

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

1 SEVENTH AMENDMENT TO
2 FIXED BASE OPERATION LEASE NO. 21569
3 **21569**

4 THIS SEVENTH AMENDMENT TO FIXED BASE OPERATION LEASE NO.
5 21569 is made and entered into, in duplicate, as of the 1st day of November, 2014,
6 pursuant to a minute order adopted by the City Council of the City of Long Beach at its
7 meeting of October 14, 2014, by and between the CITY OF LONG BEACH, a municipal
8 corporation ("LANDLORD") and GULFSTREAM AEROSPACE CORPORATION, a
9 California corporation, formerly known as 7701 Woodley Avenue Corporation, having its
10 place of business at 4150 Donald Douglas Drive, Long Beach, California 90808
11 ("TENANT").

12 1. Recitals. This Seventh Amendment is made with reference to the
13 following facts and objectives:

14 1.1 The parties entered into a lease as of March 14, 1989 (the
15 "Lease"), pursuant to which LANDLORD leased certain land at the Long Beach
16 Municipal Airport ("Leased Premises") to TENANT, as more particularly described
17 in the Lease.

18 1.2 The Lease was amended by (i) a First Amendment to Fixed
19 Base Operation Lease dated as of September 21, 1990, (ii) a Second Amendment
20 to Fixed Base Operations Lease dated as of December 24, 1998 ("Second
21 Amendment"), (iii) a Third Amendment to Fixed Base Operations Lease dated as
22 of March 5, 2003, (iv) a Fourth Amendment to Fixed Base Operation Lease dated
23 as of December 1, 2006, (v) a Fifth Amendment to Fixed Base Operation Lease
24 No. 21569 dated as of April 8, 2011, and (vi) a Sixth Amendment to Fixed Base
25 Operation Lease dated as of March 14, 2013. The Lease, as amended, is referred
26 to herein as the "Lease".

27 1.3 The Lease provides for certain changes to the rent to be paid
28 by TENANT to LANDLORD in connection therewith. The parties desire to amend

1 the Lease to, among other things, establish revised rental payments under the
2 Lease, add additional area to the Leased Premises immediately adjacent to the
3 west of the current Leased Premises ("Additional Leased Premises"), remove a
4 northerly portion of the current Leased Premises from the Leased Premises, and
5 apply use restrictions to certain portions of the Leased Premises.

6 2. Leased Premises. LANDLORD does hereby lease, and TENANT
7 does hereby take and accept the Additional Leased Premises, and both parties agree
8 that the Additional Leased Premises shall be subject to the terms and conditions of the
9 Lease. TENANT accepts the Additional Leased Premises, including any improvements
10 thereon, "AS IS, WHERE IS, AND WITH ALL FAULTS", excepting therefrom any
11 environmental contamination on the Additional Leased Premises not created by
12 TENANT. LANDLORD shall be responsible for all liability associated with any
13 environmental contamination on the Additional Leased Premises existing prior to January
14 1, 1990, except to the extent such contamination is caused by TENANT. TENANT shall
15 not be responsible for any liability associated with any environmental contamination on
16 the Additional Leased Premises not caused by TENANT; provided, however, that
17 TENANT shall respond to all inquiries and provide any applicable information in
18 TENANT'S possession to any applicable state or federal agency with jurisdiction over
19 environmental matters. In the event environmental contamination is discovered which is
20 not caused by TENANT, LANDLORD shall have no obligation to TENANT to remediate
21 such contamination, TENANT shall have no obligation to LANDLORD to remediate such
22 contamination, and TENANT's sole remedy in such event shall be exercise of its early
23 termination clause hereunder.

24 3. Base Rent. Base Rent shall remain Twenty-Eight Thousand Five
25 Hundred Four Dollars (\$28,504) per month as provided in the Lease.

