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OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

LONG BEACH MUNICIPAL AIRPORT

**33835**

AMENDED AND RESTATED FIXED BASE OPERATION LEASE

CITY OF LONG BEACH

LANDLORD

AEROLEASE – LONG BEACH

TENANT

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1                                    AMENDED AND RESTATED FIXED BASE OPERATION LEASE

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3                                    The following Amended and Restated Fixed Base Operation Lease is made  
4 and entered into, in duplicate, as of the 1st day of May, 2015 ("Effective Date"), pursuant  
5 to a minute order adopted by the City Council, City of Long Beach, at its meeting held on  
6 the 16th day of December, 2014, by and between the CITY OF LONG BEACH, a  
7 municipal corporation, ("LANDLORD") and AEROLEASE-LONG BEACH, a California  
8 general partnership, dba Aeroplex Aviation with its place of business at 3333 East Spring  
9 Street, Long Beach, California ("TENANT").

10                                  1.     LEASED PREMISES. In consideration of the faithful performance of  
11 the covenants and conditions hereinafter agreed to be kept by LANDLORD and  
12 TENANT, LANDLORD does hereby lease and TENANT does hereby take and accept the  
13 following described premises consisting of approximately 14.2 acres of land located at  
14 the Long Beach Municipal Airport (LGB) (the "Airport") legally described in Exhibit "A"  
15 attached hereto and made a part hereof, and shown on the drawing marked Exhibit "B"  
16 attached hereto and made a part hereof (the "Premises"). The parties acknowledge and  
17 agree that the Premises were previously leased by LANDLORD to TENANT pursuant to  
18 Fixed Base Operation Lease No. 16419 dated as of March 14, 1983 (as amended, the  
19 "Original Lease"). The Original Lease shall no longer be of any further force or effect as  
20 of the Effective Date.

21                                  2.     CONDITION OF PREMISES.

22    A.     TENANT accepts the Premises in an "AS IS" condition and  
23 acknowledges that TENANT has not received and LANDLORD has not made any  
24 warranty, express or implied as to the condition of the Premises or any  
25 improvements, structures substructures, or infrastructures located thereon.

26    B.     Except as otherwise set forth in this Lease, TENANT agrees  
27 to bear all expenses incurred in the development, operation and maintenance of  
28 the Premises including improvements thereto existing as of the Effective Date.

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

3. CONSTRUCTION, ALTERATION AND CHANGES.

A. TENANT shall not construct, install, or modify any structures, facilities or exterior signs on the Premises costing in excess of Fifty Thousand Dollars (\$50,000) without the prior written approval of LANDLORD'S Airport Director or designee (the "Airport Director").

B. After the Effective Date, TENANT shall not place upon the Premises any portable buildings, trailers, or other portable structures without the prior written approval of the Airport Director.

4. CONSTRUCTION AND BONDING.

A. BONDS. Prior to beginning any construction valued at more than Two Hundred Fifty Thousand Dollars (\$250,000.00), TENANT shall provide written notice of such proposed construction to the Airport Director. Within ten (10) days of receipt of such notice the Airport Director, in his or her reasonable discretion, may require TENANT to file with LANDLORD a Performance Bond or letter of credit or an assignment of a Certificate of Deposit (CD) in the amount of fifty percent (50%) of the estimated cost of the construction and a Labor and Material Bond (also known as a Payment Bond) in the amount of fifty percent (50%) of the estimated cost of the construction, executed by LESSEE or LESSEE'S contractor, as Principal, and by a surety authorized to do business in California as a Surety. The bonds shall name LANDLORD as a joint obligee with TENANT. Should the Airport Director fail to respond to the written notice as described above, then TENANT may commence construction without provision of any bonds or other construction security to LANDLORD. Nothing contained in this Lease shall be deemed to release TENANT from the duty to keep the Premises free of liens. The Performance Bond shall remain in effect until the expiration of the statutory period for filing liens or stop notices, or until the Premises are free

1 from the effect of such liens or stop notices, if liens have been filed.

2 B. FORCE MAJEURE. The time within which TENANT is  
3 obligated hereunder to construct, repair or rebuild any building or other  
4 improvement, or cure any default on the part of TENANT hereunder shall be  
5 extended for a period of time equal in duration to, and performance in the  
6 meantime shall be excused on account of and for and during the period of time  
7 equal in duration to, any delay caused by strikes, threats of strikes, lockouts, war,  
8 threats of war, insurrection, invasion, acts of God, calamities, violent action of the  
9 elements, fire action or regulation of any governmental agency, law or ordinance,  
10 impossibility of obtaining materials, or other things beyond the reasonable control  
11 of TENANT.

12 C. ZONING. A portion of the Premises are presently zoned PD-  
13 13 and the remaining portion of the Premises are zoned IG.

14 D. PROPERTY OF TENANT. Any buildings, structures or other  
15 improvements existing as of the Effective Date or thereafter constructed or placed  
16 on the Premises by TENANT shall remain the property of TENANT until the  
17 expiration or earlier termination of this Lease.

18 E. LIENS.

19 i. Subject to TENANT's right, to contest the same as  
20 hereinafter provided, TENANT agrees that it will pay as soon as due all  
21 mechanics, laborers, materialmens, contractors, subcontractors or similar  
22 charges, and all other charges of whatever nature which may become due,  
23 attached to or payable on said property or any part thereof or any building,  
24 structure or other improvements thereon, from and after the Effective Date.  
25 Nothing herein contained shall in any respect make TENANT the agent of  
26 LANDLORD, or (except as otherwise specifically provided in this Lease),  
27 authorize TENANT to do any act or to make any contract encumbering or in  
28 any manner affecting the title or rights of LANDLORD in or to the Premises

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or in the improvements thereon.

ii. Before any buildings, structures or other improvements, repairs or additions thereto are constructed or reconstructed upon the Premises, costing in excess of Fifty Thousand Dollars (\$50,000), TENANT shall serve written notice upon the Airport Director in the manner specified in this Lease of TENANT's intention to perform such work for the purpose of enabling LANDLORD to post notices of non-responsibility under the provisions of Section 3094 of the Civil Code of the State of California, or any other similar notices which may be required by law.

iii. If any such mechanics or other liens shall at any time be filed against the 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 Premises from the effect of such claim of lien and any action brought to foreclose such lien, or TENANT shall promptly furnish to LANDLORD a bond in an amount and issued by a surety company satisfactory to LANDLORD securing 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.

iv. 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 LANDLORD or TENANT in any litigation involving the enforcement of such liens or the validity thereof.

v. 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, 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

1 such lien by contesting its validity or by any other lawful means.

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

9 F. COMPLIANCE WITH CONSTRUCTION LAWS. TENANT  
10 shall cause all construction work performed at the Premises to comply with (a) all  
11 applicable laws, ordinances, rules and regulations of federal, state, county or  
12 municipal governments or agencies (including, without limitation, all applicable  
13 federal and state labor standards, including the prevailing wage provisions of  
14 Section 1770 et seq. of the California Labor Code), and (b) all directions, rules and  
15 regulations of any fire marshal, health officer, building inspector, or other officer of  
16 every governmental agency now having or hereafter acquiring jurisdiction.  
17 TENANT shall indemnify, defend and hold LANDLORD harmless from any and all  
18 claims based upon or arising from the failure of any work related to the Premises  
19 to comply with all such applicable legal requirements, including, without limitation,  
20 any such claims that may be asserted against or incurred by LANDLORD with  
21 respect to or in any way arising from such construction work's compliance with or  
22 failure to comply with applicable laws, including all federal and state labor  
23 requirements including, without limitation, the requirements of California Labor  
24 Code Section 1770 et seq.

25 5. IMPROVEMENTS TO BE REMOVED BY TENANT OR BECOME  
26 PROPERTY OF LANDLORD. Upon the expiration or earlier termination of this Lease, (i)  
27 all buildings and improvements on the Premises shall immediately become the property  
28 of LANDLORD without compensation to TENANT, and (ii) any fixtures, furniture,

1 equipment or other personal property remaining on the Premises may be disposed of by  
2 LANDLORD, and TENANT shall reimburse LANDLORD the costs of such disposal (if  
3 any).

4 6. TERM. The term of this Lease shall be a period of forty (40) years,  
5 beginning on the Effective Date and terminating on April 30, 2055 (the "Lease Term"),  
6 unless sooner terminated in accordance with the terms of this Lease.

7 7. RENT.

8 A. Beginning on the Effective Date and continuing thereafter until  
9 May 1, 2030, TENANT shall pay rent to LANDLORD monthly in advance, without  
10 deduction, setoff, notice or demand, on the first day of each month, in accordance  
11 with the rent schedule included as Exhibit "C" attached hereto and made a part  
12 hereof.

13 B. The monthly rent shall be adjusted to reflect fair market value  
14 conditions. In order to adjust the monthly rent, the fair market land value of the  
15 Premises and the prevailing rate of return shall be determined as of November 1  
16 of the year immediately preceding the year in which the fair market value rent  
17 adjustment is to become effective. Adjusted rent payment shall take effect on the  
18 following dates (each, an "FMV Adjustment Date"): May 1, 2030, May 1, 2040 and  
19 May 1, 2050.

20 i. Approximately six (6) months prior to an FMV  
21 Adjustment Date, LANDLORD and TENANT shall meet to determine the  
22 fair market land value and prevailing rate of return. Should LANDLORD  
23 and TENANT not be able to come to agreement at least four (4) months  
24 prior to the FMV Adjustment Date, then the fair rental value of the subject  
25 land and/or the prevailing rate of return shall be determined by appraisals  
26 prepared by two appraisers, one appointed by LANDLORD at its expense  
27 and one appointed by TENANT at its expense. All appraisers shall be MAI  
28 members of the American Institute of Real Estate Appraisers or a

1 successor organization in the event the American Institute of Real Estate  
2 Appraisers ceases to exist. Both appraisals must be completed and  
3 exchanged between LANDLORD and TENANT respectively within forty (40)  
4 days after the appointment of the appraisers. The two appraisals shall be  
5 averaged unless the higher of the two appraisals exceeds the lesser by ten  
6 percent (10%) or more, in which case the two appraisers shall appoint a  
7 third appraiser, also an MAI member of the American Institute. In order to  
8 select such third appraiser, if the two appraisers do not agree, the  
9 appraisers shall obtain a list of five appraisers from the President of the  
10 American Institute of Real Estate Appraisers and shall alternately strike  
11 names from such list until one remains to become the third appraiser. The  
12 third appraiser shall be appointed by the first two appraisers within fourteen  
13 (14) days after notice from either of the parties to this Lease that the  
14 appointment of a third appraiser is necessary. The cost of such third  
15 appraiser shall be shared equally by the parties to this Lease. The third  
16 appraiser shall complete and submit the required appraisal to both parties  
17 within forty (40) days after appointment. All appraisals shall be in the form  
18 of written reports supported by facts and analysis. The two of the three  
19 appraisers arriving at values closest to each other shall attempt to concur  
20 on a value. If they are unable to do so within forty (40) days, the two  
21 closest appraisals shall be averaged and that value shall be the fair market  
22 value of the land or the prevailing rate of return, as appropriate. The  
23 adjusted fair market land value shall be converted into an annual rent  
24 obligation based on the prevailing rate of return on similar ground leases  
25 then current in the market. Disagreements between the two appraisers as  
26 to the method of appraisal shall be resolved by a third appraiser, appointed  
27 in the manner described in this subsection.

28 ii. Upon completion of the determination of the adjusted



1 rent to be paid by Tenant hereunder, Landlord and Tenant shall execute an  
2 amendment to this Lease to formally recognize the new rent amount.

3 C. Beginning on April 1, 2031 and continuing annually thereafter  
4 (except on FMV Adjustment Dates), the then-current monthly rent shall be  
5 adjusted to reflect the increase (if any) in the Consumer Price Index for All Urban  
6 Consumers, All Items, for the Los Angeles-Riverside-Orange County, CA Area,  
7 published by the United States Department of Labor, Bureau of Labor Statistics  
8 ("index"). If the index for the month of January for the year of such review  
9 (hereinafter referred to as the "current index") is more than the index for the month  
10 of January in the year immediately prior to the year of such review (hereinafter  
11 referred to as the "beginning index"), then the then-current monthly rental payable  
12 by Lessee to City thereafter, unless and until adjusted as a result of further  
13 periodic reviews, shall be increased by the same percentage that the current index  
14 increased over the beginning index; provided, however, that in no event shall the  
15 rent increase calculated in accordance with this Paragraph C be less than two  
16 percent (2%) nor more than six percent (6%) of the rent during the prior one (1)  
17 year period.

18 8. LATE PAYMENT. TENANT hereby acknowledges that late payment  
19 by TENANT to LANDLORD of rent and other sums due hereunder will cause LANDLORD  
20 to incur costs not contemplated by this Lease, the exact amount of which will be  
21 extremely difficult to ascertain. Such costs include, but are not limited to, processing and  
22 accounting charges. Accordingly, if any installment of rent or other sum due from  
23 TENANT shall not be received by LANDLORD within ten (10) days after such amount  
24 shall be due, shall pay to LANDLORD a late charge equal to ten percent (10%) of such  
25 overdue amount. The parties hereby agree that such late charge by LANDLORD shall in  
26 no event constitute a waiver of TENANT'S default with respect to such overdue amount,  
27 nor prevent LANDLORD from exercising any of the other rights and remedies granted at  
28 law or equity or pursuant to this Lease.

1           9.     SECURITY DEPOSIT. Pursuant to Section 9 of the Original Lease,  
2 LANDLORD currently holds a security deposit in the amount of \$15,000. No more than  
3 sixty (60) days after the Effective Date, LANDLORD shall return such deposit to  
4 TENANT. TENANT shall have no obligation to maintain a security deposit with  
5 LANDLORD under this Lease.

6           10.    USE. The Premises and any and all improvements located or  
7 erected thereupon shall be used for the purpose of conducting a fixed base operation and  
8 related purposes. The fixed base operation is limited to the following aeronautical and  
9 support uses which are inclusive:

- 10                   A.     Sale of new and used aircraft (both retail and wholesale);
- 11                   B.     Sale of aircraft parts and accessories (both retail and  
12                   wholesale);
- 13                   C.     Sale of aircraft parts, components and allied equipment;
- 14                   D.     Sale of new and used avionics and electronic equipment;
- 15                   E.     Sale of new and used aircraft instruments;
- 16                   F.     Storage, sale and dispensing of petroleum products on the  
17                   Premises; sale of petroleum products at any location at the Airport not under lease  
18                   to any other tenant where sale of petroleum products is authorized by the Airport  
19                   Director -- TENANT or its agent may also sell petroleum products on other leased  
20                   premises where authorized by the holder of such premises to do so;
- 21                   G.     Sale of pilot supplies and accessories;
- 22                   H.     Leasing and rental of aircraft;
- 23                   I.     Sale of aircraft insurance;
- 24                   J.     Financing of aircraft;
- 25                   K.     Operation of air cargo and air freight activities and charter and  
26                   air taxi services (the conduct of scheduled commercial service is expressly  
27                   prohibited), each subject to prior written approval of the Airport Director;
- 28                   L.     Flight operations, including ground school, flight

1 training/proficiency, and demonstration of aircraft for sale;

2 M. Maintenance, repair, overhaul and modification of aircraft,  
3 aircraft engines, airframes, flight systems, instruments, avionics, electronics  
4 equipment propellers and related aircraft components;

5 N. Rental of aircraft storage hangars and open tiedown facilities;

6 O. Operation of a UNICOM radio transmitter and receiver  
7 (subject to written approval of the Airport Director);

8 P. Washing, detailing and waxing of aircraft;

9 Q. Providing upholstery, cabinetry and interior services;

10 R. Parachute, fire extinguisher and oxygen services;

11 S. Line services for the purpose of meeting the needs of  
12 transient aircraft;

13 T. Operation of food vending equipment and/or a coffee bar or  
14 deli for the purpose of serving TENANT's employees and customers;

15 U. Rent-a-car service permitted upon written approval of the  
16 Airport Director, which shall be contingent upon the rent-a-car supplier obtaining a  
17 license from LANDLORD to do business at the Airport -- it is understood that said  
18 license may require payment of fees consistent with other car rental agencies  
19 operating in similar situations at the Airport.

20 V. Maintenance and servicing of TENANT-owned and operated  
21 automotive ramp equipment;

22 W. Aircraft stripping and painting;

23 X. General and aviation oriented offices; and

24 Y. Any such other uses as may be approved in writing by the  
25 Airport Director.

26 11. UNAUTHORIZED USES. Only the uses specified in Section 10 are  
27 authorized uses, and such uses are authorized only when (i) such uses do not conflict  
28 with applicable zoning and Airport rules and regulations, and (ii) are conducted by

1 TENANT or a Subtenant approved in advance by the Airport Director.

2 12. OPERATION OF BUSINESS.

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

11 B. TENANT shall appoint in writing an authorized local agent  
12 duly empowered to make decisions on behalf of TENANT in all routine  
13 administrative and operational matters relating to the Premises who shall be  
14 available at the Premises during normal business hours. TENANT shall notify the  
15 Airport Director in writing of the name, address and telephone number of said  
16 agent.

17 13. COMPLIANCE WITH LAW. TENANT shall at all times conduct its  
18 operations in accordance with all applicable Airport rules and regulations, as may  
19 hereafter be amended by LANDLORD from time to time. These rules and regulations are  
20 set out in full in Exhibit "F" attached hereto and made a part hereof. No improvements or  
21 structures, either permanent, temporary or portable, shall be erected, placed upon,  
22 operated or maintained on the Premises, nor shall business or any other activity be  
23 conducted or carried on, in, onto, or from the Premises in violation of the terms of this  
24 Lease or any duly adopted rules, regulations, orders, law, statute, by-law, or ordinance of  
25 any governmental agency having jurisdiction thereover.

