

# ROSS AVIATION

## OFFICE SUBLEASE AGREEMENT ("Lease")

# 34904

LESSEE:	The City of Long Beach, a municipal corporation
LESSOR:	LGB CA Holdings, LLC – doing business as Ross Aviation – Long Beach
AIRPORT:	Long Beach Municipal Airport (LGB)
GROUND LEASE:	Fixed Based Operation Lease No. 19331 dated as of January 21, 1987, as amended, between the City of Long Beach ("City") as MASTER LESSOR and LESSOR
EFFECTIVE DATE:	One week after Substantial Completion of LESSOR'S TI pursuant to Section 3(a).
EXPIRATION DATE:	Sixty-three (63) months after the Effective Date.
RENEWAL TERMS:	One option to renew for an additional five (5) year term with six (6) months' prior written notice to LESSOR.
OFFICE ADDRESS AND SUITE #:	3250 Airflite Way, Long Beach, CA, second floor, which includes the "business center" space, as depicted on Exhibit A. Suite # to be determined.
LEASED OFFICE SQUARE FEET:	2,736 rentable square feet of office space.
MONTHLY RENT:	\$1.85 per square foot or \$5,061.60 (subject to Section 1(b)).
SECURITY DEPOSIT:	None
PERMITTED BUSINESS USE:	LESSEE will use the Premises for general admin office use, operations and related activities for the Long Beach Airport Department staff and any other legally permitted use not conflicting with the rights of any existing tenants of LESSOR with rights currently in place to provide specified services or conduct activities on an exclusive basis.
RESERVED PARKING SPACES:	LESSEE shall have the right to use up to fifteen (15) parking spaces for employees at no charge during the Term and any option periods.  LESSEE shall also be allowed to park two (2) airfield operations vehicles on the land-side and three (3) airfield operations vehicles on the air-side at no cost.

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LESSOR does hereby grant to LESSEE a lease to the office space located at the address and consisting of approximately the square footage set forth on the cover page of this Lease (the "Premises"), as more particularly described in Exhibit A attached hereto and made a part hereof, and upon the terms and conditions contained herein. LESSOR further hereby grants LESSEE the right to use in common with others the lobbies, driveways, access ways, roads, loading areas, walkways, public areas, ramp and other common areas serving the Premises, all upon the terms and conditions contained herein.

1. **RENT; RENT ADJUSTMENTS; SECURITY DEPOSIT:** (a) Subject to increases set forth in Section 1(b), the Rent set forth on the cover page shall be paid on or before the first day of each month of the Term. All installments of Rent shall be delivered to LESSOR's address herein, or electronic funds transfer to a bank account as designated by LESSOR in writing, or at such other place as may be designated in writing from time to time by LESSOR, in lawful money of the United States without any prior demand therefor and without deduction or offset for any cause whatsoever. Rent shall be prorated on a per diem basis for any partial month if this Lease commences on a date other than the first day of a month or terminates or expires on a date other than the last day of a month. Notwithstanding the foregoing, so long as LESSEE is not then in breach of this Lease, Rent shall be abated and not payable for the second, third and thirteenth months of the initial Term of this Lease.

(b) Rent shall be adjusted each anniversary of the Effective Date during the Term (including any renewal term) (the "Adjustment Date") by the change from the prior year in the Consumer Price Index, All Urban Consumers plus One Percent (CPI-U + 1%), all items in Los Angeles, Riverside, Orange County, CA, not seasonally adjusted, as published by the Bureau of Labor Statistics (BLS), or by 2%, whichever is greater but not to exceed 4%. Adjustments shall be rounded to the nearest whole cent. Rent shall never be adjusted downward. LESSOR shall notify LESSEE of each increase in the Rent by delivering a written statement setting forth the percentage increase and the new amount of Rent. LESSOR's notice may be given after the effective date of the increase since each Index may not be available on the Adjustment Date. In such event, LESSEE shall continue paying the Rent payable during the preceding period and shall pay LESSOR the necessary rental adjustment for the months elapsed between the Adjustment Date and LESSOR's notice of such increase within ten (10) days after receipt of LESSOR's notice.

(c) Rent during any renewal term set forth on the cover page hereto that LESSEE exercises shall be equal to 95% of the fair market rental value of the Premises, as determined by an independent appraiser pursuant to the following procedures:

LESSOR shall notify LESSEE of its estimation of fair market rental value of the Premises (the "FMV") no later than six (6) months prior to the Expiration Date, and the two parties shall use reasonable efforts to agree upon the FMV within thirty (30) days. If agreement is reached, then the Rent for the first year of the renewal term shall be equal to 95% of the agreed upon FMV (subject to annual adjustment thereafter as provided in paragraph 1(b)). If agreement is not reached within thirty (30) days, then within ten (10) business days of failing to reach an agreement, LESSOR and LESSEE shall select an independent appraiser who shall conduct an appraisal of the FMV of the Premises. The independent appraiser shall by profession be an M.A.I. certified real estate appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial (including office) properties in the Long Beach, California area. The appraiser so appointed shall, within ten (10) business days after the date of the appointment, complete an appraisal of the FMV of the Premises. During such ten (10) business day period, LESSOR and LESSEE may submit to the appraiser such information and documentation to support

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their respective positions as they shall deem reasonably relevant and the parties may each appear before the appraiser jointly to question and respond to questions from the appraiser. Only with LESSEE'S City Council approval, the decision of the appraiser shall be binding upon LESSOR and LESSEE; provided, that, notwithstanding any such determination by the appraiser, in no event shall Rent for any renewal term be less than the Rent payable immediately prior to the Expiration Date. If LESSEE'S City Council does not approve the Option, then LESSEE shall not be obligated to extend the Lease, and the Option shall become null and void.

