

**LEASE**

**31015**

by and between

**City of Long Beach**  
a California municipal corporation

and

**Long Beach AirPark, LLC**  
a California limited liability company

## LEASE

THIS LEASE ("Lease") is made and entered into this 29th day of January, 2009, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on October 21, 2008, by and between the CITY OF LONG BEACH, a California municipal corporation ("City"), and LONG BEACH AIRPARK, LLC, a California limited liability company ("Lessee").

## RECITALS

A. City is the owner of Long Beach Municipal Airport (the "Airport") and operates the same for the promotion, accommodation, and development of air commerce and transportation. The Airport is located in the City of Long Beach, County of Los Angeles, State of California.

B. City desires to develop that portion of the Airport consisting of approximately 1.23 acres of land area, commonly known as "Parcel X2", and more generally depicted on the site map attached hereto as Exhibit "B", referred to herein as the "Leased Premises". City posted a Request for Proposals to develop Parcel X2, and after review and consideration of various proposals, City selected Lessee's proposal to develop Parcel X2.

C. City desires to lease to Lessee and Lessee desires to lease from City the Leased Premises according to the terms and conditions contained in this Lease.

## AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL COVENANTS HEREIN CONTAINED, CITY AND LESSEE HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS.** The following terms when used in this Lease shall have the meanings set forth below:

A. The term "**Additional Rent**" shall have the meaning given it in Section 6.F.

B. The term "**Airport**" shall mean Long Beach Municipal Airport located within the City of Long Beach, County of Los Angeles, State of California.

C. The term "**Airport Director**" shall mean the Director of the Long Beach Airport or his or her designee.

D. The term "**Approved Plans**" shall mean those final plans and specifications for the construction of the improvements upon the Leased

Premises reviewed and approved by the Building Department and the Airport Director.

E. The term "**Building Department**" shall mean the Department of Development Services of the City of Long Beach.

F. The term "**City Improvements**" shall have the meaning given it in Section 8.A.

G. The term "**City Manager**" shall mean the City Manager of City or his or her designee.

H. The term "**Commencement Date**" shall mean the date on which both Lessee and City have executed this Lease, which date shall be inserted into the preamble to this Lease.

I. The term "**FAA**" shall mean the Federal Aviation Administration.

J. The term "**Hazardous Material**" shall have the meaning given in Section 7.C.

K. The term "**Improvements**" shall mean those certain improvements shown on the Approved Plans.

L. The term "**Investigation and Development Phase**" shall mean that period of time beginning with the Commencement Date and ending eighteen (18) months thereafter, subject to extension in accordance with Section 3.

M. The term "**LBMC**" shall mean the City of Long Beach Municipal Code.

N. The term "**Leased Premises**" shall mean that portion of the Airport consisting of approximately 1.23 acres of land area extending easterly to the western boundary of the Runway 7R-25L Runway Protection Zone, commonly known as "Parcel X2", and more generally depicted on the site map attached hereto as Exhibit "B".

O. The term "**Offset Account**" shall have the meaning given it in Section 8.B.

P. The term "**Rent**" shall mean the rent to be paid by Lessee to City, subject to adjustments as provided in this Lease.

Q. The term "**Rent Adjustment Date**" shall mean each anniversary of the Rent Commencement Date.

R. The term "**Rent Commencement Date**" shall mean the date that Lessee's obligation to pay Rent commences. The Rent Commencement Date is the earlier of (i) the date that is eighteen (18) months after the Commencement Date, subject to extension if the Investigation and Development Phase is extended pursuant to Section 3, or (ii) the date City issues a Certificate of Occupancy for the Improvements.

S. The term "**Utilization Phase**" shall mean that period of time beginning with the termination of the Investigation and Development Phase and ending with the expiration of the Term.

## **2. LEASE OF LEASED PREMISES.**

A. Leased Premises. For and in consideration of the rents, covenants and conditions herein contained, City does hereby lease to Lessee and Lessee does hereby lease from City the Leased Premises. There are no existing legal descriptions or title reports for the Leased Premises as of the Commencement Date. Within the first three (3) months of the Investigation and Development Phase, Lessee shall commission a title search and a survey to create an acceptable legal description for the Leased Premises, and this Lease shall be amended by the parties to attach such legal description to this Lease as Exhibit "A". It is understood and agreed that this Lease covers only the surface of the Leased Premises and only so much of the subsurface as is reasonably necessary or convenient for Lessee's use of the Leased Premises as permitted by this Lease. City expressly reserves all interests in subsurface minerals and hydrocarbon substances.

B. Condition of Leased Premises. The Leased Premises are leased to Lessee and Lessee hereby accepts the Leased Premises in "AS-IS" and "WHERE-IS" condition (subject to Section 8.A), without any representations or warranties, express or implied, by City or City's agents, and subject to all applicable zoning, municipal, county, state and federal laws, ordinances and regulations governing and regulating the Leased Premises, including, without limitation, the LBMC, and all covenants, conditions and restrictions of record, and accepts this Lease subject thereto and to all matters disclosed hereby.