26 14. CAPITAL IMPROVEMENTS. During the Lease Term, TENANT shall  
27 be required to spend not less than Two Million Three Hundred Nineteen Thousand  
28 Dollars (\$2,319,000) on capital improvements to the Premises ("Capital Improvements")

1 at the times provided in this Section 14. Capital Improvements shall include certain  
2 tenant improvements and other improvements which add additional capacity or function  
3 to the Premises or which extend the useful life of the Premises for at least five (5) years,  
4 including without limitation (i) the rehabilitation or replacement of structural components  
5 of buildings located on the Premises such as walls, roofs and sub-flooring, (ii) the repair  
6 or replacement of HVAC systems, (iii) the rehabilitation or replacement of common area  
7 spaces, including restrooms, (iv) the replacement of utility and telecommunication  
8 infrastructure, and (v) the costs of any bonds or other construction security that may be  
9 required under Section 4. TENANT shall obtain prior written approval from LANDLORD  
10 for all Capital Improvements costing in excess of Fifty Thousand Dollars (\$50,000).  
11 Capital Improvements shall not include (i) maintenance costs, (ii) landscaping costs, (iii)  
12 routine repairs, such as interior painting, carpet replacement, and/or pest abatement, or  
13 (iv) costs associated with tenant improvements required in connection with specific  
14 subleased space within the Premises. On or before the date which is ninety (90) days  
15 after the Effective Date, and thereafter on each fifth (5th) anniversary of the Effective  
16 Date, TENANT shall submit to LANDLORD a facilities condition report for the Premises  
17 ("FC Report"), prepared, at TENANT's cost, by an appropriately licensed engineering firm  
18 with previous experience preparing such reports in the Los Angeles metropolitan area.  
19 Each FC Report shall establish a facilities condition index ("FCI"). TENANT shall use its  
20 best efforts to maintain an FCI equal to ten percent (10%) or less; provided, however,  
21 that it shall not be a default under this Lease unless an FC Report shows an FCI equal to  
22 twenty percent (20%) or more. After receipt of an FC Report by LANDLORD,  
23 LANDLORD and TENANT shall promptly thereafter meet to review the FC Report and  
24 the parties shall mutually negotiate and agree upon a schedule of Capital Improvements  
25 to be completed by TENANT over the succeeding five-year period reasonably necessary  
26 to maintain an ongoing FCI equal to approximately ten percent (10%). Should the parties  
27 fail to mutually agree upon a Capital Improvement schedule, LANDLORD shall submit to  
28 TENANT a list of three (3) independent arbitrators in the Los Angeles area with previous

1 experience arbitrating similar disputes. TENANT shall thereafter promptly select one  
2 arbitrator from the list and the parties shall promptly submit the matter to arbitration and  
3 the finding of the arbitrator with respect to the appropriate schedule of Capital  
4 Improvements shall be final. The parties shall split the cost of the arbitrator. TENANT  
5 shall submit to LANDLORD annual reports detailing all Capital Improvement expenditures  
6 actually made by TENANT during the preceding year.

7 15. MONTHLY REPORT. TENANT shall maintain an updated written  
8 report to the Airport Director listing all based aircraft located on the Premises. Said report  
9 shall be prepared on a form supplied by LANDLORD, and shall include for each based  
10 aircraft located on the Premises: the make, model, registration number, color, space or  
11 hangar-number, registered owner(s) name(s), address(es) and telephone number(s).  
12 Should aircraft be on lease, the same information required for owner shall be provided for  
13 any or all lessee(s) of said aircraft. For purposes of this section, a based aircraft is any  
14 aircraft which makes arrangements to park at the Airport for any purpose other than  
15 those specified herein, to wit:

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

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

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

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

26 16. INDEMNIFICATION AND HOLD HARMLESS.

27 A. TENANT shall indemnify, protect and hold harmless  
28 LANDLORD, its Boards, Commissions, and their officials, employees and agents

1 (“Indemnified Parties”), from and against any and all liability, claims, demands,  
2 damage, loss, obligations, causes of action, proceedings, awards, fines,  
3 judgments, penalties, costs and expenses, including attorneys’ fees, court costs,  
4 expert and witness fees, and other costs and fees of litigation, arising or alleged to  
5 have arisen, in whole or in part, out of or in connection with (1) the use of the  
6 Premises by TENANT, its officers, employees, agents, subcontractors, or anyone  
7 under TENANT’S control, or (2) TENANT’S breach or failure to comply with any of  
8 its obligations contained in this Lease (collectively “Claims” or individually “Claim”).

9 B. In addition to TENANT’S duty to indemnify, TENANT shall  
10 have a separate and wholly independent duty to defend Indemnified Parties at  
11 TENANT’S expense by legal counsel approved by LANDLORD, from and against  
12 all Claims, and shall continue this defense until the Claims are resolved, whether  
13 by settlement, judgment or otherwise. No finding or judgment of negligence, fault,  
14 breach, or the like on the part of TENANT shall be required for the duty to defend  
15 to arise. LANDLORD shall notify TENANT of any Claim, shall tender the defense  
16 of the Claim to TENANT, and shall assist TENANT, as may be reasonably  
17 requested, in the defense.

18 C. If a court of competent jurisdiction determines that a Claim  
19 was caused by the sole negligence or willful misconduct of Indemnified Parties,  
20 TENANT’S costs of defense and indemnity shall be (1) reimbursed in full if the  
21 court determines sole negligence by the Indemnified Parties, or (2) reduced by the  
22 percentage of willful misconduct attributed by the court to the Indemnified Parties.

23 D. The provisions of this Section 16 shall survive the expiration  
24 or termination of this Lease.

25 17. LIABILITY INSURANCE.

26 A. TENANT agrees that at all times during the term of this Lease  
27 and any renewal or extension thereof, it will maintain in full force and effect an  
28 insurance policy or policies which will insure and indemnify, to the extent allowed

1 by California law, TENANT and the City of Long Beach, the City Council and each  
2 member thereof, all of City's Boards and Commissions and every officer,  
3 employee, and agent of the City against liability, financial loss or expense resulting  
4 from any suits, claims, demands, actions or loss, brought by any person or  
5 persons and from all costs and expenses of litigation brought by reason of the use  
6 and occupation by TENANT or by any other person or persons of the Premises,  
7 against the City, the City Council or members thereof, or any board, officer,  
8 employee, or agent of the City in the amount of Ten Million Dollars (\$10,000,000)  
9 per occurrence (or as otherwise delineated below) for any injury to persons and or  
10 damages to property in or about the Premises and any buildings constructed  
11 thereon, or the Long Beach Municipal Airport or any of its facilities.

12 B. Such policy or policies of insurance shall provide at least the  
13 following forms of insurance with minimum coverage of:

14 i. Contractual Liability; with limits apply to the following  
15 classes:

- 16 1. Concessionaires, One Million Dollars (\$1,000,000)
- 17 2. Contractors, Two Million Dollars (\$2,000,000)
- 18 3. Fixed base operator, Ten Million Dollars  
19 (\$10,000,000)

20 ii. Aircraft Liability, including passenger bodily injury; with  
21 limits apply to the following classes:

- 22 1. Cargo airlines, Fifteen Million Dollars (\$15,000,000)
- 23 2. Helicopter landing facility control operators, Five  
24 Million Dollars (\$5,000,000)
- 25 3. Private passenger, fixed, single engine rotor, One  
26 Million Dollars (\$1,000,000)
- 27 4. Private passenger, multi-engine rotor or rotary, Two  
28 Million Dollars (\$2,000,000)



1 5. Private passenger jet, Five Million Dollars  
2 (\$5,000,000).

3 Additional insured status is required for all liability policies. In  
4 addition, as the operations and/or products of TENANT and its subtenants  
5 dictate and as determined in writing by the City Risk Manager or designee,  
6 the following may apply:

7 iii. Airport Liability;

8 iv. Products and/or Completed Operations Liability  
9 Hangarkeepers (Hull);

10 v. Hangarkeepers (In-flight).

11 vi. Coverage for Fuel Operations; with limits apply to the  
12 following classes:

13 1. General liability, Ten Million Dollars (\$10,000,000)

14 2. Pollution liability and pollution clean-up, Two Million  
15 Dollars (\$2,000,000)

16 vii. Standard Hangarkeeper's Liability:

17 1. Fixed wing, piston:

18 a. One Million Dollars (\$1,000,000) any one  
19 aircraft;

20 b. Two Million Dollars (\$2,000,000) any one  
21 occurrence

22 2. Rotary:

23 a. One Million Five Hundred Thousand Dollars  
24 (\$1,500,000) any one aircraft;

25 b. Three Million Dollars (\$3,000,000) any one  
26 occurrence

27 3. Jet:

28 a. Two Million Dollars (\$2,000,000) any one

1 aircraft;

2 b. Four Million Dollars (\$4,000,000) any one  
3 occurrence

4 viii. In-flight Hangarkeepers:

5 1. Fixed wing, piston: One Million Dollars (\$1,000,000)  
6 any one aircraft or occurrence

7 2. Rotary: One Million Five Hundred Thousand Dollars  
8 (\$1,500,000) any one aircraft or occurrence

9 3. Jet: Two Million Dollars (\$2,000,000) any one aircraft  
10 or occurrence

11 ix. Special Perils Property Insurance: Full replacement  
12 cost (new) of the buildings.

13 x. Business Interruption Insurance: An amount equal to  
14 twelve (12) months' rent payments naming the LANDLORD as loss payee.

15 xi. Aircraft Maintenance: Five Million Dollars (\$5,000,000)  
16 any one occurrence.

17 xii. Liquor Liability: One Million Dollars (\$1,000,000).

18 The insurance policy or policies shall either contain a broad form of  
19 contractual liability including Leases, or it shall have attached thereto an  
20 endorsement providing for such coverage. The policy shall include a Severability  
21 of Interests (Cross Liability) Clause, and said coverage shall be primary and  
22 noncontributing with any other insurance available to the City. The City of Long  
23 Beach, the City Council and each member thereof, all of City's Boards and every  
24 officer, employee, and agent of the City shall be named as an additional insured  
25 on said policy. The insurance coverages specified in subparagraphs (ii), (iii), (v),  
26 (vi) and (vii) hereof shall take effect upon receipt by TENANT of a temporary  
27 certificate of occupancy for the first phase of development of the premises.

28 C. Upon the execution of this Lease, the TENANT shall deliver

1 all policies of insurance mentioned herein or certified copies thereof to the Airport  
2 Director for approval as to sufficiency and for approval as to form by the City  
3 Attorney. When said policies of insurance have been so approved, TENANT may  
4 substitute a certificate of insurance issued by the respective insurance companies  
5 certifying that said insurance coverage is in full force and effect and that all  
6 operations of the TENANT under this Lease are covered by such insurance; and  
7 upon the filing of said certificates, the policy or policies will be returned by  
8 LANDLORD to TENANT. All insurance policies secured by TENANT shall contain  
9 the following:

10 "The inclusion herein of any person or entity as an insured shall not  
11 affect any right such person or entity would have as a claimant hereunder if not so  
12 included."

13 Notwithstanding any other provision to the contrary contained in this  
14 Lease, TENANT shall not have the right to take possession of the Premises until  
15 such certificate or certificates are filed with the Airport Director.

16 D. All insurance policies secured by TENANT providing the  
17 coverages required under this Lease shall be obtained from insurers having a  
18 minimum financial rating from A.M. Best of A:VIII and shall require each insurer to  
19 notify LANDLORD by registered or certified mail of any modification, termination or  
20 cancellation of any policy of insurance no less than thirty (30) days prior to the  
21 effective date of such modification, termination or cancellation. Notice by the  
22 insurer shall be effective upon the receipt of said notice by LANDLORD. In  
23 addition to any other requirements of this Lease, TENANT shall notify LANDLORD  
24 of any modification, termination or cancellation of any policy of insurance secured  
25 by TENANT pursuant to this paragraph as soon as TENANT learns of any such  
26 modification, termination or cancellation. Each of said policies shall stipulate that  
27 said policy provides primary coverage and is not subordinate to nor contributing  
28 with any other insurance coverage held or maintained by LANDLORD. The

1           procuring of such policy or policies of insurance shall not be construed to be a  
2           limitation upon TENANT'S liability or as full performance on TENANT's part of the  
3           indemnification and hold harmless provisions of this Lease; and TENANT  
4           understands and agrees that notwithstanding any policy or policies of insurance  
5           TENANT's obligation to protect, indemnify and hold harmless LANDLORD  
6           hereunder is for the full and total amount of any damage, injuries, loss, expense,  
7           costs or liabilities caused by or in any manner connected with or attributed to the  
8           acts or omissions of TENANT, its officers, agents, employees, subtenants,  
9           licensees, patrons or visitors, or the operations conducted by TENANT, or  
10          TENANT's use, misuse or neglect of the Premises.

11                       E.       In the event TENANT does not desire to present the original  
12           or a photostatic copy of said policy for approval as above provided, TENANT may  
13           present for approval and filing a certificate of insurance to which is attached the  
14           following endorsement:

15                                "Within the limits set forth in the declarations, to indemnify and gave  
16           harmless the City of Long Beach, its officers and employees, from and against any  
17           and all claims or demands for injury, damage, loss, liability, cost and expense of  
18           any kind or nature whatsoever for death, injury or loss to persons or damage to  
19           property, which the City of Long Beach, its officers or employees, may sustain or  
20           incur or which may be imposed upon them, or any of them, arising out of or  
21           attributable to the use of the premises described in a lease between the City of  
22           Long Beach and the insured, including the use of the City's Long Beach Airport  
23           and its facilities.

24                                "This policy names as additional insureds the City of Long Beach, its  
25           boards and their officers', agents and employees. This insurance is primary and  
26           not contributing with other insurance held by said additional insureds.

27                                "The policy shall not be cancelled or otherwise modified until thirty  
28           (30) days' written notice thereof has been served on the Airport Director of the City

1 of Long Beach. This endorsement shall control over all other provisions of the  
2 policy or endorsements thereto, which are inconsistent herewith."

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

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

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

21 I. LANDLORD shall have the right at any time during the term of  
22 this Lease to review the type, form and coverage limits of the insurance  
23 enumerated herein. If, in the opinion of LANDLORD, the insurance provisions in  
24 this Lease are not sufficient to provide adequate protection for LANDLORD and  
25 the members of the public using Long Beach Airport, LANDLORD may require the  
26 TENANT to obtain insurance sufficient to provide such adequate protection.  
27 Insurance requirements shall be applied uniformly to all TENANTS engaged in  
28 similar type operations on the Long Beach Airport, and such requirements shall be

1 consistent with industry standards.

2 J. The insurance required by Paragraphs 17, 18 and 19 may be  
3 provided by TENANT or subtenants of TENANT for TENANT or in lieu of  
4 TENANT's obligation provided, however, that said requirements shall be complied  
5 with and any failure to do so shall be a breach of this Lease.

6 K. Notwithstanding anything to the contrary contained in this  
7 Section 17, whenever, and separately with respect to each occurrence, the  
8 operations and /or products offered by TENANT or its subtenants change (either  
9 as an increase or decrease in required coverage and limits) during the term of this  
10 Lease, the coverage and limits of coverage in Section 17.B that apply to TENANT  
11 or its subtenants may change as determined in writing by the City Risk Manager or  
12 designee; provided, however that in no event shall the insurance coverage limits  
13 that are required from any existing (as of the Effective Date) subtenant of TENANT  
14 apply until the second anniversary of the Effective Date, and then only to the  
15 extent that such insurance coverage limits have been updated and LANDLORD  
16 has required compliance with such limits by LANDLORD's other tenants at the  
17 Airport which are similarly-situated to TENANT.

18 18. PROPERTY INSURANCE.

19 A. TENANT agrees that at all times during the term of this Lease  
20 and any renewal or extension thereof, it will maintain in force an insurance policy  
21 which will insure and indemnify TENANT and the City from loss occurring to  
22 equipment, buildings, structures, or other improvements on the Premises by  
23 reason of fire and any other hazards insured against in what is commonly known  
24 as special perils ("all risk") coverage at full replacement cost new of the buildings,  
25 structures, or other improvements or fixtures used in connection with the operation  
26 of any improvements located on the Premises. The City shall be named an  
27 additional insured and loss payee as its interests may appear under said policy.

28 B. Should the Premises or the building of which the Premises is

1 a part be damaged or destroyed, in whole or in part, by fire, earthquake or any  
2 other casualty at any time during the term of this Lease so that the same cannot  
3 be repaired within one year to substantially the same condition it was immediately  
4 prior to the happening of such casualty, TENANT may, within ninety (90) working  
5 days after the happening of such casualty and with the agreement of LANDLORD,  
6 terminate this Lease as of the date of said casualty. In the event of any termination  
7 of this Lease as provided in this clause, TENANT shall forthwith surrender the  
8 Premises to LANDLORD. In the event of any damage or destruction or other  
9 casualty as mentioned in this paragraph, except that caused by neglect on the part  
10 of TENANT, and this Lease is not terminated as provided in this clause, TENANT  
11 shall commence such reasonable and appropriate steps as are necessary to make  
12 and secure payment of such insurance claims as are available. TENANT shall  
13 diligently pursue its claims to completion. TENANT shall commence restoration of  
14 the premises and shall proceed with reasonable diligence to restore the basic  
15 building to substantially the condition in which it was prior to the occurrence of said  
16 casualty. TENANT shall likewise proceed with reasonable diligence to restore and  
17 reconstruct all other improvements on the Premises to substantially the same  
18 condition in which they were prior to the happening of the casualty. Failure of  
19 TENANT to take the actions required by this paragraph shall entitle LANDLORD to  
20 terminate this lease on thirty (30) days' notice to TENANT or upon the depletion of  
21 the loss payee payments under the business interruption insurance, whichever  
22 occurs first. TENANT shall be responsible for the restoration of the Premises but  
23 not to improvements thereon to the condition in which they were prior to the  
24 happening of the casualty, and there shall be no reduction in the rent for  
25 TENANT's loss of use of the Premises. In the event the cost of replacing or  
26 restoring the improvements on the Premises exceeds One Hundred Thousand  
27 Dollars (\$100,000) and is not covered by the insurance required under this Lease,  
28 TENANT shall have the right to terminate this Lease. In no event shall

1 LANDLORD be liable to TENANT for any damages resulting to TENANT from the  
2 happening of any such fire or other casualty or from the repair or reconstruction of  
3 the Premises or from the termination of this Lease as herein provided, nor shall  
4 TENANT be released thereby from any of its obligations hereunder except as  
5 expressly stated in this clause.

6 C. Any insurance policies procured by TENANT hereunder shall  
7 provide that the insurance carrier waives all rights of subrogation against the City.

8 D. The requirements of Paragraph 17, C, D, E, F, G, H and I  
9 hereof relating to the form, nature, source and effects of insurance policies shall  
10 apply to policies obtained pursuant to this paragraph as well.

11 19. WORKERS' COMPENSATION. Evidence of current workers'  
12 compensation coverage as required by the Labor Code of the State of California and  
13 Employer's liability insurance with minimum limits of One Million Dollars (US \$1,000,000)  
14 per accident or occupational illness shall be provided to LANDLORD. The policy shall be  
15 endorsed with a waiver of the insurer's right of subrogation against the City of Long  
16 Beach, and its officials, employees, and agents.

17 20. ENCUMBRANCES.