The cost of the appraiser shall be shared equally by LESSOR and LESSEE.

(d) All charges payable by LESSEE under this Lease, other than base Rent, or any amounts payable to LESSOR in connection with services provided to LESSEE or costs incurred on LESSEE's behalf shall be deemed additional Rent payable hereunder. Unless this Lease provides otherwise, all such additional Rent shall be paid with the next monthly installment of base Rent, without offset or deduction. The base Rent and additional Rent shall sometimes be referred to together as "Rent."

(e) If LESSEE fails to pay Rent or other amounts payable hereunder on the date when due and such failure continues for five (5) business days after written notice thereof from LESSOR to LESSEE ("Cure Period"), any due and unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum, or the maximum interest rate allowed under the laws of the State of California, whichever is less, from the date following the Cure Period until it is paid in full.

2. **TERM:** The term of this Lease shall commence on the Effective Date and shall expire on the Expiration Date set forth on the cover page hereto (the "Term"). If a renewal term is indicated on the cover page hereto, LESSEE shall have the option to renew the Term for the additional terms set forth on the cover page, if any, (but in no event shall any renewal term extend beyond the term of the Ground Lease (as defined on the cover page hereto)) exercisable by at least six (6) months' advance written notice of intent to renew prior to expiration of the then current Term and subject to approval by LESSEE's City Council at least six (6) months prior to expiration of the then current Term, provided that the FMV has been agreed upon and delivered to LESSEE'S City Council. Unless the context requires otherwise, each reference to "Term" hereunder shall refer to and include any renewal term under this Lease. Notwithstanding any provision to the contrary in this Lease, after the determination of the FMV of the Premises and the amount of Rent payable for any renewal term pursuant to paragraph 1, LESSEE may elect to rescind a notice of renewal of the Term within ten (10) days of such determination if the Rent increased by more than 4% over the Rent applicable to the then current year.

3. **DELIVERY OF POSSESSION; PREMISES CONDITION:**

(a) LESSOR agrees to complete certain improvements to the Premises described on Exhibit B attached hereto (the "LESSOR TI") consisting of the installation of a glass partition and door separating the Premises from the remainder of the floor, at LESSOR's expense and in accordance with all applicable local, state and federal laws and regulations. The LESSOR TI shall be substantially complete enough that LESSEE can secure the Premises and take occupancy of the Premises ("Substantially Complete"). LESSOR shall also provide a tenant allowance of up to \$10,000 payable toward the costs incurred by LESSEE to make certain improvements to the Premises, as described on Exhibit C hereto (the "LESSEE TI"), which tenant allowance shall be credited against the Rent payable by LESSEE hereunder. The "Effective Date" shall be one week after Substantial Completion of LESSOR'S TI. If the Premises are not Substantially Complete within 150 days after execution of this Lease, LESSEE's sole remedies shall be to either further extend the Effective Date or to cancel

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the Lease with ten (10) days written notice to LESSOR. LESSOR and LESSEE shall mutually sign a letter in the form attached hereto as Exhibit D indicating the Effective Date upon Substantial Completion; provided, however, the failure of the parties to execute such letter shall not defer the Effective Date or otherwise invalidate this Lease. LESSEE's failure to execute such document within ten (10) days of receipt thereof from LESSOR shall be a default by LESSEE under this Lease and shall be deemed LESSEE's agreement to the contents of such document.

- (b) By occupying the Premises, LESSEE accepts the Premises in its as-is condition as of the date of such occupancy subject to the performance of punch-list items that remain to be performed by LESSOR with respect to the TI, if any. In addition, LESSOR will ensure that all plumbing serving the Premises shall be put in good working order at LESSOR'S sole cost and expense. Upon expiration or termination of this Lease, LESSEE will peaceably surrender the Premises and restore the Premises and return the Premises in its present condition, ordinary wear and tear excepted.
  - (c) LESSEE shall have access to the Premises 24 hours per day, seven days a week, subject to LESSOR's security procedures and requirements.
4. **PERMITTED USE:** The Premises shall be used only for general office purposes in connection with the lawful operations of LESSEE in its business as set forth on the cover page hereof ("Business").
  5. **PARKING:** LESSEE shall be entitled to utilize the reserved parking spaces designated on the cover page hereto, if any, at no additional cost to LESSEE, subject to any reasonable and nondiscriminatory rules and regulations LESSOR may adopt with respect to parking areas that it deems appropriate.
  6. **COMPLIANCE WITH LAWS:** LESSOR and LESSEE agree to and shall at all times during the term of this Lease, comply with all applicable laws, rules, ordinances and regulations established by, or orders or decrees of, federal, state, local or territorial governmental agencies, including the Occupational Safety and Health Act, the Americans with Disabilities Act and other laws regulating health, safety or employment, with Part 107 (Airport Safety) and Part 139 (Airport Security) of the Federal Aviation Regulations and with any requirements, programs, policies or procedures established by the Transportation Security Agency or the City regarding access to or security at the Airport, or rules, regulations, programs, policies or procedures which the City or LESSOR may adopt from time to time with respect to the Airport or the Premises or the common areas serving the Premises. LESSEE shall be solely responsible, at LESSEE'S sole cost and expense, for obtaining and maintaining at all times during the term of this Lease all licenses, permits, authorizations and use approvals from the Airport authority and any governmental entity needed for the conduct of LESSEE's operations.
  7. **FURNITURE:** LESSEE shall be allowed to use any or all of the existing furniture "Existing Furniture" located on the Premises at no charge for the Term. LESSOR will dispose of any Existing Furniture not identified by LESSEE on Exhibit E attached hereto at LESSOR's sole cost and expense. LESSOR makes no representations or warranties regarding the condition of the Existing Furniture and LESSEE hereby accepts all such Existing Furniture in its as-is condition as of the Effective Date. LESSEE shall return the Existing Furniture the LESSEE elects to use, if any, to LESSOR at the expiration or termination of this Lease in substantially the same condition as the condition as of the Effective Date, normal wear and tear excepted.

