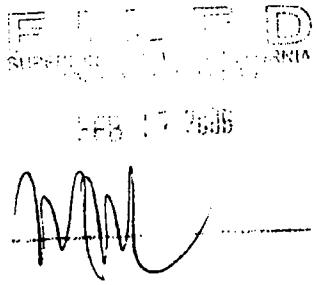

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

CITY OF EL SEGUNDO, a California municipal corporation, Petitioner, v. CITY OF LOS ANGELES; CITY COUNCIL OF THE CITY OF LOS ANGELES; JAMES K. HAHN, Mayor of the City of Los Angeles; LOS ANGELES WORLD AIRPORTS a/k/a DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES; and BOARD OF AIRPORT COMMISSIONERS OF THE CITY OF LOS ANGELES, Respondents.	Case No. RIC 426822 (Los Angeles Superior Court Case No. BS094279; transferred and consolidated with related cases Los Angeles Superior Court Nos. BS094320, BS094359 and BS094503) [Assigned To The Honorable Stephen D. Cunnison For All Purposes] **[PROPOSED] JUDGMENT PURSUANT TO STIPULATED SETTLEMENT**

COUNTY OF LOS ANGELES, CALIFORNIA, a political subdivision of the State of California; CITY OF INGLEWOOD, CALIFORNIA, a chartered municipal corporation; and CITY OF CULVER CITY, CALIFORNIA, a chartered municipal corporation, Petitioners and Plaintiffs, v. THE CITY OF LOS ANGELES, CALIFORNIA, a chartered municipal corporation; CITY COUNCIL OF THE CITY OF LOS ANGELES; JAMES K. HAHN, Mayor, City of Los Angeles; LOS ANGELES WORLD AIRPORTS a/k/a DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES; LOS ANGELES BOARD OF AIRPORT COMMISSIONERS and DOES 1 through 100, inclusive, Respondents and Defendants.	Petition Filed: January 6, 2005
ALLIANCE FOR A REGIONAL SOLUTION TO AIRPORT CONGESTION, Petitioner, v. CITY OF LOS ANGELES, a Municipal Corporation; CITY COUNCIL OF THE CITY OF LOS ANGELES; JAMES K. HAHN, Mayor, City of Los Angeles; BOARD OF AIRPORT COMMISSIONERS; LOS ANGELES WORLD AIRPORTS; CALIFORNIA COASTAL COMMISSION, a California state agency; and DOES 1-X, Respondents.	Petition Filed: January 6, 2005

[PROPOSED] JUDGMENT PURSUANT TO STIPULATED SETTLEMENT

WHEREAS, Petitioners City of El Segundo, City of Inglewood, City of Culver City, County of Los Angeles, and Alliance for a Regional Solution to Airport Congestion ("Petitioners") and Respondents Los Angeles World Airports, City of Los Angeles, Los Angeles City Council, Mayor of

the City of Los Angeles, and the Los Angeles Board of Airport Commissioners ("Respondents") have agreed to, and this Court has reviewed, the Stipulated Settlement, which is attached hereto as Exhibit A and incorporated herein by this reference.

Good cause appearing, it is ORDERED that the Stipulated Settlement is entered as the Final Judgment in this matter. The Stipulated Settlement is intended to serve in lieu of any determination by this Court as to the merits of Petitioners' allegations in the litigation. Petitioners' actions are hereby dismissed with prejudice, except that jurisdiction is retained for the limited purposes set forth in Section XIII of the Stipulated Settlement. Notwithstanding any current, applicable provisions of Part II, Title VIII, Chapter 1.5 of the Code of Civil Procedure regarding dismissal for delay in prosecution, this Court shall retain jurisdiction over this case and the parties thereto until expiration of the Stipulated Settlement.

It is further ORDERED that the individual cases filed by Petitioners shall be consolidated for all such further purposes. Upon the Parties' stipulation and this Court's approval pursuant to Rule 244 of the California Rules of Court, any and all judicial enforcement proceedings shall be conducted before a judicial officer pursuant to the terms of Section XIII of the Stipulated Settlement.

Dated: Feb. 17, 2006

Judge Stephen D. Cunnison
Riverside County Superior Court

STIPULATED SETTLEMENT

This Stipulated Settlement (this "Settlement") is made and entered into as of this 16th day of February, 2006, by and among Petitioners City of El Segundo ("El Segundo"), City of Inglewood ("Inglewood"), City of Culver City ("Culver City"), County of Los Angeles (the "County"), and Alliance for a Regional Solution to Airport Congestion ("ARSAC") and Respondents Los Angeles World Airports ("LAWA"), City of Los Angeles, Los Angeles City Council, Mayor of the City of Los Angeles, and the Los Angeles Board of Airport Commissioners ("BOAC"). This Settlement is entered into by the Parties for the purpose of resolving the litigation filed by Petitioners challenging Respondents' approval of the LAX Master Plan Program. This Settlement is intended to serve in lieu of any determination by the Court as to the merits of Petitioners' allegations, and, upon execution of this Settlement by all Parties, the Parties shall request, pursuant to Code of Civil Procedure section 664.6, that the Court (a) dismiss all causes of action brought by Petitioners challenging the LAX Master Plan Program and (b) retain jurisdiction over this case solely for the purpose of enforcing the mutual obligations incurred by the Parties as specified by the enforcement provisions in this Settlement.

RECITALS

A. Los Angeles International Airport ("LAX") is the primary commercial air transportation hub of the Los Angeles region. LAX is owned and operated by the City of Los Angeles, whose BOAC oversees the policy, management, operation and regulation of LAX. The Executive Director and the staff of LAWA administer the day-to-day operations of LAX under the direction of BOAC.

B. LAWA has sought for a number of years to improve and modernize LAX. Commencing in 1994, LAWA undertook the drafting of a new LAX Master Plan to serve as a conceptual framework for future improvements at LAX. In 1997, LAWA and the FAA initiated the preparation of an Environmental Impact Statement/Environmental Impact Report ("EIS/EIR") to evaluate the potential environmental effects of each alternative being considered for the LAX Master Plan.

C. Petitioners have long been concerned about the ongoing and projected impacts of LAX operations on traffic, noise, air quality, human health risks and the quality of life in communities surrounding LAX. During the public review period for the EIS/EIR, Petitioners submitted extensive comments on issues including mitigation measures to offset the potentially significant environmental effects of the LAX Master Plan. Petitioners' comments also addressed the need to limit future growth of activity at LAX in conjunction with a broad regional effort to satisfy growing air transportation demand at other airports in the Southern California region.

D. LAWA has indicated that in response to public comments and in light of the greatly elevated issue of airport security following the events of September 11, 2001, LAWA formulated an LAX Master Plan alternative, Alternative D, to be considered within the range of options for the LAX Master Plan. LAWA has indicated that Alternative D was designed to accommodate passengers and cargo activity levels at LAX comparable to activity levels that would likely result without any LAX Master Plan improvements, thereby encouraging other airports in the region to absorb a greater share of the regional demand. LAWA has indicated that Alternative D was also designed with an emphasis on airport safety and security.

E. On or about December 7, 2004, the Los Angeles City Council approved the LAX Master Plan (Alternative D), the LAX Plan, the LAX Specific Plan, and related entitlements. The LAX Plan is the Los Angeles' general plan for the airport, setting out goals, policies, objectives and programs for the long-term development and use of the airport. The LAX Specific Plan provides a procedural mechanism by which the broad goals and objectives of the LAX Plan will be achieved.

F. In January of 2005, Petitioners filed lawsuits challenging the approval of the LAX Master Plan Program and the Final EIR under CEQA in State Court against, among others, the City of Los Angeles, the Los Angeles City Council, the Mayor of the City of Los Angeles, LAWA and BOAC. In July of 2005, El Segundo, Inglewood, Culver City and the County filed lawsuits challenging the ROD under NEPA and the Clean Air Act in the Ninth Circuit Court of Appeals.

DEFINITIONS

As used in this Settlement, the following capitalized terms will have the following meanings. All definitions include both the singular and plural form.

"Aircraft Noise Mitigation Program" or **"ANMP"** means the noise mitigation program operated by LAWA in accordance with the Land Use Mitigation Program as adopted by Board Resolution No. 21481.

"**Airport Layout Plan**" means the narrative description and graphic depiction of existing and proposed airport layouts for runways, roadways, parking, and other airport facilities at LAX, as approved by the FAA's Record of Decision.

"Alternative D" means the LAX Master Plan Alternative D as described and evaluated in the LAX Master Plan EIR.

"ALUC" means Los Angeles County Airport Land Use Commission.

"Avigation Easement" means an easement that conveys the right to subject a property to noise, vibrations, fumes, smoke, fumes and soot, and other effects which are inherent in the operation of aircraft.

"Board of Airport Commissioners" or **"BOAC"** means the head of the Los Angeles Department of Airports created under Charter Section 600 *et seq.*

"CEQA" means the California Environmental Quality Act.

"FAA" means the Federal Aviation Administration.

"General Fund" means the City of Los Angeles fund for deposit of general receipts which are not restricted, such as property, sales and business taxes and various fees; also functions as a set of subfunds (primarily by departments) to track appropriations and expenditures.

"LAX Master Plan" means the document approved by the Los Angeles City Council on or about December 7, 2004 as a conceptual strategic framework for future improvements at LAX through 2015.

"LAX Master Plan EIR" means the Final Environmental Impact Report (State Clearinghouse No. 1997061047) for the LAX Master Plan Program, dated April 2004, as supplemented by four Environmental Impact Report Addenda prior to certification of the Environmental Impact Report by the Los Angeles City Council on December 7, 2004.