18 A. ASSIGNMENTS TO LENDERS. During the Lease Term,  
19 TENANT may encumber TENANT's interest under this Lease and the leasehold  
20 estate hereby created to a lender on the security of the leasehold estate and in  
21 that connection may perform any and all acts and execute any and all instruments  
22 necessary or proper to consummate any loan transaction and perfect the security  
23 therefore to be given such lender on the security of the leasehold estate, and  
24 LANDLORD shall execute a form of estoppel acceptable to LANDLORD in  
25 connection with such loan transaction within ten (10) business days after request  
26 from TENANT.

27 B. LENDER'S RIGHTS. Any such lender shall have the right at  
28 any time during the Lease Term:



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i. 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 TENANT; and

ii. 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

iii. In the event of any default by TENANT in the payment of an installment of rent hereunder, to pay such rent to LANDLORD and such rent payments alone, without further requirement, shall be sufficient to prevent a termination or forfeiture of the leasehold estate created hereby; provided, however, that such right to prevent such termination or forfeiture shall exist only for a period of sixty (60) days after notice of such default has been given by LANDLORD to such lender and only as to those lenders who have notified the Airport Director of their interest in the Premises, as provided herein; and after said sixty (60) day period such lender, to prevent such termination or forfeiture, shall be required to do all acts and things required of TENANT to be done and performed hereunder; and

iv. Cure such default or breach if the same can be cured by the payment or expenditure of money provided to be paid under the terms of this Lease; or if such default or breach is not so curable, cause the trustee under the trust deed to commence and thereafter to diligently pursue to completion steps and proceedings for the exercise of the power of sale under and pursuant to the trust deed in the manner provided by law; and

v. Keep and perform all of the covenants and conditions

1 of this Lease requiring the payment or expenditure of money by TENANT  
2 until such time as said leasehold shall be sold upon foreclosure pursuant to  
3 the trust deed or shall be released or reconveyed thereunder; and

4 vi. However, if the holder of the trust deed shall fail or  
5 refuse to comply with any and all of the conditions of this Section, then and  
6 thereupon LANDLORD shall be released from the covenant of forbearance  
7 herein contained.

8 C. LENDER DEFINED. The term "lender on the security of the  
9 leasehold estate" as used in this Section and elsewhere in this Lease shall mean  
10 the mortgagee under any mortgage, or the trustee and beneficiary under any deed  
11 of trust or indenture of mortgage and deed of trust encumbering the leasehold  
12 estate or TENANT'S interest therein (including the assignee or successor of any  
13 such mortgage, beneficiary or trustee of any such mortgage, deed of trust or  
14 indenture of mortgage and deed of trust and the holder of any promissory note or  
15 bond secured thereby), and executed by TENANT and delivered for the purpose of  
16 securing to such mortgagee, trustee or beneficiary payment of any indebtedness  
17 incurred by TENANT and secured by such mortgage, deed of trust or indenture of  
18 mortgage and deed of trust.

19 D. NOTICE. As a condition to the vesting of any rights in this  
20 Lease or in the leasehold estate created hereby in any encumbrancer, except as  
21 may be otherwise provided by law, there shall first have been delivered to the  
22 Airport Director a written notice of such encumbrance which shall state the name  
23 and address of the encumbrancer for the purpose of enabling notices to be given  
24 under Section 45L.

25 E. NOTICE OF DEFAULT. Upon and immediately after the  
26 recording of the trust deed, TENANT, at TENANT's expense, shall cause to be  
27 recorded in the office of the Recorder of Los Angeles County, California, provided  
28 same has been duly executed and acknowledged by LANDLORD, a written

1 Request for Notice for a copy of any notice of default and of any notice of sale  
2 under the trust deed as provided by the statutes of the State of California relating  
3 thereto. Concurrently with the execution of such Deed of Trust and Note, TENANT  
4 shall furnish to LANDLORD a complete copy of the trust deed and note secured  
5 thereby, together with the name and address of the holder thereof. Lender's  
6 Rights as set forth in this Section shall not be valid or effective unless and until  
7 TENANT shall have provided LANDLORD with the documents and information  
8 specified in this Section.

9 F. LANDLORD'S TITLE; PRIORITY AND ENCUMBRANCES.

10 LANDLORD is not subjecting its fee interest to the lien of any leasehold financing  
11 obtained by TENANT hereunder. It is the intention of the parties that LANDLORD's  
12 fee interest shall be superior and prior to TENANT'S leasehold estate; provided,  
13 however, that on the Effective Date, the Premises shall be free and clear of all  
14 encumbrances. Thereafter, any deed of trust placed on the Premises by  
15 LANDLORD shall expressly provide that it is subject and subordinate to this Lease  
16 and TENANT's and subtenant's rights herein, or under any sub lease, to any  
17 mortgage then in existence on the improvements and the leasehold estate as  
18 permitted by this Lease and to TENANT's right as permitted by this Lease  
19 subsequently to encumber the improvements and the leasehold estate.

20 21. ASSIGNMENT AND SUBLETTING.

21 A. CONSENT.

22 i. TENANT shall not assign or sublet this Lease or any  
23 interest therein (including without limitation subleases or licenses for  
24 wireless communication facilities) without first obtaining the written consent  
25 of LANDLORD and the giving of such consent shall not be a waiver of any  
26 rights to object to further or future assignments or subleases, but the  
27 consent to each successive assignment or sublease must be first obtained  
28 in writing from and by LANDLORD. TENANT may sublease individual

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offices or tiedown spaces without LANDLORD's consent if TENANT provides LANDLORD with notice of the names of such subtenants and airplane identification numbers in case of tie downs prior to occupancy by such subtenants.

ii. 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.

iii. Except as otherwise provided herein, 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, involuntary, by operation of law, or otherwise) from one thereof unto the other or others thereof, or if TENANT be a corporation, a change in the ownership (voluntary, involuntary, by operation of law, or otherwise) of twenty-five percent (25%) or more of its capital stock owned as of the date of its acquisition of this Lease shall be deemed an assignment prohibited hereby unless the written consent of LANDLORD be first obtained thereto; provided, however, that a change in the ownership of said capital stock or partnership or limited liability company interests as a result of the death or judicially declared incompetency of TENANT may be made without the consent of LANDLORD.

iv. LANDLORD shall not unreasonably refuse to grant its written consent to such transfer or assignment, however, any such transfer without said approval, whether voluntary or involuntary, shall be void and shall confer no right or occupancy upon said assignee or purchaser.

v. A transfer or an assignment of any such stock or

1 interest to a shareholder's or partner's spouse, children or grandchildren is  
2 accepted from the provisions hereof. Transfers of partnership interests  
3 naming original partners in Aerolease-Long Beach shall not require consent  
4 of LANDLORD.

5 B. VESTING OF ASSIGNMENTS. As a condition of the vesting  
6 of any rights in this Lease or in the leasehold estate created hereby in any  
7 assignee of TENANT's interest hereunder, whether voluntary or involuntary, each  
8 such assignee shall first have delivered to LANDLORD a written notice of such  
9 assignment, which notice:

10 i. Shall contain a statement that the assignee agrees to  
11 be bound by all the terms, covenants and conditions of this Lease which are  
12 to be performed by TENANT.

13 ii. Shall state the name and address of the assignee for  
14 the purpose of enabling notices to be given under Section 45L.

15 iii. Shall state whether the assignee is an individual, a  
16 corporation or a partnership, and if such assignee be a corporation, the  
17 names of such corporation's principal officers and of its directors and state  
18 of incorporation, and if such assignee be a partnership, the names and  
19 addresses of the members of such partnership.

20 iv. Shall state the amount of capital stock assigned and  
21 the total amount of capital stock outstanding at the time of the assignment.

22 C. VESTING OF SUBLEASES. As a condition to the vesting of  
23 any rights in this Lease or in the leasehold estate created hereby in any sublessee  
24 of TENANT's interest hereunder, whether voluntary or involuntary, each such  
25 sublessee shall first have delivered to LANDLORD a written notice of such  
26 subleases which notice:

27 i. Shall state the name and address of the sublessee for  
28 the purpose of enabling notices to be given under Section 45L.

1                   ii.       Shall state whether the sublessee is an individual, a  
2                   corporation or a partnership, and if such sublessee be a corporation, the  
3                   names of such corporation's principal officers and its directors and state of  
4                   incorporation, and if such sublessee be a partnership, the names and  
5                   addresses of the members of such partnership.

6                   D.       TERMINATION. This Lease shall not be terminated by  
7                   reason of any assignment or transfer by operation of law of TENANT's interest  
8                   hereunder or in the leasehold estate created hereby.

9                   E.       LENDER'S LIABILITY. In the event that any lender on the  
10                  security of the leasehold estate obtains title to the leasehold estate or to any part  
11                  hereof, by sale on foreclosure proceedings or by deed given in lieu of foreclosure  
12                  and subsequently assigns its interest therein and such lender and its assignee  
13                  comply with all the provisions of this Section, then such lender shall be relieved of  
14                  any liability hereunder as the successor of TENANT, except:

15                  i.       Liability for the amount of any rental or other moneys  
16                  due and owing to LANDLORD by the lender or by TENANT or any other of  
17                  the assignees or successors of the lender or TENANT at the time of such  
18                  assignment;

19                  ii.       Liability to apply the proceeds of any insurance policy  
20                  in accordance with the provisions of Sections 17, 18 and 19; and

21                  iii.       Liability under the provisions of Section 22.

22                  F.       LENDER'S RIGHT TO ASSIGNMENT. Notwithstanding  
23                  anything to the contrary contained in this Section 21, any lender on the security of  
24                  the leasehold estate upon succeeding to TENANT's interest shall have the right to  
25                  make one (1) assignment thereafter without the prior written consent of  
26                  LANDLORD.

27                  22.       EMINENT DOMAIN.

28                  A.       DEFINITIONS. As used in this Lease:

1 i. "Condemnation" means (i) the taking or damaging,  
2 including severance damage, by eminent domain or by inverse  
3 condemnation or for any public or quasi-public use under any statute,  
4 whether by legal proceedings or otherwise, by a condemnor (hereinafter  
5 defined), and (ii) a voluntary sale or transfer to a condemnor, either under  
6 threat of condemnation or while condemnation legal proceedings are  
7 pending.

8 ii. "Date of taking" means, the earlier of (i) the date actual  
9 physical possession is taken by the condemnor, or (ii) the date on which the  
10 right to compensation and damages accrues under the law applicable to the  
11 Premises.

12 iii. "Award" means all compensation, sums, or anything of  
13 value awarded, paid or received for a total taking, a substantial taking or a  
14 partial taking (hereinafter defined), whether pursuant to judgment or by  
15 agreement or otherwise.

16 iv. "Condemnor" means any public or quasi-public  
17 authority or private corporation or individual having the power of  
18 condemnation.

19 v. "Total taking" means the taking by condemnation of the  
20 fee title to all the Premises and all the improvements.

21 vi. "Substantial taking" means the taking by condemnation  
22 of so much of the Premises or improvements or both that one or more of  
23 the following conditions results:

24 (a) The remainder of the Premises would not be  
25 economically and feasibly usable by TENANT; and/or

26 (b) A reasonable amount of reconstruction would  
27 not make the Premises and improvements a practical improvement  
28 and reasonably suited for the uses and purposes for which the

1 Premises are leased hereunder.

2 vii. "Partial taking" means any taking of the fee title that is  
3 not either a total taking or a substantial taking.

4 viii. "Notice of intended condemnation" means any notice  
5 or notification on which a reasonably prudent man would rely and which he  
6 would interpret as expressing an existing intention of condemnation as  
7 distinguished from a mere preliminary inquiry or proposal.

8 B. NOTICE. LANDLORD and TENANT shall give each other  
9 prompt notice of any condemnation action or threat thereof. LANDLORD,  
10 TENANT, and any lender shall all have the right to participate in any settlement of  
11 awards, compensation, and damages and may contest any such awards,  
12 compensation, and damages and prosecute appeals therefrom. Each party shall  
13 bear its own cost thereof. Any lender shall be entitled to notice from both TENANT  
14 and LANDLORD with regard to any condemnation action, threat thereof, or  
15 settlement proceedings.

16 C. TOTAL OR SUBSTANTIAL TAKING.

17 i. On a total taking, this Lease shall terminate on the date  
18 of taking.

19 ii. If a taking is a substantial taking as defined above,  
20 TENANT may, by notice to LANDLORD given within thirty (30) days after  
21 TENANT receives notice of intended condemnation, elect to treat the taking  
22 as a substantial taking. If TENANT does not so notify LANDLORD, the  
23 taking shall be deemed a partial taking. If TENANT gives such notice and  
24 LANDLORD gives TENANT notice disputing TENANT's contention within  
25 ten (10) days following receipt of TENANT'S notice, the dispute shall be  
26 promptly submitted to arbitration before the American Arbitration  
27 Association in Los Angeles County, California. If LANDLORD gives no such  
28 notice, the taking shall be deemed a substantial taking. A substantial taking



1 shall be treated as a total taking.

2 iii. On a total taking all sums, including damages and  
3 interest awarded for the fee or leasehold or both, shall be distributed and  
4 disbursed in the following order of priority:

5 (a) To LANDLORD a sum equal to the fair market  
6 value of the land, valued as unimproved land exclusive of  
7 improvements and encumbered by the terms and conditions of this  
8 Lease and subleases, as well as any compensation awarded for its  
9 loss of revenue from this lease, and the value of LANDLORD'S  
10 reversionary interest in the Premises, to the extent that said  
11 reversionary interest has a separate value from the unimproved land.

12 (b) To TENANT, subject to the rights of any  
13 leasehold Lender, the value of the Leasehold estate under this  
14 Lease, and the value of any buildings or improvements, on the  
15 Premises, less the sum of any payments made to LANDLORD with  
16 respect to LANDLORD's reversionary interest, if any, in the buildings  
17 or improvements.

18 D. PARTIAL TAKING.

19 i. On a partial taking, this Lease shall cease as to the  
20 part so taken, as of the date of taking, and shall remain in full force and  
21 effect covering the remainder of the Premises and improvements, except  
22 that the minimum annual rent, and minimum monthly rent, shall be reduced  
23 in proportion to percentage of the lost subrentals (or relative value) of the  
24 portion taken ears to the total subrentals (or relative value) of the Premises  
25 prior to such taking.

26 ii. Promptly after a partial taking, TENANT, to the extent  
27 of any award paid to TENANT on account of such taking, shall repair, alter,  
28 modify, or reconstruct the improvements restoring so as to make them

1 reasonably suitable for TENANT's continued occupancy for the uses and  
2 purposes for which the Premises are leased. If TENANT does not restore  
3 as above, the cost of such restoring shall be deducted from TENANT's  
4 share of the award and paid to any leasehold mortgagee demanding it and  
5 otherwise to LANDLORD.

6 iii. On a partial taking, all sums, including damages and  
7 interest, awarded for the fee or leasehold or both, shall be distributed and  
8 disbursed in the following order of priority:

9 (a) To TENANT the cost of restoring the  
10 improvements, plus any amount awarded or assessed for severance  
11 damages, plus any amount assessed, awarded, paid, or incurred to  
12 remove or relocate subtenants, plus any amount awarded for  
13 detriment to business.

14 (b) To LANDLORD a sum equal to that percent of  
15 the value of the Premises equal to the percentage the area of the  
16 Premises taken bears to the total area of the Premises; the value of  
17 the Premises shall be as unimproved land exclusive of  
18 improvements and burdened by all leases and subleases.

19 iv. Rent shall be abated or reduced during the period from  
20 the date of taking until the completion of restoration, but all other obligations  
21 of TENANT under this Lease shall remain in full force and effect. The  
22 amount of abatement or reduction of rent shall be based on the extent to  
23 which the restoration interferes with TENANT's use of the Premises.

24 v. Each party waives the provisions of Code of Civil  
25 Procedure Section 1265.130, allowing either party to petition the Superior  
26 Court to terminate this Lease in the event of a partial taking of the Premises  
27 under the circumstances described in said Section.

28 E. LIMITED TAKING. If the Premises or any portion thereof or

1 any improvements thereon should be taken for governmental occupancy for a  
2 limited period not extending beyond the Lease Term, this Lease shall not  
3 terminate and TENANT shall continue to perform and observe all of its obligations  
4 hereunder as though such taking had not occurred, except only to the extent that it  
5 may be prevented from performing such obligations by reason of such taking. In  
6 such event, TENANT shall be entitled to receive the entire amount of any awards,  
7 compensation, and damages made for such taking, and LANDLORD hereby  
8 assigns any and all of its interest in such awards, compensation, and damages to  
9 TENANT to the extent that the governmental occupancy does not extend beyond  
10 the expiration of the Lease Term.

11 23. RESERVATIONS TO LANDLORD.

12 A. The Premises are accepted by TENANT subject to any and all  
13 existing or planned easements or other encumbrances and LANDLORD shall have  
14 the right to install, lay, construct, maintain, repair and operate such sanitary  
15 sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil  
16 and gas pipelines, and telephone and telegraph power lines and such other  
17 appliances and appurtenances necessary or convenient to use in connection  
18 therewith over, in, upon, through, across and along the Premises or any part  
19 thereof, as will not interfere with TENANT's operations hereunder and to enter  
20 thereupon for any and all such purposes. LANDLORD also reserves the right to  
21 grant franchises, easements, rights of way and permits in, over, and upon, along,  
22 or across any and all portions of the Premises as LANDLORD may elect so to do,  
23 provided, however, that no right of LANDLORD provided for in this Section shall  
24 be so executed as to interfere unreasonably with TENANT's operations hereunder,  
25 or impair the security of any secured creditor of TENANT or be in competition with  
26 businesses carried on by TENANT or its subtenants.

27 B. LANDLORD agrees that any right as set forth by this Section  
28 shall not be exercised unless a prior written notice of sixty (60) days is given to

1 TENANT. However, if such right must be exercised by reason of emergency  
2 LANDLORD will give TENANT such notice as is possible under the existing  
3 circumstances.

4 C. LANDLORD will cause the surface of the Premises to be  
5 restored to its original condition upon the completion of any construction done  
6 pursuant to this Section.

7 D. LANDLORD reserves the right to enter and have access to  
8 the Premises in order to make, construct or carry out airport improvements after at  
9 least forty-eight (48) hours prior written notice to TENANT.

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

14 F. Should any exercise of the rights described in this Section  
15 result in a significant interference with TENANT's use of the Premises,  
16 LANDLORD shall provide compensation to TENANT by means of a reduction in  
17 rent proportionate to the amount of the interference which shall continue until  
18 TENANT has been compensated in an amount equal to its actual out of pocket  
19 costs.

