

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "Agreement") is made and entered into as of this ____ day of ___, 2016, by and between the City of Los Angeles and its Department of Airports (Los Angeles World Airports or "LAWA"), acting by and through its Board of Airport Commissioners (BOAC) (collectively, "LOS ANGELES" or "City"¹), on the one hand, and The Alliance for a Regional Solution for Airport Congestion (ARSAC), an unincorporated association, Denny Schneider (an individual and President of ARSAC) and Robert Acherman, an individual and Vice President/Treasurer of ARSAC) (collectively referred to herein as "The ARSAC Parties"), on the other (collectively the "Parties").

WHEREAS, LOS ANGELES and ARSAC and others entered into a "Stipulated Settlement Agreement" dated February 17, 2006 (the "Prior Settlement");

WHEREAS, ARSAC expressed legal and policy concerns regarding the completed Specific Plan Amendment Study ("SPAS") California Environmental Quality Act ("CEQA") Environmental Impact Report ("EIR") and on May 30, 2013 filed a writ petition challenging it in Los Angeles Superior Court, Case Number BS143086, transferred and consolidated with Ventura County Superior Court Case No. 56-2014-00451038-CU-WM-OXN (the "SPAS Writ Action");

WHEREAS, on April 12, 2016, the trial court entered judgment in favor of LOS ANGELES, denied ARSAC's SPAS Writ Petition, and awarded costs to LOS ANGELES and this judgment is now on appeal;

WHEREAS, LOS ANGELES, as the prevailing party in the SPAS Writ Action, has submitted a cost bill to the Court in the amount of \$251,860;

WHEREAS, ARSAC has disputed the amount of costs to be awarded and has filed a Motion to Tax Costs ("Cost Motion") and a Notice of Appeal from the trial court's judgment ("Appeal");

WHEREAS, the Parties desire to resolve the SPAS Writ Action Costs Motion and the Appeal without further cost and expense;

WHEREAS, LAWA is planning an LAX Landside Access Modernization Program ("LAMP") for Los Angeles International Airport ("LAX") which would include, but not be limited to, an Automated People Mover/LAX Train ("APM"), East and West Intermodal Transportation Facilities ("ITF"s), a Consolidated Rental Car Facility ("ConRAC"), a Connection to the Metro regional train system and associated projects;

WHEREAS, the nature, scope, size and capacity of the proposed projects within LAMP is broadly described in Exhibit B;

¹ The Terms "LOS ANGELES" and "The City" when used in this Agreement shall include The City of Los Angeles, its City Council, Mayor, Board of Airport Commissioners (BOAC), Department of Airports (LAWA) and LAWA's Chief Executive Officer.

WHEREAS, LAWA is analyzing the LAMP pursuant to CEQA, the National Environmental Policy Act (NEPA) and related federal and state laws;

WHEREAS, LAWA is considering interim safety improvements to the LAX north airfield complex (the "Interim North Airfield Safety Improvement Program" or I-NASIP);

WHEREAS, LAWA is planning improvements to passenger gate facilities at LAX, including the relocation of West Remote Gates (the "West Remote Gate Relocation Program") and the development of additional new passenger gate facilities within the Passenger Terminal Modernization Area (the "PTMA") as shown in Exhibit D to this Agreement) (collectively referred to herein as PTMA Projects);

WHEREAS, projects within LAMP, the I-NASIP, the West Remote Gate Relocation Program, and the development of new passenger gate facilities within the PTMA may require certain actions by LOS ANGELES, the Federal Aviation Administration ("FAA"), Federal Highway Administration ("FHWA"), Federal Transit Administration ("FTA"), Southern California Association of Governments ("SCAG") and other government entities, including compliance with environmental review requirements under CEQA, NEPA, the Clean Air Act, Section 4(f) of the Department of Transportation Act, the National Historic Protection Act and other laws;

WHEREAS, the ARSAC Parties and LAWA agree to cooperate in implementing LAMP, I-NASIP, the West Remote Gate Relocation Program and the development of new passenger gate facilities with the PTMA;

WHEREAS, the ARSAC Parties and LOS ANGELES desire and intend that LAMP, I-NASIP, the West Remote Gate Relocation Program and the development of new passenger gate facilities within the PTMA proceed through local, state and federal approvals and environmental review, administrative and legislative consideration, and, if approved, through implementation, without litigation;

NOW, THEREFORE, in consideration of and in reliance upon the mutual covenants of the Parties expressed in this Agreement, the Parties agree as follows:

SECTION I: GENERAL PROVISIONS

- A. **Recitals True and Correct.** The above recitals are true and correct and are hereby incorporated as part of this Agreement.
- B. **No Admissions.** This Agreement does not constitute an admission by any Party with respect to any matter at issue in the SPAS Writ Action.
- C. **Regulatory Prohibitions.** Notwithstanding any provision of this Agreement, LOS ANGELES will not be required to expend any funds or take any actions that are prohibited or disapproved by the FAA or any other regulatory agency or by any local, state or federal law, regulation or requirement FAA approval may be required prior to the use of airport revenue (as defined by the FAA) to fund LAWA's obligations under this Agreement. LAWA will determine, in its sole



discretion, whether, when and how it may seek FAA approval for any use of airport revenue pursuant to this Agreement. Notwithstanding any provision of this Agreement, LOS ANGELES will not be required by this Agreement, either directly or indirectly, to take any action that would constitute (i) a violation of any FAA grant assurance entered into by LOS ANGELES or (ii) a waiver of LOS ANGELES' Police Power.

- D. **No General Fund Expenditure Required.** Under no circumstances may any of the obligations under this Agreement require any payments from LOS ANGELES' General Fund or from any other LOS ANGELES-controlled source of funds other than airport revenue.
- E. **No Third Party Beneficiaries.** Except as otherwise provided in Section II.C. (ARSAC PARTIES COMMITMENTS AND OBLIGATIONS) of this Agreement, this Agreement has no third party beneficiaries, and no one other than the Parties will have any right to enforce any of the obligations created by this Agreement.
- F. **Term.** The provisions of this Agreement shall be operational through the earlier of the dates specifically set forth therein, or December 31, 2030.

SECTION II: ARSAC PARTIES COMMITMENTS AND OBLIGATIONS

- A. **Immediate Dismissal of SPAS Litigation And Appeal.** Within two (2) business days of execution of this Agreement by all Parties, ARSAC will dismiss, with prejudice, ARSAC's Appeal in the SPAS Writ Action and will withdraw its Motion to Tax Costs. Except as otherwise stated in Exhibit A hereto, each party will bear its own attorney's fees and costs. The form of dismissal to be filed in the SPAS Writ Action by ARSAC is attached to this Agreement as Exhibit E. The ARSAC Parties covenant and agree, individually and collectively, that they will not directly or indirectly commence, prosecute or fund any additional lawsuits or administrative complaints regarding the Specific Plan Amendment Study or its environmental review process.
- B. **Duty To Cooperate.** The ARSAC Parties agree to cooperate with LOS ANGELES in its efforts to obtain all required approvals for and to implement LAMP, I-NASIP, the West Remote Gate Relocation Program and the development of additional new passenger gate facilities within the PTMA as expeditiously as possible. Notwithstanding the foregoing, nothing herein is intended to prevent or discourage ARSAC Parties from submitting comments during the environmental review process and/or administrative proceedings that would assist LAWA in refining proposed projects to achieve greater efficiency or mitigate impacts.
- C. **Covenant Not To Sue.** The ARSAC Parties covenant and agree, individually and collectively, that they will not directly or indirectly commence, prosecute or fund any lawsuits or administrative complaints against the City, that could delay,

prevent, impede, alter or affect in any way the approval or implementation of any project within LAMP (with the size and capacity shown in Exhibit B), I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA. The ARSAC Parties further covenant and agree, individually and collectively, that they will not directly or indirectly commence, prosecute or fund any lawsuits or administrative complaints, or intervene in any lawsuits or administrative proceedings, involving the environmental review or the approval by any local, state or federal agency of any project within LAMP, I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA. Notwithstanding the foregoing, nothing herein is intended to prevent or discourage ARSAC Parties from submitting comments during the environmental review process and/or administrative proceedings that would assist LAWA in refining proposed projects to achieve greater efficiency or mitigate impacts.