"LAX Master Plan EIS" means the Final Environmental Impact Statement approved by the FAA in connection with its approval of the Airport Layout Plan in May of 2005.

"LAX Master Plan EIS/EIR" means the LAX Master Plan EIS and the LAX Master Plan EIR.

"LAX Master Plan Program" means the entire program that comprises the approval by both the Los Angeles City Council and the FAA in its ROD, and subsequent implementation of Alternative D, including the initial approval of all entitlements and other actions in conjunction with the Los Angeles City Council's approval of the LAX Master Plan, including, but not limited to, the following:

- LAX Master Plan;
- LAX Plan;
- LAX Specific Plan;
- Other associated general plan amendments;
- LAX Zone and zone changes;
- Tentative Tract Map Nos. 54407, 54408 and 54409;
- LAX Master Plan EIS/EIR;
- Mitigation Monitoring and Reporting Program for the LAX Master Plan;
- CEQA Findings;
- Statement of Overriding Considerations;
- Land Use Findings;
- Conceptual Approval of the Draft Relocation Plan;
- Airport Layout Plan;
- ROD for the Airport Layout Plan;
- ALUC Override Findings;
- ALUC inconsistency determination override approvals; and
- ALUC "impasse" appeal process and determination.

The LAX Master Plan Program includes subsequent LAWA, BOAC, and/or Los Angeles City Council approvals of all entitlements and other actions for any of the specific project components and activities that implement Alternative D.

"LAX Plan" means the City of Los Angeles' general plan component for LAX, setting out goals, policies, objectives and programs for the long-term development and use of the airport consistent with the vision established by the LAX Master Plan Program.

"LAX Specific Plan" means Ordinance No. 176345, adopted by the Los Angeles City Council on December 14, 2004, which establishes zoning and land use regulations and procedures for the processing of future specific projects and activities that are anticipated under the LAX Master Plan Program.

"Los Angeles World Airports" or **"LAWA"** means the Los Angeles Department of Airports created under Charter Section 600 *et seq.*.

"NEPA" means the National Environmental Policy Act.

"Petitioners" means El Segundo, Inglewood, Culver City, the County, and ARSAC.

"Party" means any Petitioner or any Respondent.

"Record of Decision" or **"ROD"** means the FAA's record of decision for the proposed LAX Master Plan, dated May 20, 2005, as well as all documents supporting or relied on for the FAA's record of decision approving the Airport Layout Plan, including, but not limited to, the agency actions constituting the basis for the Clean Air Act general conformity determination, the Endangered Species Act biological opinion of no jeopardy, and the Coastal Zone Management Act consistency determination and consistency certification.

"Released Claims" mean any and all state and/or federal law based suits, petitions, claims or causes of action challenging the sufficiency or legal validity of the LAX Master Plan Program, the Tom Bradley International Terminal Improvement Project, the In-Line Baggage Screening Implementation Project, and/or the associated environmental documents for those projects. Notwithstanding the foregoing, the Released Claims shall not include any state law based suits, petitions, claims or causes of action challenging the sufficiency or legal validity of the Yellow Light Projects. For purposes of clarification, the Released Claims include, but are not limited to, any and all claims challenging the South Airfield Improvement Project and the West Satellite Concourse.

"Respondents" mean the City of Los Angeles, the Los Angeles City Council, the Mayor of the City of Los Angeles, LAWA and BOAC.

"Yellow Light Projects" for the purposes of this Settlement mean:

(a) Development of the Ground Transportation Center ("GTC"), including the baggage tunnel, associated structures and equipment;

(b) Construction of the Automated People Mover ("APM") from the GTC to the Central Terminal Area ("CTA"), including its stations and related facilities and equipment;

(c) Demolition of CTA Terminals 1, 2 and 3;

(e) Reconfiguration of the north airfield as contemplated in the LAX Master Plan, including center taxiways; and

(f) Improvements to on-site roadways associated with (a) and (b) above.

STIPULATED SETTLEMENT PROVISIONS

NOW, THEREFORE, in consideration of the mutual covenants, promises and undertakings set forth in this Settlement and other consideration, the receipt and adequacy of which the Parties acknowledge, the Parties stipulate and agree as follows:

SECTION I. SETTLEMENT OVERVIEW

A. No Admission of Liability. This Settlement is entered into by the Parties without any admission of liability by any Party.

B. Recitals True and Correct. The above recitals are true and correct and are incorporated as a part of this Settlement.

C. Mutual Consideration. The commitment by each of Petitioners to abide by the terms of this Settlement is consideration for LAWA's commitment to abide by the terms of this Settlement. LAWA's commitment to abide by the terms of this Settlement is consideration for the commitment by each of Petitioners to abide by the terms of this Settlement.

D. Term of Settlement. This Settlement shall be operative from the date of its approval by the Parties through December 31, 2015, except that this Settlement's passenger gate provisions set forth in Section IV shall be operative through December 31, 2020.

E. No City Expenditure Required. Under no circumstances may any of LAWA's obligations under this Settlement require any expenditure from the City's General Fund or any other City-controlled source of funds, except LAWA funds.

F. Regulation of LAX. The Parties acknowledge that the operation of LAX is regulated by state and federal legislation. The intention of the Parties is that this Settlement complies with all applicable state and federal legal requirements, including requirements imposed by the FAA and other regulatory authorities. The Parties, recognizing the significance of the FAA's involvement in this process, pledge their full support and cooperation to endorse and implement the terms of this Settlement subject to FAA approval.

G. FAA and Other Regulatory Determinations. Notwithstanding any provision of this Settlement, LAWA shall not be required to take any actions or to expend any funds (i) that are prohibited or disapproved by an FAA determination or any other regulatory agency or (ii) for which the FAA or any other federal agency makes a determination that the actions or fund expenditures will result in withholding or demand for remittance of federal funds. When such a determination is made, LAWA shall fulfill requirements of this Settlement consistent with the FAA determination and the determination of any other regulatory agency. Prior to execution of this Settlement, the Parties, cooperating and working together, sought and obtained the FAA's review and written statement regarding the effect of the passenger gate provisions set forth in Section IV on FAA's environmental obligations and matters under FAA's statutory authority ("Statement"). Based on such review, the FAA did not object to the passenger gate provisions set forth in Section IV.

H. Rescission of Impasse Appeal Proceeding. The City of El Segundo and the County of Los Angeles shall request that the Los Angeles County Airport Land Use Commission rescind its April 20, 2005 decision upholding the "impasse" administrative appeals regarding the LAX Master Plan Program. All of LAWA's obligations to perform under this Settlement are conditioned on the Los Angeles County Airport Land Use Commission's prior rescission of its April 20, 2005 decision. Petitioners shall promptly notify LAWA of such rescission.

SECTION II. DISMISSAL OF PENDING ACTIONS AND RELEASE OF CLAIMS

A. Dismissal of Pending Actions. Upon execution of this Settlement by all Parties, Petitioners shall thereupon dismiss with prejudice any pending judicial and/or administrative proceedings including (i) the consolidated litigation challenging the LAX Master Plan Program in Riverside County Superior Court (Case No. RIC 426822), (ii) the federal litigation in the Ninth Circuit Court of Appeals (Case Nos. 05-74051 and 05-74272), and (iii) any action that may have been initiated challenging the South Airfield Improvement Project. Upon execution of this Settlement by all Parties, the Parties shall request that the Riverside County Superior Court (a) dismiss all causes of action brought by Petitioners challenging the LAX Master Plan Program and (b) retain jurisdiction over this case solely for the purpose of enforcing the mutual obligations incurred by the Parties as specified by the enforcement provisions in this Settlement set forth in Section XIII. For all such further purposes, the Parties shall request that the individual cases filed by the various Petitioners shall be consolidated.

B. Release of Claims. Upon execution of this Settlement by all Parties, Petitioners shall thereupon waive, release, and forever discharge Respondents and the FAA from all Released Claims in full and final settlement of the Released Claims. The Parties intend and agree that this Settlement shall be effective as a full and final accord and satisfaction and general release of and from all Released Claims. In furtherance thereof, each Party acknowledges that it is familiar with Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor did not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor."

Except as otherwise specifically set forth in this Settlement, Petitioners waive any and all rights they have or may have under California Civil Code Section 1542 and/or any successor section to it with respect to the Released Claims. In connection with this waiver, Petitioners acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected or facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Settlement. Nevertheless, Petitioners intend by this Settlement, and with and upon the advice of their own independently selected counsel, to release fully, finally and forever all Released Claims. In furtherance of such intention, the releases set forth in this Settlement shall be and shall remain in effect as full and complete releases notwithstanding the discovery or existence of any such additional or different claims or facts relevant hereto.

C. Covenant Not to Bring Any Released Claims. Petitioners will not directly or indirectly file, prosecute, bring, encourage, participate in, facilitate or advance any suit, claim or legal action of any kind against Respondents or the FAA based upon any Released Claims. Petitioners covenant

against filing any administrative proceedings and to dismiss or cause to be dismissed any administrative proceedings and/or appeals already brought as of the date of this Settlement.

D.. Defense Against Released Claims. This Settlement may be pleaded as a defense to, and may be used as the basis for an order of specific performance ordering the dismissal by Petitioners of any Released Claims in any judicial or administrative proceeding against Respondents or the FAA.

SECTION III. FAA DETERMINATION REGARDING LAWA EXPENDITURES

In order to secure an FAA approval or FAA determination regarding LAWA's funding of the provisions and/or mitigation measures set forth in this Settlement:

A. Prior to any LAWA expenditure under this Settlement, LAWA may prepare and present a letter to the FAA requesting an advisory opinion on whether the proposed expenditure is an acceptable use of airport revenues under federal statutes, regulations and FAA policy guidance. The letter may request an expedited decision by the FAA and that, if the FAA determines that the use of airport revenue for a specific program or programs is not acceptable, the FAA include in its written advisory opinion the grounds upon which the Agency has made this determination.