20 24. USE OF AIRPORT FACILITIES. TENANT shall have, in conjunction  
21 with the general public and other Airport users, a non-exclusive right to the use of the  
22 public airport facilities provided and developed by LANDLORD for public aviation use on  
23 such terms and conditions as such facilities may be made available by LANDLORD either  
24 now or in the future to other users and fixed base operators at the Airport and subject to  
25 all applicable laws and rules of the United States, the State of California or the City of  
26 Long Beach governing aviation, air navigation or the use of the Long Beach Airport.  
27 TENANT, its subtenants, customers, and invitees shall have a right to access the Airport  
28 directly from the Premises, consistent with the purposes and requirements of this Lease.

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25. MAINTENANCE.

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

B. If, in the opinion of the Airport Director, the Premises are not being properly maintained, the Airport Director 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.

26. 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 Director 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 tiedown 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

1 open parking areas.

2 C. TENANT will provide adequate aircraft parking spaces on the  
3 Premises to accommodate transient or visiting aircraft or aircraft present at  
4 TENANT'S facility for the purpose of maintenance or, other work. Parking is  
5 permitted only in designated spaces on FBO leases and TENANT expressly  
6 covenants and agrees to make every reasonable and prudent effort to prevent  
7 parking of aircraft or ground vehicles on property contiguous to the Premises, but  
8 not apart thereof. The Airport Director may require creation of additional parking  
9 spaces if he finds that aircraft using TENANT'S facilities are parking in areas other  
10 than authorized tie downs or hangar spaces.

11 D. Maintenance and repair of aircraft on the based and transient  
12 aircraft parking area shall be limited to that permitted by Federal Aviation  
13 Regulations Part 43.3(h) and Appendix A(c), unless otherwise specifically  
14 authorized in writing by the Airport Director. Said parking areas shall be kept free  
15 from partially dismantled or derelict aircraft.

16 E. Aircraft storage hangars shall be used for storage of aircraft  
17 only and no maintenance shall be done therein, except as specifically authorized  
18 by Federal Aviation Regulations Part 43.3(h) and Appendix A(c) if such  
19 maintenance and repair can be done in compliance with such fire, building and  
20 safety codes, rules and/or regulations as may be applicable to such hangar or  
21 activity from time to time and if conducted in accordance with LANDLORD'S  
22 adopted standards for aeronautical uses. TENANT may construct large hangars  
23 designed for maintenance of aircraft in accordance with applicable codes, rules  
24 and regulations. Such hangars may also be used for storage of aircraft.

25 F. All aircraft service, maintenance, repair, inspection and  
26 building activities conducted for financial gain within or from aircraft storage  
27 hangars shall be done by fixed base operators, tenants or sub-tenants located at  
28 the Airport or their duly authorized personnel. No other persons may perform such

1 work.

2 G. Aircraft hangars constructed after the Effective Date shall be  
3 so designed and constructed by means of a method approved by the Airport  
4 Director as to permit verification for identification, safety and security purposes of  
5 all aircraft parked therein at all times without compromising the security of such  
6 aircraft.

7 27. AIRCRAFT TIEDOWN AND STORAGE HANGAR AGREEMENTS.

8 A. TENANT is authorized to enter into sublease agreements to  
9 permit aircraft tiedown and storage on the Premises without approval of  
10 LANDLORD, provided that TENANT shall enter into and maintain current a written  
11 Aircraft Tiedown or Aircraft Storage Hangar Agreement with the owner or lessee or  
12 operator of each aircraft renting space on the Premises. Such agreements shall be  
13 in writing and shall specify all terms, conditions and restrictions relating to the  
14 rental of space for the tiedown or storage of TENANT'S aircraft and indicating that  
15 said owner, operator or lessee of an aircraft to be tied down or stored is a sub-  
16 tenant of LANDLORD as well as TENANT by virtue of the creation of this  
17 sublease. Such agreement shall also require that the information which TENANT  
18 must provide to LANDLORD pursuant to the terms of Section 15 shall be supplied  
19 to TENANT by any parties with whom TENANT has entered such agreements.  
20 The Airport Director may inspect TENANT's file of Aircraft Tiedown and Storage  
21 Hangar Rental Agreements at any reasonable time during TENANT'S regular  
22 business hours.

23 B. Any action authorized or required by this Section to be done  
24 by TENANT may be done on behalf of TENANT by TENANT'S approved  
25 subtenant or subtenants.

26 28. STORAGE.

27 A. TENANT may store aircraft components, equipment, parts,  
28 bulk liquids, scrap lumber, metal, machinery or other materials related to the

1 conduct of its business on the Premises, provided, however, that such storage  
2 may be done only within a fully enclosed area screened from view. No storage  
3 may be done on any apron, ramp or taxiway, without prior written approval of the  
4 Airport Director.

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

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

13 29. AUTOMOBILE PARKING. TENANT agrees to provide sufficient  
14 automobile parking on the Premises as specified in TENANT'S approved site plan and  
15 PD zoning ordinance to accommodate the parking needs of patrons, visitors and  
16 employees, provided, however, that Airport streets and access roadways may not be  
17 utilized to comply with this requirement. TENANT agrees to execute an amended and  
18 restated parking agreement generally in the form attached hereto as Exhibit "D", and  
19 TENANT shall abide by the terms of such agreement at all times during the Lease Term.

20 30. FUEL FLOWAGE FEES.

21 A. REQUIREMENT TO PAY. TENANT agrees to pay or cause  
22 to be paid all applicable fuel flowage fees at such rates as may be regularly  
23 established from time to time by LANDLORD's City Council for aircraft fuels  
24 delivered at the Airport. Such fees shall be due and payable on the tenth (10th)  
25 day of the month succeeding that in which the aircraft fees are received by  
26 TENANT or its agent. The fees shall be calculated and administered as provided  
27 herein on the basis of information submitted on a form provided by LANDLORD.

28 B. SUPPLIER AGREEMENT. TENANT or its agent shall enter



1 into a written agreement with its fuel supplier which recognizes the existence of  
2 the provisions of this Lease. A copy of said agreement shall be delivered to the  
3 Airport Director prior to the commencement of fuel delivery. Said agreement shall  
4 provide that either TENANT or TENANT'S supplier shall indemnify, hold harmless  
5 and provide in coverage to LANDLORD for all uses arising from the delivery,  
6 storage, sale and supplying of such fuel. Such agreement shall further provide that  
7 the supplier shall make available to LANDLORD at reasonable times, its records of  
8 transactions involving delivery of fuel to TENANT for purposes of auditing  
9 TENANT'S performance under this Lease.

10 C. FUEL STORAGE AND DELIVERY. All fuel delivered to  
11 TENANT by its supplier or suppliers shall be placed into storage facilities, the  
12 location and design of which shall have been approved by the Airport Director and  
13 all fuel delivered by any supplier or suppliers shall be placed directly into said  
14 approved storage facilities.

15 D. REPORTING, PAYMENT AND STATEMENTS. Where  
16 applicable, deliveries of fuel shall be reported and fees therefore paid by TENANT  
17 to LANDLORD each calendar month as provided herein. The fees to be paid shall  
18 be computed on the basis of the oil company's meter tickets supplied by the tanker  
19 truck holding the delivery from, or from refinery meter tickets provided to the  
20 carrier at the time the tanker truck is loaded. The amount shown on such tickets to  
21 have been delivered in agreement shall be multiplied by the rate established by  
22 LANDLORD'S City Council then in effect. The product of that computation shall be  
23 the fuel flowage fee due for that month. TENANT will provide a year-end statement  
24 showing all deliveries in the previous year. Both monthly reports and year-end  
25 statements shall be on forms supplied by the Airport Director.

26 E. IN LIEU PERFORMANCE. Any action required of TENANT or  
27 authorized to be done by TENANT may be performed on behalf of TENANT by  
28 TENANT's authorized subtenant or subtenants.

1           31.    NOISE ABATEMENT. TENANT expressly covenants to make every  
2 reasonable and prudent effort to ensure that aircraft based on, or operating from, the  
3 Premises adhere to duly adopted present and future Noise Abatement Programs and  
4 Rules and Regulations relating thereto.

5           32.    AVIGATION EASEMENT. There is hereby reserved to LANDLORD,  
6 its successors and assigns, for the use and benefit of the public, a right of flight for the  
7 passage of aircraft in the airspace above the surface of the Premises. This public right of  
8 flight shall include the right to cause in said airspace any noise inherent in the operation  
9 of any aircraft used for navigation or flight through said airspace or landing at, taking off  
10 from or operation at the Airport.

11           33.    UTILITIES. TENANT shall, at its own cost, pay for all electricity, gas,  
12 water, telephone and other utility services furnished to TENANT, including the cost of  
13 installation of necessary connections for all of said services. All utilities added from or  
14 after the Effective Date shall be underground.

15           34.    WASTE DISPOSAL.

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

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

26           35.    FAA SECURITY AND SAFETY REGULATIONS.

27           A.    This Lease is subject to Federal Aviation Regulations Part 107  
28 and Part 139 relating to Safety and Security. LANDLORD shall provide copies

1           thereof to TENANT who shall provide copies thereof to all subtenants.

2                       B.     If any violation of Part 107 or Part 139 occurs on the  
3           Premises, TENANT or its subtenants shall be strictly liable to reimburse  
4           LANDLORD for the full amount of any finer penalty or other financial loss resulting  
5           therefrom.

6                       36.    BILLBOARDS AND SIGNS. TENANT agrees not to construct, install  
7           or maintain, nor to allow upon the Premises any billboards, signs, banners or like displays  
8           which may be placed in or upon any building or structure in such manner as to be visible  
9           from the outside thereof, except those approved in TENANT'S site plan or the applicable  
10          zoning ordinance. All signs are subject to the limitations of the City's sign ordinance.

11                      37.    AUDIT. LANDLORD and its designated representatives shall be  
12          permitted to examine and review TENANT'S records at all reasonable times, with or  
13          without prior notification, for the purpose of determining compliance with all terms,  
14          covenants and conditions of this Lease. Such examinations and reviews shall be  
15          conducted during TENANT'S regular business hours in a manner causing as little  
16          inconvenience as possible to TENANT.

17                      38.    TERMINATION BY LANDLORD.

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

28                      Nothing herein shall be deemed to deprive TENANT of any right to

1 legal redress which TENANT would otherwise have.

2 A. NON-DISTURBANCE AGREEMENT. LANDLORD agrees  
3 that it will from time to time enter into so called "non-disturbance" agreements with  
4 any subtenant of TENANT which requests such an agreement. Such non-  
5 disturbance agreement shall provide that in the event of early termination of this  
6 Lease as a result of TENANT's default thereunder, LANDLORD shall recognize  
7 the sublease and not disturb the subtenant's possession thereunder only so long  
8 as such subtenant shall not be in default under its sublease, that the subtenant will  
9 attorn to LANDLORD, and that the subtenant will pay rent to LANDLORD from the  
10 date of such attornment, and that LANDLORD shall not be responsible to the  
11 subtenant under the sublease except for obligations accruing subsequent to the  
12 date of such attornment.

13 39. TERMINATION BY TENANT. Should LANDLORD default in the  
14 performance of any term, covenant, or condition to be performed by LANDLORD and  
15 such default is not remedied by LANDLORD within thirty (30) days from and after written  
16 notice by TENANT specifying said default, TENANT may declare this Lease and all rights  
17 and interests created thereby to be terminated. Should any law or ordinance become  
18 effective which results in substantial interference with the use of the Premises by  
19 TENANT, then TENANT may terminate this Lease upon giving written notice to  
20 LANDLORD of such termination.

21 40. LANDLORD'S RIGHT TO RE-ENTER. If any default by TENANT  
22 shall continue uncured following notice of default for the period applicable to the default  
23 under the provisions of this Lease, LANDLORD may, at its option, terminate this Lease  
24 by giving tenant notice of termination. On the expiration of the Lease Term or in the event  
25 of a sooner termination following TENANT'S default, upon giving written notice of  
26 termination to TENANT, TENANT agrees to yield and peaceably deliver possession of  
27 the Premises to LANDLORD on the date of termination of this Lease, without regard to  
28 the reason for such termination. Upon giving written notice of termination to TENANT,

1 LANDLORD shall have the right to re-enter and take possession of the Premises on the  
2 date such termination becomes effective without further notice of any kind and without  
3 institution of summary or regular legal proceedings. Termination of this Lease and re-  
4 entry of the Premises by LANDLORD shall in no way alter or diminish any obligation of  
5 TENANT under the Lease terms and shall not constitute an acceptance or surrender.  
6 TENANT waives any and all right of redemption under any existing or future law or  
7 statute in the event of eviction from or dispossession of the Premises for any reason or in  
8 the event LANDLORD re-enters and takes possession of the Premises in a lawful  
9 manner. If upon service by LANDLORD upon TENANT of a termination notice, TENANT  
10 disputes LANDLORD's right to terminate, TENANT shall seek its appropriate provisional  
11 or preliminary relief by filing an application for same in the appropriate court, prior to the  
12 termination date in the notice of termination, it being the intention of the parties that any  
13 dispute as to the right of LANDLORD to terminate this Lease, shall thereafter be fully  
14 adjudicated in that forum. In the event that TENANT fails to seek provisional or  
15 preliminary relief as provided for herein within the time period set forth above, TENANT  
16 agrees that should the manner or method employed by LANDLORD in re-entering or  
17 taking possession of the Premises give TENANT a cause of action for damages or in  
18 forcible entry and detainer, the total amount of damages to which TENANT shall be  
19 entitled in any such action shall be One Dollar (\$1.00). TENANT agrees that this Clause  
20 may be filed in any such action and that when filed, it shall be a stipulation of TENANT  
21 fixing the total damages to which TENANT is entitled in such an action.

22           41. ABANDONMENT. If TENANT shall abandon or be dispossessed by  
23 process of law or otherwise, any personal property belonging to TENANT remaining on  
24 the premises thirty (30) days after such abandonment or dispossession shall be deemed  
25 to have been transferred to LANDLORD, and LANDLORD shall have the right to remove  
26 and to dispose of the same without liability to account therefore to TENANT, or to any  
27 person claiming under TENANT.

28           42. POSSESSORY INTEREST. TENANT recognizes and understands

1 that this Lease may create a possessory interest subject to property taxation and that  
2 TENANT may be subject to the payment of property taxes on such interest.

3 43. FEDERAL AVIATION ADMINISTRATION ASSURANCES. This  
4 Lease is subject to certain assurances mandated by the Federal Aviation Administration  
5 for inclusion in airport leases. These assurances are set out in full in Exhibit "E" attached  
6 hereto and made a part hereof.

7 44. TERMINATION OF PRIOR AGREEMENTS. It is mutually agreed  
8 that this Lease shall supersede any prior agreements between the parties hereto  
9 covering all or any portion of the Premises, including without limitation the Original Lease.

10 45. GENERAL CONDITIONS.

11 A. HOLDING OVER BY TENANT. In the event of TENANT  
12 holding over and failing to surrender the Premises at the expiration of the Lease  
13 Term, or any extension thereof, with or without the consent of LANDLORD, said  
14 holdover shall result in the creation of a tenancy from month to month at the  
15 monthly rental in effect for the last month prior to termination hereof, payable on  
16 the first day of each month during said month to month tenancy. Nothing herein  
17 shall be construed to grant TENANT any right to hold over at the expiration of the  
18 Lease Term, or any extension thereof. All other terms and conditions of this Lease  
19 shall remain in full force and effect and be fully applicable to any month to month  
20 tenancy hereunder.

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

1           however, that an involuntary petition for bankruptcy or reorganization which is  
2           dismissed within sixty (60) days after filing without loss to LANDLORD shall not  
3           constitute a breach of this Lease.

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

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

16                      E.     TAXES AND ASSESSMENTS. TENANT shall pay before  
17          delinquency, all taxes, license fees, assessments and other charges which are  
18          levied and assessed against and upon the premises, fixtures, equipment, aircraft  
19          or other property caused or suffered by TENANT to be placed upon the Premises  
20          or located at the Airport. TENANT shall furnish LANDLORD with satisfactory  
21          evidence of these payments upon demand by LANDLORD.

22                      F.     COSTS OF SUSTAINING AN ACTION FOR BREACH OR  
23          DEFAULT. In the event LANDLORD commences legal action against TENANT  
24          claiming a breach or default of this Lease, LANDLORD, if successful, shall be  
25          entitled to recover from TENANT its costs and expenses of said litigation, including  
26          but not limited to legal fees.

27                      G.     CIRCUMSTANCES WHICH EXCUSE PERFORMANCE. If  
28          either party hereto shall be delayed or prevented from the performance of any act

1 required hereunder by reason of acts of God, restrictive governmental laws or  
2 regulations or other cause, without fault and beyond control of the party obligated  
3 other than financial incapacity, performance of such act shall be excused for the  
4 period of the delay; and the period for the performance of any such act shall be  
5 extended for a period equivalent to the period of such delay, provided, however,  
6 nothing in this section shall excuse TENANT from the prompt payment of any  
7 rental or other charge required of TENANT hereunder except as may be expressly  
8 provided elsewhere in this Lease.

9 H. AMENDMENTS. This Lease sets forth all of the agreements  
10 and understandings of the parties hereto and is not subject to modification, except  
11 in writing duly executed by the legally authorized representatives of each of the  
12 parties.

13 I. LEASE ORGANIZATION. The various headings in this  
14 Lease, the number of letters thereof, and the organization of this Lease into  
15 separate sections and paragraphs are for purposes of convenience only and shall  
16 not be considered otherwise.

17 J. PARTIAL INVALIDITY. If any term, covenant, condition or  
18 provisions of this Lease is held by a court of competent jurisdiction to be invalid,  
19 void or unenforceable, the remainder of the provisions hereof shall remain in full  
20 force and effect and shall in no way be affected, impaired or invalidated thereby.

21 K. WAIVER OF RIGHTS. The failure of TENANT or LANDLORD  
22 to insist upon strict performance of any of the terms, conditions or covenants  
23 herein shall not be deemed a waiver of any rights or remedies that either may  
24 have, and shall not be deemed a waiver of any subsequent breach or default of  
25 the terms, conditions or covenants herein contained.

26 L. NOTICES. All notices given or to be given by either party to  
27 the other, shall be served by either: (1) enclosing the same in a sealed envelope  
28 addressed to the party intended to receive the same at the address indicated



OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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herein or at such other address as the parties may by written notice hereafter designate, and deposited in the U. S. Postal Service, with postage prepaid; or (2) personal service upon the Airport Director or upon an officer or authorized agent of TENANT. Such notices shall be effective on the date of mailing if served by mail or on the date personal service is effected if such notice is personally served. For the purposes hereof, notices to LANDLORD and TENANT shall be addressed as follows:

LANDLORD: City of Long Beach  
333 W. Ocean Blvd., 13th Floor  
Long Beach, CA 90802  
Attn: City Manager

With a copy to: City of Long Beach  
4100 Donald Douglas Drive  
Long Beach, CA 90808  
Attn: Airport Director

TENANT: Aerolease Long Beach  
3333 E. Spring Street  
Long Beach, CA 90806  
Attn: Curt Castagna

M. TIME. Time is of the essence of this Lease.

N. APPROVALS AND CONSENTS BY CITY. Wherever in this Lease consents or approvals by LANDLORD or LANDLORD's Airport Manager are required, such consents or approvals shall not unreasonably be withheld or delayed.

