

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

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EIGHTH AMENDMENT TO  
FIXED BASE OPERATION LEASE NO. 21569  
**21569**

THIS EIGHTH AMENDMENT TO FIXED BASE OPERATION LEASE NO. 21569 is made and entered into in duplicate as of the 1st day of May, 2015 ("Effective Date"), pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting of January 6, 2015, by and between the CITY OF LONG BEACH, a municipal corporation ("LANDLORD") and GULFSTREAM AEROSPACE CORPORATION, a California corporation, formerly known as 7701 Woodley Avenue Corporation, having its place of business at 4150 Donald Douglas Drive, Long Beach, California 90808 ("TENANT").

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

1.1 The parties entered into a lease as of March 14, 1989 (as previously amended and as amended hereby, the "Lease"), pursuant to which LANDLORD leased approximately 12.665 acres of land at the Long Beach Municipal Airport ("Leased Premises") to TENANT.

1.2 The Lease was amended by (i) a First Amendment to Fixed Base Operation Lease dated as of September 21, 1990, (ii) a Second Amendment to Fixed Base Operations Lease dated as of December 24, 1998, (iii) a Third Amendment to Fixed Base Operations Lease dated as of March 5, 2003, (iv) a Fourth Amendment to Fixed Base Operation Lease dated as of December 1, 2006, (v) a Fifth Amendment to Fixed Base Operation Lease dated as of April 8, 2011, (vi) a Sixth Amendment to Fixed Base Operation Lease dated as of March 14, 2013, and (vii) a Seventh Amendment to Fixed Base Operation Lease dated as of November 1, 2014. The Lease, as amended, is referred to herein as the "Lease".

1.3 The parties desire to further amend the Lease by, among

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1 other things, adding approximately 6.04 acres of additional land and existing  
2 improvements located thereon, as more particularly described and depicted on  
3 Exhibits "A-1" and "A-2" attached hereto and incorporated herein by this reference  
4 (the "Spring Street Site") to the Leased Premises.

5 2. Spring Street Site. As of the Effective Date, LANDLORD does  
6 hereby lease, and TENANT does hereby agree to lease the Spring Street Site, and both  
7 parties agree that the Spring Street Site shall be subject to the terms and conditions of  
8 the Lease. TENANT accepts the Spring Street Site, including any improvements  
9 thereon, "AS IS, WHERE IS, AND WITH ALL FAULTS", excepting therefrom any  
10 environmental contamination on the Spring Street Site not created by TENANT.  
11 TENANT shall be responsible for any liability associated with any environmental  
12 contamination on the Spring Street Site that occurs after the Effective Date, but only to  
13 the extent such contamination is caused by TENANT. TENANT shall not be responsible  
14 for any liability associated with any environmental contamination on the Spring Street Site  
15 existing prior to the Effective Date, except to the extent such contamination is caused by  
16 TENANT. TENANT shall respond to all inquiries, to which it has knowledge, regarding  
17 any environmental contamination occurring after the Effective Date and provide any  
18 applicable information in TENANT'S possession to any applicable state or federal agency  
19 with jurisdiction over environmental matters. If either LANDLORD or TENANT discovers  
20 any environmental contamination within the Spring Street Site, the discovering party shall  
21 notify the other party within forty-five (45) days of such discovery. In the event  
22 environmental contamination is discovered which is not caused by TENANT, LANDLORD  
23 shall have no obligation to TENANT to remediate such contamination and/or compensate  
24 TENANT for any loss it may suffer as a result of such contamination, TENANT shall have  
25 no obligation to LANDLORD to remediate such contamination, and TENANT's sole  
26 remedy in such event shall be exercise of its early termination clause hereunder;  
27 provided, however, that TENANT shall, after termination, be entitled to an equitable share  
28 of the proceeds of any environmental damage awards actually received by LANDLORD

1 (and not expended on remediation of the Spring Street Site) from a third-party as a result  
2 of such third-party's actions.

3 3. Telecommunications Equipment. Notwithstanding anything to the  
4 contrary contained in Section 11 of the Lease, TENANT shall have the right, without  
5 charge, to use the roof(s) of building(s) located on the Spring Street Site to have third-  
6 party providers install, operate and maintain telecommunication antennas, microwave  
7 dishes and other communications equipment used exclusively in the conduct of  
8 TENANT's operations. Under no circumstances shall the Spring Street Site roof be  
9 sublet to any third-party for the purpose of generating revenue for TENANT.

10 4. Leased Premises. Paragraph 1 of the Lease is hereby amended by  
11 changing "16.513 acres" to read "22.553 acres". Exhibits "A-1" and "A-2" attached to this  
12 Eighth Amendment shall supplement Exhibit "A" attached to the Lease.

