity.** It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act [49 U.S.C. 40103(e) and 47107(a)(4) (Public Law 103-272; 108 STAT. 1102)]. [LEASE GUIDE, paragraph 9]

33.9. **Rights of United States Government.** This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation, or maintenance of Airport. [LEASE GUIDE, paragraph 4]

33.10. **War or National Emergency.** This Lease and all the provisions hereof 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, and taking over of Airport or the exclusive or nonexclusive use of Airport by the United States during the time of war or national emergency. [LEASE GUIDE, paragraph 10]

33.11. **Time.** Time shall be of the essence in complying with the terms, conditions, and provisions of this Lease.

33.12. **Integration Clause.** It is understood that no alteration or variation of the terms of this Lease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement, not incorporated herein in writing, shall be binding on any of the parties hereto.

33.13. **Force Majeure.** Except as otherwise provided in this Lease, whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of City, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) ("Force Majeure"); provided, however, that nothing contained in this Subsection shall excuse Lessee from the prompt payment of any rental or other monetary charge required of Lessee hereunder.

33.14. **Approvals.** Any approvals required by City under this Lease shall be approvals of the Department of Airports acting as Lessor and shall not relate to, constitute a waiver or, supersede or otherwise limit or affect the governmental approvals or rights of the City as a governmental agency, including the approval of any permits required for construction or maintenance of the Demised Premises and the passage of any laws including those relating to zoning, land use, building and safety.

33.15. **Conflicts in this Lease.** If there are any direct conflicts between the provisions of Article 1 and Article 2 of the Lease, the provisions of Article 1 shall be controlling.

33.16. **Ordinance and Los Angeles Administrative Code (hereinafter referred to as "Code") Language Governs.** Ordinance and Code Exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the Exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

33.17. **Amendments to Ordinances and Codes.** The obligation to comply with any Ordinances and Codes which have been incorporated into this Lease by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Lease.

33.18. **Days.** Unless otherwise specified, "days" shall mean calendar days.

33.19. **Deprivation of Lessee's Rights.** City shall not be liable to Lessee for any diminution or deprivation of Lessee's rights under this Lease which may result from Lessee's obligation to comply with any and all applicable laws, rules, regulations, restrictions, ordinances, statutes, and/or orders of any federal, state and/or local government authority and/or court hereunder on account of the exercise of any such authority as is provided in this Section, nor shall Lessee be entitled to terminate the whole or any portion of the Lease by reason thereof.

33.20. **Reconciliation of Area and/or Square Footage:** If, at any time, it is discovered that any measurement of any portion(s) of the Demised Premises stated in this Lease is inaccurate, this Lease shall be amended to appropriately reflect the correct measurement(s), and corresponding adjustments in the Monthly Rent shall be made. Any such adjustment(s) made to the Monthly Rent, shall be retroactive to the commencement of the Lease, or to that date(s) on which City deems approval of correct measurement(s) to the Demised Premises is appropriate.

Section 34. Other Agreements Not Affected. Except as specifically stated herein, this Lease, and the terms, conditions, provisions and covenants hereof, shall apply only to the Demised Premises herein particularly described and shall not in any way change, amend, modify, alter, enlarge, impair, or prejudice any of the rights, privileges, duties, or obligations of either of the parties hereto, under or by reason of any other agreement between said parties, except that nothing contained in such other agreement shall limit the use by Lessee of the within Demised Premises for the herein referred to purpose.

Section 35. Contractor Responsibility Program. Lessee shall comply with the provisions of the Contractor Responsibility Program adopted by the Board. The Executive

Directives setting forth the rules, regulations, requirements and penalties of the Contractor Responsibility Program and the Pledge of Compliance Form is attached hereto as Exhibit K and incorporated herein by reference.

Section 36. Campaign Contributions. Lessee, its sublessees and subcontractors, and their respective principals (hereinafter, "Principals") are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract or lease is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Lessee is required to provide and update certain information to the City as specified by law. Lessee and any sublessee subject to Charter Section 470(c)(12) shall include the following notice in any contract or lease with a sublessee expected to receive at least \$100,000 for performance under this contract:

'Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are sublessee on City of Los Angeles Lease # _____. Pursuant to City Charter Section 470(c)(12), sublessee and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Sublessee is required to provide to Lessee names and addresses of the sublessee's principals and contact information and shall update that information if it changes during the 12 month time period. Sublessee's information included must be provided to Lessee within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.'

Lessee, its sublessees, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Lease and pursue any and all legal remedies that may be available.

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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:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

Date: 11/19/13
By: *Cynthia Alvarez*
Deputy/Assistant City Attorney

By: _____
Executive Director
Department of Airports

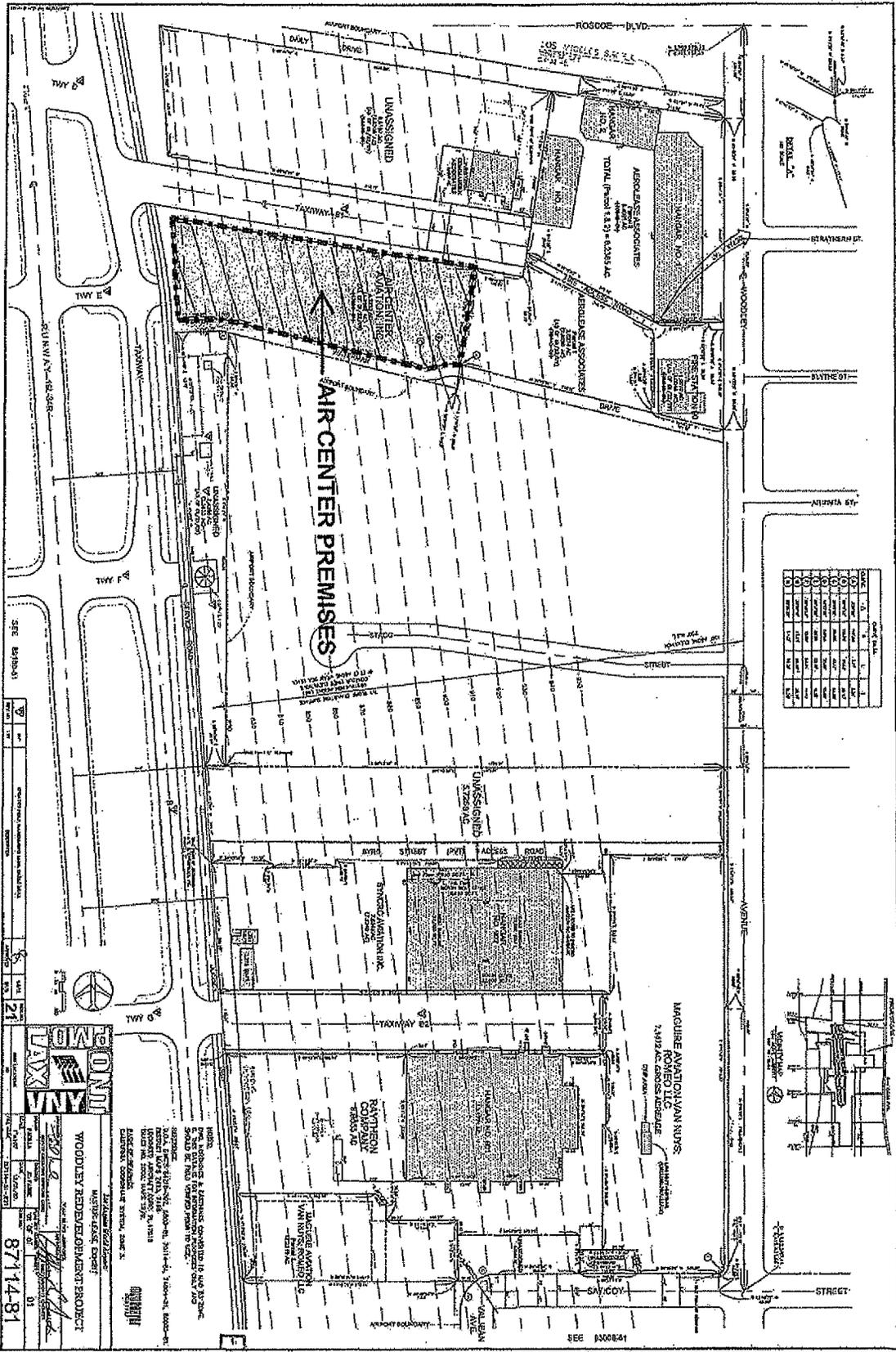
ATTEST:

AIR CENTER AVIATION, INC.

By: *K.A. Lovelady*
Signature
K.A. LOVELADY
Print Name
T. B. BURER
Print Title

By: *Larry Feuerhelm*
Signature
Larry Feuerhelm
Print Name
Vice President
Print Title

[SEAL]



OWNER'S TITLE

LOT	OWNER	ACRES	AREA	PERCENT
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100	UNASSIGNED	1.00	1.00	100.00

SEE SHEET 21

PONTIAC

WOODLEY REDEVELOPMENT PROJECT

MASTRO-LEAK BOARD

87114-81

DATE: 01/11/81

SCALE: AS SHOWN

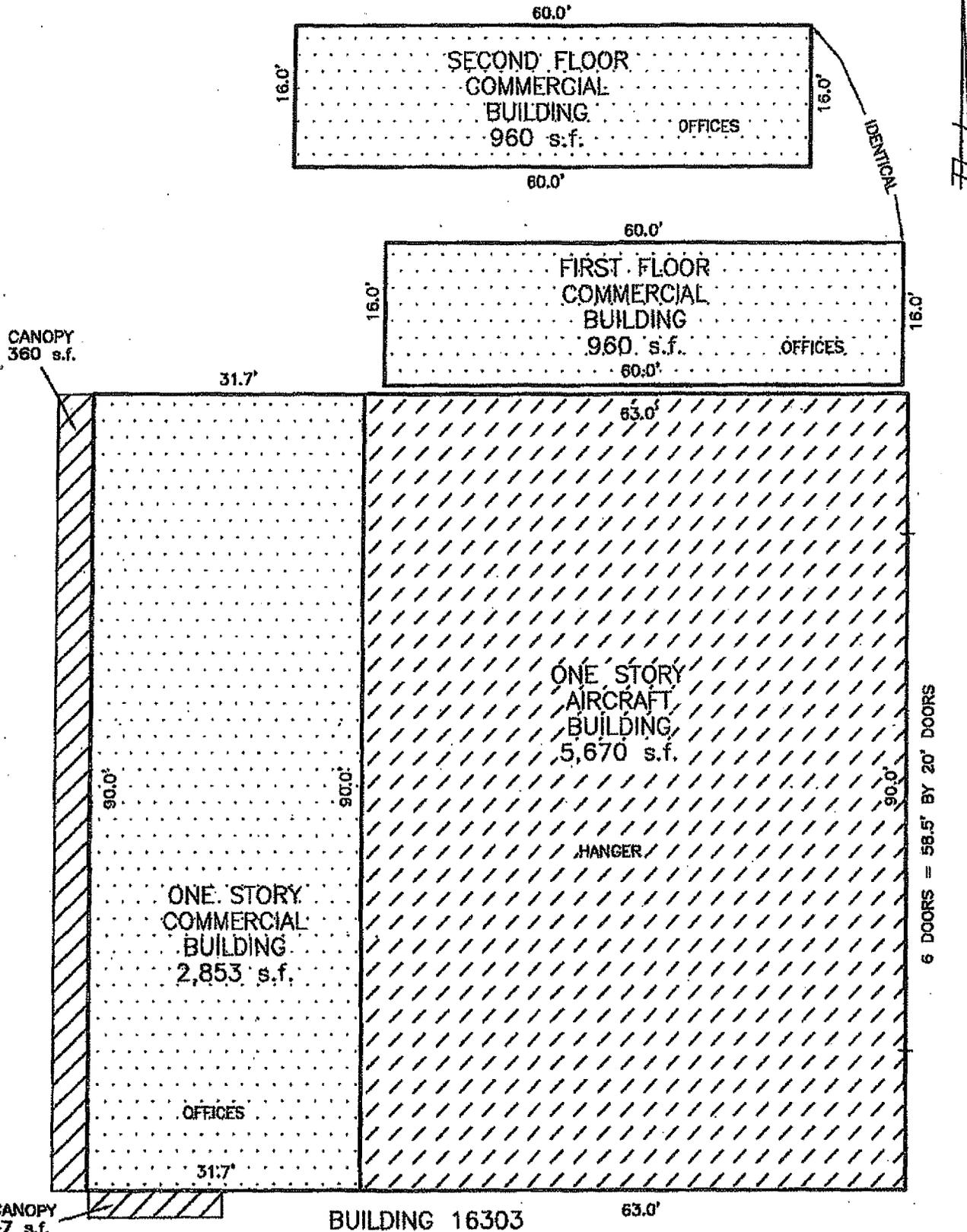
PROJECT NO: 87114-81

DATE: 01/11/81

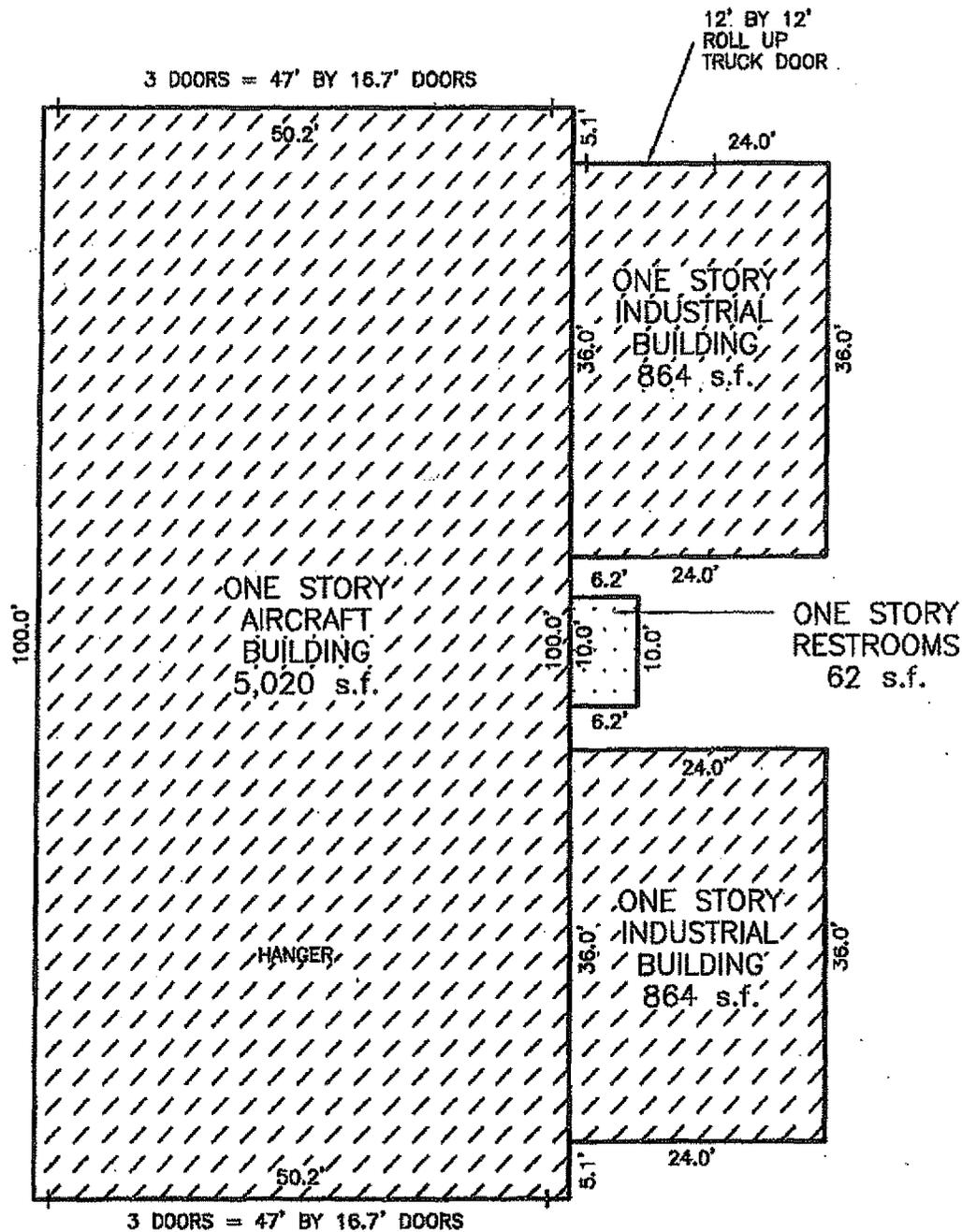
SCALE: AS SHOWN

PROJECT NO: 87114-81

ENRITA



PROJECT: VAN NUYS SITE NO. 3 16231-16303 WATERMAN DRIVE		APPRaiser: CORNERSTONE REALTY ANALYSTS		APPRAISAL SUPPORT SERVICES North Hills, CA (818) 891-0244	
DRAWN BY: THK	VERIFIED BY: THK	FILE NAME: 05CRA07	PAGE: 2 OF 2	DATE: JUNE, 2005	SCALE: 1"=15'



BUILDING 16231

PROJECT: VAN NUYS SITE NO. 3		APPRaiser		CORNERSTONE		APPRAISAL	
16231-16303 WATERMAN DRIVE				REALTY ANALYSTS		SUPPORT	
DRAWN BY:	VERIFIED BY:	FILE NAME	PAGE	DATE	SCALE	SERVICES	
THK	THK	05CRA07	1 OF 2	JUNE, 2005	1"=15'	North Hills, CA	
						(818) 891-0244	

EXHIBIT B

PAYMENTS AIR CENTER AVIATION, INC.

Rent Payments:

Rental, fees and other charges effective upon commencement of the Lease*

Description	Size (Acres / SF)	Rate Per Acre Per Year (PAPY) / Per SF Per Year (PSFPY)	Monthly Rent	Annual Rent
<u>Land:</u>				
Propeller-Only Use	3.33 Acres	\$16,812.77 PAPY	\$ 4,658.96	\$ 55,907.50
General Aviation Use	1.00 Acres	\$33,997.86 PAPY	\$ 2,833.16	\$ 33,997.86
<u>Buildings:</u>				
Hangar (City Owned)	6,810 SF	\$3.5700 PSFPY	\$ 2,025.98	\$ 24,311.70
Hangar / Office (City Owned)	10,443 SF	\$4.0800 PSFPY	\$ 3,550.62	\$ 42,607.44
Total			\$13,068.71	\$156,824.50

* Notes:

- Rental, fees and other charges, as set forth in this Exhibit are subject to adjustments pursuant to this Lease.

Retroactive Rent:

As required, the Retroactive Rent is subject to accrual to obtain the Board of Airport Commissioners (Board) approval of the rental rates.

Land: The land net retroactive rental amount of \$40,878.77 for the period from 3/1/2012 to 9/30/2013 (and accruing through Lease commencement date) is due and payable to LAWA through a payment plan (at 0% interest) divided in equal monthly installments starting from the commencement date of the new Lease and ending three years (36 months) thereafter.

Air Center Aviation, Inc.
Exhibit B

Period		Total Days	Area (acres)	Paid Rate (PAPY)	Proposed Rate (PAPY) ¹	Rate Differential (PAPY)	Retroactive Rental Due ²
From	To						
LAND							
Propeller-Only Use:							
3/1/12	3/31/12	31	3.3253	\$14,400.00	\$16,156.11	\$1,756.11	\$495.97
4/1/12	4/30/12	30	3.3253	\$14,400.00	\$16,156.11	\$1,756.11	\$479.97
5/1/12	5/31/12	31	3.3253	\$14,400.00	\$16,156.11	\$1,756.11	\$495.97
6/1/12	6/30/12	30	3.3253	\$14,400.00	\$16,156.11	\$1,756.11	\$479.97
7/1/12	7/31/12	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
8/1/12	8/31/12	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
9/1/12	9/30/12	30	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$569.34
10/1/12	10/31/12	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
11/1/12	11/30/12	30	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$569.34
12/1/12	12/31/12	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
1/1/13	1/31/13	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
2/1/13	2/28/13	28	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$531.38
3/1/13	3/31/13	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
4/1/13	4/30/13	30	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$569.34
5/1/13	5/31/13	31	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$588.32
6/1/13	6/30/13	30	3.3253	\$14,400.00	\$16,483.11	\$2,083.11	\$569.34
7/1/13	7/31/13	31	3.3253	\$14,400.00	\$16,812.77	\$2,412.77	\$681.42
8/1/13	8/31/13	31	3.3253	\$14,400.00	\$16,812.77	\$2,412.77	\$681.42
9/1/13	9/30/13	30	3.3253	\$14,400.00	\$16,812.77	\$2,412.77	\$659.44
		<u>579</u>					<u>\$10,901.11</u>
General Aviation Use:							
3/1/12	3/31/12	31	1.0000	\$14,400.00	\$32,670.00	\$18,270.00	\$1,551.70
4/1/12	4/30/12	30	1.0000	\$14,400.00	\$32,670.00	\$18,270.00	\$1,501.64
5/1/12	5/31/12	31	1.0000	\$14,400.00	\$32,670.00	\$18,270.00	\$1,551.70
6/1/12	6/30/12	30	1.0000	\$14,400.00	\$32,670.00	\$18,270.00	\$1,501.64
7/1/12	7/31/12	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
8/1/12	8/31/12	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
9/1/12	9/30/12	30	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,555.99
10/1/12	10/31/12	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
11/1/12	11/30/12	30	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,555.99
12/1/12	12/31/12	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
1/1/13	1/31/13	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
2/1/13	2/28/13	28	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,452.26
3/1/13	3/31/13	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
4/1/13	4/30/13	30	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,555.99
5/1/13	5/31/13	31	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,607.86
6/1/13	6/30/13	30	1.0000	\$14,400.00	\$33,331.24	\$18,931.24	\$1,555.99
7/1/13	7/31/13	31	1.0000	\$14,400.00	\$33,997.86	\$19,597.86	\$1,664.48
8/1/13	8/31/13	31	1.0000	\$14,400.00	\$33,997.86	\$19,597.86	\$1,664.48
9/1/13	9/30/13	30	1.0000	\$14,400.00	\$33,997.86	\$19,597.86	\$1,610.78
		<u>579</u>					<u>\$29,977.66</u>
						Land Total	\$40,878.77

Air Center Aviation, Inc.
Exhibit B

Notes:

- 1 Negotiated rates include CPI adjustments of 2.024% on July 1, 2012 and 2.0% on July 1, 2013.
- 2 The past cumulative rent through September 30, 2013 (and accruing) is effective and due to LAWA subject to and following the approval of a new lease by the Board and City Council.

EXHIBIT C-1
MINIMUM STANDARDS



Los Angeles World Airports

April 29, 2002

Re: Van Nuys Airport Executive Directives

Dear Van Nuys Airport Association and Tenants:

The development of the Los Angeles World Airports (LAWA) Leasing Policy and Executive Directives for Van Nuys Airport has been an intense collaborative process for the last two and a half years. I appreciate your input, time and dedication to this process. With your help, a comprehensive series of directives has been created that is an innovative business approach to setting airport leasing standards. We believe these directives strike a successful balance between airport and landlord interests.

LAX
Ontario
Van Nuys
Palmdale
City of Los Angeles
James K. Hahn
Mayor
Board of Airport
Commissioners
Theodore Stein, Jr.
President
Warren W. Voldry
Vice President
Eileen H. Levine
Cheryl K. Peterson
Armando Vergara, Sr.
Mahala Welter
Leland Wong
Lydia H. Kennard
Executive Director

LAWA is moving forward in this process and I have approved for immediate implementation, the enclosed Executive Directives dated April 22, 2002. The Directives include Minimum Standards for Engaging in Aeronautical Activities, Relationship Between Capital Investment and Lease Term, and Definitions.

All of the recommendations received by tenants and the community were carefully considered and many of those suggestions, such as reconsidering the rate of investment for lease term, have been implemented in the final document. Because of the ongoing discussions related to the appraisal process, the Executive Directive titled "Establishment and Adjustment of Fair Market Rents" has not been finalized. An opportunity to comment on a revised draft of this Executive Directive will be given in the near future.

Industry experts have reviewed the Executive Directives and they have been recognized as one of the most comprehensive in the General Aviation industry.

Again, I thank each of you who collaborated on this process for your efforts on this important matter.

