

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

LEASE  
**36259**

The following Lease is made and entered into, in duplicate, as of March 1, 2022 ("Effective Date"), pursuant to a minute order adopted by the City Council, City of Long Beach, at its meeting held on February 15, 2022 by and between the CITY OF LONG BEACH, a municipal corporation, ("LANDLORD") and MERCEDES-BENZ USA, LLC, a Delaware limited liability company ("TENANT").

1. PREMISES. In consideration of the faithful performance of the covenants and conditions hereinafter agreed to be kept by LANDLORD and TENANT, LANDLORD does hereby lease and TENANT does hereby take and accept the following described premises consisting of approximately 11 acres of land bounded by East Wardlow Road, East 36th Street and Globemaster Way, adjacent to the Long Beach Municipal Airport (LGB) (the "Airport") and more particularly described and depicted in Exhibit "A" attached hereto and made a part hereof (the "Premises").

2. CONDITION OF PREMISES.

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

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

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. TERM. The initial term of this Lease shall be a period of eleven (11) months, beginning on April 1, 2022 and terminating on February 28, 2023 (as may be extended, the "Lease Term"), unless sooner terminated in accordance with

1 the terms of this Lease. The TENANT shall have the option to extend the Lease  
2 Term for a period of eleven (11) additional months upon written notice sent to  
3 LANDLORD at least sixty (60) days prior to the then-current expiration of the Lease  
4 Term.

5 4. RENT. Beginning on April 1, 2022 and continuing monthly  
6 thereafter through March 31, 2023 (if applicable), TENANT shall pay rent to  
7 LANDLORD monthly in advance, without deduction, setoff, notice or demand, on the  
8 first day of each month, an amount equal to One Hundred Nineteen Thousand Seven  
9 Hundred Ninety Dollars (\$119,790) (approximately \$0.25 per sf) ("Rent"). Beginning  
10 on April 1, 2023 and continuing monthly thereafter, then-current Rent shall be  
11 increased by three percent (3%).

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

24 6. SECURITY DEPOSIT. TENANT shall have no obligation to  
25 maintain a security deposit with LANDLORD under this Lease.

26 7. USE. The Premises are to be used for vehicle storage purposes  
27 only. The Premises shall not be used for commercial parking ("fee parking") or for  
28 valet services for client parking. No vehicle maintenance or repairs shall be

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

performed on vehicles at the Premises. No other uses shall be made of the Premises unless consented to in writing by the Airport Director. TENANT understands that LANDLORD shall not be responsible for monitoring of the Premises and therefore not responsible for any damage or theft to vehicles, vehicle contents, or any other property within the Premises. TENANT's use of the Premises is at its sole risk.

8. UNAUTHORIZED USES. Only the uses specified in Section 7 are authorized uses, and such uses are authorized only when (i) such uses do not conflict with applicable zoning, and (ii) are conducted by TENANT.

9. OPERATION OF BUSINESS.

A. TENANT shall appoint in writing an authorized local agent duly empowered to make decisions on behalf of TENANT in all routine administrative and operational matters relating to the Premises who shall be available at the Premises during normal business hours. TENANT shall notify the Airport Director in writing of the name, address and telephone number of said agent. TENANT hereby authorizes Kirk Bechtel to be the authorized local agent. The contact info for Kirk Bechtel is as follows: a) [kirk.r.bechteler@daimler.com](mailto:kirk.r.bechteler@daimler.com); b) 610-704-9628, c) address: 3860 N. Lakewood Blvd., Long Beach, CA 90808.

10. COMPLIANCE WITH LAW. TENANT shall at all times conduct its operations in accordance with all applicable municipal, County, State and Federal rules and regulations. No improvements or structures, either permanent, temporary or portable, shall be erected, placed upon, operated or maintained on the Premises, nor shall business or any other activity be conducted or carried on, in, onto, or from the Premises in violation of the terms of this Lease or any duly adopted rules, regulations, orders, law, statute, by-law, or ordinance of any governmental agency having jurisdiction thereover.

