

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO:

Brahma Properties, LLC
4845 Cartwright Avenue
North Hollywood, California 91601

20556

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT OF LEASE, CONSENT AND ATTORNMENT

This Assignment of Lease, Consent and Attornment (this "Agreement") is made as of October 1, 2003, by and among Petrowings, Limited, a California limited partnership ("Petrowings"), Brahma Properties, LLC, a California limited liability company ("Brahma") and the City of Long Beach, a municipal corporation ("Landlord").

Recitals

A. Landlord and Petrowings executed that certain Long Beach Municipal Airport Fixed Base Operation Lease dated as of November 16, 1988 (the "Original Lease") identified as Contract No. 20556, pursuant to which Landlord leased to Petrowings that certain property described on the attached Exhibit "A" and incorporated by reference, for a term commencing on December 1, 1988, and continuing thereafter for a period of forty (40) years. The Original Lease was amended by that certain First Amendment to Fixed Base Operation Lease (the "First Amendment") dated December 1989 and identified as Contract No. 20556 and further amended by that certain Second Amendment to Fixed Base Operations Lease (the "Second Amendment") dated July 10, 2000. The Original Lease, First Amendment and Second Amendment are referred to collectively herein as the "Lease" and a copy is attached and incorporated by reference as Exhibit "B", but shall not be recorded with this Agreement. Terms used in this Agreement not otherwise defined shall have the meaning set forth in the Lease.

B. Petrowings desires to assign to Brahma all of Petrowings' right title and interest under the Lease pertaining to that portion of the Leased Premises identified as Parcel 3 ("Parcel 3") as shown by crosshatching on Exhibit "C" consisting of .37 acres and legally described as follows:

Those portions of Lots 65 and 66 of Tract No. 8084, City of Long Beach, County of Los Angeles, State of California as per Map recorded in Book 171, Page 24 through 30, inclusive, of Maps in the office of the County recorder of said County, described as follows: Beginning at Point "B"; thence North 89 degrees 54' 23" West 243.34 feet; thence North 0 degrees 05' 37" East 64.95 feet; thence North 89 degrees 50' 38" East 243.34 feet to the westerly line of Parcel 1; thence South 0 degrees 05' 37" West 66.01 feet along said

westerly line to Point "B".

C. Petrowings desires to guarantee to Brahma a non-exclusive irrevocable license to use that portion of the Leased Premises from Donald Douglas Drive to Parcel 3 (the "Access Road"), as shown by crosshatching on Exhibit C and described as follows:

That portion of the access roadway located on the Leased Premises running north/south approximately three hundred (300) feet in length and twenty (20) feet wide from Donald Douglas Drive to Parcel 3, but specifically excluding the parking spaces on the eastern side of said Access Road.

Section 1. Assignment

Subject to the terms and conditions set forth in this Agreement, Petrowings assigns and transfers to Brahma all right, title, and interest in the Lease with respect to Parcel 3 and grants a non-exclusive irrevocable license to Brahma to use the Access Road for ingress and egress to Parcel 3 and Brahma accepts from Petrowings all right, title, and interest in the Lease with respect to Parcel 3 except for Lease Section 4.2 (Back Rent) which shall be deemed deleted from the Lease for purposes of this Agreement, and accepts the license granted hereunder. The assignment of the Lease with respect to Parcel 3 and the license in and to the Access Road is subject to the terms and conditions set forth in this Agreement.

Section 2. Assumption of Lease Obligations.

Brahma assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Petrowings as tenant under the Lease with respect to Parcel 3, including the making of all payments due to or payable on behalf of Landlord as may be required under the Lease to the extent such terms, covenants, conditions and obligations relate to Parcel 3 (the "Parcel 3 Obligations"). It is acknowledged and agreed that the Leased Premises contains 3.717 acres (161,912.52 square feet) and Parcel 3 contains .37 acres (16,117.2 square feet) and, therefore, for purposes of paying Base Rent and other Parcel 3 Obligations, Brahma shall pay directly to Landlord 9.954 % of the Base Rent due under the Lease, as such Base Rent may be adjusted pursuant to the terms of the Lease. The Base Rent under the Lease is presently \$10,415.80 and the Parcel 3 Obligations for Base Rent is presently \$1,036.79.

Section 3. Estoppel Statements.

Petrowings and Landlord covenant that the copy of the Lease attached as Exhibit B is a true and accurate copy of the Lease as currently in effect and that there exists no other agreement affecting Petrowings' tenancy under the Lease. The term of the Lease commenced on December 1, 1988, and shall continue for a period of forty (40) years. To the best of the Landlord's knowledge, Petrowings is not in default or breach of the Lease or those certain Long Beach Airport Rules and Regulations including Minimum Standards dated August 21, 1998 (the "Minimum Standards"). To the best of Landlord's knowledge, Petrowings has not committed an act or failed to act in such a manner which, with the passage of time, would result in a default or breach of the Lease or Minimum Standards by Petrowings. To the best of the Petrowings' knowledge, Landlord is not in default or breach of the Lease nor has Landlord committed an act or failed to act in such a manner which, with the passage of time, would result in a default or breach of the Lease by Petrowings.

Section 4. Access Road Rights and Maintenance Obligations

Petrowings hereby grants to Brahma and the successors and assigns of Parcel 3 for the remaining term of the Lease, an irrevocable non-exclusive license right of ingress and egress over and across the Access Road to and from Parcel 3. Brahma shall have the obligation to keep the Access Road in good order, condition and repair. Petrowings on behalf of itself and its successors, assigns, subtenants, and licensees, covenant not to interfere with Brahma's rights of ingress and egress over the Access Road. Petrowings may permit its other assignees, subtenants, or licensees of the Leased Premises to use the Access Road; provided, however, such others assignees, subtenants, or licensees of the Leased Premises agree to share proportionately to their respective use, Brahma's costs and expenses of insuring, maintaining, cleaning, repairing and replacing the Access Road, when used by vehicles other than normal passenger sized automobiles or small pick-up trucks. Notwithstanding the foregoing, if Landlord terminates the Lease with respect to Parcel 3 in accordance with Section 41 of the Lease, Brahma's license to use the Access Road shall automatically transfer to Landlord and Petrowings shall maintain the Access Road until such time as Parcel 3 is used by Landlord or leased by Landlord to another tenant; in which event, Landlord or such other tenant, as the case may be, shall have the obligation to keep the Access Road in good order, condition and repair.

Section 5. Indemnification.

Petrowings indemnifies Brahma from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Petrowings to fulfill Petrowings's Parcel 3 Obligations under the Lease accruing with respect to the period on or prior to the date of this Agreement. Brahma indemnifies Petrowings from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Brahma to fulfill Parcel 3 Obligations under the Lease accruing with respect to the period subsequent to the date of this Agreement.

Section 6. Landlord's Consent and Brahma's Attornment

Landlord, by consenting to the assignment of the Lease in this Agreement also agrees that the Lease with respect to Parcel 3 shall be deemed amended as if it were a direct lease of Parcel 3 by Landlord to Brahma and as so amended continue in full force and effect as a direct lease between Landlord and Brahma, upon all the terms and conditions of the Lease except that Brahma shall only be responsible for Parcel 3 Obligations and the obligation to maintain the Access Road and Landlord shall be responsible for the performance of Landlord's covenants and obligations under the Lease to Brahma with respect to Parcel 3 accruing from and after the date of this Agreement. Brahma shall pay and Landlord shall receive and collect, directly from Brahma all Base Rent for the Parcel 3 Obligations and any other sums owing and to be owed under the Lease by Brahma on account of Parcel 3 Obligations. Brahma hereby attorns to Landlord.

Section 7. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

Section 8. Governing Law and Attorneys Fees.

This Agreement shall be governed by and construed in accordance with California law. If any litigation between Petrowings and Brahma arises out of this Agreement or concerning the meaning of interpretation of this Agreement, the losing party shall pay the prevailing party's costs and expenses of this litigation, including, without limitation, reasonable attorney fees.

Section 9. Notices.

Section 50 (L) of the Lease is hereby modified to provide that notices to Brahma, as tenant of Parcel 3, shall be addressed as follows:

Brahma Properties, LLC
4845 Cartwright Avenue
North Hollywood, California 91601

The parties have executed this Assignment, Consent and Attornment as of the date first above written.

ASSIGNOR

PETROWINGS, LIMITED,

ASSIGNEE

BRAHMA PROPERTIES, LLC,

a California limited partnership

By: Ernest Martin
Ernest Martin
Its: General Partner

a California limited liability
company

By: Gevork Termendzhyan
Gevork Termendzhyan
Its: Managing Member

LANDLORD

CITY OF LONG BEACH, a
municipal corporation

By: [Signature]
Its: ~~Assistant~~ City Manager

APPROVED AS TO FORM.

9/22/03

ROBERT E. SHANNON, City Attorney

[Signature]


DEPUTY CITY ATTORNEY

COUNTY OF _____

On September 8, 2003, before me, Elena Shakhpar

(SEAL)

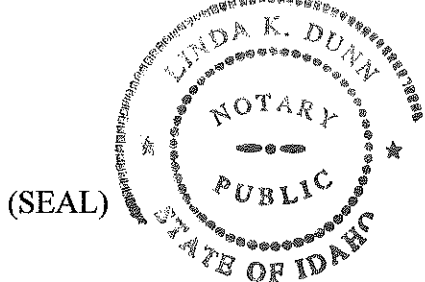
~~SIGNATURE OF NOTARY~~


ELENA SHAKHPAZYAN
 Commission # 1303701
 Notary Public - California
 Los Angeles County
 My Comm. Expires May 7, 2005

IDAHO
STATE OF CALIFORNIA)
) ss
COUNTY OF BONNER)

On SEPT. 11, 2003, before me, LINDA K. DUNN,
personally appeared ERNEST MARTIN, personally known to me (or proved to me
on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



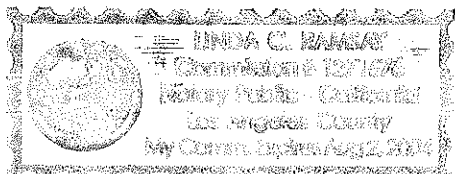
Linda K. Dunn
SIGNATURE OF NOTARY
COMMISSION EXPIRES: 12-8-2006

STATE OF CALIFORNIA)
) ss
COUNTY OF Los Angeles)

On October 1, 2003, before me, LINDA C. RAMSAY,
personally appeared GERALD R. MILLER, personally known to me (or proved to me
~~on the basis of satisfactory evidence~~) to be the person(s) whose name(s) ~~is/are~~ subscribed to the
within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~
authorized capacity~~(ies)~~, and that by ~~his/her/their~~ signature~~(s)~~ on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)



Linda C. Ramsay
SIGNATURE OF NOTARY

STOCK NO. 5008 (WAGON)
STOCK NO. 5008 (TRUCK)

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EXHIBIT A

EXHIBIT "A"

LEGAL DESCRIPTION OF PETROWINGS' PREMISES

Petrowings, Ltd.
Lease at Long Beach Airport

Those portions of Lots 65 and 66 of Tract No. 8084, City of Long Beach, County of Los Angeles, State of California as per Map recorded in Book 171, Page 24 through 30, inclusive, of Maps in the office of the County Recorder of said county, described as follows:

Parcel 1

Beginning at the intersection of the centerline of Lakewood Boulevard, 100 feet in width, formally Cerritos Avenue, 80.00 feet in width vacated per Resolution of the California Highway Commission and recorded as Document No. 3601 on May 19, 1959, in the office of said County Recorder and the westerly prolongation of the northerly line of said Lot 65, all as shown on said Tract No. 8084, said intersection also being City of Long Beach Monument No. 2905 (Airport Monument No. 6-10): thence South 0°05'37" West 659.91 feet along said centerline to the TRUE POINT OF BEGINNING; thence South 89°54'08" East 249.94 feet to a point, hereinafter referred to as Point "A"; thence South 89°54'23" East 76.06 feet; thence South 0°05'37" West 113.00 feet; thence North 89°54'23" West 40.00 feet; thence South 0°05'37" West 278.16 feet; thence North 89°54'23" West 306.06 feet; thence North 46°52'53" West 41.04 feet to a point, hereinafter referred to as Point "B"; thence North 0°05'37" East 363.18 feet; thence South 89°54'08" East 50.06 feet to the TRUE POINT OF BEGINNING.

Parcel 2

Beginning at Point "A" thence North 0°05'37" East 45.00 feet; thence South 89°54'23" East 76.06 feet; thence South 0°05'37" West 45.00 feet to the northerly line of Parcel 1; thence North 89°54'23" West 76.06 feet along said northerly line to Point "A".

Parcel 3

Beginning at Point "B"; thence North 89°54'23" West 243.34 feet; thence North 0°05'37" East 64.95 feet; thence North 89°54'23" East 243.34 feet to the westerly line of Parcel 1; thence South 0°05'37" West 66.01 feet along said westerly line to Point "B".

STOCK NO. 58018 (400000)
STOCK NO. 58018 (400000)

Notes:

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EXHIBIT B

EXHIBIT "B"

LONG BEACH MUNICIPAL AIRPORT

**CONTRACT
20556**

FIXED BASE OPERATION LEASE

CITY OF LONG BEACH

LANDLORD

PETROWINGS LIMITED

TENANT

John R. Calhoun
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802
Telephone (213) 590-6061

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FIXED BASE OPERATION LEASE

The following Lease is made and entered into, in duplicate, as of the 16th day of November, 1988, pursuant to minute order adopted by the City Council, City of Long Beach at its meeting held on the ^{15th min} 3rd day of November, 198^{8 min}7, by and between the CITY OF LONG BEACH, a municipal corporation, hereinafter referred to as "LANDLORD" and PETROWINGS LIMITED, a California limited partnership, having its place of business at 4310 Donald Douglas Drive, Long Beach, California 90808, hereinafter referred to as "TENANT".

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1. LEASED PREMISES

In consideration of the faithful performance of the covenants and conditions hereinafter agreed to be kept by LANDLORD and TENANT, LANDLORD does hereby lease and TENANT does hereby take and accept the following described premises hereinafter referred to as Leased Premises, which consists of approximately 3.56 acres of land as shown on the drawing and legally described in Exhibit "A" attached hereto and made a part hereof by this reference, commonly referred to as 4310 Donald Douglas Drive, Long Beach, California.

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2. CONDITION OF LEASED PREMISES

A. TENANT accepts the leased premises in an as is condition and acknowledges that TENANT has not received and LANDLORD has not made any warranty, express or implied as to the condition of the premises or any improvements, structures substructures, or infrastructures located thereon.

B. Except as otherwise set forth in this agreement, TENANT agrees to bear all expenses incurred in the development, operation and maintenance of said premises including improvements thereto existing at the time TENANT assumes possession.

C. TENANT agrees to keep the leased premises in a neat, orderly and safe condition and free of waste, rubbish and debris during the term of this lease.

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3. TERM

The term of this Lease shall commence on December 1, 1988, and shall continue thereafter for a period of forty (40) years.