## **3. TERM; CONDITIONS PRECEDENT.**

This Lease is structured into two phases. Phase 1 of this Lease, the Investigation and Development Phase, shall begin on the Commencement Date and shall continue for eighteen (18) months thereafter, subject to extension for up to twelve (12) additional months at the reasonable discretion of the City Manager. Phase 2 of this

Lease, the Utilization Phase, shall begin immediately after the Investigation and Development Phase and shall continue for the remainder of the Term.

A. Term. The term of this Lease ("Term") shall commence on the Commencement Date and shall continue until the date which is forty (40) years after the Rent Commencement Date. The Term may be extended for one (1) additional ten (10) year period upon the mutual written agreement of the parties. A "Lease Year" is a period of twelve (12) consecutive calendar months commencing on the first day of the first full calendar month during the Term; provided that the first Lease Year shall also include any partial calendar month during which the Commencement Date occurs, if the Commencement Date does not occur on the first day of a calendar month. The parties shall execute and deliver to one another a Memorandum of Term, Rent and Offset Account in substantially the form attached to this Lease as Exhibit "C", setting forth the Commencement Date, the Rent Commencement Date, the expiration date, the monthly rent, and the initial amount of the Offset Account.

B. Investigation and Development Phase. During the Investigation and Development Phase, Lessee shall conduct such reviews and inspections as it deems necessary to satisfy itself regarding all aspects of the condition of the Leased Premises, including, without limitation, the condition of title of the Leased Premises, applicable zoning and other laws, the presence of Hazardous Materials, the physical condition of the Leased Premises, the suitability of the Leased Premises for Lessee's intended use of the same, and/or the suitability of Lessee's plans for construction and the anticipated conduct of its business. If at any time during the Investigation and Development Phase Lessee determines that the physical condition of the Leased Premises is unacceptable to Lessee, Lessee may deliver written notice to City of its election to terminate this Lease, and such termination will be effective immediately upon City's receipt of such notice. City shall hold Lessee harmless against any and all expenses arising from disposition and cleanup of any Hazardous Materials discovered during the Investigation and Development Phase except to the extent that Lessee releases Hazardous Materials on the Property or Lessee's actions increase contamination beyond the normal process of evaluation. Upon completion of investigation of the Leased Premises and all other due diligence with respect thereto (but in no event later than one hundred eighty (180) days after the Commencement Date), Lessee shall deliver a written notice to City stating its intent to proceed with development of the Leased Premises ("Notice of Intent to Proceed"). If City does not receive a Notice of Intent to Proceed from Lessee then City at its sole and absolute discretion may deliver written notice to Lessee of its election to terminate this Lease, and such termination will be effective immediately upon Lessee's receipt of such notice. No later than one hundred and eighty (180) days after the Notice of Intent to Proceed, Lessee shall submit all plans, construction drawings, and other materials required by the Building Department (collectively, the "plans") with respect to any improvements to be constructed on the Leased Premises, including the City Improvements (as

defined in Section 8.A) for plan check and for review and approval by the Airport Director. No later than thirty (30) days following the return of the plans containing the Building Department's comments and corrections, Lessee shall correct, complete, and resubmit the plans to the Building Department and the Airport Director for approval or further comment. This process shall continue until the plans are approved (such approved plans shall be referred to herein as the "Approved Plans") and a building permit is issued. Approval of the plans by City shall mean that the Improvements comply with all applicable City and Airport codes and regulations. Lessee shall be responsible for obtaining all applicable FAA approvals.

#### 4. RENT.

A. Rent. Commencing on the Rent Commencement Date and on the first day of each succeeding calendar month thereafter until the first Rent Adjustment Date, Lessee shall pay to City monthly rent, in advance, an amount equal to the square footage of the Leased Premises multiplied by \$0.06. In the event the Rent Commencement Date does not occur on the first day of a calendar month, the Rent owing by Lessee for the first partial month shall be prorated based on a thirty (30) day month. The area of the Leased Premises is currently 53,660 square feet, and therefore the initial monthly rent due hereunder is Three Thousand Two Hundred Nineteen and 60/100 Dollars (\$3,219.60). The parties acknowledge that the area of the Leased Premises may change due to the discovery of easements or other impediments to development during the Investigative and Development Phase, and in such event (i) this Lease shall be amended to reflect the revised Leased Premises and (ii) the Rent shall be adjusted proportionally to reflect the new area of the Leased Premises and such rent shall be acknowledged pursuant to the execution by both parties of a Memorandum of Term, Rent and Offset Account in the form attached hereto as Exhibit "C".

B. Adjustments to Rent. The Rent to be paid to City by Lessee for the Leased Premises shall be adjusted annually effective on each Rent Adjustment Date, by the 12 Months Percent Change in the Consumer Price Index for All Urban Consumers, All Items, Base Period 1982-84 = 100, for the Los Angeles-Riverside-Orange County, CA Area, published by the United States Department of Labor, Bureau of Labor Statistics. The Index from the month immediately prior to each Rent Adjustment Date shall be the "Current Index", and the Index for the same month for the year previous shall be the "Beginning Index". If the Current Index is greater than the Beginning Index, the then-current rent or adjusted rent shall increase by the same percentage rounded to the nearest tenth as did the Current Index increase over the Beginning Index, so that the monthly rent or adjusted rent shall increase each year by the same percentage as did the Consumer Price Index. However, each Rent increase shall not exceed five percent (5%). At ten (10) year intervals after the Rent Commencement Date, Rent shall be adjusted to reflect the fair market value and

prevailing rate of return. In no event shall any Rent adjustment result in a Rent less than that paid during the preceding period. The method for determining the ten (10) year Rental adjustments is set out in Section 4.C.