## 8. **MAINTENANCE AND REPAIR:**

- (a) LESSOR will maintain the heating, ventilation, and air-conditioning ("HVAC") and other building systems serving the Premises, including security and safety systems (unless otherwise provided for herein), and the exterior structural elements of the Premises as well as the parking and all common areas serving the Premises, in good working condition and repair, ordinary wear and tear excepted. If any maintenance or repair required by LESSOR to make pursuant to this paragraph is due to the negligence or fault of LESSEE or its employees, agents or invitees, LESSOR may charge the reasonable cost of such repairs to LESSEE as additional rent due in its entirety with the next monthly Rent payment.
  - (b) LESSOR will provide, at LESSOR's expense, routine janitorial services for the Premises, including vacuuming and trash removal, reasonably adequate to keep the Premises in a neat, clean and orderly condition.
  - (c) LESSEE agrees to promptly report any damage to the Premises after the Effective Date.
  - (d) LESSEE shall maintain and keep in good operating condition and repair, and free from waste, nuisance or debris, ordinary wear and tear excepted, the Premises, including, without limitation, non-capital repairs and maintenance to the following: (1) floor covering and/or raised flooring; (2) interior partitions; (3) interior doors and locks; (4) the interior side of demising walls; (5) electronic, phone and data cabling and related equipment that is installed by or for the benefit of LESSEE located in the Premises; (6) maintenance of any restroom or kitchen located within Premises, including hot water heaters, plumbing, dishwashers, ice machines and similar facilities; (7) alterations performed by or on behalf of LESSEE; and (8) all of LESSEE's furnishings, trade fixtures, equipment and inventory. Prior to performing any maintenance or repairs, LESSEE shall give written notice to LESSOR describing the necessary maintenance or repair. Upon receipt of such notice, LESSOR may elect either to perform any of the maintenance or repair obligations specified in such notice, or require that LESSEE perform such obligations by using contractors approved by LESSOR. All such work shall be performed at LESSEE's expense and in accordance with all applicable laws, regulations, and ordinances, including building codes and Airport rules and regulations. LESSEE shall not permit mechanic's or other liens to be placed upon the Premises or LESSEE's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of LESSEE.
  - (e) LESSEE covenants and agrees not to install any fixtures or make any alterations, additions or improvements to the Premises without prior written approval of the LESSOR, such approval to be within the reasonable business discretion of LESSOR. All fixtures installed or additions and improvements made to the Premises, specifically excluding furniture and LESSEE's trade fixtures, shall, upon completion of additions and improvements, become LESSOR's property and shall remain in the Premises at the termination of this Lease however terminated, without compensation or payment to the LESSEE, unless otherwise agreed to in writing by LESSEE and LESSOR.
9. **UTILITIES:** LESSEE is responsible for all costs of its own internet, phone and data lines, as well as costs of its internal office needs (i.e., copying machines, office equipment, etc.). LESSOR will furnish HVAC for normal office usage to the Premises, along with all other utilities to the Premises, including electrical and water service in commercially reasonable amounts for the permitted uses of the Premises at no additional cost to LESSEE.