O. PROHIBITION AGAINST RECORDING LEASE; RECORDABLE MEMORANDUM OF LEASE. This Lease shall not be recorded. LANDLORD and TENANT agree that they shall, at any time at the request of the other, promptly execute a memorandum or short form of this Lease, in recordable form, setting forth a description of the Premises, the Lease Term, and any other provisions herein, or the substance thereof, as either party desires, and the cost of

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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recording any such memorandum or short form shall be paid by TENANT.

P. QUIET POSSESSION. LANDLORD covenants and agrees that TENANT, upon paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on TENANT'S part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Premises during the Lease Term without any hindrance or molestation by LANDLORD or any person claiming under LANDLORD.

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

CITY OF LONG BEACH, a municipal corporation

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

By   
City Manager

"LANDLORD" Assistant City Manager

AEROLEASE-LONG BEACH

By 

May 5, 2015

MAY 1ST, 2015

"TENANT"

This Lease is approved as to form on May 4, 2015.

CHARLES PARKIN, City Attorney

By   
Deputy

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

PARCEL LEASE AREA  
AEROLEASE – LONG BEACH

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PART OF RANCHO LOS CERRITOS AS PER MAP RECORDED IN BOOK 2, PAGE 202 OF PATENTS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF REDONDO AVENUE AND SPRING STREET AS SHOWN ON TRACT NO. 27805 PER MAP RECORDED IN BOOK 712, PAGES 95 THROUGH 97 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE ALONG THE CENTERLINE OF SAID SPRING STREET, NORTH 89°55'35" WEST, 125.00 FEET;

THENCE LEAVING SAID CENTERLINE, NORTH 00°04'25" EAST, 50.00 FEET TO THE NORTHERLY LINE OF SAID SPRING STREET AND THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE, NORTH 89°55'35" WEST, 142.73 FEET;

THENCE SOUTH 88°20'16" WEST, 330.15 FEET;

THENCE NORTH 89°55'35" WEST, 57.27 FEET;

THENCE NORTH 00°04'25" EAST, 138.54 FEET;

THENCE NORTH 89°55'35" WEST, 290.00 FEET;

THENCE NORTH 00°04'25" EAST, 161.86 FEET;

THENCE NORTH 89°55'35" WEST, 150.00 FEET;

THENCE NORTH 00°04'25" EAST, 100.00 FEET;

THENCE NORTH 02°00'55" EAST, 47.80 FEET;

THENCE NORTH 00°09'28" WEST, 254.53 FEET;

THENCE NORTH 44°50'35" EAST, 35.35 FEET;

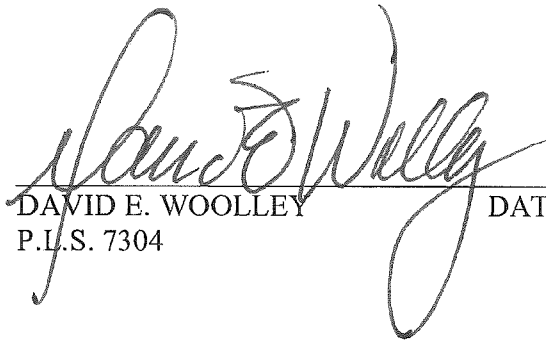
THENCE NORTH 89°50'38" EAST, 944.52 FEET;

THENCE SOUTH 00°04'25" WEST, 721.58 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS APPROXIMATELY 618,789 SQUARE FEET.

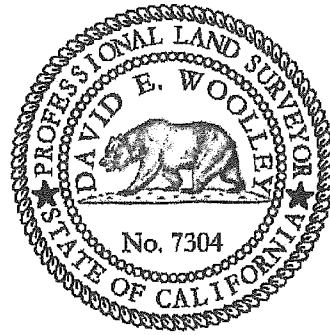
AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.



DAVID E. WOOLLEY  
P.L.S. 7304

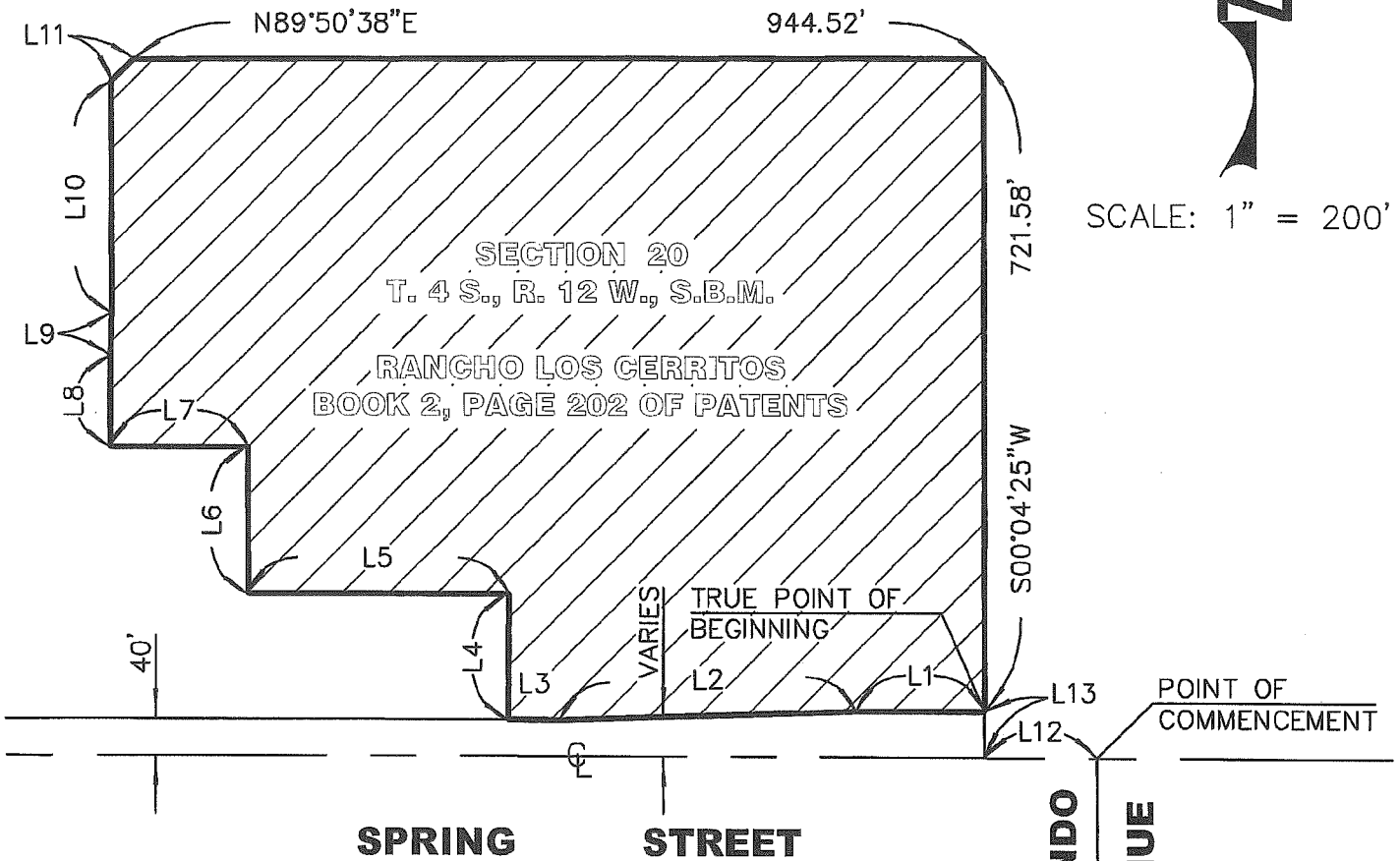
DATE: 12/16/14



# EXHIBIT B

IN THE CITY OF LONG BEACH  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

## PARCEL LEASE MAP AEROLEASE - LONG BEACH



SCALE: 1" = 200'



INDICATES LEASED AREA  
AREA = 618,789 SF

THIS EXHIBIT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION.

*David E. Woolley*  
DAVID E. WOOLLEY DATE: 12/16/14  
P.L.S. 7304



**LINE DATA:**

L1	— N89°55'35"W	142.73'
L2	— S88°20'16"W	330.15'
L3	— N89°55'35"W	57.27'
L4	— N00°04'25"E	138.54'
L5	— N89°55'35"W	290.00'
L6	— N00°04'25"E	161.86'
L7	— N89°55'35"W	150.00'
L8	— N00°04'25"E	100.00'
L9	— N02°00'55"E	47.80'
L10	— N00°09'28"W	254.53'
L11	— N44°50'35"E	35.35'
L12	— N89°55'35"W	125.00'
L13	— N00°04'25"E	50.00'

IF THERE IS NO SURVEYOR'S SIGNATURE HEREON, THIS MAP AND THE CONTENTS  
CONTAINED HEREIN ARE CONSIDERED PRELIMINARY AND SUBJECT TO CHANGE.

SHEET 1 OF 1	SCALE: 1" = 200'	<b>EXHIBIT</b>	<b>D. WOOLLEY &amp; ASSOCIATES</b>
FILE NO. 14200	DATE: 12/16/14		
DRAWN BY: BJM	CHKD. BY: DEW	ADDRESS: AEROLEASE - LONG BEACH LONG BEACH, CALIFORNIA	(714) 734-8462 FAX (714) 508-7521
		CLIENT: CITY OF LONG BEACH	

## Exhibit "C"

AEROLEASE  
LEASED PREMISES: 618,789 SF

	Annual Rent	Monthly Rent	Price per SF	
May 1, 2015	\$ 297,024	\$ 24,752	\$ 0.040	\$0.005 per SF Annual Increases
May 1, 2016	\$ 334,152	\$ 27,846	\$ 0.045	
May 1, 2017	\$ 371,268	\$ 30,939	\$ 0.050	
May 1, 2018	\$ 408,396	\$ 34,033	\$ 0.055	
May 1, 2019	\$ 445,524	\$ 37,127	\$ 0.060	
May 1, 2020	\$ 460,380	\$ 38,365	\$ 0.062	3% Annual Increases
May 1, 2021	\$ 475,224	\$ 39,602	\$ 0.064	
May 1, 2022	\$ 490,080	\$ 40,840	\$ 0.066	
May 1, 2023	\$ 504,936	\$ 42,078	\$ 0.068	
May 1, 2024	\$ 519,780	\$ 43,315	\$ 0.070	
May 1, 2025	\$ 534,636	\$ 44,553	\$ 0.072	
May 1, 2026	\$ 549,480	\$ 45,790	\$ 0.074	
May 1, 2027	\$ 564,336	\$ 47,028	\$ 0.076	
May 1, 2028	\$ 579,192	\$ 48,266	\$ 0.078	
May 1, 2029	\$ 594,036	\$ 49,503	\$ 0.080	

May 1, 2030	Fair Market Value Rate Adjustment  Annual CPI Increase Minimum 2% - Maximum 6%
May 1, 2031	
May 1, 2032	
May 1, 2033	
May 1, 2034	
May 1, 2035	
May 1, 2036	
May 1, 2037	
May 1, 2038	
May 1, 2039	
May 1, 2040	Fair Market Value Rate Adjustment  Annual CPI Increase Minimum 2% - Maximum 6%
May 1, 2041	
May 1, 2042	
May 1, 2043	
May 1, 2044	
May 1, 2045	
May 1, 2046	
May 1, 2047	
May 1, 2048	
May 1, 2049	
May 1, 2050	Fair Market Value Rate Adjustment  Annual CPI Increase Minimum 2% - Maximum 6%
May 1, 2051	
May 1, 2052	
May 1, 2053	
May 1, 2054	

EXHIBIT "D"

AMENDED AND RESTATED PARKING AGREEMENT

This Amended and Restated Parking Agreement ("Agreement") is entered into this 1st day of May, 2015, by and among the City of Long Beach, a municipal corporation, hereinafter referred to as "Landlord", Aerolease-Long Beach, a California General Partnership, dba as Aeroplex Aviation, hereinafter referred to as "Aerolease", and Concepts 4, Inc., a California corporation, hereinafter referred to as "Concepts 4", in reference to the following facts.

WHEREAS, Landlord and Aerolease have entered into an Amended and Restated Lease Agreement dated as of even date herewith whereby Landlord has leased to Aerolease that certain real property described on Exhibit "A" attached hereto and incorporated herein by reference ("Lease No. 1").

WHEREAS, Landlord and Concepts 4 have entered into an Amended and Restated Lease Agreement whereby Landlord has leased to Concepts 4 that certain real property described on Exhibit "B" attached hereto and incorporated herein by reference ("Lease No. 2").

WHEREAS, Aerolease desires, as hereinafter provided, to restrict the leasehold estate demised in Lease No. 1 with covenants running with such leasehold estate for the benefit of the leasehold estate described in Lease No. 2.

NOW, THEREFORE, the parties agree as follows:

1. Aerolease, as lessee of the leasehold estate demised under Lease No. 1, expressly covenants for itself and its successors and assigns, so long as Lease No. 1 is in full force and effect, to provide 99 automobile parking spaces, on an unreserved basis, on the land described on Exhibit "A" for the benefit, use and enjoyment of the leasehold estate demised under Lease No. 2. The access to the parking lot in which the 99 parking spaces are located shall not be impaired by the use and enjoyment of the 99 parking spaces.

2. Concepts 4, as lessee of the leasehold estate demised under Lease

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Lona Beach, CA 90802-4664

1 No. 2, shall have the obligation to pay on demand to the lessee of Lease No. 1, 50 percent  
2 of all taxes, insurance, assessments costs, charges, maintenance, repairs and the other  
3 expenses attributable to the parking lot in which the 99 spaces are located. Failure to  
4 comply with the provisions of this paragraph within 30 days after receipt of written notice  
5 from the lessee of Lease No. 1, and to any holder of the beneficial interest ("Beneficiary")  
6 under a first deed of trust encumbering the leasehold estate demised under Lease No. 2  
7 shall cause the termination of the covenants provided in this Agreement.

8 3. Landlord hereby expressly consents to the covenants described in  
9 paragraphs 1 and 2 above, and agrees, for the benefit, use and enjoyment of the leasehold  
10 estate demised under Lease No. 2, that Landlord will recognize said covenants in the event  
11 of the termination of Lease No. 1 and Landlord will permit said covenants to continue in full  
12 force and effect so long as Lease No. 2 remains in full force and effect.

13 4. The covenants provided for in paragraphs 1 through 3 above are  
14 intended and shall be covenants running with the land as provided in California Civil Code  
15 Section 1468.

16 5. Tenant shall cause the recordation of this Agreement in the Official  
17 Records in the office of the County Recorder of Los Angeles County, California.

18 6. Any notice required by this Agreement shall be in writing and shall be  
19 deemed received when personally given or 5 days after deposit in the United States first  
20 class mail, postage prepaid, as follows:

21 If to Aerolease: Aerolease-Long Beach  
22 3333 E. Spring Street  
23 Long Beach, CA 90806  
Attn: Curt Castagna

24 If to Concepts 4: Bill Legg  
25 HFS Concepts4  
26 3229 E. Spring Street, Suite 200  
Long Beach, CA 90806

27 If to Beneficiary: To the Beneficiary at the address set  
28 Forth in the recorded first trust deed of trust.



OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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If to Landlord: Airport Director  
Long Beach Municipal Airport  
4100 Donald Douglas Avenue  
Long Beach, California 90808

IN WITNESS WHEREOF, and for the purpose of complying with California  
Civil Code Section 1468, the parties hereto have executed this Agreement as of the date  
and year first above written.

CITY OF LONG BEACH, a municipal  
corporation

By [Signature] EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.  
City Manager  
Assistant City Manager.

"LANDLORD"

AEROLEASE-LONG BEACH, a California  
general partnership

By [Signature]  
Name CURT CASTAGNA  
Title PRESIDENT/CEO

CONCEPTS 4, INC., a California  
corporation

By [Signature]  
Name William Legg  
Title President

"TENANT"

This Agreement is approved as to form on April 30, 2015.

CHARLES PARKIN, City Attorney

By [Signature]  
Deputy

EXHIBIT "A"

Page 1 of 3

LEGAL DESCRIPTION

PARCEL LEASE AREA  
AEROLEASE - LONG BEACH

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PART OF RANCHO LOS CERRITOS AS PER MAP RECORDED IN BOOK 2, PAGE 202 OF PATENTS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF REDONDO AVENUE AND SPRING STREET AS SHOWN ON TRACT NO. 27805 PER MAP RECORDED IN BOOK 712, PAGES 95 THROUGH 97 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE ALONG THE CENTERLINE OF SAID SPRING STREET, NORTH  $89^{\circ}55'35''$  WEST, 125.00 FEET;

THENCE LEAVING SAID CENTERLINE, NORTH  $00^{\circ}04'25''$  EAST, 50.00 FEET TO THE NORTHERLY LINE OF SAID SPRING STREET AND THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE, NORTH  $89^{\circ}55'35''$  WEST, 142.73 FEET;

THENCE SOUTH  $88^{\circ}20'16''$  WEST, 330.15 FEET;

THENCE NORTH  $89^{\circ}55'35''$  WEST, 57.27 FEET;

THENCE NORTH  $00^{\circ}04'25''$  EAST, 138.54 FEET;

THENCE NORTH  $89^{\circ}55'35''$  WEST, 290.00 FEET;

THENCE NORTH  $00^{\circ}04'25''$  EAST, 161.86 FEET;

THENCE NORTH  $89^{\circ}55'35''$  WEST, 150.00 FEET;

THENCE NORTH  $00^{\circ}04'25''$  EAST, 100.00 FEET;

THENCE NORTH  $02^{\circ}00'55''$  EAST, 47.80 FEET;

THENCE NORTH  $00^{\circ}09'28''$  WEST, 254.53 FEET;

THENCE NORTH  $44^{\circ}50'35''$  EAST, 35.35 FEET;

THENCE NORTH  $89^{\circ}50'38''$  EAST, 944.52 FEET;

THENCE SOUTH  $00^{\circ}04'25''$  WEST, 721.58 FEET TO THE TRUE POINT OF BEGINNING.