Sincerely,

Lydia Kennard
Executive Director

Enclosure

EXECUTIVE DIRECTIVES

Los Angeles World Airports

Van Nuys Airport


Lydia Kennard
Executive Director

Adopted April 22, 2002

Executive Directives: Van Nuys

LIST OF DIRECTIVES

VNY 01.0 Minimum Standards for Engaging in Aeronautical Activities (4/22/02)

VNY 02.0 Relationship Between Capital Investment and Lease Term (4/22/02)

VNY 03.0 Definitions (4/22/02)

TABLE OF CONTENTS

**MINIMUM STANDARDS FOR ENGAGING IN AERONAUTICAL ACTIVITIES
TABLE OF CONTENTS**

1.0	INTRODUCTION	1
1.1	Governing Policy	1
1.2	Purpose and Scope	1
1.3	Applicability	2
1.4	Non-Compliance/Violations	2
1.5	Right to Self Service	2
1.6	Severability	2
2.0	GENERAL REQUIREMENTS	3
2.1	Experience/Capability	3
2.2	Agreement/Approval	3
2.3	Restricted Activities	3
2.4	Payment of Rents, Fees, and Charges	3
2.5	Leased Premises	3
2.6	Facility Maintenance	4
2.7	Products, Services, and Facilities	4
2.8	Non-Discrimination	4
2.9	Licenses, Permits, Certifications, and Ratings	4
2.10	Personnel	4
2.11	Equipment	5
2.12	Regulatory Measures	5
2.13	Insurance	5
2.14	Indemnification and Hold Harmless	6
2.15	Taxes	7
2.16	Suspension, Revocation of Privileges	7
2.17	Fines/Penalties	7
2.18	Multiple Activities	7
2.19	City of Los Angeles, Los Angeles World Airports, Board of Airport Commissioners, Executive Director, and Airport Manager	7
2.20	Notices, Requests for Approval, Applications, and Other Filings	7
3.0	FIXED BASE OPERATOR	8
3.1	Definition	8
3.2	Scope of Activity	8
3.3	Leased Premises	9
3.4	Fuel Storage	10
3.5	Fueling Equipment	10
3.6	Equipment	11
3.7	Personnel	11
3.8	Hours of Activity	12
3.9	Aircraft Removal	12
3.10	Insurance	12
4.0	AIRCRAFT MAINTENANCE OPERATOR - SPECIALIZED AVIATION SERVICE OPERATOR (SASO)	13
4.1	Definition	13
4.2	Leased Premises (Lessee)	13
4.3	Leased Premises (Sublessee or Multiple Activities)	14
4.4	Aircraft Painting	14
4.5	Licenses and Certification	14
4.6	Personnel	14
4.7	Equipment	15

TABLE OF CONTENTS

4.8	Hours of Activity	15
4.9	Insurance	15
5.0	AVIONICS, INSTRUMENT, OR PROPELLER MAINTENANCE OPERATOR (SASO)	16
5.1	Definition.....	16
5.2	Leased Premises (Lessee)	16
5.3	Leased Premises (Sublessee or Multiple Activities)	17
5.4	Licenses and Certifications	18
5.5	Personnel	18
5.6	Equipment	18
5.7	Hours of Activity	18
5.8	Insurance.....	19
6.0	AIRCRAFT RENTAL, FLYING CLUB, OR FLIGHT TRAINING OPERATOR (SASO)	20
6.1	Definitions	20
6.2	Leased Premises (Lessee)	20
6.3	Leased Premises (Sublessee or Multiple Activities)	21
6.4	Licenses and Certifications	21
6.5	Personnel	21
6.6	Equipment	22
6.7	Hours of Activity	22
6.8	Private Flying Clubs	22
6.9	Insurance.....	22
7.0	AIRCRAFT CHARTER OR AIRCRAFT MANAGEMENT OPERATOR (SASO)	23
7.1	Definition.....	23
7.2	Leased Premises (Lessee)	23
7.3	Leased Premises (Sublessee or Multiple Activities)	24
7.4	Licenses and Certifications	24
7.5	Personnel	24
7.6	Equipment	24
7.7	Hours of Activity	25
7.8	Insurance.....	25
8.0	AIRCRAFT SALES OPERATOR (SASO)	26
8.1	Definition.....	26
8.2	Leased Premises (Lessee)	26
8.3	Leased Premises (Sublessee or Multiple Activities)	26
8.4	Dealership	27
8.5	Licenses and Certifications	27
8.6	Personnel	27
8.7	Equipment	27
8.8	Hours of Activity	27
8.9	Insurance.....	28
9.0	SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)	29
9.1	Definition.....	29
9.2	Leased Premises (Lessee)	29
9.3	Leased Premises (Sublessee or Multiple Activities)	30
9.4	Licenses and Certifications	30
9.5	Personnel	31
9.6	Equipment	31
9.7	Hours of Activity	31
9.8	Insurance.....	31
10.0	TEMPORARY SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR	32
10.1	Introduction	32
10.2	Scope of Activity	32
10.3	Permit	32

TABLE OF CONTENTS

10.4 Licenses and Certifications	32
10.5 Insurance	32
11.0 COMMERCIAL APRON OPERATOR (SASO)	33
11.1 Definition.....	33
11.2 Scope of Activity	33
11.3 Leased Premises	33
11.4 Insurance.....	33
12.0 COMMERCIAL HANGAR OPERATOR (SASO)	34
12.1 Definition.....	34
12.2 Scope of Activity	34
12.3 Leased Premises	34
12.4 Insurance.....	34
13.0 NON-COMMERCIAL HANGAR OPERATOR	35
13.1 Definition.....	35
13.2 Scope of Activity	35
13.3 Leased Premises	35
13.4 Ownership Structure	36
13.5 Insurance.....	36
14.0 SELF-FUELING.....	37
14.1 Introduction.....	37
14.2 Agreement/Approval	37
14.3 Reporting	37
14.4 Fuel Storage.....	37
14.5 Fueling Equipment.....	38
14.6 Limitations	38
14.7 Insurance.....	39
15.0 COMMERCIAL AERONAUTICAL ACTIVITY PERMIT	40
15.1 Application	40
15.2 Approval	40
15.3 Permit	40
15.4 Existing Operator with an Existing Agreement	41
15.5 Non-Commercial Operators	41

INTRODUCTION

1.0 INTRODUCTION

1.1 Governing Policy

1.1.1 Los Angeles World Airports (LAWA), a department of the City of Los Angeles (City), has, through its Board of Airport Commissioners (BOAC), adopted a Leasing Policy (Policy) to provide a framework for making leasing and property management decisions at the Van Nuys Airport (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 Engaging in Aeronautical Activities (Minimum Standards) have been established by Executive Directive pursuant to and in accordance with the Policy.

1.2.2 The purpose of these Minimum Standards is to (1) encourage the provision of high quality products, services, and facilities to Airport users; (2) encourage the development of quality improvements at the Airport; (3) promote safety; (4) promote the economic health of Airport businesses; and (5) promote the orderly development of Airport property. To this end, all entities desiring to engage in Aeronautical Activities at the Airport shall be accorded reasonable opportunities, without unlawful discrimination, to engage in such activities, subject to these Minimum Standards.

1.2.3 These Minimum Standards specify the standards and requirements that shall be met by any entity desiring to engage in one or more Aeronautical Activities at the Airport. These Minimum Standards are not intended to be all-inclusive. Any entity engaging in Aeronautical Activities at the Airport shall also be required to comply with all applicable Regulatory Measures pertaining to such activities.

1.2.4 Throughout these Minimum Standards, the words "standards" or "requirements" shall 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, shall be made by LAWA. All entities are encouraged to exceed the applicable minimum standards. No entity shall be allowed to engage in Aeronautical Activities at the Airport under conditions that do not, in LAWA's discretion, meet these Minimum Standards.

1.2.5 Aeronautical Activities may be proposed that do not fall within the categories designated herein. In any such cases, appropriate minimum standards shall be developed on a case-by-case basis for such activities and promulgated by Executive Directive or incorporated into Agreements relating to the occupancy or use of particular Airport land or Improvements.

1.2.6 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.

1.2.7 Specialized Aviation Service Operators (SASO) are encouraged to be subtenants of Fixed Base Operators (FBO); however, if suitable land or improvements are not available or cannot be secured from an FBO, SASOs may sublease improvements from another SASO, lease land from LAWA and, if necessary, request permission in writing from LAWA to construct improvements on such land in the LAWA designated areas, and/or lease improvements from LAWA.

INTRODUCTION

1.3 Applicability

- 1.3.1 These Minimum Standards shall apply to any new Agreement or any extension of the term of an existing Agreement relating to the occupancy or use of Airport land or Improvements for Aeronautical Activities. If an entity desires, under the terms of an existing Agreement, to materially change its Aeronautical Activities, LAWA shall, as a condition of its approval of such change, require the entity to comply with these Minimum Standards.
- 1.3.2 These Minimum Standards are not retroactive and do not affect the term or any authorized extension of the term of any Agreement properly executed prior to the date of promulgation of these Minimum Standards except as provided for in such Agreement, in which case these Minimum Standards shall apply to the extent permitted by such Agreement.
- 1.3.3 These Minimum Standards shall not be deemed to modify any existing Agreement under which an entity is required to exceed these Minimum Standards, nor shall they prohibit LAWA from entering into or enforcing an Agreement that requires an entity to exceed the Minimum Standards.

1.4 Non-Compliance/Violations

- 1.4.1 LAWA reserves the right to prohibit any entity from using the Airport or engaging in Aeronautical Activities at the Airport 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 Right to Self Service

- 1.5.1 These Minimum Standards shall not grant any right or privilege that prevents any entity operating Aircraft at the Airport from performing any services it may choose to perform on its own Aircraft with its own employees (including, but not limited to, maintenance, repair, and refueling). However, all Aircraft Operators shall adhere to all applicable Regulatory Measures in the performance of any services on its own Aircraft.
 - 1.5.1.1 Operator is not obligated to allow any entity to perform services on its own Aircraft on the premises leased exclusively by the Operator.

1.6 Severability

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

GENERAL REQUIREMENTS

2.0 GENERAL REQUIREMENTS

All Operators engaging in Aeronautical Activities at the Airport shall comply with the requirements of this section as well as the minimum standards applicable to the specific Activities, as set forth in subsequent sections.

2.1 Experience/Capability

- 2.1.1 Operator shall, in the judgment of LAWA, demonstrate the capability of providing comparable products, services, and facilities and engaging in comparable Activities in a good and workmanlike manner.
- 2.1.2 Operator shall, in the judgment of LAWA, demonstrate the financial responsibility and capability to develop and maintain Improvements; procure and maintain required Vehicles, Equipment, and/or Aircraft; employ personnel, and engage in the Activity.

2.2 Agreement/Approval

- 2.2.1 No entity shall engage in an Activity unless the entity has a lease agreement or Permit (Agreement) with LAWA authorizing such Activity or the entity has received written approval from LAWA to sublease land or Improvements from an authorized Operator and conduct the Activity at the Airport.
 - 2.2.1.1 Unless otherwise notified by LAWA, applications to engage in an Activity properly delivered to LAWA (as stated in section 2.2) shall be deemed approved within 30 calendar days of receipt.
- 2.2.2 An Agreement shall not reduce or limit Operator's obligations with respect to these Minimum Standards.
- 2.2.3 Operator shall comply with all the provisions of the Agreement between Operator and LAWA.
- 2.2.4 Activities shall only be conducted from the Leased Premises unless the entity has received prior written approval from LAWA.
- 2.2.5 Only written approvals or permission granted by the BOAC or duly authorized representative of the BOAC are binding.

2.3 Restricted Activities

- 2.3.1 Activities not explicitly identified in these Minimum Standards or an executed Agreement shall be restricted at the Airport. No entity shall engage in restricted activities at the Airport without the prior written permission of LAWA.

2.4 Payment of Rents, Fees, and Charges

- 2.4.1 Operator shall pay the rents, fees, or other charges specified by LAWA for leasing or using land or Improvements or engaging in Activities.
- 2.4.2 No Operator shall be permitted to engage in Activities unless said Operator is current in the payment of all rents, fees, charges, or other sums due to LAWA under any and all Agreements Operator has with LAWA.
- 2.4.3 Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to LAWA shall 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.

2.5 Leased Premises

- 2.5.1 Operator shall lease or sublease sufficient land and lease, sublease, or construct sufficient Improvements for the Activity as stipulated in these Minimum Standards.

GENERAL REQUIREMENTS

2.5.1.1 Unless written permission is granted through an Agreement, leased Premises that are used for commercial purposes and require public access shall have direct streetside access.

2.5.2 Operators providing rotary wing Aircraft parking shall follow AC150/5390-2A in the design of the Apron to be utilized for rotary wing Aircraft parking.

2.6 Facility Maintenance

2.6.1 Operator shall maintain the Leased 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.

2.6.2 Operator shall provide all necessary cleaning services for its Leased Premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the Improvements in good, clean, neat, and orderly condition, normal wear and tear excepted.

2.6.3 Operator shall replace in like kind any Property damaged by Employees, patrons, subtenants, contractors, etc., or Operator's Activities.

2.6.4 Operator shall comply with the Airport's landscape and signage requirements.

2.7 Products, Services, and Facilities

2.7.1 Products, services, and facilities shall be provided on a reasonable, and not unjustly discriminatory, basis to all users of the Airport.

2.7.2 Operator shall charge reasonable, and not unjustly discriminatory, prices for each product or service, provided that, Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

2.7.3 Operator shall conduct its Activities on and from the Leased Premises in a safe, efficient, and professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in similar Activities from similar leaseholds in like markets.

2.8 Non-Discrimination

2.8.1 Operator shall 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.

2.9 Licenses, Permits, Certifications, and Ratings

2.9.1 Operator (and/or Operator's personnel) shall obtain and comply with, at Operator's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of Operator'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, Operator shall provide copies of such licenses, permits, certifications, or ratings to LAWA within 10 business days.

2.10 Personnel

2.10.1 Operator shall have in its employ (as Employees), on duty, and on premises during operating hours, trained and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each Activity being conducted in a courteous, prompt, safe, and efficient manner.

2.10.2 Operator shall provide a responsible person on its Leased Premises to supervise Activities and such personnel shall be authorized to represent and act for and on

GENERAL REQUIREMENTS

behalf of Operator during all required Hours of Activities as established in these Minimum Standards.

2.11 Equipment

2.11.1 All required Equipment must be fully operational and functional at all times.

2.12 Regulatory Measures

2.12.1 Operator shall engage in Activities in accordance with all applicable Regulatory Measures, including these Minimum Standards.

2.13 Insurance

2.13.1 Operator shall procure and maintain, during the term of an Agreement, insurance policies required by law and the types and minimum limits set forth in Attachment A of these Minimum Standards for each Activity. The insurance company or companies underwriting the required policies shall be licensed or authorized to write such insurance in the state of California or be approved in writing by LAWA.

2.13.1.1 When coverages or limits set forth in these Minimum Standards are not commercially available, appropriate replacement coverages or limits must be approved by LAWA.

2.13.2 When Operator engages in more than one Activity (or engages in an Activity that does not fall within the categories designated in these Minimum Standards), the minimum limits may vary depending upon the nature of each Activity and/or combination of Activities, but shall not necessarily be cumulative in all instances. It shall not be necessary for Operator to carry insurance policies for the combined total of the minimum requirements of each Activity. However, Operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum, or as established by LAWA.

2.13.3 All insurance that Operator is required by LAWA to carry and keep in force, shall name the City of Los Angeles, Los Angeles World Airports, and the Board of Airport Commissioners, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as additional insured.

2.13.4 Liability policies shall contain, or be endorsed to contain, the following provisions:

2.13.4.1 "The City of Los Angeles, Los Angeles World Airports, and the Board of Airport Commissioners, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insureds with respect to: liability arising out of Activities performed by or on behalf of Operator; products and services of Operator; premises owned, leased, occupied, or used by Operator; or vehicles, equipment, or aircraft owned, leased, hired, or borrowed by Operator. Any insurance or self-insurance maintained by the City of Los Angeles, Los Angeles World Airports, and the Board of Airport Commissioners, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers shall be excess of Operator's and shall not contribute with it."

2.13.4.2 "Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City of Los Angeles, Los Angeles World Airports, and the Board of Airport Commissioners, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers. Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."

GENERAL REQUIREMENTS

- 2.13.4.3 "Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice by Certified Mail, return receipt requested, has been given to Los Angeles World Airports."
- 2.13.5 Special Endorsement Forms for the insurance required by law and set forth by these Minimum Standards for each Activity shall be delivered to LAWA upon execution of any Agreement or approval. Operator shall furnish additional Special Endorsement Forms 30 days prior to any changes in coverage, if the change results in a reduction. Current proof of insurance shall be continually provided to LAWA throughout the term of the Agreement.
- 2.13.6 The limits stipulated herein for each Activity represents the minimum coverage and policy limits that shall be maintained by the Operator to engage in Activities at the Airport. Operators are encouraged to secure higher policy limits.
- 2.13.7 Any self-insured Operator shall furnish evidence of such self-insurance and shall hold the City, LAWA, and the BOAC harmless in the event of any claims or litigation arising out of its Activities at the Airport. Such evidence shall be reviewed and approved in writing by the Executive Director.
- 2.13.8 Operator shall, at its sole expense, cause all facilities and improvements on the Leased Premises to be kept insured to the full insurable value (current replacement cost with no depreciation) thereof against the perils of fire, lightning, wind, hail, earthquake, flood, extended coverage, and/or vandalism. The proceeds of any such insurance paid on account for any of the aforementioned perils, shall be used to defray the cost of repairing, restoring, or reconstructing said facilities or improvements to the condition and location existing prior to the casualty causing the damage or destruction, unless a change in design or location is approved in writing by LAWA. When a facility and/or improvement reverts to LAWA's ownership and/or control during the term of an Agreement, notice will be given of any changes in insurance requirements.
- 2.13.9 Disclosure Requirement: Any Operator conducting Aircraft rental, sales, or flight training shall post a notice and incorporate within the rental and instruction agreements the coverage and limits provided to the renter or student by Operator, as well as a statement advising that additional coverage is available to such renter or student through the purchase of an individual non-ownership liability policy. Operator shall provide a copy of such notice to LAWA upon request.

2.14 Indemnification and Hold Harmless

- 2.14.1 Operator shall defend, indemnify, save, protect, and completely hold harmless the City, LAWA, and the BOAC, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the City, LAWA and the BOAC, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's actions or inaction. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with California principles of comparative fault.
- 2.14.2 The Operator shall accept total responsibility and hold harmless the City, LAWA, and the BOAC, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its Employees, its vendors

GENERAL REQUIREMENTS

or any other personnel used by the Operator to maintain Operator's facilities, vehicles, equipment, or Aircraft.

2.15 Taxes

2.15.1 Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized Agency.

2.16 Suspension, Revocation of Privileges

2.16.1 LAWA reserves the right to suspend or revoke Operator 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 or any applicable Activity. A cure period may be considered, if in LAWA's discretion one is appropriate and consistent with an Agreement.

2.17 Fines/Penalties

2.17.1 Operator shall have the responsibility to pay any fine or penalty levied against Operator, the City, LAWA, the BOAC, individually or collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of Operator's failure to comply with any applicable Regulatory Measure.

2.17.1.1 If the fine or penalty is contestable (and contested by the Operator), Operator shall pay the fine or penalty when upheld by the Agency having jurisdiction.

2.18 Multiple Activities

2.18.1 When more than one Activity is conducted, the minimum requirements shall vary depending upon the nature of each Activity and/or combination of Activities, but shall not necessarily be cumulative.

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

2.19.1 The Airport is owned by the City of Los Angeles, operated by Los Angeles World Airports, and governed by and through the Board of Airport Commissioners (BOAC). Only the Executive Director can amend or modify these Minimum Standards.

2.19.2 The Airport Manager is authorized and directed to obtain and receive copies of all licenses, permits, certifications, ratings, certificates of insurance, and other documents required to be provided to or filed with LAWA under these Minimum Standards. All official inquiries to LAWA regarding these Minimum Standards or compliance therewith shall be directed to the Airport Manager. LAWA shall be responsible for enforcement of these Minimum Standards and no approval or consent required hereunder shall be valid unless given in writing by LAWA.

2.20 Notices, Requests for Approval, Applications, and Other Filings

2.20.1 Any notice, request for approval, application, or other filing required or permitted to be given or filed with LAWA and any notice or communication required or permitted to be given or filed with any Operator or prospective Operator pursuant to these Minimum Standards shall be in writing, signed by the party giving such notice, and may be sent by overnight courier or by United States Certified Mail or delivered by hand with dated receipt from LAWA, and shall be deemed to have been given when delivered to LAWA or Operator at their principal place of business or such other address as may have been provided.

FIXED BASE OPERATOR

3.0 FIXED BASE OPERATOR

3.1 Definition

- 3.1.1 A Fixed Base Operator (FBO) is a Commercial Operator engaged in the sale of products, services, and facilities to Aircraft Operators including, at a minimum, aviation fuels and lubricants; ground services and support; tiedown, hangar, and parking; and aircraft maintenance.
- 3.1.2 In addition to the General Requirements set forth in Section 2, each FBO at the Airport shall comply with the following Minimum Standards.

3.2 Scope of Activity

- 3.2.1 Unless otherwise noted, all products and services shall be provided by FBO's employees using FBO's vehicles and equipment.
- 3.2.2 FBO's products and services shall include, at a minimum, the following:
 - 3.2.2.1 Aviation Fuels and Lubricants (Jet Fuel, Avgas, and Aircraft Lubricants):
 - 3.2.2.1.1 FBO shall be capable of delivering and dispensing Jet Fuel, Avgas, and Aircraft lubricants into all general aviation aircraft normally frequenting the Airport.
 - 3.2.2.1.2 FBO shall be capable of providing a response time not to exceed 15 minutes during required hours of activity and not to exceed 60 minutes after hours.
 - 3.2.2.2 Ground Services and Support
 - 3.2.2.2.1 Aircraft marshalling and towing
 - 3.2.2.2.2 Oxygen, nitrogen, and compressed air services
 - 3.2.2.2.3 Baggage handling
 - 3.2.2.2.4 Lavatory services
 - 3.2.2.2.5 Ground power
 - 3.2.2.2.6 Aircraft cleaning services
 - 3.2.2.2.7 Courtesy transportation (using the Operator's vehicles)
 - 3.2.2.2.8 Ground transportation arrangements (limousine, shuttle, and rental car)
 - 3.2.2.2.9 Hotel arrangements
 - 3.2.2.2.10 Aircraft catering
 - 3.2.2.3 Aircraft Maintenance
 - 3.2.2.3.1 FBO shall be an FAA certified Repair Station qualified to perform major maintenance (as defined in 14 CFR Part 43) on the airframe, powerplants, and associated systems of Group I and Group II piston, turboprop, and turbine General Aviation Aircraft.
 - 3.2.2.3.2 FBO can meet these Minimum Standards for the provision of Aircraft Maintenance by and through an authorized Sublessee(s) who meets the Minimum Standards for Aircraft Maintenance Operator and operates from the FBO's Leased Premises.

FIXED BASE OPERATOR

3.3 Leased Premises

3.3.1 FBO shall have adequate land, apron, facilities (hangars, terminal, maintenance, and fuel storage), and vehicle parking to accommodate all Activities of FBO and all approved sublessees, but not less than the following square footages, which are not cumulative:

	FBO Providing Groups I and II Piston, Turboprop, and Turbine Aircraft Maintenance	FBO Providing Group III Piston, Turboprop, and Turbine Aircraft Maintenance
Contiguous Land	304,920 SF	304,920 SF
Apron	130,680 SF	130,680 SF
Total Facilities	46,550 SF	46,800
Terminal	5,000 SF	5,000 SF
Administrative Area	≥ 1,250 SF	≥ 1,250 SF
Customer Area	≥ 2,500 SF	≥ 2,500 SF
Maintenance		
Administrative Area	300 SF	300 SF
Maintenance Area	1,250 SF	1,500 SF
Hangar	40,000 SF	40,000 SF
Storage	≥ 20,000 SF	≥ 20,000 SF
Maintenance	≥ 10,000 SF	≥ 15,000 SF

3.3.1.1 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on Contiguous Land.

3.3.1.2 Apron shall be sufficient weight bearing capacity to accommodate the largest Aircraft to be handled or serviced by FBO.

