

RESOLUTION NO. 8604

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA CONSENTING TO THE ASSIGNMENT OF THE THROUGH-THE-FENCE AGREEMENT AND CONCESSION AGREEMENT FOR AVIATION FUELING OPERATIONS FROM THE SALE OF THE PROPERTY LOCATED AT 3507 JACK NORTHROP AVE FROM 3507 JNA LLC TO 3507 JACK NORTHROP OWNER LLC

WHEREAS, in 2009, the City of Hawthorne entered into a Through-The-Fence ("TTF") Agreement with Hawthorne Hangar Operations LP ("HHO") which included a lease of a tarmac in front of the HHO's hangar for lease payment of \$18,000 annually to the City; and

WHEREAS, in 2017, the City of Hawthorne entered into a Concession Agreement for Aviation Fueling Operations (the "Fueling Agreement") at the Hawthorne Municipal Airport with HHO authorizing airplane fuel to be sold by HHO for a share of the greater of fourteen cents per gallon or the fee per gallon for fuel sold by other authorized tenant at the airport; and

WHEREAS, in March, 2023, HHO declared bankruptcy in United States Bankruptcy Court Case No. 2:23-bk-11789-BR resulting in the appointment of Peter J. Mastan, as the chapter 7 trustee ("Trustee") of HHO's bankruptcy estate ("Estate"), whose duties under the Bankruptcy Code include, among other things, monetizing the assets of the bankruptcy estate for the benefit of the its creditors; and

WHEREAS, the Trustee embarked upon the sale of the properties of the Estate including the HHO hangar facility located at 3507 Jack Northrop Ave, the fuel farm, and the TTF and the Fueling Agreements (collectively, the "Property"); and

WHEREAS, on August 30, 2023 the bankruptcy court approved the sale of the bankruptcy estate's ("Estate") rights, title, and interest in and to the HHO hangar facility, including the fuel farm and its rights to the Through-the-Fence ("TTF") and the Concession Agreement for Aviation Fueling Operations ("Fueling Agreement") (collectively, the "Property") to 3507 JNA LLC for the total sum of \$13,350,000; and

WHEREAS, on September 15, 2023 the City of Hawthorne consented to the Assignment of the Through-The-Fence Agreement and Concession Agreement for Aviation Fueling Operations to 3507 JNA LLC for the property located at 3507 Jack Northrop Avenue, Hawthorne, CA 90250; and

WHEREAS, 3507 Jack Northrop Owner, LLC is purchasing the Property from 3507 JNA LLC; and

WHEREAS, 3507 Jack Northrop Owner, LLC is requesting consent to the Assignment of the Through-The-Fence Agreement and Concession Agreement for Aviation Fueling Operations From 3507 JNA LLC to 3507 Jack Northrop Owner LLC from the sale of the Property located at 3507 Jack Northrop Avenue, Hawthorne, CA 90250; and

WHEREAS, under the terms of the original TTF and Fueling Agreements, the City cannot unreasonably withhold the approval of the assignment if the assignee has the financial ability and the level of experience in airport operation which 3507 has shown.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND BY THE CITY COUNCIL OF THE CITY OF HAWTHORNE AS FOLLOWS:

SECTION 1. The City Council of the City of Hawthorne, California hereby incorporates by reference all the recitals herein and finds that they are true and correct.

SECTION 2. The City Council hereby approves and consents to the Assignment of the Through-The-Fence Agreement and the Assignment of the Fueling Agreement.

SECTION 3. The City Council delegates the authority to the City Manager, or his designee to execute all necessary documents related to the aforementioned Assignments.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original resolutions and thereafter this Resolution shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 26th day of May, 2026.

ALEX VARGAS, Mayor
City of Hawthorne, California

ATTEST:

DAYNA WILLIAMS-HUNTER, City Clerk
City of Hawthorne, California

APPROVED AS TO FORM:

DAVID CACERES, City Attorney
City of Hawthorne, California