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4. RENT

4.1 Base Rent

TENANT agrees to pay LANDLORD as land rental for the Leased Premises the sum of \$43,420.60 per year for the first twelve months of the lease term, which is \$3.50 per square foot of land value and 8% rate of return, payable in twelve equal installments of \$3,618.38 per month. During the second twelve months of the lease term, TENANT shall pay LANDLORD as land rental the sum of \$49,623.55 in twelve equal installments of \$4,135.29, based on a land value of \$4.00 per square foot and 8% rate of return. During the third twelve months of the lease term, TENANT shall pay LANDLORD as land rental the sum of \$55,826.49 in twelve equal installments of \$4,652.20, based on a land value of \$4.50 per square foot and 8% rate of return. During the fourth twelve months of the lease term, TENANT shall pay LANDLORD as land rental the sum of \$62,029.44 in twelve equal installments of \$5,169.12, based on a land value of \$5.00 per square foot and 8% rate of return. During the fifth twelve months of the lease term, TENANT shall pay LANDLORD as land rental the sum of \$68,232.38 in twelve equal installments of \$5,686.03, based on a land value of \$5.50 per square foot and 8% rate of return. During the sixth twelve months of the lease term, TENANT shall pay LANDLORD as land rental the sum of \$74,435.32 in twelve equal installments of \$6,202.94, based on a land value of \$6.00 per square foot and 8% rate of return. During the seventh through tenth twelve-month period,

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1 rents shall be increased by an amount equal to the increase in
2 the Consumer Price Index (Los Angeles/Long Beach Base Year 1987
3 - All Urban Consumers, All Items) over the preceding twelve-month
4 period provided, however, that such annual adjustment shall not
5 exceed twelve percent (12%). Each monthly installment is payable
6 to LANDLORD on the first day of each calendar month during the
7 term of this Lease. Said installments shall be subject to
8 adjustment as provided for herein.

9 In the event the obligation to pay rent commences on
10 some date other than the first day of the month, the first month's
11 rent shall be prorated to reflect the actual period of occupancy.

12 Payment of rental hereunder shall be considered delin-
13 quent on the tenth day of month following the date due. TENANT
14 understands and agrees that LANDLORD shall not be obligated to
15 bill or otherwise advise TENANT of the date when rental charges
16 are due and payable.

17 The annual rent is based on a land value of \$6.00 per
18 square foot and an 8% rate of return which is agreed to by both
19 parties to be the fair market land value and rate of return as
20 of the date of this lease. The initial discounts for years
21 1 through 5 recognizes the capital investment in the property
22 and allows the TENANT an opportunity to achieve full occupancy
23 of the development.

24 4.2 Back Rent

25 Not more than five days after the date of execution
26 of this Lease by LANDLORD's City Manager, TENANT shall pay all
27 back rent due, in a lump sum equal to \$1,692.94 per month for
28 each month during the period beginning February 1, 1985,

1 through and including the effective date of this new lease,
2 prorated for any partial month, less the amount of any actual
3 rental payments in the sum of \$1,083.33, made during the same
4 period. This back rent is calculated on the basis of 89,298
5 square feet x \$3.25 x 7 percent.

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5. RENTAL ADJUSTMENT

On the first day of the eleventh, twenty-first and thirty-first years from and after the commencement date of this lease, the land rental shall be adjusted by determining land value and prevailing rate of return for the period in question using the procedure set out in section 5.2 of this lease. However, in no event shall the rent after any application of the adjustment process be less than the land rent in effect prior to the adjustment.

5.1 Definitions.

5.1.1 Fair Market Value. As used in this Lease the term "fair market value", shall mean the fair market value of the Premises with adjustments and considerations as follows:

A. The value of the Premises at its highest and best use shall be a factor and be included.

B. The value of any improvements placed on the property shall be excluded and not considered.

C. The nature and extent to which the real property title is affected by, among others, reservations, covenants, conditions, easements, encumbrances, restrictions on use or other restrictions on the enjoyment or use of the property, whether or not imposed upon said Premises by City or others shall be considered.

5.1.2 Rate of Return. As used in this Lease, the term "rate of return" shall be a sum two percentage points greater than the average prime lending rate over the 3 year period immediately prior to the rental adjustment date as

published by the Wall Street Journal or other published resource document generally available and of equivalent reliability, or any government publication which provides such information.

5.2 Ground Rent Adjustment Procedure.

The Ground Rent for the subject leasehold shall be adjusted by multiplication of the fair market value of the property by the rate of return at the periods specified in Section 5 of this Lease. The fair market value and rate of return, as defined in Section 5.1 of this Lease, shall be agreed to by the LANDLORD and TENANT at least 180 days prior to the Ground Rent Adjustment date specified in Section 5. LANDLORD shall notify TENANT at least 90 days prior to the rental adjustment date, as to the new rental rates. Both parties shall meet and agree on the new rates. However, if LANDLORD and TENANT have not agreed to the adjustment terms at least 60 days prior to the Ground Rent adjustment date, then by written notice of either party to the other, the fair market value and rate of return shall be determined by arbitration, using the following procedure:

A. The LANDLORD and TENANT shall each have independent appraisals or other appropriate valuation analyses prepared that include an analysis of comparable land transactions in the same land use and either zoned for or improved with similar or like facilities. The comparable transactions shall consist principally of aviation-related uses of similar and like development at airports of comparable size and scope of development

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1 prepared within the previous 12 months. The appraisers,
2 if used by the LANDLORD and TENANT, shall be MAI members
3 of the American Institute of Real Estate Appraisers or a
4 successor organization in the event the American Institute
5 of Real Estate Appraisers ceases to exist. The valuation
6 analysis must be complete within 45 days of giving notice
7 of intent to arbitrate by either party.

8 B. The appraisals or valuation analyses shall state
9 in writing the proposed values and rates of return, and
10 the reasons therefor.

11 C. The appraisals shall be presented to a single
12 neutral arbitrator who shall hear and determine the
13 dispute in the manner described in this Section.

14 D. After written notice is given by either party
15 demanding arbitration, the parties shall agree upon
16 a single neutral arbitrator to hear and determine the
17 dispute. If such an arbitrator is not selected by
18 mutual agreement within 30-days after giving of notice
19 of intent to arbitrate, then within an additional
20 twenty (20) days the parties shall select a neutral
21 arbitrator from the list of retired judges available
22 to settle such disputes which is maintained by the
23 Los Angeles County Superior Court. Each party shall
24 have the right to strike two names from the list.
25 Having done so, the parties must select from one of the
26 remaining names. In all cases the "neutral arbitrator"
27 shall be a retired judge of the Superior or higher court
28 of California.

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1 E. Within 20 days from the date of his selection,
2 the neutral arbitrator shall arrange for a simul-
3 taneous exchange of the appraisals or valuation
4 analyses, the neutral arbitrator shall schedule
5 presentation by the appraisers of the appraisals
6 or valuation analyses within 10 days thereafter.
7 The neutral arbitrator may question the appraisers
8 as to the method and reasonableness of their
9 respective appraisals. Thereafter, either party
10 may modify its proposed resolution within a time
11 determined by the neutral arbitrator. The neutral
12 arbitrator shall select from the two final pro-
13 posed resolutions the one that most closely approxi-
14 mates his determination of fair market value and
15 prevailing rate of return based upon the appraisals
16 or valuation analyses submitted. The neutral
17 arbitrator shall have no right to adopt a compromise
18 or a middle ground or any modification of either of
19 the two final proposed resolutions. The resolution
20 the neutral arbitrator selects shall constitute the
21 decision and award of the arbitrator and be final and
22 binding upon the parties. The neutral arbitrator
23 shall render a decision within 10 days after the
24 the date for modification of proposed resolution.
25 Any fee or costs incurred by the use of a neutral
26 arbitrator shall be promptly paid by the party

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1 whose proposed resolution was rejected by the
2 neutral arbitrator.

3 5.3 No Waiver

4 No failure by Landlord's accounting or clerical
5 personnel to notify Tenant of any rental adjustment provided for
6 herein shall be construed as a waiver of the right of the Land-
7 lord to require such adjustment as of the date or dates when it
8 should have been made, nor shall any such failure be held to
9 estop Landlord from requiring such adjustment. This provision
10 shall not apply to any rental adjustment sought more than five
11 (5) years after its originally scheduled date.

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6. LATE PAYMENT

If money payable to LANDLORD as a condition of this Lease is not paid when due, interest at the rate of ten percent (10%) of the amount due and unpaid shall be added to the amount due and the total sum shall become immediately due and payable to LANDLORD. Such interest shall be compounded on the amount unpaid, including accrued interest for any month that said amount remains unpaid, provided, however, that payments not made within sixty (60) days from the date first due shall be deemed to be in default.

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7. CONSTRUCTION, ALTERATION AND CHANGES

TENANT shall not construct, install, modify, paint or otherwise change any structures, facilities or exterior signs on the Leased Premises without prior written approval of LANDLORD's Airport Manager.

TENANT shall not place upon the Leased Premises any portable buildings, trailers, or other like portable structures without prior written approval of LANDLORD's Airport Manager.

TENANT hereby agrees to remove any such structure that may exist on the Leased Premises within six (6) months from date of execution thereof.

The fire access lane on the west side of Parcel 1 shall not be blocked or obstructed at any time.

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3 8. CONSTRUCTION AND BONDING

4 No construction shall be commenced upon the Leased
5 Premises by TENANT until TENANT has furnished LANDLORD with a
6 Completion Bond in the amount of the total estimated construction
7 cost of the improvements to be constructed by TENANT. In lieu of
8 this Completion Bond, LANDLORD will accept the performance, labor
9 and material bonds supplied by TENANT's contractor or contractors,
10 provided said bonds are issued jointly to TENANT and LANDLORD.
11 Said bonds must be issued by a company qualified to do business
12 in the State of California and acceptable to LANDLORD. Said
13 bonds shall be in a form acceptable to LANDLORD and shall insure
14 faithful and full observance and performance by TENANT of all
15 the terms, conditions, covenants, and agreements relating to
16 construction of improvements upon the Leased Premises.

17 A. BONDS.

18 (1) On or before the date of commencement of con-
19 struction of any building, structure or other improvements
20 on the Leased Premises, TENANT shall file or cause to be
21 filed with LANDLORD, a Performance Bond and a Payment Bond
22 executed by TENANT or TENANT's contractor and by a surety
23 authorized to do business in the State of California as
24 surety guaranteeing the performance of the provisions of
25 this Lease. If said bond is executed by the TENANT's
26 contractor it shall name the TENANT and the LANDLORD as
27 joint obligees.

28 (2) The term of both bonds shall commence on or be-
fore the date of filing with LANDLORD. The Performance Bond

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1 shall remain in effect until the date of completion of
2 the work to the reasonable satisfaction of LANDORD's
3 City Manager or his designate. The Payment Bond shall
4 remain in effect until the expiration of the period of
5 filing a claim of lien as provided in Title 15 of Part 4
6 of the California Civil Code, and as hereafter amended, or
7 if a claim of lien is filed, the expiration of the period
8 for filing an action to foreclose such lien, or until the
9 Leased Premises are freed from the effect of such claim
10 of lien and any action brought to foreclose such lien pur-
11 suant to the provisions of said Title 15 of Part 4 or the
12 lien is otherwise discharged.

13 (3) The Performance Bond shall be in the amount and
14 provide a penalty of one hundred percent (100%) of the
15 valuation of the improvements to be constructed. The Pay-
16 ment Bond shall be in the amount and provide a penalty of
17 one hundred percent (100%) of the valuation of the improve-
18 ments to be constructed.

19 (4) In lieu of the Performance Bond and Payment Bond
20 required in subsections (1), (2) and (3) hereof, TENANT
21 may furnish cash, assignment of account, time certifi-
22 cate of deposit.

23 B. FORCE MAJEURE.

24 The time within which TENANT is obligated hereunder
25 to construct, repair or rebuild any building or other improvement,
26 or cure any default on the part of TENANT hereunder shall be ex-
27 tended for a period of time equal in duration to, and performance

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1 in the meantime shall be excused on account of and for and during
2 the period of time equal in duration to any delay caused by
3 strikes, threats of strikes, lockouts, war, threats of war,
4 insurrection, invasion, acts of God, calamities, violent action
5 of the elements, fire action or regulation of any governmental
6 agency, law or ordinance, impossibility of obtaining materials,
7 or other things beyond the reasonable control of TENANT.

8
9 C. NO FORFEITURE.

10 If, for any reason, TENANT shall fail to complete
11 construction of buildings, structures or other improvements with-
12 in the time herein provided therefor and TENANT pays to the City
13 the liquidated damages therefor as provided in Paragraph 6
14 hereof, this Lease shall not be subject to cancellation or for-
15 feiture as a result thereof, notwithstanding anything to the
16 contrary herein contained.

17
18 D. APPLICABLE LAWS. (SUBJECT TO CHANGE)

19 The Leased Premises are presently zoned MG. Any build-
20 ings, structures or other improvements constructed or placed
21 thereon shall be constructed or placed in accordance with the
22 laws and regulations of the State and City applicable to develop-
23 ment in Zone MG.

24 E. PROPERTY OF CITY.

25 Any buildings, structures or other improvements con-
26 structed or placed on the Leased Premises by TENANT shall remain
27 the property of TENANT unless otherwise approved in writing by
28 LANDLORD. Said building, structures and other improvements,

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1 less paving, shall be removed by TENANT within ninety (90) days
2 following expiration or termination of this Lease. All such
3 improvements remaining on the premises after ninety (90) days
4 shall become the property of LANDLORD without compensation there-
5 for, and may be removed as provided in Paragraph 9 of this lease.

6
7 F. LIENS.

8 (1) Subject to TENANT's right to contest the same
9 as hereinafter provided, TENANT agrees that it will pay as
10 soon as due all mechanics, laborers, materialmen, con-
11 tractors, subcontractors or similar charges, and all other
12 charges of whatever nature which may become due, attached
13 to or payable on said property or any part thereof or any
14 building, structure or other improvements thereon, from and
15 after the date as of which this Lease is executed. Nothing
16 herein contained shall in any respect make TENANT the agent
17 of the LANDLORD, or (except as otherwise specifically
18 provided in this Lease), authorize TENANT to do any act or
19 to make any contract encumbering or in any manner affecting
20 the title or rights of the LANDLORD in or to the Leased
21 Premises or in the improvements thereon.

22 (2) Before any buildings, structures or other im-
23 provements, repairs or additions thereto, are constructed or
24 reconstructed upon the Leased Premises, TENANT shall serve
25 written notice upon the LANDLORD's City Manager in the manner
26 specified in this Lease of TENANT's intention to perform
27 such work for the purpose of enabling the LANDLORD to post
28 notices of non-responsibility under the provisions of Sec-

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tion 3094 of the Civil Code of the State of California, or any other similar notices which may be required by law.

(3) If any such mechanics or other liens shall at any time be filed against the Leased Premises, TENANT shall cause the same to be discharged of record within thirty (30) days after the date of filing the same, or otherwise free the Leased Premises from the effect of such claim of lien and any action brought to foreclose such lien, or TENANT shall promptly furnish to the LANDLORD a bond in an amount and issued by a surety company satisfactory to the LANDLORD securing the LANDLORD against payment of such lien and against any and all loss or damage whatsoever in any way arising from the failure of TENANT to discharge such lien.

(4) Any contest by TENANT of any such liens shall be made by TENANT in good faith and with due diligence and TENANT shall fully pay and immediately discharge the amount of any final judgment rendered against the LANDLORD or TENANT in any litigation involving the enforcement of such liens or the validity thereof.

(5) In the event of TENANT's failure to discharge of record any such uncontested lien within said thirty (30) day period or to pay and satisfy any such judgment as aforesaid, the LANDLORD may, but shall not be obliged to, pay the amount thereof, inclusive of any interest thereon and any costs assessed against TENANT in said litigation, or may discharge such lien by contesting its validity or by any other lawful means.