11. CONSTRUCTION, ALTERATION AND CHANGES.

A. TENANT shall not construct, install, or modify the Premises without the prior written approval of LANDLORD'S Airport Director or designee (the

1 "Airport Director"). Notwithstanding the foregoing, (i) TENANT may paint or  
2 otherwise mark the parking surface of the Premises and (ii) install a portable guard  
3 shack and portable restroom, provided that such improvements are removed (or  
4 covered with slurry) prior to expiration of this Lease.

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

8 12. [RESERVED].

9 13. IMPROVEMENTS TO BECOME PROPERTY OF LANDLORD.

10 Upon the expiration or earlier termination of this Lease, (i) all improvements on the  
11 Premises (if any) shall immediately become the property of LANDLORD without  
12 compensation to TENANT, and (ii) any personal property remaining on the Premises  
13 may be disposed of by LANDLORD, and TENANT shall reimburse LANDLORD the  
14 costs of such disposal (if any).

15 14. INDEMNIFICATION AND HOLD HARMLESS.

16 A. TENANT shall indemnify, protect and hold harmless  
17 LANDLORD, its Boards, Commissions, and their officials, employees and agents  
18 ("Indemnified Parties"), from and against any and all liability, claims, demands,  
19 damage, loss, obligations, causes of action, proceedings, awards, fines, judgments,  
20 penalties, costs and expenses, including attorneys' fees, court costs, expert and  
21 witness fees, and other costs and fees of litigation, arising or alleged to have arisen,  
22 in whole or in part, out of or in connection with (1) the use of the Premises by  
23 TENANT, its officers, employees, agents, subcontractors, or anyone under  
24 TENANT'S control, or (2) TENANT'S breach or failure to comply with any of its  
25 obligations contained in this Lease (collectively "Claims" or individually "Claim").

26 B. In addition to TENANT'S duty to indemnify, TENANT shall have  
27 a separate and wholly independent duty to defend Indemnified Parties at TENANT'S  
28 expense by legal counsel approved by LANDLORD, from and against all Claims,

1 and shall continue this defense until the Claims are resolved, whether by settlement,  
2 judgment or otherwise. No finding or judgment of negligence, fault, breach, or the  
3 like on the part of TENANT shall be required for the duty to defend to arise.  
4 LANDLORD shall notify TENANT of any Claim, shall tender the defense of the Claim  
5 to TENANT, and shall assist TENANT, as may be reasonably requested, in the  
6 defense.

7 C. If a court of competent jurisdiction determines that a Claim was  
8 caused by the sole negligence or willful misconduct of Indemnified Parties,  
9 TENANT'S costs of defense and indemnity shall be (1) reimbursed in full if the court  
10 determines sole negligence by the Indemnified Parties, or (2) reduced by the  
11 percentage of willful misconduct attributed by the court to the Indemnified Parties.

12 D. The provisions of this Section 14 shall survive the expiration or  
13 termination of this Lease.

14 15. INSURANCE. Concurrent with and as a condition of obtaining  
15 occupancy of the Premises, TENANT shall procure and maintain at TENANT'S  
16 expense for the duration of this Lease including any extensions, renewals, or holding  
17 over thereof, from insurance companies that are admitted to write insurance in the  
18 State of California or that have ratings of or equivalent to an A:VIII by A.M. Best and  
19 Company, the following insurance:

20 A. Commercial general liability insurance equivalent in coverage  
21 scope to ISO CG 00 01 04 13, including contractual coverage, and, as may be  
22 applicable to TENANT'S operations, products and completed operations, sudden  
23 and accidental pollution and cleanup liability, and garage-keeper's legal liability,  
24 naming the City of Long Beach, its officials, employees, and agents as additional  
25 insureds from and against claims, demands, causes of action, expenses, costs, or  
26 liability for injury to or death of persons, or damage to or loss of property arising out  
27 activities performed by or on behalf of TENANT in an amount not less than One  
28 Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in

1 aggregate. Said insurance shall be primary insurance with respect to LANDLORD  
2 and shall include cross liability protection, and its insurer shall agree to waive its  
3 right of subrogation against the City.

4 B. Workers' compensation insurance in an amount and form as  
5 required by all applicable laws. Its insurer of such coverage shall agree to waive its  
6 right of subrogation against the City.