1. The ARSAC Parties acknowledge and agree, individually and collectively, that this Agreement may be pleaded as a defense to any such litigation by the City or by any local, state or federal agency that is subject to a lawsuit, administrative complaint or intervention by any ARSAC Party with respect to the review, approval or implementation of any project within LAMP, I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA.
2. If any of the ARSAC Parties violates the provisions of this Section II.C, the City shall have no further obligations whatsoever under this Agreement.

- D. ARSAC Representative.** ARSAC will designate in writing one individual as the "ARSAC Representative" authorized to speak or act on behalf of ARSAC for all purposes under this Agreement and will provide LAWA with contact information for the designated ARSAC Representative.

SECTION III: LAWA COMMITMENTS AND OBLIGATIONS

LAWA Commitments and Obligations are set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION IV: DISPUTE RESOLUTION AND ENFORCEMENT

A. Informal Dispute Resolution.

1. If any Party believes that another Party has breached or otherwise failed to perform this Agreement, the aggrieved Party shall first attempt promptly to resolve the problem through informal communications with the designated points of contact. If such efforts fail, the aggrieved Party shall promptly provide the other Party written notice of the alleged breach or failure of performance and allow the other Party thirty (30) days to cure

the alleged breach or failure of performance or otherwise to resolve the dispute. If these efforts fail to resolve the dispute, the aggrieved party may, but is not required to, request mediation. Requests for mediation may be made no more than once every six (6) months.

2. If, after providing notice and opportunity to cure, ARSAC requests mediation, LAWA will pay for up to four days of mediation services in each calendar year, and LAWA will make available to ARSAC an annual amount up to \$25,000 in scientific or technical consultant services to assist in ARSAC's analysis of issues arising from LAWA's alleged failure of performance under this Agreement that will be the subject of mediation. Allowances for scientific or technical consultant services not used for mediation support in one year will not roll to the next or otherwise cumulate. ARSAC will identify the area of expertise for which it seeks scientific or technical assistance at the time ARSAC requests an annual mediation. LAWA will provide a choice of three (3) consultants with expertise in that area from which ARSAC may choose. LAWA will retain the chosen consultant and pay the chosen consultant subject to and in accordance with applicable City contracting requirements. LAWA will be the owner of any and all scientific or technical work product created by the consultants so retained, but such consultants will also directly provide ARSAC with all work product created; the work product will be subject to mediation confidentiality and will not be disclosed outside of mediation without LAWA's written consent. When mediation has concluded, the work product created by the consultants will become public records available upon request, unless it is the subject of on-going or anticipated litigation.

B. Enforcement of this Agreement

1. All Parties consent to the jurisdiction of the Ventura County Superior Court or other venue agreed to in writing by the parties, where all disputes arising under this Agreement are to be heard if mediation fails to provide a resolution.
2. **Specific Performance Sole Remedy.** The only relief that any Party may request in the event of a breach of this Agreement will be an order compelling specific performance. No party may seek monetary damages of any kind as a result of any alleged breach of this Agreement.

SECTION V: NOTICES

All notices will be in writing and will be addressed to the affected Parties at the addresses set forth below. Notices will be: (a) delivered by in person service to the addresses set forth below, in which case they will be deemed delivered on the date of delivery, as evidenced by the written report of the courier service, or (b) sent by certified mail, return receipt requested, in which case they will be deemed delivered three business days after deposit in the United States

mail. Any Party may change its address or the name and address of its attorneys by giving notice in compliance with this Agreement. Notice of a change will be effective only upon receipt. Notice given on behalf of a Party by any attorney purporting to represent a Party will constitute notice by the Party if the attorney is, in fact, authorized to represent the Party. The addresses of the Parties and their attorneys are:

If to LOS ANGELES:

Chief Executive Officer
Los Angeles World Airports
1 World Way
P.O. Box 92216
Los Angeles, California 90009-2216

With a copy to:

General Counsel to the Airport Division
1 World Way
Los Angeles, California 90009

If to ARSAC:

Denny Schneider
President
ARSAC
7929 Breen Avenue
Westchester CA 90045

With a copy to:

Douglas Carstens
Chatten-Brown & Carstens LLP
2200 Pacific Coast Highway, Suite 318
Hermosa Beach, CA 90254

If to other ARSAC Parties:

Denny Schneider
7929 Breen Avenue
Westchester CA 90045

With a copy to:

Douglas Carstens
Chatten-Brown & Carstens LLP
2200 Pacific Coast Highway, Suite 318
Hermosa Beach, CA 90254

Robert Acherman
1504 Engracia Ave.
Torrance, CA 90501-3105

With a copy to:

Douglas Carstens
Chatten-Brown & Carstens LLP
2200 Pacific Coast Highway, Suite 318
Hermosa Beach, CA 90254

SECTION VI: MISCELLANEOUS

- A. **Legal Fees and Costs.** Each Party will bear its own legal fees and costs resulting from the preparation, negotiation, execution and enforcement of this Agreement and, except as set forth herein, the SPAS Writ Action and SPAS Writ Appeal.
- B. **Waiver.** The waiver of any provision or term of this Agreement will not be deemed a waiver of any other provision or term of this Agreement. The mere passage of time, or failure to act upon a default, will not be deemed a waiver of any provision or term of this Agreement.
- C. **Representation by Counsel.** Each of the Parties has been represented by counsel in the negotiation and drafting of this Agreement. Accordingly, this Agreement will not be strictly construed against any Party, and the rule of construction that any ambiguities be resolved against the drafting Party will not apply to this Agreement.
- D. **Interpretation.** Specific provisions of this Agreement will take precedence over conflicting general provisions.
- E. **California Law.** This Agreement will be construed in accordance with the laws of the State of California. The sole venue for any judicial enforcement action will be the Ventura County Superior Court, unless another venue is agreed to in writing by the Parties.
- F. **Entire Agreement.** This Agreement contains the entire agreement between the parties and, except as otherwise explicitly provided in this Agreement, supersedes any prior agreements, whether written or oral.
- G. **Authority of Signatories.** The individuals executing this Agreement represent and warrant that they have the authority to sign on behalf of the respective Parties for which they have executed this Agreement.
- H. **Binding and Enforceable Upon Signature.** As to any Party, this Agreement will be binding upon, and as of the date of, the Party's execution of this



Agreement. This Agreement will be enforceable by any Party and each Party's respective successors and assigns.