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1 (6) Any amount paid by the LANDLORD for any of the
2 aforesaid purposes, and all reasonable legal and other ex-
3 penses of the LANDLORD including reasonable counsel fees, in
4 defending any such action or in connection with procuring
5 the discharge of such lien, with all necessary disburse-
6 ments in connection therewith, together with interest
7 thereon at the rate provided by law from the date of pay-
8 ment shall be repaid by TENANT to LANDLORD on demand.

9 (7) TENANT will indemnify, defend and hold LANDLORD
10 harmless from any liens of whatever nature arising from
11 TENANT's occupancy of the premises by virtue of that
12 certain lease dated February 24, 1960, and superseded by
13 this lease. All liens shall be paid, cleared or otherwise
14 removed by TENANT.
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9. REMOVAL OF IMPROVEMENTS

TENANT shall re-deliver possession of the premises to LANDLORD upon expiration of the term of this lease, or other termination hereof, clear of all improvements and restored to level grade. Should TENANT fail to remove all improvements from the Premises, any remaining improvements shall be deemed abandoned property which LANDLORD may remove at its sole discretion without liability to any lienholder or for any cost of labor or material incurred by TENANT during TENANT's possession of the Premises. It is specifically agreed that LANDLORD may charge the cost of any such removal to TENANT and that TENANT will pay that sum without objection. It is further agreed that the obligation to pay for removal of improvements shall extend for one year beyond the end of the term or other termination of the lease.

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10. SECURITY DEPOSIT

A security deposit in the sum of FIVE THOUSAND DOLLARS (\$5,000) shall be provided LANDLORD by TENANT prior to the commencement date of this Lease. Said security deposit shall be by one of the methods set forth below and shall guarantee TENANT's full and faithful performance of all the terms, covenants, and conditions of this Lease:

A. Cash.

B. Surety bond written by a surety company authorized to transact business in the State of California. Said bond shall be subject to approval by the City Manager as to sufficiency and by the City Attorney as to form.

C. The assignment to LANDLORD of a savings deposit held in a financial institution acceptable to LANDLORD. Such assignment shall be evidenced at least by the delivery to LANDLORD of the original passbook reflecting said savings deposit and a written assignment of said deposit to LANDLORD in a form approved by LANDLORD.

D. A time certificate of deposit from a financial institution wherein the principal sum is made payable to LANDLORD or order. Both the financial institution and the form of the certificate must be approved in advance by LANDLORD.

E. An instrument or instruments of credit from one or more financial institutions subject to regulation by the state or federal government pledging that funds are on deposit and guar-

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1 anteed for payment and providing that said funds shall be trust-
2 funds securing TENANT's performance and that all or any part shall
3 be paid to LANDLORD, or order, upon demand by LANDLORD. Both the
4 financial institution(s) and the form of the instrument(s) must
5 be approved by LANDLORD.

6
7 Regardless of the manner in which TENANT elects to make
8 said security deposit, all or any portion of the principal sum
9 shall be available unconditionally to LANDLORD for correcting any
10 default or breach of this Lease by TENANT or TENANT's successors
11 or assigns, or for payment of expenses incurred by LANDLORD as a
12 result of the failure of TENANT or TENANT's successors or assigns,
13 to faithfully perform all of the terms, covenants and conditions
14 of this Lease. Should TENANT elect to assign a savings deposit
15 to LANDLORD or provide a time certificate of deposit, or provide
16 an instrument of credit to fulfill the security deposit require-
17 ments of this Lease, said assignment, certificate or instrument
18 shall have the effect of releasing the depository or financial
19 institution therein from liability on account of the payment of
20 any or all of the principal sum to LANDLORD, or order, upon
21 demand by LANDLORD. The agreement entered into by TENANT with a
22 financial institution to establish the deposit necessary to
23 permit assignment or issuance of a certificate as provided above
24 may allow the payment of interest accruing on account of said
25 deposit to TENANT or order. TENANT shall maintain the required
26 security deposit throughout the entire term of this Lease or any
27 extension thereof. Failure to do so shall be deemed a default
28 and shall be grounds for immediate termination of this Lease.

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1 The security deposit shall be rebated, reassigned, released, or
2 endorsed to TENANT, or order, as applicable at the end of the
3 lease term, provided TENANT has fully and faithfully performed
4 each and every term, covenant and condition of this Lease. No
5 interest shall be paid to TENANT on said security deposit.

6 TENANT agrees that if TENANT violates any of the terms,
7 covenants and conditions of this Lease and fails to cure such de-
8 fault within the time hereinafter provided therefore, then, in
9 that event, the entire amount of the security deposit shall be
10 applied by LANDLORD in discharge and satisfaction of any delinquent
11 rentals or other element of default and/or retained by TENANT as
12 liquidated damages because it is agreed by and between the parties
13 hereto that a judge or jury would be unable to adequately deter-
14 mine such damages.

15 Should the security deposit be insufficient to compen-
16 sate LANDLORD for its loss due to TENANT's failure to comply with
17 the terms and conditions of this Lease, TENANT shall be liable
18 for any deficiencies resulting therefrom.

11. USE

The Leased Premises and any and all improvements located or erected thereupon shall be used for the purpose of conducting a fixed base operation in conformity with LANDLORD's adopted minimum standards for aeronautical uses and no other purpose. The fixed base operation is limited to the following aeronautical and support uses which are inclusive.

A. Sale of new and used aircraft (both retail and wholesale);

B. Sale of aircraft parts and accessories (both retail and wholesale);

C. Sale of aircraft parts, components and allied equipment;

D. Sale of new and used avionics and electronic equipment;

E. Sale of new and used aircraft instruments;

F. Storage, distribution, sale and dispensing of aviation fuel and lubricants on the Leased Premises and operation of fuel trucks from the leased premises to dispense fuel off premises subject to approval of the Airport Manager and obtaining required permits;

G. Sale of pilot supplies and accessories;

H. Leasing and rental of aircraft;

I. Sale of aircraft insurance;

J. Financing of aircraft;

K. Operation of air cargo and air freight activities subject to prior written approval of LANDLORD's Airport

1 Manager;

2 L. Flight operations, including ground school,
3 flight training/proficiency, demonstration of aircraft for sale,
4 charter and air taxi. Charter/Air Taxi operations are subject
5 to prior written approval of LANDLORD's Airport Manager. The
6 conduct of scheduled commercial service is expressly prohibited;

7 M. Maintenance, repair, overhaul and modification
8 of aircraft, aircraft engines, airframes, flight systems, instru-
9 ments, avionics, electronics equipment, propellers and related
10 aircraft components;

11 N. Rental of aircraft storage hangars and open
12 tie-down facilities;

13 O. Operation of a UNICOM radio transmitter and
14 receiver (subject to written approval of LANDLORD's
15 Airport Manager);

16 P. Washing, detailing and waxing of aircraft;

17 Q. Providing upholstery, cabinetry and interior
18 services;

19 R. Parachute, fire extinguisher and oxygen ser-
20 vices;

21 S. Line Services for the purpose of meeting the
22 needs of transient aircraft;

23 T. Operation of food vending equipment and/or
24 a coffee bar for the purpose of serving TENANT's
25 employees and customers;

26 U. Maintenance and servicing of TENANT-owned
27 and operated automotive ramp equipment;

28 V. Aviation oriented offices.

W. Any such other aviation related uses as may
be approved in writing by LANDLORD's Airport Manager and which
do not conflict with future airport terminal facilities.

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12. UNAUTHORIZED USES

Only the uses specified in the use clause hereof are authorized uses, and such uses are authorized only when conducted by TENANT or a Subtenant approved in advance by LANDLORD's City Manager. All other business activities engaged in on or from the Leasehold premises for involving provision of services or products to parties other than TENANT or an approved Subtenant for financial gain are prohibited. Said prohibition shall be enforced by TENANT.

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13. OPERATION OF BUSINESS

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3 A. TENANT shall continuously use and operate the
4 premises, during all usual business hours and on all such days
5 as comparable business of like nature in the area are open for
6 business in accordance with the provisions of this Lease relating
7 to use. If the premises are destroyed or partially condemned
8 and this Lease remains in full force and effect, TENANT shall
9 continue operation of its business at the premises to the extent
10 reasonably practical as determined by good business judgment
11 during any period of reconstruction.

12
13 B. TENANT shall appoint in writing an authorized local
14 agent duly empowered to make decisions on behalf of TENANT in all
15 routine administrative and operational matters relating to the
16 Leased Premises who shall be available during normal business
17 hours. TENANT shall notify LANDLORD's Airport Manager in writing
18 of the name, address and telephone number of the said agent and
19 shall supply therewith a copy of the writing appointing the agent.
20

21 C. All uses operating on or from the Leased Premises
22 shall maintain an office in Los Angeles or Orange County which
23 is staffed during normal business hours.
24

25 D. Rotary winged aircraft may not be parked, repaired
26 or operated from the Leased Premises without the prior written
27 approval of the Airport Manager and such aproval, if granted, is
28 subject to Airport Rules and Regulations and may be terminated

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1 by the Airport Manager on thirty (30) days notice unless other-
2 wise specified in writing at the time of said written approval.
3 Execution of this Lease shall be deemed to be approval for the
4 rotary wing operations of Security Pacific Bank from the premises.

5 E. TENANT agrees to provide reasonable services at
6 reasonable prices compared to those prevailing at comparable
7 airports within the Southern California area.

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10 14. COMPLIANCE WITH LAW

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12 No improvements or structures either permanent, tem-
13 porary or portable, shall be erected, placed upon, operated or
14 maintained on the Leased Premises, nor shall business or any
15 other activity be conducted or carried on, in, onto, or from the
16 Leased Premises in violation of the terms of this Lease or any
17 duly adopted rules, regulations, orders, law, statute, by-law,
18 or ordinance of any governmental agency having jurisdiction
19 thereover.
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15. IMPROVEMENTS

TENANT shall complete the following improvements to the Leased Premises within the time periods specified below, as measured from the date of execution of this Lease by LANDLORD's City Manager:

A. The site has been developed in accordance with Exhibit "B" of this Lease and is acceptable to LANDLORD in its design and uses.

B. The facility shall be a full service fixed base operation (FBO) and shall at all times comply with the City's minimum standards for aeronautical uses.

C. Any fuel facility constructed on the premises shall be constructed according to plans approved in writing in advance by the Airport Manager and conforming to design standards established by the City of Long Beach and FAA and any other interested regulatory agency. TENANT shall reimburse LANDLORD for all expenses incurred due to Airport perimeter roadway modifications or improvements necessary to accommodate fuel facility.

D. TENANT shall seal concrete pavement joints on eastern side of leasehold, adjacent to recent taxiway construction, in accordance with plans approved in writing in advance by the Airport Manager.

E. As built construction plans and specifications for completed construction on the leasehold shall be submitted to the Airport Manager within sixty (60) days after execution of this Lease.

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1 plans prepared by TENANT for the above-cited improve-
2 ments shall be approved by LANDLORD's Airport Manager and the
3 Department of Planning and Building of the City of Long Beach,
4 and shall receive a determination of no objection from the
5 Federal Aviation Administration, prior to commencement of work.

6 TENANT shall conduct its construction operations so
7 that such operations will in no way interfere with the normal
8 operation and use of the Long Beach Municipal Airport by
9 LANDLORD and other persons and organizations entitled to use
10 of the same.

11 After completion of the work set out in this section,
12 TENANT shall not perform any other construction upon the Leased
13 Premises, nor shall TENANT modify, alter, or remove permanent
14 improvements lying within the Leased Premises without the prior
15 written approval of LANDLORD's Airport Manager.

16. MONTHLY REPORT

Within fifteen (15) days after execution of this Lease, TENANT shall submit a written report to LANDLORD's Airport Manager listing all based aircraft located on the Leased Premises. Said report shall be prepared on a form supplied by LANDLORD, and shall include for each based aircraft located on the Leased Premises: the make, model, registration number, color, space or hangar number, registered owner(s) name(s), address(es) and telephone number(s). Should aircraft be on lease, the same information required for owner shall be provided for any or all lessee(s) of said aircraft.

For purposes of this section, a based aircraft is any aircraft which makes arrangements to park at Long Beach Airport for any purpose other than those specified herein, to wit:

A. Visiting or transient aircraft who utilize parking facilities for less than fifteen (15) days in any thirty (30) day period.

B. Aircraft maintaining tiedown or storage space at another airport that are undergoing maintenance, service or repair by a tenant or subtenant.

C. New aircraft awaiting sale and/or delivery by a tenant or subtenant where delivery subsequent to sale occurs within thirty (30) calendar days.

D. Used aircraft for sale by a tenant or subtenant where delivery subsequent to sale occurs within thirty (30) calendar days.

TENANT further agrees that by the tenth (10th) day of each month to submit a list showing additions to, or deletions from, the above mentioned written report.

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17. INDEMNIFICATION AND HOLD HARMLESS

TENANT expressly agrees to defend, protect, indemnify and hold harmless the City, its officers, agents and employees free and harmless from and against any and all claims, demands, damages, expenses, losses or liability of any kind or nature whatsoever which LANDLORD, its officers, agents or employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damage to property arising out of or resulting from the alleged acts or omissions of TENANT, its officers, agents or employees or in any manner connected with this Lease or with the occupancy, use or misuse of the Leased Premises by TENANT, its officers, agents, employees, subtenants, licensees, contractors, patrons or visitors; and TENANT agrees to defend at its own cost, expense and risk all claims or legal actions that may be instituted against either the TENANT or the LANDLORD, and the TENANT agrees to pay any settlement entered into and satisfy any judgment that may be rendered against either the TENANT or the LANDLORD as a result of any injuries or damages which are alleged to have resulted from or be connected with this Lease or the occupancy or use of the Leased Premises by the TENANT, or its officers, agents, employees, subtenants, licensees, contractors, patrons or visitors.

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18. LIABILITY INSURANCE

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3 A. TENANT agrees that at all times during the term
4 of this Lease, it shall maintain in full force and effect an
5 insurance policy which shall insure and indemnify the TENANT and
6 the City of Long Beach, the City Council and each member thereof,
7 all of City's Boards and Commissions and every officer, employee
8 and volunteer of the City against liability, financial loss or
9 expense resulting from any suits, claims, demands, actions or
10 loss, brought by any person or persons and from all costs and
11 expenses of litigation brought by reason of the use and occupa-
12 tion by TENANT or by any other person or persons of said Leased
13 Premises, in the amount of Three Million Dollars (\$3,000,000)
14 combined single limit for any injury to persons and or damages
15 to property.

16 B. Such policy or policies of insurance shall pro-
17 vide at least the following forms of insurance as may be
18 applicable:

- 19 (1) Comprehensive General Liability
20 (2) Airport Liability;
21 (3) Contractual Liability
22 (4) Aircraft Liability, including Passengers
23 (5) Products and Completed Operations, including
24 Aircraft Products
25 (6) Hangarkeepers Liability, including Aircraft
26 in Flight
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1 C. All insurance shall be placed with insurers
2 having a rating in Best's Insurance Guide of or equivalent to
3 A:X or otherwise acceptable to and approved by the City Manager.
4 The City of Long Beach, the City Council and each member thereof,
5 all of the City's Boards and Commissions, and every officer,
6 employee and volunteer of the City shall be named as insureds
7 under said insurance, and each policy shall be endorsed to
8 provide thirty days written notice from the insurer to LANDLORD
9 before cancellation or change to conditions. Coverage shall
10 be primary with respect to LANDLORD and all liability insurance
11 shall provide for severability of interests.