7 C. Commercial automobile liability insurance equivalent in  
8 coverage scope to ISO CA 00 01 06 92), covering Symbol 1 in an amount not less  
9 than One Million Dollars (\$1,000,000) combined single limit. Said insurance shall  
10 be primary insurance with respect to LANDLORD and shall include cross liability  
11 protection.

12 D. [Reserved].

13 E. Special perils property insurance in an amount sufficient to  
14 cover the full replacement value of TENANT (or its TENANTS) personal property,  
15 improvements, vehicles, and equipment on the Leased Premises

16 F. [Reserved].

17 G. Any self-insurance program, self-insurance retention, or  
18 deductibles must be reasonably approved separately in writing by LANDLORD and  
19 shall protect the City of Long Beach, its officials, employees, and agents in the same  
20 manner and to the same extent as they would have been protected had the policy  
21 or policies not contained retention provisions. Each insurance policy shall be  
22 endorsed to state that coverage shall not be suspended, voided, changed, or  
23 canceled by either party except after thirty (30) days prior written notice to  
24 LANDLORD, and shall be primary and not contributing to any other insurance or  
25 self-insurance maintained by LANDLORD.

26 H. With respect to damage to property, LANDLORD and TENANT  
27 hereby waive all rights of subrogation, one against the other, but only to the extent  
28 that collectible commercial insurance is available for said damage.

1 I. TENANT shall deliver to LANDLORD certificates of insurance  
2 and original endorsements for approval as to sufficiency and form prior to the  
3 execution of this Lease. The certificates and endorsements for each insurance  
4 policy shall contain the original signature of a person authorized by that insurer to  
5 bind coverage on its behalf. "Claims-made" policies are not acceptable unless  
6 LANDLORD'S Risk Manager determines that "Occurrence" policies are not  
7 available in the market for the risk being insured. If a "Claims-made" policy is  
8 accepted, it must provide for an extended reporting period of not less than one  
9 hundred eighty (180) days.

10 J. Not more frequently than every three years, if in the opinion of  
11 LANDLORD or of LANDLORD'S Risk Manager or designee, the amount of the  
12 foregoing insurance coverage is not adequate, TENANT shall increase the  
13 insurance coverage as required by LANDLORD.

14 K. Such insurance as required herein shall not be deemed to limit  
15 TENANT'S liability relating to performance under this Lease. LANDLORD reserves  
16 the right to require complete certified copies of all said policies at any time. The  
17 procuring of insurance shall not be construed as a limitation on liability or as full  
18 performance of the indemnification and hold harmless provisions of this LEASE.  
19 TENANT understands and agrees that, notwithstanding any insurance, TENANT'S  
20 obligation to defend, indemnify, and hold LANDLORD, its officials, agents, and  
21 employees harmless hereunder is for the full and total amount of any damage,  
22 injuries, loss, expense, costs, or liabilities caused by the condition of the Premises  
23 or in any manner connected with or attributed to the acts or omissions of TENANT,  
24 its officers, agents, contractors, employees, subtenants, licensees, patrons, or  
25 visitors, or the operations conducted by TENANT, or the TENANT'S use, misuse, or  
26 neglect of the Premises.

27 L. Any modification or waiver of the insurance requirements  
28 herein shall be made only with the written approval of the LANDLORD'S Risk

1           Manager or designee.

2                     16.   ASSIGNMENT AND SUBLETTING.

3                     A.    CONSENT.

4                             i.    TENANT shall not assign or sublet this Lease or any  
5                             interest therein (including without limitation subleases or licenses for wireless  
6                             communication facilities) without first obtaining the written consent of  
7                             LANDLORD and the giving of such consent shall not be a waiver of any rights  
8                             to object to further or future assignments or subleases, but the consent to  
9                             each successive assignment or sublease must be first obtained in writing  
10                            from and by LANDLORD.