B. If the FAA's advisory opinion indicates that use of airport revenues for any particular LAWA program or action would constitute revenue diversion or other impropriety, then LAWA, with Petitioners' consent, shall in good faith revise the language of this Settlement in order to meet the FAA criteria. LAWA is not obligated to obtain the consent of any Petitioner that would not be materially benefited by the provisions and/or mitigation measures subject to revision. If the proposed expenditure cannot be made consistent with FAA criteria, LAWA will have no further obligation to make such expenditure.

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 enplaned and deplaned. Except as provided in Subsection B.1 below, LAWA 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 increase capacity." According to the ROD "[t]his 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 LAWA 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, LAWA 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, LAWA will discontinue passenger operations at two narrow body equivalent gates ("NBEG") per year at LAX until LAWA 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 LAWA discontinues passenger operations at any gate during the period of time before 2010, LAWA shall receive an NBEG credit which may be used to offset any obligations to reduce NBEG at any time during this Settlement, and LAWA shall also receive an NBEG credit for any annual NBEG reduction after 2009 in excess of two NBEG, such that LAWA 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 LAWA's Executive Director or a duly authorized law enforcement official or (2) during peak periods of passenger activity when LAWA needs operational flexibility to use additional gates, but under no circumstances shall LAWA exceed the NBEG requirement of Subsection B on more than 30 calendar days per year for such peak periods.

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. LAWA 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 non-operational, 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 LAWA compliance with this Section IV. Petitioners shall provide LAWA 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. LAWA shall provide Petitioners' representative with the appropriate security clearance and on-airport transportation to conduct such physical inspections.

G. The Parties agree that the West Satellite Concourse and associated Automated People Mover segments shall no longer be subject to the "yellow light" provisions of the LAX Specific Plan. To effectuate this change, the City of Los Angeles may amend the LAX Specific Plan to delete subpart

(d) of Section 7.H.1. If requested, Petitioners will support this amendment to the LAX Specific Plan.

SECTION V. LAX SPECIFIC PLAN AMENDMENT STUDY PROCESS

A. Within 60 days of the date of this Settlement, LAWA will commence the LAX Specific Plan Amendment Study Process as identified in Section 7.H of the LAX Specific Plan approved by the Los Angeles City Council on December 14, 2004. In approving the LAX Specific Plan, the Los Angeles City Council required a Specific Plan Amendment Study be undertaken at certain decision points in the LAX Master Plan implementation process (see Section 7.H.1, 7.H.2, and 7.H.3 of the LAX Specific Plan). However, the City Council did not provide detailed requirements for the conduct of the Specific Plan Amendment Study. The intent of this section of the Settlement is to provide a clear definition of the nature, scope, timing and procedural elements of the LAX Specific Plan Amendment Study that will be performed in fulfillment of Section 7.H of the LAX Specific Plan.

B. During an initial phase, LAWA will undertake such tasks as selecting a contractor and preparing a budget and scope of work for an LAX Specific Plan Amendment Study. LAWA will make a good faith effort to complete the initial phase within six months of the commencement date.

C. Upon the completion of the initial phase, LAWA will prepare a proposed LAX Specific Plan Amendment Study and prepare all necessary environmental documents. LAWA will make a good faith effort to complete the LAX Specific Plan Amendment Study Process within 24 months of the commencement date of this second phase. The LAX Specific Plan Amendment Study will, consistent with previous local and federal approvals, identify Specific Plan amendments that plan for the modernization and improvement of LAX in a manner that is designed for a practical capacity of 78.9 million annual passengers while enhancing safety and security, minimizing environmental impacts on the surrounding communities, and creating conditions that encourage airlines to go to other airports in the region, particularly those owned and operated by LAWA.

D. To fulfill the intent of Section 7.H of the LAX Specific Plan, LAWA will focus the LAX Specific Plan Amendment Study on the following:

1. Potential alternative designs, technologies, and configurations for the LAX Master Plan Program that would provide solutions to the problems that the Yellow Light Projects were designed to address consistent with a practical capacity of LAX at 78.9 million annual passengers (the "Alternative Projects"). The West Satellite Concourse and associated Automated People Mover segments shall not be considered Yellow Light Projects for the purposes of this Settlement.

2. Security, traffic and aviation activity of such alternative designs, technologies, and configurations for the Alternative Projects.

3. Potential environmental impacts that could result from replacement of the Yellow Light projects with the Alternative Projects, and potential mitigation measures that could provide a comparable level of mitigation to that described for the Yellow Light Projects in the LAX Master Plan Program EIR.

E. The Parties agree that LAWA shall have discretion to determine an appropriate methodology to conduct the LAX Specific Plan Amendment Study. The LAX Specific Plan Amendment Study will be prepared pursuant to CEQA and may, in consultation with FAA, also be prepared to comply with applicable federal environmental laws.

F. While the LAX Specific Plan Amendment Study is being processed, LAWA may continue to process and develop projects that are not Yellow Light Projects, consistent with the LAX Specific Plan Compliance Review procedures.

G. The environmental review of potential traffic impacts for the Alternative Projects will be conducted in consultation with all affected local jurisdictions and the Los Angeles Department of Transportation ("LADOT"). After LAWA has determined the appropriate scope of the traffic study in consultation with all affected local jurisdictions and LADOT, LAWA will provide Petitioners with a list of the intersections/roadways that LAWA plans to analyze for the LAX Specific Plan Amendment Study. The Parties agree that Petitioners may elect to add a maximum of 15 intersections to the traffic study. For any new significant traffic impact that is identified as a result of the traffic study, LAWA will propose feasible mitigation measures, if any, to mitigate the potentially significant impact. If, as the result of the LAX Specific Plan Amendment Study, an LAX Specific Plan Amendment is approved by the Los Angeles City Council, LAWA shall fund or diligently seek funding for the applicable mitigation measures and will implement them as quickly as feasible pursuant to a phasing plan. Where LAWA is not the implementing agency, LAWA will contribute its fair share for each mitigation measure to the implementing agency.

H. Should the Los Angeles City Council approve at a future time an LAX Specific Plan Amendment, LAWA will be required to seek FAA review and approval of, at a minimum, changes to the LAX Airport Layout Plan. LAWA will seek such review and approval from FAA. FAA has made clear in its Record of Decision for the LAX Master Plan Program that any such future decision by the Los Angeles City Council to amend any aspect of the project approved in FAA's Record of Decision will require further review by FAA of the proposed changes and compliance with all applicable federal laws, including NEPA and the conformity requirements under the Clean Air Act.

I. The evaluation of security for the Alternative Projects will be conducted in consultation with security experts. LAWA will select appropriate security experts in consultation with Petitioners.

J. An LAX Specific Plan Amendment Process Advisory Committee shall be created consisting of representatives of the City of Los Angeles, County of Los Angeles, El Segundo, Inglewood, Culver City, and ARSAC. LAWA shall consult with the Committee during each significant step of the LAX Specific Plan Amendment Process.

SECTION VI. FUNDING OF ADDITIONAL MITIGATION MEASURES

LAWA will fund the cost of implementing the measures set forth in **Exhibit A** to mitigate the impacts of LAX and its operations, so long as the FAA approves the use of airport revenue funds for this purpose pursuant to Section III.

SECTION VII. REGIONAL AIRPORT WORKING GROUP

LAWA shall invite the FAA, the Southern California Association of Governments ("SCAG"), the Counties of Los Angeles, Orange, Ventura, Riverside, and San Bernardino, and airport operators in the Los Angeles Region to participate in a regional airport working group to discuss and make recommendations regarding current and future plans to achieve a regional distribution of air traffic demand. The regional working group will consider a common framework for coordinating all airport master planning and facility construction consistent with the adopted SCAG Regional Aviation Plan. For the purposes of encouraging, coordinating and effectuating a regional approach to Southern California's air transportation needs, the regional working group shall consider: (1) coordinating with the Southern California Regional Airport Authority, or its successor; (2) the feasibility of entering into a joint powers agreement to create a regional airport authority; and/or (3) supporting legislative efforts to create such an authority. Notwithstanding the formation of the regional working group, the potential formation of a joint powers authority or any other aviation authority, LAWA and the City of Los Angeles will maintain financial and operational control of LAX, Ontario International Airport, Palmdale Regional Airport, and Van Nuys Airport.

SECTION VIII. REGIONAL STRATEGIC PLANNING

LAWA shall develop a regional strategic planning initiative to encourage the growth of passenger and cargo aviation activity at underutilized LAWA-owned commercial airports in the region (currently Ontario International Airport and Palmdale Regional Airport). The regional strategic planning initiative will be prepared annually and will describe potential marketing strategies, potential opportunities for increased utilization of under-utilized facilities, and other techniques by which LAWA can coordinate and support regional strategic planning for LAWA-owned commercial airports within the region. The first regional strategic planning initiative will be prepared by December 31, 2006.

SECTION IX. OUTREACH TO AIRPORT NEIGHBORS

LAWA shall join a Working Group with ARSAC and Council District 11, seeking input from other Petitioners, airport neighbors, and interested parties, to make recommendations to BOAC on how LAWA can improve and better coordinate efforts to hear from and address the concerns of airport neighbors.