C. Appraisals. All Rents or rental adjustments based on fair market value or fair rental value as determined by appraisal shall be determined using the procedure set out herein.

(1) Appraisal Process. Not later than the date which is one hundred eighty (180) days before a scheduled fair market value rent adjustment date, City shall appoint an appraiser to complete an appraisal of the Leased Premises within sixty (60) days. If City's appraisal is accepted in writing by Lessee then City's appraisal shall form the basis of the fair market value adjustment provided for herein. If City's appraisal is not accepted by Lessee, then Lessee may designate an appraiser to complete an appraisal of the Leased Premises within sixty (60) days of the receipt of City's appraisal. If the appraisals differ, but not by more than ten percent (10%) with respect to the rental rate, they shall be deemed to be in agreement, and the appraisals shall be averaged to determine the rent to be paid. If the appraisers selected by the parties, whose appraisals are used for the purposes herein stated, are unable to agree upon the rental rate to be paid by Lessee, said appraisers shall immediately appoint a third qualified and experienced MAI or equivalent real estate appraiser to complete an appraisal within forty-five (45) days, and the costs associated with such third appraisal shall be shared equally by Lessee and City. Said appraiser shall be appointed within ten (10) days after failure to reach agreement on rent. If the appraisers are unable to agree upon a third appraiser, they shall obtain a list of all MAI appraisers in Los Angeles and Orange Counties and strike names therefrom in turn until only one name remains. The remaining appraiser shall be appointed to prepare the third appraisal. The foregoing shall be completed within ten (10) days after failure to reach agreement on a third appraiser. If none of the three appraisals of rental rate vary from the median appraisal by more than ten percent (10%), the average of such appraisal or appraisals and the median appraisal shall be the rental rate. As used herein, "median appraisal" shall mean the appraisal wherein there is an appraisal which is higher and an appraisal which is lower in amount. If both of the non-median appraisals vary from the median appraisal by more than five percent (5%) of the median appraisal, the median appraisal shall be the rental rate.

(2) Instructions to Appraisers. Each appraiser and any third appraiser, if required, shall be a Certified General Appraiser, licensed in the State of California, plus a designated member, in good standing, of the Appraisal Institute and/or American Society of Appraisers. Each appraiser shall have at least five (5) years experience in the appraisal of real estate, including airport property, in the greater area of Los Angeles

County and Orange County, California. Each appraiser and any third appraiser, if required, shall prepare an appraisal study and formal Summary Appraisal Report after completing a program of inspection, research and analysis as follows:

(a) Appraisers shall complete a thorough on-site inspection of the Leased Premises and review proposed development plans, if any, in order to become familiar with (1) the existing and/or proposed physical characteristics of the site and improvements, (2) the capacity and number of aircraft hangars, (3) taxiway and runway access, (4) ground vehicle access, and (5) other physical characteristics or influences pertinent to the value of the Leased Premises.

(b) Appraisers shall research and obtain independently, hangar rental rates, site office rental rates, land rental rates, rates of return, and percentage rates, if applicable, at the Long Beach Airport and other airports in the greater region, including those within the counties of Los Angeles, Orange, Riverside and San Bernardino.

(c) Appraisers shall not consider rental rates paid by scheduled or commercial airlines, corporate jets (unless any portion of the Leased Premises is utilized for the renting to same), or aircraft exceeding the weight limit of those at the Leased Premises.

(d) Appraisers shall consider the nature and extent to which the real property is affected by reservations of rights, covenants, conditions, easements, encumbrances, and/or land use and other restrictions on the enjoyment or use of the Leased Premises.

(e) The formal Summary Appraisal Report shall be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (promulgated by The Appraisal Foundation, and authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications), which standards, in brief, provide a proper guide to the application and implementation of valuation methodology; note that the standards do not include an "averaging of rates" valuation technique.

(3) Prevailing Rate of Return. As used in this Lease, the term "prevailing rate of return" shall mean the percentage of fair market value which is charged to Lessee by City in lease agreements for similar or comparable uses entered into or renewed in the Los Angeles/Orange



County urban area during the preceding twelve (12) months, which lease agreements are reasonably comparable in their terms to this Lease.

**5. PAYMENT OF RENT; LATE CHARGE.**

A. Place of Payment. All Rent and Additional Rent payments shall be paid or credited when due, without notice or demand and without deduction, counterclaim or offset, except as set forth in Section 8.B, to the Offset Account. When the Offset Account balance becomes zero then rent payment shall be delivered to Airport offices at 4100 Donald Douglas Drive, Long Beach CA 90808, or at such place as Airport Director shall from time to time designate in writing.