11                           ii.   Any request to assign or sublease shall be accompanied  
12                           by such data relating to the identity and financial condition of the proposed  
13                           assignee or sublessee as may be requested to permit LANDLORD to render  
14                           its decision. The monthly rental rate for the sublease shall also be provided.  
15                           If the sublease rent is more than the Lease rent, then LANDLORD shall be  
16                           entitled to fifty (50) percent of the sublease monthly rental rate after  
17                           subtracting the Lease monthly rental rate.

18                           iii.   Except as otherwise provided herein, if TENANT be a  
19                           partnership or joint venture, a withdrawal, addition or change (voluntary,  
20                           involuntary, by operation of law, or otherwise) of any of the partners or  
21                           adventurers thereof, or if TENANT be composed of more than one person, a  
22                           purported assignment or transfer (voluntary, involuntary, by operation of law,  
23                           or otherwise) from one thereof unto the other or others thereof, or if TENANT  
24                           be a corporation, a change in the ownership (voluntary, involuntary, by  
25                           operation of law, or otherwise) of twenty-five percent (25%) or more of its  
26                           capital stock owned as of the date of its acquisition of this Lease shall be  
27                           deemed an assignment prohibited hereby unless the written consent of  
28                           LANDLORD be first obtained thereto; provided, however, that a change in



1 the ownership of said capital stock as a result of the death or judicially  
2 declared incompetency of TENANT may be made without the consent of  
3 LANDLORD.

4 iv. A transfer or an assignment of any such stock or interest  
5 to a shareholder's or partner's spouse, children or grandchildren is accepted  
6 from the provisions hereof.

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

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

15 ii. Shall state the name and address of the assignee for the  
16 purpose of enabling notices to be given under Section 32L.

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

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

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

1                   i.       Shall state the name and address of the sublessee for  
2                   the purpose of enabling notices to be given under Section 33L.

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

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

11                  17.       EMINENT DOMAIN.

12                  A.       DEFINITIONS. As used in this Lease:

13                  i.       "Condemnation" means (i) the taking or damaging,  
14                  including severance damage, by eminent domain or by inverse  
15                  condemnation or for any public or quasi-public use under any statute,  
16                  whether by legal proceedings or otherwise, by a condemnor (hereinafter  
17                  defined), and (ii) a voluntary sale or transfer to a condemnor, either under  
18                  threat of condemnation or while condemnation legal proceedings are  
19                  pending.

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

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

28                  iv.       "Condemnor" means any public or quasi-public authority

1 or private corporation or individual having the power of condemnation.

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

4 vi. "Substantial taking" means the taking by condemnation  
5 of so much of the Premises or improvements or both that one or more of the  
6 following conditions results:

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

9 (b) A reasonable amount of reconstruction would not  
10 make the Premises and improvements a practical improvement and  
11 reasonably suited for the uses and purposes for which the Premises  
12 are leased hereunder.

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

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

19 B. NOTICE. LANDLORD and TENANT shall give each other  
20 prompt notice of any condemnation action or threat thereof. LANDLORD and  
21 TENANT shall all have the right to participate in any settlement of awards,  
22 compensation, and damages and may contest any such awards, compensation, and  
23 damages and. prosecute appeals therefrom. Each party shall bear its own cost  
24 thereof.

25 C. TOTAL OR SUBSTANTIAL TAKING.

26 i. On a total taking, this Lease shall terminate on the date  
27 of taking.

28 ii. If a taking is a substantial taking as defined above,

1 TENANT may, by notice to LANDLORD given within thirty (30) days after  
2 TENANT receives notice of intended condemnation, elect to treat the taking  
3 as a substantial taking. If TENANT does not so notify LANDLORD, the taking  
4 shall be deemed a partial taking. If TENANT gives such notice and  
5 LANDLORD gives TENANT notice disputing TENANT's contention within ten  
6 (10) days following receipt of TENANT'S notice, the dispute shall be promptly  
7 submitted to arbitration before the American Arbitration Association in Los  
8 Angeles County, California. If LANDLORD gives no such notice, the taking  
9 shall be deemed a substantial taking. A substantial taking shall be treated as  
10 a total taking.