3.3.1.3 Paved Tiedown shall be adequate to accommodate the number, type, and size of Aircraft requiring tiedown space based at the Operator's Leased Premises. FBO shall have paved tiedown readily available to accommodate the reasonable demand of transient Aircraft (number, type, and size) requiring tiedown space.

3.3.1.4 Facilities shall include terminal (customer and administrative), maintenance (administrative and maintenance), and hangar areas.

3.3.1.4.1 Terminal customer area shall include dedicated and adequate space for crew and passenger lounge(s), flight planning room, conference room, public telephones, and restrooms.

3.3.1.4.2 Terminal administrative area shall include dedicated and adequate space for employee offices, work areas, and storage.

3.3.1.4.3 Maintenance administrative area shall include dedicated and adequate space for employee offices, work areas, and storage

3.3.1.4.4 Maintenance area shall include adequate space for employee work areas, shop area, and storage.

3.3.1.4.5 At least one hangar shall be capable of accommodating an Aircraft having a length of 100 feet, a wingspan of 95 feet, and a tail height of 26 feet. No single structure making up the

FIXED BASE OPERATOR

required hangar space shall be less than 5,000 square feet. Aircraft Maintenance hangar area shall be at least equal to the square footage stipulated for the type of maintenance being provided (as identified above) or large enough to accommodate the largest Aircraft undergoing Aircraft Maintenance (other than preventative Aircraft Maintenance), whichever is greater.

- 3.3.1.5 Vehicle parking shall be sufficient to accommodate FBO and tenant customers, passengers, and employees on a daily basis.

3.4 Fuel Storage

- 3.4.1 Construct or install and/or maintain an on-Airport aboveground fuel storage facility at the Airport, unless otherwise authorized or required, in a location consistent with the Airport Master Plan and approved by LAWA. Fuel storage facility shall have total capacity for three days' supply of aviation fuel for Aircraft being serviced by FBO. In no event shall the total storage capacity be less than 24,000 gallons for Jet Fuel storage. While FBO is not required to have Avgas storage, FBO shall provide Avgas fueling services. FBO shall demonstrate capabilities to expand fuel storage capacity within a reasonable time period.
- 3.4.2 FBO shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum supplier/distributor for the delivery of aviation fuels in the quantities that are necessary to meet the requirements set forth herein.
- 3.4.2.1 Fuel suppliers utilized by Operator shall have a current and executed Non-Exclusive Revocable Fuel Delivery Permit on file with LAWA.
- 3.4.3 FBO shall have an approved written Spill Prevention Contingency and Control Plan ("SPCC Plan") that meets Regulatory Measures for aboveground fuel storage facilities with a capacity greater than 660 gallons. An updated copy of the SPCC Plan shall be filed with the Airport Manager at least 30 calendar days prior to commencing operations.
- 3.4.4 FBO shall be liable and indemnify the City, LAWA, and the BOAC for all leaks, spills, or other damage that may result through the storage, handling, and dispensing of fuel.
- 3.4.5 Fuel delivered shall be clean, bright, pure, and free of microscopic organisms, water, or other contaminants. Ensuring the quality of the fuel and meeting all applicable government standards related to fueling and fuel storage is the responsibility of FBO.
- 3.4.6 FBO shall maintain current fuel reports on file, including total gallons of fuel delivered by type, and make such reports available for auditing with proper advance written notification, during normal business hours by the Airport Manager.

3.5 Fueling Equipment

- 3.5.1 Two operating and fully functional Jet Fuel refueling Vehicles, both having a capacity of 2,000 gallons and one operating and fully functional Avgas refueling Vehicle having a capacity of 750 gallons are required. A fixed Avgas refueling (self-service) system can be substituted for the Avgas refueling Vehicle.
- 3.5.2 Aircraft refueling Vehicles shall be equipped with metering devices that meet all applicable Regulatory Measures. One refueling Vehicle dispensing Jet Fuel shall have over-the-wing and single point Aircraft servicing capability. All refueling Vehicles shall be bottom loaded.

FIXED BASE OPERATOR

- 3.5.3 Each refueling Vehicle shall be equipped and maintained to comply with all applicable safety and fire prevention requirements or standards including without limitation, those prescribed by:
 - 3.5.3.1 These Minimum Standards and all other applicable Regulatory Measures;
 - 3.5.3.2 State of California Fire Code and Fire Marshal's Codes;
 - 3.5.3.3 National Fire Protection Association (NFPA) Codes;
 - 3.5.3.4 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials" (including updates).
 - 3.5.3.5 Applicable FAA Advisory Circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport" (Including updates).

3.6 Equipment

- 3.6.1 Adequate Equipment for recharging or energizing discharged Aircraft batteries.
- 3.6.2 One courtesy Vehicle to provide transportation of passengers, crews, and baggage to and from destinations on the Airport and local area hotels and restaurants.
- 3.6.3 Two Aircraft tugs (and tow bars) each having a rated draw bar capacity sufficient to meet the towing requirement of the Aircraft normally frequenting the Leased Premises.
- 3.6.4 Adequate number of approved and regularly inspected dry chemical fire extinguisher units shall be maintained within all hangars, on Apron areas, at fuel storage facilities, and on all grounding handling and refueling Vehicles.
- 3.6.5 All Equipment necessary for the proper performance of Aircraft Maintenance in accordance with applicable FAA regulations and manufacturers' specifications.

3.7 Personnel

- 3.7.1 Personnel, while on duty, shall be clean, neat in appearance, courteous, and at all times, properly uniformed, except management and administrative personnel. Uniforms shall identify the name of FBO (and the employee) and shall be clean, professional, and properly maintained at all times.
- 3.7.2 FBO shall develop and maintain Standard Operating Procedures (SOP) for fueling and ground handling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A "Aircraft Ground Handling and Servicing" (including updates). FBO's SOP shall include a training plan, fuel quality assurance procedures and record keeping, and emergency response procedures to fuel fires and spills. FBO's SOP shall also address: (1) bonding and fire protection; (2) public protection; (3) control of access to fuel storage facilities; and (4) marking and labeling of fuel storage tanks and refueling Vehicles. FBO's SOP shall be submitted to LAWA no later than 30 days before the FBO commences Activities at the Airport. Inspections shall be conducted by LAWA on a periodic basis to ensure compliance.
- 3.7.3 Two properly trained and qualified employees, on each shift, shall provide aircraft fueling, parking, and ground services support.
- 3.7.4 One properly trained and qualified employee, on each shift (except from the hours of 10:00 p.m. to 6:00 a.m.), shall provide customer service and support.
- 3.7.5 One FAA licensed Airframe and Powerplant mechanic employed by FBO or an approved subtenant and properly trained and qualified to perform Aircraft

FIXED BASE OPERATOR

Maintenance on Aircraft frequenting the Airport shall be on-duty and on-premises for at least eight hours during FBO's hours of activity, five days a week.

3.8 Hours of Activity

3.8.1 Aircraft fueling, ground handling, and customer service shall be continuously offered and available to meet reasonable demands of the public for this Activity seven days a week (including holidays) from 6:00 a.m. to at least 10:00 p.m. Aircraft fueling, ground handling, and customer service shall be available after hours, on-call, and with response time not to exceed 60 minutes.

3.8.2 Aircraft Maintenance shall be continuously offered and available to meet reasonable demand of the public for this Activity five days a week, eight hours a day. Aircraft Maintenance shall be available after hours, on-call, and with response time not to exceed 60 minutes.

3.9 Aircraft Removal

3.9.1 Recognizing that Aircraft removal is the responsibility of the Aircraft owner/operator, FBO shall be prepared to lend assistance within 30 minutes of request by Airport or the Aircraft owner/operator in order to maintain the operational readiness of the Airport. FBO shall prepare an Aircraft removal plan and have the equipment readily available that is necessary to remove the general aviation aircraft normally frequenting the Airport.

3.10 Insurance

3.10.1 FBO shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

AIRCRAFT MAINTENANCE OPERATOR (SASO)

4.0 AIRCRAFT MAINTENANCE OPERATOR (SPECIALIZED AVIATION SERVICE OPERATOR)

4.1 Definition

- 4.1.1 An Aircraft Maintenance Operator is a Commercial Operator engaged in providing Aircraft Maintenance for Aircraft other than those Aircraft that are owned or leased or operated by (and under the full and exclusive control of) the Operator, which includes the sale of Aircraft parts and accessories.
- 4.1.2 In addition to the General Requirements set forth in Section 2, each Aircraft Maintenance Operator at the Airport shall comply with the following Minimum Standards. FBOs shall comply with the Minimum Standards set forth in Section 3, Fixed Base Operator.

4.2 Leased Premises (Lessee)

- 4.2.1 Operator other than an authorized Sublessee engaging in this Activity shall have adequate land, apron, facilities, and vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following square footages, which are not cumulative:

	Group I Piston and Turboprop Aircraft Maintenance	Group II Piston and Turboprop Aircraft Maintenance	Group I Turbine Aircraft Maintenance	Group II Turbine Aircraft Maintenance	Group III Turbine Aircraft Maintenance
Contiguous Land	21,780 SF	21,780 SF	21,780 SF	35,000 SF	51,000 SF
Total Facilities	4,200 SF	6,950 SF	7,700 SF	11,950 SF	17,200 SF
Customer Area	400 SF	400 SF	400 SF	400 SF	400 SF
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	500 SF	750 SF	1,000 SF	1,250 SF	1,500 SF
Hangar	3,000 SF	4,500 SF	6,000 SF	10,000 SF	15,000 SF

- 4.2.1.1 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on Contiguous Land.
- 4.2.1.2 Apron area shall be adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of customer Aircraft.
- 4.2.1.3 Facilities shall include customer, administrative, maintenance, and hangar areas.
 - 4.2.1.3.1 Customer area shall include dedicated space for customer lounge(s), public telephones, and restrooms.
 - 4.2.1.3.2 Administrative area shall include dedicated space for employee offices, work areas, and storage.
 - 4.2.1.3.3 Maintenance area shall include dedicated space for employee work areas, shop areas, and storage.
 - 4.2.1.3.4 Hangar area shall be at least equal to the square footage stipulated for the type of maintenance being provided (as identified above) or large enough to accommodate the largest Aircraft undergoing Aircraft Maintenance (other than preventative Aircraft Maintenance), whichever is greater.
- 4.2.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

AIRCRAFT MAINTENANCE OPERATOR (SASO)

4.3 Leased Premises (Sublessee or Multiple Activities)

4.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following square footages, which are not cumulative:

	Group I Piston and Turboprop Aircraft Maintenance	Group II Piston and Turboprop Aircraft Maintenance	Group I Turbine Aircraft Maintenance	Group II Turbine Aircraft Maintenance	Group III Turbine Aircraft Maintenance
Contiguous Land	N/A	N/A	N/A	N/A	N/A
Total Facilities	3,800 SF	5,550 SF	7,300 SF	11,550 SF	16,800 SF
Customer Area	Accessible	Accessible	Accessible	Accessible	Accessible
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	500 SF	750 SF	1,000 SF	1,250 SF	1,500 SF
Hanger	3,000 SF	4,500 SF	6,000 SF	10,000 SF	15,000 SF

4.3.1.1 Apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar and parking of customer Aircraft.

4.3.1.2 Facilities shall include customer, administrative, maintenance, and hangar areas.

4.3.1.2.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.

4.3.1.2.2 Administrative area shall be dedicated to the provision of Aircraft Maintenance and shall include adequate space for employee offices, work areas, and storage.

4.3.1.2.3 Maintenance area shall include dedicated space for employee work areas, shop areas, and storage.

4.3.1.2.4 Hangar area shall be at least equal to the square footage stipulated for the type of maintenance being provided (as identified above) or large enough to accommodate the largest Aircraft undergoing Aircraft Maintenance (other than Preventative Aircraft Maintenance), whichever is greater.

4.3.1.3 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

4.4 Aircraft Painting

4.4.1 Operator desiring to offer Aircraft painting services shall provide a separate enclosed painting area of sufficient size to accommodate the largest Aircraft serviced. Such facility shall meet all applicable Regulatory Measures.

4.5 Licenses and Certification

4.5.1 Operator conducting turboprop or turbine Aircraft Maintenance shall be properly certificated as an FAA Repair Station.

4.5.2 Personnel shall be properly certificated by the FAA, and hold the appropriate ratings and medical certification for the work being performed.

4.6 Personnel

4.6.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out Aircraft Maintenance in a courteous, prompt, and efficient manner and meet the reasonable demands of the public for this Activity.

AIRCRAFT MAINTENANCE OPERATOR (SASO)

4.6.1.1 Operator shall employ two FAA licensed Airframe and Powerplant mechanics.

4.6.1.2 Operator shall employ one customer service representative.

4.7 Equipment

4.7.1 Operator shall provide sufficient shop space, equipment, supplies, and availability of parts as required for certification as an FAA Repair Station.

4.8 Hours of Activity

4.8.1 Operator shall be open and services shall be available to meet reasonable demands of the public for this Activity, at least five days a week, eight hours a day and available on call after hours, with response time not to exceed 60 minutes.

4.9 Insurance

4.9.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AVIONICS, INSTRUMENT, OR
 PROPELLER MAINTENANCE OPERATOR (SASO)**

5.0 AVIONICS, INSTRUMENT, OR PROPELLER MAINTENANCE OPERATOR (SASO)

5.1 Definition

- 5.1.1 An Avionics, Instrument, or Propeller Maintenance Operator is a Commercial Operator engaged in the business of maintenance or alteration of one or more of the items described in Part 43, Appendix A (i.e., Aircraft radios, electrical systems, propellers, instruments, or accessories).
- 5.1.2 In addition to the General Requirements set forth in Section 2, each Avionics, Instrument, or Propeller Maintenance Operator at the Airport shall comply with the following Minimum Standards.

5.2 Leased Premises (Lessee)

- 5.2.1 Operator other than an authorized Sublessee engaging in this Activity shall have adequate land, Apron, facilities, and Vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following square footages, which are not cumulative:

- 5.2.1.1 For Operators performing just benchwork (i.e., no removal and replacement services being performed), the minimums, which are based upon the type of Aircraft avionics, instruments, and/or propellers being tested and/or repaired, are as follows:

	Group I Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group II Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group I Turbine Aircraft Avionics/ Instruments/ Propellers	Group II Turbine Aircraft Avionics/ Instruments/ Propellers	Group III Turbine Aircraft Avionics/ Instruments/ Propellers
Contiguous Land	21,780 SF	21,780 SF	21,780 SF	21,780 SF	21,780 SF
Total Facilities	1,000 SF	1,200 SF	1,400 SF	1,600 SF	1,800 SF
Customer Area	400 SF	400 SF	400 SF	400 SF	400 SF
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	300 SF	500 SF	700 SF	900 SF	1,100 SF

- 5.2.1.2 For Operators performing services beyond benchwork (i.e., removal and replacement services being performed), the minimums, which are based upon the type of Aircraft avionics, instruments, and/or propellers being tested and/or repaired, are as follows:

	Group I Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group II Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group I Turbine Aircraft Avionics/ Instruments/ Propellers	Group II Turbine Aircraft Avionics/ Instruments/ Propellers	Group III Turbine Aircraft Avionics/ Instruments/ Propellers
Contiguous Land	21,780 SF	21,780 SF	21,780 SF	35,000 SF	51,000 SF
Total Facilities	4,000 SF	5,700 SF	7,400 SF	11,600 SF	16,800 SF
Customer Area	400 SF	400 SF	400 SF	400 SF	400 SF
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	300 SF	500 SF	700 SF	900 SF	1,100 SF
Hangar	3,000 SF	4,500 SF	6,000 SF	10,000 SF	15,000 SF

- 5.2.2 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on Contiguous Land.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AVIONICS, INSTRUMENT, OR
 PROPELLER MAINTENANCE OPERATOR (SASO)**

- 5.2.3 If a hangar is required or if Operator has constructed a hangar, Apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of customer Aircraft. If a hangar is not required, Apron shall be adequate to accommodate the movement and parking of customer Aircraft.
- 5.2.4 Facilities shall include customer, administrative, maintenance, and hangar (if required) areas.
 - 5.2.4.1 Customer area shall include dedicated space for customer lounge(s), public telephones, and restrooms.
 - 5.2.4.2 Administrative area shall include dedicated space for employee offices, work areas, and storage.
 - 5.2.4.3 Maintenance area shall include dedicated space for employee work areas, shop areas, and storage.
 - 5.2.4.4 Hangar area shall be at least equal to the square footage stipulated for the type of service being provided (as identified above) or large enough to accommodate the largest Aircraft undergoing avionics, instruments, and/or propeller removal and replacement services, whichever is greater.
- 5.2.5 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

5.3 Leased Premises (Sublessee or Multiple Activities)

- 5.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate Apron, facilities, and Vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following square footages, which are not cumulative:
 - 5.3.1.1 For Operators performing just benchwork (i.e., no removal and replacement services being performed), the minimums, which are based upon the type of Aircraft avionics, instruments, and/or propellers being tested and/or repaired, are as follows:

	Group I Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group II Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group I Turbine Aircraft Avionics/ Instruments/ Propellers	Group II Turbine Aircraft Avionics/ Instruments/ Propellers	Group III Turbine Aircraft Avionics/ Instruments/ Propellers
Contiguous Land	N/A	N/A	N/A	N/A	N/A
Total Facilities	600 SF	800 SF	1,000 SF	1,200 SF	1,400 SF
Customer Area	Accessible	Accessible	Accessible	Accessible	Accessible
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	300 SF	500 SF	700 SF	900 SF	1,100 SF

- 5.3.1.2 For Operators performing services beyond benchwork (i.e., removal and replacement services are being provided), the minimums, which are based upon the type of Aircraft avionics, instruments, and/or propellers being tested and/or repaired, are as follows:

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AVIONICS, INSTRUMENT, OR
 PROPELLER MAINTENANCE OPERATOR (SASO)**

	Group I Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group II Piston and Turboprop Aircraft Avionics/ Instruments/ Propellers	Group I Turbine Aircraft Avionics/ Instruments/ Propellers	Group II Turbine Aircraft Avionics/ Instruments/ Propellers	Group III Turbine Aircraft Avionics/ Instruments/ Propellers
Contiguous Land	N/A	N/A	N/A	N/A	N/A
Total Facilities	3,600 SF	5,300 SF	7,000 SF	11,200 SF	16,400 SF
Customer Area	Accessible	Accessible	Accessible	Accessible	Accessible
Administrative Area	300 SF	300 SF	300 SF	300 SF	300 SF
Maintenance Area	300 SF	500 SF	700 SF	900 SF	1,100 SF
Hangar	3,000 SF	4,500 SF	6,000 SF	10,000 SF	15,000 SF

5.3.2 Apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar and parking of customer Aircraft.

5.3.3 Facilities shall include customer, administrative, maintenance, and hangar areas.

5.3.3.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.

5.3.3.2 Administrative area shall be dedicated to the provision of Aircraft Maintenance and shall include adequate space for employee offices, work areas, and storage.

5.3.3.3 Maintenance area shall include adequate space for employee work areas, shop areas, and storage.

5.3.3.4 Hangar area shall be at least equal to the square footage stipulated for the type of service being provided (as identified above) or large enough to accommodate the largest Aircraft undergoing avionics, instruments, and/or propeller removal and replacement services, whichever is greater.

5.3.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

5.4 Licenses and Certifications

5.4.1 Operator shall be properly certificated as an FAA Repair Station.

5.4.2 Personnel shall be properly certificated by the FAA, and hold the appropriate ratings and medical certification for the work being performed.

5.5 Personnel

5.5.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out Activity in a courteous, prompt, and efficient manner adequate to meet the reasonable demands of the public seeking such services.

5.5.1.1 Operator shall employ one technician as an Employee.

5.5.1.2 Operator shall employ one customer service representative, per shift, as an Employee.

5.6 Equipment

5.6.1 Operator shall provide sufficient shop space, equipment, supplies, and availability of parts as required for certification as an FAA Repair Station.

5.7 Hours of Activity

5.7.1 Operator shall be open and services shall be available to meet the reasonable demands of the public for this Activity five days a week, eight hours a day.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AVIONICS, INSTRUMENT, OR
PROPELLER MAINTENANCE OPERATOR (SASO)**

5.8 Insurance

- 5.8.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

6.0 AIRCRAFT RENTAL, FLYING CLUB, OR FLIGHT TRAINING OPERATOR (SASO)

6.1 Definitions

- 6.1.1 An Aircraft Rental Operator is a Commercial Operator engaged in the rental of Aircraft to the general public.
- 6.1.2 A Flying Club Operator is an entity engaged in owning Aircraft and making such Aircraft available for use by its members where membership is available to the general public.
 - 6.1.2.1 A Private Flying Club is an entity that is legally formed as a non-profit entity with the State of California, operates on a non-profit basis (so as not to receive revenues greater than the costs to operate, maintain, acquire and/or replace Flying Club aircraft), and restricts membership from the general public (i.e., does not advertise its membership availability to the general public).
- 6.1.3 A Flight Training Operator is a Commercial Operator engaged in providing flight instruction to the general public and/or providing such related ground school instruction as is necessary to take the written examination and flight check for the category or categories of pilots' licenses and ratings involved.
- 6.1.4 In addition to the General Requirements set forth in Section 2, each Aircraft Rental, Flying Club, or Flight Training Operator at the Airport shall comply with the following Minimum Standards.

6.2 Leased Premises (Lessee)

- 6.2.1 Operator other than an authorized Sublessee engaging in this Activity shall have adequate land, apron, facilities, and Vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following:
 - 6.2.1.1 Contiguous Land -- one-half acre (21,780 square feet) upon which all required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located.
 - 6.2.1.2 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport but not less than the space required to accommodate four Aircraft.
 - 6.2.1.2.1 If Operator constructs or has a hangar, apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of Operator's Aircraft.
 - 6.2.1.2.2 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.
 - 6.2.1.3 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 6.2.1.3.1 Customer area shall be at least 700 square feet to include dedicated space for customer lounge(s), class/training rooms, public telephones, and restrooms.
 - 6.2.1.3.2 Administrative area shall be at least 300 square feet to include dedicated space for employee offices, work areas, and storage.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AIRCRAFT RENTAL, FLYING CLUB, OR
FLIGHT TRAINING OPERATOR (SASO)**

- 6.2.1.3.3 Maintenance area, if required, shall be at least 500 square feet to include dedicated space for employee work areas, shop areas, and storage.
- 6.2.1.3.4 Hangar area, if required, shall be at least 3,000 square feet or large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport, whichever is greater.

6.2.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

6.3 Leased Premises (Sublessee or Multiple Activities)

6.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate apron, facilities, and Vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following:

- 6.3.1.1 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport.
- 6.3.1.2 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 6.3.1.2.1 Customer area shall be at least 300 square feet to include dedicated space for class/training rooms. Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.
 - 6.3.1.2.2 Administrative area shall be at least 300 square feet to include dedicated space for employee offices, work areas, and storage.
 - 6.3.1.2.3 Maintenance area, if required, shall be at least 500 square feet to include dedicated space for employee work areas, shop areas, and storage.
 - 6.3.1.2.4 Hangar area, if required, shall be large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport.
- 6.3.1.3 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

6.4 Licenses and Certifications

6.4.1 Personnel performing Aircraft proficiency checks and/or flight training shall be properly certificated by the FAA, and hold the appropriate ratings and medical certification for the Aircraft being utilized and/or flight training being provided.

6.5 Personnel

- 6.5.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out Aircraft rental and/or flight training in a courteous, prompt, and efficient manner adequate to meet the reasonable demands of the public and/or members seeking such services.
 - 6.5.1.1 Aircraft Rental Operators and Flying Club Operators shall employ one flight instructor and one customer service representative on each shift.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AIRCRAFT RENTAL, FLYING CLUB, OR
FLIGHT TRAINING OPERATOR (SASO)**

6.5.1.2 Flight Training Operators shall employ one chief flight instructor and one customer service representative on each shift. In addition, Flight Training Operators shall have available a properly certificated ground school instructor capable of providing regularly scheduled ground school instruction sufficient to enable student to pass the FAA written examinations for private pilot and commercial ratings.

6.6 Equipment

6.6.1 Operator shall have available for rental or use in flight training, either owned by or under written lease to (and under the full and exclusive control of) Operator, no less than three properly certified and currently airworthy Aircraft, at least one of which shall be equipped for and fully capable of flight under instrument conditions and one of which shall be a four-place aircraft.

6.6.2 Flight Training Operators shall include, at a minimum, adequate mock-ups, pictures, slides, filmstrips, movies, video tapes, or other training aids necessary to provide proper and effective ground school instruction.