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10. **SIGNAGE:** LESSOR agrees to add, at LESSOR's expense, a company designation identifying LESSEE as a tenant of the Premises on the street side marquee for the Premises if requested by LESSEE, subject to any restrictions or limitations imposed by applicable Airport rules and regulations. LESSEE shall not place any exterior signs on the Premises without LESSOR's prior written consent which consent shall not be unreasonably withheld.
11. **HAZARDOUS SUBSTANCES:** Except as may be necessary in the reasonable operation of LESSEE's business and in accordance with applicable environmental laws, LESSEE shall not generate, transport, transfer or store any hazardous materials or wastes, including but not limited to state and federally defined hazardous materials and waste on the premises (collectively, "hazardous substance"). LESSEE will use reasonable care in dealing with any hazardous substance. In the event of a leak, spill or release of a hazardous substance on the Premises, LESSEE will promptly notify LESSOR and, if caused by LESSEE, its employees, contractors, agents or invitees, will undertake all emergency response necessary to contain, clean up and remove the hazardous substance and within a reasonable time investigate, remediate and/or take action necessary or appropriate to insure that any contamination by the hazardous substance is eliminated. For any spill, leak or release caused by LESSEE, its employees, contractors, agents or invitees, LESSEE shall provide evidence reasonably acceptable to LESSOR that all such contamination has been eliminated or mitigated in full compliance with applicable environmental laws or any order or requirement of any governmental agency or authority.
12. **INDEMNIFICATION:** LESSEE agrees to indemnify LESSOR and shall save LESSOR harmless against any and all loss, claim, damage demand, penalty, lien, suit or action of any kind, including claims based on property damage, personal injuries and death, and including reasonable attorney's fees and other costs of defense thereof ("Losses"), in any way resulting from the acts or omissions of LESSEE, its agents, employees, contractors, invitees or representatives, or arising out of LESSEE's use of the Premises or LESSEE's breach of any provision of this Lease, except to the extent Losses are the result of the gross negligence or willful misconduct of LESSOR, its agents, employees, contractors, invitees, tenant's or customers. This paragraph 12 shall survive termination or expiration of this Lease.
13. **WAIVER OF CONSEQUENTIAL DAMAGES; JURY TRIAL:** NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, UNDER NO CIRCUMSTANCES SHALL LESSOR OR LESSEE BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS, LOSS OF USE OR DIMINUTION OF VALUE, OR OTHER DAMAGE ARISING UNDER THIS AGREEMENT. LESSOR and LESSEE further knowingly, intentionally and voluntarily waive any right to a trial by jury in any action or proceeding based upon, or related to, the subject matter of this Lease or the use and occupancy of the Premises. LESSEE acknowledges that it has been represented (or has had the opportunity to be represented) in the signing of this Lease and in the making of this waiver by independent legal counsel, selected of its own free will, and that LESSEE has had the opportunity to discuss this waiver with counsel. LESSEE further acknowledges that it has read and understands the meaning and ramifications of this waiver provision, as evidenced by its signature below.
14. **LESSEE:** LESSEE is solely responsible for the conduct of all employees, agents, contractors, customers or others on the Premises at the invitation of LESSEE.
15. **INSURANCE:** LESSEE shall maintain the following insurance, at its sole cost and expense, from an insurer admitted in the State of California having or reinsuring with a reinsurer having a minimum rating

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of or equivalent to A:VIII in Best's Insurance Guide or self-insurance equivalent in scope thereof as follows:

- (a) Commercial General Liability or Aviation Liability – including bodily injury liability and property damage liability with minimum limits of \$5,000,000 per occurrence.
- (b) Worker's Compensation – Applicable statutory limits.
- (c) Employer's Liability – minimum of \$1,000,000.
- (d) Automobile Liability, including airside liability, owned and non-owned – minimum of \$1,000,000 per occurrence for vehicles owned, operated, rented to, borrowed or leased by Tenant and driven on the Premises or LESSOR's leasehold under the Ground Lease.
- (e) Causes of loss-special form (formerly "all risk") property insurance covering all above building standard leasehold improvements and LESSEE's trade fixtures, equipment, furniture and all other personal property within the Premises in the amount of the full replacement cost thereof.

All policies of insurance required hereunder shall provide continuing coverage for acts or omissions and shall include the following coverages: (i) premises/operations; (ii) independent contractors; (iii) broad form contractual in support of the indemnity section of this Lease; and (iv) personal injury liability.

Notwithstanding any requirements of this paragraph 15 and paragraph 16, LESSOR agrees that LESSEE shall be entitled to self-insure.

## 16. **EVIDENCE OF INSURANCE:**

- (a) Upon execution hereof, LESSEE shall deliver a Certificate of Insurance or Self-Insurance evidencing coverages required by paragraph 15 and naming LESSOR and the Airport Authority as additional insureds and containing cross-liability endorsements. All Property insurance policies required herein shall provide a waiver of subrogation against LESSOR in connection with any claim or damage covered by such policies and shall further provide a minimum of thirty (30) days prior written notice of any cancellation, expiration or material modification in the policy. Notwithstanding the aforementioned, it is understood and agreed that no coverage shall be afforded, and the waiver of subrogation provision shall not apply, to LESSOR'S gross negligence or willful misconduct, or LESSOR'S liability as a manufacturer, seller, handler, distributor or service facility, or any product or service sold, handled, distributed or provided by LESSOR.
- (b) All insurance policies shall be obtained from insurers satisfactory to LESSOR and shall require each insurer to notify LESSOR of any modification, termination or cancellation, by the insurance company, of any policy of insurance no less than 30 days prior to the effective date of such modification, termination or cancellation. LESSEE shall give LESSOR immediate notification if there should be any changes regarding LESSEE's provided insurance information.
- (c) LESSOR reserves the right to require LESSEE to increase the amount of insurance coverage if LESSOR reasonably determines that LESSEE's existing coverage is inadequate in light of LESSEE's activities or operations or to the extent required by the Airport authority.