13 5. Base Rent for Spring Street Site. Beginning on July 1, 2015 and  
14 continuing monthly thereafter, TENANT agrees to pay to LANDLORD as a base land  
15 rental payment for the Spring Street Site the sum of EIGHTEEN THOUSAND FOUR  
16 HUNDRED THIRTY-FOUR and 00/100 Dollars (\$18,434.00) per month ("Spring Street  
17 Site Base Rent") and such Spring Street Site Base Rent shall be in addition to, and not in  
18 lieu of, any other rental payments, including land rents, otherwise required by the Lease.  
19 Billing for the Spring Street Site shall be separate from any current billing for the Leased  
20 Premises.

21 6. Rent Adjustments for Spring Street Site. The Spring Street Site  
22 Base Rent shall be adjusted to reflect fair market value conditions. In order to adjust the  
23 Spring Street Site Base Rent, the fair market land value of the Spring Street Site and the  
24 prevailing rate of return shall be determined as of November 1 of the year immediately  
25 preceding the year in which the fair market value rent adjustment is to become effective.  
26 Adjusted rent payment shall take effect on the following dates (each, an "FMV  
27 Adjustment Date"): March 14, 2018 and every fifth (5th) year thereafter.

28 A. Approximately six (6) months prior to an FMV Adjustment Date,

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

1 resolved by a third appraiser, appointed in the manner described in this subsection.

2 B. Upon completion of the determination of the adjusted rent to be paid  
3 by TENANT hereunder, LANDLORD and TENANT shall execute an amendment to the  
4 Lease to formally recognize the new rent amount.

5 C. Notwithstanding anything to the contrary contained in the Lease, this  
6 Section 6 shall only apply to the Spring Street Site Base Rent. Base Rent payable and  
7 Rental Adjustment applicable in connection with the remainder of the Leased Premises  
8 shall be adjusted in accordance with Sections 4 and 5, respectively, of the Lease.

9 7. Early Termination for Spring Street Site. TENANT shall have the  
10 right to terminate the Lease with respect to the Spring Street Site upon at least nine (9)  
11 months advance written notice to LANDLORD; provided, however, that such termination  
12 may not be effective prior to March 13, 2019. Upon termination of the Lease with respect  
13 to the Spring Street Site, all Spring Street Site rent obligations shall cease and (i)  
14 TENANT shall return possession of the Spring Street Site to LANDLORD in substantially  
15 the same condition as of the Effective Date, reasonable wear and tear excepted, and (ii)  
16 TENANT shall remove any hazardous materials used or placed on the Spring Street Site  
17 by TENANT. TENANT shall not be required to remove any improvements to the Spring  
18 Street Site approved by LANDLORD's Airport Director in writing prior to construction or  
19 installation. In addition, if any environmental contamination is discovered on the Spring  
20 Street Site, then the provisions of Section 2 shall apply and TENANT may unilaterally  
21 terminate the Lease insofar as it respects the Spring Street Site upon ninety (90) days'  
22 prior written notice to LANDLORD.

23 8. Security Deposit. Section 10 of the Lease is hereby deleted in its  
24 entirety and is of no further force or effect. LANDLORD shall return to TENANT any  
25 security deposit held by it with respect to the Leased Premises within sixty (60) days after  
26 the Effective Date.

27 9. Indemnification and Hold Harmless. TENANT hereby agrees to hold  
28 harmless, defend and indemnify LANDLORD and its employees, members and officials

1 from and against all liability, loss, damage, costs, penalties, fines and/or expenses  
2 (including attorney's fees and court costs) arising out of or in any way connected with the  
3 activities, acts or omissions of TENANT, its subtenants, employees, contractors or agents  
4 on or affecting the Spring Street Site without regard to fault or negligence including but  
5 not limited to the release of any hazardous materials into the air, soil, groundwater or  
6 surface water on, in, under or from the Spring Street Site whether such condition, liability,  
7 loss, damage, cost, penalty, fine and/or expense shall accrue or be discovered before or  
8 after termination of the Lease. This indemnification in no way limits the scope of the  
9 indemnification set forth in Section 17 of the Lease.

10 In addition, TENANT waives, releases, acquits and forever discharges  
11 LANDLORD, its employees, members and officials or any other person acting on behalf  
12 of LANDLORD, of and from any and all claims, actions, causes of action, demands,  
13 rights, damages, costs, expenses, or compensation (collectively claims) whatsoever  
14 (including, but not limited to, all claims at common law and/or under any federal, state or  
15 local environmental, health and/or safety-related law, rule, regulation or order, currently  
16 existing and as amended or enacted in the future ("Environmental Law")), whether direct  
17 or indirect, known or unknown, foreseen or unforeseen, which TENANT now has or may  
18 have or which may arise in the future on account of or in any way growing out of or in  
19 connection with any hazardous materials on, under, from, or affecting the Spring Street  
20 Site, or any law or regulation applicable thereto. TENANT acknowledges that it is familiar  
21 with Section 1542 of the California Civil Code which reads: "A general release does not  
22 extend to claims which the creditor does not know or suspect to exist in his favor at the  
23 time of executing the release, which if known by him must have materially affected his  
24 settlement with debtor."; and hereby releases LANDLORD from any unknown claims and  
25 waives all rights it may have under Section 1542 of the Civil Code or under any other  
26 statute or common law principle of similar effect.