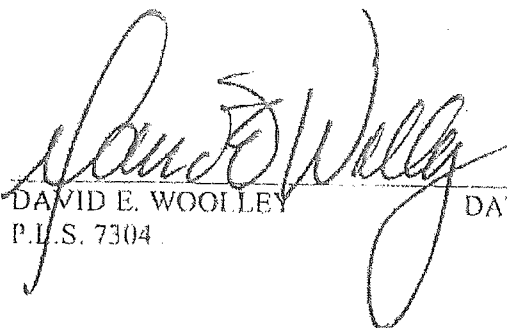
EXHIBIT "A"

Page 2 of 3

THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS APPROXIMATELY 618,789 SQUARE FEET.

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

  
\_\_\_\_\_  
DAVID E. WOOLLEY      DATE: 12/16/14  
P.L.S. 7304

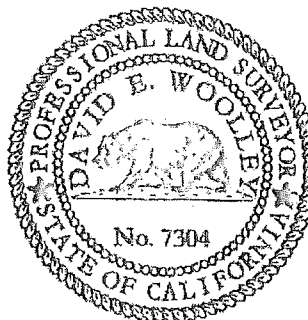
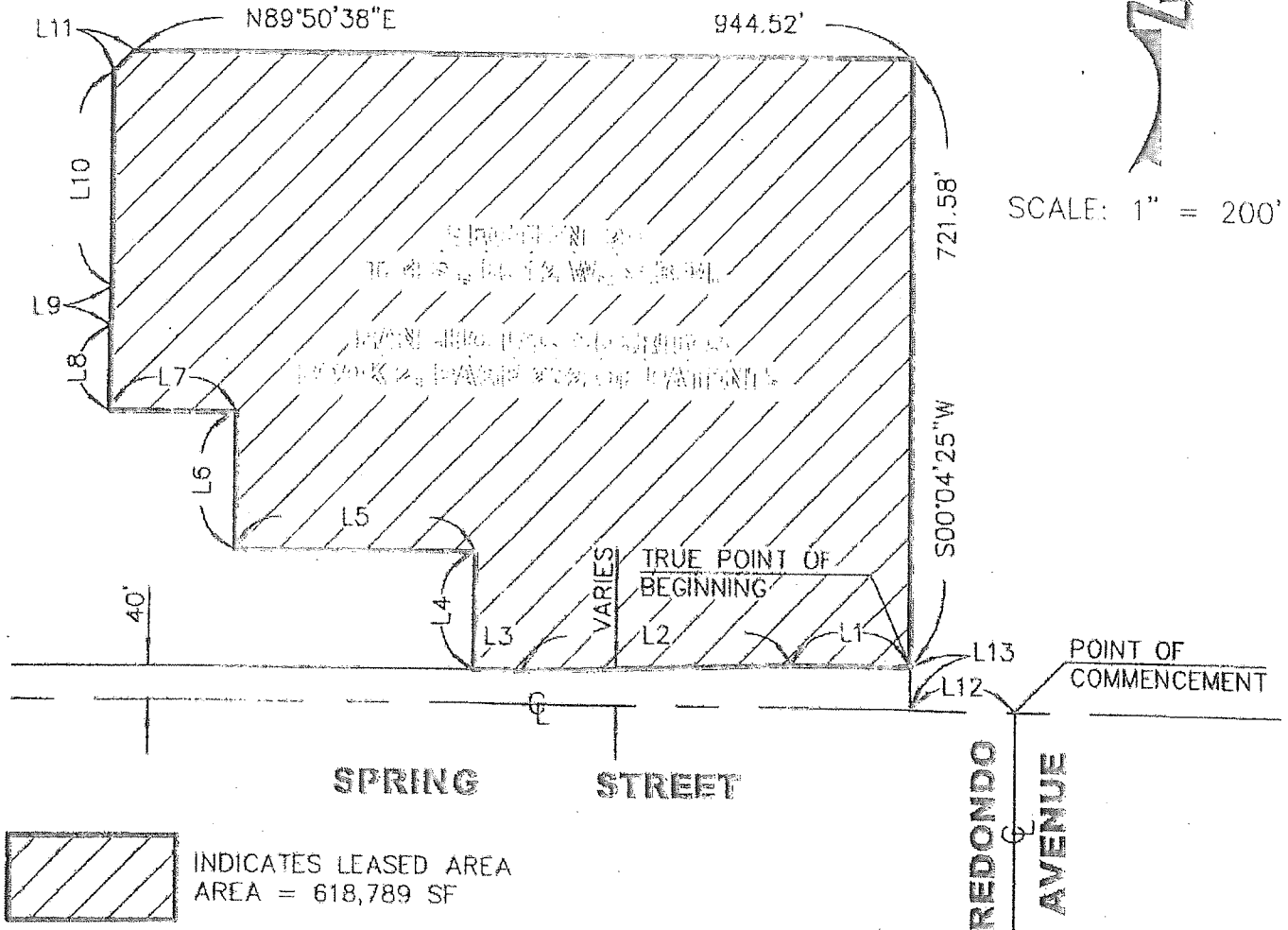



EXHIBIT "A"

Page 3 of 3

IN THE CITY OF LONG BEACH  
 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

**PARCEL LEASE MAP**  
**AEROLEASE - LONG BEACH**



 INDICATES LEASED AREA  
 AREA = 618,789 SF

THIS EXHIBIT WAS PREPARED BY ME  
 OR UNDER MY SUPERVISION.

*David E. Woolley*  
 DAVID E. WOOLLEY DATE: 12/16/14  
 P.L.S. 7304



**LINE DATA:**

L1	— N89°55'35"W	142.73'
L2	— S88°20'16"W	330.15'
L3	— N89°55'35"W	57.27'
L4	— N00°04'25"E	138.54'
L5	— N89°55'35"W	290.00'
L6	— N00°04'25"E	161.86'
L7	— N89°55'35"W	150.00'
L8	— N00°04'25"E	100.00'
L9	— N02°00'55"E	47.80'
L10	— N00°09'28"W	254.53'
L11	— N44°50'35"E	35.35'
L12	— N89°55'35"W	125.00'
L13	— N00°04'25"E	50.00'

IF THERE IS NO SURVEYOR'S SIGNATURE HEREON, THIS MAP AND THE CONTENTS  
 CONTAINED HEREIN ARE CONSIDERED PRELIMINARY AND SUBJECT TO CHANGE.

SHEET 1 OF 1	SCALE: 1" = 200' DATE: 12/16/14	EXHIBIT	D. WOOLLEY & ASSOCIATES
FILE NO. 14200	DRAWN BY: BJM CHKD. BY: DEW	ADDRESS: AEROLEASE - LONG BEACH LONG BEACH, CALIFORNIA	2832 WALNUT AVENUE, SUITE A TUSTIN, CA 92780
		CLIENT: CITY OF LONG BEACH	(714) 734-8462 FAX (714) 508-7521

EXHIBIT "B"

Page 1 of 2

LEGAL DESCRIPTION

PARCEL LEASE AREA  
CONCEPTS 4, INC.

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PART OF RANCHO LOS CERRITOS AS PER MAP RECORDED IN BOOK 2, PAGE 202 OF PATENTS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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THENCE ALONG THE CENTERLINE OF SAID SPRING STREET, NORTH 89°55'35" WEST, 655.00 FEET;

THENCE LEAVING SAID CENTERLINE, NORTH 00°04'25" EAST, 40.00 FEET TO THE NORTHERLY LINE OF SAID SPRING STREET AND THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE, NORTH 89°55'35" WEST, 255.42 FEET;

THENCE LEAVING SAID NORTHERLY LINE, NORTH 00°04'25" EAST, 138.54 FEET;

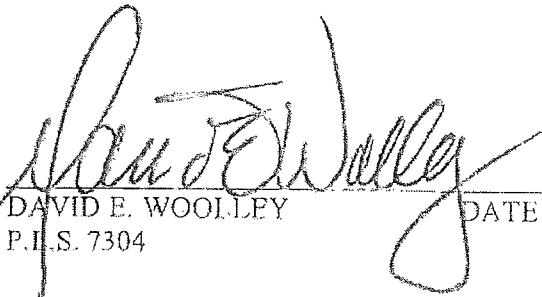
THENCE SOUTH 89°55'35" EAST, 255.42 FEET;

THENCE SOUTH 00°04'25" WEST, 138.54 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS APPROXIMATELY 35,386 SQUARE FEET.

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

  
DAVID E. WOOLLEY  
P.L.S. 7304

DATE: 12/16/14



EXHIBIT "B"

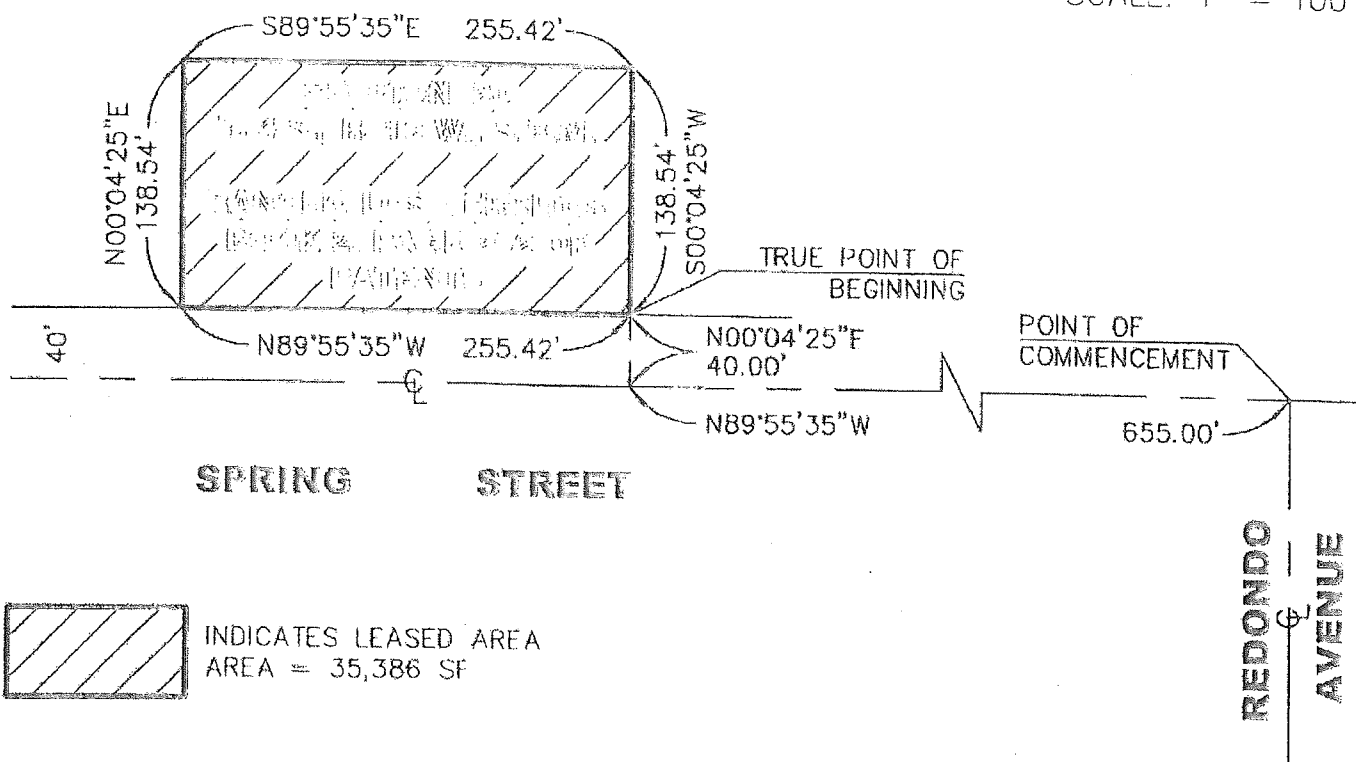
Page 2 of 2

IN THE CITY OF LONG BEACH  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

PARCEL LEASE MAP  
CONCEPTS 4, INC.



SCALE: 1" = 100'



INDICATES LEASED AREA  
AREA = 35,386 SF

THIS EXHIBIT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION.

*David E. Woolley*  
DAVID E. WOOLLEY DATE: 12/16/14  
P.L.S. 7304



IF THERE IS NO SURVEYOR'S SIGNATURE HEREON, THIS MAP AND THE CONTENTS  
CONTAINED HEREIN ARE CONSIDERED PRELIMINARY AND SUBJECT TO CHANGE.

SHEET 1 OF 1	SCALE: 1" = 100' DATE: 12/16/14	EXHIBIT	D. WOOLLEY & ASSOCIATES
FILE NO. 14200	DRAWN BY: BJM CHKD. BY: DEW	ADDRESS: CONCEPTS 4, INC. LONG BEACH, CALIFORNIA	2832 WALNUT AVENUE, SUITE A TUSTIN, CA 92780
		CLIENT: CITY OF LONG BEACH	(714) 734-8462 FAX (714) 508-7521

**FEDERAL AVIATION ADMINISTRATION ASSURANCES**

1. The lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this permit for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the permittee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The permittee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the permittee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The permittee assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the lessee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

*(Additional information regarding civil rights and Disadvantaged Business Enterprise obligations can be obtained from the FAA Civil Rights Office.)*

2. The airport owner/sponsor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the lessee and without interference or hindrance.

3. The airport owner/sponsor reserves the right, but shall not be obligated to the lessee, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the lessee in this regard.

4. This permit shall be subordinate to the provisions and requirements of any existing or future agreement between the airport owner/sponsor and the United States, relative to the development, operation, or maintenance of the airport.
5. There is reserved to the airport owner/sponsor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the permitted premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.
6. The lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the permitted premises or in the event of any planned modification or alteration of any present or future building or structure situated on the permitted premises.
7. The lessee by accepting this permit agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit object of natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the lessee.
8. The lessee by accepting this license agrees for itself, its successors and assigns that it will not make use of the permitted premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby permitted and cause the abatement of such interference at the expense of the lessee.
9. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of U.S. Code 40103 (e) and 47107(a)(4).
10. This permit and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or nonexclusive use of the airport by the United States during the time of war or national emergency.
11. The lessee will furnish services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.



## EXHIBIT "F"

### Long Beach Airport Rules and Regulations

#### **1.0 Applicability**

These Airport Rules and Regulations have been adopted and approved by the City of Long Beach. The following Rules and Regulations shall apply within the boundaries of the Long Beach Airport.

#### **1.1 Violation of Rules**

Any person who violates, disobeys, omits, neglects or refuses to comply with any of the provisions of these Rules and Regulations or any lawful order issued pursuant thereto may be fined, denied use of the Airport, or both, by the Airport Manager or his representative, in addition to the penalties prescribed by any federal, state or local authorities.

#### **1.2 Severability**

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of these Rules and Regulations or any part thereof, is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity or effectiveness of the remaining portions of these Rules and Regulations.

If the application of any provision or provisions of these Rules and Regulations to any building, sign or other structure, or parcel of land is found to be invalid or ineffective in whole or in part, the effect of such decision shall be limited to the property or situation immediately involved in the controversy, and the application of any such provision to other properties and situations shall not be affected.

#### **1.3 Interpretation**

In the event that an interpretation of any provision of these Rules and Regulations is required, the Airport Manager shall render such interpretation, and his/her determination shall be considered as final authority on the matter.

#### **2.0 General**

This section establishes certain conditions relating to the use of Airport facilities, including the conditions, limitations and restrictions on commercial activities and personal conduct and behavior applicable to all persons.

Written operating procedures issued by the Airport Manager may be considered as addenda to these Rules and Regulations, and hereby incorporated as part of these Rules and Regulations as though fully set forth herein.

**Long Beach Airport  
Rules and Regulations**

**2.1 Emergencies**

When an emergency affecting the health, welfare and/or safety of persons and/or property exists at the Airport, the Airport Manager shall be empowered to take any action which, in his discretion and judgement, is necessary or desirable to protect persons and property and to facilitate the operation of the Airport.

During an emergency the Airport Manager may suspend these Rules and Regulations, or any part thereof; and may in addition, issue such orders, rules and regulations as may be necessary including, but not limited to (1) restricting airfield access (2) closing operational surfaces, etc.

**2.2 Use of Airport Roadways and Walkways**

No person shall travel on any portion of the Airport except upon the roadways, walkways or places provided for the particular class of traffic; nor occupy the roadways or walkways in an unsafe manner, or in such a manner as to hinder or obstruct their proper use. All persons shall abide by all posted speed and other limitations.

**2.3 Personal Conduct**

No person shall enter or remain on Airport property, do or omit to do any act, if the doing or omission thereof endangers unreasonably or is likely to endanger unreasonably, persons or property.

**2.4 Commercial Activity**

No person shall enter or remain on Airport property exclusive of leaseholds and buy, sell, peddle, or offer for sale or purchase any goods, merchandise, property or perform services (including surveys) of any kind whatsoever, on or from Airport property, without the express written consent of the Airport Manager.

LBMC Title 16, Chapter 16.44.040

**2.5 Firearms**

No person except authorized peace officers, post office and customs employees, members of the armed forces of the United States on official duty, or other properly authorized persons shall carry firearms or explosives at the Airport without permission as stated in Federal Aviation Regulations 1542 and 1544.

**2.6 Advertisements**

No person shall post, distribute, or display signs, circulars, printed or written matter of an advertising nature at the Airport, without the express written consent of the Airport Manager and in such manner as the manager may prescribe.

**Long Beach Airport  
Rules and Regulations**

**2.7 Lost and Found Articles**

Any person finding lost articles at the Airport shall deposit them with the Security Office. Articles unclaimed by the owner after 30 days will be turned over to the finder thereof, unless found by Airport Bureau employees, in which case items will be turned over to LBPD for auction sale or donated to charity.

**2.8 Litter and Refuse**

No person shall place; discharge or deposit in any manner, paper, trash, rubbish or other refuse anywhere on the Airport, except in receptacles and other places prescribed by the Airport Manager.

All litter and refuse must be covered when transported in vehicles, and all receptacles for same must have covers and ensure against leaking, dripping, sifting or otherwise escaping of said materials.

Each tenant shall provide sufficient trash receptacles for their leaseholds.

Any unauthorized deposit of garbage, debris or refuse shall be cleaned up, or removed immediately by the depositor.

**2.9 Tenant Conduct Regarding Unauthorized Activities**

No tenant, tenant employee, or any other employee authorized to perform any function on the Airport shall in any way assist any person to engage in any activity on the Airport which is not authorized by the Airport Manager.

**2.10 Tenant Construction Requirements**

No on or off-leasehold tenant construction or exterior signage may commence without the prior written consent of the Airport Manager and the City. All Airfield Construction Permit provisions must be met at all times if applicable.

All tenant construction must receive prior written consent from the Airport Manager and conform to the requirements as contained in the tenant's City of Long Beach Lease Agreement.

Tenants shall obtain an Airfield Construction Permit and pay the cost of any off-site improvements, including strengthening or construction of taxiways and taxilanes when such improvements are exclusively beneficial to the tenant.