B. Late Charge. Lessee hereby acknowledges that late payment by Lessee to City of rental or other sums due hereunder will cause City to incur costs not contemplated by this Lease, the exact amount of which is difficult and impracticable to determine. Such costs include, but are not limited to, processing and accounting charges. Accordingly, any payment of any sum to be paid by Lessee not paid within five (5) days of its due date shall be subject to a five percent (5%) late charge and a late charge in that same amount shall be due and payable on the first day of each month thereafter that such payment remains outstanding. City and Lessee agree that this late charge represents a fair and reasonable estimate of the costs and expenses City will incur by reason of late payment by Lessee, and is a fair compensation to City for its loss suffered by such late payment by Lessee. The provisions herein for payment of late charges shall not be construed to extend the date for payment of any sums required to be paid by Lessee hereunder or to relieve Lessee of its obligation to pay all such sums at the time or times herein stipulated. Notwithstanding the imposition of such late charges, Lessee shall be in default under this Lease if any or all payments required to be made by Lessee are not made at the time herein stipulated, and neither the demand for, nor collection by, City of such late charges shall be construed as a curing of such default on the part of Lessee.

C. Interest. Any sum to be paid pursuant to the terms of this Lease not paid when due shall bear interest from and after the due date until paid at a rate equal to ten percent (10%), so long as the rate does not exceed the maximum non-usurious rate permitted by law, in which case interest shall be at the maximum non-usurious rate allowed by law at the time the sum became due.

**6. TAXES, ASSESSMENTS, UTILITY CHARGES, AND ADDITIONAL RENT.**

A. Net Lease. It is the intention of City and Lessee that Lessee shall carry the rights and responsibilities of owner of the Leased Premises beginning on the Commencement Date and continuing for the remainder of the Term, and that all costs, expenses and obligations of every kind relating to the

Leased Premises or the use, operation or occupancy thereof which may arise or become due during the Term shall be paid by Lessee and that City shall be indemnified by Lessee against such costs, expenses, and obligations.

B. Payment of Taxes. Commencing on the Rent Commencement Date, Lessee shall pay, prior to delinquency, all taxes which shall be levied against the Leased Premises, Lessee's interest therein or Lessee's property thereon including but not limited to any real estate or possessory interest taxes assessed against the Leased Premises, or against any Improvements erected or constructed by Lessee on the Leased Premises, or which become a lien against the Leased Premises or Lessee's interest therein or its property thereon or against any Improvements erected or constructed by Lessee on the Leased Premises during the Term. Lessee, upon written request, shall provide proof of its payment of such taxes. City shall not be responsible for any taxes assessed against Lessee.

C. Payment of Assessments. Commencing on the Commencement Date, Lessee shall pay before delinquency any assessments against the Leased Premises or against any improvements erected or constructed by Lessee on the Leased Premises made for maintenance purposes, such as lighting. In the event that the assessing agency will permit payment of such assessments on an installment basis, Lessee may elect to make the assessment payments on such basis. Lessee's obligations under this paragraph shall be limited to those assessments which are payable during the Term.

D. Ad Valorem Taxes. If, during the Term, federal or state taxes shall be imposed, assessed or levied on the fee interest of City in the Leased Premises, or on or with respect to any real or personal property constituting a portion of the fee interest of City in the Leased Premises, or on the rents derived by City from the Leased Premises in lieu of or in addition to such real or personal property taxes, and such new tax would most fairly be characterized as in the nature of an ad valorem or use tax, as opposed to an income or franchise tax on City's income, Lessee shall pay all such taxes, assessments, levies or charges imposed upon City within thirty (30) days of demand therefor by City, along with City's calculations for such tax.

E. Utilities. Lessee shall pay or cause to be paid, as and when the same may become due and payables, all charges for water, gas, heat, electricity, power, sewer, telephone services, trash removal, and all other services and utilities used in, upon or about the Leased Premises.

F. Additional Rent. In addition to Rent, all taxes, charges, and sums payable by Lessee hereunder are acknowledged and agreed by Lessee to constitute additional rent ("Additional Rent") under this Lease, whether or not such charges and sums be designated as such. City shall have the same rights

and remedies upon Lessee's failure to pay Additional Rent, or any portion thereof, as for the nonpayment of Rent.