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

14 (a) To LANDLORD a sum equal to the fair market  
15 value of the land, valued as unimproved land exclusive of  
16 improvements and encumbered by the terms and conditions of this  
17 Lease and subleases, as well as any compensation awarded for its  
18 loss of revenue from this lease, and the value of LANDLORD'S  
19 reversionary interest in the Premises, to the extent that said  
20 reversionary interest has a separate value from the unimproved land.

21 (b) To TENANT, the value of the Leasehold estate  
22 under this Lease, and the value of any buildings or improvements, on  
23 the Premises, less the sum of any payments made to LANDLORD with  
24 respect to LANDLORD's reversionary interest, if any, in the buildings  
25 or improvements.

26 D. PARTIAL TAKING.

27 i. On a partial taking, this Lease shall cease as to the part  
28 so taken, as of the date of taking, and shall remain in full force and effect

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

covering the remainder of the Premises and improvements, except that the minimum annual rent, and minimum monthly rent, shall be reduced in proportion to percentage of the lost subrentals (or relative value) of the portion taken bears to the total subrentals (or relative value) of the Premises prior to such taking.

ii. Promptly after a partial taking, TENANT, to the extent of any award paid to TENANT on account of such taking, shall repair, alter, modify, or reconstruct the improvements restoring so as to make them reasonably suitable for TENANT's continued occupancy for the uses and purposes for which the Premises are leased. If TENANT does not restore as above, the cost of such restoring shall be deducted from TENANT's share of the award and paid to LANDLORD.

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

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

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

iv. Rent shall be abated or reduced during the period from the date of taking until the completion of restoration, but all other obligations of TENANT under this Lease shall remain in full force and effect. The amount

1 of abatement or reduction of rent shall be based on the extent to which the  
2 restoration interferes with TENANT's use of the Premises.

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

7 E. LIMITED TAKING. If the Premises or any portion thereof or  
8 any improvements thereon should be taken for governmental occupancy for a  
9 limited period not extending beyond the Lease Term, this Lease shall not terminate  
10 and TENANT shall continue to perform and observe all of its obligations hereunder  
11 as though such taking had not occurred, except only to the extent that it may be  
12 prevented from performing such obligations by reason of such taking. In such event,  
13 TENANT shall be entitled to receive the entire amount of any awards,  
14 compensation, and damages made for such taking, and LANDLORD hereby  
15 assigns any and all of its interest in such awards, compensation, and damages to  
16 TENANT to the extent that the governmental occupancy does not extend beyond  
17 the expiration of the Lease Term.

18 18. RESERVATIONS TO LANDLORD.

19 A. LANDLORD shall have the right to require TENANT to vacate  
20 all or a portion(s) of the Premises in order to accommodate special events  
21 conducted by LANDLORD on the Premises or such portions thereof; provided that  
22 LANDLORD provides TENANT with at least sixty (60) days' advance written notice  
23 of such requirement to vacate. Rent will not be abated with respect to all or such  
24 vacated portion(s) of the Premises during a special event. LANDLORD shall have  
25 the right to require TENANT to vacate up to three (3) acres of the Premises in order  
26 to accommodate extraordinary events related to a community-wide emergency;  
27 provided that (i) LANDLORD provides TENANT with (a) at least five (5) business  
28 days' advance written notice if LANDLORD requires one (1) acre or less, (b) at least

1 ten (10) business days' advance written notice if LANDLORD requires between one  
2 (1) acre and two (2) acres, and (c) at least fifteen (15) business days' advance  
3 written notice if LANDLORD requires more than two (2) acres, and (ii) Rent will be  
4 abated with respect to such vacated portion(s) of the Premises on a proportional  
5 basis. If LANDLORD requires one (1) acre or more (regardless of special event or  
6 extraordinary event), then LANDLORD (i) shall provide temporary fencing and/or k-  
7 rails to segregate and secure the remaining Premises from the temporarily-vacated  
8 portion of the Premises, at LANDLORD's cost, and (ii) LANDLORD shall ensure that  
9 such remaining portion of the Premises is accessible by tractor-trailer vehicle  
10 transports from a public street (36th Street).