The objectives of the Working Group shall be to make recommendations that facilitate:

- Obtaining information from LAWA and LAX projects and programs, and communicating them to the communities surrounding LAX in an effective and understandable form, including through the use of articles in local newspapers, information on a website, and the use of leaflets;

- Identifying concerns of the surrounding communities about LAX operations and communicating them effectively to LAWA;

- Coordinating with various LAWA staff with responsibilities for responding to community complaints, such as noise, and assuring that the community concerns are addressed; and

- Working with the surrounding communities, LAWA, and locally elected officials in attempting to resolve LAX-related problems experienced by the communities.

The Working Group shall review the position of stakeholder liaison as well as other LAWA community outreach functions, and make structural recommendations, including proposed LAX Specific Plan amendments, to BOAC and the Los Angeles City Council, as appropriate.

SECTION X. AVIGATION EASEMENTS

A. Except as provided in Subsection B below, LAWA shall not require the dedication of avigation easements, noise easements, easements of right-of-way, or any other easements (collectively "easements") in return for funding of, or participation in, the residential acoustical treatment portion of LAWA's Airport Noise Mitigation Program.

B. Where applicable sections of the California Airport Noise Standards (Cal. Code Regs. tit. 21, section 5000 *et seq.*) deem acoustical treatments alone insufficient to convert residential land uses to compatibility with airport operations, the following conditions apply:

1. In the case of residences constructed on or after January 1, 1989, LAWA may require the dedication of an easement in return for acoustical treatment funding from LAWA.

2. In the case of residences constructed before January 1, 1989 exposed to a noise level of 75 dB CNEL or above, and having an exterior normally cognizable private habitable area such as a backyard, patio or balcony, LAWA may condition the provision of acoustical treatment funding from LAWA on the property owner's agreement to LAWA's acquisition of an easement for Fair Market Value. LAWA's Fair Market Value valuation and good faith negotiations with eligible property owners will be in compliance with the provisions of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (49 CFR Part 24). In the event that the parties cannot agree on the value of the easement through these negotiations, LAWA may require the dedication of an easement in return for acoustical treatment.

3. Under those circumstances in which LAWA requires the dedication of an easement in return for acoustical treatment pursuant to Subsections B.1 and B.2 above, LAWA shall require the dedication of a noise easement in substantially the form attached as **Exhibit B**, to the extent that the California Department of Transportation accepts the use of such noise easement in lieu of an avigation easement to render incompatible land uses to compatible land uses under the California Airport Noise Standards. If the California Department of Transportation determines that a noise easement is insufficient for the purpose described above, LAWA may require an avigation easement or any other easement. Under those circumstances in which LAWA acquires an easement through good faith negotiations as provided in Subsection B.2 above, LAWA may acquire any type of easement from the property owner.

C. All homeowners receiving LAWA provided or funded acoustic insulation will be required to provide to the local jurisdiction, among other things, authorization to proceed with the installation, a written acknowledgement that the homeowner is aware of the proposed level of noise reduction, and

after installation, acknowledgement that the improvements have been installed and meet an interior CNEL due to aircraft noise of 45 dB or less in all habitable rooms per California Airport Noise Standards.

D. This Settlement shall neither enlarge nor diminish any rights of the Parties existing prior to the effective date of this Settlement, and LAWA expressly reserves and the Parties agree that LAWA may continue to rely upon, any and all prescriptive rights, avigation easements and other entitlements for the operation of LAX.

E. If the County of Los Angeles, Inglewood, El Segundo, or Culver City approve any zoning or other land use amendment that has the effect of converting a property that was compatible under the California Airport Noise Standards at the time of this Settlement into an incompatible property, such jurisdictions shall condition that approval on the property owner granting LAWA an avigation easement satisfying compatibility requirements under California Airport Noise Standards.

SECTION XI. FURTHER STUDY REGARDING WEST EMPLOYEE PARKING STRUCTURE

Before the Executive Director of LAWA recommends approval of the West Employee Parking Structure pursuant to the LAX Specific Plan Compliance Review procedures, LAWA will prepare a project-specific EIR that includes consideration of (a) alternative locations for the West Employee Parking Structure, and (b) the appropriate size of the structure needed to serve only the employees working in the western areas of LAX and associated visitors for official business.

SECTION XII. STUDY OF LAX CONNECTION TO GREEN LINE

LAWA will study feasible methods to connect LAX to the Green Line in ways that will maximize the use of public transit to LAX. Within one year from the date of this Settlement, LAWA will compile the results of this study into a report and provide such report to the Petitioners.

SECTION XIII. ENFORCEMENT OF THIS SETTLEMENT

A. Mutual Desire to Avoid Further Litigation and Jurisdiction to Enforce Settlement.

1. The Parties have entered this Settlement for the purpose of avoiding litigation. Enforcement of this Settlement is to be brought solely through the procedures set forth in this section, which are designed to avoid resorting to court enforcement in the first instance, and, if resort to court is necessary, to provide simple, straightforward and predictable relief.

2. The Parties shall request that the Riverside County Superior Court retain jurisdiction of this case solely for the limited purpose of enforcing the mutual promises of this Settlement pursuant to the procedure set forth in this section.

B. Preliminary Enforcement Procedures.

1. **Right to Cure.** If any Party believes that another Party's performance is in default of that Party's obligations under this Settlement, the Party shall provide written notice to the other Party of the alleged default; offer to meet and confer in a good faith effort to resolve

the issue; and provide the other Party 60 days to cure the alleged default commencing at the time of receipt of the notice of a properly detailed written default notice. Any notice given pursuant to this provision will specify in reasonable detail the nature of the alleged default and, where appropriate, the manner in which the alleged default satisfactorily may be cured. If the FAA or any other regulatory authority determines that LAWA's performance under this Settlement is prohibited or would result in the withholding or demand for remittance of federal funds, LAWA's failure to perform shall not constitute a default under this Settlement.

2. Mediation. If an alleged default in performance has not been cured during the 60-day period provided in Section XIII.B.1 above, either Party may request that the dispute first be submitted to mediation prior to judicial enforcement. The Party requesting mediation will pay for the services of the mediator. If mediation is requested by any Party, all Parties shall make a good faith effort to first resolve through mediation any dispute about another Party's alleged default in performance. If the Parties cannot agree on the identity of the mediator, the judicial officer shall designate the mediator. The Parties will commence mediation within 15 days after notice of the mediation and designation of the mediator and shall conclude mediation within 45 days after commencement. Each Party shall bear its own fees and costs relating to the mediation.

C. Judicial Enforcement of This Settlement.

1. In order to provide a simple, straightforward and predictable method of enforcement of this Settlement, within 60 days of the execution of this Settlement, the Parties will select a judicial officer provided by the JAMS service or a comparable service. If they cannot agree on the identity of a mutually agreeable judicial officer, they will use the applicable JAMS selection procedure to identify and select such a person. LAWA shall pay any fees associated with the initial selection of a judicial officer. Said judicial officer shall be appointed by the Riverside County Superior Court to be the sole judicial officer who entertains any and all enforcement proceedings brought pursuant to this Settlement, provided that a non-prevailing Party may appeal a final enforcement ruling to the Court of Appeals in Riverside and, under the appellate rules, to the Supreme Court. The judicial officer so appointed shall remain as the judicial officer until such time as he or she shall resign or shall become unable to serve. If so, the Parties shall select a new judicial officer pursuant to the above procedure.

2. The Parties agree that, unless modified by the mutual agreement of the Parties, the judicial officer presiding in the enforcement action shall follow the rules of procedure and evidence that would otherwise be applicable in the Riverside County Superior Court, and such discovery procedures as the Parties may agree or that may be permitted by the judicial officer.

3. The sole procedural relief that a Party may request from the judicial officer to enforce this Settlement shall be an affirmative order enforcing the obligation of another Party. The judicial officer will have the power to order affirmative equitable and/or affirmative injunctive relief, temporary or permanent, requiring the other Party to comply with this Settlement. The judicial officer will normally issue a final enforcement ruling that (1) clarifies the Parties' respective obligations under this Settlement, (2) if a Party is determined

to have breached an obligation under this Settlement, orders affirmative performance of the obligation, and (3) determines and allocates the costs of the judicial officer's fees and costs incurred. No Party may seek judicial relief ordering, and the judicial officer will not have the power to order, LAWA to cease, suspend or modify operation at LAX, implementation of the LAX Master Plan Program or any other LAWA program or activity. The judicial officer shall have authority, if necessary, to order LAWA to comply with its obligation under section IV above to operate LAX with specified numbers of gates. No order relating to specified numbers of gates may direct LAWA to operate any particular configuration of gates at any time or contrary to any FAA directive. No Party may seek judicial relief ordering, and the judicial officer will not have power to direct, any Party to undertake any action except for those actions provided for by this Settlement. No Party may seek judicial relief ordering, and the judicial officer will not have power to award, any money damages. Each Party will bear its own fees and costs of such court enforcement. The Party seeking an enforcement ruling shall initially post and pay for any required fees and costs payable for the judicial officer's services. The judicial officer will have the authority to order that his or her fees and expenses incurred as the judicial officer shall be paid by the non-prevailing Party. The standard for imposition of such costs on the non-prevailing Party shall not be whether the non-prevailing Party's enforcement action was frivolous, but whether the judicial officer determines it to be appropriate in his or her discretion.

SECTION XIV. EXTRAORDINARY FINANCIAL SITUATIONS.