## 7. USE OF LEASED PREMISES AND LESSEE COVENANTS.

### A. Permitted Use.

(1) Permitted Development. The Leased Premises, and any and all Improvements, shall be used for the following uses: (i) aerial photography; (ii) aircraft stripping and refinishing; (iii) maintenance, repair, overhaul and modification of aircraft engines, airframes, instruments, avionics, electronics equipment and other related aviation equipment; (iv) maintenance, restoration, repair and modification of aircraft; (v) new and/or used aircraft sales or rental; (vi) parachute, fire extinguisher and oxygen services for aircraft; (vii) providing upholstery, cabinetry and interior services for aircraft; (viii) sale of aircraft parts, components, accessories and allied equipment; (ix) sale of new and used aircraft instruments; (x) sale of new and used avionics and aircraft related electronic equipment; (xi) sale of pilot supplies and accessories; (xii) servicing and repair of aircraft; (xiii) rental of aircraft storage hangars (provided that the design and operation of such facilities shall be subject to the approval of the Airport Director); (xiv) washing, detailing and waxing of aircraft with facilities to accommodate same; (xv) flight school services; (xvi) airline charter services; and (xvii) aviation marketing services. Notwithstanding the foregoing, all uses shall be consistent with the zoning of the Leased Premises and the Long Beach Airport Rules and Regulations, as such zoning regulations and airport rules and regulations may be amended in the future. The Leased Premises may be used for charter and air travel services and on-site marketing and promotion of aviation services, provided that such uses (i) are ancillary to one of the approved uses described above, and (ii) do not constitute the primary business of the entity engaging in such uses. No other use of the Leased Premises shall be permitted without the prior written consent of the Airport Director.

(2) Aviation Related Uses. Any aviation and/or aircraft related use shall be subject to the terms of this Lease and shall be binding upon Lessee and its subtenants.

(3) Use of Airport Facilities. Lessee shall have, in conjunction with the general public and other airport users, a non-exclusive right to the use of the public airport facilities provided and developed by City for public aviation use on such terms and conditions as such facilities may be made available by City either now or in the future to other users and fixed base operators at the Airport and subject to all applicable laws and rules of the United States, the State of California or

the City of Long Beach governing aviation, air navigation or the use of the Airport, including without limitation the applicable portions of the Minimum Standards for Aeronautical Activities for items not already covered by the terms of this Lease. A copy of the Minimum Standards is attached hereto as Exhibit "D". Lessee and its subtenants, customers, and invitees shall have a right to access to the Airport from the Leased Premises, including taxiways and runways consistent with the purposes and requirements of this Lease.

(4) Aircraft Parking, Storage and Hangars.

(a) If applicable, Lessee and its subtenants may, as an incident of the permitted uses of the Leased Premises, 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.

(b) If applicable, Lessee will provide and maintain taxi lanes and aircraft-parking spaces clear of obstacles, vehicles and improperly parked aircraft in a manner which will permit safe and convenient movement of aircraft throughout all open parking areas.

(c) If applicable, Lessee will provide adequate aircraft parking spaces on the Leased Premises to accommodate visiting aircraft or aircraft present at Lessee's facility. Parking is permitted only in designated spaces and Lessee expressly covenants and agrees to make every reasonable and prudent effort to prevent parking of aircraft or ground vehicles on property contiguous to the Leased Premises but not a part thereof. The Airport Director may require creation of additional parking spaces if (s)he finds that aircraft using Lessee's facilities are parking in areas other than authorized hangar spaces.

(d) If applicable, maintenance and repair of aircraft on the based and transient aircraft parking area shall be limited to that permitted by Federal Aviation Regulations Part 43.3(h) and Appendix A(c), unless otherwise specifically authorized in writing by the Airport Director. Said parking areas shall be kept free from partially dismantled (unless being repaired by Lessee) or derelict aircraft.

(e) All aircraft service, maintenance, repair,

inspection and building activities conducted for financial gain within or from aircraft storage hangars shall be performed by Lessee, other tenants or sub-tenants located at the Airport or their duly authorized personnel. No other persons may perform such work.

(5) Automobile Parking. Lessee acknowledges that a sufficient number of automobile parking spaces have been provided as specified in the Approved Plans, to include any subsequent modification to the Leased Premises, and to accommodate the parking needs of patrons, visitors and employees; provided, however, access roadways may not be utilized to comply with this requirement.

B. Compliance With Law. Lessee shall comply, at its sole cost and expense, with all applicable statutes, ordinances, rules, laws or regulations of any governmental agency (including, without limitation, those of the City of Long Beach), as the same may be amended from time to time, with respect to the use, operation, and occupancy of the Leased Premises. Lessee shall make any alteration or improvement necessary or required to comply with any applicable law with respect to Lessee's use, operation and occupancy of the Leased Premises. Lessee shall not conduct or permit to be conducted on the Leased Premises any public or private nuisance or commit or permit to be committed any waste upon the Leased Premises. Lessee shall be solely responsible for monitoring the conduct and ensuring the safety of its tenants, employees, agents, and invitees on the Leased Premises.

C. Compliance with Environmental Laws. Lessee shall not engage in any activity on or about the Leased Premises that violates any "Environmental Law" (as defined below), and shall promptly, at Lessee's sole cost and expense, take all investigatory and/or remedial action required or ordered by any governmental agency or Environmental Law for clean-up and removal of any contamination involving any "Hazardous Material" (as defined below) created or caused directly or indirectly by Lessee. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Leased Premises, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (v) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (vi) California Water Code Section 1300 et seq.; and (vii) California Civil Code Section 3479 et seq., as such laws are amended and the regulations and administrative codes applicable thereto. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely

hazardous waste”, “restrictive hazardous waste” or “hazardous substance” or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto to construe the terms “Hazardous Materials” and “Environmental Laws” in their broadest sense. Lessee shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq. City makes no representations as to the existence or nonexistence of any Hazardous Materials on, in, or about the Leased Premises. Each party shall immediately notify the other of its receipt of any notice, citation or other communication relating to the presence, storage, use or release of any Hazardous Material (in excess of levels permitted by law) in, under, on or about the Leased Premises.