26 4. Additional Rental Payment Adjustment. LANDLORD and TENANT
27 agree that the Fair Market Rental Value for the Leased Premises (which include the
28 Additional Leased Premises as defined in this Seventh Amendment) is Forty-Seven



1 Thousand Seven Hundred Seventy-Three Dollars (\$47,773) per month, as more
2 particularly outlined in Exhibit "C" attached hereto, until subsequently adjusted in
3 accordance with the Lease. The monthly Additional Rental Payment required by the
4 Second Amendment shall be equal to the monthly Fair Market Rental Value less the
5 monthly Base Rent (as defined in the Second Amendment). Therefore, the monthly
6 Additional Rental Payment payable by TENANT to LANDLORD under the Lease shall be
7 Nineteen Thousand Two Hundred Sixty-Nine Dollars (\$19,269). The Additional Rental
8 Payment shall be adjusted in the future in accordance with the Lease.

9 5. Leased Premises. Paragraph 1 of the Lease is hereby amended by
10 changing "15.773 acres" to read "16.513 acres". Exhibit "A" attached to this Seventh
11 Amendment hereby supersedes and replaces in its entirety Exhibit "A" attached to the
12 Lease.

13 6. Early Termination. If any environmental contamination is discovered
14 on the Additional Leased Premises, then the provisions of Section 2 shall apply and
15 TENANT and LANDLORD may unilaterally terminate the Lease insofar as it respects the
16 Additional Leased Premises upon ninety (90) days' prior written notice to LANDLORD or
17 TENANT, as applicable. Upon termination of the Lease with respect to the Additional
18 Leased Premises, all Additional Leased Premises Land Rent obligations shall cease and
19 (i) TENANT shall return possession of the Additional Leased Premises to LANDLORD in
20 a broom-clean condition, and (ii) TENANT shall remove any hazardous materials used or
21 placed on the Additional Leased Premises by TENANT.

22 7. Use. In addition to all other applicable rules and regulations
23 promulgated by the LANDLORD or other authorities with jurisdiction over the Leased
24 Premises, TENANT shall at all times comply with the parking restrictions shown in Exhibit
25 "B" attached hereto and incorporated herein.

26 8. Binding Effect. Except as amended by this Seventh Amendment, the
27 Lease remains unchanged and in full force and effect.
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9. Effective Date. This Seventh Amendment shall be effective as of November 1, 2014.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to Fixed Base Operation Lease.

GULFSTREAM AEROSPACE CORPORATION, a California corporation

October 22, 2014

By: [Signature]

Its: Vice President, Real Estate, Facilities and Security
"TENANT"

CITY OF LONG BEACH, a municipal corporation
Assistant City Manager

November 12, 2014

By: [Signature]

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

"LANDLORD"

The foregoing Seventh Amendment to Fixed Base Operation Lease is approved as to form this 27 day of October, 2014.

CHARLES PARKIN, City Attorney

By: [Signature]
Deputy

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EXHIBIT "C"

Modified Leasehold Rent Summary:

Summary of Land Values, and Blended Rate:

Parcels A and B:

<u>Land Area</u>		<u>Mfg/FBO Allocation</u>	=	<u>Mfg/FBO Land</u>		<u>Unit Rate Per SF</u>	=	<u>Land Value</u>		<u>Rate of Return</u>	<u>Total Annual Land Rent</u>
559,920 sf	x	0.245 (Mfg.)	=	137,180 sf	x	\$ 16.90	=	\$ 2,318,342			
FBO Land Value:											
559,920 sf	x	0.755 (FBO)	=	422,740 sf	x	\$ 8.90	=	\$ 3,762,386			
Totals:		1.000		559,920 sf				\$ 6,080,728			
								Adjusted:	\$ 6,081,000	x	0.080 \$ 486,480

Parcel B-16:

<u>Land Value:</u>											
40,206 sf	x	1.0	=	40,206 sf	x	\$ 8.75	=	\$ 351,803			
								Adjusted:	\$ 352,000	x	0.080 \$ 28,160

Westerly Tarmac Extension:

<u>Land Value:</u>											
73,518 sf	x	1.0		73,518 sf	x	\$ 6.15		\$ 452,136			
45,718 sf	x	1.0		45,718 sf	x	\$ 6.15		\$ 281,166			
									\$ 733,301		
								Adjusted:	\$ 733,000	x	0.080 \$ 58,640

\$ 573,280 Total Annual Land Rent

\$ 47,773 Total Monthly Land Rent