6.7 Hours of Activity

6.7.1 An Aircraft Rental Operator and a Flight Training Operator shall be open and services shall be available to meet the reasonable demands of the public for this Activity five days a week, eight hours a day.

6.8 Private Flying Clubs

6.8.1 Private Flying Clubs shall not be required to meet the minimum standards stipulated for a Flying Club so long as the Private Flying Club's membership is not available to the general public.

6.8.2 No member of a Private Flying Club shall receive compensation for providing Commercial Aeronautical Activities for such Private Flying Club or its members unless such member is an authorized Operator with LAWA.

6.8.3 No entity shall use Private Flying Club Aircraft at the Airport in exchange for compensation unless such entity is an authorized Operator with LAWA.

6.9 Insurance

6.9.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

7.0 AIRCRAFT CHARTER OR AIRCRAFT MANAGEMENT OPERATOR (SASO)

7.1 Definition

- 7.1.1 An Aircraft Charter Operator is a Commercial Operator engaged in the business of providing air taxi services (for persons or property) to the general public for hire (on-demand), as defined in the 14 CFR Part 135.
- 7.1.2 An Aircraft Management Operator is a Commercial Operator engaged in the business of providing aircraft management including, but not limited to, flight dispatch, flight crews, or aircraft maintenance coordination to the general public.
- 7.1.3 In addition to the General Requirements set forth in Section 2, each Aircraft Charter or Aircraft Management Operator at the Airport shall comply with the following Minimum Standards.

7.2 Leased Premises (Lessee)

- 7.2.1 Operator other than an authorized Sublessee engaging in this Activity shall have adequate land, Apron, facilities, and Vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following:
 - 7.2.1.1 Contiguous land – one-half acre (21,780 square feet) upon which all required Improvements including, but not limited to, Apron, Vehicle parking, roadway access, landscaping, and all facilities shall be located.
 - 7.2.1.2 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport but not less than the space required to accommodate four Aircraft.
 - 7.2.1.2.1 If Operator constructs or has a hangar, Apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of Operator's Aircraft.
 - 7.2.1.2.2 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.
 - 7.2.1.3 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 7.2.1.3.1 Customer area shall be at least 500 square feet to include dedicated space for customer lounge(s), public telephones, and restrooms.
 - 7.2.1.3.2 Administrative area shall be at least 600 square feet and shall include dedicated space for employee offices, work areas, and storage.
 - 7.2.1.3.3 Maintenance area, if required, shall be at least 500 square feet and shall include dedicated space for employee work areas, shop areas, and storage.
 - 7.2.1.3.4 Hangar area, if required, shall be at least 3,000 square feet or large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport, whichever is greater.
 - 7.2.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

7.3 Leased Premises (Sublessee or Multiple Activities)

- 7.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate apron/paved tiedown, facilities, and vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following:
- 7.3.1.1 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport.
 - 7.3.1.1.1 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.
 - 7.3.1.2 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 7.3.1.2.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.
 - 7.3.1.2.2 Administrative area shall be at least 600 square feet and shall include dedicated space for employee offices, work areas, and storage.
 - 7.3.1.2.3 Maintenance area, if required, shall be at least 500 square feet and shall include dedicated space for employee work areas, shop areas, and storage.
 - 7.3.1.2.4 Hangar area, if required, shall be large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport.
 - 7.3.1.3 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

7.4 Licenses and Certifications

- 7.4.1 Operator shall have and provide copies to LAWA of all appropriate certifications and approvals, including without limitation, the Pre-application Statement of Intent (FAA Form 8400-6), the Registrations and Amendments under Part 298 (OST Form 4507), and FAA issued operating certificate(s).
- 7.4.2 Personnel shall be properly certificated by the FAA, and hold the appropriate ratings and medical certification for the Aircraft utilized for Activity.

7.5 Personnel

- 7.5.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out Activity in a courteous, prompt, and efficient manner adequate to meet the reasonable demands of the public seeking such services.
- 7.5.1.1 Operator shall employ one Chief Pilot.
 - 7.5.1.2 Operator shall employ one customer service representative on each shift.

7.6 Equipment

- 7.6.1 Operator shall provide, either owned or under written lease to (and under the full and exclusive control of) Operator, one certified and continuously airworthy multi-engine (instrument-qualified) Aircraft or one certified and continuously airworthy (instrument-qualified) single-engine turboprop or turbine Aircraft.

Executive Directive: VNY 01.0 (4/22/02), Minimum Standards for Engaging in Aeronautical Activities
**AIRCRAFT CHARTER OR
AIRCRAFT MANAGEMENT OPERATOR (SASO)**

7.7 Hours of Activity

7.7.1 Operator shall be open and services shall be available to meet the reasonable demands of the public for this Activity five days a week, eight hours a day. After hours, on-call response time to customer inquiries shall not exceed 60 minutes.

7.8 Insurance

7.8.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

AIRCRAFT SALES OPERATOR (SASO)

8.0 AIRCRAFT SALES OPERATOR (SASO)

8.1 Definition

- 8.1.1 An Aircraft Sales Operator is a Commercial Operator engaged in the sale of new and/or used Aircraft.
- 8.1.2 In addition to the General Requirements set forth in Section 2, each Aircraft Sales Operator at the Airport shall comply with the following Minimum Standards.

8.2 Leased Premises (Lessee)

- 8.2.1 Operator, other than an authorized Sublessee engaging in this Activity, shall have adequate land, Apron, facilities, and vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following:
 - 8.2.1.1 Contiguous Land – one-half acre (21,780 square feet) upon which all required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located.
 - 8.2.1.2 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport (inventory) but not less than the space required to accommodate four Aircraft.
 - 8.2.1.2.1 If Operator constructs or has a hangar, Apron shall be equal to one times the hangar square footage, or adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of Operator's fleet based at the Airport (inventory), whichever is greater.
 - 8.2.1.2.2 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport (inventory), no paved tiedowns will be required.
 - 8.2.1.3 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator and/or in Operator's inventory. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 8.2.1.3.1 Customer area shall be at least 400 square feet and shall include dedicated space for customer lounge(s), public telephones, and restrooms.
 - 8.2.1.3.2 Administrative area shall be at least 200 square feet and shall include dedicated space for employee offices, work areas, and storage.
 - 8.2.1.3.3 Maintenance area, if required, shall be at least 500 square feet and shall include dedicated space for employee work areas, shop areas, and storage.
 - 8.2.1.3.4 Hangar area, if required, shall be at least 3,000 square feet or large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport, whichever is greater.
 - 8.2.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

8.3 Leased Premises (Sublessee or Multiple Activities)

- 8.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate apron/paved tiedown,

AIRCRAFT SALES OPERATOR (SASO)

facilities, and vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following:

- 8.3.1.1 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport.
 - 8.3.1.1.1 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.
- 8.3.1.2 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator and/or in Operator's inventory. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 8.3.1.2.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.
 - 8.3.1.2.2 Administrative area shall be at least 200 square feet to include dedicated space for employee offices, work areas, and storage.
 - 8.3.1.2.3 Maintenance area, if required, shall be at least 500 square feet to include dedicated space for employee work areas, shop areas, and storage.
 - 8.3.1.2.4 Hangar area, if required, shall be large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport.
- 8.3.1.3 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

8.4 Dealership

- 8.4.1 An operator who is an authorized factory sales franchise, dealer, or distributor, either on a retail or wholesale basis, shall have available or shall make available (with advance notice) at least one current model demonstrator of Aircraft in each of its authorized product lines.

8.5 Licenses and Certifications

- 8.5.1 Designated personnel shall be properly certificated by the FAA, and hold the appropriate ratings and medical certification for providing flight demonstration in all Aircraft offered for sale.

8.6 Personnel

- 8.6.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out Activity in a courteous, prompt, and efficient manner adequate to meet the reasonable demand of the public seeking such services.

8.7 Equipment

- 8.7.1 Operator shall provide necessary and satisfactory arrangements for Aircraft Maintenance in accordance with any sales guarantee or warranty period.

8.8 Hours of Activity

- 8.8.1 Operator shall be open and service shall be available to meet the reasonable demands of the public for this Activity five days a week, eight hours a day.

AIRCRAFT SALES OPERATOR (SASO)

8.9 Insurance

8.9.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

9.0 SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

9.1 Definition

9.1.1 A Specialized Commercial Aeronautical Operator is a Commercial Operator engaged in providing Limited Aircraft Services and Support, Miscellaneous Commercial Services and Support, or Air Transportation Services for Hire.

9.1.1.1 **Limited Aircraft Services and Support** - are defined as limited Aircraft, engine, or accessory support (for example, washing, cleaning, painting, upholstery, etc.) or other miscellaneous Activities directly related to Aircraft services and support.

9.1.1.2 **Miscellaneous Commercial Services and Support** - are defined as ground schools, simulator training, charter flight coordinators, aircrew or aviation management, or any other miscellaneous Activities directly related to supporting or providing support services for a Commercial Activity.

9.1.1.3 **Air Transportation Services for Hire** - are defined as non-stop sightseeing flights (flights that begin and end at the Airport and are conducted within a 25-statute mile radius of the Airport); flights for aerial photography or survey, fire fighting, power line, underground cable, or pipe line patrol; or any other miscellaneous Activities directly related to air transportation services for hire (e.g., helicopter operations in construction or repair work).

9.1.2 In addition to the General Requirements set forth in Section 2, each Specialized Commercial Aeronautical Operator at the Airport shall comply with the following Minimum Standards.

9.2 Leased Premises (Lessee)

9.2.1 Operator, other than an authorized Sublessee engaging in this Activity, shall have adequate land, Apron, facilities, and Vehicle parking to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following:

9.2.1.1 Contiguous Land – one-half acre (21,780 square feet) upon which all required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located.

9.2.1.2 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport but not less than the space required to accommodate four Aircraft.

9.2.1.2.1 If Operator has a hangar, Apron shall be adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of Operator's Aircraft, whichever is greater.

9.2.1.2.2 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.

9.2.1.3 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.

9.2.1.3.1 Customer area shall be at least 400 square feet and shall include dedicated space for customer lounge(s), public telephones, and restrooms.

SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

- 9.2.1.3.2 Administrative area shall be at least 200 square feet or sufficient to accommodate the administrative functions associated with the Activity, whichever is greater, and shall include dedicated space for employee offices, work areas, and storage.
- 9.2.1.3.3 Maintenance area, if required, shall be at least 500 square feet and shall include dedicated space for employee work areas, shop areas, and storage.
- 9.2.1.3.4 Hangar area, if required, shall be at least 3,000 square feet or large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport, whichever is greater.
- 9.2.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

9.3 Leased Premises (Sublessee or Multiple Activities)

9.3.1 Operator engaging in this Activity as well as other Activities or an authorized Sublessee engaging in this Activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all Activities of the Operator, but not less than the following:

- 9.3.1.1 Apron/Paved Tiedowns shall be adequate to accommodate the total number of Aircraft in Operator's fleet based at the Airport.
 - 9.3.1.1.1 If Operator utilizes a hangar for the storage of Operator's fleet based at the Airport, no paved tiedowns will be required.
- 9.3.1.2 Facilities shall include customer and administrative areas. Maintenance and hangar areas are required if Operator is conducting Aircraft Maintenance on Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator. If Operator provides Aircraft Maintenance on other Aircraft, Operator shall meet the Minimum Standards for an Aircraft Maintenance Operator.
 - 9.3.1.2.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), public telephones, and restrooms.
 - 9.3.1.2.2 Administrative area shall be sufficient to accommodate the administrative functions associated with the Activity and shall include dedicated space for employee offices, work areas, and storage.
 - 9.3.1.2.3 Maintenance area, if required, shall be at least 500 square feet and shall include dedicated space for employee work areas, shop areas, and storage.
 - 9.3.1.2.4 Hangar area, if required, shall be large enough to accommodate the largest Aircraft in Operator's fleet being maintained by Operator at the Airport.
- 9.3.1.3 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

9.4 Licenses and Certifications

9.4.1 Operator shall have and provide to LAWA evidence of all federal, state, and local licenses and certificates that are required to conduct the Activity.

SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

9.5 Personnel

9.5.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out its Activity in a courteous, prompt, and efficient manner adequate to meet the reasonable demands of the public seeking such services.

9.6 Equipment

9.6.1 Operator shall have (based at the Airport), either owned or under written lease to Operator, sufficient vehicles, equipment, and, if appropriate, one continuously airworthy Aircraft.

9.6.2 Operator shall have sufficient supplies and parts available to support the Activity.

9.7 Hours of Activity

9.7.1 Operator shall be open and services shall be available during hours normally maintained by entities operating competitive businesses at the Airport.

9.8 Insurance

9.8.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

**TEMPORARY SPECIALIZED
COMMERCIAL AERONAUTICAL OPERATOR (SASO)**

10.0 TEMPORARY SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR

10.1 Introduction

10.1.1 LAWA recognizes that Aircraft Operators using the Airport may require specialized assistance with the maintenance of their Aircraft and or flight training of their pilots. When this assistance is not available on the Airport through an existing Operator due to either the specialized nature of the maintenance and/or flight training requirements, LAWA may allow an Aircraft Operator to solicit and utilize the services of a qualified entity to provide said services.

10.1.2 In addition to the General Requirements set forth in Section 2, each Temporary Specialized Commercial Aeronautical Operator at the Airport shall comply with the following Minimum Standards.

10.2 Scope of Activity

10.2.1 Operator shall conduct Activity on and from the Leased Premises of the Aircraft Operator in a professional manner consistent with the degree of care and skill exercised by experienced Operators providing comparable products and services and engaging in similar Activities.

10.3 Permit

10.3.1 Operator shall obtain a Temporary Permit (issued by LAWA) prior to engaging in Activity on the Airport.

10.4 Licenses and Certifications

10.4.1 Operator shall have and provide to LAWA evidence of all federal, state, and local licenses and certificates that are required.

10.5 Insurance

10.5.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A – Schedule of Minimum Insurance Requirements.

COMMERCIAL APRON OPERATOR (SASO)

11.0 COMMERCIAL APRON OPERATOR (SASO)

11.1 Definition

- 11.1.1 A Commercial Apron Operator is a Commercial Operator that develops, constructs, owns, or leases apron for the purpose of subleasing apron to entities engaging in Non-Commercial Aeronautical Activities.
- 11.1.2 In addition to the General Requirements set forth in Section 2, each Commercial Apron Operator at the Airport shall comply with the following Minimum Standards.

11.2 Scope of Activity

- 11.2.1 Operator shall use the Leased Premises to: (1) store or maintain Operator or sublessee Aircraft, (2) sublease apron for the construction or placement of non-permanent aircraft storage facilities.

11.3 Leased Premises

- 11.3.1 Operator engaging in this Activity shall have adequate land, apron, and vehicle parking, to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following square footages, which are not cumulative:

	Group I Piston and Turboprop Aircraft Hangar Storage	Group II Piston and Turboprop Aircraft Hangar Storage	Group I Turbine Aircraft Hangar Storage	Group II Turbine Aircraft Hangar Storage	Group III Turbine Aircraft Hangar Storage
Contiguous Land	43,560 SF	54,450 SF	65,340 SF	76,230 SF	87,120 SF
Apron	32,670 SF	40,838 SF	49,005 SF	57,172 SF	65,340 SF

- 11.3.1.1 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, and landscaping shall be located on Contiguous Land.
- 11.3.1.2 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

11.4 Insurance

- 11.4.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

COMMERCIAL HANGAR OPERATOR (SASO)

12.0 COMMERCIAL HANGAR OPERATOR (SASO)

12.1 Definition

- 12.1.1 A Commercial Hangar Operator is a Commercial Operator that develops, constructs, owns, or leases a hangar structure(s) for the sole purpose of subleasing hangar and associated office or shop space to entities engaging in Commercial or Non-Commercial Aeronautical Activities.
- 12.1.2 In addition to the General Requirements set forth in Section 2, each Commercial Hangar Operator at the Airport shall comply with the following Minimum Standards.

12.2 Scope of Activity

- 12.2.1. Operator shall use the Leased Premises to: (1) store or maintain Operator or sublessee Aircraft, (2) sublease associated office and shop space that can be used for approved Commercial or Non-Commercial Aeronautical Activities.

12.3 Leased Premises

- 12.3.1 Operator engaging in this Activity shall have adequate land, apron, facilities, and vehicle parking, to accommodate all Activities of the Operator and all approved Sublessees, but not less than the following:

	Group I Piston and Turboprop Aircraft Hangar Storage	Group II Piston and Turboprop Aircraft Hangar Storage	Group I Turbine Aircraft Hangar Storage	Group II Turbine Aircraft Hangar Storage	Group III Turbine Aircraft Hangar Storage
Contiguous Land	43,560 SF	54,450 SF	65,340 SF	76,230 SF	87,120 SF
Hangar	5,000 SF	7,500 SF	10,000 SF	12,500 SF	15,000 SF

- 12.3.1.1 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on Contiguous Land.
- 12.3.1.2 Apron/Paved Tiedown shall be equal to one times the hangar square footage or adequate to accommodate the movement of Aircraft into and out of the hangar, staging, and parking of Aircraft, whichever is greater.
- 12.3.1.3 The development of Commercial hangar(s) shall be limited to the following types of hangar structures:
 - 12.3.1.3.1 Hangar – a single structure of not less than 2,500 square feet, completely enclosed.
 - 12.3.1.3.2 Hangars - a single structure of not less than 5,000 square feet, subdivided and configured (although each unit shall not be less than 1,250 square feet) to accommodate individual bays for the storage of private Aircraft.
- 12.3.1.4 Vehicle parking shall be sufficient to accommodate customers and employees on a daily basis.

12.4 Insurance

- 12.4.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

NON-COMMERCIAL HANGAR OPERATOR

13.0 NON-COMMERCIAL HANGAR OPERATOR

13.1 Definition

- 13.1.1 A Non-Commercial Hangar Operator is an entity that develops, constructs, owns, or leases one or more hangar structures for the sole purpose of storing Aircraft used for Non-Commercial purposes only.
- 13.1.2 In addition to the General Requirements set forth in Section 2, each Non-Commercial Hangar Operator at the Airport shall comply with the following Minimum Standards.

13.2 Scope of Activity

- 13.2.1 Operator shall use the Leased Premises solely to store and maintain Aircraft owned or leased or operated by (and under the full and exclusive control of) Operator for Non-Commercial purposes.
- 13.2.2 No Commercial Activity of any kind shall be permitted on or from the Leased Premises.
- 13.2.3 Operator shall not be permitted to sublease any land or Improvements located on the Leased Premises to any entity for any purpose.

13.3 Leased Premises

- 13.3.1 Operator engaging in this Activity shall have adequate land, apron, facilities, and vehicle parking to accommodate all Activities of the Operator, but not less than the following square footages, which are not cumulative:

	Group I Piston and Turboprop Aircraft Hangar Storage	Group II Piston and Turboprop Aircraft Hangar Storage	Group I Turbine Aircraft Hangar Storage	Group II Turbine Aircraft Hangar Storage	Group III Turbine Aircraft Hangar Storage
Contiguous Land	10,890 SF	13,068 SF	17,424 SF	23,958 SF	34,848 SF
Hangar	2,500 SF	5,000 SF	7,500 SF	10,000 SF	15,000 SF

- 13.3.1.1 All required Improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on Contiguous Land.
- 13.3.1.2 Apron or Paved Tiedown – equal to one times the hangar square footage or adequate to accommodate the movement of Aircraft into and out of the hangar and parking of Operator's Aircraft, whichever is greater.
- 13.3.1.3 The development of Non-Commercial hangar(s) shall be limited to the following types of hangar structures:
 - 13.3.1.3.1 Hangar – a single structure of not less than 2,500 square feet, completely enclosed.
 - 13.3.1.3.2 Hangars – a single structure of not less than 5,000 square feet, sub-divided and configured (although each unit shall not be less than 1,250 square feet) to accommodate individual bays for the storage of private aircraft.
- 13.3.1.4 Vehicle parking shall be sufficient to accommodate employees on a daily basis.

NON-COMMERCIAL HANGAR OPERATOR

13.4 Ownership Structure

- 13.4.1 Hangar development may be accomplished by any entity, including Associations.
 - 13.4.1.1 Association membership shall be contingent upon ownership interest in the Association of a proportionate share of the Non-Commercial hangar facility which shall consist of not less than one Individual t-hangar or an equal portion of a community (or "common") hangar area which is consistent with the total number of members/shareholders (such area not to be less than 1,000 total square feet).
 - 13.4.1.2 All members/shareholders of the Association shall be declared to LAWA at the time the application for development and Activity is submitted. Thereafter, the Association and/or each member/shareholder of the Association shall be required to demonstrate ownership (as required herein) as requested by LAWA from time to time. Association shall appoint (be represented by) one individual. The hangar facilities developed and utilized by the Association shall be exclusively for storage of aircraft owned by the member(s)/shareholder(s) of the Association.
 - 13.4.1.3 The Association may not utilize nor cause the Leased Premises to be utilized for speculative development of either the Leased Premises or the Improvements located thereupon.
 - 13.4.1.4 Each member/shareholder of the Association shall be responsible and jointly and severally liable with all other members/shareholders for the Association's compliance with these Minimum Standards, and each member/shareholder of the Association shall, upon written request, provide appropriate written confirmation of membership status or share ownership. All Association members/shareholders declared to LAWA in accordance with paragraph 13.4.1.2 hereof shall remain jointly and severally liable to LAWA for the Association's compliance with these Minimum Standards, regardless of whether the membership or ownership of the Association changes, unless a release of the liability of a former Association member is approved in writing by LAWA.

13.5 Insurance

- 13.5.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

SELF-FUELING

14.0 SELF-FUELING

14.1 Introduction

- 14.1.1 All entities desirous of self-fueling shall be accorded a fair and reasonable opportunity, without unlawful discrimination, to qualify and receive a Non-Commercial Self-Fueling Permit (Self-Fueling Permit). Those entities that have leases granting them the rights to perform Commercial fueling are not required to apply for a Non-Commercial Self-Fueling Permit.
- 14.1.2 The following section sets forth the standards prerequisite to an entity desirous of engaging in Non-Commercial self-fueling activities at the Airport. Any entity engaging in such Activities shall also be required to comply with all applicable Regulatory Measures pertaining to such Activities.
- 14.1.3 In addition to the applicable General Requirements set forth in Section 2, each entity conducting Non-Commercial self-fueling activities at the Airport shall comply with the following Minimum Standards.

14.2 Agreement/Approval

- 14.2.1 No entity shall engage in self-fueling activities unless a valid Self-Fueling Permit authorizing such Activity has been entered into with LAWA. Such entities shall herein be referred to as "Permittees."
- 14.2.2 The Self-Fueling Permit shall not reduce or limit Permittee's obligations with respect to these Minimum Standards, which shall be included in the Self-Fueling Permit by reference.
- 14.2.3 Prior to issuance and subsequently upon request by LAWA, Permittee shall provide evidence of ownership (and/or lease) of any Aircraft being operated (and under the full and exclusive control of) and fueled by Permittee.

14.3 Reporting

- 14.3.1 Permittee shall report all fuel dispensed during each calendar month and submit a summary report along with appropriate fees and charges due LAWA on or before the 10th of each subsequent month.
- 14.3.2 Permittee shall, during the term of the Self-Fueling Permit, and for 3 years thereafter, maintain records identifying the total number of aviation fuel gallons purchased and delivered. Records shall be made available for audit to LAWA or representatives of LAWA within 10 business days upon written request. In the case of a discrepancy, Permittee shall promptly pay, in cash, all additional rates, fees, and charges due LAWA, plus interest on the unpaid balance at the maximum rate allowable by law from the date originally due.

14.4 Fuel Storage

- 14.4.1 Permittee shall arrange and demonstrate that satisfactory arrangements have been made for the storage of fuel through either an authorized FBO at the Airport or with a reputable off-airport aviation petroleum supplier/distributor.
- 14.4.2 Operators authorized by LAWA to construct or install a self-fuel storage facility at the Airport shall do so in a centrally located fuel storage area approved by LAWA and the state's Fire Marshal as applicable. In no event shall the total storage capacity be less than:
 - 14.4.2.1 12,000 gallons for Jet Fuel storage.
 - 14.4.2.2 10,000 gallons for Avgas storage.
- 14.4.3 Fuel may not be stored on the Leased Premises.