D. Compliance with the Long Beach Municipal Airport Code and Noise Abatement Programs or Ordinance. Lessee expressly covenants to at all times make reasonable efforts to assure that owners and operators of aircraft based on or operating from the Leased Premises adhere to all duly adopted provisions set forth in Division 5 of the City of Long Beach Municipal Code (“Airport Code”). Lessee further agrees to abide by all rules and regulations promulgated pursuant to the Airport Code. In furtherance of Lessee’s obligations pursuant to this paragraph, Lessee shall inform its employees, customers and invitees of all noise abatement programs, ordinances, rules, procedures and any regulations relating thereto. Lessee shall, at City’s request, provide written documentation of its compliance with the requirements of this paragraph.

Lessee shall cooperate fully with City in the enforcement of the provisions of the Airport Code, the ordinances, rules and regulations promulgated thereunder or in addition thereto and all noise abatement programs and ordinances now or hereafter adopted by City, including (without limitation) providing to City of all information available to Lessee concerning any violations of the Airport Code, the rules and regulations promulgated thereunder, or any noise abatement program or ordinances by any of Lessee’s employees, customers, or invitees.

Lessee shall not at any time, or for any reason, make any assertion to any court, administrative agency, administrative tribunal or other similar forum, which is in any respect inconsistent with the terms and provisions of this Section.

E. FAA Provisions. Lessee shall comply with all assurances mandated by the FAA for inclusion in Airport leases, as the same may be amended. The current assurances are set out in full in Exhibit “E” attached hereto and made a part hereof.

F. No Interference With Air Navigation. Lessee agrees that (i) it will not erect or permit the erection or growth of any building, structure, tree or other object on said Leased Premises above any maximum standards as set by City or the FAA; (ii) it will not use the Leased Premises or permit the Leased Premises to be used in any manner which might interfere with the landing or taking off of aircraft from the Airport, or which otherwise constitutes an air navigation obstruction, or interference; and (iii) it will not light or operate, or cause to be lighted or operated, any equipment which (as may be determined by the Airport Director in his or her sole discretion) would interfere with the navigation, landing or takeoff of aircraft on the runways and in the aeronautical areas of the Airport.

G. Security. Aircraft hangars for storage of aircraft owned by the public shall be so designed and constructed in accordance with the Approved Plans and Lessee shall permit verification by City for identification, safety and security purposes of all aircraft parked therein at all times without compromising the security of such aircraft. Lessee shall provide City with a listing of all tie-down and hangar subtenants on at least an annual basis or more frequently if requested by the Airport Director.

H. City Reservations. City reserves the following rights from the leasehold estate created hereby:

(1) the right to take any lawful action necessary to prevent the erection or growth of any building, structure, tree or other object into the air space above those elevations set forth herein, and to remove from such air space, or mark and light as obstructions to air navigation, any and all Improvements, trees or other objects that may at any time project or extend above said elevation together with the right of ingress to, egress from, and passage over the said Leased Premises for such purposes;

(2) the right upon reasonable notice to Lessee and sub lessees, to enter onto the Leased Premises for the purpose of causing the abatement of any interference ("interference" as used herein includes without limitation any interference with radar, any electrical or other interference with radio or other communication between the Airport and aircraft, or any use of activity which makes it difficult for pilots to distinguish between the Airport and other lights, creates glare or otherwise impairs visibility or which otherwise endangers the landing, taking off or maneuvering of aircraft or the safety of those using the Airport, or is hazardous thereto) with the landing and taking off of aircraft ("aircraft" as used herein includes aircraft now or hereafter developed which utilize the air or such air space whether similar or dissimilar to existing aircraft) from the Airport;

(3) for the use and benefit of City and the public, the 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 operation on, the Airport; and

(4) the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith over, in, upon, through, across and along the Leased Premises or any part thereof, as will not unreasonably interfere with Lessee's operations hereunder and to enter thereupon for any and all such purposes. City also reserves the right to grant franchises, easements, rights of way and permits in, over, and upon, along, or across any and all portions of the Leased Premises as City may elect so to do; provided, however, that no right of City provided for in this paragraph shall be so executed as to unreasonably interfere with Lessee's operations hereunder, or impair the security of any secured creditor of Lessee. Should any exercise of the rights described in this paragraph result in an unreasonable interference with Lessee's use of the Leased Premises, City shall provide compensation to Lessee by means of a reduction in rent equal to the amount of the interference which shall continue until Lessee has been compensated in an amount equal to its actual out-of-pocket costs.