12 Said insurance may include such deductibles or self
13 insured retention as may be acceptable to the City Manager.
14 In the event insurance does provide for deductibles or self-
15 insured retention, TENANT agrees that it will fully protect
16 LANDLORD, its Boards, officers and employees, in the same manner
17 as those interests would have been protected had the policy or
18 policies not contained a deductible or retention.

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20 D. The insurance policy or policies shall either
21 contain a broad form of contractual liability including Leases,
22 or it shall have attached thereto an endorsement providing for
23 such coverage. The policy shall include a Severability of
24 Interests (Cross Liability) Clause, and said coverage shall be
25 primary and non-contributing with any other insurance available
26 to the City. The City of Long Beach, the City Council and
27 each member thereof, all of City's Boards and every officer and
28 employee of the City shall be named as an additional insured on

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1 said policy.

2
3 E. Upon the execution of this Lease, the TENANT
4 shall deliver to the Airport Manager for approval as to suf-
5 ficiency and for approval as to form by the City Attorney
6 a certificate or certificates of insurance issued by the respec-
7 tive insurance companies certifying that said insurance coverage
8 is in full force and effect and that all operations of the TENANT
9 under this Lease are covered by such insurance; and upon the
10 filing of said certificates, the policy or policies will be
11 returned by the LANDLORD to the TENANT. All insurance policies
12 secured by TENANT shall contain the following:

13 The inclusion herein of any person or entity
14 as an insured shall not affect any right such
15 person or entity would have as a claimant here-
16 under if not so included.

17
18 Notwithstanding any other provision to the contrary
19 contained in this Lease, TENANT shall not have the right to take
20 possession of said Leased Premises until such certificate or
21 certificates are filed with the Airport Manager.

22
23 F. In the event TENANT does not desire to present
24 the original or a photostatic copy of the original insurance
25 policy for approval as above provided, TENANT may present for
26 approval and filing a certificate of insurance to which is
27 attached the following endorsement:
28

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1 Within the limits set forth in the declara-
2 tions, to indemnify and save harmless the City
3 of Long Beach, its officers and employees, from
4 and against any and all claims or demands for
5 injury, damage, loss, liability, cost and expense
6 of any kind or nature whatsoever for death, in-
7 jury or loss to persons or damage to property,
8 which the City of Long Beach, its officers or
9 employees, may sustain or incur or which may be
10 imposed upon them, or any of them, arising out of
11 or attributable to the use of the premises des-
12 cribed in a lease between the City of Long Beach
13 and the insured, including the use of the City's
14 Long Beach Airport and its facilities.

15 This policy names as additional insureds,
16 the City of Long Beach, its boards and their
17 officers, agents and employees. This insurance
18 is primary and not contributing with other insur-
19 ance held by said additional insureds.

20 The policy shall not be cancelled or other-
21 wise modified until thirty (30) days' written
22 notice thereof has been served on the Airport
23 Manager of the City of Long Beach. This endorse-
24 ment shall control over all other provisions of
25 the policy or endorsements thereto, which are
26 inconsistent herewith.

1 G. The procuring of any policy of insurance shall not
2 be construed to be a limitation upon TENANT's liability or as a
3 full performance on its part of the indemnification provisions
4 of this Lease, TENANT's obligations being, notwithstanding said
5 policy of insurance, for the full and total amount of any damage,
6 injury or loss caused by the negligence or neglect connected
7 with or attributable to its operations under this Lease.

8
9 H. As a condition precedent to the effectiveness of
10 this Lease, TENANT shall obtain an endorsement to, or have an
11 appropriate provision in, its public liability and property
12 damage insurance policy indicating that any loss occasioned the
13 City as a result of negligent activities, operation or conduct
14 of any subtenant is covered by the policy.

15
16 I. Any insurance policies procured by TENANT hereunder
17 shall provide that the insurance carrier waives all rights of
18 subrogation against the City. If the City shall obtain any
19 policies of insurance on or insuring against loss arising out
20 of the operation of the Leased Premises during the term hereof,
21 each such policy shall include a waiver by the insurance carrier
22 of all rights of subrogation against TENANT.

23
24 J. LANDLORD shall have the right at any time during
25 the term of this Lease to review the type, form and coverage
26 limits of the insurance enumerated herein. If, in the opinion
27 of LANDLORD, the insurance provisions in this Lease are not
28 sufficient to provide adequate protection for LANDLORD and the

1 members of the public using Long Beach Airport, LANDLORD may
2 require the TENANT to obtain insurance sufficient to provide
3 such adequate protection. Insurance requirements shall be
4 applied uniformly to all TENANTS engaged in similar type opera-
5 tions on the Long Beach Airport, and such requirements shall be
6 consistent with industry standards.

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19. PROPERTY INSURANCE

1
2
3 A. TENANT agrees that at all times during the term
4 of this Lease and any renewal or extension thereof, it will main-
5 tain in force an insurance policy which will insure and indemnify
6 the TENANT and the City from loss occurring to equipment, build-
7 ings, structures, or other improvements on said Leased Premises
8 by reason of fire and any other hazards insured against in what
9 is commonly known as an extended coverage to the extent of at
10 least ninety percent (90%) of the full replacement cost of the
11 buildings, structures or other improvements or fixtures used in
12 connection with the operation of any improvements located on
13 said Leased Premises. The City shall be named as an additional
14 insured under said policy.
15

16 B. Should the Leased Premises or the building of which
17 the Leased Premises is a part be damaged or destroyed, in whole
18 or in part, by fire, earthquake or any other casualty at any time
19 during the term of this Lease so that the same cannot be repaired
20 within ninety (90) working days to substantially the same condi-
21 tion it was immediately prior to the happening of such casualty,
22 TENANT may, within ninety (90) working days after the happening
23 of such casualty, terminate this Lease as of the date of said
24 casualty. In the event of any termination of this Lease as
25 provided in this clause, the TENANT shall forthwith surrender
26 the Leased Premises to LANDLORD, and upon such surrender LANDLORD
27 shall refund to TENANT the security deposit provided for in
28 Paragraph 12. In the event of any damage or destruction or

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1 other casualty as mentioned in this paragraph, except that caused
2 by neglect on the part of TENANT, and this Lease is not terminated
3 as provided in this clause, LANDLORD shall proceed with reasonable
4 diligence to restore the basic building to substantially the
5 condition in which it was prior to the occurrence of said casualty.
6 TENANT shall likewise proceed with reasonable diligence to restore
7 and reconstruct all other improvements on the Leased Premises to
8 substantially the same condition in which they were prior to the
9 happening of the casualty. During the period of reconstruction
10 and restoration under conditions as set forth above, the TENANT
11 shall be entitled to a reduction in the monthly rental in an
12 amount that is in direct proportion to TENANT's loss of use of
13 the Leased Premises. Should the damage or destruction as men-
14 tioned herein be caused by neglect on the part of TENANT, then
15 TENANT shall be responsible for the restoration of the Leased
16 Premises and the restoration of the basic building to the con-
17 dition in which they were prior to the happening of the casualty,
18 and in such case there shall be no reduction in the rent for
19 TENANT's loss of use of the Leased Premises. In no event shall
20 LANDLORD be liable to TENANT for any damages resulting to TENANT
21 from the happening of any such fire or other casualty or from
22 the repair or reconstruction of the Leased Premises or from the
23 termination of this Lease as herein provided, nor shall TENANT
24 be released thereby from any of its obligations hereunder except
25 as expressly stated in this clause.

26
27 C. Any insurance policies procured by TENANT hereunder
28 shall provide that the insurance carrier waives all rights of

1 subrogation against the City. If the City shall obtain any
2 policies of insurance on or insuring against loss arising out
3 of the operation of the Leased Premises during the term hereof,
4 each such policy shall include a waiver by the insurance carrier
5 of all rights of subrogation against TENANT.

6
7 D. The requirements of Paragraph 18, C, D, E, F, G,
8 H, I and J hereof relating to the form, nature, source and
9 effects of insurance policies shall apply to policies obtained
10 pursuant to this paragraph as well.

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20. WAIVER OF SUBROGATION

TENANT hereby waives all rights of subrogation against LANDLORD with respect to damage to or loss of property insured under paragraph 19 hereof or with respect to any workers' compensation benefits paid as a result of injury to TENANT's employees. TENANT shall attempt to obtain a waiver of subrogation against LANDLORD from any insurer providing workers' compensation insurance for TENANT.

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21. ENCUMBRANCES

A. ASSIGNMENTS FOR PURPOSES OF FINANCING

Subject to the provisions of Paragraph 22 herein, during the term of this Lease, TENANT may assign for security purposes only, or subject to the provisions of subparagraph D of this Paragraph 21 may encumber, TENANT's interest under this Lease and the leasehold estate hereby created to a lender on the security of the leasehold estate and in that connection may perform any and all acts and execute any and all instruments necessary or proper to consummate any loan transaction and perfect the security therefor to be given such lender on the security of the leasehold estate.

B. LENDER'S RIGHTS.

Any such lender shall have the right at any time during the term hereof:

(1) To do any act or thing required of TENANT hereunder and all such acts or things done and performed shall be as effective to prevent a forfeiture of TENANT's rights hereunder as if done by the TENANT; and

(2) To realize on the security afforded by the leasehold estate and to acquire and succeed to the interest of TENANT hereunder by foreclosure of any mortgage or deed of trust and to convey or assign the title to the leasehold estate created hereby to any purchaser at a foreclosure sale; and

(3) In the event of any default by the TENANT in the payment of an installment of rent hereunder, to pay such

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1 rent to the LANDLORD and such rent payments alone, without
2 further requirement, shall be sufficient to prevent a
3 termination or forfeiture of the leasehold estate created
4 hereby, provided, however, that such right to prevent such
5 termination or forfeiture shall exist only for a period of
6 sixty (60) days after notice of such default has been given
7 by the LANDLORD to such lender and only as to those lenders
8 who have notified the Airport Manager of their interest in
9 said Leased Premises, as provided in Paragraph 22 herein;
10 and after said sixty (60) day period such lender, to prevent
11 such termination or forfeiture, shall be required to do all
12 acts and things required of TENANT to be done and performed
13 hereunder; and

14 (4) Cure such default or breach if the same can be
15 cured by the payment of expenditure of money provided to be
16 paid under the terms of this Lease; or if such default or
17 breach is not so curable, cause the trustee under the trust
18 deed to commence and thereafter to diligently pursue to
19 completion steps and proceedings for the exercise of the
20 power of sale under and pursuant to the trust deed in the
21 manner provided by law; and

22 (5) Keep and perform all of the covenants and condi-
23 tions of this Lease requiring the payment or expenditure of
24 money by TENANT until such time as said leasehold shall be
25 sold upon foreclosure pursuant to the trust deed or shall
26 be released or reconveyed thereunder; and

27 (6) However, if the holder of the trust deed shall
28 fail or refuse to comply with any and all of the conditions

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1 of this paragraph, then and thereupon LANDLORD shall be re-
2 leased from the covenant of forbearance herein contained.

3 (7) In the event TENANT or its subtenants, successors
4 or assignees creates or allows a citable offense or is
5 cited for a violation or violations of the Health and
6 Safety Code or any other applicable federal, state or local
7 law, LANDLORD, as its sole option, may either declare the
8 Lease in default and pursue all remedies available to it
9 in law, equity, or this Lease or in the alternative, as
10 provided in this Section 21 of this Lease, permit TENANT's
11 lender to assume the Lease conditional upon curing the
12 offending default. Cancellation of the Lease shall not
13 release TENANT, lender, or other responsible party from
14 any responsibility, liability, or obligation to remedy
15 any toxic condition occurring on the leasehold.

16 C. LENDER DEFINED.

17 The term "lender on the security of the leasehold es-
18 tate" as used in this Paragraph 21 and elsewhere in this Lease
19 shall mean the mortgagee under any mortgage, or the trustee and
20 beneficiary under any deed of trust or indenture of mortgage and
21 deed of trust encumbering the leasehold estate or TENANT's in-
22 terest therein (including the assignee or successor of any such
23 mortgage, beneficiary or trustee of any such mortgage, deed of
24 trust or indenture of mortgage and deed of trust and the holder
25 of any promissory note or bond secured thereby), and executed by
26 TENANT and delivered for the purpose of securing to such mort-
27 gagee, trustee or beneficiary payment of any indebtedness in-
28 curred by TENANT and secured by such mortgage, deed of trust or

1 indenture of mortgage and deed of trust.

2 D. NOTICE.

3 As a condition to the vesting of any rights in this
4 Lease or in the leasehold estate created hereby in any encum-
5 brancer, except as may be otherwise provided by law, there shall
6 first have been delivered to the Airport Manager a written notice
7 of such encumbrance which shall state the name and address of the
8 encumbrancer for the purpose of enabling notices to be given
9 under Paragraph 49L herein.

10 E. NOTICE OF DEFAULT

11 Upon and immediately after the recording of the
12 trust deed, TENANT, at TENANT's expense, shall cause to be re-
13 corded in the office of the Recorder of Los Angeles County,
14 California, a written request executed and acknowledged by
15 LANDLORD for a copy of any notice of default and of any notice
16 of sale under the trust deed as provided by the statutes of
17 the State of California relating thereto. Concurrently with
18 the execution of the consent, TENANT shall furnish to LANDLORD
19 a complete copy of the trust deed and note secured thereby,
20 together with the name and address of the holder thereof. No
21 such encumbrance shall be valid or effective unless and until
22 LANDLORD shall execute its written consent thereto as herein-
23 above provided.

22. ASSIGNMENT AND SUBLETTING

A. CONSENT.

(1) TENANT shall not have any right to assign or sublet this Lease or any interest herein.

(2) LANDLORD will consider requests to assign or sublease. Such requests will not be approved unless the identity and acceptability and financial responsibility of the proposed assignee or subtenant has been demonstrated to the satisfaction of the City Manager and the parties have agreed in writing as to the additional rent to be paid to LANDLORD by TENANT as a result of such assignment or sublease. Additional rent shall be negotiated pursuant to this paragraph where the assignment or sublease will result in a change or expansion of the use from that which had existed prior to the assignment or sublease.

(3) Any request to assign or sublease, shall be accompanied by such data relating to the identity and financial condition of the proposed assignee or sublessee as may be requested to permit LANDLORD to render its decision.

(4) If TENANT be a partnership or joint venture, a withdrawal, addition or change (voluntary, involuntary, by operation of law, or otherwise) of any of the partners or adventurers thereof, or if TENANT be composed of more than one person, a purported assignment or transfer (voluntary or involuntary, by operation of law, or otherwise) from one thereof unto the other or others thereof, or if TENANT

1 be a corporation, a change in the ownership (voluntary,
2 involuntary, or by operation of law, or otherwise) of
3 twenty five percent (25%) or more of its capital stock
4 owned as of the date of its acquisition of this Lease shall
5 be deemed an assignment prohibited hereby unless the written
6 consent of the LANDLORD be first obtained thereto; provided,
7 however, that a change in the ownership of said capital
8 stock as a result of the death or judicially declared incom-
9 petency of the TENANT may be made without the consent of
10 the LANDLORD.

11 (5) LANDLORD's City Manager is authorized to approve
12 assignments or subleases of twenty-five percent (25%) or
13 less of the leasable area. Consent to other assignments or
14 subleases must be approved by LANDLORD's City Council.