SELF-FUELING

- 14.4.4 Fuel suppliers utilized by Operator shall have a current and executed Non-Exclusive Revocable Fuel Delivery Permit (or updated permit) on file with LAWA.

14.5 Fueling Equipment

- 14.5.1 Permittee shall utilize a single refueling vehicle for each type of fuel to be dispensed with a minimum capacity of 750 gallons. Avgas refuelers shall have a maximum capacity of 1,200 gallons and jet refuelers shall have a maximum capacity of 3,000 gallons. All refueling vehicles shall be capable of bottom loading.
- 14.5.2 Each refueling vehicle shall be equipped and maintained to comply at all times with all applicable safety and fire prevention requirements or standards including, without limitation, those prescribed by:
- 14.5.2.1 These Minimum Standards and all other applicable Regulatory Measures.
 - 14.5.2.2 State of California Fire Code and the City of Los Angeles Fire Codes.
 - 14.5.2.3 National Fire Protection Association (NFPA) Codes.
 - 14.5.2.4 14 CFR Part 139, Airport Certification, Section 139.321; Handling/Storing of Hazardous Substances and Materials Applicable FAA Advisory Circulars (AC), including AC 00-34, "Aircraft Ground Handling and Servicing," and AC 150/5210-5, "Painting, Marking and Lighting of Vehicles Used On An Airport" (including updates).
- 14.5.3 Prior to transporting fuel onto the Airport, the Permittee shall provide LAWA with a Spill Prevention Contingency and Control (SPCC) Plan that meets regulatory requirements for above ground fuel storage facilities. An updated copy of such SPCC Plan shall be filed with LAWA at least 10 business days prior to actual implementation. Such plan shall describe, in detail, those methods that shall be used by the Permittee to clean up any potentially hazardous fuel spills. The Plan shall include equipment to be used, emergency contact personnel and their telephone numbers, and all other details as to how the Permittee will contain such a spill. This Plan shall also describe, in detail, what methods the Permittee intends to use to prevent any such spill from ever occurring.
- 14.5.4 In accordance with all applicable Regulatory Measures and appropriate industry practices, the Permittee shall develop and maintain Standard Operating Procedures (SOP) for fueling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A, entitled "Aircraft Ground Handling and Servicing" (including updates). The SOP shall include a training plan, fuel quality assurance procedures, record keeping, and emergency response procedures for fuel spills and fires. The SOP shall also address the following: (1) bonding and fire protection; (2) public protection; (3) control of access to refueling vehicle storage areas; and (4) marking and labeling of refueling vehicles. The SOP shall be submitted to LAWA not later than 10 business days before the Permittee commences self-fueling at the Airport. LAWA shall conduct inspections on a periodic basis to ensure compliance.

14.6 Limitations

- 14.6.1 Permittees shall be restricted from selling and/or dispensing fuels to based or transient Aircraft. Fueling of any Aircraft not owned or leased or operated by (and under the full and exclusive control of) Permittee shall constitute a violation of the Self-Fueling Permit and shall be grounds for immediate revocation of the Self-Fueling Permit.

SELF-FUELING

14.6.2 Prior to issuance and subsequently upon request by LAWA, Permittee shall provide evidence of ownership or lease (and the full and exclusive control) of any Aircraft being fueled.

14.7 Insurance

14.7.1 Permittee shall maintain, at a minimum, the coverages and policy limits set forth in Attachment A – Schedule of Minimum Insurance Requirements.

COMMERCIAL AERONAUTICAL ACTIVITY PERMIT

15.0 COMMERCIAL AERONAUTICAL ACTIVITY PERMIT

15.1 Application

- 15.1.1 Any entity desiring to engage in a Commercial Aeronautical Activity at the Airport shall submit a written application to LAWA for a Commercial Aeronautical Activities Permit (Permit).
- 15.1.2 The prospective Operator shall submit all of the information requested on the application form and thereafter shall submit any additional information that may be required or requested by LAWA in order to properly evaluate the application and/or facilitate an analysis of the prospective operation.
- 15.1.3 To the extent allowed by law, all information contained in an application shall be treated as confidential for discussion between and among LAWA representatives, Airport management, Airport staff, Airport advisors, and the applicant(s).

15.2 Approval

- 15.2.1 Once completed, the application and all accompanying materials shall be submitted to the Airport Manager for review and recommendation.
- 15.2.2 Once recommended for approval by the Airport Manager, the application will be sent to LAWA for review and approval. No application will be deemed complete that does not provide LAWA with the information necessary to allow LAWA to make a meaningful assessment of applicant's prospective operation and determine whether or not the prospective operation will comply with all applicable Regulatory Measures (including all applicable Policies and Directives) and be compatible with the Airport's Master Plan and/or Land Use Plan (if any).
- 15.2.3 After LAWA approves the application, the application will then be submitted to the Executive Director for approval and once the Executive Director (or designee) approves the application, a Permit will be issued.

15.3 Permit

15.3.1 Commercial Aeronautical Activities

- 15.3.1.1 The Permit will be valid as long as the Operator meets the following requirements:
 - 15.3.1.1.1 The information submitted in the Application is current. The Operator shall notify the Airport Manager in writing within fifteen (15) days of any change to the information submitted in the Application.
 - 15.3.1.1.2 The Operator is in compliance with all applicable Regulatory Measures including, but not limited to, LAWA Policies and Directives.
- 15.3.1.2 The Permit may not be assigned or transferred and shall be limited solely to the approved Activity.

15.3.2 Temporary or Special Use Permit

- 15.3.2.1 The Airport Manager may issue a temporary or special use Permit that allows an entity to engage in specific Activities, in designated areas, and only for a specified period of time, not to exceed one year.
- 15.3.2.2 The Permit will be valid only during the time period specified and only as long as the Operator complies with all applicable Regulatory Measures (including all applicable LAWA Policies and Directives).
- 15.3.2.3 The Permit may not be assigned or transferred and shall be limited solely to the approved Activity, the designated area, and the specified time period.

COMMERCIAL AERONAUTICAL ACTIVITY PERMIT

15.4 Existing Operator with an Existing Agreement

15.4.1 No Change in Scope of Activities

15.4.1.1 An existing Operator with an existing Agreement may engage in the Activities permitted under the Agreement without submitting an application for Permit provided that the Operator is in compliance with all applicable Regulatory Measures including, but not limited to, LAWA Policies and Directives.

15.4.2 Change in Scope of Activities

15.4.2.1 Prior to engaging in any Activity not permitted under the Agreement or changing or expanding the scope of the Activities permitted under the Agreement, the Operator shall submit a request through an application and obtain a Permit prior to engaging in the Activity.

15.5 Non-Commercial Operators

15.5.1 A permit is not required; however, the Operator shall only conduct activities approved in their Agreement and comply with all applicable Regulatory Measures including, but not limited to, LAWA Policies and Directives.

Executive Directive: VNY 01.0 (4/22/02),
Minimum Standards for Engaging in Aeronautical Activities, Attachment A

ATTACHMENT A - MINIMUM INSURANCE REQUIREMENTS

	Fixed Base Operator	Aircraft Maintenance	Avionics, Instrument, Propeller Repair	Aircraft Rental Flying Club Flight Training	Aircraft Charter or Aircraft Management	Aircraft Sales	Specialized Commercial	Temporary Specialized Commercial, Commercial Apron, and Commercial Hangar	Non-Commercial Hangar	Self-Fueling
COMMERCIAL GENERAL LIABILITY (Combined Single Limit)										
	Each Occurrence	\$5,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
VEHICULAR LIABILITY or BUSINESS AUTOMOBILE LIABILITY (Combined Single Limit)										
	Each Occurrence	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
HANGAR KEEPER'S LIABILITY (Largest Aircraft Accommodated)										
SE Piston Group I	Each Aircraft	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
	Each Occurrence	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
ME Piston Group I	Each Aircraft	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	Each Occurrence	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
SE Turboprop Group I	Each Aircraft	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	Each Occurrence	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
ME Turboprop Group I & II	Each Aircraft	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
	Each Occurrence	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Turbine Group I	Each Aircraft	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
	Each Occurrence	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Turbine Group II	Each Aircraft	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
	Each Occurrence	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Turbine Group III	Each Aircraft	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
	Each Occurrence	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000

Executive Directive: VNY 01.0 (4/22/02),
Minimum Standards for Engaging in Aeronautical Activities, Attachment A

ATTACHMENT A - MINIMUM INSURANCE REQUIREMENTS

AIRCRAFT AND PASSENGER LIABILITY (Combined Single Limit, Each Occurrence)	
SE Piston/Group I	\$1,000,000 CSL/\$100,000 sub limit per seat/passenger
ME Piston/Group I	\$1,000,000 CSL/\$100,000 sub limit per seat/passenger
Turboprop/Group I & II	\$5,000,000 CSL/\$200,000 sub limit per seat/passenger
Turbine/Group I	\$5,000,000 CSL/\$200,000 sub limit per seat/passenger
Turbine/ Group II	\$10,000,000 \$10,000,000 \$10,000,000
Turbine/Group III	\$10,000,000 \$10,000,000 \$10,000,000
Student and Renter Liability	\$100,000
CFI Professional Liability	\$100,000

Commercial General Liability to include bodily injury, personal injury, and property damage for all premises, products and completed operations, unlicensed vehicles, and contractual liability.

Vehicular Liability or Business Automobile Liability to include bodily injury and property damage for all vehicles (owned, non-owned, or hired).

Hangar Keeper's Liability to include property damage for all non-owned Aircraft under the care, custody, and control of the Operator.

Aircraft and Passenger Liability to include bodily injury, property damage, and passenger injury for all owned, leased, or operated Aircraft.

Student and Renter Liability to include bodily injury, personal injury, and property damage (excluding aircraft hull) for students and renters of Aircraft.

CFI Professional Liability to include bodily injury and property damage not only during dual flight instruction, but also after instruction has been given.

SE = Single engine aircraft.

ME = Multi engine aircraft.

Piston Aircraft = An Aircraft that utilizes a reciprocating engine for propulsion.

Turboprop Aircraft = An Aircraft that utilizes a gas turbine engine to drive a set of reduction gears, which, in turn, drives a propeller for propulsion.

Turbine Aircraft = An Aircraft that utilizes a form of heat engine that produces thrust by accelerating a relatively small mass of air through a large change in velocity for propulsion.

Group I = Aircraft Design Group with Aircraft having a wingspan up to but not including 49 feet.

Group II = Aircraft Design Group with Aircraft having a wingspan 49 feet up to but not including 79 feet.

Group III = Aircraft Design Group with Aircraft having a wingspan 79 feet up to but not including 118 feet.

RELATIONSHIP BETWEEN CAPITAL INVESTMENT AND LEASE TERM

This Executive Directive is issued in accordance with the Leasing Policy adopted by the Board of Airport Commissioners of LAWA (BOAC) on March 6, 2001. See in particular Sections 5.7, 5.9, and 7.3 of the Leasing Policy.

- 1.1 The term of a lease agreement shall be commensurate with the amount of capital investment made by the tenant in leasehold improvements and/or related improvements at the Airport in accordance with the following guidelines:

Type of Operator	Aircraft/Service Category	Required Capital Investment (Per Year of Lease Term)
FBO	All	\$17,000 per acre
SASO (without Hangar)	Group I Piston and Turboprop	\$3,000 per acre
SASO (without Hangar)	Group II Piston and Turboprop	\$5,000 per acre
SASO (without Hangar)	Group I, II, and III Turbine	\$8,000 per acre
SASO (with Hangar)	Group I Piston and Turboprop	\$12,000 per acre
SASO (with Hangar)	Group II Piston and Turboprop	\$15,000 per acre
SASO (with Hangar)	Group I, II, and III Turbine	\$17,000 per acre
Commercial Hangar Operator	Group I Piston and Turboprop	\$5,000 per acre
Commercial Hangar Operator	Group II Piston and Turboprop	\$8,000 per acre
Commercial Hangar Operator	Group I, II, and III Turbine	\$12,000 per acre
Non-commercial Hangar Operator	Group I Piston and Turboprop	\$20,000 per acre
Non-commercial Hangar Operator	Group II Piston and Turboprop	\$25,000 per acre
Non-commercial Hangar Operator	Group I, II, and III Turbine	\$35,000 per acre

- 1.2 When capital investment is made, the term of a lease agreement shall not be greater than 30 years unless approved by the BOAC and Los Angeles City Council.
- 1.3 When no capital investment is made, the term of a lease agreement shall be at the discretion of LAWA, but not greater than 5 years. LAWA shall not be obligated to automatically grant a term of any duration if no capital investment is made.
- 1.4 The capital investment required shall be based upon the type of operator and the category of aircraft being serviced or operated. If a hangar is constructed, the required capital investment shall be based upon the highest category of aircraft that the hangar is capable of accommodating.
- 1.5 In exceptional cases (i.e., when a site has unusual or extraordinary attributes), if the tenant demonstrates immediate need for the land and if the design (layout) achieves optimal utilization of the site and if LAWA agrees in writing, the tenant may be allowed to exclude the land designated by LAWA as incapable of being developed and unusable when calculating the lease term and the capital investment required.
- 1.6 The required capital investment amounts shall be adjusted annually in accordance with the change in the Consumer Price Index (CPI) for the Los Angeles, California area.
- 1.7 Notwithstanding circumstances beyond the control of the tenant and if LAWA agrees in writing that such circumstances were beyond the control of the tenant, all leasehold improvements shall be completed and occupied or used by the tenant within 36 months of the commencement date of the lease agreement.
- 1.8 When a tenant makes additional capital investment in leasehold improvements and/or related improvements at the Airport during the term of an existing lease agreement, the

DEFINITIONS

DEFINITIONS

The following words and phrases, whenever capitalized, shall be construed as defined herein unless from the context a different meaning is intended, or unless a different meaning is specifically defined and more particularly ascribed to the use of such words or phrases. In addition, certain other capitalized words and phrases are defined in other Policies or Directives.

All definitions contained in 49 U.S.C. § 40101 *et seq.* (previously known as the Federal Aviation Act of 1958, hereinafter cited as "FAA Act") and all amendments thereto shall be considered as included herein; and all definitions shall be interpreted on the basis and intention of the FAA Act and amendments thereto unless from the context a different meaning is intended, or unless a different meaning is specifically defined and more particularly ascribed to the use of such words or phrases.

Aeronautical Activity (or "Aeronautical Activities" or "Activity" or "Activities") - Any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of Aircraft or which contributes to or is required for the safety of such operations. The following Activities, without limitation, which are commonly conducted on airports, are considered Aeronautical Activities within this definition: Aircraft charter, pilot training, Aircraft rental, sightseeing, aerial photography, aerial spraying and agricultural aviation services, aerial advertising, aerial surveying, air carrier operations (passenger and cargo), Aircraft sales and service, sale of aviation fuel and oil, Aircraft Maintenance, sale of Aircraft parts, and any other Activities which, in the sole judgment of the BOAC, because of their direct relationship to the operation of Aircraft or the Airport, can appropriately be regarded as an Aeronautical Activity. For all purposes of these Directives, all products and services described herein are deemed to be "Aeronautical Activities."

Aircraft - Any contrivance now known or hereafter invented, used, or designed for navigation of, or flight in air or space. This includes, but is not limited to, airplanes, airships, balloons, dirigibles, rockets, helicopters, gliders, sailplanes, amphibians, and seaplanes.

Aircraft Maintenance - The repair, maintenance, alteration, preservation, or inspection of Aircraft (including the replacement of parts). Major repairs include major alterations to the airframe, powerplant, and propeller as defined in 14 CFR Part 43. Minor repairs include normal, routine annual inspection with attendant maintenance, repair, calibration, or adjustment of Aircraft and their accessories.

Aircraft Operator - The owner of any Aircraft or any person who has rented or leased such an Aircraft for the purpose of operation by himself or his own agents, or any person operating an Aircraft.

Airframe and Powerplant Mechanic (or "A and P Mechanic") - A person who holds an aircraft mechanic certificate with both the airframe and powerplant ratings. This certification is issued by the FAA under the provisions of 14 CFR Part 65.

Airport - The Van Nuys Airport and all land, improvements, and appurtenances within the legal boundaries of the Airport as it now exists on the Airport Layout Plan (or Exhibit A of the most recent Airport Sponsor Assurances) and as it may hereinafter be extended, enlarged, or modified.

Airport Layout Plan (or "ALP") - The currently approved drawing depicting the physical layout of the Airport and identifying the location and configuration of current and proposed runways, Taxiways, buildings, roadways, utilities, nav aids, etc.

Airport Manager - The person, designated by the Executive Director, charged with the duty to administer, manage, and control the Airport, or a duly authorized representative.

DEFINITIONS

Airport Sponsor Assurances (or "Airport Grant Assurances") - Assurances that airport owner/operators must comply with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

Appraiser - A person who possesses the education, training, experience, and professional qualifications necessary to render a properly informed opinion regarding the value of real estate.

Apron - The paved area where Aircraft can be parked and tied down.

Association - An entity legally formed and recognized under the laws of the State of California having an existence separate and apart from its members or shareholders (i.e., Limited Liability Company, Corporation, Partnership, Limited Partnership, etc.)

Board of Airport Commissioners (or "BOAC") - An official body of seven members appointed for five-year staggered terms by the Mayor and approved by the City Council. This body is responsible for the formulation of Los Angeles World Airports' and Airport policy.

Commercial - For the purpose of securing earnings, income, compensation (including exchange of service), and/or profit, whether or not such objectives are accomplished.

Competitive Proposal Process - A process that is used to seek competitive proposals from qualified entities when land and/or improvements are or become available at the Airport for occupancy or use.

Contiguous Land - Land that is sharing an edge or boundary or is separated by no more than a taxilane.

Courtesy Vehicle - A vehicle that carries persons between the Airport and off-Airport businesses, such as hotels, motels, or other attractions for which the passenger pays no direct charge.

Current - All rents, fees, and other charges (required to be paid under any and all Agreements with LAWA) are paid.

Employees - Any individual employed by an entity whereby said entity collects and pays all associated taxes on behalf of Employee (i.e., social security and medicare) or which is contracted for through a temporary employment agency.

Equipment - All property and machinery, together with the necessary supplies, tools, and apparatus necessary for the proper conduct of the Activity being performed.

Exclusive Right - A power, privilege, or other right excluding or preventing another from enjoying or exercising a like power, privilege, or right. An exclusive right may be conferred either by express Agreement, by imposition of unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties, but excluding others from enjoying or exercising a similar right or rights, would be an exclusive right. An exclusive right to conduct an Aeronautical Activity, which is forbidden by federal regulation, is distinguished from an exclusive right to occupy real estate, which is permitted by federal regulation under certain conditions.

Executive Directive VNY-01.0, Minimum Standards - Those qualifications, standards, and criteria set forth as the minimum requirements to be met as a condition for the right to engage in Activities at the Airport.

DEFINITIONS

Executive Director - The person charged with the duty to administer, manage, and control LAWA, and other officials in charge of LAWA, or his or her duly authorized representative.

Fair Market Rent - The rent that a property would command in the open market as indicated by rents asked and paid for comparable property as of the date of determination.

Federal Aviation Administration (or "FAA") - The division within the Department of Transportation of the United States government that has the responsibility of promoting safety in the air, by both regulation and education.

Fiscal Year (or "FY") - The yearly period beginning July 1st and ending June 30th established for accounting purposes.

Fixed Base Operator (or "FBO") - An entity that is authorized and required by Agreement with LAWA to provide to the public, at a minimum, the following Activities at the Airport:

- A. Sale of Aviation Fuels and Lubricants
- B. Ancillary Aircraft Ground Services and Support
- C. Tiedown, Hangar, and Parking
- D. Aircraft Maintenance

Flight Training - Any use of an Aircraft to increase or maintain pilot or crewmember proficiency rather than the use of an Aircraft as transportation between two different Airports or other destinations. Flight Training shall also include any portion of a flight between two Airport or other destinations dedicated to increase or maintain pilot or crewmember proficiency.

Fuel - Any substance (solid, liquid, or gaseous) used to operate any engine in Aircraft or Vehicles.

General Aviation - All civil aviation with exception of air carriers. General aviation Aircraft are utilized for Commercial and non-commercial purposes including business/corporate, recreational/pleasure, charter/air taxi, industrial/special purpose, and instructional.

Good Standing - Consistently in compliance with all applicable regulatory measures and not in default of any Agreement with the City.

Group I - Aircraft having a wingspan up to but not including 49 feet.

Group II - Aircraft having a wingspan 49 feet up to but not including 79 feet.

Group III - Aircraft having a wingspan 79 feet up to but not including 118 feet.

Immediately - The ability to occupy premises leased from LAWA and offer products, services, and/or facilities (to the public) as of the effective date of an Agreement. When construction and/or alteration of facilities are involved, immediately shall mean the ability to obtain a certificate of occupancy from the City of Los Angeles, California for the proposed facilities within six months following receipt of possession of the leased premises.

Improvements - All permanent improvements including infrastructure improvements (taxiways, taxilanes, roadways, walkways, automobile parking areas, and apron areas – asphalt pavement or concrete), utilities, landscaping, fencing, signage, fixtures, and facilities (terminal building, hangar, office, shop, fuel storage, and other related buildings, improvements, and/or support facilities) constructed, installed, or placed on, under, or above the land. Furniture, vehicles, and equipment are not considered improvements.

DEFINITIONS

Infrastructure - Runways, taxiways, aprons, nav aids, roadways, and utilities.

Instructor - Any individual giving or offering to give instruction in the operation, construction, repair, or maintenance of Aircraft, Aircraft powerplants, and accessories, including the repair, parking, and maintenance of parachutes.

Leased Premises - The land and/or improvements used exclusively by Operator for the conduct of Operator's Activities.

Leasing Policy (or "Policy") - The policy adopted by the BOAC on March 6, 2001 that replaces the 1986 Lease and Rental Policy. The policy is intended to provide a framework for making leasing and property management decisions.

Los Angeles World Airports (or "LAWA") - A department of the City of Los Angeles that operates the system of airports owned by the City of Los Angeles, which includes Los Angeles International Airport, Ontario International Airport, Palmdale Regional Airport, and Van Nuys Airport.

Master Plan - An assembly of appropriate documents and drawings covering the development of the Airport from a physical, economic, social, and political jurisdictional perspective. A copy is on file and available for inspection in the Airport Manager's office. The Airport Layout Plan (ALP) is a part of the Master Plan.

Non-Commercial - Not for the purpose of securing earnings, income, compensation (including exchange of service), and/or profit. A non-commercial Aircraft Operator owns and/or operates Aircraft that are incidental or ancillary to the business (i.e., the Aircraft is used only to provide transportation for the exclusive use of employees, agents, and/or customers of the business and not for Commercial Activities) or used strictly for private (not for hire), personal, or recreational purposes only.

Operator (as used in Executive Directive VNY-01.0, Minimum Standards) - An entity that has entered into an Agreement with the LAWA to engage in Aeronautical Activities (commercial or non-commercial).

Piston Aircraft - An Aircraft that utilizes a reciprocating engine for propulsion.

Property - Anything that is owned by an entity. Property is divided into two types: "real property," which is any interest in land or improvements (manmade or natural) located on the land, and "personal property," which is all other property (or property other than real property) consisting of things that are temporary or movable.

Prospective Operator - An entity desiring to use land and/or improvements at the Airport to engage in Aeronautical Activities and who shall apply in writing and in the manner or form prescribed herein for authorization to engage in such Activities at the Airport.

Readily Available - Conveniently located (in close proximity) and immediately available and accessible, but not necessarily located on the leased premises.

Refueling Vehicle - Any vehicle used for the transporting, handling or dispensing of fuels, oils, and lubricants.

Regulatory Measures - Federal, state, and local laws, codes, ordinances, rules, and regulations including LAWA Policies and Directives.

DEFINITIONS

Repair Station - A certified Aircraft maintenance facility approved by the FAA to perform certain specific maintenance functions. These facilities are certificated under 14 CFR Part 145.

Specialized Aviation Service Operator (or "SASO") - A commercial Operator that provides Activities not listed under the definition of a Fixed Base Operator. These may include any one or a combination of the following:

- A. Aircraft Maintenance
- B. Aircraft Rental/Flying Club
- C. Flight Training
- D. Aircraft Charter/Air Taxi
- E. Avionics, Instrument, or Propeller Maintenance
- F. Aircraft Sales

Sublease - An Agreement entered into by an entity with an Operator that transfers rights or interests in the Operator's leased premises and is enforceable by law.

Sublessee - An entity that has entered into a sublease with an Operator.