17. **EXEMPTION OF LESSOR FROM LIABILITY; WAIVER.** With respect to this Lease, neither LESSOR nor any of its agents or contractors shall be liable for any damage or injury to the person, business (or

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any loss of income therefrom), goods, wares, merchandise or aircraft or other property of LESSEE, LESSEE'S employees, invitees, customers or any other person in or about the Premises, whether such damage or injury is caused by or results from (i) fire, steam, electricity, water, gas or rain; (ii) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (iii) conditions arising in or about the Premises or from other sources or places or (iv) any services provided to LESSEE by LESSOR. LESSEE, as a material part of the consideration to LESSOR, hereby assumes all risk of damage to property or injury to or death of persons in, upon or about the Premises from any cause whatsoever and waives all claims against LESSOR and its affiliates, and each of its shareholders, directors, officers, employees, agents, representatives and contractors arising out of any of the foregoing or any other cause related to the Premises or this Lease; *provided* however such assumption of risk and waiver of claims does not apply to the gross negligence or intentional misconduct of LESSOR.

18. **DELINQUENCY AND DEFAULT:** LESSEE shall be in default of this Lease without further notice if (a) it does not pay the Rent or any other amounts payable by LESSEE to LESSOR within ten (10) business days after the date it is due; (b) LESSEE breaches or violates any other provision of this Lease, provided that if such breach is capable of cure, LESSEE shall have thirty (30) days after LESSOR provides LESSEE with written notice of the breach or violation to cure the same, or if cure shall reasonably take longer than thirty (30) days such reasonable period of time to effect cure provided LESSEE diligently commences and pursues completion of the cure (LESSOR shall not be required to give such notice if LESSEE'S failure to perform constitutes a non-curable breach of this Lease); (c) LESSEE vacates or abandons the Premises; or (d) LESSEE files a petition in bankruptcy, for reorganization or for an arrangement under the Bankruptcy law or any similar federal or state law, is adjudicated bankrupt or becomes insolvent, is unable to meet LESSEE'S obligations as they become due, makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing. Any notice required by this paragraph 18 is intended to satisfy any and all notice requirements imposed by law on LESSOR and is not in addition to any such requirement.

19. **REMEDIES; RIGHT TO RELET:**

(a) In the event of any such default or breach by LESSEE, LESSOR may at any time thereafter, with or without notice or demand and without limiting LESSOR in the exercise of any right or remedy which LESSOR may have by reason of such default or breach exercise any of the following remedies:

- i. *Terminate Possession.* LESSOR may terminate LESSEE'S right to possession of the Premises by any lawful means, in which event this Lease shall terminate and LESSEE shall immediately surrender the Premises to LESSOR. If this Lease is so terminated, LESSOR may at any time thereafter enter the Premises by any lawful means and remove LESSEE, its personal property in accordance with all applicable laws and regulations, at the cost of, and for the account of, LESSEE, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. In such event, LESSOR shall be entitled to recover from LESSEE all damages incurred by LESSOR by reason of LESSEE'S default, including, including (i) the worth at the time of the award of all Rent and other charges which were earned or were payable at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Rent and other charges which would have been earned or were payable after termination until the time of the award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid



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Rent and other charges which would have been payable for the balance of the Term after the time of award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided; (iv) any other amount necessary to compensate LESSOR for all the detriment proximately caused by LESSEE'S failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by LESSOR in maintaining or preserving the Premises after such default, the cost of recovering possession of the Premises, expenses of reletting, including any renovation or alteration of the Premises deemed reasonably necessary by LESSOR, LESSOR'S reasonable attorneys' fees incurred in connection therewith, and any real estate commissions or other such fees paid or payable and (v) any additional amount to which LESSOR may be entitled.

- ii. *Perform LESSEE'S Obligations.* LESSOR may cure any such breach (including without limitation causing any required maintenance or repairs to be made or releasing any lien) and be reimbursed by LESSEE for the costs and expenses related thereto within five (5) business days of written demand from LESSOR. Any such amount shall be deemed additional Rent hereunder. LESSOR'S performance of any obligation shall not constitute a waiver of LESSEE'S default or of any of LESSOR'S other remedies with respect thereto.
  - iii. *Maintain Possession.* LESSOR may maintain LESSEE'S right to possession, in which case this Lease shall continue in effect whether or not LESSEE shall have abandoned the Premises. In such event, LESSOR shall be entitled to enforce all of LESSOR'S rights and remedies under this Lease, including the right to recover the Rent as it becomes due hereunder.
  - iv. *Other Remedies.* LESSOR may exercise any other remedies available at law or in equity.
  - v. *Cumulative Remedies.* LESSOR's remedies set forth in this paragraph shall be in addition to and not in lieu of all other rights at law or in equity LESSOR may possess.
- (b) *Right to Re-Let.* Should LESSOR elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may, from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Premises, and thereafter relet said Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as LESSOR in its sole discretion may deem advisable; upon each such reletting all rentals received by LESSOR from such reletting shall be applied, first, to the repayment of any indebtedness other than Rent due hereunder from LESSEE to LESSOR; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys fees, and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder, and the residue, if any, shall be held by LESSOR and applied in payment of future Rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month are less than that to be paid during that month by LESSEE hereunder, LESSEE shall pay any such deficiency to LESSOR. Such deficiency shall be calculated and paid monthly upon demand. No such re-entry or taking possession of the Premises by LESSOR shall be construed as an election on its part to terminate this Lease unless a written notice of such termination is given to LESSEE or unless the termination thereof is decreed by a court of competent jurisdiction.