A. LAWA's financial obligations under this Settlement shall be suspended in any of the following circumstances:

1. An extraordinary financial situation exists that was caused by circumstances outside of LAWA's normal budgetary control (a) such that LAX-derived airport revenues in excess of LAX's basic operating budget and any debt service and other financial obligations do not exist in an amount sufficient to fund the obligations set forth in this Settlement; and (b) that the situation may likely result in a decline in annual LAX-derived operating revenue in excess of five percent of the then current fiscal year's operating budget, or $50 million, whichever is less;

2. An extraordinary financial situation exists such that performing its obligations under this Settlement would necessarily result in a violation of the financial covenants LAX has made to its creditors and lienholders in return for the extension of credit in the form of bonds, loans, letters of credit and other forms of financing necessary to maintain LAWA's overall financial stability; or

3. An extraordinary financial situation exists such that LAWA is financially unable to enter into any construction contract for a New LAX Master Plan Project while also concurrently performing its obligations under this Settlement. For the purposes of this section, a "New LAX Master Plan Project" means any substantial component of the LAX Master Plan Program that has not yet been approved pursuant to the LAX Specific Plan, but does not include completion of previously approved projects that have commenced construction. LAWA agrees that financial obligations under this Settlement are an integral component of the LAX Master Plan Program and that these obligations will have the same budgetary

priority as LAX Master Plan Program project costs, such that New LAX Master Plan Projects shall not go forward while financial obligations of this Settlement are suspended.

B. LAWA shall consult with Petitioners about the necessity for the suspension of its obligations and the estimated time period of the suspension. During the suspension period, LAWA shall consult with Petitioners each quarter regarding the status of its efforts to resolve pertinent financial problems and to develop outside sources of revenue to fund LAWA's financial obligations including grants from federal, state or regional agencies or from foundations or other third parties.

C. "Extraordinary financial situation" as used in this Section means circumstances that include, but are not limited to, the type of financial circumstances that LAWA experienced following the events of September 11, 2001; a natural disaster such as an earthquake; or extended increased security deployments in response to external threats.

D. Upon the conclusion of these extraordinary circumstances, LAWA will promptly resume performance of its financial obligations under this Settlement.

E. Following the conclusion of any period during which LAWA's financial obligations under this Settlement were suspended due to an extraordinary financial situation ("Suspension Period"), LAWA shall return to compliance with its financial obligations. In addition, the term of this Settlement shall be extended by an amount of time equal to the Suspension Period with respect only to avigation easements set forth in Section X and aircraft noise mitigation set forth in Exhibit A, Section A. The term of this Settlement shall not be extended with respect to any other obligation under this Settlement.

SECTION XV. MISCELLANEOUS

A. Notices. All notices and other communications required or permitted under this Settlement will be in writing and will be deemed to have been duly given on the date of delivery when delivered personally or when transmitted by telefacsimile or email to the Parties as specified below, or three days following the date of deposit in the United States mail. In the case of a notice or communication by telefacsimile or email, the notice or communication will be sent to the number or email address listed below, and a written copy will be mailed or personally delivered to the address below within three days of the transmittal of the telefacsimile or email. All notices or communications sent by United States mail will be sent postage prepaid by certified first class mail, return receipt requested to the address specified below.

If to LAWA:

Lydia Kennard
Executive Director
1 World Way
P.O. Box 92216
Los Angeles, CA 90009-2216
Fax: (310) 646-0523
lkennard@lawa.org

With a copy to:

Raymond S. Ilgunas
Assistant City Attorney, Airport Division
1 World Way
P.O. Box 92216
Los Angeles, CA 90009-2216
Fax: (310) 646-9617
rilgunas@lawa.org

If to City of El Segundo:

Jeff Stewart
City Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245
Phone: (310) 524-2334
Fax: (310) 322-7137
jstewart@elsegundo.org

With a copy to:

E. Clement Shute, Jr.
Osa L. Wolff
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Phone: (415) 552-7272
Fax: (415) 552-5816
wolff@smwlaw.com
shute@smwlaw.com

If to City of Inglewood:

Barbara E. Lichman, Ph.D.
Berne C. Hart
Ricia R. Hager
Chevalier, Allen & Lichman, LLP
695 Town Center Drive, Suite 700
Costa Mesa, CA 92626
Phone: (714) 384-6520
Fax: (714) 384-6521
cal@calairlaw.com

With a copy to:

Anita Willis, City Attorney
City of Inglewood

1 Manchester Blvd., Suite 860
City of Inglewood, CA 90301
Phone: (310) 412-5372
Fax: (310) 412-8865
awillis@cityofinglewood.org

If to Culver City:

Barbara E. Lichman, Ph.D.
Berne C. Hart
Ricia R. Hager
Chevalier, Allen & Lichman, LLP
695 Town Center Drive, Suite 700
Costa Mesa, CA 92626
Phone: (714) 384-6520
Fax: (714) 384-6521
cal@calairlaw.com

With a copy to:

Carol Schwab, City Attorney
City of Culver City - City Hall
9770 Culver Boulevard
Culver City, CA 90232
Phone: (310) 253-5660
Fax: (310) 253-5664
carol.schwab@culvercity.org

If to County of Los Angeles:

Barbara E. Lichman, Ph.D.
Berne C. Hart
Ricia R. Hager
Chevalier, Allen & Lichman, LLP
695 Town Center Drive, Suite 700
Costa Mesa, CA 92626
Phone: (714) 384-6520
Fax: (714) 384-6521
cal@calairlaw.com

With a copy to:

Raymond G. Fortner, Jr., County Counsel
Richard D. Weiss, Assistant County Counsel
Thomas J. Faughnan, Principal Deputy County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012-2713

Phone: (213) 974-1810
Fax: (213) 617-7182
tfaughnan@counsel.co.la.ca.us

If to Alliance for a Regional Solution to Airport Congestion:

Jennifer Dakoske Koslu
224 Redlands Street
Plaza Del Rey, CA 90293
Phone: (310) 306-4651
Fax: (310) 306-4651
dakoske@aol.com

With a copy to:

Jan Chatten-Brown
Chatten-Brown & Carstens
3250 Ocean Park Boulevard, Suite 300
Santa Monica, CA 90405
Phone: (310) 314-8040
Fax: (310) 314-8050
jcb@cbcearthlaw.com

Any Party may designate different notice information by providing written notice to the other Parties as provided in this section. The change of contact information will not be considered an amendment to this Settlement.

B. Severance. If any part of this Settlement is invalidated, set aside, modified or disapproved as a result of a judicial or administrative ruling or determination, the remainder of the Settlement shall remain in full force and effect, and the Parties shall fulfill their obligations under this Settlement consistent with the remainder of this Settlement.

C. Relationship to Other Obligations. LAWA's performance of its obligations under this Settlement may constitute satisfaction of other LAWA obligations outside of this Settlement. Notwithstanding any such other obligations outside of this Settlement, subject to the provisions of Section XIV above, LAWA shall perform its obligations in this Settlement.

D. Litigation Legal Fees. Upon the dismissal of pending actions and release of claims as set forth in Section II, LAWA will pay Petitioners' reasonable attorneys' fees and costs related to the consolidated litigation challenging the LAX Master Plan Program in Riverside County Superior Court (Case No. RIC 426822) of $1.5 million. LAWA will pay such attorneys' fees and costs within 45 days of Petitioners' reporting to LAWA of their attorneys' fees and costs in reasonable detail including the basis of their lodestar amount being in excess of $1.5 million, but in no event shall LAWA be required to pay such attorneys' fees until 45 days after execution of this Settlement.

E. Legal Fees and Costs for Preparation and Enforcement of this Settlement. Subject to Section XV.D above, each Party will bear its own legal fees and costs resulting from the preparation, negotiation, execution and enforcement of this Settlement.

F. Waiver. The waiver by any Party of any breach or violation of any provision of this Settlement will not be deemed to be a waiver of any breach or violation of any other provision or of any subsequent breach or violation of the same or other provisions.

G. Successors. This Settlement will be binding on any successors of the Parties.

H. No Third-Party Beneficiaries. This Settlement has no third party beneficiaries and no one other than the Parties will have any rights to enforce any of the obligations created in this Settlement.

I. Amendments to Settlement. The Parties may change, modify or amend this Settlement only by a written amendment that is executed by all Parties. In the event one Party desires to amend the Settlement, it will notify the other Parties as specified in Section XV.A and designate the issues it wants an amendment to address. The Parties will meet and confer in good faith concerning proposed amendments.

J. Representations of Counsel. Each of the Parties has been represented by counsel in the negotiation and drafting of this Settlement. Accordingly, this Settlement 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 Settlement.

K. California Law. This Settlement will be construed in accordance with the laws of the State of California.

L. Interpretation. Specific provisions of this Settlement will take precedence over conflicting general provisions.

M. Headings Not Limiting. Section and subsection headings contained in this Settlement are included for convenience only and will not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any section or subsection in this Settlement.

N. Entire Settlement. This Settlement represents the entire agreement of the Parties with respect to the subject matter of the Settlement. No prior written or oral statements, proposals or agreements will alter any term or provision of this Settlement.

O. Authority of Signatories. Each Party represents and warrants that it has taken all legally required actions to authorize its representative to execute this Settlement and that the individual executing this Settlement on that Party's behalf has the authority to sign on behalf of said Party.

IN WITNESS WHEREOF, the Parties here cause this Settlement to be duly executed by their respective signatures.