27 As used in this section, "Hazardous Material" means any substance:

28 A. The presence of which requires investigation or remediation under

1 any federal, state or local statute, regulation, ordinance, order, action, policy or common  
2 law; or

3 B. Which is or becomes defined as a "hazardous waste", "hazardous  
4 substance", pollutant or contaminant under any federal, state or local statute, regulation,  
5 rule or ordinance or amendments thereto including, without limitation, the Comprehensive  
6 Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et  
7 seq.) and/or the Resource conservation and Recovery Act (42 U.S.C. Section 6901, et  
8 seq.); or

9 C. Which is toxic, explosive, corrosive, flammable, infectious,  
10 radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes  
11 regulated by any governmental authority, agency, department, commission, board,  
12 agency or instrumentality of the United States, the State of California or any political sub-  
13 division thereof; or

14 D. The presence of which on the Leased Premises causes or threatens  
15 to cause a nuisance upon the Leased Premises or to adjacent properties or poses or  
16 threatens to pose a hazard to the health or safety of persons on or about the Leased  
17 Premises; or

18 E. Which contains polychlorinated bipheynols (PCBs), asbestos or urea  
19 formaldehyde foam insulation."

20 10. Binding Effect. Except as amended by this Eighth Amendment, the  
21 Lease remains unchanged and in full force and effect.

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

GULFSTREAM AEROSPACE CORPORATION, a California corporation

April 29, 2015

By: 

Its: Director

"TENANT"

CITY OF LONG BEACH, a municipal corporation

April 30, 2015

By:  EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

Assistant City Manager

"LANDLORD"

The foregoing Eighth Amendment to Fixed Base Operation Lease is approved as to form this 30 day of April, 2015.

CHARLES PARKIN, City Attorney

By:  Deputy

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## EXHIBIT "A-1"

Landlord does hereby lease and Tenant does hereby take and accept the following described property located in the City of Long Beach, County of Los Angeles, State of California:

Approximately 6.04 acres of land as shown on Drawing No. M-1851, attached hereto marked Exhibit "A-2" and made a part hereof, and described as follows:

### "Parcel 1

"A portion of Rancho Los Cerritos as per map book recorded in Book 2, page 202, of Patents Records of the County of Los Angeles, State of California, as more particularly bounded and described, using bearings based on the California Coordinate System Zone VII, as follows:

"Beginning at a point commonly known as being at the west quarter corner of Section 21 of Township 4 South, Range 12 West, S.B.B. & M., said point being marked by City of Long Beach Monument No. 2797, said point having grid coordinates of North 4,043,529.76 and East 4,242,254.37, and said point also being an angle point in the centerline of Spring Street from which said centerline bears North 89°55'35" West and South 89°54'17" East; thence North 89°55'35" West along said centerline of Spring Street 125.00 feet to a point on the centerline of Spring Street; thence North 0°04'25" East 290.05 feet to the True Point of Beginning; thence North 0°04'25" East 409.88 feet; thence North 89°50'38" East 375.38 feet; thence South 0°06'16" West 411.52 feet; thence South 89°54'17" East 37.72 feet; thence South 44°54'17" East 35.36 feet; thence South 0°05'43" West 155.00 feet; thence South 45°05'43" West 35.36 feet; thence North 89°54'17" West 62.55 feet; thence North 74°47'52" West 191.85 feet; thence North 89°54'17" West 165.05 feet; thence North 0°04'25" East 155.01 feet to the True Point of Beginning.

"Said Parcel 1 contains an area of 5.289 acres.

### "Parcel 2

"Beginning at the southwesterly corner of said Parcel 1; thence South 89°54'17" East 95.00 feet; thence South 0°04'25" West 81.00 feet; thence North 89°55'35" West 95.00 feet; thence North 0°04'25" East 81.04 feet to the beginning.