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20. **NO WAIVER:** No failure by LESSOR to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a waiver at any time thereafter of the same or any other term or of any such breach or of any such term. No failure to demand interest pursuant to paragraph 1 with respect to a late payment shall constitute a waiver of right to demand payment of such sums as to subsequent payments. Efforts by LESSOR to mitigate the damages caused by LESSEE's breach of this Lease shall not be construed to be a waiver of LESSOR's right to recover damages under this Lease. Nothing in paragraph 19 affects the right of LESSOR to indemnification by LESSEE in accordance with paragraph 12 for liability arising prior to the termination of this Lease.
21. **ENTRY:** LESSOR shall have, during the term of this Lease, the right, to enter upon the Premises and inspect the same for any and all purposes during normal business hours, provided LESSOR shall provide 24-hour notice (excepting emergencies) to LESSEE and shall not unreasonably interfere with LESSEE'S business conducted within the Premises.
22. **HOLDING OVER:** If LESSEE fails to surrender the Premises at the expiration of the Term, with or without consent of LESSOR, said holdover shall result in the creation of a tenancy from month to month at 110% of the monthly Rent in effect for the last month prior to termination hereof, payable on the first day of each month during said month-to-month tenancy. Nothing herein shall be construed to grant LESSEE a right to hold over at the expiration of the Term without the express written consent of LESSOR. All other terms and conditions of this Lease shall remain in full force and effect and be fully applicable to any month-to-month tenancy hereunder. LESSEE shall also pay all damages sustained by LESSOR by reason of such retention.
23. **NOTICE:** Any notice to be given under this Lease from one party to the other shall be deemed given if it is sent (a) by first class mail, (b) by facsimile or electronic mail with confirmation of receipt, or (c) by nationally recognized overnight courier, in each case addressed to the other party at the address first appearing below or to such other address as a party has given written notice to the other party of for purposes of providing notice under this Lease. Any notice given in accordance with this paragraph 23 shall be deemed given (a) three business days after deposit in the U.S. mail if sent by first class mail, (b) on the business day of receipt if sent by facsimile or electronic mail, or (c) on the day of receipt specified if sent by overnight courier.
24. **LEGAL FEES.** In the event either party incurs any legal expense in the enforcement of this Lease, including the collection of any amounts due, whether or not a lawsuit or legal proceeding is initiated, the prevailing party shall be entitled to reasonable attorneys' fees.
25. **ASSIGNMENT OR SUBLETTING:** LESSEE will not assign any of its rights under this Lease or sublet any or all of the Premises without the prior written consent of LESSOR, which consent may not be unreasonably withheld, provided, however, that LESSEE may assign its rights under this Lease upon prior written notice to LESSOR to any other department of the City of Long Beach, California without the need for LESSOR's consent provided (a) the new use is consistent with and does not materially impact the building in which the Premises are located, and (b) the assignee agrees in writing to be bound by all of the terms of this Lease as the LESSEE hereunder. Any assignment of this Lease in violation of this paragraph 25 shall be voidable at the option of LESSOR.
26. **SUCCESSORS & ASSIGNS:** The provisions of this Lease shall inure to the benefit of and be binding upon any successors or permitted assigns of the party hereto.

# ROSS AVIATION

27. **SUBORDINATION:** This Lease is subject and subordinate to the lien of all and any mortgages by LESSOR (which "mortgages" shall include both construction and permanent financing and shall include deeds of trust and similar security instruments) which may now or hereafter encumber the Premises, and to all renewals or modifications thereof, provided that any subordination of this Lease shall include a commercially reasonable covenant of nondisturbance of this Lease by the mortgagee so long as LESSEE is not then in default. If any proceedings are initiated for the foreclosure of, or the exercise for the power of sale under any mortgages or in any deed in lieu of foreclosure is exercised, covering the Premises, LESSEE shall attorn to and recognize such mortgagees as LESSOR under this Lease.
28. **GROUND LEASE:** This Lease is subordinate to LESSOR's Ground Lease with the City, and LESSEE shall adhere to all requirements which LESSOR may impose upon LESSEE by virtue of such Ground Lease. Any termination of such Ground Lease during the Term will void this Lease. LESSOR shall have no liability to LESSEE as a result of any termination of the Ground Lease due to any reason other than the breach of the Ground Lease by LESSOR (not including a breach caused by LESSEE or any other tenant).
29. **ENTIRE AGREEMENT:** This Lease contains all of the terms, covenants and conditions between the parties concerning the Premises, and shall supersede all prior correspondence, agreements and understanding concerning the Premises, both oral and written. No addition or modifications of any term or provision of this Lease shall be effective unless set forth in writing and signed by both LESSEE and LESSOR
30. **GOVERNING LAW:** The Agreement shall be construed in accordance with the laws of the State of California, without regard to the choice of law principles therein.
31. **RELATIONSHIP OF PARTIES:** The relationship between LESSOR and LESSEE shall always and only be that of a landlord-tenant with respect to the Premises, and nothing set forth herein shall be deemed or construed to render the parties as agents, joint venturers, partners, or employer and employee.
32. **REMEDIES CUMULATIVE:** The rights and remedies with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to either party in law or equity.
33. **SEVERABILITY:** If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction over the parties at this Lease, the entire agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the part.
34. **AMENDMENT:** No amendment, modification or alteration of the terms of this Lease shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the Parties hereto.
35. **WAIVER:** The waiver by either party of any covenant or condition of this Lease shall not be construed as a waiver of any future performance of any such covenant or condition or preclude such party from demanding such performance in accordance with the terms thereof.
36. **COUNTERPARTS:** This Lease may be executed in counterparts, and delivered by facsimile or other electronic transmission (including in .PDF format), which counterpart documents shall constitute a single binding instrument.