## **8. ALTERATIONS AND IMPROVEMENTS.**

A. City Improvements. City agrees that it shall at its sole cost and expense deliver to the property line of the Leased Premises at locations mutually agreed by the parties all of the following: (i) water service, (ii) natural gas service, (iii) storm drain and sewer service, (iv) telephone main line service, and (v) high voltage electrical service (the "City Utility Improvements"). City agrees that it shall at its sole cost and expense (i) remove and/or relocate all underground utilities on the Leased Premises that interfere with the optimal development of the Leased Premises; and (ii) install and construct all such facilities outside of the boundaries of the Leased Premises (the "City Relocation Improvements"). City agrees that it shall at its sole cost and expense provide paved access to the Leased Premises (the "City Access Improvements", and together with the City Utility Improvements, City Relocation Improvements, the "City Improvements"). City agrees it shall provide a complete survey of the Leased Premises including a metes and bounds legal description and identification of all easements and encumbrances. City shall take reasonable steps to vacate and/or relocate easements if necessary to accommodate the Improvements.



(1) Facilities on the Leased Premises. The installation, construction, repair and maintenance of all service assemblies, plumbing and other facilities from the water meters to and within the individual businesses and buildings on the Leased Premises shall be at the expense of Lessee.

(2) Fire Hydrants. City will install, construct, repair and maintain all fire hydrants and associated facilities within the Leased Premises, and Lessee shall provide City all necessary access to the Leased Premises for such purposes.

B. Lessee Construction of City Improvements. Lessee agrees to construct all of the City Improvements in accordance with the prevailing wage requirements of California Labor Code Section 1720 and other applicable law, and complete a survey of the Leased Premises on City's behalf for compensation equal to Lessee's cost to perform same, which shall be paid to Lessee in the form of credits against future payments that Lessee owes to City. Prior to commencing such work on behalf of City, Lessee shall (i) deliver to City a Notice of Intent to Proceed under Section 3.B, and (ii) present a line-item cost estimate of all expenses (including construction management and other administrative services) to be incurred in the construction of the City Improvements and the completion of the survey, and such estimates shall be subject to reasonable approval by Airport Director, or if the estimate for the City Utility Improvements, the City Relocation Improvements and the survey together exceed \$500,000, then such estimates shall be subject to the mutual approval of City and Lessee. If City and Lessee after good faith negotiations fail to each approve such estimates, then either City or Lessee may deliver written notice to the other party of its election to terminate this Lease, and such termination will be effective immediately upon such party's receipt of such notice. Lessee shall create and maintain an open book ledger account (the "Offset Account") for purposes of recording, monitoring, and reconciling all expenses incurred by Lessee in connection with the construction of the City Improvements, including without limitation the amount and accordance date for each incremental expense. Funds in the Offset Account shall accrue interest calculated once per month, on the balance of the account on the last day of the month, and added to the balance of the account at the last day of the month at the rate of 10% per annum (new balance on 1st day of each month is equal to the balance on the last day of the previous month multiplied by 1.008333). Lessee shall receive from City rent credits on a monthly basis in the Offset Account until there is no positive balance in the Offset Account. If at any time the development of the Leased Premises is terminated or this Lease is cancelled for any reason (but not including an assignment, subdivision or other transfer), City shall promptly pay to Lessee the outstanding balance of the Offset Account.

C. Lessee Improvements. Lessee shall construct the Improvements on the Leased Premises. The Improvements shall be constructed in strict accordance with the Approved Plans.

D. General Construction Requirements. The Improvements shall be installed and constructed in accordance with the following provisions:

(1) Site Preparation.

(a) Soils investigation. Prior to any construction, Lessee shall engage the services of a State of California certified civil engineer who is experienced and knowledgeable in the practice of soils engineering, and who is reasonably acceptable to the City Manager. Said engineer shall conduct a soils investigation of the site in accordance with a formal proposal set forth by said engineer and shall render a written report of his findings and recommendations to City and Lessee. Lessee shall bear the entire cost of said soils investigation analysis.

(b) Grading. Lessee shall grade the Leased Premises at its own expense in accordance with a grading plan to be prepared by Lessee at its own expense and approved by Director of Development Services of the City. Lessee shall obtain a grading permit therefore and shall grade said Leased Premises in accordance with the provisions of the LBMC and any amendments thereto and any other applicable laws.

(2) Construction.

(a) Site Plans. All construction and reconstruction shall be in accordance with site plans, elevation drawings and architect's sketches required to be on file in the office of the Building Department of the City, or such plans, drawings and sketches as amended by Lessee, with the written reasonable approval of the City Manager as submitted by Lessee in its response to City's request for proposals, subject to further study and negotiation.

(b) Building Permits and Parcel Map. Before constructing or reconstructing any improvements, Lessee shall obtain a building permit(s) from the Director of Development Services as required by the LBMC (which incorporates the City's Building and Fire Codes) and any amendments thereto and any other applicable laws.

(c) Force Majeure. The time within which Lessee

is obligated to construct, repair or rebuild the Improvements, or cure any default on the part of Lessee hereunder shall be extended for a period of time equal in duration to, and performance in the meantime shall be excused on account of and for and during the period of, any delay caused by strikes, threats of strikes, lockouts, war, threats of war, insurrection, invasion, acts of God, calamities, violent action of the elements, fire, action or inaction or regulation of any governmental agency, law, ordinance, referendum, shortage of materials or labor, or other similar things beyond the reasonable control of Lessee (collectively, "force majeure").