15 (6) Subject to the requirements of Sections 2 and 3
16 hereof, LANDLORD shall not unreasonably refuse to grant its
17 written consent to such transfer or assignment, however,
18 any such transfer without said approval, whether voluntary
19 or involuntary, shall be void and shall confer no right or
20 occupancy upon said assignee or purchaser.

21 A transfer or an assignment of any such stock or interest
22 to a shareholder's or member's spouse, children or grand-
23 children is excepted from the provisions hereof.

24 (7) LANDLORD's City Manager shall, within fifteen
25 (15) days after submission of a complete request for consent
26 to sublease, approve, disapprove or request further infor-
27 mation relating to such request. Should LANDLORD's City
28 Manager fail to take any action within said fifteen (15)

1 day period, consent to the proposed sublease shall be deemed
2 to have been granted. As to those matters which require con-
3 sent of the City Council, such matters shall be submitted to
4 the City Council within fifteen (15) days after receipt by
5 the LANDLORD.

6 B. VESTING OF ASSIGNMENTS.

7 As a condition of the vesting of any rights in this
8 Lease or in the leasehold estate created hereby in any assignee
9 of the TENANT's interest hereunder, whether voluntary or in-
10 voluntary, each such assignee shall first have delivered to LAND-
11 LORD's Airport Manager a written notice of such assignment, which
12 notice:

13 (1) Shall contain a statement that the assignee agrees
14 to be bound by all the terms, covenants and conditions of
15 this Lease which are to be performed by TENANT.

16 (2) Shall state the name and address of the assignee
17 for the purpose of enabling notices to be given under Para-
18 graph 49L herein.

19 (3) Shall state whether the assignee is an individual,
20 a corporation or a partnership, and if such assignee be a
21 corporation, the names of such corporation's principal of-
22 ficers and of its directors and state of incorporation, and
23 if such assignee be a partnership, the names and addresses
24 of the members of such partnership.

25 (4) Shall state the amount of capital stock assigned
26 and the total amount of capital stock outstanding at the
27 time of the assignment.

28 //

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1 C. VESTING OF SUBLEASES.

2 As a condition to the vesting of any rights in this
3 Lease or in the leasehold estate created hereby in any sub-
4 lessee of the TENANT's interest hereunder, whether voluntary or
5 involuntary, each such sublessee shall first have delivered to
6 LANDLORD's Airport Manager a written notice of such subleases
7 which notice:

8 (1) Shall state the name and address of the sub-
9 lessee for the purpose of enabling notices to be given
10 under Paragraph 49L herein.

11 (2) Shall state whether the sublessee is an indivi-
12 dual, a corporation or a partnership, and if such sub-
13 lessee be a corporation, the names of such corporation's
14 principal officers and its directors and state of incorpora-
15 tion, and if such sublessee be a partnership, the names and
16 addresses of the members of such partnership.

17 D. TERMINATION.

18 This Lease shall not be terminated by reason of any
19 assignment or transfer by operation of law of TENANT's interest
20 hereunder or in the leasehold estate created hereby.

21 E. LENDER'S LIABILITY.

22 In the event that any lender on the security of the
23 leasehold estate obtains title to the leasehold estate or to any
24 part hereof, by sale on foreclosure proceedings or by deed given
25 in lieu of foreclosure and subsequently assigns its interest
26 therein and such lender and its assignee comply with all the pro-
27 visions of this Paragraph, then such lender shall be relieved of
28 any liability hereunder as the successor of TENANT, except:

1 (1) Liability for the amount of any rental or other
2 moneys due and owing to the City by the lender or by
3 TENANT or any other of the assignees or successors of
4 the lender or TENANT at the time of such assignment;

5 (2) Liability to apply the proceeds of any insurance
6 policy in accordance with the provisions of Paragraphs 18
7 and 19 herein; and

8 (3) Liability under the provisions of Paragraphs 18
9 and 19 herein.

10
11 F. LENDER'S RIGHT TO ASSIGNMENT.

12 Notwithstanding anything to the contrary contained in
13 this Paragraph 22, any lender on the security of the leasehold
14 estate upon succeeding to the TENANT's interest shall have the
15 right to make one (1) assignment thereafter without the prior
16 written consent of LANDLORD.

23. EMINENT DOMAIN

In the event the whole or any part of the Leased Premises is condemned by a public entity in the lawful exercise of the power of eminent domain, this Lease shall cease as to the part condemned upon the date possession of that part is taken by the public entity.

If only a part is condemned and the taking of that part does not substantially impair the capacity of the remainder to be used for the purposes required in this Lease, TENANT shall continue to be bound by the terms, covenants, and conditions of this Lease. However, in such case, annual rental shall be reduced in proportion to the percentage of the Leased Premises which is taken by the public entity.

If only a part is condemned, but the taking of the part substantially impairs the capacity of the remainder to be used for the purposes required in this Lease, TENANT shall have the option of:

A. Terminating this Lease and being absolved of obligations hereunder which have not accrued at the date possession is taken by the public entity; or

B. Continuing to occupy the remainder of the Leased Premises and remaining bound by the terms, covenants, and conditions of this Lease. If TENANT elects to continue to occupy the remainder, the annual rental shall be reduced in proportion to the percentage of the Leased Premises which is taken by the public entity.

TENANT shall give notice in writing of its election

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1 hereunder within thirty (30) days of the date possession of the
2 part is taken by the public entity.

3 LANDLORD shall be entitled to receive and shall receive
4 all compensation for the condemnation of all or any portion of
5 the Leased Premises by exercise of eminent domain except as here-
6 inafter provided. TENANT shall be entitled to that portion of
7 said compensation or award which is computed and paid for the
8 loss of use of improvements constructed by TENANT prorated over
9 the remainder of the Lease term. The amount to which TENANT shall
10 be entitled hereunder shall not exceed the fair market value, as
11 set forth in the judgment or award, of improvements constructed
12 by TENANT, reduced in proportion to the relationship that the
13 portion of the Lease term which has expired bears to the original
14 Lease term. Any separately identified award for loss of goodwill
15 or loss of business shall be payable solely to TENANT.
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24. RESERVATIONS TO LANDLORD

A. The Leased Premises are accepted by TENANT subject to any and all existing easements or other encumbrances; and LANDLORD shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along the leased premises or any part thereof, as will not interfere with TENANT's operations hereunder and to enter thereupon for any and all such purposes. LANDLORD also reserves the right to grant franchises, easements, rights of way and permits in, over, and upon, along, or across any and all portions of said Leased Premises as LANDLORD may elect so to do, provided, however, that no right of the LANDLORD provided for in this paragraph shall be so executed as to interfere unreasonably with TENANT's operations hereunder, or impair the security of any secured creditor of TENANT.

B. LANDLORD agrees that any right as set forth by this Paragraph shall not be exercised unless a prior written notice of sixty (60) days is given to TENANT. However, if such right must be exercised by reason of emergency, LANDLORD will give TENANT such notice in writing as is possible under the existing circumstances.

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1 C. LANDLORD will cause the surface of the Leased
2 Premises to be restored to its original condition upon the
3 completion of any construction done pursuant to this paragraph.
4

5 D. LANDLORD reserves the right to enter and have access
6 to the property in order to make, construct or carry out airport
7 improvements.
8

9 E. LANDLORD shall exercise its best efforts to avoid
10 unreasonable interference with TENANT's operations or enjoyment
11 of the premises or impairment of the security of any secured
12 creditor in its exercise of rights pursuant to this paragraph.
13

14 F. Should any exercise of the rights described in this
15 paragraph result in a significant interference with TENANT's use
16 of the Leased Premises, LANDLORD shall provide compensation to
17 TENANT by means of a reduction in rent proportionate to the
18 amount of the interference which shall continue for not more than
19 two months or until TENANT has been adequately compensated, which-
20 ever comes first.
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1 25. USE OF AIRPORT FACILITIES

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3 TENANT shall have, in conjunction with the general pub-

4 lic and other airport users, a non-exclusive right to the use of

5 the public airport facilities provided and developed by LANDLORD

6 for public aviation use on such terms and conditions as such

7 facilities may be made available by LANDLORD either now or in

8 the future to other users and tenants of the same class and sub-

9 ject to all applicable laws and rules of the United States, the

10 State of California or the City of Long Beach governing aviation,

11 air navigation or the use of the airport.

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26. MAINTENANCE

TENANT agrees, at TENANT's sole cost and expense, to repair and maintain the Leased Premises and all improvements or landscaping existing or constructed thereon in good order and repair and to keep said premises and facilities in a neat, clean, attractive and orderly condition. Failure of the TENANT to properly maintain and repair the Leased Premises shall constitute a breach of the terms of this Lease.

If, in the opinion of LANDLORD's Airport Manager, the Leased Premises are not being properly maintained, LANDLORD's Airport Manager may, after giving thirty (30) days written notice to TENANT to remedy discrepancies, cause such repair and maintenance to be made. The cost of such maintenance or repair shall be added to the rent. If said costs are not paid promptly by TENANT, this Lease shall be deemed to be in default, and LANDLORD shall be entitled to all legal remedies provided hereunder.

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27. AIRCRAFT PARKING, STORAGE AND HANGARS

A. TENANT shall provide open aircraft parking aprons which shall be so designed, marked and maintained, as to provide for safe and functional parking of aircraft, including sufficient distance between all structural elements (including, but not limited to body, wings and tail) of parked aircraft to permit safe movement of aircraft to and from aircraft parking spaces. Aircraft tiedown equipment or apparatus shall be of a type approved by the Airport Manager for use at the airport and all aircraft designed and equipped to be tied down shall be properly secured to such tiedown apparatus when left unattended. All tie-down spaces shall be clearly marked on the pavement with an identification number in such manner that each individual parking space can be easily identified.

B. TENANT will provide and maintain taxi lanes and aircraft parking spaces clear of obstacles, vehicles and improperly parked aircraft in a manner which will permit safe and convenient movement of aircraft throughout all open parking areas.

C. TENANT will provide adequate aircraft parking spaces on the Leased Premises to accommodate transient or visiting aircraft or aircraft present at TENANT's facility for the purpose of maintenance or other work. Parking is permitted only in designated spaces on FBO leases and TENANT expressly covenants and agrees to make every reasonable and prudent effort to prevent parking of aircraft or ground vehicles on property contiguous

1 to the Leased Premises, but not a part thereof. The Airport
2 Manager may require creation of additional parking spaces if
3 he finds that aircraft using TENANT'S facilities are parking
4 in areas other than authorized tie downs or hangar spaces.
5

6 D. Maintenance and repair of aircraft on the based
7 and transient aircraft parking area shall be limited to that
8 permitted by Federal Aviation Regulations part 43.3(h) and Appen-
9 dix A(c), unless otherwise specifically authorized in writing
10 by the Airport Manager. Said parking areas shall be kept free
11 from partially dismantled or derelict aircraft.
12

13 E. Aircraft storage hangars shall be used for storage
14 of aircraft only and no maintenance shall be done therein, ex-
15 cept as specifically authorized by Federal Aviation Regulations
16 Part 43.3(h) and Appendix A(c) if such maintenance and repair can
17 be done in compliance with such fire, building and safety codes,
18 rules and/or regulations as may be applicable to such hangar or
19 activity from time to time.
20

21 F. Maintenance, repair, and other activities may be
22 conducted in hangars heretofore or hereafter constructed in such
23 manner that such maintenance repair and other activities can be
24 carried out in such hangar in compliance with such fire, building
25 and safety codes, rules and/or regulations, as may be applicable
26 from time to time to such activities, if authorized in writing by
27 the Airport Manager.
28

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1 G. All aircraft service, maintenance, repair, inspec-
2 tion and building activities conducted for financial gain within
3 or from aircraft storage hangars shall be done by fixed based
4 operators, tenants or sub-tenants located on the Long Beach Muni-
5 cipal Airport or their duly authorized personnel. No other per-
6 sons may perform such work.

7 H. The aircraft identification number of each aircraft
8 parked in a hangar shall be affixed to the outside of such hangar
9 in a convenient and plainly visible manner and said information
10 shall be revised from time to time so that it shall be current
11 and visible at all times.

12 I. Aircraft hangars constructed after the date of
13 execution of this Lease shall be so designed and constructed by
14 means of a method approved by the Airport Manager as to permit
15 verification for identification, safety and security purposes of
16 all aircraft parked therein at all times without compromising the
17 security of such aircraft.

18 J. TENANT shall not park or permit or authorize the
19 parking of aircraft in any manner such that any part of the
20 aircraft extends beyond the lease boundary at any time. Failure
21 to cure such condition within 24 hours after notice to do so
22 from the Airport Manager may be deemed a default of this Lease.
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1 28. AIRCRAFT TIEDOWN AND STORAGE HANGAR AGREEMENTS

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3 TENANT is authorized to enter into sublease agreements

4 to permit aircraft tiedown and storage on the Leased Premises

5 without approval of LANDLORD, provided that TENANT shall enter

6 into and maintain current a written Aircraft Tiedown or Aircraft

7 Storage Hangar Agreement with the owner or lessee or operator of

8 each aircraft renting space on the Leased Premises. Such agree-

9 ments shall be in writing and shall specify all terms, conditions

10 and restrictions relating to the rental of space for the tiedown

11 or storage of TENANT's aircraft and indicating that said owner,

12 operator or lessee of an aircraft to be tied down or stored is a

13 sub-tenant of LANDLORD as well as TENANT by virtue of the crea-

14 tion of this sublease. Such agreement shall also require that

15 the information which TENANT must provide to LANDLORD pursuant to

16 the terms of Paragraph 16 of this Lease shall be supplied to

17 TENANT by any parties with whom TENANT has entered such agreements.

18 LANDLORD's Airport Manager or his designated representative may

19 inspect TENANT's file of Aircraft Tiedown and Storage Hangar Rental

20 Agreements at any reasonable time during TENANT's regular business

21 hours.

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29. STORAGE

A. TENANT may store aircraft components, equipment, parts, bulk liquids, scrap lumber, metal, machinery or other materials related to the conduct of its business on the Leased Premises, provided, however, that such storage may be done only within an area screened from public view as approved by the Airport Manager. No storage may be done on any apron, ramp or taxiway, without prior written approval of Airport Manager.

B. Derelict aircraft, inoperative grounded vehicles, unused ramp equipment, scaffolding, hoists and related items not regularly and routinely in use as part of TENANT's business, may not be kept on the Leased Premises unless such materials are maintained within a fully enclosed permanent structure.

C. Violation of the requirements of this Paragraph shall be deemed in default if the condition has not been cured to the satisfaction of the Airport Manager within thirty (30) days of posting of the property or service of TENANT with a notice thereof.

D. TENANT shall not store or permit storage of recreational vehicles, including but not limited to motor homes, boats or trailers, on the leased premises. Parking of automobiles and trucks, except for those directly related to the day to day business of the TENANT, is also prohibited.

30. AUTOMOBILE PARKING

TENANT agrees to provide sufficient automobile parking on the Leased Premises to accommodate the parking needs of patrons, visitors and employees, provided, however, that Airport streets and access roadways may not be utilized to comply with this requirement. All customer vehicles entering or leaving the aircraft operation area must be accompanied at all such times by employees of TENANT or its subtenants. Customer vehicles within the aircraft operating area shall be parked inside of aircraft hangars and not on any taxiway or between hangars.