Taxiway - A defined path, usually paved, over which Aircraft can taxi from one part of an airport to another (excluding the runway) and is under the control of the FAA Airport Traffic Control Tower.

Tiedown Area (or "Tiedown") - A paved or unpaved area (where tiedown points are located) that is suitable for parking and mooring of Aircraft. Tiedown includes the points (or anchors) and the Equipment (ropes, chains, wheel chocks, and other types of restraining devices) that are required to safely secure tiedown Aircraft, as set forward in FAA AC 20-35C.

Through-the-Fence - The right for an Operator located on private property contiguous to the Airport to have access to the Airport's runway and taxiway system.

Turbine Aircraft - An Aircraft that utilizes a form of heat engine that produces thrust by accelerating a relatively small mass of air through a large change in velocity for propulsion.

Turboprop Aircraft - An Aircraft that utilizes a gas turbine engine to drive a set of reduction gears, which, in turn, drives a propeller for propulsion.

Vehicle - Any device that is capable of moving itself, or being moved, from place to place; but does not include any device designed to be moved by human muscular power or designed to move primarily through the air.

VAN NUYS AIRPORT NOISE ORDINANCE

Ordinance 155727

Ordinance No. 155,727

An Ordinance approving a Regulation adopted by Resolution No. 12655 of the Board of Airport Commissioners of the City of Los Angeles, which Resolution established a noise abatement and curfew regulation for aircraft operating at Van Nuys Airport and incorporated by reference Advisory Circular 36-3A published by the Federal Aviation Administration.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Sec. 1. The Regulation adopted by Resolution No. 12655 of the Board of Airport Commissioners on June 17, 1981, is hereby approved. Said Regulation contained in said resolution provides for the establishment of a noise abatement regulation for aircraft at Van Nuys Airport and is in words and figures as follows:

VAN NUYS NOISE

ABATEMENT AND CURFEW REGULATION

SECTION 1. Definitions:

Except where the context otherwise requires, the following terms, when used in this regulation, shall have the following definitions:

(a) Advisory Circular 36-3A - Estimated maximum A - Weighted Sound Levels for Airplanes at Part-36 Appendix "C" Locations - Takeoff - as set forth in United States Department of Transportation, Federal Aviation Administration, Advisory Circular 36-3A, dated June 11, 1980, attached as Exhibit "A" to this regulation and made a part hereof as though set forth in full, and as said Advisory Circular may be amended from time to time.

(b) Aircraft - All fixed-wing aircraft driven by one or more propeller, turbojet, or turbo fan engines.

(c) Airport - Van Nuys Airport.

(d) Airport Manager - Van Nuys Airport Manager.

(e) Board - Board of Airport Commissioners of the City of Los Angeles as described in Article XXIV, Section 238, et seq. of the Charter of the City of Los Angeles.

(f) dBA - A - weighted sound pressure level.

(g) Depart - The movement of an aircraft from the time it commences its departure until it is airborne.

(h) General Manager - General Manager of the Department of Airports, as described and defined in Article VI, Section 70, et seq. and Article XXIV, Section 238, et seq. of the Charter of the City of Los Angeles.

(i) Person - An individual, partnership, business, corporation, joint venture, or any entity responsible for an aircraft operation.

(j) Repetitive Operation - A practice operation, including but not limited to "touch and go" or "stop and go" operations, which utilizes an Airport runway to land where the aircraft after touching down or landing takes off again within five minutes. However, this definition does not include such operations as are necessary because of safety considerations or weather phenomena.

(k) Run-up - The ground testing or revving of an aircraft engine not immediately connected to contemporaneous air operation.

(l) "Stop and Go" Operation - The action by an aircraft consisting of a landing, followed by a complete stop on the runway, and then a takeoff from that point.

(m) "Touch and Go" Operation - The action by an aircraft consisting of a landing and departure on a runway without stopping or exiting the runway.

(n) For the purposes of this regulation, all times are local Pacific Standard Time, unless Daylight Savings Time is in force and, in such event, it shall be used.

SECTION 2. Curfew. No aircraft may depart from Van Nuys Airport between the hours of 11:00 p.m. and 7:00 a.m. of the following day, except those aircraft listed below:

(a) Military aircraft and any government-owned or operated aircraft involved in law enforcement, emergency, fire or rescue operations.

(b) Aircraft whose estimated takeoff noise levels, as set forth in Federal Aviation Administration Advisory Circular 36-3A (or in any revision, supplement or replacement thereof listing the noise levels), are equal to or less than 74 dBA.

(c) Aircraft of a type or class not included in Advisory Circular 36-3A, for which evidence has been furnished to the Board that the departure noise of said aircraft will not exceed the established noise value limitation of 74.0 dBA set forth in Advisory Circular 36-3A. When furnishing evidence that an aircraft has the ability to depart and not exceed the dBA level of 74.0, the person producing such evidence shall be required to provide appropriate information to validate conclusions and ability to comply with this regulation. The Board reserves the right to validate the aircraft's compliance ability through the utilization of actual flight noise measurements.

(d) Aircraft which have been identified by the Federal Aviation Administration in writing as having a 74.0 dBA or lower takeoff noise level although such figure is not published in Advisory Circular 36-3A.

(e) Aircraft engaged in a bona fide medical or life-saving emergency for which acceptable evidence has been submitted in writing to the General Manager within seventy-two (72) hours prior to or subsequent to said departure.

SECTION 3. Repetitive Aircraft Operations.

(a) No person shall engage in repetitive operations in any propeller powered aircraft between the hours of 10:00 p.m. and 7:00 a.m. of the following day from June 21 through September 15, and between the hours of 9:00 p.m. and 7:00 a.m. of the following day, from September 16 through June 20.

(b) No person shall engage in repetitive operations in any turbo-jet or fan jet powered aircraft, at any time, at Airport.

SECTION 4. Preferential Runway. Between the hours of 11:00 p.m. and 7:00 a.m. of the following day, weather and traffic permitting, all aircraft shall depart on Runway 16R and shall arrive on Runway 34L of Airport unless instructed otherwise by the Federal Aviation Administration Air Traffic Controller.

SECTION 5. Run-ups. No person shall test or run-up an air-

craft engine for maintenance purposes between the hours of 7:00 p.m. and 7:00 a.m. of the following day. Engine run-ups shall be conducted only in areas designated in writing by the General Manager.

SECTION 6. Presumption. For the purposes of this regulation, the beneficial owner of an aircraft shall be rebuttably presumed to be the pilot of the aircraft with authority to control the aircraft's operations, except that where the aircraft is leased, the lessee shall be presumed to be the pilot.

In the case of any pilot training operation in which both an instructor and student pilot are in the aircraft operated in violation of any provision of this regulation, the instructor shall be rebuttably presumed to have caused such violation.

SECTION 7. Enforcement and Penalties.

(a) **Civil Penalties.** In addition to any other remedy provided for by this regulation or elsewhere, any person who violates any provision of this regulation shall be liable for a civil penalty not to exceed seven hundred fifty (\$750) dollars.

Any person who violates any provision of this regulation for a second time within one year of a prior violation shall be liable for a civil penalty not to exceed one thousand five hundred (\$1500) dollars upon such second violation.

Any person who violates any provision of this regulation for a third or any subsequent time within a three (3) year period shall be liable for a civil penalty not to exceed three thousand five hundred (\$3500) dollars.

Civil penalties shall be assessed and recovered in a civil action brought in the name of the City of Los Angeles by the City Attorney of Los Angeles in any court of competent jurisdiction in Los Angeles County. Funds recovered thereby shall be placed in the Airport Revenue Fund.

(b) **Denial of Use of Airport.** In the event any person has violated any provision of this regulation three (3) or more times within a three-year period of the first violation, then for a period of three years thereafter, such person shall be deemed a persistent violator and be denied permission

to depart from Airport in an aircraft owned, borrowed, rented or leased by such person and denied the right to lease, rent or use space for any aircraft (including tie-down) at Airport.

(c) **Exclusion of Aircraft for Violations.** In the event an aircraft has been operated in violation of any provisions of this regulation on three or more occasions within a three-year period of the first violation, whether piloted by the same or different individuals, then it shall be presumed that future operations of said aircraft will result in continued violations. The Airport Manager shall thereafter deny said aircraft permission for a period of three years to tie-down, be based at, or take off from Airport provided, however, that a new owner, who has not operated the aircraft or caused it to be operated in violation of this regulation, shall be entitled to appeal such decision to the Airport Manager upon furnishing satisfactory evidence of a change in both the operating personnel and ownership of such aircraft. Upon receiving such evidence, the Airport Manager shall restore all rights to said aircraft.

(d) **Other Enforcement.** The provisions of this regulation may be judicially enforced by injunction or other relief deemed appropriate by any court of competent jurisdiction.

Any person, except employees of the Federal Aviation Administration acting in the course and scope of their employment, who counsels, aids, assists, or abets any other person in the operation of any aircraft in violation of this regulation is subject to the same penalty provisions as are specified in this section.

The remedies described herein shall be deemed to be cumulative, and the election to seek any remedy shall not be deemed to be a waiver of other remedies nor a bar to seek more than one remedy for the same violation of this regulation.

SECTION 8. Savings Clause. If any section, subsection, sentence, clause or phrase of this regulation is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision

shall not affect the validity of the remaining portions of this regulation. The City Council hereby declares that it would have passed this regulation and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 9. Designated Officers and Employees. The General Manager, and such other City employees as are designated by the General Manager, shall have the duty and authority to enforce the provisions of this regulation.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles of July 27, 1981 and was passed at its meeting of August 5, 1981.

REX E. LAYTON,
City Clerk

By Chauncy B. Pruner, Deputy,
Approved August 10, 1981

TOM BRADLEY,
Mayor.

File No. 73-2158 S1 & S2, 77-4557
(DJG7588) Aug 31

PUBLIC NOTICE

**RE: ORDINANCE 155727
EFFECTIVE AUGUST 8, 1981,
VAN NUYS AIRPORT DOES
NOT HAVE AIR TRAFFIC CON-
TROLLERS BETWEEN THE
HOURS OF 2245 AND 0615 OF
THE FOLLOWING DAY, LOCAL
TIME DAILY.**

**THE FEDERAL AVIATION
ADMINISTRATION AIR TRAF-
FIC CONTROLLER HAS
SUSPENDED THE PROVI-
SIONS OF SECTION 4 OF THE
VAN NUYS NOISE ABATE-
MENT AND CURFEW OR-
DINANCE NO. 155727 UNTIL
FURTHER NOTICE.**

**SECTION 3, PARAGRAPHS
222 AND 223 OF THE AIRMAN'S
INFORMATION MANUAL AP-
PLIES AT VAN NUYS AIRPORT
BETWEEN HOURS 2245 AND
0615 OF THE FOLLOWING DAY,
LOCAL TIME DAILY UNTIL
FURTHER NOTICE.**

ORDINANCE NO. 171889

An Ordinance approving a Regulation adopted by Resolution No. 20030 of the Board of Airport Commissioners of the City of Los Angeles amending Ordinance 155,727 of the City of Los Angeles, known as the Van Nuys Noise Abatement and Curfew Regulation, to add Section 2.1 extending the curfew hours at Van Nuys Airport.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. The Regulation, adopted by Resolution No. 20030 of the Board of Airport Commissioners on December 4, 1997, is hereby approved. Said Regulation contained in said Resolution provides an additional curfew hour for aircraft at Van Nuys Airport.

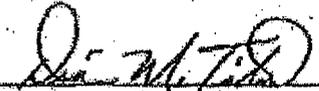
Section 2. Ordinance 155,727 of the City of Los Angeles is hereby amended by adding one new section to read as follows:

SECTION 2.1. Curfew. Except for aircraft exempted by subdivisions (a) through (e) of Section 2, no aircraft may depart from Van Nuys Airport between the hours of 10:00 p.m. and 11:00 p.m. The provisions of this section shall not be applicable to any aircraft certificated as Stage 3 pursuant to 14 Code of Federal Regulations Part 36.

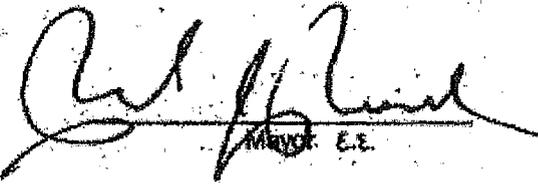
Section 3. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC 19 1997

J. MICHAEL CAREY, City Clerk

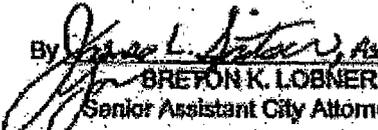

Deputy

Approved JAN 07 1998


Mark E.E.

Approved as to Form and Legality

JAMES K. HAHN, City Attorney

By 
BREYON K. LOBNER
Senior Assistant City Attorney

File No. 97-11639

T3630VNY:ORD

ORDINANCE 173215

ORDINANCE NO. 173215

An Ordinance approving a Regulation adopted by Resolution 20736 of the Board of Airport Commissioners of the City of Los Angeles amending Ordinance 155,727 of the City of Los Angeles, known as the Van Nuys Noise Abatement and Curfew Regulation, to add Section 5.1 and subsection (gg) to Section 1, thereby adding a Non-addition Rule at Van Nuys Airport.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. The Regulation, adopted by Resolution No. 20736 of the Board of Airport Commissioners on July 28, 1999, is hereby approved. Said Regulation contained in said Resolution provides an additional noise abatement regulation for aircraft at Van Nuys Airport.

Section 2. Ordinance 155,727 of the City of Los Angeles is hereby amended by adding one new section and one new subsection to read as follows:

SECTION 5.1. Non-addition

No person or tenant may tie down, park or hangar any aircraft at Van Nuys Airport whose Advisory Circular 36-30 takeoff noise level equals or exceeds 77 dBA, for more than thirty (30) days in any calendar year, unless said aircraft is an exempt based aircraft.

EXEMPTION A - STAGE 2: The provisions of this section shall not be applicable to any aircraft certificated as Stage 3 pursuant to 14 Code of Federal Regulations Part 36.

EXEMPTION B - REPAIR AND MAINTENANCE: Notwithstanding the restrictions of Section 5.1, a Stage 2 aircraft with a takeoff noise level in excess of 77 dBA may be parked, tied down or hangared at Airport in excess of the 30 day limit [and such additional time as is necessary] to perform major repairs or refurbishment, required maintenance inspections or systems installations and warranty work (hereinafter "work"), provided all of the following conditions are fully satisfied:

- (a) Prior to the day of arrival of the aircraft at Airport, the Airport Manager receives a written "work notice" containing the anticipated date of arrival, the name of the aircraft owner and operator, the aircraft type and registration "N" number, the name of the company or entity contracted to perform the work, a description of the work to be performed, and an estimate of the duration of the stay; and
- (b) The aircraft is not being charged a tie-down fee or other use fee by an Airport tenant; and

EXHIBIT D

MAINTENANCE

Lessee shall, at Lessee's sole cost and expense, keep and maintain the Demised Premises in good repair and working order, reasonable wear and tear excepted, and in a clean, neat, attractive, properly maintained, and safe condition. All maintenance, repairs, and replacements shall be in accordance with applicable prevailing industry maintenance standards, maintenance requirements which City may develop, and in compliance with all manufacturers' recommendations and federal, state, and local government rules and regulations.

Except as specifically identified below as City's responsibilities, Lessee is responsible for all maintenance and repair at the Demised Premises (including its Improvements, if any). Lessee is responsible for any corrective work required by any authority having jurisdiction.

City may charge Lessee a fee for its failure to perform its maintenance requirements. City retains the right, but not the obligation, to make emergency repairs when, in the sole determination of the Executive Director, failure to take immediate action will damage the facilities or disrupt operations, at Lessee's sole cost and expense, plus an administrative fee in the amount of 15% of cost. Lessee shall, within 90 days of Lease Commencement, provide City with a conceptual maintenance plan for the facility. City staff will meet with the Lessee on a regular basis to review the condition of the Demised Premises and, if repairs are necessary, jointly develop a repair action plan. However, this does not relieve the Lessee of its responsibility to proactively fulfill its maintenance responsibilities.

Lessee shall provide City with maintenance reports as follows:

- Lessee shall transmit inspection/maintenance reports and/or test results to City within 48 hour of completion of the scheduled Maintenance and/or Testing.
- Reports and Test Results shall be sent via e-mail to FM-Unit@lawa.org or mailed to Chief Airports Engineer – LAWA Engineering and Facilities Management Division, 7301 World Way West, 7th Floor, Los Angeles, CA 90045.
- City may, in the future, provide Lessee with standardized inspection/maintenance forms for reporting needs for certain major equipment and systems testing, including inputs to City's MAXIMO or successor facilities management program

City Maintenance Responsibilities:

None

EXHIBIT D

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS

NAME: AIR CENTER AVIATION, INC.
 AGREEMENT / ACTIVITY: Lease of land, hangar and office space at 16303 Waterman Drive at VNY.
 TERM: Terminates on 6/30/18
 LAWA DIVISION: Commercial Development Group

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All limits are per occurrence unless otherwise specified.

LIMITS

- | | |
|---|---|
| <p><input checked="" type="checkbox"/> Workers' Compensation (Statutory)/Employer's Liability
 (X) Voluntary Compensation Endorsement
 (X) Waiver of Subrogation, specifically naming LAWA
 (Please see attached supplement)</p> <p><input checked="" type="checkbox"/> Automobile Liability - covering owned, non-owned & hired auto</p> <p><input checked="" type="checkbox"/> Aviation/Airport or Commercial General Liability, including the following coverage:
 (X) Premises and Operations
 (X) Contractual (Blanket/Schedule)
 (X) Independent Contractors
 (X) Products /Completed Operations
 (X) Personal Injury
 (X) Additional Insured Endorsement, specifically naming LAWA
 (Please see attached supplement).
 (X) Hangarkeepers Legal Liab. (At least at a limit of liability of \$ 2 million)</p> <p><input checked="" type="checkbox"/> Property Insurance
 90% Co-Ins. ()Actual Cash Value (X)Replacement Value ()Agreed Amt.
 (X) Covering company's improvements, w/waiver of subrogation
 (Including building structure, if applicable)
 (Department does not insure company's improvements)
 (X) All Risk Coverage
 (X) Fire & Basic Causes of Loss Form, including sprinkler leakage
 (X) Vandalism and Malicious Mischief
 (X) Debris Removal
 (X) Builder's Risk insurance - (All Risk Coverage)
 If applicable on tenant improvements
 Required if property or building ultimately revert to City</p> <p>Coverage for Hazardous Substances
 *** Must meet contractual requirements</p> | <p><u>Statutory</u></p> <p><u>\$2,000,000 CSL</u></p> <p><u>\$2,000,000</u></p> <p><u>Value of Improvements</u></p> <p><u>\$ ***</u></p> |
|---|---|

CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.

INSURANCE COMPANIES WHICH DO NOT HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.

PLEASE RETURN THIS FORM WITH EVIDENCE OF INSURANCE

EXHIBIT E

**INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS
(SUPPLEMENT)**

The only evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

- **Endorsements:**

1. Workers Compensation Waiver of Subrogation Endorsement
(WC 04 03 06 or similar)
2. General Liability Additional Insured Endorsement
(ISO Standard Endorsement)

****All endorsements must specifically name in the schedule:

The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.

**A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A
CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.**

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

EQUAL EMPLOYMENT

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has

not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two

years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by: Ord. No.147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs C., Ord. No.168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No.173,285, Eff. 6-26-00, Oper. 7-1-00.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

AFFIRMATIVE ACTION

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section

371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-

bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and
7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and

shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F, Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 11

LIVING WAGE ORDINANCE

Sec. 10.37 Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil penalties as well by paying into a City holding

EXHIBIT H LIVING WAGE ORDINANCE

account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.1 Definitions.

The following definitions shall apply throughout this article:

- (a) "Airport" means the Department of Airports and each of the airports which it operates.
- (b) "Airport Employer" means an Employer, as the term is defined in this section, at the Airport.
- (c) "Airport Employee" means an Employee, as the term is defined in this section, of an Airport Employer.
- (d) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or public lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.
- (e) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("CRA"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.
- (f) "City financial assistance recipient" means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial

assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if: (1) it is in its first year of existence, in which case the exemption shall last for one (1) year, (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or (3) it obtains a waiver as provided herein. A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship - may apply in writing to the City department or office administering such assistance, which department or office which shall forward such application and its recommended action on it to the

EXHIBIT H LIVING WAGE ORDINANCE

City Council. Waivers shall be affected by Council resolution.

(g) "Contractor" means any person that enters into: (1) a service contract with the City, (2) a service contract with a proprietary lessee or licensee or sublessee or sublicensee, or (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(h) "Designated Administrative Agency (DAA)" means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

(i) "Employee" means any person - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed (1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; (2) as a service employee - of a public lessee or licensee, of a sublessee or sublicensee, or of a service contractor or subcontractor of a public lessee or licensee, or sublessee or sublicensee - who works on the leased or licensed premises; (3) by a City financial assistance recipient who expends at least half of his or her time on the funded project; or (4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(j) "Employer" means any person who is a City financial assistance recipient, contractor, subcontractor, public lessee, public sublessee, public

licensee, or public sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ 21.00 - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(k) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(l) "Public lease or license".

(a) Except as provided in (l)(b)*, "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

*Technical correction due to re-lettering of subsections: "(i) (b)" corrected to "(l) (b)".

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or

(3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

EXHIBIT H LIVING WAGE ORDINANCE

(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public leases and licenses shall be deemed to include public subleases and sublicenses;

(8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

(m) "Service contract" means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess

of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies: (1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(n) "Subcontractor" means any person not an employee that enters into a contract (and that employs employees for such purpose) with (1) a contractor or subcontractor to assist the contractor in performing a service contract or (2) a contractor or subcontractor of a proprietary lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(o) "Willful violation" means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (e), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through (l) re-lettered (d) through (o), respectively and new Subsecs. (a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.2 Payment of Minimum Compensation to Employees.

(a) Wages. Employers shall pay Employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per

EXHIBIT H LIVING WAGE ORDINANCE

hour without health benefits. With the annual adjustment effective July 1, 2009, together with all previous annual adjustments as provided by this subsection, such rates are ten dollars and thirty cents (\$10.30) per hour with health benefits or, if health benefits are not provided, then fourteen dollars and eighty cents (\$14.80) per hour for Airport Employees and eleven dollars and fifty-five cents (\$11.55) per hour for all other Employees. The hourly rate with health benefits to be paid to all Employees and the hourly rate without health benefits to be paid to Airport Employees shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) Compensated Days Off. Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Subsec. (a), Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.3 Health Benefits.

(a) Health Benefits. The health benefits required by this article shall consist of the payment of at least four dollars and fifty cents (\$4.50) per hour by Airport Employers and at least one dollar and twenty-five cents (\$1.25) per hour by all other Employers towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in Section 10.37(a) for Employees with health benefits.

Airport Employees cannot waive the health benefits offered by an Airport Employer when the Airport Employer does not require an out-of-pocket contribution by the Airport Employee. Consistent with and as shall be reflected in the hourly rates payable to Airport Employees as provided in 10.37.2(a) above, the amount of payment for health benefits by Airport Employers shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly payments, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted payment, which shall take effect upon such publication.

(b) Periodic Review. At least once every three years, the Office of Administrative and Research Services shall review the health benefit payment by Airport Employers set forth in 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.4 Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under § 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.5 Retaliation Prohibited.

EXHIBIT H LIVING WAGE ORDINANCE

Neither an employer, as defined in this article, nor any other person employing individuals shall discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.6 Enforcement.

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay wages required by this article - back pay for each day during which the violation continued.

(2) For failure to pay medical benefits - the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.

(3) For retaliation - reinstatement, back pay, or other equitable relief the court may deem appropriate.

(4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle

the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the awarding authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, public lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.

(2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or

(ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained

EXHIBIT H LIVING WAGE ORDINANCE

by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.7 Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("designated administrative agency" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "service contracts" for purposes of Section 10.37.1(j), and that particular leases and licenses shall be regarded as "public leases" or "public licenses" for purposes of Section 10.37.1(i), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.13. The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 10.37.4. The DAA shall report

on compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Office of Administrative and Research Services and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters: (a) how extensively affected employers are complying with the article; (b) how the article is affecting the workforce composition of affected employers; (c) how the article is affecting productivity and service quality of affected employers; (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.8 Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars (\$2,000,000). Charter Section 372 shall not be applicable to service contracts.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.*

Sec. 10.37.9 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

EXHIBIT H LIVING WAGE ORDINANCE

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.10 Expenditures Covered.