- I. Amendments.** This Agreement may not be altered, amended or modified, except by an instrument in writing signed by each of the Parties in existence at the time.
- J. Counterparts.** This Agreement may be executed in two or more counterparts, each of which may be deemed an original, but all of which will constitute one and the same document.
- K. Effective Date.** This Agreement will be effective upon execution by all parties.
- L. Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will continue in full force and effect.
- M. Assignment, Successors and Assigns.** This Agreement may not be assigned without the written consent of the other party. If properly assigned, this Agreement will bind and inure to the benefit of the agents, assigns, and successors-in-interest of each Party.

Remainder Of This Page Intentionally Left Blank; Signature Page Follows.

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney

Date: September 9, 2016
By: Matthew J. [Signature]
Deputy/Assistant City Attorney

LOS ANGELES WORLD AIRPORTS

Date: September 9, 2016
By: [Signature]
Chief Executive Officer
Department of Airports

Date: 9/12/16

By: Sharon Mengistu
Wei Chi
Comptroller
Department of Airports

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney

Date: September 9, 2016
By: Matthew J. [Signature]
Deputy/Assistant City Attorney

CITY OF LOS ANGELES

Date: 12 SEP 2016
By: E.G. [Signature]

APPROVED AS TO FORM:

Date: 8-5-2016
By: [Signature]
Douglas Earstens, Esq.

Date: 8-5-2016
By: [Signature]
Denny Schneider

ALLIANCE FOR A REGIONAL SOLUTION FOR
AIRPORT CONGESTION (ARSAC)

Date: 8-5-2016
By: [Signature]
President

Date: AUGUST 5, 2016
By: [Signature]
Robert Acherman

ARSAC SPAS/LAMP MOU

EXHIBIT A

Los Angeles Commitments and Obligations

EXHIBIT B

Description of LAMP

EXHIBIT C

Agreement Not to Litigate
Donor List

EXHIBIT D

PTMA

EXHIBIT E

Dismissal

EXHIBIT F

Prior Settlement Gate Terms

EXHIBIT A

EXHIBIT A

LOS ANGELES COMMITMENTS AND OBLIGATIONS

I. Interim North Airfield Safety Improvements Project ("I-NASIP")

- A. Prior to initiating project level CEQA review or asking FAA for NEPA review of any LAX north airfield runway relocation alternatives, LAWA will publicly release a Final CEQA Environmental Impact Report, and request FAA for NEPA review, for an Interim North Airfield Safety Improvement Project ("I-NASIP") (which, for purposes of this Agreement, shall include, but not be limited to, the projects listed in Exhibit A, Attachment 1). LAWA will not tier the I-NASIP environmental review or any LAX north airfield runway relocation environmental reviews off of the SPAS EIR.
- B. If LAWA obtains all necessary approvals for an I-NASIP, LAWA will make good faith efforts to implement I-NASIP within three (3) years and operate I-NASIP improvements for at least three (3) years after the removal or decommissioning of Taxiways Y and Z as part of I-NASIP implementation (the "**Initial Operations Period**"). The Initial Operations Period is intended to allow LAWA time, prior to initiating project level CEQA review or asking FAA for NEPA review of any LAX north airfield runway relocation alternative, to (1) observe and make a record of the effectiveness of the I-NASIP improvements in addressing safety and efficiency objectives, and (2) develop updated airline fleet forecasts, particularly for Group V and Group VI aircraft, based on operations, aircraft orders, and aircraft options by airlines operating at LAX. If Taxiways Y and Z are not removed or decommissioned by January 1, 2021, the commencement of Initial Operations Period will be extended on a day to day basis; provided however, the Initial Operations Period will not extend beyond January 1, 2026 under any circumstances. However, if the Interim Operations Period has not commenced by January 1, 2023 because LAWA has not obtained all necessary approvals for an I-NASIP, LAWA's obligations to implement I-NASIP under this Section I.B shall terminate. Under all circumstances arising from this Section I.B, subject to compliance with the LAX Plan in effect at the time of LAWA's review of LAX north airfield runway relocation alternatives, LAWA will appropriately consider alternatives that exclude a centerline taxiway unless the FAA issues a mandate, not solely applicable to LAX, requiring centerline taxiways for safety reasons.

- C. Exhibit A Subsections I.A and I.B do not bar LAWA from participating in any FAA-initiated NEPA review of LAX north airfield alternatives or responding to any FAA request for Airport Layout Plan amendments for the LAX north airfield. Exhibit A Subsections I.A and I.B will not apply if: (1) the FAA Administrator makes a formal finding that immediate efforts to reconfigure the north runway are necessary to address safety concerns and provides written notice of the formal finding to the City; (2) the FAA mandates nationwide minimum runway separation safety standards that render the LAX north airfield runways non-compliant; or (3) the FAA determines that the I-NASIP is infeasible or not practicable or the FAA determines that the I-NASIP would contribute to a degradation of safety at LAX when compared to existing conditions.

II. Gates.

- A. The Parties agree that the specific provisions of the Prior Settlement attached to this Agreement as Exhibit F (the "**Prior Settlement Gate Terms**"), and no others, will be incorporated by reference in this Agreement and, except as otherwise provided in the Agreement, will continue to be effective, but only as between ARSAC (the party to the previous agreement) and LAWA, until December 31, 2024, unless the provisions of this Exhibit A Section II.C, below, take effect before December 31, 2024, in which case the Prior Settlement Gate Terms shall at such time immediately terminate and have no further effect. The ARSAC Parties acknowledge and agree that the Prior Settlement has otherwise terminated and has no further effect and that in no event will the Prior Settlement Gate Terms continue to be in effect after December 31, 2024.
- B. LAWA may propose West Remote Gate Relocation Program to replace the eighteen (18) remote passenger gate areas that are currently available for regular use west of Taxiway AA at LAX (the "**West Remote Gates**") with new passenger gate facilities (the "**Relocated Gates**") in the PTMA. LAWA may decide to initiate the West Remote Gate Relocation Program through the issuance of one or a series of CEQA NOPs. The ARSAC Parties acknowledge and agree, individually and collectively, that the project description in such NOPs may include elements for the repurposing of some or all of the area where the West Remote Gates are located with aviation-related uses other than those related to the delivery to or retrieval of air cargo or the loading or unloading of commercial passenger flights. Until the Relocated Gates are available for use as passenger aircraft gates, LAWA may continue to operate the West Remote Gates and passenger aircraft gates at LAX located within the PTMA.

C. If LAWA issues one or more NOPs for the West Remote Gate Relocation Program prior to or on December 31, 2024, the following provisions will be effective from the time LAWA issues the last NOP for the West Remote Gate Relocation Program until December 31, 2030, when the provisions of this Exhibit A Section II.C. will terminate and have no further effect:

1. After the Relocated Gates become available for use as passenger aircraft gates, LAWA will only have the right to use the West Remote Gates as passenger aircraft gates in the following circumstances:
 - a. LAWA may use the West Remote Gates at any time (i) during cases of emergency as declared by LAWA's Executive Director or a duly authorized law enforcement official or (ii) during peak periods of passenger activity when LAWA needs operational flexibility, but LAWA may use the West Remote Gates for operational flexibility on no more than 30 calendar days in any given year.
 - b. LAWA may use the West Remote Gates at any time for general aviation flights, charter flights, presidential flights, military flights or any other unscheduled passenger activity at LAX.

LAWA will provide ARSAC with a semi-annual report of the actual use, if any, of the West Remote Gates after the Relocated Gates are available for use, including the types of operations, types of aircraft, frequency of use, and time of day and day of week for such operations.