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

26 C. LANDLORD agrees that any right as set forth by this Section  
27 shall not be exercised unless a prior written notice of sixty (60) days is given to  
28 TENANT. However, if such right must be exercised by reason of emergency

1 LANDLORD will give TENANT such notice as is possible under the existing  
2 circumstances.

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

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

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

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

18 19. MAINTENANCE.

19 A. TENANT agrees, at TENANT's sole cost and expense, to repair  
20 and maintain the Premises and all improvements or landscaping existing or  
21 constructed thereon in good order and repair and to keep the Premises and facilities  
22 in a neat, clean, attractive and orderly condition, including without limitation slurry  
23 coating, sealing, and striping. Failure of TENANT to properly maintain and repair  
24 the Premises shall constitute a breach of the terms of this Lease.

25 B. If, in the opinion of the Airport Director, the Premises are not  
26 being properly maintained, the Airport Director may, after giving thirty (30) days  
27 written notice to TENANT to remedy discrepancies, cause such repair and  
28 maintenance to be made. The cost of such maintenance or repair shall be added to



1 the rent. If said costs are not paid promptly by TENANT, this Lease shall be deemed  
2 to be in default, and LANDLORD shall be entitled to all legal remedies provided  
3 hereunder.

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

10 21. [RESERVATION].

11 22. WASTE DISPOSAL.

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

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

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

28 24. AUDIT. LANDLORD and its designated representatives shall

1 be permitted to examine and review TENANT'S records at all reasonable times, with  
2 or without prior notification, for the purpose of determining compliance with all terms,  
3 covenants and conditions of this Lease. Such examinations and reviews shall be  
4 conducted during TENANT'S regular business hours in a manner causing as little  
5 inconvenience as possible to TENANT.

6 25. TERMINATION BY LANDLORD.

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

17 B. Nothing herein shall be deemed to deprive TENANT of any right  
18 to legal redress which TENANT would otherwise have.

19 C. NON-DISTURBANCE AGREEMENT. LANDLORD agrees that  
20 it will from time to time enter into so called "non-disturbance" agreements with any  
21 subtenant of TENANT which requests such an agreement. Such non-disturbance  
22 agreement shall provide that in the event of early termination of this Lease as a  
23 result of TENANT's default thereunder, LANDLORD shall recognize the sublease  
24 and not disturb the subtenant's possession thereunder only so long as such  
25 subtenant shall not be in default under its sublease, that the subtenant will attorn to  
26 LANDLORD, and that the subtenant will pay rent to LANDLORD from the date of  
27 such attornment, and that LANDLORD shall not be responsible to the subtenant  
28 under the sublease except for obligations accruing subsequent to the date of such

1 attornment.

2 26. TERMINATION BY TENANT. Should LANDLORD default in the  
3 performance of any term, covenant, or condition to be performed by LANDLORD and  
4 such default is not remedied by LANDLORD within thirty (30) days from and after  
5 written notice by TENANT specifying said default, TENANT may declare this Lease  
6 and all rights and interests created thereby to be terminated. Should any law or  
7 ordinance become effective which results in substantial interference with the use of  
8 the Premises by TENANT, then TENANT may terminate this Lease upon giving  
9 written notice to LANDLORD of such termination.

10 27. LANDLORD'S RIGHT TO RE-ENTER. If any default by  
11 TENANT shall continue uncured following notice of default for the period applicable  
12 to the default under the provisions of this Lease, LANDLORD may, at its option,  
13 terminate this Lease by giving tenant notice of termination. On the expiration of the  
14 Lease Term or in the event of a sooner termination following TENANT'S default, upon  
15 giving written notice of termination to TENANT, TENANT agrees to yield and  
16 peaceably deliver possession of the Premises to LANDLORD on the date of  
17 termination of this Lease, without regard to the reason for such termination. Upon  
18 giving written notice of termination to TENANT, LANDLORD shall have the right to  
19 re-enter and take possession of the Premises on the date such termination becomes  
20 effective without further notice of any kind and without institution of summary or  
21 regular legal proceedings. Termination of this Lease and re-entry of the Premises  
22 by LANDLORD shall in no way alter or diminish any obligation of TENANT under the  
23 Lease terms and shall not constitute an acceptance or surrender. TENANT waives  
24 any and all right of redemption under any existing or future law or statute in the event  
25 of eviction from or dispossession of the Premises for any reason or in the event  
26 LANDLORD re-enters and takes possession of the Premises in a lawful manner. If  
27 upon service by LANDLORD upon TENANT of a termination notice, TENANT  
28 disputes LANDLORD's right to terminate, TENANT shall seek its appropriate