Tenants shall also repair at their cost and expense any off-site damage, including damage to any runway, taxiway, or taxilane resulting from the tenants' use of the premises. Any such repair or construction shall be done in consultation with the Airport Manager after receiving written consent from the Airport Manager for such construction.

**Long Beach Airport  
Rules and Regulations**

**2.11 Damage to Airport Property**

No person shall destroy or cause to be destroyed, injure, damage, deface, or disturb Airport property.

**2.12 Abandoned Personal Property**

No person shall abandon any personal property on public areas of the Airport. The registered owner of any abandoned aircraft or vehicle shall be held liable. Abandoned aircraft, vehicles or equipment shall be removed at the owner's expense, inclusive of storage fees incurred.

**2.13 Smoking**

No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any naked flames in or upon any fuel storage area, within 50 ft. of active fueling areas, aircraft movement areas, passenger or cargo ramp and apron areas, aircraft parking areas, or any open deck, gallery or balcony contiguous to and overlooking any such area, or in any other place where smoking is specifically prohibited by signs.

LBMC Chapter 8.68.010

**3.0 Aircraft Operations**

This section covers restrictions on aircraft operational procedures and other activities in the Air Operations Areas (AOA) of the Airport.

**3.1 Operation of Aircraft**

All persons shall operate, service, maintain, and repair aircraft in conformity with rules and regulations as set forth by the Federal Aviation Administration and State Aeronautics Board.

No person shall work on or park an aircraft on or adjacent to any active taxiways or runways without prior approval from Airport Operations/Security.

All parked aircraft shall be within the boundary lines of the tenant's leasehold.

During the hours that the control tower is closed (23:45-06:15 local), all aircraft shall broadcast on Common Traffic Advisory Frequency (CTAF) their intentions, identifying number, and location.

Aircraft shall not land/take off on runways designated as closed either by NOTAM or Noise Abatement ordinance.

**Long Beach Airport  
Rules and Regulations**

**3.2 Aircraft Incident/Accident Reporting**

The pilot or operator of any aircraft involved in an incident or accident causing personal injury or property damage shall, in addition to all other reports required to be made to other agencies, make a prompt and complete report concerning said incident or accident to the Airport Manager.

**3.3 Disabled Aircraft**

Any owner, lessee, operator or other person having the control, or the right of control of any disabled aircraft on the Airport shall be responsible for the prompt removal and disposal thereof, and any or all parts thereof, subject, however, to any requirements or direction by the National Transportation Safety Board, the Federal Aviation Administration, or the Airport Manager that such removal or disposal be delayed pending an investigation of accident.

Any aircraft determined by the Airport Manager to be wrecked or in derelict condition shall be placed inside a hangar or screened fence, or removed from the Airport.

Any owner, lessee, operator or other person having control, or the right of control, of any aircraft does, by use of the Airport, agree and consent, notwithstanding any provision in any agreement, lease, permit or other instrument to the contrary, that the Airport Manager may take any and all necessary action to effect the prompt removal or disposal of disabled aircraft that obstructs any part of the Airport; that any costs incurred by or on behalf of the Airport for any such removal or disposal of any aircraft shall be paid to the removal company; that any claim for compensation against the City of Long Beach and any of their officials, agents or employees, for any and all loss or damage sustained to any such disabled aircraft, or any part thereof, by reason of any such removal or disposal is waived, and that the owner, lessee, operator or other person having control, or the right of control, of said aircraft shall indemnify, hold harmless and defend the City, the Airport Bureau, and all of their officers, agents and employees, against any and all liability for injury to or the death of any person, or for any injury to any property arising out of such removal or disposal of said aircraft.

No disabled aircraft may be left unattended or abandoned on any active Airport area.

**3.4 Airfield Control**

The Airport Manager shall have the right at any time to close the Air Operations Area or any portion thereof to air traffic, to delay or restrict any flight or other aircraft operation, to refuse takeoff permission to aircraft, and to deny the use of the Airport or any portion thereof to any specified class of aircraft or to any individual or group, when he considers any such action to be necessary and desirable to avoid endangering persons or property and to be consistent with the safe and proper operation of the Airport.

## **Long Beach Airport Rules and Regulations**

If the Airport Manager determines the condition of the Air Operations Area or any part thereof to be unsafe for landings or takeoffs, he shall issue a Notice to Airmen (NOTAM) closing the Air Operations Area or any part thereof.

In the event of an aircraft accident or incident on Airport property, access to the accident scene shall be controlled by the Airport Manager.

### **3.5 Maintenance Run-ups**

All maintenance run-ups of aircraft engines shall be performed in the run-up areas and on leased premises designated for such purposes by the Airport Manager. Maintenance run-ups are permitted during the hours specified in the Airport Noise Control Ordinance.

Aircraft engines shall not be operated during refueling or defueling operation or during a fuel spill unless otherwise approved by the Long Beach Fire Department and the Airport Manager.

### **3.6 Taxiing or Moving Aircraft on Operational Areas**

No aircraft shall be taxied, towed, or otherwise moved on the Airport in a careless or negligent manner or at a speed or in a manner that would unreasonably endanger persons or property.

No aircraft may be taxied or towed on a taxiway, runway or other movement area without appropriate clearance from the Control Tower.

Aircraft with inoperative radios shall be escorted in movement areas by a vehicle in radio contact with the Control Tower.

An arriving aircraft with inoperative radios may be controlled by light signals from the Control Tower. A departing aircraft with inoperative radios must receive prior permission from the Control Tower to receive light signals, or shall be escorted by a vehicle in radio contact with the Control Tower.

Except where taxiway and perimeter road are co-located, no aircraft shall be taxied, towed, or otherwise moved on the perimeter road unless prior approval is obtained from the Airport Manager.

### **3.7 Power-Back Operations**

Power-back operations are not permitted on the air carrier ramp without prior approval of Airport Manager.

### **3.8 Touch-and-Go Training Hours**

Touch-and-go training is allowed under the conditions prescribed in the Airport Noise

**Long Beach Airport  
Rules and Regulations**

Compatibility Ordinance.

LBMC Chapter 16.43.06

**3.9 Use of Unsafe Areas**

No aircraft shall use any part of the airfield, apron, ramp, taxiways, runways or other areas designated as unavailable or unsafe.

**3.10 Terminal, Ramp and Gate Restrictions**

Aircraft operators shall not use Terminal ramp/gate facilities without prior permission from the Airport Manager.

**3.11 Air Carrier, Charter Passenger Enplaning and Deplaning**

All aircraft shall be loaded or unloaded, passengers enplaned or deplaned, in areas designated by the Airport Manager.

All passengers shall be channeled through designated routes to and from the terminal buildings.

There shall be no enplaning or deplaning of passengers when aircraft engines are operating on the same side of the aircraft from which passengers are enplaning or deplaning

**3.12 Aircraft Operations**

Aircraft are authorized to land and takeoff only from the designated operational areas of the Airport.

A qualified pilot or mechanic must be in the cockpit and at the controls of the aircraft when an aircraft engine is operating.

Operating aircraft engines inside a hangar is prohibited.

No aircraft may land or takeoff from the Airport unless it is equipped with a functioning two-way radio on a frequency to maintain communications with the Control Tower unless prior permission was received from the Federal Aviation Administration. In the event of an in-flight radio failure, an aircraft may land under direction of light signals from the Control Tower.

The aircraft's rotating beacon shall be on when the engine is running.

Helicopters shall have braking devices or rotor mooring tiedowns applied to the rotor blades when securing the aircraft between flights.

## **Long Beach Airport Rules and Regulations**

Banner tow operators must receive approval from the Airport Manager prior to conducting banner tow operations at the Airport. Banner pick-up and drop shall be conducted only in areas designated by the Airport Manger.

Airship operators must receive prior approval to operate or moor at the Airport. Mooring sites are available by reservation through the Airport Safety office. All drivers of airship support vehicles must hold Airport driving permits, or be escorted when operating on the AOA.

### **3.13 Compliance**

The Airport Manager shall have authority to deny the use of the Airport to any aircraft or pilot violating local, state or federal regulations.

### **4.0 Motor Vehicle Operations**

This section specifies the general required operating procedures for all vehicles at the Long Beach Airport within the AOA.

#### **4.1 Operation of Motor Vehicles**

Unless authorized by the Airport Manager no motor vehicles shall be operated on the Airport premises except on roadways, parking areas, or other areas which are specifically designated for such vehicles.

All vehicles operated on the AOA shall display required identifying markings, placards and signage at all times.

Vehicles shall be parked only in the manner prescribed by the Airport Manager and as indicated by posted signs on the Airport premises.

No leasehold vehicles shall be parked off leasehold.

#### **4.2 Vehicle Operating Rules**

All employees are responsible for the equipment they are driving and may be personally cited for failure to comply with these Rules and Regulations and applicable vehicle codes.

Under all conditions, aircraft shall have the right-of-way over all vehicles.

All vehicles shall yield the right-of-way to emergency equipment responding to an emergency. Included are aircraft rescue and fire fighting equipment, other fire trucks, security vehicles, operations vehicles or vehicles displaying a red flashing beacon.



## Long Beach Airport Rules and Regulations

No vehicle may be driven onto the AOA without first obtaining permission from the Airport Manager.

Vehicles being driven onto the AOA shall be equipped for two-way radio communication with the FAA Control Tower and have a flashing beacon on top or be escorted by another vehicle so equipped.

Only vehicles, equipment, and personnel who have prior authorization by the Airport Manager may operate on runways, taxiways and movement areas, or cross runways and taxiways.

Under no circumstances shall any vehicle operate on or cross a runway, taxiway, or any movement area unless permission from the Tower is granted. Vehicles requiring an escort must be escorted by Airport Security, Operations, or authorized company vehicles, equipped with two-way radio, and in constant radio communication with the FAA Control Tower.

Fuel trucks shall NOT operate on taxiways or runways and shall NOT cross runways at any time unless authorized by the Airport Manager.

Motorcycles, bicycles and pedestrians are not authorized to travel the perimeter road or on the AOA.

Any accident involving an aircraft and vehicle shall be immediately reported to Airport Operations/Security.

For night operations, all headlights, taillights, and running or clearance lights on all vehicles shall be in proper working order. The vehicle driver shall be responsible for the proper operation of such lights. Rear shining spotlights or other similar lights shall be in the off position when driving on ramps or service roads.

Each vehicle shall enter the Airport by authorized means (i.e., padlock key or gate card key that is obtained from the leaseholder that controls that gate; or a card key or electronic opener that operates Airport controlled gates and are issued by Airport Security). Any other means of entry shall be deemed unauthorized.

Each individual having access to restricted areas is responsible to ensure that his/her operation does not result in debris being left in aircraft operation areas which might be the source of FOD damage.

The maximum number of baggage carts in a single train shall not exceed five (5) empty or four (4) full.

It is unlawful to load a vehicle, cart, or truck so as to create a hazard by allowing articles to fall off of the vehicle as it travels on service roads or ramp areas.

Vehicles must have an approved seat for each passenger.

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### 4.3 Parking Time Limits and Tow-Away Zones

It is unlawful for any person to park or leave standing any vehicle, whether occupied or not, for a period in excess of such time limits as are designated by appropriate signs.

Vehicles parked in violation of these rules are subject to citation, fine, and/or towing at the owner's expense.

### 4.4 Negligent Operation

No person shall operate any vehicle in a careless or negligent manner or in disregard for the safety of others.

Except for aircraft and authorized emergency vehicles, it is unlawful for any person to operate or drive any vehicle on the following areas of the Airport faster than the following speeds:

The speed limit in all portions of the Airport or AOA authorized to public vehicular traffic is twenty-five (25) miles per hour unless otherwise posted.

The speed limit on the ramp area is ten (10) miles per hour; five (5) miles per hour in the vicinity of aircraft.

At all times, vehicle speed shall be no greater than is reasonable and prudent, consistent with existing traffic conditions, night lighting, and weather conditions.

All vehicles shall be driven in a safe manner and stop at all stop signs.

### 4.5 Authorized Vehicles on the Air Operations Area

Access to and driving in the AOA is subject to prior approval by the Airport Manager.

### 4.6 Airport Driver Permit

No vehicle shall be operated on the AOA unless the following conditions are met:

The driver is licensed to operate such vehicle as required by the Department of Motor Vehicles of the State of California.

In addition, unless otherwise authorized by the Airport Manager, the driver must be licensed by the Airport to operate a vehicle on the AOA and be in possession of said driver permit.

No person may operate any vehicle on the AOA prior to obtaining an Airport driver permit unless accompanied by a Long Beach Airport permitted driver for training purposes.

## Long Beach Airport Rules and Regulations

The driver permit shall be valid until the expiration date listed on the employee's state driver license, and shall be renewed through the Airport Operations Office when the state driver license is renewed.

The privilege to drive on active ramp areas and portions of the airport may be revoked if the driver receives more than three moving violations within one calendar year. If the violation is of a serious nature, driving privileges may be revoked as a result of one incident.

If revoked, the driver permit may be reinstated by the joint approval of the Chief of Security, Airport Operations Officer and the company manager.

### 4.7 Driver Training and Testing

Every driver/applicant who operates a vehicle on the AOA of the Airport must be familiar with the pertinent provisions of the State of California Vehicle Code and, the traffic and licensing subsections of these Rules and Regulations. The driver must have been trained in the vehicle to be operated.

A minimum of eight supervised hours of practical driver training behind the wheel on the AOA is required prior to the testing of the applicant for issuance of the Airport Driver Permit. Experience driving on other Airports may be substituted for some of the 8 hours. Note: **Training should include driving on roadways, access lanes and ramp/apron areas.**

The applicant shall take and pass a written driving test prior to being issued a permit. The Airport Manager may require a practical demonstration of driving ability.

Individuals renewing their Airport Driver's Permit are required to take and pass a written driving test.

### 4.8 Vehicle Identification

Each vehicle operated in or upon the AOA must display a Long Beach Airport decal attached to the left side of the bumper.

Each vehicle operating on the AOA shall have an approved logo or company name displayed on both sides of the vehicle. For vehicles having front doors, the identification shall be located on the front door panels. Magnetic or temporary identification panels are acceptable. Identifying logos shall be large enough to be readily visible from a distance of 100 yards.

### 4.9 Escorted Driving on the Air Operations Area

Drivers without an Airport driver permit shall not drive on the AOA unless guided by an escort vehicle authorized by the Airport Manager.

## **Long Beach Airport Rules and Regulations**

Permission must be obtained from the Airport Security Office prior to escorting any vehicle onto the AOA when such vehicle does not have a current and valid Airport Motor Vehicle Operating Permit.

No more than two vehicles may be escorted at one time.

A vehicle not otherwise permitted, but temporarily authorized, to operate in the AOA may be required to display an orange and white checkered flag during daylight hours and yellow lights after sunset.

### **4.10 Vehicle and Equipment Condition**

All equipment shall be operated in accordance with City and state laws, codes and these Airport Rules and Regulations.

Airport Operations, Security, and Fire Station 16, are authorized to inspect and declare unfit for use on Airport property, any vehicle or piece of equipment that does not comply with applicable rules and regulations, codes, and laws. Prior to declaring any vehicle or equipment unfit, the matter will be discussed with the appropriate manager/supervisor of the company involved. Equipment not in use shall be parked in designated areas with the parking brake set, engine and lights off and transmission in park. In addition, cart tongues shall be placed in the upright position to engage the brakes. All equipment shall have brakes set and/or chocks in place.

No person shall work on or park a vehicle adjacent to or on any active taxiways or runways without prior approval from Airport Operations/Security.

Vehicles or equipment in a wrecked or inoperable condition shall not be parked on the Airport.

No disabled vehicle may be left unattended or abandoned on any active Airport area (except to seek assistance), unless parked in an authorized parking area.

### **4.11 Ramp and Apron Operations**

Except for vehicles in the act of servicing aircraft, no vehicle may drive under any portion of an aircraft.

When driving by a parked aircraft, minimum clearance from any portion of the aircraft is twenty (20) feet.

A vehicle guide person is required any time the driver's vision is limited or obscured due to obstructions, load, equipment, etc.

At no time shall a vehicle be driven within less than a safe distance appropriate to aircraft type from the intake or exhaust of a jet when the engines are running.

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At no time during enplaning or deplaning of passengers shall a vehicle be driven between an aircraft and a loading gate.

When an aircraft's engines are operating, ground personnel shall be present in a position to provide direction to other vehicles.

Vehicle operators shall follow signals/instructions of ground personnel.

Unless directed by ground personnel, no vehicle shall be driven behind an aircraft pushing back from a gate.

Equipment not required for aircraft servicing shall be removed from aircraft gates.

### **5.0 Fire and Safety**

All fire and fire-related safety provisions of these Rules and Regulations, including provisions concerning hazardous materials, shall be in accordance with applicable sections of the Uniform Fire Code, and/or the National Fire Protection Association's Codes and Standards, and those of the Long Beach Fire Department.

#### **5.1 Handling of Explosives**

Class A explosives and explosives not acceptable for transportation under applicable Federal Regulations are not permitted on the Airport.

#### **5.2 Handling Hazardous Materials**

No person shall store, keep, handle, use, dispense, or transport at, in, or upon the Airport, any explosives, blasting agents, flammable liquids, combustible liquids, flammable solids, oxidizers, organic peroxides, corrosive materials, flammable gases, nonflammable gases, Class A or B Poisons, irritating materials (ORM A, B, C, D and E), or cryogenic liquids at such time or place or in such manner or condition as to endanger unreasonably or as to be likely to endanger unreasonably persons or property. For purposes of this hazardous class scheme, the U. S. Department of Transportation (DOT) definitions as contained in 49 CFR Parts 171-177 shall be utilized.

The following controls and procedures are required for handling hazardous materials:

Hazardous materials shall be handled by designated personnel only.

Applicable hazardous materials placards shall be posted.

Procedures must be provided for storage and handling of the following: fuel, hydraulic fluid, oil, de-icing fluid, detergents, and solvents. The procedures shall contain at least

## Long Beach Airport Rules and Regulations

the following:

- A list of the hazardous waste associated with the operation.
- Copies of Material Safety Data Sheets for each of the materials listed above.
- A list of personnel responsible for the handling of hazardous waste and their duties.
- Procedures for the storage of hazardous waste including maps indicating storage areas.
- A list of equipment and materials used in the handling of hazardous waste.
- Procedures for the containment, clean-up and disposal of hazardous waste.
- A list of the licensed hazardous waste haulers contracted with for the disposal.

### **5.3 Fire Extinguishers and Related Equipment**

Fire extinguisher equipment and fire alarms at the Airport shall not be tampered with at any time, nor used for any purpose other than fire fighting or fire prevention. All such equipment shall be inspected in conformity with National Fire Protection Association Regulations. Tags showing the date of the last inspection shall be attached to each unit.