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31. FUEL FLOWAGE FEES

A. REQUIREMENT TO PAY.

TENANT agrees to pay such fuel flowage fees at such rates as may be regularly established from time to time by LANDLORD's City Council for aircraft fuels delivered at the airport. Such fees shall be due and payable on the tenth (10th) day of the month succeeding that in which the fuel deliveries are made to the TENANT. The fees shall be calculated and administered as provided herein on the basis of information submitted on a form provided by LANDLORD.

B. SUPPLIER AGREEMENT.

TENANT shall enter into a written agreement with its fuel supplier which recognizes the existence of the provisions of this agreement. A copy of said agreement shall be delivered to LANDLORD's Airport Manager prior to the commencement of fuel delivery. Said agreement shall provide that either TENANT or TENANT's supplier shall indemnify, hold harmless and provide insurance coverage to the City for all uses arising from the delivery, storage, sale and supplying of such fuel. Such agreement shall further provide that the supplier shall make available to the City at reasonable times, its records of transactions involving delivery of fuel to TENANT for purposes of auditing TENANT's performance under this agreement.

C. UNDERGROUND STORAGE AND DELIVERY.

All fuel delivered to TENANT by its supplier or

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1 suppliers shall be placed into underground storage facilities, the
2 location and design of which shall have been approved by LANDLORD's
3 Airport Manager and all fuel delivered by any supplier or sup-
4 pliers shall be placed directly into said approved underground
5 storage facilities.

6
7 D. REPORTING, PAYMENT AND STATEMENTS.

8 Deliveries of fuel shall be reported and fees therefor
9 paid by TENANT to LANDLORD each calendar month as provided herein.
10 The fees to be paid shall be computed on the basis of the oil
11 company's meter tickets supplied by the tanker truck holding
12 the delivery from, or from refinery meter tickets provided to
13 the carrier at the time the tanker truck is loaded. The amount
14 shown on such tickets to have been delivered in agreement shall
15 be multiplied by the rate established by the City Council then
16 in effect. The product of that computation shall be the fuel
17 flowage fee due for that month. TENANT will provide a year-end
18 statement showing all deliveries in the previous year. Both
19 monthly reports and year-end statements shall be on forms
20 supplied by the Airport Manager.
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3 32. NOISE ABATEMENT

4 TENANT expressly covenants to make every reasonable and
5 prudent effort to ensure that aircraft based on, or operating
6 from, the Leased Premises adhere to duly adopted present and
7 future Noise Abatement Programs and Rules and Regulations relat-
8 ing thereto.
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15 33. AVIGATION EASEMENT
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17 There is hereby reserved to the LANDLORD, its succes-
18 sors and assigns, for the use and benefit of the public, a right
19 of flight for the passage of aircraft in the airspace above the
20 surface of the premises herein leased. This public right of
21 flight shall include the right to cause in said airspace any
22 noise inherent in the operation of any aircraft used for naviga-
23 tion or flight through said airspace or landing at, taking off
24 from or operation on the Long Beach Municipal Airport.
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1 34. BULLETIN BOARD

2
3 TENANT will install and continuously maintain a bulle-
4 tin board in a location on the Leased Premises which will be con-
5 venient to and easily seen by patrons, users and visitors and
6 will post and display notices, bulletins and other information
7 supplied by the Airport Manager in a prominent place where such
8 will be easily visible to TENANT's employees, patrons, users and
9 visitors, or will authorize the Airport Manager to post such
10 notices which shall remain continuously on display for such
11 period of time as the same may continue in effect.

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17 35. UTILITIES

18
19 The TENANT shall, at its own cost, pay for all electri-
20 city, gas, water, telephone and other utility services furnished
21 to TENANT, including the cost of installation of necessary con-
22 nections for all of said services. All utilities added from or
23 after the date of this Lease shall be underground.
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36. WASTE DISPOSAL.

TENANT shall construct all facilities necessary to prevent any water or industrial waste from the operations of TENANT on the Leased Premises from flowing into adjacent property. TENANT shall dispose of all sewage and industrial waste in accordance with all applicable regulations and laws of those governmental agencies having jurisdiction or authority thereover.

TENANT shall insure that all solid waste materials are placed in appropriate covered containers designed for use with the type of waste involved, which shall remain covered, and that said containers are maintained within enclosures located on said Leased Premises and designated to keep said trash containers out of the flow of traffic and obscured from view.

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1 37. FAA SECURITY AND SAFETY REGULATIONS

2
3 A. This Lease is subject to Federal Aviation Regula-
4 tions Part 107 and Part 139 relating to Safety and Security.
5 LANDLORD shall provide copies thereof to TENANT who shall provide
6 copies thereof to all sub-tenants.

7
8 B. If any violation of Part 107 or Part 139 occurs on
9 the Leased Premises, TENANT or its sub-tenants shall be strictly
10 liable to reimburse LANDLORD for the full amount of any fine,
11 penalty or other financial loss resulting therefrom.

12
13 C. TENANT assumes liability for any security or safety
14 violation of FAA regulations, including but not limited to
15 violations arising from any gate providing access from and
16 between the leasehold and the airfield being left open. TENANT
17 will pay any fines levied or assessed by FAA as a result of any
18 violation occurring on or as a result of actions on the lease-
19 hold.

20
21 38. BILLBOARDS AND SIGNS

22
23 TENANT agrees not to construct, install or maintain,
24 nor to allow upon the Leased Premises any billboards, signs,
25 banners or like displays which may be placed in or upon any
26 building or structure in such manner as to be visible from the
27 outside thereof, except those receiving prior approval in
28 writing by LANDLORD's Airport Manager.

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3 39. INSPECTION

4 The Airport Manager or his authorized representative
5 shall have the right to enter, inspect, determine the condition
6 of and protect LANDLORD's interest in, the leased premises for
7 the purpose of keeping said premises in a decent, safe, healthy,
8 clean and functional condition. If inspection discloses that the
9 premises are not in the condition described and if the TENANT
10 fails to perform the necessary maintenance work after ten (10)
11 days written notice, LANDLORD may have any necessary maintenance
12 done at the expense of the TENANT. TENANT also agrees to hold
13 LANDLORD harmless for any damage to TENANT's property and opera-
14 tions in the course of such necessary maintenance work performed
15 by LANDLORD.

16 40. AUDIT
17

18 The LANDLORD, City Auditor and City Manager, or their
19 designated representatives, shall be permitted to examine and
20 review TENANT's records at all reasonable times, with or with-
21 out prior notification, for the purpose of determining com-
22 pliance with all terms, covenants and conditions of this Lease.
23 Such examinations and reviews shall be conducted during TENANT's
24 regular business hours in a manner causing as little inconvenience
25 as possible to TENANT.
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28

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41. TERMINATION BY LANDLORD

Should TENANT default in the performance of any term, covenant, condition or agreement imposed upon or promised by said TENANT to be performed and such default is not corrected within thirty (30) days from and after written notice to TENANT by LANDLORD's Airport Manager, specifying said default and demanding its immediate correction, LANDLORD's Airport Manager may declare this Lease and all rights and interests created thereby to be terminated. Provided, however, that where it appears to the satisfaction of City's Airport Manager that such default cannot be cured within thirty (30) days by the exercise of due diligence, and where TENANT has begun and continues a good faith effort to cure such default, the Airport Manager shall grant an extension of time for the curing of said default sufficient to permit said default to be cured.

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42. TERMINATION BY TENANT

Should LANDLORD default in the performance of any term, covenant, or condition to be performed by LANDLORD and such default is not remedied by LANDLORD within thirty (30) days from and after written notice by TENANT specifying said default, TENANT may declare this Lease and all rights and interests created thereby to be terminated. Should any law or ordinance become effective which results in substantial interference with the use of the Leased Premises by TENANT, then TENANT may terminate this Lease upon giving written notice to LANDLORD's City Manager of such termination.

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43. LANDLORD'S RIGHT TO RE-ENTER

TENANT agrees to yield and peaceably deliver possession of the Leased Premises to LANDLORD on the date of termination of this Lease, without regard to the reason for such termination. Upon giving written notice of termination to TENANT, the LANDLORD shall have the right to re-enter and take possession of the Leased Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the Lease and re-entry of the Leased Premises by LANDLORD shall in no way alter or diminish any obligation of TENANT under the Lease terms and shall not constitute an acceptance or surrender. TENANT waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Leased Premises for any reason or in the event LANDLORD re-enters and takes possession of the Leased Premises in a lawful manner. TENANT agrees that should the manner or method employed by LANDLORD in re-entering or taking possession of the Leased Premises give TENANT a cause of action for damages or in forcible entry and detainer, the total amount of damages to which TENANT shall be entitled in any such action shall be One Dollar (\$1.00). TENANT agrees that this clause may be filed in any such action and that when filed, it shall be a stipulation of TENANT fixing the total damages to which TENANT is entitled to such an action.

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44. DEFAULT

TENANT shall be in default upon the occurrence of the following events:

A. If any default in the payment of an installment of rent hereunder, shall continue for a period of thirty (30) days after the LANDLORD delivers to TENANT notice in writing thereof; or

B. If default should be made in any of the other covenants and conditions herein contained to be observed, kept and performed by TENANT and such default, if curable within a period of sixty (60) days, shall nevertheless continue for sixty (60) days after LANDLORD delivers to TENANT notice thereof in writing; or

C. If such default be not curable within such sixty (60) days and TENANT shall have failed to commence the curing of such default within such sixty (60) day period, or, having thus commenced to cure said default, shall thereafter fail to prosecute diligently the curing thereof as soon as possible.

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3 45. ABANDONMENT

4 If TENANT shall abandon or be dispossessed by process
5 of law or otherwise, any personal property belonging to TENANT
6 remaining on the premises thirty (30) days after such abandon-
7 ment or dispossession shall be deemed to have been transferred
8 to LANDLORD, and LANDLORD shall have the right to remove and to
9 dispose of the same without liability to account therefore to
10 TENANT or to any person claiming under TENANT.
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18 46. POSSESSORY INTEREST
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20 TENANT recognizes and understands that this Lease may
21 create a possessory interest subject to property taxation and
22 that TENANT may be subject to the payment of property taxes on
23 such interest.
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1 47. FEDERAL AVIATION ADMINISTRATION ASSURANCES

2
3 This Lease is subject to certain assurances mandated by
4 the Federal Aviation Administration for inclusion in airport
5 leases. These assurances are set out in full in Exhibit "C"
6 attached hereto and made a part hereof.
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16 48. TERMINATION OF PRIOR AGREEMENTS

17
18 It is mutually agreed that this Lease shall supersede
19 any prior agreements between the parties hereto covering all or
20 any portion of the Leased Premises.
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49. ARBITRATION

If any dispute arises between the parties with respect to any matters set forth in this Lease other than rents or rent adjustments or defaults as set forth in Section 44 of the Lease, such dispute shall be resolved by the parties within thirty (30) days after either of the parties has notified the other of its desire to arbitrate the dispute.

Notwithstanding anything set forth herein to the contrary, the parties agree that LANDLORD shall have the right to institute unlawful detainer proceedings as provided for in the Code of Civil Procedure in the event of any occurrence of default listed in Section 44 which is not cured, subject to the rights of any leasehold mortgagee.

If the parties are unable to resolve the dispute by mutual agreement within that period of time, the dispute shall be resolved in accordance with provisions of Part 3, Title 9 of the California Code of Civil Procedure except as provided in this paragraph. No discovery shall be permitted in such proceeding except that not later than ten (10) days prior to any arbitration hearing the parties shall exchange the name and a summary of the testimony of each witness which they intend to present. No party shall submit into evidence at the arbitration any document which has not been submitted to the other side, nor shall any party present any testimony which has not been described in a summary presented to the opposition.

The arbitration shall be conducted by a panel of arbitrators, one of them shall be an attorney-at-law actively

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1 engaged in the practice for at least 10 years prior to the
2 date of the arbitration. The arbitrators shall have no power
3 to modify any of the provisions of this agreement and their
4 jurisdiction is limited accordingly. Each party consents
5 to the entry of judgment by any court having jurisdiction in
6 accordance with the decision of the arbitration panel.

7 Each party shall have the right to be represented by
8 counsel to present evidence or to cross-examine witnesses
9 presented by the other party and such rule shall remain in
10 effect regardless of any change in the California Code of
11 Civil Procedure relating to arbitrations.

12 The arbitration hearings shall be conducted informally.
13 Formal rules of evidence and court procedures shall not apply.

14 Such arbitrations shall be conducted in the County of
15 Los Angeles.

16 If the dispute is not settled within 30 days after the
17 Notice of Intent to Arbitrate, the parties shall select arbi-
18 trators either by agreement or in accordance with the procedures
19 set forth in the Code of Civil Procedure for selecting such
20 arbitrators. The arbitration panel as described in this section
21 shall have been established not less than 60 days after the
22 Notice of Intent to Arbitrate. The panel of arbitrators and the
23 attorneys representing the parties shall meet not less than
24 10 days after the appointment of the panel of arbitrators and
25 establish a hearing date for such arbitration. That hearing
26 date shall be not less than 60 days after the date of the meeting
27 between the panel of arbitrators and the attorneys. The panel
28 of arbitrators shall have 10 days from and after the conclusion

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1 of any hearing on the arbitration to submit a decision to
2 the parties.
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50. GENERAL CONDITIONS

A. Holding Over by TENANT.

In the event of TENANT holding over and failing to surrender the premises at the expiration of the term hereof, or any extension thereof, with or without the consent of LANDLORD's City Manager, said holdover shall result in the creation of a tenancy from month to month at the monthly rental 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 TENANT any right to hold over at the expiration of the term, or any extension thereof without the express written consent of LANDLORD's City Manager. 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.

B. Bankruptcy.

Should TENANT make an assignment for benefit of creditors or should a voluntary or involuntary petition of bankruptcy or for reorganization or for any arrangements be filed by or against TENANT, or if TENANT becomes bankrupt or insolvent, or if a receiver be appointed of TENANT's business or assets (except a receiver appointed at request of LANDLORD), such action shall constitute a breach of this Lease for which LANDLORD, at its option, may terminate all rights of TENANT or TENANT's successors in interest under this Lease, except as provided in this Lease.

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1 C. Disposition of Personal Property Abandoned by TENANT.

2 If TENANT abandons the Leased Premises or is dispossessed
3 thereof by process of law or otherwise, title to any personal
4 property belonging to TENANT and left on the Leased Premises thirty
5 (30) days after such abandonment or dispossession shall be deemed
6 to have been transferred to LANDLORD. LANDLORD shall have the
7 right to remove and to dispose of such property without liability
8 therefor to TENANT or to any person claiming under TENANT and
9 shall have no duty or obligation to account therefor.
10

11 D. Successors in Interest.

12 Unless otherwise provided in this Lease, the terms,
13 covenants and conditions contained herein shall apply to and bind
14 the heirs, successors, executors, administrators and assigns of
15 all of the parties hereto, all of whom shall be jointly and
16 severably liable hereunder.
17

18 E. Taxes and Assessments.

19 TENANT shall pay before delinquency, all taxes, license
20 fees, assessments and other charges which are levied and assessed
21 against and upon the premises, fixtures, equipment, aircraft or
22 other property caused or suffered by the TENANT to be placed upon
23 the Leased Premises or located at the Long Beach Municipal Airport.
24 The TENANT shall furnish LANDLORD with satisfactory evidence of
25 these payments upon demand by LANDLORD.
26

27 F. Costs of Sustaining an Action for Breach or Default.

28 In the event LANDLORD commences legal action against

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1 TENANT claiming a breach or default of this Lease, LANDLORD shall
2 be entitled to recover from TENANT its costs and expenses of said
3 litigation, including but not limited to legal fees.