2. LAWA will not bifurcate or double-park aircraft that are actively enplaning or deplaning passengers on passenger aircraft gates to create more passenger aircraft gates in the following terminals than provided below:

Terminal	Maximum Gate Configuration
1, 2 and 3	40
4, 5, 6 and 7, 8	64
Tom Bradley International Terminal	19
Midfield Satellite Concourse Phase 1	12



3. LAWA will not seek to develop any new passenger gates facilities outside the PTMA through the termination date of this Section II.
- D. In implementing the West Remote Gate Relocation Program or otherwise developing gate facilities within the PTMA, LAWA may issue NOPs for proposed development of passenger aircraft gates within the PTMA in any phase or sequence that LAWA chooses in its sole discretion, and such development may include, but will not be not limited to, Midfield Satellite Concourse Phase 2, the northerly completion of the Tom Bradley International Terminal, a passenger terminal facility east of Terminal 1 and west of Sepulveda Boulevard ("Concourse 0"), a passenger terminal facility within an area south of Century Boulevard and West of Avion Drive ("Terminal 9"), and the relocation of up to ten (10) remote passenger aircraft gates currently available at the American Eagle Facility (as shown on Exhibit D to this Agreement); provided, however, that (i) LAWA will not issue NOPs for terminal facilities, taxiways or taxi lanes within the PTMA that would be designed solely to serve aircraft smaller than FAA Group III aircraft; and (ii) any NOP issued by LAWA for projects in the PTMA will include a definitive gate count for that project, and upon approval and completion of each such project, LAWA will not bifurcate or double park aircraft that are actively enplaning or deplaning passengers on any passenger aircraft gate developed pursuant to and as defined in such project approval.
- E. If the FAA requires LAWA to consider the development of additional passenger aircraft gates outside of the PTMA, LAWA will dynamically model airfield operations (using SIMMOD or an equivalent modeling tool as determined by LAWA in its sole discretion); calculate the extent to which such passenger aircraft gates contribute to unacceptable LAX airfield delays as defined in FAA Advisory Circular AC: 150/5060-5, as amended from time to time; report such results to the Board; and make such results available for public review and comment for no less than 90 days.

III. Other LAWA Commitments

- A. **Payment of \$400,000.** LAWA agrees to pay ARSAC \$400,000 upon the immediate dismissal of the SPAS CEQA Writ Action Appeal and withdrawal of ARSAC's Motion to Tax Costs. LAWA will make the payment of \$400,000 directly to an account or fund as directed by ARSAC's counsel of record (Chatten Brown & Carstens).

1. ARSAC will direct its legal counsel to reimburse ARSAC's donors and to pay Chatten Brown & Carstens, such reimbursement and payment to be solely for the firm's work regarding the SPAS EIR, (collectively the "SPAS Attorneys' Fees Refund") in amounts determined by ARSAC. ARSAC and its counsel will document all fees to be paid in a manner that provides LAWA the ability to verify that the amounts to be paid were actually paid or owed by ARSAC to ARSAC counsel solely for work regarding the SPAS EIR and for no other purpose. ARSAC agrees that none of the funds paid to ARSAC Counsel or the SPAS Attorneys' Fees Refund will ever be used directly or indirectly to fund any litigation against the City or LAWA for any matter or any reason of any kind.
2. ARSAC agrees that before providing any of the SPAS Attorneys' Fees Refund to any ARSAC donor, ARSAC will require such donor execute a legally binding "Agreement Not to Litigate" in the form attached to this Agreement as Exhibit C and will provide LAWA with an executed copy of that Agreement. All ARSAC donors eligible to receive any of the SPAS Attorneys' Fees Refund monies are identified in Exhibit C attached to this Agreement. The ARSAC Parties individually and collectively represent and warrant that Exhibit C correctly states the amount each identified person contributed to the payment of ARSAC's legal fees in connection with the SPAS Litigation. ARSAC will complete all donor refunds within thirty (30) days of execution of this Agreement.
3. ARSAC agrees that any portion of the SPAS Attorneys' Fees Refund not paid to ARSAC donors or paid to Chatten, Brown & Carstens within thirty (30) days from the date of execution of this Agreement will be held in escrow (the "Escrowed Funds") until the earlier of December 31, 2018 or the completion of the FAA's environmental review and approval of all of the LAMP projects. ARSAC will not ever use directly or indirectly any of the previously Escrowed Funds for litigation against the City or LAWA for any matter or reason of any kind. ARSAC may use the previously Escrowed Funds for any other legal purpose. ARSAC will track the usage of the previously Escrowed Funds until they have all been expended. Every six (6)

EXHIBIT A



months, ARSAC will provide LAWA with a written report showing the uses to which the previously Escrowed Funds have been put and the remaining balance of Escrowed Funds.

- B. Waiver of SPAS CEQA Writ Litigation Costs.** Upon dismissal of the SPAS Appeal and the ARSAC SPAS CEQA Writ Motion to Tax Costs, LOS ANGELES agrees to limit its SPAS CEQA Writ Litigation costs recovery from ARSAC to \$84,000. LOS ANGELES agrees not to seek the \$84,000 from ARSAC so long as ARSAC complies with all of its obligations under MOU Section II.A II.C and II.D, and will waive recovery of that \$84,000 as against ARSAC on the LAMP Statute of Limitations Date, provided ARSAC has fully complied with all of its obligations under MOU Section II.A, II.C, and II.D, as of the LAMP Statute of Limitations Date.
- C. Aviation Conference Attendance.** LAWA will reimburse the tuition and travel expenses of two (2) ARSAC representatives to attend the following two (2) conferences annually through 2021:
1. UC Davis Aviation Noise and Air Quality Symposium
 2. ACI-North America Technical Committee Annual Conference

ARSAC specifically agrees that this opportunity is for reimbursement of no more than 2 conferences per year for 2 people over a period of five years, with the expiration of the opportunity occurring as of January 1, 2022. All reimbursements will be subject to and limited by the LAWA travel policies in effect at the time of travel.

- D. Prop O Park.** LAWA agrees that when it seeks a developer for the Northside Office, Research and Development site, LAWA will include in the request for proposals a requirement/expectation that the developer will contribute, subject to FAA approval, up to but not exceeding \$4.2 million for the development of active recreational uses on the surface of the area currently designated in the Northside Plan for the Bureau of Sanitation Storm Water Facility (The BOS Facility). The development of active recreational uses on the surface of that area is not anticipated to occur until after completion of the BOS Facility by BOS. In no

case will LAWA be responsible for construction or maintenance of the surface uses.