Dated: February 16, 2006

By: Antonio R. Villaraigosa

Title: Mayor, City of Los Angeles

CITY OF LOS ANGELES

APPROVED AS TO FORM:

Rockard J. Delgadillo, City Attorney

Date: 02.15.06

By: Assistant City Attorney

Dated: _____

By: _____

Title: _____

LOS ANGELES WORLD AIRPORTS

_____

APPROVED AS TO FORM:

Rockard J. Delgadillo, City Attorney

Date: 02.15.06

By: _____

Assistant City Attorney

Dated: 01.20.06

By: Jennifer Dakoske Koslu

Title: President ARSAC

ALLIANCE FOR A REGIONAL SOLUTION
TO AIRPORT CONGESTION

Dated: FEBRUARY 15, 2006

By: THOMAS J. FAVAHNAN

Title: PRINCIPAL DEPUTY COUNTY COUNSEL

COUNTY OF LOS ANGELES

3562

Dated: 30 January 2006

By: Kelly McDowell

Title: Mayor

CITY OF EL SEGUNDO

ATTEST: Cathy Domann
Deputy City Clerk

Dated: January _____, 2006

CITY OF INGLEWOOD

ROOSEVELT DORN, Mayor

APPROVED AS TO FORM:

ANITA C. WILLIS, City Attorney

Dated: February 15, 2006

By:

Title: Mayor Albert Vera

CITY OF CULVER CITY

Albert Vera

Approved As To Form

City Attorney

EXHIBIT A
ADDITIONAL MITIGATION MEASURES

A. Aircraft Noise Mitigation.

1. 2006-2007 Funding for ANMP. Upon Petitioners' dismissal of pending actions and release of claims, as provided for in Section II of this Settlement, LAWA shall provide Aircraft Noise Mitigation Program ("ANMP") funding to the County of Los Angeles and Cities of El Segundo and Inglewood in the following amounts covering calendar years 2006 and 2007 in two annual installments.

County of Los Angeles:	$20.6 million
City of El Segundo:	$14.9 million
City of Inglewood:	$24.5 million

The first installment will be made within 60 days of the execution of this Settlement and the remainder of each jurisdiction's allocation will be provided one year after the first installment. The first installment will be made for one half of the total listed above for each jurisdiction, except in the case of the County of Los Angeles, which shall receive $15 million of its total allocation in the first year. LAWA's expenditure of funds under this Section A.1 is contingent on the County of Los Angeles and Cities of El Segundo and Inglewood complying with all requirements established in BOAC Resolution No. 21481 except to the extent that such requirements are superceded by the terms of this Settlement, and with FAA regulations.

2. Unused Funds. It is up to each jurisdiction to make good use of the funds provided, and with respect to Airport Improvement Program or Passenger Facility Charge ("PFC") funds, use of those funds as approved by the FAA. A status report from each jurisdiction to LAWA is required on January 15, 2007 as to the number of units made compatible under this section and the number of homes with an executed sound insulation contract in place for construction. This report will aid LAWA's effort to apply to the FAA for additional PFC authority for future funding. This report will also be used by LAWA to determine any adjustments to the second installment under Section A.1 above. LAWA will make such determination and make any appropriate allocation of funds within 60 days of the report being provided to LAWA, but in no event will such allocation of funds be required prior to March 1, 2007. If a jurisdiction has used all of its 2006 allocation as evidenced by its status report, that jurisdiction will receive its 2007 funding allocation. If a jurisdiction has not used all of its 2006 allocation, an amount equal to the unused portion will be deducted from their 2007 allocation and that deducted portion will be reallocated to the remaining jurisdiction(s) that used all of their 2006 allocation. If no jurisdiction has used all of their 2006 allocation then the deducted amounts from each jurisdictions 2007 allocation will be allocated by LAWA for use in 2008. The same reallocation procedure described above for unused Section A.1 funds shall apply for the 2009 allocation. This annual funding rollover and reallocation process is applicable to funds provided in Section A.1 and will only extend through calendar year 2009. Any remaining unused funds under Section A.1 after 2009 will revert back to LAWA's ANMP program, with a priority for Petitioners' use in sound insulation projects.

3. Future Funding. The purpose of the ANMP is to achieve compatibility. LAWA has limited funds to apply to this goal. Future funding under this section for the County of Los Angeles and the Cities of El Segundo and Inglewood is capped at $22.5 million per year for calendar year 2008 through calendar year 2015 for a maximum total of $180 million. This funding cap under this Settlement will not affect the ability of each jurisdiction to demonstrate its ability to effectively use additional ANMP funding. LAWA will consider each of these requests on a case-by-case basis through the existing ANMP process. Similar to Section A.2 above, an annual status report from each jurisdiction to LAWA will be required on or before the 15th day of January of each year through 2015. The annual proportion of funds allocated to the County of Los Angeles and the Cities of El Segundo and Inglewood under this section will be determined by the number of units made compatible under this section and the number of homes with an executed sound insulation contract in place for construction. The maximum annual proportion allocated to any one jurisdiction under this section will not exceed 41 percent of the calendar year total. If any jurisdiction is unable to use its annual allocation of funds, the unused funds shall be allocated to the other jurisdictions to the extent that (a) the jurisdictions have used all of their allocation for the year, and (b) the jurisdictions have established that they are capable of using such funds for sound insulation, as determined by the number of homes made compatible under this section and the number of homes with an executed sound insulation contract in place for construction. Any unused funds at the conclusion of each year under this section will be allocated by LAWA for use in the ANMP, with a priority for use by the County of Los Angeles and the Cities of El Segundo and Inglewood in sound insulation projects.

4. Sound Insulation for Traditional Places of Worship. Inglewood has identified 15 traditional places of worship that will require sound attenuation for a total of approximately $2.5 million. Inglewood will be seeking money from the FAA as well as permission to use its portion of the money identified in Sections A.1 through A.3 for this purpose. LAWA agrees to support Inglewood's request to the FAA. LAWA will also support any similar request to the FAA by El Segundo and/or County of Los Angeles. In the event the FAA denies such requests, LAWA will submit an application to the FAA to amend the PFC to allow for the sound attenuation of traditional places of worship at the conclusion of the residential soundproofing component of the ANMP.

5. Land Recycling. Inglewood represents that it will be seeking FAA approval for its use of FAA discretionary funds for Darby Dixon and open space projects. LAWA agrees to support Inglewood's request to the FAA for this purpose.

6. Noise Mitigation in Lennox. The County of Los Angeles has identified 215 units outside of the 1992 4th quarter ANMP contour, in an area located just south of the contour and north of the 105 freeway in Lennox, that the County would like to provide noise mitigation. LAWA agrees to support the County's request to the FAA for permission to use its portion of money identified in Sections A.1 through A.3 for this purpose.

7. Code Violations. Inglewood, El Segundo, and the County of Los Angeles may request that FAA allow them to use their portion of money identified in Sections A.1 through A.3 for incidental rehabilitation or corrections necessary to proceed with sound insulation. For example, the County of Los Angeles has represented that it needs no more than $1000 per unit to fix code violations for certain properties in order to proceed with sound insulation

under its ANMP program. LAWA agrees to support these requests to the FAA for permission to use its portion of money identified in Sections A.1 through A.3 for incidental rehabilitation or corrections necessary to proceed with sound insulation.

8. Pilot Program for Noise Insulation of Certain Inglewood Residences. On a pilot project basis, LAWA and Inglewood will study certain areas where residences do not otherwise qualify for sound insulation. For mutually agreed-upon special circumstances and unique reasons that apply to specific residential areas, LAWA and Inglewood may agree that it is necessary and appropriate to provide noise insulation benefits in order to reduce interior noise levels to certain mutually agreed-upon levels. LAWA and Inglewood will cooperate in seeking to obtain, where necessary, federal approval for the expenditure of airport-related funds in connection with such noise mitigation measures. Subject to this approval, LAWA will make available up to $10 million during the term of this Settlement to fund this pilot program. LAWA and Inglewood will prepare a schedule and work program by which this pilot program will be implemented.

9. End-of-Block Soundproofing. El Segundo, Inglewood, and the County of Los Angeles may seek FAA approval to commence an end-of-block soundproofing program, under which, if any residence on a particular block falls within the applicable noise contour for that block, then each residence on that block will be eligible for soundproofing. LAWA agrees to support the jurisdictions' request(s) to the FAA for permission to use their portion of money identified in Sections A.1 through A.3 for this purpose.

10. Part 161 Noise Study. LAWA has initiated a Part 161 study to the feasibility of implementing restrictions on departures between the hours of midnight and 6:30 a.m. over the communities to the east of LAX. Upon completion of the study, LAWA will seek FAA approval of various penalties that can be imposed on airlines whose flights violate night-time over-ocean policies and procedures. LAWA will expedite processing of this study.

B. Construction Noise Mitigation for the SAIP.

1. Noise Control Plan. LAWA shall implement a mandatory Construction Noise Control Plan that includes sufficient feasible measures to mitigate South Airfield Improvement Project ("SAIP") significant construction noise impacts on El Segundo to below the applicable level of significance. LAWA shall consult with El Segundo regarding potentially feasible measures to mitigate significant construction noise impacts. Measures to be considered for inclusion in the plan shall include, without limitation, temporary sound barriers and enclosures, equipment mufflers, and work curfews.

2. Noise Monitoring and Hotline. LAWA shall implement a noise monitoring and hotline program during SAIP construction, not to exceed $20,000 per month for staffing and hotline expenses, consisting of the following components:

a. LAWA shall prepare monthly construction noise monitoring reports and shall provide these reports to Petitioners and interested members of the public.

b. LAWA shall establish a construction noise hotline and shall staff the hotline during all work hours, investigate complaints within 60 minutes of receipt, and

communicate the results of investigations to complainants as soon as such results are obtained.

C. Air Quality Mitigation.

1. FlyAway Service. LAWA shall develop at least eight FlyAway sites with service similar to the service provided by the Van Nuys FlyAway currently operated by LAWA. The intent of these FlyAway sites will be to reduce the number of vehicles going to and from LAX by providing regional locations where LAX employees and passengers can pick up an LAX-dedicated, clean-fueled bus that will transport them from a FlyAway closer to their home or office into LAX and back. Final selection of the FlyAway sites must be completed on a schedule that allows for property acquisition or leasing, terminal design, construction, and implementation of all sites by 2015. LAWA shall also implement a public outreach program to inform potential users of the terminals about their existence and their locations.