4
5 G. Circumstances Which Excuse Performance.

6 If either party hereto shall be delayed or prevented
7 from the performance of any act required hereunder by reason of
8 acts of God, restrictive governmental laws or regulations or
9 other cause, without fault and beyond control of the party obl-
10 gated other than financial incapacity, performance of such act
11 shall be excused for the period of the delay; and the period for
12 the performance of any such act shall be extended for a period
13 equivalent to the period of such delay, provided, however, nothing
14 in this section shall excuse TENANT from the prompt payment of
15 any rental or other charge required of TENANT hereunder except as
16 may be expressly provided elsewhere in this Lease.

17
18 H. Amendments.

19 This Lease sets forth all of the agreements and under-
20 standings of the parties hereto and is not subject to modifica-
21 tion, except in writing duly executed by the legally authorized
22 representatives of each of the parties.

23
24 I. Lease Organization.

25 The various headings in this Lease, the number of
26 letters thereof, and the organization of the Lease into separate
27 sections and paragraphs are for purposes of convenience only and
28 shall not be considered otherwise.

1 J. Partial Invalidity.

2 If any term, covenant, condition or provisions of this
3 Lease is held by a court of competent jurisdiction to be invalid,
4 void or unenforceable, the remainder of the provisions hereof
5 shall remain in full force and effect and shall in no way be af-
6 fected, impaired or invalidated thereby.

7
8 K. Waiver of Rights.

9 The failure of TENANT or LANDLORD to insist upon strict
10 performance of any of the terms, conditions or covenants herein
11 shall not be deemed a waiver of any rights or remedies that
12 either may have, and shall not be deemed a waiver of any subse-
13 quent breach or default of the terms, conditions or covenants
14 herein contained.

15
16 L. Notices.

17 All notices given or to be given by either party to the
18 other, shall be served by either: (1) enclosing the same in a
19 sealed envelope addressed to the party intended to receive the
20 same at the address indicated herein or at such other address as
21 the parties may by written notice hereafter designate, and de-
22 posited in the U. S. Postal Service, with postage prepaid; or
23 (2) personal service upon the Airport Manager or upon an officer
24 or authorized agent of TENANT. Such notices shall be effective
25 on the date of mailing if served by mail or on the date personal
26 service is effected if such notice is personally served. For
27 the purposes hereof, notices to LANDLORD and TENANT shall be
28 addressed as follows:

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1 TO: LANDLORD
2 Airport Manager
3 Long Beach Municipal Airport
4 4100 Donald Douglas Drive
5 Long Beach, California 90808

TO: TENANT
PETROWINGS LIMITED
4310 Donald Douglas Drive
Long Beach, California 90808

6 M. Time.

7 Time is of the essence in this Lease.

8 IN WITNESS WHEREOF, the parties hereto have caused
9 these presents to be duly executed with all the formalities re-
10 quired by law on the respective dates set forth opposite their
11 signatures.

12 CITY OF LONG BEACH, a municipal
13 corporation

14 November 16, 1988

By [Signature]
15 ASSISTANT City Manager

16 EXECUTED PURSUANT
17 TO SECTION 301 OF
18 THE CITY CHARTER.

LANDLORD

19 PETROWINGS LIMITED

20 SEPT. 29, 1988

By [Signature]
21 General Partner

TENANT

22
23 The foregoing Fixed Base Operation Lease is hereby
24 approved as to form this 6 day of October, 1988.

25 JOHN R. CALHOUN, City Attorney

26 By: [Signature] Deputy
27
28

RPF/md

9/6/88

LEGAL DESCRIPTION

Petrowings, Ltd.
Lease at Long Beach Airport

Those portions of Lots 65 and 66 of Tract No. 8084, City of Long Beach, County of Los Angeles, State of California as per Map recorded in Book 171, Page 24 through 30, inclusive, of Maps in the office of the County Recorder of said County, described as follows:

Parcel 1

Beginning at the intersection of the centerline of Lakewood Boulevard, 100 feet in width, formally Cerritos Avenue, 80.00 feet in width vacated per Resolution of the California Highway Commission and recorded as Document No. 3601 on May 19, 1959, in the office of said County Recorder and the westerly prolongation of the northerly line of said Lot 65, all as shown on said Tract No. 8084, said intersection also being City of Long Beach Monument No. 2905 (Airport Monument No. G-10); thence South 0°05'37" West 659.91 feet along said centerline to the TRUE POINT OF BEGINNING; thence South 89°54'08" East 249.94 feet to a point, hereinafter referred to as Point "A"; thence South 89°54'23" East 76.06 feet; thence South 0°05'37" West 113.00 feet; thence North 89°54'23" West 40.00 feet; thence South 0°05'37" West 278.16 feet; thence North 89°54'23" West 306.06 feet; thence North 46°52'53" West 41.04 feet to a point, hereinafter referred to as Point "B"; thence North 0°05'37" East 363.18 feet; thence South 89°54'08" East 50.06 feet to the TRUE POINT OF BEGINNING.

Parcel 2

Beginning at Point "A"; thence North 0°05'37" East 45.00 feet; thence South 89°54'23" East 76.06 feet; thence South 0°05'37" West 45.00 feet to the northerly line of Parcel 1; thence North 89°54'23" West 76.06 feet along said northerly line to Point "A".

Parcel 3

Beginning at Point "B"; thence North 89°54'23" West 243.34 feet; thence North 0°05'37" East 64.95 feet; thence North 89°50'38" East 243.34 feet to the westerly line of Parcel 1; thence South 0°05'37" West 66.01 feet along said westerly line to Point "B".



PREPARED	CHECKED	LEASE NO.	DRAWING NO.
S. SMITH	L. MADDOX	19331	M-1750

FIRST AMENDMENT TO FIXED BASE OPERATION LEASE

20556

THIS FIRST AMENDMENT TO FIXED BASE OPERATION LEASE NO. 20556 is made and entered into, in duplicate, as of December 19, 1989, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on ~~December 19, 1989,~~ ^{January 2, 1990} by and between the CITY OF LONG BEACH ("Landlord"), and PETROWINGS LIMITED, a general partnership, with a place of business at 4310 Donald Douglas Drive, Long Beach, California 90808 ("Tenant"), who agree as follows:

WHEREAS, Landlord and Tenant previously entered into that certain Fixed Base Operation Lease dated as of November 11, 1988, (the "Lease") pursuant to which Landlord agreed to lease to Tenant and Tenant agreed to lease from Landlord certain real property located at 4310 Donald Douglas Drive, in the City of Long Beach, County of Los Angeles, State of California (the "Leased Premises"); and

WHEREAS, Landlord and Tenant now desire to amend the Lease to correct the notice provision and to add a right to cure nonmonetary defaults, and for other purposes;

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions hereinafter set forth, it is agreed that the Lease is hereby amended in the following respects:

1. Paragraph 21.B of the Lease is hereby amended to read in its entirety as follows:

"B. LENDER'S RIGHTS.

Any such lender shall have the right at any time during the term hereof:

1 (1) To do any act or thing required of TENANT
2 hereunder and all such acts or things done and performed
3 shall be as effective to prevent a forfeiture of TENANT's
4 rights hereunder as if done by the TENANT; and

5 (2) To realize on the security afforded by the
6 leasehold estate and to acquire and succeed to the interest
7 of TENANT hereunder by foreclosure of any mortgage or deed
8 of trust and to convey or assign the title to the leasehold
9 estate created hereby to any purchaser at a foreclosure
10 sale; and

11 (3) In the event of any default by the TENANT in the
12 payment of an installment of rent hereunder, to pay such
13 rent to the LANDLORD and such rent payments alone, without
14 further requirement, shall be sufficient to prevent a
15 termination or forfeiture of the leasehold estate created
16 hereby, provided, however, that such right to prevent such
17 termination or forfeiture shall exist only for a period of
18 sixty (60) days after notice of such default has been given
19 by the LANDLORD to such lender and only as to those lenders
20 who have notified the Airport Manager of their interest in
21 said Leased Premises, as provided in Paragraph 21.D.
22 herein; and after said sixty (60) day period such lender,
23 to prevent such termination or forfeiture, shall be
24 required to do all acts and things required of TENANT to be
25 done and performed hereunder; and

26 (4) To cure such default or breach if the same can be
27 cured by the payment or expenditure of money provided to be
28 paid under the terms of this Lease; or, if such default or

John R. Calhoun
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802
Telephone (213) 590-6061

1 breach cannot be cured by the payment or expenditure of
2 money, to cure such default or breach within thirty (30)
3 days after notice of same from Landlord setting forth the
4 nature of the default and, if the default cannot be cured
5 within said thirty-day period to cause the trustee under
6 the trust deed to commence and thereafter to diligently
7 pursue to completion proceedings for the exercise of the
8 power of sale pursuant to the trust deed in the manner
9 provided by law; and

10 (5) To keep and perform all of the covenants and
11 conditions of this Lease requiring the payment or
12 expenditure of money by TENANT until such time as said
13 leasehold shall be sold upon foreclosure pursuant to the
14 trust deed or shall be released or reconveyed thereunder;

15 (6) If the holder of the trust deed shall fail or
16 refuse to comply with any and all of the conditions of this
17 Paragraph 21 then and thereupon LANDLORD shall be released
18 from the covenant of forbearance herein contained.

19 (7) In the event TENANT or its subtenants, successors
20 or assignees creates or allows a citable offense or is
21 cited for a violation or violations of the Health and
22 Safety Code or any other applicable federal, state or local
23 law, LANDLORD, at its sole option, may either declare the
24 Lease in default and pursue all remedies available to it in
25 law, equity, or this Lease or in the alternative, as
26 provided in this Paragraph 21, permit TENANT's lender to
27 assume the Lease conditional upon curing the offending
28 default. Cancellation of the Lease shall not release

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1 TENANT, lender, or other responsible party from any
2 responsibility, liability, or obligation to remedy any
3 toxic condition occurring on the leasehold."

4 2. Paragraph 21.D. of the Lease is hereby amended to
5 read in its entirety as follows:

6 "D. NOTICE.

7 As a condition to the vesting of any rights in this
8 Lease or in the leasehold estate created hereby in any lender,
9 except as may be otherwise provided by law, the lender shall
10 give to the Airport Manager a written notice setting forth the
11 name and address of the lender and enclosing a copy of the
12 security instrument recorded in the lender's favor. Said notice
13 shall be given in the manner prescribed in Paragraph 50.L. of
14 this Lease. Upon the giving of notice as stated herein, the
15 lender shall be entitled to notice from Landlord of Tenant's
16 default hereunder, of any request to amend this Lease, and of
17 any request to terminate this Lease."

18 3. Except as set forth in this First Amendment to
19 Fixed Base Operation Lease, all of the provisions of the Lease
20 shall remain unchanged and in full force and effect.

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

(Partnership)

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS.

On February 1, 1990 before me, the undersigned, a Notary Public in and for said
State, personally appeared J.C. Q. Martin

(☒) personally known to me or (☐) proved to me on the basis
of satisfactory evidence to be the person who that executed this
instrument, on behalf of the partnership and acknowledged to me
that the partnership executed it.

WITNESS my hand and official seal.

Signature

Lynne E. Feddy
Lynne E. Feddy

Name (Typed or Printed)

L-8 (8/82)

(This area for official notarial seal)

1 IN WITNESS WHEREOF, the parties hereto have caused
2 these presents to be duly executed with all the formalities
3 required by law on the respective dates set forth opposite their
4 signatures.

5 PETROWINGS LIMITED, a general
6 partnership

7 2/1, 1990 By E. Q. Martin
8 General Partner

9 "TENANT"

10 CITY OF LONG BEACH, a municipal
11 corporation

12 Feb. 22, 1990 By John F. Murray
13 ASSISTANT City Manager

14 "LANDLORD"

15 EXECUTED PURSUANT
16 TO SECTION 301 OF
17 THE CITY CHARTER.

18 The foregoing First Amendment to Fixed Base Operation
19 Lease is hereby approved as to form this 16th day of February,
20 1990.

21 JOHN R. CALHOUN, City Attorney

22 By D. F. Quinn
23 Deputy

24
25
26
27
28 PETRO1ST.AMD

SECOND AMENDMENT TO FIXEDBASE OPERATIONS LEASE

THIS SECOND AMENDMENT TO FIXED BASE OPERATIONS LEASE ("Second Amendment") is entered into as of the 10th day of July, 2000, pursuant to minute order adopted by the City Council of the City of Long Beach at its meeting of June 20, 2000, by and between the CITY OF LONG BEACH, a municipal corporation ("Landlord"), and PETROWINGS LIMITED, a California limited partnership ("Tenant").

1. This Second Amendment is made with reference to the following facts and objectives:

1.1 The parties entered into a Fixed Base Operations Lease as of November 16, 1988 ("Lease") for the use of certain premises at the Long Beach Municipal Airport, consisting of approximately 3.56 acres of land ("Leased Premises"). The Lease was amended on or about February 16, 1990 ("First Amendment") to clarify the rights of a lender in the event Tenant assigned its rights under the Lease for security purposes.

1.2 The parties intend by this Second Amendment to set forth all of their understandings and agreements regarding amendment of the land area of the Leased Premises.

2. Section 1 of the Lease is amended by changing the land area from "3.56 acres" at line 8 to "3.717 acres", and substituting the drawing and legal description attached hereto as Exhibit "A" for the original Exhibit "A" to the Lease.

3. Section 5 of the Lease is amended by adding a new sentence to be and read as follows:

"Notwithstanding the provisions of Section 1 of the Lease, and until otherwise agreed, the land area of the Leased Premises shall be deemed to be 3.56 acres, or 155,073.6 square feet, for purposes of the adjustment to

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

land rental required by this Section 5, notwithstanding the relinquishment of approximately 0.08 acres of land of the Leased Premises and the addition of approximately 0.237 acres of land to the Leased Premises."

3. Except as expressly provided in this Second Amendment all of the terms and conditions of the Lease shall remain unchanged and in full force and effect.

4. This Second Amendment shall be effective upon execution by the City of Long Beach.

PETROWINGS LIMITED, a California limited partnership

DATED: 5-31, 2000

By:

EQ Martin

Name:

EQ MARTIN

Title:

Partner

DATED: _____, 2000

By:

Name:

Title:

"Tenant"

CITY OF LONG BEACH, a municipal corporation

DATED: July 10, 2000

By:

MacArthur
ASSISTANT City Manager

"Landlord"

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

The foregoing Second Amendment to Fixed Base Operations Lease is hereby approved as to form this 27th day of June, 2000.

ROBERT E. SHANNON, City Attorney

By:

Everett L. Glenn, Deputy

ELG:mb5-18-2000(petrowings,amd)00-02131

F:\APPS\CyLaw32\WPDOS\ID018\PD001\00010994.WPD

SECOND AMENDMENT TO FIXED
BASE OPERATIONS LEASE

THIS SECOND AMENDMENT TO FIXED BASE OPERATIONS LEASE ("Second Amendment") is entered into as of the 10th day of July, 2000, pursuant to minute order adopted by the City Council of the City of Long Beach at its meeting of June 20, 2000, by and between the CITY OF LONG BEACH, a municipal corporation ("Landlord"), and PETROWINGS LIMITED, a California limited partnership ("Tenant").