# ROSS AVIATION

37. **NO DISCRIMINATION:** LESSOR and LESSEE agree, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Agreement on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. LESSOR and LESSEE shall take affirmative action to ensure that employees are treated during employment without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. LESSOR agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by LESSEE setting out the provisions of this nondiscrimination clause. LESSOR and LESSEE shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.
38. **SECURITY:** LESSEE shall (1) lock the doors to the Premises and take other reasonable steps to secure the Premises and the personal property of LESSEE and of all and any of LESSEE's employees, transferees, contractors or licensees, from unlawful intrusion, theft, fire and other hazards; (2) keep and maintain in good working order all locks, smoke detectors, burglar alarms and other security and safety devices installed exclusively for the Premises; and (3) cooperate with LESSOR on safety matters. LESSEE acknowledges that any security or safety measures employed by LESSOR are for the protection of LESSOR's own interests; that LESSOR is not a guarantor of the security or safety of LESSEE, its employees, guests, contractors or licensees, or of its property; and that such security and safety matters are the responsibility of LESSEE and the local law enforcement authorities.
39. **BROKER FEES:** LESSEE represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this Lease other than the commission payable to Cresa Los Angeles, LESSEE's broker, set forth in that certain letter of intent between LESSOR and LESSEE dated November 29, 2017, which commission LESSOR shall pay to such broker. LESSEE shall indemnify, defend and hold LESSOR harmless for, from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under LESSEE. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.
40. **WARRANTIES AND REPRESENTATIONS:** LESSOR hereby warrants and represents to LESSEE that on and as of the date of this Agreement: (i) that LESSOR is a limited liability company duly formed and validly existing, in good standing, under the laws of California; and (ii) that the officer of LESSOR executing and delivering this Agreement on behalf of LESSOR is authorized to execute and deliver this Agreement on behalf of LESSOR, and when so executed and delivered by such officer of LESSOR on behalf of LESSOR, this Agreement shall be binding upon and enforceable against LESSOR in all respects.

LESSEE hereby warrants and represents to LESSOR that on and as of the date of this Agreement: (i) that LESSEE is a municipal corporation duly formed and validly existing, in good standing, under the laws of the State of California; and (ii) that the officer of LESSEE executing and delivering this Agreement on behalf of LESSEE is authorized to execute and deliver this Agreement on behalf of LESSEE, and when so executed and delivered by such officer of LESSEE on behalf of LESSEE, this Agreement shall be binding upon and enforceable against LESSEE in all respects.

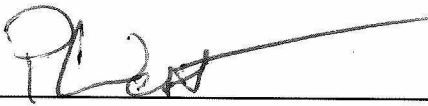
[Signatures on Following Page]

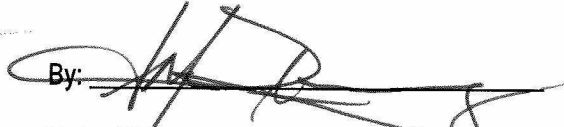
# ROSS AVIATION

**IN WITNESS WHEREOF**, the Parties have duly executed this Lease as of the Effective Date.

LESSEE: City of Long Beach, a municipal corporation

LESSOR: LGB CA Holdings, LLC, dba Ross Aviation – Long Beach

By: 

By: 

Name/Title: Patrick H. West, City Manager

Name/Title: Greg McQueary, General Manager

Address for Notice:

Address for Notice:

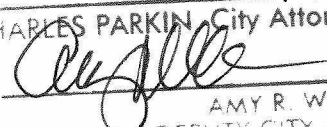
c/o Director – Director, Long Beach Airport  
4100 Donald Douglas Drive, 2<sup>nd</sup> Floor  
Long Beach, CA 90808