2. Conversion of Ground Support Equipment. LAWA shall develop and implement a phased program to convert ground support equipment ("GSE") at LAX to extremely low emission technology (such as electric power, fuel cells, or other future technological developments). The phased program will apply to all GSE in use at LAX, including both LAWA-owned equipment and tenant-owned equipment. The goal of the phased program shall be to complete the conversion of GSE to extremely low emission technology by 2015.

3. Electrification of Passenger Gates. LAWA shall ensure that all LAX passenger gates, defined for this section as structures used to transfer passengers from a terminal area to an aircraft, are equipped and able to provide electricity sufficient for aircraft needs under the following schedule:

a. All passenger gates for which new construction (excluding maintenance) is completed after the execution of this Settlement shall be equipped and able to provide electricity to parked aircraft from the date of initial operation and at all times thereafter.

b. Three years from the execution of this Settlement, and at all times thereafter, at least fifty percent of passenger gates at LAX shall be equipped and able to provide electricity to parked aircraft.

c. Five years from the execution of this Settlement, and at all times thereafter, one hundred percent of the passenger gates at LAX shall be equipped and able to provide electricity to parked aircraft.

D. Construction Air Quality Mitigation for the SAIP.

1. Best Available Emission Control Devices Required. LAWA shall require all construction equipment for the SAIP to be equipped with best available emission control devices verified or certified by the California Air Resources Board ("CARB"). The focus of emission control shall be PM_{10}, $PM_{2.5}$, and nitrogen oxides. Devices certified or verified for mobile engines may be effective for stationary engines and that technology from CARB on-

road verification lists may be used in the off-road context. LAWA shall not be required to used best available emission control devices under either of the following circumstances:

a. The construction equipment operator provides a written finding, based upon appropriate market research and approved by LAWA, that best available emission control devices for reducing emissions of pollutants are unavailable for the construction-related equipment, and the construction equipment operator uses appropriate technology, if any, to reduce the emission of pollutants from the construction-related equipment.

b. The construction-related equipment is used for fewer than 20 calendar days per calendar year.

Any and all exemptions under this Section D.1 approved by LAWA shall be reported in writing to Petitioners prior to use of the equipment in question.

2. **Ultra-Low Sulfur Diesel Fuel.** All construction equipment used for construction of the SAIP shall use only Ultra-Low Sulfur Diesel fuel (15 ppm or lower), so long as there are adequate supplies of ULSD in the Southern California area. Prior to September 1, 2006, if ULSD is unavailable, then all construction equipment may utilize emission control devices that do not require ULSD for only the same period of time that ULSD is unavailable. On or after September 1, 2006, if adequate supplies of ULSD are not available in the Southern California area, then other fuels may be used, provided that the other fuels do not result in a greater emissions of PM_{10}, $PM_{2.5}$ or nitrogen oxides than that which would be produced by use of ULSD at 15 ppm or lower. Any and all exemptions under this Section D.2 shall be reported in writing to Petitioners prior to use of the equipment in question.

E. Air Source Apportionment Study.

1. LAWA shall fund a study by an independent expert of toxic air contaminants and criteria air pollutant emissions from jet engine exhaust and other airport-related emission sources ("Source Apportionment Study"). The study shall identify the concentration of toxic air pollutants from airport-related sources based on updated draft protocols developed for the "Air Quality and Source Apportionment Study" described in LAWA, *Air Quality and Source Apportionment Study of the Area Surrounding Los Angeles International Airport, Technical Workplan*, November 17, 2000, and all associated documents, as listed in part in **Exhibit C**. The protocols used will be those specified by EPA following LAWA's consultation with EPA regarding any needed updating or revision to the November 17, 2000 draft protocol.

2. LAWA shall require the selected contractor to provide written annual progress reports to LAWA. LAWA shall promptly forward these reports to the Petitioners. Within 15 days of completion of the Source Apportionment Study, LAWA will provide the Source Apportionment Study to Petitioners, and shall make it available to the public.

3. LAWA shall make a good faith effort to initiate the Source Apportionment Study by December 31, 2006. LAWA will consult with Petitioners regarding the duration of the Source Apportionment Study, and will inform Petitioners of the likely date for completion following the EPA's identification of the updated protocols to be used in the Source

Apportionment Study. LAWA will meet and confer with Petitioners' representatives regarding the study's results and regarding such further studies and steps to be taken with respect to toxic air pollutants as the Parties may mutually agree.

F. Traffic Mitigation.

1. Roadway Improvements. Upon Petitioners' dismissal of pending actions and release of claims, as provided for in Section II of this Settlement, El Segundo will provide appropriate justification for roadway improvements set forth below. Upon FAA approval pursuant to Section III, LAWA shall provide traffic mitigation funding to El Segundo in the following amounts for improvements to the following roadways:

Douglas Street:	$750,000
Nash Street:	$675,000
Imperial Highway:	$1 million
Sepulveda Boulevard:	$910,000

2. Extension of Century Boulevard Traffic Corridor. LAWA and Inglewood will cooperate to study a potential extension of the Century Boulevard traffic corridor into Inglewood from La Cienega Boulevard to Crenshaw Boulevard. LAWA and Inglewood will cooperate in seeking to obtain on an expedited basis any necessary federal approvals for LAWA's funding participation in this extension project. Subject to this approval, LAWA will make available up to $10 million during the term of this Settlement in order to fund such improvements. LAWA and Inglewood will prepare a schedule and work program by which the extension project will be implemented. Upon completion of the traffic study set forth in Section V.F of this Settlement, LAWA will support Inglewood's application to the FAA for discretionary funds for an additional $23 million to fund traffic improvements for designated segments of Century Boulevard. LAWA will also support Inglewood's application to the FAA for discretionary funds for traffic improvements to designated segments of La Cienega Boulevard and of Imperial Highway.

G. Aesthetic Mitigation.

1. Landscaping in the Dunes. In the northern portion of the Los Angeles/El Segundo Dunes, LAWA shall, in consultation with Petitioners, implement a plan for a project that does not exceed $3 million to: (1) remove as much existing pavement as possible from abandoned streets and sidewalks, and (2) plant appropriate native vegetation in that area. All work associated with this plan shall be accomplished under the supervision of a registered biologist to ensure minimal disruption to the existing habitat areas. This plan shall only extend to areas outside of the El Segundo Blue Butterfly Preserve. LAWA will consult with the California Coastal Commission, the U.S. Fish and Wildlife Service, the California Department of Fish and Game, and any other applicable agencies as appropriate. LAWA will coordinate with the FAA to ensure that the plan is consistent with aviation safety requirements and site requirements for navigational aids located in the subject area.

2. Street Lighting. LAWA shall establish a fund of $1 million from which LAWA will participate in street lighting projects affecting residential neighborhoods immediately adjacent to the northern boundary of LAX property. LAWA shall consult with

representatives of Council District 11 regarding proposed street lighting projects. Any participation by LAWA in the funding of street lighting projects shall be subject to FAA approval and shall be based on establishment of a clear nexus between the property and airport impacts.

H. Job Training.

1. Funding for Job Training. Beginning in fiscal year 2006-2007, LAWA shall provide $500,000 per year for five years to fund a job training program at the South Bay Workforce Investment Board in Inglewood to fund job training for airport jobs at LAX, aviation-related jobs related to LAX, and for pre-apprenticeship programs. Any funds unspent in a particular year shall be rolled over to the subsequent year. At the conclusion of the five-year period, any unused funds shall revert to LAWA.

2. Job Training Programs. Jobs operating Transportation Charter Party limousines, non-tenant shuttles, or taxis shall not be considered airport jobs. Pre-apprenticeship programs are defined as job readiness and job training programs designed to prepare individuals to enter apprenticeships in the construction and building trades for LAX Master Plan Program related construction.

3. LAX Gateway Program. LAWA shall undertake outreach efforts to ensure the inclusion of Inglewood high school and college students in the existing LAX Gateway Program.

I. SAIP Hydrology Mitigation. In order to address drainage concerns raised by the County of Los Angeles with respect to the SAIP, LAWA shall: (1) prepare a study to determine peak flows and Hydraulic Grade Line ("HGL") related to the South Airfield according to the County's new hydrology methodology; (2) consult and coordinate the results of the study with the County's Department of Public Works; and (3) incorporate reasonable modifications required to mitigate increased flows into the Dominguez Channel, if necessary. LAWA agrees to provide information on existing hydrologic conditions and the proposed design of the SAIP to the County before commencing the above study. The County of Los Angeles shall review and comment on the results of the above study within 30 days of receipt. The Parties agree that under no circumstances shall LAWA's obligations under this provision delay construction and/or completion of the SAIP.