1 provisional or preliminary relief by filing an application for same in the appropriate  
2 court, prior to the termination date in the notice of termination, it being the intention  
3 of the parties that any dispute as to the right of LANDLORD to terminate this Lease,  
4 shall thereafter be fully adjudicated in that forum. In the event that TENANT fails to  
5 seek provisional or preliminary relief as provided for herein within the time period set  
6 forth above, TENANT agrees that should the manner or method employed by  
7 LANDLORD in re-entering or taking possession of the Premises give TENANT a  
8 cause of action for damages or in forcible entry and detainer, the total amount of  
9 damages to which TENANT shall be entitled in any such action shall be One Dollar  
10 (\$1.00). TENANT agrees that this Clause may be filed in any such action and that  
11 when filed, it shall be a stipulation of TENANT fixing the total damages to which  
12 TENANT is entitled in such an action.

13 28. ABANDONMENT. If TENANT shall abandon or be  
14 dispossessed by process of law or otherwise, any personal property belonging to  
15 TENANT remaining on the premises thirty (30) days after such abandonment or  
16 dispossession shall be deemed to have been transferred to LANDLORD, and  
17 LANDLORD shall have the right to remove and to dispose of the same without liability  
18 to account therefore to TENANT, or to any person claiming under TENANT.

19 29. POSSESSORY INTEREST. TENANT recognizes and  
20 understands that this Lease may create a possessory interest subject to property  
21 taxation and that TENANT may be subject to the payment of property taxes on such  
22 interest.

23 30. FEDERAL AVIATION ADMINISTRATION ASSURANCES. This  
24 Lease is subject to certain assurances mandated by the Federal Aviation  
25 Administration for inclusion in airport leases. These assurances are set out in full in  
26 Exhibit "B" attached hereto and made a part hereof.

27 31. TERMINATION OF PRIOR AGREEMENTS. It is mutually  
28 agreed that this Lease shall supersede any prior agreements between the parties

1 hereto covering all or any portion of the Premises, including without limitation the  
2 Original Lease.

3 32. GENERAL CONDITIONS.

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

14 B. BANKRUPTCY. Should TENANT make an assignment for  
15 benefit of creditors or should a voluntary or involuntary petition of bankruptcy or for  
16 reorganization or for any arrangements be filed by or against TENANT, or if  
17 TENANT becomes bankrupt or insolvent, or if a receiver be appointed of TENANT's  
18 business or assets (except a receiver appointed at request of LANDLORD), such  
19 action shall constitute a breach of this Lease for which LANDLORD, at its option,  
20 may terminate all rights of TENANT or TENANT'S successors in interest under this  
21 Lease except as provided in this Lease; provided, however, that an involuntary  
22 petition for bankruptcy or reorganization which is dismissed within sixty (60) days  
23 after filing without loss to LANDLORD shall not constitute a breach of this Lease.

24 C. DISPOSITION OF PERSONAL PROPERTY ABANDONED BY  
25 TENANT. If TENANT abandons the Premises or is dispossessed thereof by  
26 process of law or otherwise, title to any personal property belonging to TENANT and  
27 left on the Premises thirty (30) days after such abandonment or dispossession shall  
28 be deemed to have been transferred to LANDLORD. LANDLORD shall have the

1 right to remove and to dispose of such property without liability therefore to TENANT  
2 or to any person claiming under TENANT and shall have no duty or obligation to  
3 account therefore.

4 D. SUCCESSORS IN INTEREST. Unless otherwise provided in  
5 this Lease, the terms, covenants and conditions contained herein shall apply to and  
6 find the heirs, successors, executors, administrators and assigns of all of the parties  
7 hereto, all of whom shall be jointly and severably liable hereunder.