This article shall apply to the expenditure -- whether through aid to City financial recipients, service contracts let by the City, or service contracts let by its financial assistance recipients -- of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.11 Timing of Application.

(a) Original 1997 Ordinance. The provisions of this article as enacted by City Ordinance No.171,547, effective May 5, 1997, shall apply to (1) contracts consummated and financial assistance provided after such date, (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves met the requirements of former Section 10.37.1(h) (definition of "service contract") or which extended contract duration, and (3) supplemental financial assistance provided after May 5, 1997 and before the effective date of the 1998 ordinance which itself met the requirements of Section 10.37.1(c).

(b) 1998 Amendment. The provisions of this article as amended by the 1998 ordinance shall apply to (1) service contracts, public leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and (2) amendments, consummated after the effective date of such ordinance, to service contracts, public leases or licenses, and financial assistance agreements that provide additional monies or which extend term.

(c) 2000 amendment. The provisions of this article as amended by the 2000 ordinance shall apply to (1) service contracts, public leases or public licenses and City financial assistance recipient agreements

consummated after the effective date of such ordinance and (2) amendments to service contracts, public leases or licenses and City financial assistance recipient agreements which are consummated after the effective date of such ordinance and which provide additional monies or which extend the term.

(d) 2009 Amendment. The provisions of this article as amended by the 2009 ordinance shall become operative ninety (90) days following the effective date of the 2009 ordinance.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 2-24-01; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.12 Supersession by Collective Bargaining Agreement.

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.13 Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City financial assistance recipient" in Section 10.37.1(c), of "public lease or license" in Section 10.37.1(i), and of "service contract" in Section 10.37.1(j) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of Section 10.37.1(c), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with

EXHIBIT H LIVING WAGE ORDINANCE

the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

*Added by Ord. No. 172,336, Eff. 1-14-99.
Amended by: Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.14 Severability

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99*

EXHIBIT H LIVING WAGE ORDINANCE

CITY OF LOS ANGELES
 Office of the City Administrative Officer
 Contractor Enforcement Section
 200 North Main Street, Room 606
 Los Angeles, CA 90012
 Phone: (213) 485-3514 - Fax: (213) 485-0672

DECLARATION OF COMPLIANCE
 Service Contract Worker Retention Ordinance and the Living Wage Ordinance

Los Angeles Administrative Code (LAAC) Sections 10.36 et seq. and 10.37 et seq. provide that all employees (except where specifically exempted) under contracts primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three months; leases; licenses or, certain recipients of City financial assistance, shall comply with all applicable provisions of the Ordinances.

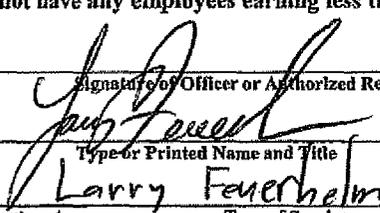
During the performance of this agreement, the contractor, lessee, licensee, or City financial assistance recipient certifies that it shall comply and require each subcontractor hereunder to comply with the provisions of the above referenced Ordinances. The contractor shall provide to the City a list of all subcontractors and a list of all employees under the agreement (including employees of subcontractors) within 10 days after execution. The list of employees shall include the name, position classifications and rate of pay for each employee. An updated list shall be submitted upon demand and upon termination of the contract. A completed Declaration of Compliance from each subcontractor subject to the Living Wage Ordinance must be provided to the Office of the City Administrative Officer within 90 days of execution of the subcontract. In case of a successor service contract, a successor contractor shall retain for a 90-day transition employment period, employees who have been employed by the terminated contractor or its subcontractor, if any, for the preceding 12 months or longer, pursuant to Section 10.36.2.

The contractor, lessee, licensee, or City financial assistance recipient further agrees:

- (a) To pay covered employees a wage no less than the minimum initial compensation of \$7.99 per hour (adjusted July 1, 2001) with the health benefits, as referred to in (c) below, or otherwise \$9.24 per hour (adjusted July 1, 2001), pursuant to Section 10.37.2(a). Such rates shall be adjusted annually and shall become effective July 1.
- (b) To provide at least 12 compensated days off per year for sick leave, vacation or personal necessity at the employee's request, and at least 10 additional days per year of uncompensated time off pursuant to Section 10.37.2(b) and Regulation 4(e)(3)
- (c) Where so elected under (a) above, to pay at least \$1.24 per hour per employee toward the provision of health benefits for the employees and their dependents pursuant to Section 10.37.3;
- (d) To inform employees making less than \$12 per hour of their possible right to the federal Earned Income Tax Credit (EITC) and make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4;
- (e) To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City; and,
- (f) Not to retaliate against any employee claiming non-compliance with the provisions of these Ordinances and to comply with federal law prohibiting retaliation for union organizing.

Failure to complete and submit this form to the Awarding Authority and to the Office of the City Administrative Officer may result in withholding of payments by the City Controller, or contract termination.

Check box only if applicable: I certify under penalty of perjury that I do not have any employees earning less than \$15 per hour working on this City agreement.

Company Name <i>Air Center Aviation, Inc</i>		Signature of Officer or Authorized Representative 	
Company Address and Phone Number <i>16231 Waterman Dr.</i>		Type or Printed Name and Title <i>Larry Feuerhelm V.P.</i>	
Date	Contact Number	Awarding City Department	Type of Service

Form CAO/LW-S, Rev. 7/5/01

EXHIBIT
 Declaration of Compliance

EXHIBIT I

ORDINANCE NO. 180877

An ordinance amending Sections 10.37.1, 10.37.2, 10.37.3 and adding a new subsection (d) to Section 10.37.11 of the Los Angeles Administrative Code to provide certain covered airport workers with an increased health benefit payment and to additionally index such health benefit payment to correspond to changes in the Consumer Price Index and require a periodic review of the health benefit payment.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Legislative Findings. In 1997, Los Angeles became one of the first cities in the nation and the first in California to pass a living wage ordinance ("LWO") requiring certain City contractors, financial assistance recipients, lessees, exclusive and non-exclusive licensees, and other persons and entities doing business with the City to pay employees a living wage. As of July 1, 2009, the LWO requires covered employers to pay a wage of \$10.30 per hour with health benefits and \$11.55 per hour without health benefits.

While the wage portion of the LWO is indexed to the Consumer Price Index (CPI) and, as a result, has risen from \$7.25 per hour to \$10.30 per hour as of July 1, 2009, the health benefit payment is not similarly indexed to the CPI and so has remained at \$1.25 per hour since the LWO was adopted in 1997. Additionally, the health benefit payment has not been periodically reviewed to ensure that the payment accurately reflects the actual cost of health care. Studies, including a study performed by Mercer Human Resource Consulting at the request of the Office of Administrative and Research Services, show that a payment of \$1.25 per hour is clearly insufficient to cover the actual cost of health care. As a result of the health benefit payment being so low compared to the actual cost of coverage, employees either have no access to an employer-provided health plan or must pay large out-of-pocket costs in order to access such a health plan for themselves and their family members.

Studies, including the study performed by Mercer Human Resource Consulting, show that high employee cost share relative to available income can curtail access to medical care providers, the purchase of medication, and the pursuit of follow-up treatment. The lack of health benefits among employees is particularly significant at the City's airports, where, for instance, as many as 2,600 workers covered by the LWO and their family members lack health benefits or rely on public health insurance. A 2009 LAANE study attributes high turnover rates among airline service workers who have key operational duties such as security and assisting passengers with disabilities to a lack of health benefits, and various studies and polls, including the LAANE study, have shown that providing family health insurance coverage increases the ability of employers to retain workers.

The LWO recognizes that the City holds a proprietary interest and genuine stake in the work performed by employees employed by lessees and licensees of City

property and by their service contractors and subcontractors, and by a 1998 amendment, recognized the prominence of this interest at facilities visited by the public on a frequent basis, including the City's airports.

The City through the Department of Airports has embarked upon a number of projects and initiatives to improve the passenger experience at LAX, including: (i) the adoption of a Service Standards Policy; (ii) an extensive capital improvement program that includes the renovation and upgrading of the Tom Bradley International Terminal; and (iii) a revamping of its concessions program. The retention of a qualified and stable workforce is vital to the success of these efforts.

Workers at the City's airports routinely interface with the traveling public and, therefore, are both particularly at risk of exposure to the H1N1 virus and other epidemics and pandemics and to exposing the traveling public to illnesses as well, thereby risking widespread and accelerated spreading of communicable illnesses worldwide. For instance, at LAX alone, some 51 million international and domestic passengers travel through its nine terminals, making LAX one of the busiest airports in the world.

In addition, the lack of health benefits among workers at City airports confers a heavy burden on taxpayers. Taxpayers spend an estimated \$3.9 million per year to cover the cost of the Medi-Cal and Healthy Families programs for LAX workers and their families. According to Families USA, eight people in California are estimated to die every day due to lack of health coverage, and uninsured children are six times more likely than insured children to have gone without needed medical or dental care, more likely to be hospitalized for preventable or treatable illnesses, and more likely to miss school.

Moreover, a 2005 study of families who filed for bankruptcy protection found that half cited medical causes, and a Harvard researcher studying home foreclosures in California and three other states found that medical bills contributed to twenty-three percent of all home foreclosure filings. Burdening working families with unmanageable medical expenses worsens and deepens the nation's economic crisis.

In order to address and correct the conditions enumerated above, this ordinance amends the LWO to increase the health benefit for workers at the City's airports covered by the LWO in order to promote the provision of health benefits to eligible airport workers and their families, and additionally provides for annual adjustments to and periodic reviews of the health benefit payment to airport workers to ensure that the amount accurately reflects the cost of health coverage.

Sec. 2. Subsections (a) through (l) of Section 10.37.1 of the Los Angeles Administrative Code are redesignated as Subsections (d) through (o), and three new Subsections, designated (a) through (c) are added to read as follows:

(a) "Airport" means the Department of Airports and each of the airports which it operates.

(b) "Airport Employer" means an Employer, as the term is defined in this section, at the Airport.

(c) "Airport Employee" means an Employee, as the term is defined in this section, of an Airport Employer.

Sec. 3. Subsection (a) of Section 10.37.2 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

(a) **Wages.** Employers shall pay Employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per hour without health benefits. With the annual adjustment effective July 1, 2009, together with all previous annual adjustments as provided by this subsection, such rates are ten dollars and thirty cents (\$10.30) per hour with health benefits or, if health benefits are not provided, then fourteen dollars and eighty cents (\$14.80) per hour for Airport Employees and eleven dollars and fifty-five cents (\$11.55) per hour for all other Employees. The hourly rate with health benefits to be paid to all Employees and the hourly rate without health benefits to be paid to Airport Employees shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

Sec. 4. Section 10.37.3 is amended in its entirety to read as follows:

Sec. 10.37.3 Health Benefits.

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment of at least four dollars and fifty cents (\$4.50) per hour by Airport Employers and at least one dollar and twenty-five cents (\$1.25) per hour by all other Employers towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in Section 10.37(a) for Employees with health benefits. Airport Employees cannot waive the health benefits offered by an Airport Employer when the Airport Employer does not require an out-of-pocket contribution by the Airport Employee. Consistent with and as shall be reflected in the hourly rates payable to Airport Employees as provided in 10.37.2(a) above, the amount of payment for health benefits by Airport Employers shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City

Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly payments, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted payment, which shall take effect upon such publication.

(b) Periodic Review.

At least once every three years, the Office of Administrative and Research Services shall review the health benefit payment by Airport Employers set forth in 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

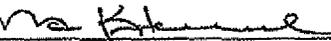
Sec. 5. A new Subsection (d) of Section 10.37.11 is added to read as follows:

(d) 2009 Amendment. The provisions of this article as amended by the 2009 ordinance shall become operative ninety (90) days following the effective date of the 2009 ordinance.

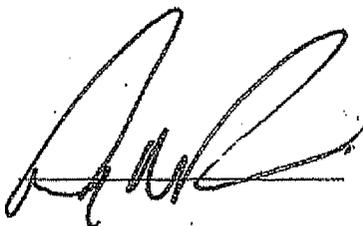
Sec. 6. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of SEP 09 2009.

JUNE LAGMAY, City Clerk

By  Deputy

Approved _____

 SEP 15 2009
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
THERESA A. STAMUS
Sr. Assistant City Attorney

Date September 9, 2009

File No. 07-2247

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 10

SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

*Article and Section Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

- (a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.
- (b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.
- (c) "City financial assistance recipient" means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax

credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) "**Contractor**" means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) "**Employee**" means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees; restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) "**Person**" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) "**Service contract**" means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) "**Subcontractor**" means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service contract and that employs employees for such purpose.

(i) "**Successor service contract**" means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99.*

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and section 10.36.3.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added,
Ord. No. 172,349, Eff. 1-29-99.*

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the

City to expend such other funds. City financial assistance recipients shall apply this article to the expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

*Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99*

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

*Added by Ord. No. 171,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.*

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff.5-18-96.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

CHILD SUPPORT

Sec. 10.10. Child Support Assignment Orders.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions.

Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them

personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§ 5230 *et seq.* and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders.

Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance.

Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code § 5230 *et seq.* and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. City's Compliance with California Family Code.

The City shall maintain its compliance with the provisions of California Family Code §§ 5230 *et seq.* and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff. 2-13-99.

LOS ANGELES WORLD AIRPORTS



CONTRACTOR RESPONSIBILITY PROGRAM RULES AND REGULATIONS FOR LEASES

Effective date: May 20, 2002

Procurement Services Division
7301 World Way West, Rm. 105
Los Angeles, CA 90045
(310) 417-6495
(310) 646-7098 (Fax)

EXHIBIT K
Contractor Responsibility Program
Rules and Regulations for Leases

CONTENTS

A.	DEFINITIONS.....	2
B.	SUBMISSION OF CRP QUESTIONNAIRES.....	3
C.	LAWA REVIEW OF SUBMITTED CRP QUESTIONNAIRES.....	3
D.	AWARD AND EXECUTION OF LEASES.....	5
E.	LEASE AMENDMENTS.....	7
F.	TENANT NOTIFICATION OF INVESTIGATIONS AND UPDATE OF INFORMATION ...	7
G.	LAWA INVESTIGATION.....	9
H.	VIOLATIONS OF THE CRP OR ITS RULES AND REGULATIONS.....	100
I.	NON-RESPONSIBILITY HEARING.....	11
J.	NON-RESPONSIBILITY SANCTIONS.....	12
K.	EXEMPTIONS.....	13
L.	EFFECTIVE DATE OF CRP RULES AND REGULATIONS.....	14
M.	CONSISTENCY WITH FEDERAL AND STATE LAW.....	14
N.	SEVERABILITY.....	14

These Rules and Regulations are promulgated pursuant to Board Resolution #21601, the Los Angeles World Airports Contractor Responsibility Program (CRP). Each Requesting LAWA Division shall cooperate to the fullest extent with the Executive Director in the administration of the CRP. The Executive Director may amend these Rules and Regulations from time to time as required for the implementation of the CRP.

A. DEFINITIONS

1. **Adoption of CRP definitions:** For purposes of these Rules and Regulations, the definitions set forth in the Board Resolution are incorporated herein, and include the following:
 - a. **Board**
 - b. **Executive Director**
 - c. **Los Angeles World Airports (LAWA)**
 - d. **Lease agreement** means a written document in which the rights to use and occupancy of land or structures are transferred by the owner to another for a specified of time in return for a specified rent.
 - e. **Tenant** - means Lessee
 - f. **Subtenant** - means Sublessee
 - g. **Prospective tenant** – means a firm or individual not currently a LAWA tenant
 - h. **New Lease agreement** - means new leasehold premises for a prospective tenant. A lease with a firm or individual not currently a LAWA tenant.
 - i. **Additional Lease agreement** - means new leasehold premises for a current tenant
 - j. **Renewal Lease** - means same leasehold premises for a current tenant
 - k. **Amendment** - means modified terms on same leasehold premises for a current tenant
 - l. **Public Lease** - means a lease of LAWA property
2. **New Definitions**
 - a. **"CRP Questionnaire"** means the set of questions developed by Procurement Services Division (PSD) that will assist LAWA in determining a prospective tenant's responsibility. Information solicited from the CRP Questionnaire may include but is not limited to: ownership and name changes, financial resources and responsibility, satisfactory performance of other leases, satisfactory record of compliance with relevant laws and regulations, and satisfactory record of business integrity. PSD may amend the CRP Questionnaire from time to time.
 - b. **"CRP Pledge of Compliance"** means the CRP Pledge developed by the PSD. The CRP Rules and Regulations may be updated from time to time by the PSD. The CRP Pledge shall require contractors to sign under penalty of perjury that the Tenant will:

- (1) Comply with all applicable Federal, State, and local laws that apply to the lease agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
- (2) Notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Tenant is not in compliance with subparagraph 2(b)(1).
- (3) Notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Tenant has violated subparagraph 2(b) (1).
- (4) Ensure that Subtenants occupying space through any Sublease in connection with a LAWA lease agreement shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs 2(b)(1) through (3). To submit to LAWA the completed Pledges.
- (5) Notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving any Subtenant(s) in the LAWA lease agreement.
- (6) Cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

B. SUBMISSION OF CRP QUESTIONNAIRES

1. **Prospective Tenants** are required to submit a completed and signed CRP Questionnaire for determination of responsibility prior to award of the lease.
2. **Current Tenants** : The requirement to submit a CRP Questionnaire is not applicable to current tenant. See Section D(2)(a)
3. **Subtenants**: The requirement to submit a CRP Questionnaire is not applicable to subtenants. See Section D(2)(b)

C. LAWA REVIEW OF SUBMITTED CRP QUESTIONNAIRES – APPLIES TO PROSPECTIVE TENANTS ONLY.

1. Posting of CRP Questionnaires and Subtenant Lists:

Prospective Tenants: The Requesting LAWA Division will forward to PSD the completed CRP Questionnaires and Subtenant list(s), if any, submitted by the prospective tenants to make available for public review and comment for a minimum of fourteen (14) calendar days prior to the award of the lease.

Current Tenants: The requirement to submit a CRP Questionnaire is not applicable to current tenants. Subtenants of current tenants are listed on the LAWA website.

2. Departmental Review of CRP Questionnaires

- a. PSD will determine Contractor Responsibility from the completeness and accuracy of the information in the submitted CRP Questionnaire; information from various compliance and regulatory agencies; accuracy and completeness of the information received from the public; and through PSD's own reviews and investigations.
- b. PSD may submit written requests to the tenant for clarification or additional documentation. Failure to respond to these requests within the specified time may render the tenant non-responsible and disqualified.
- c. PSD will report its findings and determination to the Requesting LAWA Division.
- d. No lease award will be made by LAWA until after the CRP review and determination has been made.
- e. The CRP Questionnaire of the prospective tenant awarded the lease will be retained by PSD. The CRP Questionnaires for the prospective tenants not awarded the lease will also be retained by PSD.

3. Claims Resulting from Public Review and Comments

Prospective Tenants/Subtenants:

- a. Claims regarding a tenant/subtenant's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a tenant/subtenant's responsibility, whether or not it is submitted in writing.
- b. If PSD receives information which calls into question a tenant/subtenant's responsibility, and the information was received **before** the lease/sublease has been executed, PSD shall:
 - (1) Notify the Requesting Division in writing that no lease/sublease shall be awarded until PSD has completed investigation into the matter.
 - (2) Investigate the complaint, collect necessary documentation, and determine the complaint's validity.
 - (3) Upon completion of the investigation, notify the Requesting Division in writing of the results of the investigation.
 - (4) Findings from the PSD investigation received by the Requesting Division will be considered by the Requesting Division as part of the determination of the tenant/subtenant's responsibility.

Current Tenants/Subtenants:

- a. Claims regarding a tenant/subtenant's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a tenant/subtenant's responsibility, whether or not it is submitted in writing.
- b. If PSD receives written information that calls into question a current tenant/subtenant's responsibility, PSD shall investigate the matter as required in Section G, LAWA Investigation.

D. AWARD AND EXECUTION OF LEASES

1. Determination of Responsibility and Award of Lease

Prospective Tenants/Subtenants:

- a. PSD shall determine whether a tenant/subtenant is a responsible tenant/subtenant with the necessary quality, fitness and capacity to comply with the terms of the lease by considering the following:
 - (1) Completeness and accuracy of the Information contained in the CRP Questionnaire;
 - (2) Completeness and accuracy of the information received from the public;
 - (3) Information and documentation from PSD's own investigation; and
 - (4) Information that may be available from any compliance or regulatory governmental agency.
- b. Board may award and Executive Director may execute a lease with a prospective tenant only if:
 - (1) The tenant's CRP Questionnaire, and Subtenant's list(s), if any, has been made available for public review for at least fourteen (14) calendar days unless otherwise exempted from the posting requirement by the CRP;
 - (2) The tenant is not being investigated pursuant to the CRP;
 - (3) The tenant has not been found to be a non-responsible contractor pursuant to the CRP;
 - (4) The tenant does not appear on any City list of debarred bidders or contractors; and
 - (5) The tenant has met all other applicable City requirements.

Current Tenants/Subtenants:

- a. PSD shall determine whether a tenant/subtenant is a responsible tenant/subtenant with the necessary quality, fitness and capacity to comply with the terms of the lease by considering the following:

- (1) Completeness and accuracy of any information received from the public;
- (2) Information and documentation from PSD's own investigation; and
- (3) Information that may be available from any compliance or regulatory governmental agency.

2. Submission of Pledge of Compliance

Prospective and Current Tenants:

- a. Unless otherwise exempt from the CRP, all prospective and current tenants/subtenants are required to submit a CRP Pledge of Compliance signed under penalty of perjury. Failure to submit a CRP Pledge of Compliance as required may render the tenant/subtenant non-compliant with the terms of the lease and subject to sanctions.

Subtenants:

- b. Within ten (10) calendar days of execution of a sublease, the tenant shall submit to LAWA a signed CRP Pledge of Compliance from each subtenant listed as occupying space on the leasehold premises.

3. Subtenant Responsibility

- a. Tenants shall ensure that their subtenants meet the criteria for responsibility set forth in the CRP and these Rules and Regulations unless the sublease is not subject to the CRP.
- b. Tenants shall ensure that subtenants occupying space on the LAWA leasehold premises shall complete and submit a signed CRP Pledge of Compliance.
- c. Tenants shall not use in any capacity any subtenant that has been determined or found to be a non-responsible contractor by LAWA or the City.
- d. Subject to approval by the LAWA Requesting Division, tenants may substitute a non-responsible subcontractor with another subtenant.

4. Execution of Contracts

Prospective Tenants:

- a. Unless exempt from the CRP, all lease agreements subject to the CRP shall contain language obligating the contractor to comply with the CRP.
- b. No lease agreement may be executed unless:

- (1) The prospective tenant's CRP Questionnaire, unless otherwise exempt, has been made available for public review for at least fourteen (14) calendar days
- (2) The tenant has submitted a signed Pledge of Compliance with the CRP.
- (3) The prospective tenant's subtenant list, if any, has been made available for public review for at least fourteen (14) calendar days.
- (4) The prospective tenant is determined by LAWA to be a Responsible Contractor.

Current Tenants:

- a. Unless exempt from the CRP, all lease agreements subject to the CRP shall contain language obligating the tenant to comply with the CRP.
- b. No lease agreement may be executed unless the tenant has submitted a signed Pledge of Compliance with the CRP.

E. LEASE AMENDMENTS

Compliance with the CRP is required in lease amendments if the initial lease was not subject to the CRP, but the total term and amount of the lease, inclusive of all amendments, would make the lease subject to the CRP.

- a. A tenant subject to the CRP because of an amendment shall submit a CRP Pledge of Compliance to LAWA before the lease amendment can be executed.
- b. Unless exempt from the CRP, all lease amendments subject to the CRP shall contain contract language obligating the contractor to comply with the CRP.

F. TENANT NOTIFICATION OF INVESTIGATIONS AND UPDATE OF INFORMATION

1. Notification of Investigations

Prospective and Current Tenants shall:

- a. Notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the tenant is not in compliance with any applicable Federal, State, or local law that apply to the LAWA or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
- b. Notify LAWA within thirty (30) calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that the tenant violated any applicable Federal, State, or local law that apply to the LAWA or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

- c. Notify LAWA within thirty (30) calendar days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving the subtenants in the performance of a LAWA or City lease agreement.