EXHIBIT B
NOISE EASEMENT

GRANT OF EASEMENT
(Civil Code Section 1468; Public Utilities Code Section 21652)

This NOISE EASEMENT (Easement) is executed and delivered as of this _____ day of_____, 2004___, by Property Owner(s)] _____ (Grantor) and the LOS ANGELES WORLD AIRPORTS (Grantee);

WHEREAS, Grantors are the owners in fee simple of certain real property located at [address] and more particularly described in attached Exhibit "A," incorporated by this reference (Grantors' Property);

WHEREAS, Grantors have been offered the opportunity to participate in a publicly funded program (Noise Insulation Program), which will cause changes to be made to Grantors' Property that may result in the reduction of aircraft noise currently being imposed on the interior of the structure or structures located on Grantors' Property;

WHEREAS, the funding source for this Noise Insulation Program will include funding from the Grantee, in its capacity as the owner and operator of the Los Angeles International Airport (LAX), and may include funding from the United States Government pursuant to the Aviation Safety and Noise Abatement Act of 1979 (commencing at 49 U.S.C. Section 2101);

WHEREAS, Grantee requires as a condition precedent to its participation in the Noise Insulation Program that Grantors provide Grantee with an easement upon Grantors' Property to permit noise, vibration, discomfort, inconvenience, interference with use and enjoyment, and any consequent reduction in market value, on the Grantor's Property all due to the operation of aircraft to and from

WHEREAS, Section 21652 of the Public Utilities Code of the State of California authorizes Grantee to obtain this Easement,

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES TO THIS AGREEMENT THAT:

1. Grantors do hereby, grant, convey and assign to Grantee, and its successors and assigns, a permanent and perpetual easement for the purpose of permitting the imposition of noise, vibration, discomfort, inconvenience, interference with use and enjoyment, and any consequent reduction in market value, all due to noise caused by the operation of aircraft to and from LAX upon Grantors' Property.

2. This Easement shall become effective upon the execution of this document by Grantors and Grantee and payment to Grantors, or on their behalf, by Grantee, of the sum agreed upon as the cost of the Noise Insulation Program with respect to Grantors' Property.

3. The Community Noise Equivalent Level (CNEL) map and boundaries produced by flight operations to and from LAX for the quarter-year ending December 31, 1992 (Fourth Quarter 1992 CNEL Map) filed with the State of California, Department of Transportation, Division of Aeronautics, in accordance with Section 5025 of Title 21 of the California Code of Regulations, shall be the basis for determining the baseline noise level for the Grantors' Property.

4. Pursuant to this Easement, Grantee may impose upon Grantors' Property noise levels up to and including 3 dB CNEL above the CNEL noise level shown for Grantors' Property on the Fourth Quarter 1992 CNEL Map.

5. Grantee will not be deemed to have exceeded the allowable level of imposition of noise, applicable to Grantors' Property, identified in Paragraph 4, unless that level is shown to have been exceeded in three of the four most recent quarterly CNEL maps for LAX filed with the State of California, Department of Transportation, Division of Aeronautics, in accordance with Section 5025 of Title 21 of the California Code of Regulations.

6. Grantee may further impose upon Grantees' Property any other adverse impacts arising from the allowable level of imposition of noise, applicable to Grantors' Property, identified in Paragraph 4, including, but not limited to, any resulting vibration, discomfort, inconvenience, interference with use and enjoyment, and any consequent reduction in market value.

7. Any change in the noise level reported on a quarterly CNEL map for LAX filed with the State of California, Department of Transportation, Division of Aeronautics, in accordance with Section 5025 of Title 21 of the California Code of Regulations, which results from the temporary increased use of certain runways, due to construction or repair of other runways, or due to any other cause beyond the control of Grantee (e.g., weather or wind conditions, but not flight pattern shifts authorized by the Federal Aviation Administration) shall not be used to compute the noise level imposed on Grantors' Property for purposes of Paragraph 4.

8. This Easement shall neither enlarge nor diminish any rights of either party existing prior to the effective date of this Easement, and Grantee expressly reserves and may continue to rely upon, any and all prescriptive rights, avigation easements and other entitlements for the operation of LAX.

9. Grantors covenant that Grantors are the owners in fee simple of the Grantors' Property, and that at the time of executing this Grant of Easement, Grantors have full ownership rights and powers to convey this Grant of Easement free and clear from all other grants, bargains, sales, liens, taxes, assessments and encumbrances of whatever kind or nature.

10. All easements, promises, covenants, conditions and reservations contained in this Grant of Easement are made and entered into for the benefit of the LAWA lands described in attached Exhibit "B" and for the Grantee and its successors and assigns to the maximum extent now or hereafter permitted by statute or case law, and are intended by the parties to comply with California Civil Code Section 1468. Grantors for himself/herself/themselves and his/her/their successors and assigns waive all rights under Civil Code section 1542. "Successors and assigns" as used here includes without limitation: invitees, licensees, permittees, tenants, lessees, and others who may use the Easement rights reserved in this Easement or use or be upon Grantors' Property or the lands described in Exhibit "B," as the case may be, and/or their respective officers, agents and employees.

11. Grantors release Grantee from any present and future liability and promises not to sue Grantee for damages or any other relief directly or indirectly based on noise vibration, discomfort, inconvenience, interference with use and enjoyment, and any consequent reduction in market value upon Grantors' Property, occurring as a result of lawful aviation or airport or airport-related operations, if any, at or otherwise associated with LAX. The release and covenant includes, but is not limited to claims (known or unknown) for damages for physical or emotional injuries, discomfort, inconvenience, property damage, death, interference with the use and enjoyment of property, nuisance, or inverse condemnation, or for injunctive or other extraordinary or equitable relief. Grantor agrees that Grantee shall not have any duty to avoid or mitigate the damages.

Grantor further agrees to defend at his/her/their own cost, hold harmless and indemnify Grantee from any claims, demands or liability for or based upon the exercise of the Easement rights granted in this Easement.

12. No violation or breach of any provision of this Grant of Easement may be waived unless in writing. Waiver of any one breach of any provision of this Grant of Easement shall not be deemed to be a waiver of any other breach of any provision of this Grant of Easement.

13. In the event that one or more covenant, condition, right or other provision contained in this Grant of Easement is held to be invalid, void or illegal by any court of competent jurisdiction, that covenant, condition, right or other provision shall be deemed severable from the remainder of this Grant of Easement and shall in no way affect, impair or invalidate any other covenant, condition, right or other provision of this Grant of Easement.

14. This Grant of Easement has been negotiated and entered into in the State of California, and shall be governed by, construed and enforced in accordance with the statutory, administrative and judicial laws of the State of California.

15. Grantee shall cause this conditional Grant of Easement to be recorded in the office of the Recorder of the County of Los Angeles within 30 days of the date of its acceptance by Grantee.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this ____ day of _____, 200_.

GRANTORS

_____
[Owner 1]

_____
[Owner 2]

_____
[Owner 3]

GRANTEE

Los Angeles World Airports

By:_____

[ADD NOTARY PUBLIC BLOCK]

Exhibit "A": Legal Description of Grantors' Property

Exhibit "B": Legal Description of Lands Within the jurisdiction of LAWA

EXHIBIT C

Documents Related to:
Air Quality & Source Apportionment Study of the Area Surrounding
Los Angeles International Airport

-- Technical Workplan, November 17, 2000
-- Pilot Study Monitoring Plan, February 5, 2001
-- Preliminary Draft Emission Inventory Protocol, April 20, 2001
-- Pilot Study Quality Assurance Project Plan, September 4, 2001
-- Draft Quality Assurance Project Plan
Appendix - Standard Operating Procedures, July 6, 2001:

--Standard Operating Procedures Provided by Tracer Environmental:
TECO Model 42C Oxides of Nitrogen Analyzer
API 400 Ozone Analyzer
TECO Model 48C CO Analyzer
TECO Model 43C SO2 Analyzer
Calibration Procedure for TECO 146 Calibrator
ESC 8816 Data Acquisition System
Met One 010C Wind Direction Sensor
Met One 020C Wind Direction Sensor

--Standard Operating Procedures Provided by Desert Research Institute (DRI)
1-207.10- Sequel Filter Sampler: Operation, Maintenance, and Field Calibration
1-209.3 - Portable PM10 Survey Sampler Field Operations
1-210.1 - Portable PM10 or PM2.5 Survey Sampler Field Operations
1-701.4 - Canister Cleaning and Certification
1-702b.3 - Operation of DRI 3-Canister Sampler
1-702c.3 - Operation of DRI 6-Canister Sampler
1-710.3 - DRI Carbonyl Sampler
1-720.2 - Procedure for Collecting Tenax Samples
1-720.3 - Procedure for Collecting Tenax Samples
1-750.4 - 4 Channel Sequential FP/SVOC Sampler
2-102.3 - Gravimetric Analysis

-- Standard Operating Procedures Provided by DRI (continued)

2-106.3 - Pre-firing of Quartz-Fiber Filters for Carbonaceous Material Sampling

2-108.3 - Sectioning of Teflon and Quartz Filter Samples

2-109.4 - Extraction of Ionic Species from Filter Samples

2-110.4 - Filter Pack Assembly, Disassembly, and Cleaning

2-111.4 - Sample Shipping, Receiving, and Chain-of-Custody

2-203.4 - Anion Analysis of Filter Extracts and Precipitation Samples by Ion Chromatography

2-204.6 - Thermal/Optical Reflectance Carbon Analysis of Aerosol Filter Samples

2-206.3 - Analysis of Filter Extracts and Precipitation Samples by Atomic Absorption Spectroscopy

2-207.5 - Analysis of Filter Extracts and Precipitation Samples for Ammonium by Automated Colorimetric Analysis

2-703.4 - Analysis of VOC in Ambient Air by Gas Chromatography with Cryogenic Concentration

2-704.1 - Analysis of VOC in Ambient Air by Gas Chromatography and Mass Spectrometry

2-710.1 -Analysis of Carbonyl Compounds by High Performance Liquid Chromatography

2-720.4 - Analysis of VOC in C8 - C20 Range Collected on Tenax by GC with FID or MSD/FTIR Detection

2-750.4 - Analysis of Semi-Volatile Organic Compound by GC/MS

X-Ray Fluorescence (XRF) Analysis of Aerosol Filter Samples