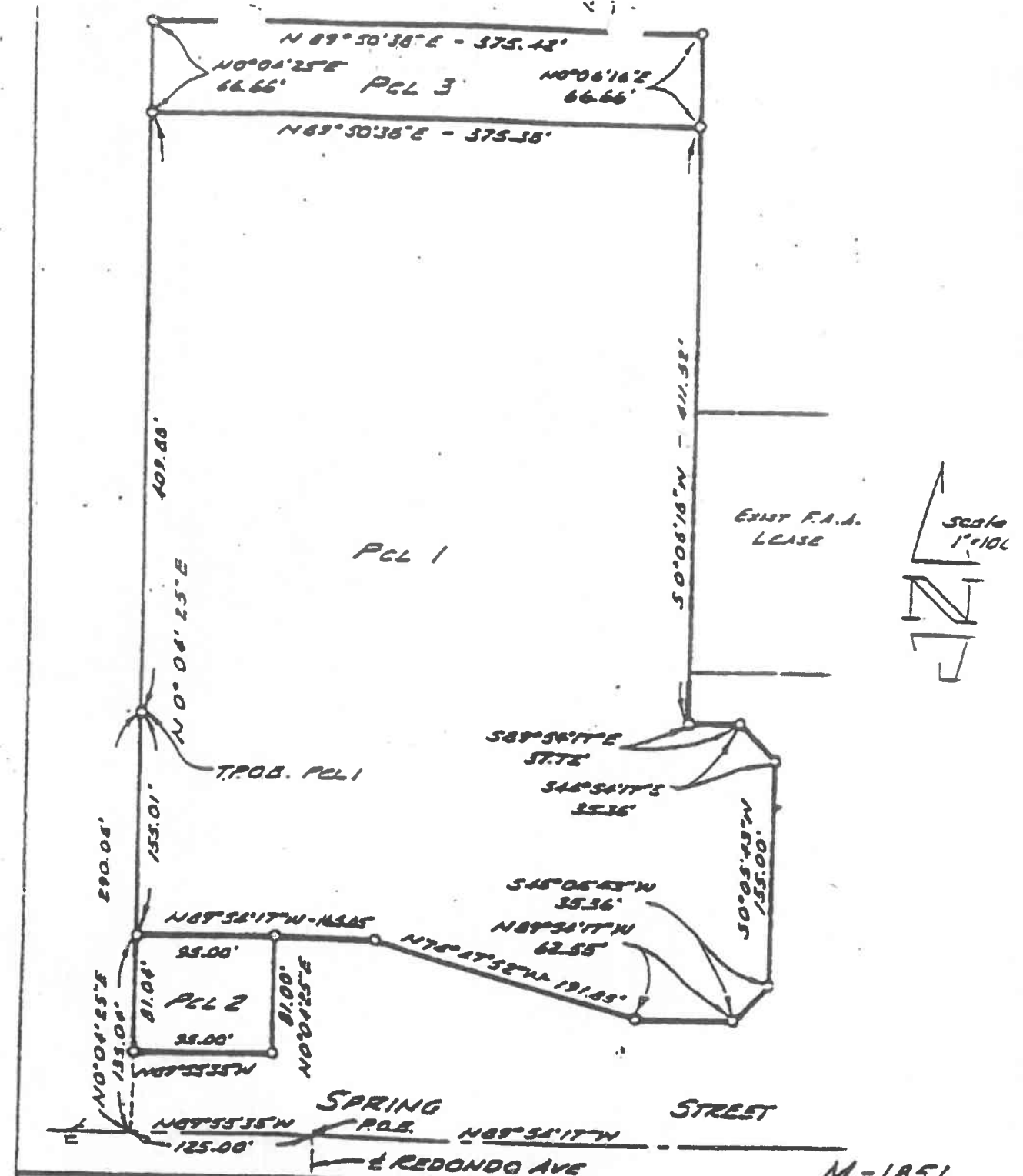
"Said Parcel 2 contains an area of 0.177 acres.

### "Parcel 3

"Beginning at the northwesterly corner of said Parcel 1 thence North 0°04'25" East 66.66 feet; thence North 89°50'38" East 375.42 feet; thence South 0°06'16" West 66.66 feet; thence South 89°50'38" West 375.38 feet to the beginning.

"Said Parcel 3 contains an area of 0.574 acres."

EXHIBIT "A-2"



<p>Approved:</p> <p><i>John U. [Signature]</i>          Manager - Airport</p>	<p>City of Long Beach, California          Department of Public Works - Bureau of Engineering</p>
<p>Approved:</p> <p><i>[Signature]</i>          Division Engineer          Project Development Group</p>	<p>LEASE TO</p> <p>Long Beach Municipal Airport</p> <p><i>[Signature]</i>          City Engineer / P.E. 25882</p>
<p>Prepared:</p> <p>2-18-86 T. JONES</p>	<p>Approved:</p> <p><i>[Signature]</i>          City Engineer</p> <p>Lessors: <i>[Signature]</i></p> <p>Lessee No. _____</p> <p>Drawing No. M-1851</p>