2. Subtenant Notification of Investigations

Tenants shall ensure that subtenants occupying the LAWA leasehold premises abide by these same updating requirements, including the requirement to:

- a. Notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subtenant did not comply with any applicable Federal, State, or local law that apply to the LAWA or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
- b. Notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the subtenant violated any applicable Federal, State, or local law that apply to the LAWA or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

3. Update of CRP Questionnaire Information – applies to Prospective Tenants only.

- a. Updates of information contained in the prospective tenant's responses to the CRP Questionnaire shall be submitted to LAWA within thirty (30) days of any changes to the responses if the change would affect the prospective tenant's fitness and ability to comply with the terms of the lease.
- b. PSD, or the Requesting Division, shall determine whether a tenant in a specific situation should have provided updated information.
 - (1) If PSD, or the Requesting Division, becomes aware of new information concerning a tenant and determines that the tenant should have provided information or updated LAWA of such information, but the tenant has not done so, PSD shall issue a written notice to the tenant requiring the tenant to submit the required information within (ten) 10 calendar days.
 - (2) If PSD or the Requesting Division becomes aware of new information concerning a subtenant and determines that the subtenant should have provided information or updated LAWA of such information, but the subtenant has not done so, PSD shall issue a written notice to the tenant requiring the subtenant to submit the required information within (ten) 10 calendar days.

- c. Tenant's failure to provide information or updated information when required by LAWA, the CRP or these Rules and Regulations, may be considered a material breach of the lease agreement, and LAWA may invoke remedies set forth in Section J of these Rules and Regulations

- 4. **Submission of CRP Questionnaires and Updates of CRP Questionnaire Is Not Applicable to Current Tenants and Subtenants:** The requirement that tenants submit to LAWA CRP Questionnaires and updates to the CRP Questionnaire responses does not apply to current tenants and subtenants.

G. LAWA INVESTIGATION

- 1. **Reporting of Alleged Violations:** Claims regarding a tenant/subtenant's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a tenant/subtenant's responsibility, whether or not it is submitted in writing.
- 2. **Process:**
 - a. Upon receipt of a complaint or upon initiation of an investigation, PSD shall notify the Requesting Division and the tenant in writing that an investigation has been initiated.
 - b. PSD shall collect necessary facts and documentation from the complainant(s). To the extent permissible, PSD shall maintain the identity of the complainant, if any, confidential.
 - c. PSD shall issue a "Notice to Respond" to the tenant summarizing the facts of the investigation.
 - d. The tenant shall cooperate fully and respond to LAWA's request for information within ten (10) working days from the date of the Notice to Respond.
 - e. A tenant's failure to cooperate or respond to the Notice to Respond will be deemed conclusive admission that the tenant/subtenant is a non-responsible contractor/subcontractor and LAWA may initiate a hearing as set forth in Section I of these Rules and Regulations.

Where the Subtenant is the alleged entity, the tenant shall gather the necessary information and respond to LAWA's request for information.

- f. Upon completion of the investigation, PSD shall prepare a written report of the findings and notify the Requesting Division, the tenant, and complainant(s), if applicable, of the results.

3. Results of Investigation

Prospective Tenants

- a. When an investigation is completed **before** the lease is awarded, PSD shall notify the Requesting Division of the results, and Requesting Division will consider the information as part of the determination of a tenant's responsibility.
 - (1) If the tenant is found non-responsible, PSD shall notify the tenant, and the Requesting Division, of the proposed determination of non-responsibility and provide an opportunity for a hearing as set forth in Section I of these Rules and Regulations.
 - (2) If the tenant fails to exercise the right to a hearing within ten (10) working days of the date of the notice of the proposed determination of non-responsibility, the tenant shall be deemed to waive the right to a hearing. PSD may proceed to declare the tenant a non-responsible contractor without a hearing and LAWA may invoke remedies set forth in Section J of these Rules and Regulations.

Current Tenants

- b. When an investigation is completed **after** the execution of a contract:
 - (1) If violations of the CRP are found, PSD shall notify the Requesting Division and tenant of the violation and require the tenant to submit an explanation and information on the status of the violation within (ten)10 calendar days.
 - (2) After review of the information regarding the violation, PSD may:
 - (i) Proceed to declare the tenant a non-responsible contractor and LAWA may invoke remedies as set forth in Section J of these Rules and Regulations; or
 - (ii) Declare the tenant a responsible contractor.
 - (3) If the tenant fails to provide information regarding the violation as required, PSD shall notify the Requesting Division and may:
 - (i) Proceed to declare the tenant a non-responsible contractor and LAWA may invoke remedies as set forth in Section J of these Rules and Regulations.

H. VIOLATIONS OF THE CRP OR ITS RULES AND REGULATIONS

1. Claims regarding a tenant's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a tenant's responsibility, whether or not it is submitted in writing.

2. A tenant/subtenant will be considered in violation of the CRP and sanctioned if the tenant/subtenant:
 - a. Does not submit required CRP documents
 - b. Submits incomplete, inaccurate, or unsigned CRP documents, or
 - c. Does not cooperate with PSD during its investigation, and/or fails to respond to PSD's Notice to Respond within the time allowed, or
 - d. Is determined by LAWA to be a non-responsible contractor/subcontractor after a review of the CRP documents, supportive documentation and/or public comments.
3. If violations of the CRP are found, PSD shall notify the Requesting Division and the tenant of the violation and require the tenant to submit an explanation and information on the status of the violation within 10 calendar days.
4. After review of the information regarding the violation, PSD may:
 - a. Proceed to declare the tenant a non-responsible contractor and LAWA may invoke remedies as set forth in Section J of these Rules and Regulations; or
 - b. Declare the tenant a responsible contractor.
5. If the tenant fails to provide information regarding the violation as required, PSD shall notify the Requesting Division and may:
 - a. Proceed to declare the tenant a non-responsible contractor and LAWA may invoke remedies as set forth in Section J of these Rules and Regulations.

I. NON-RESPONSIBILITY HEARING

1. PSD, after consultation with the City Attorney, shall initiate the process of declaring a tenant as a non-responsible contractor.
2. Before a tenant may be declared non-responsible, PSD shall notify the tenant, and the Requesting Division, of the proposed determination of non-responsibility and provide with an opportunity for a hearing.
3. PSD shall administer a procedure for the non-responsibility hearing which, at minimum, must include the following:
 - a. The tenant shall be provided with a written Notice that LAWA intends to declare the tenant a non-responsible contractor.
 - b. The Notice shall provide the tenant with the following information:
 - (1) That LAWA intends to declare the tenant a non-responsible contractor.
 - (2) A summary of the information upon which LAWA is relying upon.

- (3) That the tenant has a right to respond to the information by requesting a hearing to rebut adverse information and to present evidence of the necessary quality, fitness and capacity to comply with the terms of the lease required under the lease agreement or for future lease agreements.
 - (4) That the tenant shall exercise the right to a hearing by submitting to PSD a written request for a hearing within (ten) 10 working days of the date of the notice.
 - (5) That failure to submit a written request for hearing within the required time frame shall be considered a waiver of the right to a hearing that allows LAWA to proceed with the determination of non-responsibility.
4. If the tenant fails to exercise the right to a hearing within ten (10) working days of the date of the Notice of the proposed determination of non-responsibility, the tenant shall be deemed to waive the right to a hearing. PSD may proceed to declare the tenant a non-responsible contractor without a hearing and LAWA may invoke remedies as set forth in Section J of these Rules and Regulations.
5. If the tenant submits a written request for a hearing, the hearing may be held with the head of PSD, Requesting Division, City Attorney and/or their respective designees. LAWA may determine that the tenant:
 - a. Does not possess the necessary quality, fitness, or capacity to comply with the terms of the lease, should be declared a non-responsible contractor, and invoke remedies as set forth in Section J of these Rules and Regulations; or
 - b. Should be declared a responsible contractor.
6. LAWA's determination shall be final and constitute exhaustion of administrative remedies.
7. PSD shall provide LAWA's written final decision to the tenant and to the Requesting Division. If the tenant is declared to be non-responsible, a copy of the final decision shall also be provided to the City Administrative Officer.

J. NON-RESPONSIBILITY SANCTIONS

Sanctions for Airline Tenants:

Airline tenants that do not comply with CRP requirements and/or are determined non-responsible by LAWA will be declared to have a material breach of the lease agreement. LAWA may exercise its legal remedies thereunder, which are to include, but not limited to:

1. Non-issuance of a successor ACOP, paying landing fees at the higher rate of non-permitted carriers;
2. Losses of exclusive, preferential and/or historical gate assignments;
3. Termination of the lease agreement.

Sanctions for Non-Airline Tenants:

1. **Prospective** tenants that do not comply with CRP requirements and/or are determined non-responsible by LAWA will be disqualified and will not be awarded a lease agreement.
2. **Current** tenants that do not comply with CRP requirements and/or are determined non-responsible will be declared to have a material breach of the lease agreement. LAWA may exercise its legal remedies thereunder, which are to include, but not limited to the termination of the lease agreement.

Such tenant shall not perform any work or occupy any leasehold premises in the proposed lease, whether as a Master tenant, a subtenant, a partner in a partnership, a participant in a joint venture, a member of a consortium, or in any other capacity.

3. Upon final determination of a tenant as a non-responsible contractor, PSD shall provide the Requesting Division and the tenant with a written notice summarizing the findings and applicable sanctions.
4. PSD shall maintain a listing of tenants/subtenants who have been found non-responsible by LAWA pursuant to the CRP.

K. EXEMPTIONS

1. **Categorical Exemption:** The following types of lease agreements are categorically exempt from the CRP and these Rules and Regulations:
 - a. Lease agreements with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such status.
 - b. Lease agreements wherein LAWA is the Lessee
 - c. LAWA permits, certificates, license agreements
 - d. Lease agreements for the purpose of re-setting the lease rates or other rates and charges for City facilities covered in lease agreements
 - e. Lease agreements wherein LAWA buys/sells/exchanges real estate or when LAWA conveys or receives easements rights(a real estate interest) in land
2. **Board approval required for CRP Exemptions:** The following types of lease agreements are exempt from the CRP and these Rules and Regulations when the Board of Airport Commissioners makes a finding that the lease agreement meets any of the following conditions:

- a. Lease agreements awarded on the basis of exigent circumstances whenever Board finds that LAWA would suffer a financial loss or LAWA operations would be adversely impacted.
- b. Lease agreements entered into during time of war or national, state or local emergency.

L. EFFECTIVE DATE OF RULES AND REGULATIONS

1. The CRP and these Rules and Regulations apply to Lease agreements **issued** after the City Attorney has approved these Rules and Regulations, the CRP Pledge of Compliance, and the CRP Questionnaire.
2. The CRP and these Rules and Regulations apply to lease agreements **entered into** by LAWA after the City Attorney has approved these Rules and Regulations, the CRP Pledge of Compliance, and the CRP Questionnaire.
3. Leases amended after these Rules and Regulations are approved by the City Attorney will become subject to CRP and these Rules and Regulations if they meet definitions contained in the CRP and these Rules and Regulations.

M. CONSISTENCY WITH FEDERAL AND STATE LAW

The CRP and these Rules and Regulations do not apply in instances where application would be prohibited by Federal and State law or where the application would violate or be inconsistent with the terms and conditions of a grant or contract with the Federal or State agency.

N. SEVERABILITY

If any provision of the CRP or these Rules and Regulations are declared legally invalid by any court of competent jurisdiction, the remaining provisions remain in full force and effect.

**LOS ANGELES WORLD AIRPORTS
CONTRACTOR RESPONSIBILITY PROGRAM
PLEDGE OF COMPLIANCE FOR LEASES**

The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA Tenants for leases that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Tenants for leases subject to the CRP are required to complete and submit this Pledge of Compliance with the lease agreement. In addition, within ten (10) days of execution of any sublease agreement, the Tenant shall submit to LAWA this Pledge of Compliance from each Subtenant listed as performing work on, or otherwise occupying, the leasehold premises.

The Tenant agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, State, and local laws that apply to the lease agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (b) To notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Tenant is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Tenant has violated paragraph (a).
- (d) To ensure that Subtenants occupying space through any Sublease in connection with a LAWA lease agreement shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (e) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving any Subtenant(s) in the LAWA lease agreement.
- (f) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA as required may render the Tenant non-compliant with the terms of the lease and subject to CRP sanctions.

Company Name, Address and Phone Number

Signature of Officer or Authorized Representative

Date

Print Name and Title of Officer or Authorized Representative

Project Title

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The only evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

- **Endorsements:**

1. Workers Compensation Waiver of Subrogation Endorsement
(WC 04 03 06 or similar)
2. General Liability Additional Insured Endorsement
(CG 20 10 SERIES or similar)

****All endorsements must specifically name in the schedule:

“The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.”

**A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A
CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.**

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1960

Bidder Contributions CEC Form 55

ALL BOXES MUST BE COMPLETED. PLEASE TYPE OR PRINT LEGIBLY.

Bid/Contract Number (or other identifying information if no number):	Date Bid Submitted:
--	---------------------

Description of Contract:

Awarding Authority (Department):

BIDDER

Name: Air Center Aviation, Inc

Address: 16231 Waterman Drive, Van Nuys, CA 91406

Email (optional): _____ Phone: 818 631-6857

State Contractor I.D.: N/A
Must be disclosed for identification purposes, even if not performing work on this contract under that license. If the bidder does not have a state contractor I.D., indicate "not applicable".

PRINCIPALS

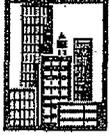
Please identify the names and titles of all principals (attach additional sheets if necessary). Principals include a bidder's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the bidder of at least 20 percent and employees of the bidder who are authorized by the bid or proposal to represent the bidder before the City.

Name: Duane Feuerhelm Title: President
 Address: 12250 Sarazen Pl. Granada Hills, CA 91344

Name: Larry Feuerhelm Title: Vice President
 Address: 35820 Bass Rock Rd. Agua Dulce, CA 91390

Name: _____ Title: _____
 Address: _____

_____ additional sheets are attached. Bidder is an individual with no principals.



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1960

Bidder Contributions CEC Form 55

SUBCONTRACTORS

Please identify all subcontractors whose subcontracts are worth \$100,000 or more (attach additional sheets if necessary). If the subcontractor has a state contractor license, the I.D. must be disclosed for identification purposes, even if the subcontractor is not performing work on this contract under that license.

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

Subcontractor: _____

Address: _____

State Contractor I.D. (for identification purposes; if none, indicate "not applicable"): _____

_____ additional sheets are attached.

Bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more.



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1960

Bidder Contributions CEC Form 55

PRINCIPALS OF SUBCONTRACTORS

Please identify the names and titles of all principals for each subcontractor identified on page 2 (attach additional sheets if necessary). Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.

Name: _____ Title: _____

Address: _____

Subcontractor: _____

Of the subcontractors identified on page 2, the following are individuals with no principals (attach additional sheets if necessary):

Subcontractor: _____

Subcontractor: _____

_____ additional sheets are attached.

Bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more.

CERTIFICATION

I certify that I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter section 470(c)(12) and any related ordinances. I understand that I must amend this form within ten business days if the information above changes. I certify under penalty of perjury under the laws of the State of California that the information provided above is true and complete.

Date: 10-08-2013

Signature: _____

Name: _____

Title: _____

[Handwritten Signature]
 Larry Feuerhelm
 Vice President

Under Los Angeles City Charter § 470(c)(12), this form must be submitted to the awarding authority with your bid or proposal. A bid or proposal that does not include a completed Form 55 will be deemed nonresponsive.

**LOS ANGELES WORLD AIRPORTS
CONTRACTOR RESPONSIBILITY PROGRAM
PLEDGE OF COMPLIANCE FOR LEASES**

The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA Tenants for leases that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Tenants for leases subject to the CRP are required to complete and submit this Pledge of Compliance with the lease agreement. In addition, within ten (10) days of execution of any sublease agreement, the Tenant shall submit to LAWA this Pledge of Compliance from each Subtenant listed as performing work on, or otherwise occupying, the leasehold premises.

The Tenant agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, State, and local laws that apply to the lease agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (b) To notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Tenant is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Tenant has violated paragraph (a).
- (d) To ensure that Subtenants occupying space through any Sublease in connection with a LAWA lease agreement shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (e) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving any Subtenant(s) in the LAWA lease agreement.
- (f) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA as required may render the Tenant non-compliant with the terms of the lease and subject to CRP sanctions.

Air Center Aviation, Inc 16231 Waterman Dr. Van Nuys, CA 91406
Company Name, Address and Phone Number

818 631-6851

Larry Feuerhelm V.P.
Signature of Officer or Authorized Representative

10-08-2013
Date

Larry Feuerhelm Vice President
Print Name and Title of Officer or Authorized Representative

Project Title

**LOS ANGELES WORLD AIRPORTS
CONTRACTOR RESPONSIBILITY PROGRAM
QUESTIONNAIRE FOR PROSPECTIVE TENANTS**

On December 4, 2001, the Board of Airport Commissioners adopted Resolution No. 21601, establishing LAWA's Contractor Responsibility Program (CRP). The intent of the program is to ensure that all LAWA tenants have the necessary quality, fitness and capacity to comply with the terms of the lease. To assist LAWA in making this determination, each prospective tenant is required to complete and submit the attached CRP Questionnaire prior to award of the new lease. The submitted CRP questionnaire will become public record and information contained therein will be available for public review for at least fourteen (14) calendar days prior to the award of the new lease, except to the extent that such information is exempt from disclosure pursuant to applicable law.

The signatory of this questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and submit this questionnaire as required may render the prospective tenant non-compliant with the terms of the lease and result in non-award of the proposed lease. During the review period if the prospective tenant is found non-responsible, he/she is entitled to an Administrative Hearing, if a written request is submitted to LAWA within ten (10) working days from the date LAWA issued the non-responsibility notice. Final determination of non-responsibility will result in sanctions as outlined in the CRP Rules and Regulations for Leases.

All questionnaire responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the CRP Questionnaire Attachment A. Submit the completed and signed Questionnaire and all attachments to LAWA. Retain a copy of this completed questionnaire for future reference. Tenants shall submit updated information to LAWA within thirty (30) days if changes have occurred that would make any of the responses inaccurate in any way.

A. LEASE DESCRIPTION AND LOCATION:

B. TENANT INFORMATION:

Air Center Aviation, Inc. DBA
Legal Name
16231 Waterman Dr. Van Nuys, CA 91406
Street Address City State Zip
Larry Feuerhelm 818 631-6851 818 698-6430
Contact Person, Title Phone Fax

C. TYPE OF SUBMISSION:

- An initial submission of a CRP Questionnaire. Please complete all questions and sign Attachment A.
- Changes being reported. CRP Questionnaire dated ____/____/____ and previously submitted to LAWA is being updated. Please complete all questions and sign Attachment A.
- No changes being reported. CRP Questionnaire dated ____/____/____ and previously submitted to LAWA has no changes. Please sign below and return this page.

I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the firm submitted the last CRP Questionnaire to LAWA.

Print Name, Title

Signature

Date

A. OWNERSHIP AND NAME CHANGES

1. In the past five (5) years, has your firm changed name?

Yes No

If **Yes**, list on Attachment A, all the principals' names, prior legal and D.B.A. names, addresses, and the dates when used. Explain the specific (s) reason for each name change.

B. FINANCIAL RESOURCES AND RESPONSIBILITY

2. In the past five (5) years, has your firm ever been the debtor in a bankruptcy proceeding?

Yes No

If **Yes**, explain on Attachment A the specific circumstances and dates surrounding each instance.

3. In the past five (5) years, has any bonding company made any payments to satisfy any claims made against a bond issued on your firm's behalf or a firm where you were the principal?

Yes No

If **Yes**, explain on Attachment A the specific circumstances surrounding each instance.

C. PERFORMANCE HISTORY

4. In the past five (5) years, has your firm ever defaulted under a lease agreement with a governmental entity or with a private individual or entity leading to termination of the lease?

Yes No

If **Yes**, explain on Attachment A the specific circumstances surrounding each instance.

D. COMPLIANCE

5. In the past five (5) years, has your firm or any of its partners, or officers, been penalized for or been found to have violated any Federal, State, or local laws in the performance of a lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?

Yes No

If **Yes**, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status.

E. BUSINESS INTEGRITY

6. In the past five (5) years, has your firm been convicted of, or been found liable in a civil suit for making a false claim(s) or material misrepresentation(s) to any private or governmental entity in the United States?

Yes No

If **Yes**, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status.

7. In the past five (5) years, has your firm or any of its executives and management personnel, been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government lease agreement; or the crime of theft, fraud, embezzlement, perjury, or bribery?

Yes

No

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and current status.

Equal Benefits Ordinance

LAWA EBO COMPLIANCE

FOR LAWY CONTRACTORS ONLY

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway, Suite 300, Los Angeles, CA 90015
Phone: (213) 847-2625 E-mail: bca.eeoe@lacity.org

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

Prime contractors must certify compliance with Los Angeles Administrative Code (LAAC) Section 10.8.2.1 et seq. prior to the execution of a City agreement subject to the Equal Benefits Ordinance (EBO).

SECTION 1. CONTACT INFORMATION

Company Name: Air Center Aviation, Inc.
Company Address: 16231 Waterman Drive
City: Van Nuys State: CA Zip: 91406
Contact Person: Larry Feuerhelm Phone: 818 631-6851 E-mail: Lfeuerhelm@msn.com
Approximate Number of Employees in the United States: Zero
Approximate Number of Employees in the City of Los Angeles: Zero

SECTION 2. EBO REQUIREMENTS

The EBO requires City Contractors who provide benefits to employees with spouses to provide the same benefits to employees with domestic partners. Domestic Partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration, or with an internal registry maintained by the employer of at least one of the domestic partners.

Unless otherwise exempt, the contractor is subject to and shall comply with the EBO as follows:

- A. The contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the City Contract; and
- B. The contractor's operations located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the contractor's presence at or on the property is connected to a Contract with the City; and
- C. The Contractor's employees located elsewhere in the United States, but outside of the City Limits, if those employees are performing work on the City Contract.

A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."

LAWA EBO COMPLIANCE

SECTION 3. COMPLIANCE OPTIONS

I have read and understand the provisions of the Equal Benefits Ordinance and have determined that this company will comply as indicated below:

- X..... I have no employees.
[]..... I provide no benefits.
[]..... I provide benefits to employees only. Employees are prohibited from enrolling their spouse or domestic partner.
[]..... I provide equal benefits as required by the City of Los Angeles EBO.
[]..... I provide employees with a "Cash Equivalent." Note: The "Cash Equivalent" is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa.
[]..... All or some employees are covered by a collective bargaining agreement (CBA) or union trust fund. Consequently, I will provide Equal Benefits to all non-union represented employees, subject to the EBO, and will propose to the affected unions that they incorporate the requirements of the EBO into their CBA upon amendment, extension, or other modification of the CBA.
[]..... Health benefits currently provided do not comply with the EBO. However, I will make the necessary changes to provide Equal Benefits upon my next Open Enrollment period which begins on (Date)
[]..... Our current company policies, i.e., family leave, bereavement leave, etc., do not comply with the provisions of the EBO. However, I will make the necessary modifications within three (3) months from the date of this affidavit.

SECTION 4. DECLARATION UNDER PENALTY OF PERJURY

I understand that I am required to permit the City of Los Angeles access to and upon request, must provide certified copies of all company records pertaining to benefits, policies and practices for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance. Furthermore, I understand that failure to comply with LAAC Section 10.8.2.1 et seq., Equal Benefits Ordinance may be deemed a material breach of any City contract by the Awarding Authority. The Awarding Authority may cancel, terminate or suspend in whole or in part, the contract; monies due or to become due under a contract may be retained by the City until compliance is achieved. The City may also pursue any and all other remedies at law or in equity for any breach. The City may use the failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of the LAAC Section 10.40, et seq., Contractor Responsibility Ordinance.

Air Center Aviation, Inc will comply with the Equal Benefits Ordinance requirements
Company Name

as indicated above prior to executing a contract with the City of Los Angeles and will comply for the entire duration of the contract(s).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 08 day of October, in the year 2013, at Van Nuys, CA
(City) (State)

Signature

Larry Feuerhelm
Name of Signatory (please print)

Vice President
Title

16231 Waterman Dr.
Mailing Address

Van Nuys, CA 91406
City, State, Zip Code

95-2756537
EIN/TIN