- E. **Carl E. Nielsen Youth Park Lease.** Prior to seeking BOAC approval, LAWA will request written concurrence from the FAA for a proposed lease extension to the current lease with Westchester Playa Del Rey Youth Foundation of the Carl E. Nielsen Youth Park through December 31, 2024. If such concurrence is not received prior to January 1, 2017, unless such date is extended by LAWA in its sole discretion, LAWA will seek BOAC and City Council approval of an extension to the current lease with Westchester Playa Del Rey Youth Foundation of the Carl E. Nielsen Youth Park through December 31, 2024, with an alternative rental rate as determined by the BOAC. The lease extension will allow for early termination by the Lessee if, at any time during the extended term of the lease, the Lessee finds the Board-adopted rate unaffordable.
- F. If FAA rejects a LAWA request for the commitments in Section III.D or Section III.E of this Exhibit A, then LAWA will notify ARSAC in writing within thirty (30) days of FAA's rejection and LAWA will meet and confer with ARSAC to (1) modify the commitment with the goal of meeting FAA requirements or (2) identify a substitute commitment for the one denied by the FAA. If LAWA determines it cannot change or identify a substitute for the rejected commitment(s), then LAWA will set aside funds for future FAA-approved Westchester community benefit initiative(s) in an amount equal to \$100,000 in lieu of each rejected commitment.
- G. **AQMD Monitoring Location.** LAWA will consult with the South Coast Air Quality Management District to identify a potential location for one additional AQMD air quality monitoring system requiring not more than 5000 square feet of land to be located on LAWA property east of Sepulveda Blvd. While LAWA will seek to identify and reserve space for this use, actual lease or license of the space will be subject to all city and other governmental approvals and all costs associated with placing and/or maintaining the station at that location will be the responsibility of the AQMD.
- H. **LAWA Representative.** LAWA will designate in writing one individual as the "LAWA Representative" authorized to speak or act on behalf of LAWA for all purposes under this Agreement and

will provide ARSAC with contact information for the designated LAWA Representative. The LAWA Representative will make good faith efforts to provide a response addressing requests for information within sixty (60) days of such requests.

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Exhibit A
Attachment 1
Interim-North Airfield Safety Improvement Project (I-NASIP) Potential Scope

I-NASIP is a project consisting of proposed LAX improvements LAWA determines provides the opportunity to promote increased safety and improved aircraft operating efficiency, which may include but not be limited to, the following.

- Between Runway 24R/6L and 24L/6R:
 - Install up to two new high-speed taxiways and potentially relocate the existing high-speed taxiways within the western 1/3rd of the north airfield runways
 - Install up to two new high-speed taxiways within the eastern 1/3rd of the north airfield runways
 - Remove or decommission existing Taxiways Y and Z
- South of Runway 24L/6R:
 - Install the Taxiway D extension west of Taxiway R, relocate facilities and activities necessary to complete this, and remove Taxiway E-17
 - Upgrade Taxiways D and E between Taxiway S to Taxilane D7
 - Install Taxiway D and E extension from Taxilane D7 to the east end of Runway 24L/6R, possibly including a hold pad, "penalty box", or bypass ramp area
- Complete the installation of Runway Status Lights (RWSL) on the north airfield
- Widen Runway 24L/6R to 200 feet and make other improvements to enhance the safety of Group VI aircraft take-offs and landings
- Install Final Approach Runway Occupancy Signal (FAROS) at ends of all north runways
- Assess options to remove, relocate, and mitigate commercial facilities and transportation activities south of Westchester Parkway presently in the Runway 6L/24R Runway Protection Zone (RPZ) and Runway Object Free Area (ROFA)



EXHIBIT B

LAMP Project Description Elements

This exhibit broadly identifies the approximate conceptual nature, elements, scope, size and capacity of the Landside Access Modernization Program ("LAMP") for Los Angeles International Airport ("LAX"). LAWA is in the process of preparing an EIR which will include a definition of the LAMP Project in more detail. A Notice of Preparation for the LAMP Project EIR was issued on February 4, 2015, and a draft EIR is expected to be issued in the Fall of 2016. The parties acknowledge and agree that planning and implementation of the LAMP project will continue to evolve, which may result in some changes regarding the LAMP project elements. Such changes are included within the scope of this Exhibit B so long as they continue to perform substantially the same functions.¹

PROJECT COMPONENT	GENERAL LOCATION
APM System	The APM would extend approximately 2.25 miles generally from the western end of the CTA along Center Way to S. Sepulveda Boulevard and then onto W. Century Boulevard to Vicksburg Avenue. The APM would then turn north to W. 96th Street and east along W. 96th Street to the CONRAC. The APM also includes a Maintenance and Storage Facility.
ITF West	The ITF West facility would be located generally in the area bound by W. 96th Street to the south, Airport Boulevard to the east, Westchester Parkway/W. Arbor Vitae Street to the north, and extend past Jenny Avenue to the west.
ITF East	The ITF East facility would be located generally east of Aviation Boulevard between W. 96th and W. 98th Streets.
CONRAC Facility	The CONRAC would be located west of I-405, north of W. Century Boulevard, east of Aviation Boulevard and south of W. Arbor Vitae Street.
Roadway Improvements	A series of roadway improvements would occur generally in the areas of: <ul style="list-style-type: none"> • S. Sepulveda Boulevard and W. Century Boulevard, just east of the CTA; • Areas east of the CTA, bound generally by W. Century Boulevard to the south, S. Sepulveda Boulevard to the west, the I-405 to the east and Westchester Parkway/W. Arbor Vitae Street to the north; and • Areas north of Imperial Highway east of Aviation Boulevard to 111th Street.
Terminal Cores and Pedestrian Walkways	<ul style="list-style-type: none"> • Passenger walkway systems connecting the APM stations to passenger terminals, parking garages, and ground transportation facilities • Modifications to existing passenger terminals and parking garages to support the APM walkway system connections, including vertical circulation (elevators, escalators, and stairs) cores to all garage levels and to the arrival, departure, and concourse levels at the terminals;

¹ The term "CTA" refers to the Central Terminal Area at LAX. The term "TBIT" refers to the Tom Bradley Terminal at LAX.

Automated People Mover and Associated Facilities

PROJECT COMPONENT	DESCRIPTION
APM Guideway	<ul style="list-style-type: none">• The APM would operate 24 hours a day, 7 days a week• Free to passengers, employees and the public• Varying width guideway extending from the western area of the CTA to Manchester Square• The APM would include 6 stations, up to 5 cars per train
West CTA Station	<ul style="list-style-type: none">• Located between existing parking garages P3 and P4, east of TBIT
West CTA Station Parking Garage	<ul style="list-style-type: none">• Approximately 470 parking spaces
Center CTA Station	<ul style="list-style-type: none">• Located north of the existing Central Utility Plant, south of parking garage P2A
East CTA Station	<ul style="list-style-type: none">• Located between existing parking garages P1 and P7
Pedestrian Walkways	<ul style="list-style-type: none">• Connect APM stations to terminals and parking garages
Vertical Circulation Cores	<ul style="list-style-type: none">• Located at the interface of each pedestrian walkway and terminal/parking garage• Can accommodate elevators, escalators, and stairs
Maintenance and Storage Facility	<ul style="list-style-type: none">• Facility to support the operations and maintenance of the APM operating system in Belford Square.
Traction Power Substations	<ul style="list-style-type: none">• Three to 5 substations to provide power to the APM guideway and trains• Located in the general vicinity of the East CTA Station, ITF West, ITF East, and/or APM Maintenance and Storage Facility

ITF West

PROJECT COMPONENT	DESCRIPTION
APM Station	<ul style="list-style-type: none">• A pedestrian walkway connects to the public parking garage• A vertical circulation core consisting of elevators, escalators, and egress stairs, would provide passengers access to the ground level
Curb Space	<ul style="list-style-type: none">• Provide areas where airport shuttles and private vehicles can transfer airport users to the APM system
Public Parking Garage	<ul style="list-style-type: none">• Approximately 8,000 parking spaces