8 E. TAXES AND ASSESSMENTS. TENANT shall pay before  
9 delinquency, all taxes, license fees, assessments and other charges which are  
10 levied and assessed against and upon the premises, fixtures, equipment, or other  
11 property caused or suffered by TENANT to be placed upon the Premises. TENANT  
12 shall furnish LANDLORD with satisfactory evidence of these payments upon  
13 demand by LANDLORD.

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

19 G. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE. If  
20 either party hereto shall be delayed or prevented from the performance of any act  
21 required hereunder by reason of acts of God, restrictive governmental laws or  
22 regulations or other cause, without fault and beyond control of the party obligated  
23 other than financial incapacity, performance of such act shall be excused for the  
24 period of the delay; and the period for the performance of any such act shall be  
25 extended for a period equivalent to the period of such delay, provided, however,  
26 nothing in this section shall excuse TENANT from the prompt payment of any rental  
27 or other charge required of TENANT hereunder except as may be expressly  
28 provided elsewhere in this Lease.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

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

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

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

L. NOTICES. All notices given or to be given by either party to the other, shall be served by either: (1) enclosing the same in a sealed envelope addressed to the party intended to receive the same at the address indicated 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  
411 W. Ocean Blvd., 10th Floor

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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: Mercedes-Benz USA, LLC  
3860 N. Lakewood Blvd.  
Long Beach, CA 90808  
Attn: Kirk Bechtel

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 Director 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 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



OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

opposite their signatures.

~~not~~  
K  
5/25  
\_\_\_\_\_, 2022

CITY OF LONG BEACH, a municipal corporation  
By Sandra J. Jabum  
City Manager

"LANDLORD"

MERCEDES-BENZ USA, LLC, a Delaware limited liability company

4/14  
\_\_\_\_\_, 2022

By [Signature]

"TENANT"

This Lease is approved as to form on April 15, 2022.

CHARLES PARKIN, City Attorney  
By [Signature]  
Deputy

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

opposite their signatures.

CITY OF LONG BEACH, a municipal corporation

\_\_\_\_\_, 2022

By \_\_\_\_\_  
City Manager

"LANDLORD"

MERCEDES-BENZ USA, LLC, a Delaware limited liability company

4/14, 2022

By 

"TENANT"

This Lease is approved as to form on \_\_\_\_\_, 2022.

CHARLES PARKIN, City Attorney

By \_\_\_\_\_  
Deputy

EXHIBIT "A"

E. 36th St.

6.50 ACRES

Globemaster Way

ENTRANCE

1.50 ACRES

ENTRANCE

2.0 ACRES

ENTRANCE

1.0 ACRES

ENTRANCE

E. Wardlow Rd.

548'

218'

63'

134'

75'

S:\Airport\Engineering\Projects\Engineering Support-(Request)\Leasing\Boeing\Lot 12 Exhibit-20160110.dwg



long beach airport  
where the going is easy

CITY OF LONG BEACH - CALIFORNIA  
WARDLOW LOT

4100 DONALD DOUGLAS DRIVE LONG BEACH, CA 90808



## **Exhibit "B"**

### **FAA LEASE AND USE AGREEMENT PROVISIONS**

1. The Tenant for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease 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 Tenant 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 Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") 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 Tenant 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 concessionaire 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 concessionaire 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 Landlord 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 Tenant and without interference or hindrance.
3. The Landlord reserves the right, but shall not be obligated to the Tenant, 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 Tenant in this regard.
4. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relative to the development, operation, or maintenance of the airport. Failure of the lessee or any occupant to comply with the requirements of any existing or future agreement between the Landlord and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of Tenant's rights hereunder.
5. There is reserved to the Landlord, 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 leased 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 Tenant 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 leased premises or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
7. The Tenant by accepting this lease 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 Tenant.
8. The Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased 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 leased and cause the abatement of such interference at the expense of the Tenant.
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 Lease 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 Tenant 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.

12. The Tenant will conform to Landlord and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass airfield safe driving instruction program when offered or required by the Landlord; and will be subject to penalties as prescribed by the Landlord for violations of the airport safety and security requirements.