1. This Second Amendment is made with reference to the following facts and objectives:

1.1 The parties entered into a Fixed Base Operations Lease as of November 16, 1988 ("Lease") for the use of certain premises at the Long Beach Municipal Airport, consisting of approximately 3.56 acres of land ("Leased Premises"). The Lease was amended on or about February 16, 1990 ("First Amendment") to clarify the rights of a lender in the event Tenant assigned its rights under the Lease for security purposes.

1.2 The parties intend by this Second Amendment to set forth all of their understandings and agreements regarding amendment of the land area of the Leased Premises.

2. Section 1 of the Lease is amended by changing the land area from "3.56 acres" at line 8 to "3.717 acres", and substituting the drawing and legal description attached hereto as Exhibit "A" for the original Exhibit "A" to the Lease.

3. Section 5 of the Lease is amended by adding a new sentence to be and read as follows:

"Notwithstanding the provisions of Section 1 of the Lease, and until otherwise agreed, the land area of the Leased Premises shall be deemed to be 3.56 acres, or 155,073.6 square feet, for purposes of the adjustment to

Robert E. Shannon
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land rental required by this Section 5, notwithstanding the relinquishment of approximately 0.08 acres of land of the Leased Premises and the addition of approximately 0.237 acres of land to the Leased Premises."

3. Except as expressly provided in this Second Amendment all of the terms and conditions of the Lease shall remain unchanged and in full force and effect.

4. This Second Amendment shall be effective upon execution by the City of Long Beach.

PETROWINGS LIMITED, a California limited partnership

DATED: 5-31, 2000

By: EQ Martin

Name: EQ MARTIN

Title: Partner

DATED: _____, 2000

By: _____

Name: _____

Title: _____

"Tenant"

CITY OF LONG BEACH, a municipal corporation

DATED: July 10, 2000

By: [Signature]
ASSISTANT City Manager

"Landlord" EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

The foregoing Second Amendment to Fixed Base Operations Lease is hereby approved as to form this 27th day of June, 2000.

ROBERT E. SHANNON, City Attorney

By: [Signature]

Everett L. Glenn, Deputy

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 576-2280

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of ~~California~~ IDAHO

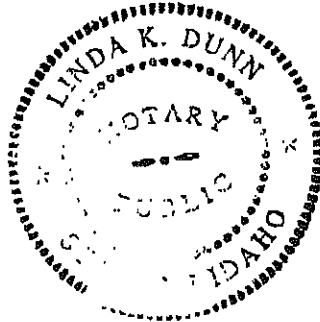
County of BANNER

SS.

On MAY 31, 2000, before me, LINDA K. DUNN, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared ERNEST Q. MARTIN
Name(s) of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence



Place Notary Seal Above

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Linda K. Dunn
Signature of Notary Public
 COMMISSION EXPIRES: 12-7-2000

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: SECOND AMENDMENT TO FIXED BASE OPERATIONS LEASE

Document Date: MAY 31, 2000 Number of Pages: 4

Signer(s) Other Than Named Above: _____

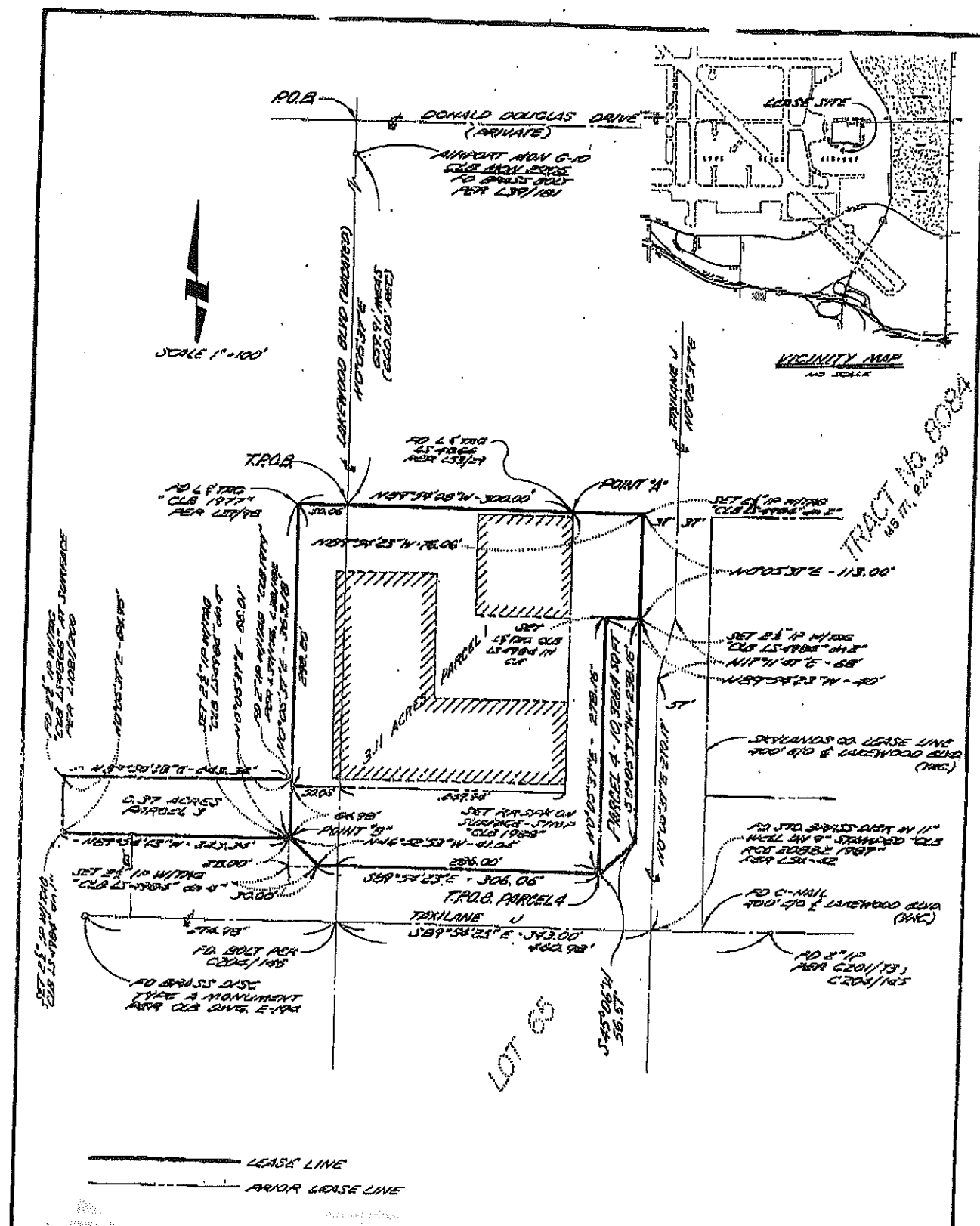
Capacity(ies) Claimed by Signer

Signer's Name: ERNEST Q. MARTIN

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☒ Partner — ☒ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: PETROLWINGS LTD

RIGHT THUMBPRINT
 OF SIGNER
 Top of thumb here



FIELD WORK BOOK PAGE DATE 153 154-155 2-1-88 153 156-157 3-5-88 153 158-159 3-24-88 153 160 1-10-88 153 161 9-18-88 153 162 7-10-88 153 163 1-10-88		CITY OF LONG BEACH - CALIFORNIA DEPARTMENT OF PUBLIC WORKS, ENGINEERING BUREAU PETROWING & SONS, INC. LEASE AT LONG BEACH AIRPORT REGISTERED PROFESSIONAL ENGINEER No. 20882 9-10-87 DATE APPROVED 2/10/88 PREPARED S. SMITH CHECKED L. MADDOX LEASE NO. 10882 DRAWING NO. 10882	
DRAWINGS TITLE QWB. NO. DATE 153 164 9-10-88 153 165 8-1-88		CHIEF SURVEYOR 1/26/88 DIVISION ENGINEER 1/26/88 DIVISION ENGINEER 1/26/88 MANAGER, AIRPORT BUREAU	

LEGAL DESCRIPTION

Petrowings, Ltd.
Lease at Long Beach Airport

Those portions of Lots 65 and 66 of Tract No. 8084, City of Long Beach, County of Los Angeles, State of California as per Map recorded in Book 171, Page 24 through 30, inclusive, of Maps in the office of the County Recorder of said County, described as follows:

Parcel 1

Beginning at the intersection of the centerline of Lakewood Boulevard, 100 feet in width, formally Cerritos Avenue, 80.00 feet in width vacated per Resolution of the California Highway Commission and recorded as Document No. 3601 on May 19, 1959, in the office of said County Recorder and the westerly prolongation of the northerly line of said Lot 65, all as shown on said Tract No. 8084, said intersection also being City of Long Beach Monument No. 2905 (Airport Monument No. G-10); thence South 0°05'37" West 659.91 feet along said centerline to the TRUE POINT OF BEGINNING; thence South 89°54'08" East 249.94 feet to a point, hereinafter referred to as Point "A"; thence South 89°54'23" East 76.06 feet; thence South 0°05'37" West 113.00 feet; thence North 89°54'23" West 40.00 feet; thence South 0°05'37" West 278.16 feet; thence North 89°54'23" West 306.06 feet; thence North 46°52'53" West 41.04 feet to a point, hereinafter referred to as Point "B"; thence North 0°05'37" East 363.18 feet; thence South 89°54'08" East 50.06 feet to the TRUE POINT OF BEGINNING.

Parcel 3

Beginning at Point "B"; thence North 89°54'23" West 243.34 feet; thence North 0°05'37" East 64.96 feet; thence North 89°50'38" East 243.34 feet to the westerly line of Parcel 1; thence South 0°05'37" West 66.01 feet along said westerly line to Point "B".

Parcel 4 Beginning at Point "B"; thence North 46°52'53" West 41.04 feet; thence South 89°54'23" East 306.06 feet to the TRUE POINT OF BEGINNING of Parcel 4; thence North 0°05'37" East 278.16 feet; thence North 89°54'23" West 40.00 feet; thence South 0°05'37" West 238.16 feet; thence South 46°08' West 58.67 feet to the TRUE POINT OF BEGINNING of Parcel 4



PREPARED S. SMITH	CHECKED L. MADDOX	LEASE NO. 19331	DRAWING NO. M-1750a
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STOCK NO. 3018 (4050X)
STOCK NO. 3018 (4050X)
STOCK NO. 3018 (4050X)

Notes:

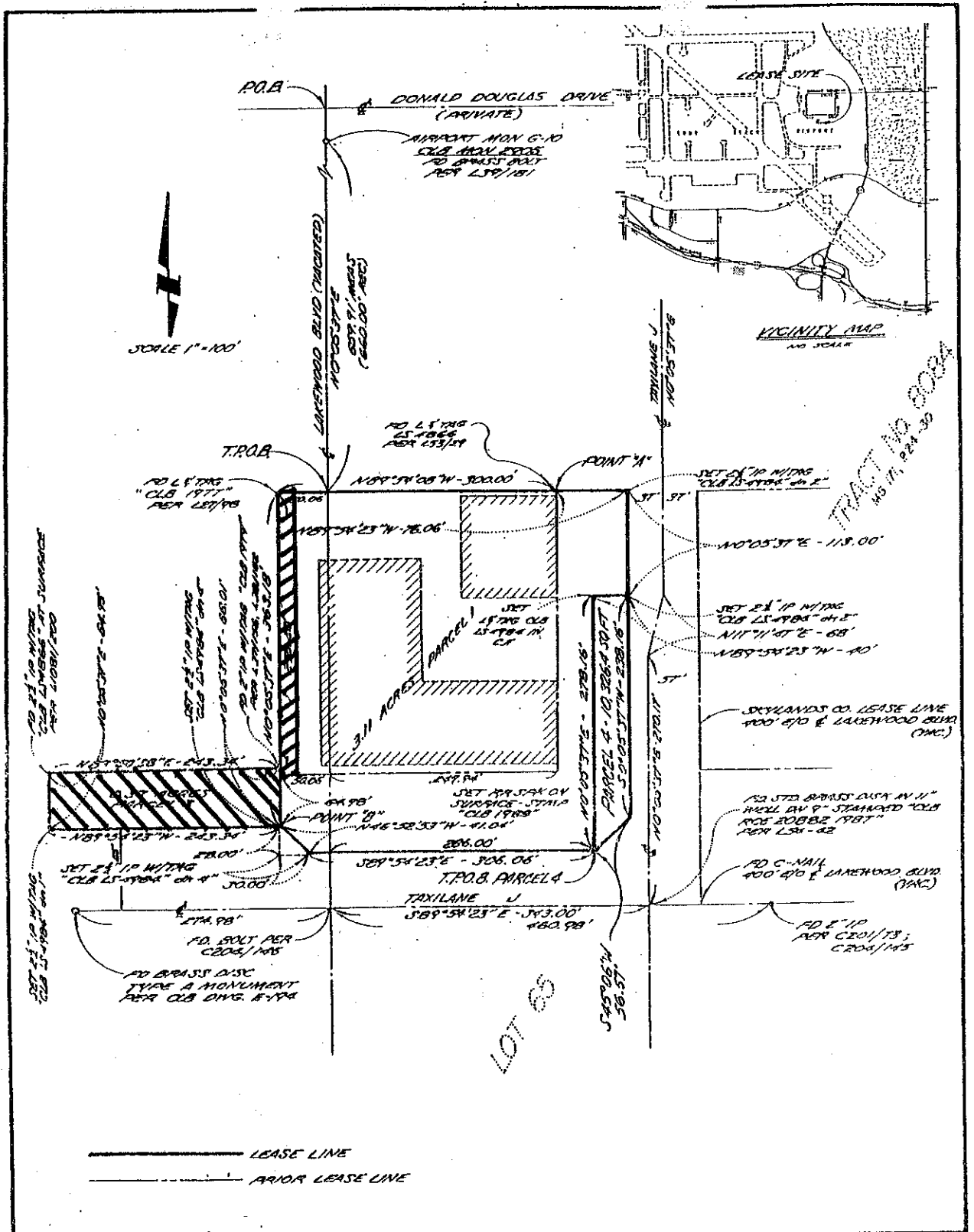
Line up bottom of 1" tabs using longer line as a guide

Line up bottom of 1/2" tabs using every line as a guide

Line up right side of 1/2" tabs using every line as a guide

Line up right side of 1" tabs using longer line as a guide

EXHIBIT C



A.R. Unhamed 1/26/88
CHIEF SURVEYOR
S.S. 0000

2. J. P. P. P. 1-16-88
DIVISION ENGINEER
S.S. 31032

Edward J. P. P.
DIVISION ENGINEER
S.S. 21232

John U. Gorman
MANAGER, AIRPORT BUREAU

FIELD WORK		
BOOK	PAGE	DATE
153	187-190	8-1-06
153	164-165	3-5-07
153	166-173	3-24-07
CR01	73	1-30-39
CR04	145	8-14-39
154	42	7-10-07
21187	7-12	1-14-03
DRAWINGS		
TITLE	OWG. NO.	DATE
	11-653	9-10-39
	5-194	

CITY OF LONG BEACH - CALIFORNIA
DEPARTMENT OF PUBLIC WORKS, ENGINEERING BUREAU

PETROWING
LEASE AT LONG BEACH AIRPORT

DATE APPROVED **2/10/88**
PREPARED **S. SMITH**
CHECKED **L. MADDOX**
LEASING NO. **1938**
ENGINEER **ROE 20882**
MANAGING NO. **M-1750a**