ITF East

PROJECT COMPONENT	DESCRIPTION
APM Station	<ul style="list-style-type: none">• A pedestrian walkway connects to the public parking garage and to the CONRAC APM station
Curb Space	<ul style="list-style-type: none">• Areas where airport shuttles and private vehicles can transfer airport users to the APM system
Short term layover parking	<ul style="list-style-type: none">• Located north of the proposed APM station
Parking Garage	<ul style="list-style-type: none">• Approximately 8,300 parking spaces
AMC Station	<ul style="list-style-type: none">• Connects to future AMC Metro station

CONRAC

PROJECT COMPONENT	DESCRIPTION
APM Station	
CONRAC	
Customer Service Building	<ul style="list-style-type: none">• Area where customers pick up rental contracts
Rental Car Ready/Return Parking Area	<ul style="list-style-type: none">• Area where public picks up and drops off vehicles• Approximately 8,000 parking spaces for rental car vehicles
Quick Turnaround Area (QTA)	<ul style="list-style-type: none">• Two separate structures containing fueling, car wash and maintenance facilities.•
Vehicle Storage Area	<ul style="list-style-type: none">• Approximately 10,000 overflow spaces; 2,200 spaces above the Idle Storage Area that can be used for employee parking if not used for rental car storage
QTA Support and Additional Site Functions	<ul style="list-style-type: none">• Approximately 340 parking spaces• Houses equipment and systems to support operations of the QTA
Employee and Visitor Parking	<ul style="list-style-type: none">• Approximately 1100 employee parking spaces and 100 visitor parking spaces
Bus Plaza	<ul style="list-style-type: none">• Approximately 12 bus bays

Major Roadway Improvements – Phase 1

ROADWAY	APPROXIMATE LOCATION
New Roadways	
New 'A' St	Century Blvd to Westchester Pkwy/W. Arbor Vitae Street
New 'B' St	New 'A' St to Airport Blvd
New 'C' St	Imperial Hwy and W. 111 th St
New 'D' St	W. 96 th St to W. Arbor Vitae St
New 98 th St	Bellanca Ave to La Cienega Blvd
New Concourse Way	Century Blvd to New 98 th St
Improvements to Existing Roadways	
Sepulveda Blvd	Sepulveda Tunnel to W. 96 th St
Airport Blvd	W. 98 th St to West Arbor Vitae St
West Arbor Vitae St	Airport Blvd to La Cienega Blvd
West 96 th St	Airport Blvd to Bellanca Ave
West 98 th St	New 'A' St to Bellanca Ave
Century Blvd	New 'A' St. to Aviation Blvd
Aviation Blvd	Century Blvd to West Arbor Vitae St
La Cienega Blvd	Century Blvd to W. Arbor Vitae St

Major Roadway Improvements – Phase 2

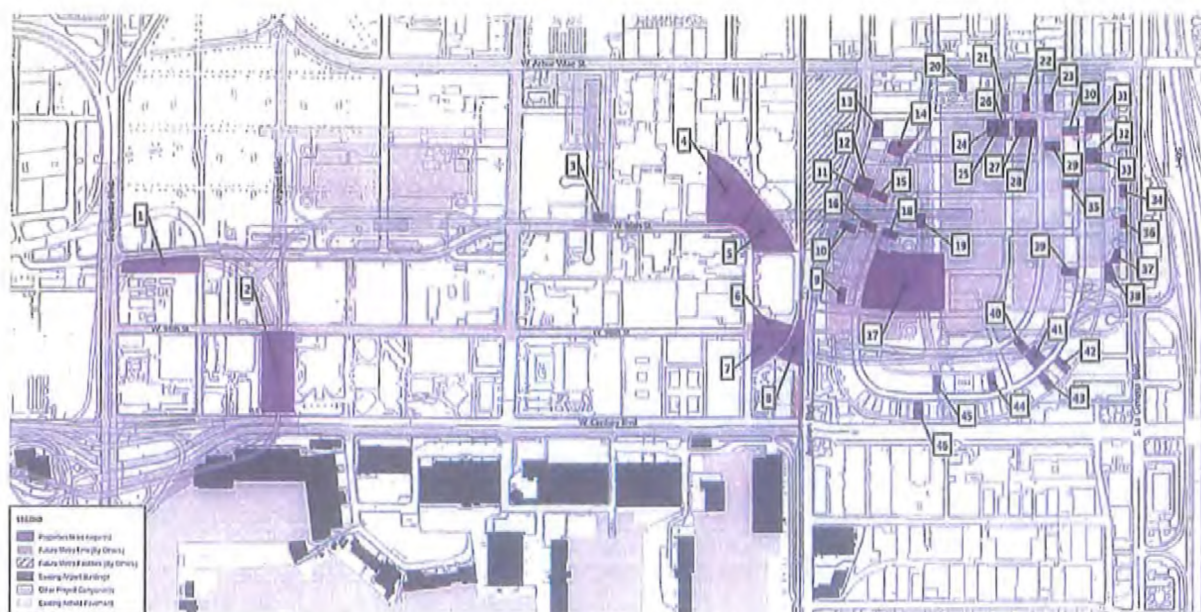
IMPROVEMENTS TO EXISTING ROADWAYS	APPROXIMATE LOCATION
S. Sepulveda Boulevard	LAX Airport Tunnel to W. 96 th Street
Northbound S. Sepulveda Boulevard to eastbound W. Century Boulevard Ramp	N/A
Westbound W. Century Boulevard	New 'A' Street to World Way
Westbound W. Century Boulevard Viaduct to World Way	N/A
Eastbound World Way (Arrivals) to southbound S. Sepulveda Boulevard Ramp	N/A
Eastbound World Way (Departures) to southbound S. Sepulveda Boulevard Ramp (join existing ramp)	N/A
Eastbound World Way (Arrivals & Departures)	W. Century Boulevard and to New 'A' Street
Eastbound World Way (Departures) to northbound S. Sepulveda Boulevard Ramp	N/A

Other Project Components

Component	Description
Utilities	<ul style="list-style-type: none">• Utility improvements and relocations are required to support the construction and operation of the proposed Project facilities
Operations (this list is not all inclusive)	<ul style="list-style-type: none">• Policy changes may include, without limitation, changes to fees, pricing, licenses, traffic patterns, and agreements with various commercial vehicle operators at LAX• Policy changes may include, without limitation, fees and prices imposed on the general public for roadway access and/or parking at LAX facilities• Travel Demand Management (TDM) Program, Transportation Management Association; LAX-Area Employee Mobility Choice Program
Mitigation Measures	<ul style="list-style-type: none">• At the end of the CEQA process, mitigation measures to reduce or eliminate significant impacts would be incorporated into the proposed Project.

Acquisition Properties (may change during design and engineering)

In order to facilitate the construction of the LAMP Project, acquisition of several properties located along the APM, CONRAC, and roadways, including property right-of-way for curb cuts, and billboards, is required. LAWA will acquire the majority of these properties as part of the existing relocation program underway to mitigate aircraft noise impacts on area residences, as part of the LAWA's Aircraft Noise Mitigation Program (ANMP). Should the land acquisition under the existing ANMP Relocation Plan not be completed by the time the proposed Project is approved and advanced into implementation, LAWA would begin to explore practical measures, including voluntary acquisition, leasing, and/or eminent domain to ensure designated areas are vacated consistent with LAMP's construction sequencing plan.