### **5.4 Reporting Fires**

Any person observing any unattended or uncontrolled fire on Airport premises shall immediately report it directly to the Long Beach Fire Department at 9-1-1. No person shall make any regulation or order, written or verbal, that would require any person to take any unnecessary delaying action prior to reporting such fire to the Long Beach Fire Department.

### **5.5 Fueling Operations**

The NFPA standards titled "Aircraft Fuel Servicing" #407, governing the operation of aircraft fueling and storage are hereby made part of these Airport Rules and Regulations.

No aircraft shall be fueled or have fuel drained from it while the aircraft engine is running, unless specifically authorized by the Airport Manager and Long Beach Fire Department. All such operations must conform to NFPA 407 standards governing such operations.

Smoking or lighting of an open flame is prohibited within fifty (50) feet of any fueling operation.

No fueling operations shall be conducted within fifty (50) feet of any building.

No person shall conduct fueling operations when lightning is visible in the vicinity of the Airport.

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Aircraft fueling operators shall not leave the fueling unit unattended while it is pumping fuel into the aircraft.

An aircraft and fueling unit must be properly grounded and bonded prior to fueling operations to prevent the possibility of fire or explosion due to discharge of static electricity.

Fueling of aircraft parked on runways, taxiways or the perimeter road is prohibited.

When parked, refueling vehicles shall be positioned for immediate drive away or towing, and a clear space of not less than 10 feet shall be maintained between the vehicle and any other parked or moving vehicle.

All fueling on the Airport must be conducted by authorized fuel service providers, unless specifically authorized by the Airport Manager and the Long Beach Fire Department. Such authorization to conduct "self fueling" shall conform to the applicable standards in NFPA 407.

**5.6 Dangerous Conditions Prohibited**

The following acts are prohibited while fuel is being put into or removed from any aircraft:

- Start or operate any engine on the aircraft unless specifically authorized by the Long Beach Fire Department and the Airport Manager.
- Allow any fuel to overflow any fuel tanks or container.
- Use or move any material which might cause a discharge of static electricity within fifty (50) feet of the aircraft.

**5.7 Storage Approval Required**

No person shall store gasoline or other flammable substances in an unsafe manner on the airport, above or under the surface of the ground.

**5.8 Orderly Premises**

Tenants and their employees are required to keep their premises clean and clear of rubbish, junk, debris, and unsightly objects. All tenants shall keep all floors and walls of the building or premises free and clear of oil, grease, or other flammable substances, and shall maintain and regularly empty suitable covered metal rubbish containers.

All trash, debris and rubbish shall be disposed of in an appropriate manner.

**6.0 Airport Operating Permit or Landing Fee Agreement**

Commercial aircraft activity at Long Beach Airport is subject to the following conditions and restrictions.

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### **6.1 Commercial Use Permit**

No person shall use the Airport for the carrying on or conduct of commercial aviation or the carrying of passengers, freight, express mail, or for student instruction, communications or any other commercial purpose without prior written approval from the Airport Manager, unless operating as a sub-tenant to an Airport leaseholder. Excepted from this requirement are instructional flights originating from another airport.

Notwithstanding the above, any operator of regularly scheduled air carrier operations at the Airport must secure a written agreement with the Airport Manager prior to commencing regularly scheduled operations at the Airport.

### **7.0 Airport Security**

The regulatory provisions of the Airport's Security Program are established by Municipal Codes, Administrative Orders of the Director, Department of Public Works, directives issued by the Airport Manager and provisions of Federal Aviation Regulations 14 CFR Parts 1542, 1544, and 139.

#### **7.1 Designation of Airport Areas**

Long Beach Airport is broadly divided into two security-related categories designated as Restricted Areas and the Security Identification Display Area.

Restricted Areas:

Restricted areas are those parts of the Airport so designated and posted by the Airport Manager under the authority of the F.A.A. No person shall enter any restricted area except those who are duly authorized by the Airport Manager. The AOA in its entirety is a Restricted Area.

SIDA:

The Security Identification Display Area (SIDA) is that portion of the terminal building and air carrier aircraft parking ramp subject to FAR 1542.207 access control requirements.

#### **7.2 Security Requirements**

All persons using the Airport are subject to the Security Program pursuant to Part 1542 of the Federal Aviation Regulations.

Air carrier tenants must have an approved security, safety and passenger handling program.

Only personnel and vehicles, properly identified by the Airport are authorized access to the SIDA.



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Leaseholders are responsible for ensuring the security of leasehold boundaries.

**7.3 Restricted Area Entry/Exit Points**

Leaseholders are responsible for any and all vehicles and their occupants, or pedestrians that gain entry onto the Airport through their gates.

All gates, including sliding doors in baggage claim area, shall be closed and re-locked immediately after use. Any gate or door observed open should be secured, or, if broken, reported to Airport Security.

**7.4 Security Identification Display Area**

Approved Airport Identification Badges must be worn at all times in the SIDA.

This requirement applies to law enforcement officers and all other persons who access the SIDA.

An escort is required for anyone not having a permanent Airport ID Badge.

The only exceptions to the Airport's badge display requirement are flight crews in the vicinity of and while transiting to their aircraft, and FAA Aviation Safety Inspectors in possession of FAA Form 8000-39. In the case of flight crews, company identification shall be displayed.

Each individual holding an identification badge allowing access to the SIDA shall challenge, and refer to Airport Security, any individual not displaying appropriate identification.

**7.5 Lost or Stolen Identification Cards**

Lost or stolen identification badges shall be promptly reported to Airport Security.

Air carriers and other tenants whose employees have been issued SIDA badges shall immediately notify Airport Security when an employee is fired or otherwise ceases to be employed by the tenant.

The tenant shall be responsible for collecting identification badges and all access media from employees who have ceased employment with the tenant. In the event that the tenant is unable to collect such media, he shall immediately notify Airport Security.

**7.6 Escort/Aircraft Ownership**

An individual requesting escort of an aircraft must show proof of ownership of that aircraft, or otherwise demonstrate that he is acting on behalf of the owner.

**7.7 Airport Security Compliance**

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No person shall willfully refuse to comply with any lawful order, direction, or signal of an Airport Security Officer.

**8.0 Noise Control or Abatement**

All aircraft operations shall abide by the provisions of the Noise Compatibility Ordinance of the Long Beach Municipal Code.

LBMC Chapter 16.43

**9.0 Minimum Standards**

This section describes the Minimum Standards for Commercial Aeronautical Activities conducted at Long Beach Airport.

**9.1 Background**

The purpose of "Standards for Commercial Aeronautical Activities" is to promote fair competition at public airports and not to expose those who have undertaken to provide commodities and services to irresponsible competition. Prudent airport owners will adopt and enforce minimum standards to be met by those who propose to conduct commercial aeronautical activity. Such standards, by expressing minimum levels of service that must be offered, relate primarily to the public interest, but appropriate requirements uniformly applied also discourage substandard enterprises, thereby protecting both the established aeronautical activity and the airport patrons.

The following minimum standards and requirements for commercial aeronautical activities have been established in the public interest for the safe and efficient operation of the Long Beach Airport; to enhance its orderly growth; to preclude the granting of an exclusive right to conduct an aeronautical activity in violation of Section 308(a) of the Federal Aviation Act of 1958; to conform to Title VI of the Civil Rights Act of 1964 and Part 21 of the U.S. Department of Transportation Regulations; and to assure all lessees and potential lessees the availability of airport property on fair and reasonable terms and without unjust discrimination.

FAA Advisory Circulars 150/5190-1A, "Minimum Standards for Commercial Aeronautical Activities on Public Airports," and 150/5190-2A, "Exclusive Rights at Airports," have been used to provide guidance in the preparation of these standards.

**9.2 General**

Regarding all of the below-mentioned specific activities, it shall be understood that the following general minimum standards shall apply:

**9.2.1** All applicable federal, state and local laws, including building codes and City of Long

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Beach business licensing requirements, shall be met.

- 9.2.2 Insurance coverage for the particular use shall be provided pursuant to contract requirements.
- 9.2.3 The purveyor of aeronautical activity shall operate with a lease, sublease, license, agreement and/or permit issued by the City of Long Beach, with facilities located in an area designated by the City.
- 9.2.4 The purveyor of aeronautical activity shall provide adequate employee and customer vehicle parking pursuant to applicable jurisdiction guidelines or as otherwise addressed in the minimum standards.
- 9.2.5 The purveyor of aeronautical activity shall conform to City of Long Beach rules, regulations, and ordinances.
- 9.2.6 All charges for services on the airport shall be reasonable, equally and fairly applied to all users of the services.
- 9.2.7 All tenants, permittees, operators and licensees shall pay all taxes and assessments against any buildings or other structures placed on the premises by them, as well as all taxes and assessments against the personal property used by them in their operations.
- 9.2.8 All contracts and leases between tenant and the City shall be subordinate to the provisions of any existing or future agreement between the City of Long Beach and the United States government, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport properties.
- 9.2.9 Unless otherwise specified by agreement, no tenants shall sublease or sublet any premises leased by such operator from the City, or assign any such lease, without the prior written approval of the City, and any such subletting or assignment shall be subject to all of the minimum standards herein set forth.
- 9.2.10 In the event the tenant sublets any portion of his lease, the sublessee shall agree to assume the full obligations of the lease as set out herein and shall agree to fully cooperate with the City in seeing that these standards are complied with. The sublessee shall immediately comply with any reasonable request or direction of the City as it relates to the enforcement of these standards.
- 9.2.11 In the event that the lessee, permittee, operator, licensee, or sublessee fails to comply with the reasonable requests or direction of the City as it relates to these standards, said lessee or sublessee shall be in default. If said default continues for more than 30 days after written

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notice of said default; the City may terminate the agreement. Said lessee is responsible for the performance of the sublessee, or for other activities taking place on lessee's designated leasehold property.

- 9.2.12 The City reserves the right to take any actions it considers necessary to protect the aerial approaches to the Airport against obstructions, together with the right to prevent any tenant from erecting, or permitting to be erected, any building, sign, or other structure on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 9.2.13 The provisions of these standards shall in no way negate or cause to be null or void existing leases with tenants at the Long Beach Airport. Upon the adoption of these standards, any new leases entered into and any amendments to existing leases shall be in accordance with the standards, unless otherwise specified by agreement.
- 9.2.14 The City reserves the right to enter upon any premises leased to tenants at reasonable times for the purpose of making such inspections as it may deem necessary to ensure proper enforcement of these minimum standards and for the proper enforcement of any covenant or condition of any tenant's contract or lease agreement.
- 9.2.15 Only the uses specified in an authorizing lease, license, agreement or permit may be performed, and such uses are authorized only when conducted by the tenant or a subtenant. All other business activities engaged in, on, or from the leasehold premises 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.
- 9.2.16 Airport property shall be available for any aeronautical uses consistent with the Standards for Commercial Aeronautical Activities and the adopted Airport Land Use Plan. However, the City of Long Beach retains the right, as Airport proprietor, to attempt to lease an available building or area as one parcel (rather than to several tenants with smaller lease parcel sizes), provided that such activity shall not be done for the purpose of excluding any individual(s), but merely to reduce lease administrative costs and other problems relative to multiple tenancy buildings. City shall not unreasonably withhold the right to sublease for uses which conform to the Land Use Plan and Standards for Commercial Aeronautical Activities.
- 9.2.17 The City reserves the right to change these standards from time to time, based on changing requirements. Such changes shall be accomplished for the purpose of not unduly discriminating against an individual/business or group of individuals/businesses.

### 9.3 Aeronautical Activities

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**9.3.1 Based Aircraft Flight Instruction**

Providers of flight instruction shall hold FAA and state certification where applicable.

Provider shall have an on-Airport office space and telephone.

Restroom facilities within reasonable walking distance of office space shall be provided.

Provider shall have parking (customer & employee vehicles) available consistent with local jurisdiction guidelines.

**9.3.2 Aircraft Sales**

The business shall maintain an on-Airport office space.

The business shall hold licenses as required by other governmental agencies.

Aircraft owners selling their own airplane and exempt from state sales licensing requirements are considered exempt from these requirements.

**9.3.3 Aircraft Storage**

Tiedown spaces shall be designed to provide for no aircraft overlap.

Adequate tiedown hardware shall be provided for wing and tail tiedowns.

For taxilanes used by aircraft under power, minimum taxilane widths consistent with FAA Advisory Circular 150/5300-13, "Airport Design" shall be provided unless otherwise approved by the Airport Manager.

Taxilanes shall be marked in accordance with the standards set forth in FAA Advisory Circular 150/5340-1G, "Standards for Airport Markings."

**9.3.4 Aircraft Storage Hangars**

No commercial operations shall be conducted out of a hangar unless authorized in writing by the Airport Manager.

Storage of marine craft or other vehicles not required to support aviation activity is not permitted.

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**9.3.5 Aircraft Maintenance and Repair**

All Aircraft repairs must be made in accordance with FAA standards.

Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft.

Performing maintenance on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited.

**9.3.6 Fuel/Line Service**

For full-service fuel facilities, fuel & service shall be available by staffed fuel providers between the hours of 7:00 a.m. and 7:00 p.m. Fuel shall be available through a posted call-up number 24 hours/day, 365 days/year, for a reasonable call-up fee and a response time not to exceed 30 minutes.

For self-service facilities, fuel shall be available 24 hours per day. The facility shall provide on-call response 24 hours per day. Response time shall not exceed 30 minutes.

Fuel facilities shall be staffed during all fuel deliveries.

An on-Airport refueling truck or service island shall be in operating condition at all times that fuel is required to be available, and meet all applicable building and fire codes.

Purveyor shall provide below ground minimum storage capacity (applies to new fuel facility construction where fuel is to be sold on a retail basis) of 20,000 gallons for each grade for aviation use, unless otherwise authorized by the Airport Manager.

**9.3.7 Aircraft Rental**

The purveyor shall maintain an on-Airport office and adequate assigned tiedowns or inside storage areas for rental aircraft.

Restroom facilities within reasonable walking distance of office space shall be provided.

**9.3.8 Radio and Electronics Sales and Service**

Purveyor shall hold required FAA and FCC licenses.

Purveyor shall maintain on-Airport shop/office spaces for storage of customer aircraft.

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**9.3.9 Flying Clubs (Non-Profit)**

The flying club shall be a non-profit corporation or partnership.

The aircraft shall be owned or leased by the club.

The club may not offer or conduct charter, air taxi, rental, or flight instruction, and only members of the flying club may operate the aircraft.

The club shall not permit its aircraft to be used for giving flight instruction to any person, including club members, when such person pays or becomes obligated to reimburse for such instruction, except when instruction is given by a lessee or permittee authorized by the City to give such instruction.

Exceptions are permitted to the above when flight instructors or mechanics are club members. They may perform instruction/maintenance/repair where compensation is limited to credit against payment of dues or flight time.

**9.3.10 Aircraft Charter**

Adequate sheltered waiting area shall be provided within 500 feet of the loading ramp. The waiting area shall be of sufficient size to hold the passenger load for the type of aircraft and meet applicable Fire Codes regarding occupancy load.

Restrooms shall be available at the waiting area.

Adequate vehicle parking spaces shall be provided on-site in accordance with LBMC Chapter 21.41.

The operator shall hold all applicable FAA and DOT licenses and/or certificates.

The operator shall provide adequate ground handling equipment for type aircraft.

The operator shall provide public telephones within reasonable distance of waiting area.

No publicly scheduled operations or public charters with a scheduled frequency of five flights or more per week are permitted except at the main terminal building.

**9.3.11 Scheduled Airline Operations**

Scheduled airline operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of five flights or more per week using aircraft with a certificated maximum take-off weight equal to or greater than 75,000 lbs.

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Scheduled airline operations shall be conducted solely from the Airport's terminal building and associated air carrier ramp.

The Airline operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free number posted at the ticket counter from 6:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.

The Airline operator shall provide skycap service.

The Airline operator shall provide adequate guidance and escort between the boarding lounge gate and the aircraft door.

The Airline operator shall provide queuing stanchions, of approved type, for crowd control.

The Airline operator shall abide by the current approved Graphics Standards Manual.

The Airline operator shall utilize the pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.

**9.3.12 Commuter Operations**

Scheduled commuter operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of five flights or more per week using aircraft with a certificated maximum take-off weight of less than 75,000 lbs.

Scheduled commuter operations shall be conducted solely from the Airport's terminal building and associated ramp.

The Commuter operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free telephone number posted at the ticket counter from 6:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.

The Commuter operator shall provide adequate guidance and escort between the boarding lounge gate and the aircraft door.

The Commuter operator shall escort all unscreened passengers from the aircraft through the Security Identification Display Area (SIDA) when disembarking. Unscreened passengers shall only use exit gates authorized by the Airport Manager.

The Commuter operator shall provide queuing stanchions, of approved type, for crowd control.



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The Commuter operator shall abide by the current approved Graphics Standards Manual.

The Commuter operator shall utilize the pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.

**9.3.13 Specialized Aviation Services**

Specialized aviation services include aircraft modifications (STCs), aircraft paint, aircraft upholstery, aircraft propeller service, aircraft engine component overhaul, aircraft major rehabilitation or reconstruction

Aircraft painting, except minor touch-up painting, shall be conducted only in City approved aircraft paint booths or paint facilities.

Purveyor shall hold the required FAA certification for type work.

**9.3.14 Airship Operations**

Airship mooring locations shall be assigned as appropriate by airport management.

The airship operator shall be responsible for the removal of equipment in a timely manner, not to exceed 24 hours.

The airship operator shall provide ground operations and radio training to each crewmember required to operate a vehicle on the airport surface and/or communicate via radio with the ATC tower.

**9.3.15 Banner Tow Operations**

Each banner tow operator shall obtain a banner tow permit from the Airport Bureau.

A ground crew consisting of at least one individual is required for all banner tow operations.

Any vehicles operated on the airfield shall display Airport-required identification and markings.

Banner tow pickup/drop operations shall be conducted only in areas designated by Airport management.

**9.3.16 Mobile Aircraft Washing and Detailing**

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Aircraft washing shall be conducted only in designated areas. Operators must contain all water and associated discharge from washing activities. All such effluent shall be recycled or removed from the Airport.

Aircraft washing and detailing permits are not exclusive. They may be granted to others.

Aircraft washing and detailing operators shall receive written approval of lessees or permittees prior to entering their premises.

**9.3.17 Mobile Catering**

Mobile catering permits are not exclusive. They may be granted to others.

Food catering permittees shall not operate their catering units within 300 feet of the terminal building.

Mobile caterers shall receive written approval of lessees or permittees prior to entering their premises.

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