3250 AirFlite Way, Long Beach, CA 90807

Telephone: 562-490-6200

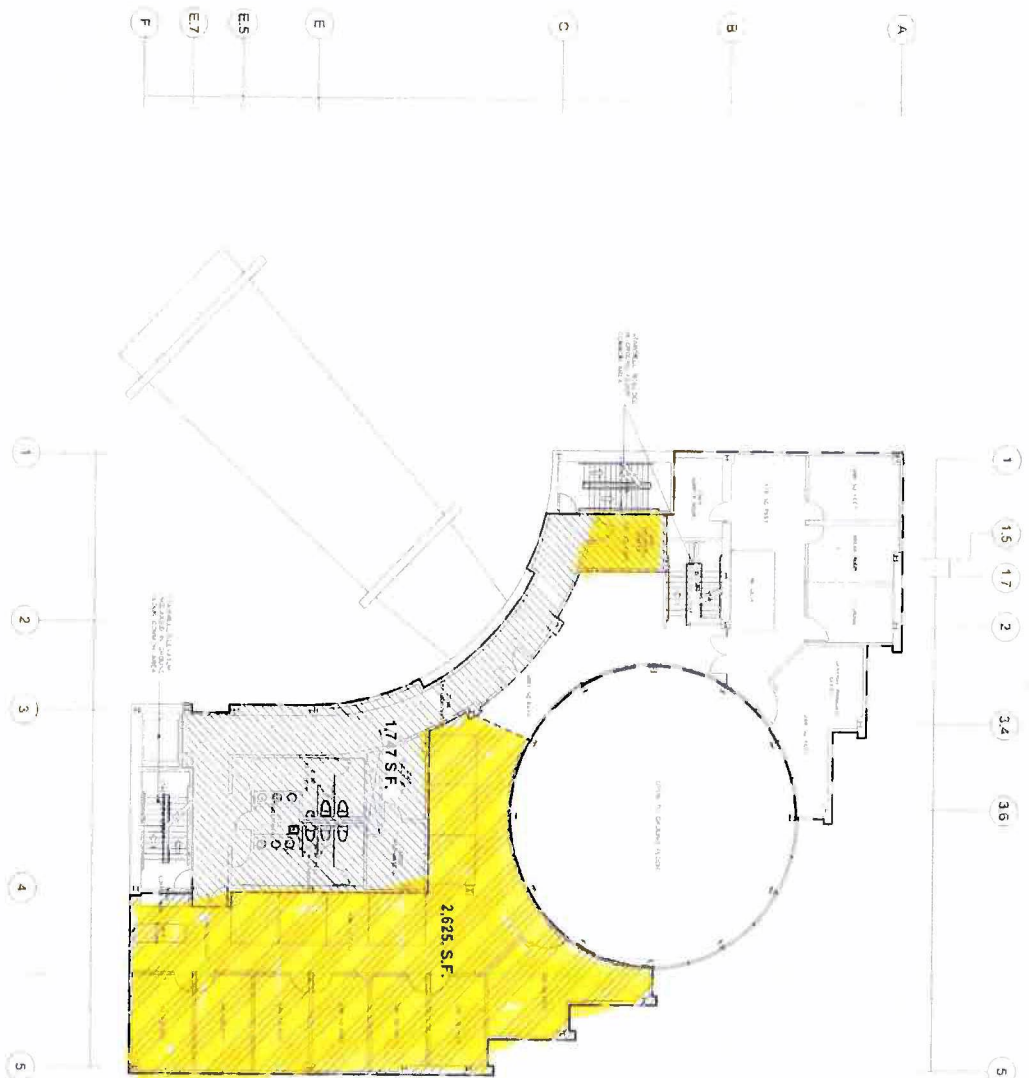
Telephone: 562-570-2605

Email: gmcqueary@rossaviation.com

APPROVED AS TO FORM  
3-27, 2018  
CHARLES PARKIN, City Attorney  
By:   
AMY R. WEBBER  
DEPUTY CITY ATTORNEY

**EXHIBIT A**

**DESCRIPTION OF THE PREMISES**



2ND FLOOR  
 GROSS FLOOR AREA 6,514 S.F.  
 COMMON AREA 1,747 S.F.



**EXHIBIT B**

**TENANT IMPROVEMENTS TO BE COMPLETED BY LESSOR**

The installation of a glass partition and door separating the Premises from the remainder of the floor.



## **EXHIBIT C**

### **TENANT IMPROVEMENTS TO BE COMPLETED BY LESSEE**

Installation of cabling necessary to operate Tenant's information technology systems on the Premises.

Installation of modular furniture system and other furniture, fixtures and equipment (FFE).

Electrical upgrades to add additional outlets to accommodate FFE.

EXHIBIT D

CONFIRMATION OF EFFECTIVE DATE

[Date], 2018

c/o Director – Director, Long Beach Airport  
4100 Donald Douglas Drive, 2<sup>nd</sup> Floor  
Long Beach, CA 90808  
Attention: Patrick H. West, City Manager

Re: Office Sublease Agreement dated [\_\_\_], 2018 by and between the City of Long Beach and LGB CA Holdings, LLC, dba Ross Aviation – Long Beach (the "Lease")

Dear Mr. West,

This letter is to confirm that the date of Substantial Completion of Lessor's TI under the above referenced Lease is [date], 2018 and that the Effective Date under the Lease is therefore [date], 2018. Capitalized terms used in this letter have the meanings given such terms in the Lease. Enclosed with this letter is an invoice for the first month's rent due and payable under the Lease.

Please confirm your agreement with the foregoing by signing a counterpart to this letter where indicated below and returning a copy to me at your earliest convenience.

Sincerely,

LGB CA Holdings, LLC

By: \_\_\_\_\_  
Greg McQueary, General Manager

Agreed and accepted this \_\_\_ day of \_\_\_\_\_, 2018:

City of Long Beach

By: \_\_\_\_\_  
Patrick H. West, City Manager

Encl.

**EXHIBIT E**

**FURNITURE, FIXTURES AND EQUIPMENT**

<b>Quantity</b>	<b>Item</b>
1	Wood Round Table
2	Wood Desk with (2) B/B/F
4	Wood Desk with (1) B/B/F and (1) Lateral F/F
1	Wood Desk with (1) B/B/F
1	Wood Desk with (2) F/F
7	Wood Vertical Bookcase with (3) Shelves
11	Metal (3) Drawer Lateral File Cabinet with Wood Cap
6	Metal (5) Drawer Vertical File Cabinet with Wood Cap