Enabling Projects

It is expected that construction of the LAMP project would require demolition of several existing facilities, some of which would be reconstructed. These enabling projects include but are not limited to three parking garages within the CTA that would be demolished and reconstructed, including Parking Garage P2A, Parking Garage P2B and Parking Garage P5. The Clifton Moore Administration Building would be demolished and offices would be relocated. The Bob Hope Hollywood United Service Organizations would be demolished and relocated. The restaurant building at 9601 Airport Boulevard would be demolished. The Metro Bus Terminal on 96th Street would be demolished and the facility would be relocated. Other properties scheduled for demolition include the Commercial Vehicle Holding lot on 98th Street, which would be demolished and relocated. The Delta Hangar complex would be demolished and relocated as would the Reliant Medical Center and the DEA offices. These enabling projects would also include various roadway work and utility relocations in the general vicinity of the Project.

LAMP Entitlements

As part of the LAMP Project, LAWA will amend the LAX Plan, LAX Specific Plan, Westchester-Playa del Rey Community Plan, Mobility Plan 2035, and seek various entitlements including zone changes, tract maps and ultimately modify LAWA's Ground Transportation Permit Program. The LAX Plan Amendments include but are not limited to map amendments, text updates to LAMP components, goals and objectives, land use descriptions, updates to various policies and will remove specific projects. The LAX Specific Plan Amendments include but are not limited to general clean up and reorganization, clearer definitions of Project, addition of land use areas, modification of boundaries, inclusion of additional requirements, such as the LAX Design Guidelines, and removals of parking cap language specific to the build out of the 2004 Master Plan. LAWA will also seek amendments to the Westchester-Playa del Rey Community Plan, Mobility Plan 2035, and zone changes, tract maps and ultimately modify LAWA's Ground Transportation Permit Program to be consistent with and implement the LAMP Project.

LAMP Phase 2: Potential Future Related Development

PARCEL NUMBER	APPROXIMATE SIZE (ACRES)
1	4.5
2	3.0
3	2.5
4	4.0
5	2.5
6	9.0
7	11.0
8	5.0

Potential Future Related Development – Potential Use

POTENTIAL USE	APPROXIMATE SIZE (SQ. FT.)
Office Space	300,000
Hotel (approximately 400 rooms)	300,000
Commercial Space	200,000
Conference Center	100,000
Total:	900,000

EXHIBIT C

AGREEMENT NOT TO LITIGATE

The undersigned [NAME OF DONOR] (the "Donor") hereby acknowledges that:

1. S/he has read and understands the Memorandum of Understanding between ARSAC and the City of Los Angeles (the "City") dated _____, 2016 (the "MOU");
2. S/he has received reimbursement of \$_____ from the SPAS Attorneys' Fee Refund for donation(s) the Donor made to ARSAC to fund the legal expenses associated with the SPAS Litigation; and
3. In consideration of this reimbursement of donation(s) made by the Donor, the Donor agrees to be bound by the provisions of Section II.C of the MOU barring certain future litigation against the City.

Accordingly, the Donor covenants and agrees that s/he will not directly or indirectly commence, prosecute or fund any lawsuits or administrative complaints against the City, that could delay, prevent, impede, alter or affect in any way the approval or implementation of any project within LAMP (with the size and capacity shown in Exhibit B), I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA, as all of these capitalized terms are defined in the MOU. The Donor further covenants and agrees that s/he will not directly or indirectly commence, prosecute or fund any lawsuits or administrative complaints, or intervene in any lawsuits or administrative proceedings, involving the environmental review or the approval by any local, state or federal agency of any project within LAMP, I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA, as all of these capitalized terms are defined in the MOU. The Donor also acknowledges and agrees that this Agreement may be pleaded as a defense to any such litigation by the City or by any local, state or federal agency that is subject to a lawsuit, administrative complaint or intervention by any ARSAC Party with respect to the review, approval or implementation of any project within LAMP, I-NASIP, the West Remote Gate Relocation Program or the development of new passenger gate facilities within the PTMA, as all of these capitalized terms are defined in the MOU.

Dated: _____

[Name of Donor]

1. Ella Lewin, LLC - \$159,000
2. Dennis Schneider - \$80,000
3. Drollinger Family Charitable Foundation - \$25,000



EXHIBIT D

Passenger Terminal Modernization Area

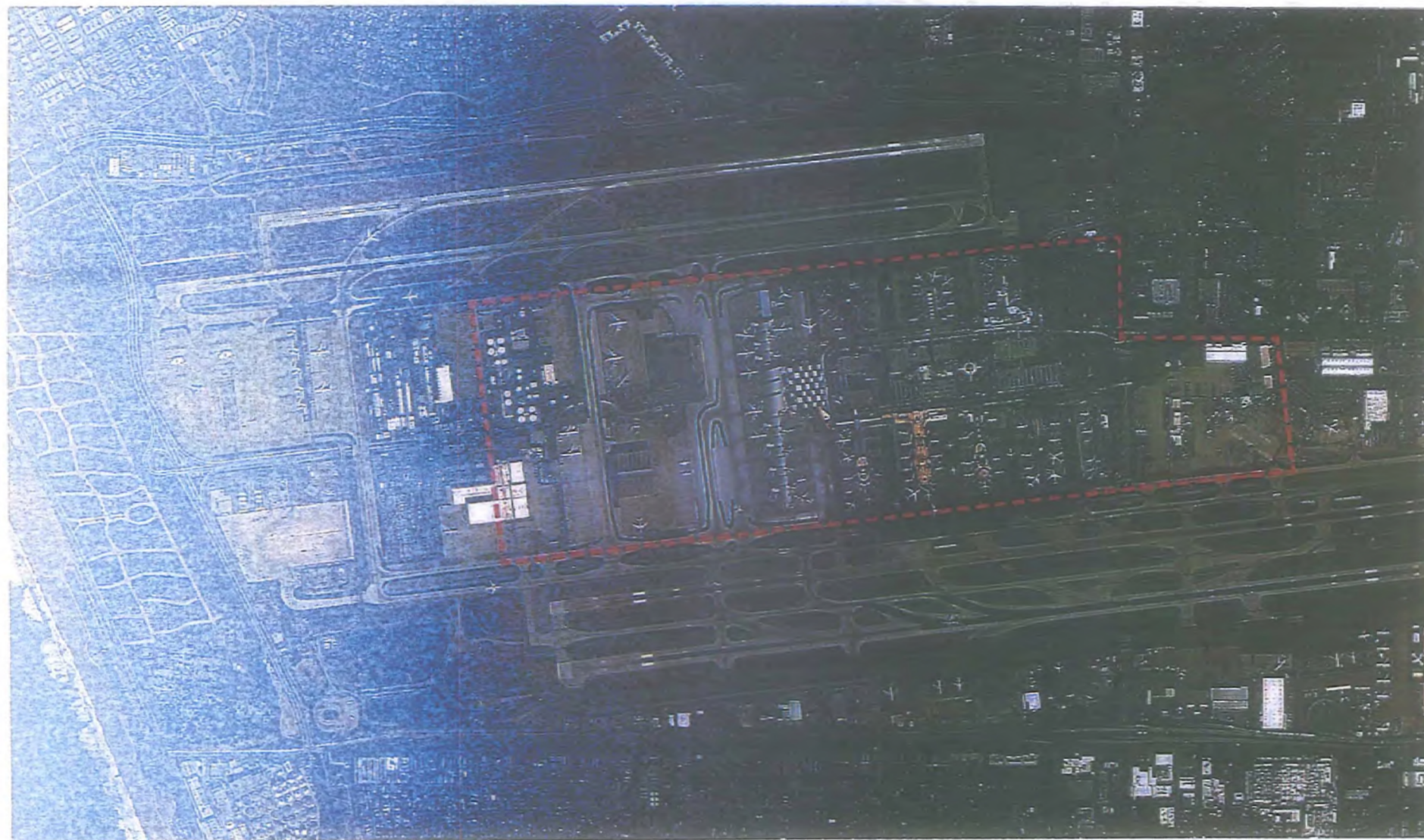


EXHIBIT D

EXHIBIT E

COURT OF APPEAL, <u>Second</u> APPELLATE DISTRICT, DIVISION <u>Six</u>		Court of Appeal Case Number (if known): B272457
		Superior Court Case Number: 56-2014-00451038-CU-WM-OX
ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address): Douglas P. Carstens, (SBN 193439) Chatten-Brown & Carstens 2200 Pacific Coast Hwy, Suite 318 Hermosa Beach, CA 90254 TELEPHONE NO.: (310) 798-2400 FAX NO. (Optional): (310) 798-2404 E-MAIL ADDRESS (Optional): DPC@cbcearthlaw.com ATTORNEY FOR (Name): Alliance for a Regional Solution to Airport Congestion		FOR COURT USE ONLY
APPELLANT: Alliance for a Regional Solution to Airport Congestion RESPONDENT: City of Los Angeles, et al.		
REQUEST FOR DISMISSAL OF APPEAL (CIVIL CASE)		

The undersigned appellant hereby requests that the appeal filed on (date) 05/24/2016 in the above entitled action be dismissed.

Date:

Douglas P. Carstens, Chatten-Brown & Carstens

(TYPE OR PRINT NAME)

(SIGNATURE OF APPELLANT OR ATTORNEY)

NOTE: File this form in the Court of Appeal if the record on appeal has already been filed in the Court of Appeal. If the record has not yet been filed in the Court of Appeal, you cannot use this form; you must file an *Abandonment of Appeal (Unlimited Civil Case)* (form APP-005) in the superior court.

CASE NAME:

ARSAC v. City of Los Angeles, et al.

CASE NUMBER:

B272457

NOTICE TO PARTIES: A copy of this document must be mailed or personally delivered to the other party or parties to this appeal. A PARTY TO THE APPEAL MAY NOT PERFORM THE MAILING OR DELIVERY HIMSELF OR HERSELF. A person who is at least 18 years old and is not a party to this appeal must complete the information below and mail (by first-class mail, postage prepaid) or personally deliver the front and back of this document. When the front and back of this document have been completed and a copy mailed or personally delivered, the original may then be filed with the court.

PROOF OF SERVICE

☐ Mail ☐ Personal Service

1. At the time of service I was at least 18 years of age and not a party to this legal action.
2. My residence or business address is (specify):
3. I mailed or personally delivered a copy of the *Request for Dismissal of Appeal (Civil Case)* as follows (complete either a or b):

a. ☐ Mail. I am a resident of or employed in the county where the mailing occurred.

(1) I enclosed a copy in an envelope and

(a) ☐ deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

(b) ☐ placed the envelope for collection and mailing on the date and at the place shown in items below, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

(2) The envelope was addressed and mailed as follows:

(a) Name of person served:

(b) Address on envelope:

(c) Date of mailing:

(d) Place of mailing (city and state):

b. ☐ Personal delivery. I personally delivered a copy as follows:

(1) Name of person served:

(2) Address where delivered:

(3) Date delivered:

(4) Time delivered:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(TYPE OR PRINT NAME)

(SIGNATURE OF DECLARANT)

EXHIBIT F

SECTION IV. PASSENGER GATE PROVISION

A. LAX currently has 163 total passenger aircraft gates available for loading and unloading of passengers during scheduled aircraft operations. Gates are defined as specific locations where passengers are embarked and disembarked. Except as provided in Subsection B.1 below, LAX will operate no more than 163 passenger gates at LAX throughout the term of this Settlement. As noted in the FAA's Record of Decision for the Proposed LAX Master Plan Improvements ("ROD") (May 20, 2005) on page 17, one objective of the LAX Master Plan is to improve the efficiency of passenger operations while also, "encouraging, but not requiring, other airports in the Los Angeles Basin to improve equally." According to the ROD "this is accomplished by restricting the overall availability of gates where passengers will board and exit an aircraft." The FAA's ROD identifies a number of projects that comprise the LAX Master Plan and notes that these improvements will be implemented in phases. Appendix C of the ROD lists the proposed project phasing and notes that, "[t]he listing of these projects is not necessarily the order in which these projects may be implemented." The following minimum criteria will be used by LAX to implement the proposed LAX improvements in a timely manner in order to achieve the local and regional benefits described in the LAX Master Plan and in the ROD while also maintaining LAX's operational efficiency.

B. With respect to passenger gates at LAX, LAX will accomplish the following:

1. Having received the FAA's Statement regarding the effect of this provision on FAA's environmental obligations and matters under FAA's statutory authority, and consistent therewith, commencing in 2010, LAX will discontinue passenger operations at two narrow body equivalent gates ("NBEG") per year at LAX until LAX has discontinued passenger operations by a total of 10 NBEG. By December 31, 2015, the total number of passenger gates (including remote gates) shall be reduced to no more than 153 passenger gates. These reductions will be achieved through the build out of improved contact passenger gate facilities and the elimination of remote gate facilities as approved in FAA's ROD. Implementation of this Settlement will not restrict access at LAX to levels below those disclosed in FAA's Final EIS and ROD for the No Action and the approved project scenario in 2015.

2. If LAX discontinues passenger operations at any gate during the period of time before 2010, LAX shall receive an NBEG credit which may be used to offset any obligations to reduce NBEG at any time during this Settlement, and LAX shall also receive an NBEG credit for any annual NBEG reduction after 2009 in excess of two NBEG, such that LAX will not be required to reduce the existing number of NBEG by more than a total of 10 NBEG.

C. Subsection B.1 above shall not apply if either (1) total passenger operations at LAX are below 75 million annual passengers or (2) the LAX Master Plan Program is substantially revised pursuant to the LAX Specific Plan Amendment Process such that the total number of gates is reduced to 153 or less.

D. Subsection B.1 above shall not apply either (1) during cases of emergency as declared by LAX's Executive Director or a duly authorized law enforcement official or (2) during peak periods of passenger activity when LAX needs operational flexibility to use additional gates, but under no circumstances shall LAX exceed the NBEG requirement of Subsection B on more than 30 calendar days per year for each peak period.

E. Subsection B.1 above shall not apply to general aviation flights, charter flights, presidential flights, cargo flights, military flights or any other unscheduled passenger activity at LAX.

F. LAX shall determine which combination of gates is to be operated at any given time, and shall, upon determining to change which gates are to be operated, notify Petitioners of such changes. No more than four times per year total, Petitioners shall have the right to conduct physical inspections at LAX to verify LAX compliance with this Section IV. Petitioners shall provide LAX with reasonable written notice of their intent to inspect, no less than 24 hours prior to the proposed inspection, to the office of the Deputy Executive Director of the Office of Quality and Compliance. LAX shall provide Petitioners' representative with the appropriate security clearance and on-airport transportation to conduct such physical inspections.