(d) Adverse Latent Conditions. If initial environmental studies fail to detect significant latent conditions (such as buried toxins, old oil storage facilities, etc.), then with no performance penalty against Lessee, City and Lessee shall negotiate in good faith to make appropriate adjustments in the development plan (if required), and/or reallocation of financial responsibilities to accommodate the required procedures to eliminate such adverse latent conditions.

(e) FAA Filing. Lessee has heretofore obtained, in cooperation with City, the FAA Letter of Determination (a copy of which is attached hereto as Exhibit "F") as the result of the submission of Form 7460-1. Said Letter of Determination has specified a performance time period of eighteen (18) months duration. Should an extension of time for performance be necessitated for reasonable purposes, City shall cooperate with Lessee in obtaining such extension from FAA.

(f) Property of Lessee. Any improvements which shall be constructed, reconstructed or placed on the Leased Premises shall be deemed the property of Lessee for the Term, subject to the terms and conditions hereof, and shall become the property of City upon the expiration or earlier termination of this Lease. Lessee shall be responsible for all maintenance of all Improvements thereon constructed by Lessee in accordance with the provisions of this Lease.

(g) Workmanlike Manner. All work done in connection with any changes or alterations following the commencement thereof shall be performed in a good and workmanlike manner and with due diligence.

E. Liens. Lessee shall pay when due all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Leased Premises, which claims are or may be secured by any

mechanic's, laborer's, material men's or other similar liens against the Leased Premises or any interest therein. If Lessee shall, in good faith, contest the validity of any lien, claim or demand, then Lessee shall, at its sole expense defend itself and City against the same and shall pay and satisfy any adverse judgment that may be rendered thereon prior to the enforcement thereof against City or the Leased Premises; provided that if City shall require, Lessee shall furnish to City a surety bond in the amount required by applicable statute to remove the lien from record. Lessee agrees to indemnify and defend and hold City harmless from and against any lien or claim of lien filed against the Leased Premises. Nothing herein contained shall in any respect make Lessee the agent of City, or authorize Lessee to do any act or to make any contract encumbering or in any manner affecting the title or rights of City in or to the Leased Premises or the improvements thereon. City or its representatives shall have the right to go upon and inspect the Leased Premises at all reasonable times and shall have the right to post and maintain thereon notices of non-responsibility pursuant to Section 3094 of the California Civil Code or such other notice which City may deem to be proper to protect the interests of City. Before any Improvements, or repairs or additions thereto which might result in a lien on the Leased Premises are constructed or reconstructed upon the Leased Premises, Lessee shall serve written notice upon City at least twenty (20) days prior to commencing any such work, of Lessee's intention to perform such work for the purpose of enable City to post and record notices of non-responsibility under the provisions of Section 3094 of the California Civil Code, or any other similar notices which may be permitted by law. Any contest by Lessee of any such liens shall be made by Lessee in good faith and with due diligence and Lessee shall fully pay and immediately discharge the amount at any final judgment rendered against City or Lessee in any litigation involving the enforcement of such liens or the validity thereof.

## **9. MAINTENANCE AND REPAIRS.**

A. Lessee's Duty to Maintain. Lessee at its sole cost and expense shall maintain or cause to be maintained the Leased Premises (except for any public facility, including but not limited to, Fire hydrants), all structures, improvements, fixtures, equipment, and personal property located on the Leased Premises in good order, condition, quality, and repair, and in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies having jurisdiction. In the event Lessee fails to maintain the Leased Premises, City shall have the right but not the obligation to enter upon the Leased Premises to correct or cure the problem and any cost to City, plus a fifteen (15%) administrative charge, shall be billed to Lessee and shall be paid by Lessee within thirty (30) days after receipt of such invoice.

B. Preservation of Structures. City shall have the right, in its reasonable discretion, to require Lessee, not more frequently than once every

fifteen (15) years, at Lessee's cost and expense, to promptly paint or clean or otherwise preserve and beautify the surfaces of the exterior of all Improvements. The treatment applied shall restore the appearance of and act to preserve the Improvements.

## 10. SURRENDER.

A. Structures. At the expiration of the Term, this Lease shall terminate without further notice and Lessee shall surrender said Leased Premises to City and all improvements thereon, including but not by way of limitation, the Improvements and any alterations or additions thereto, shall remain for the benefit of City.

B. Removal. No improvements shall be removed from the Leased Premises or voluntarily destroyed or damaged during the Term without the prior written consent of the City Manager, which may be granted or withheld in the City Manager's sole and absolute discretion.

C. Movable Structures. Machines, trade fixtures and similar installations which are installed in any improvement on the Leased Premises shall not be deemed to be part of the realty, and interior, nonstructural partitions, although part of the realty, may be relocated from time to time as necessary to accommodate Lessee's leasing program, even though such installations and partitions are attached to the floors, walls or roofs of any building or structure or to outside pavements, so long as such installations and partitions can be removed or relocated without structural damage to any improvement on the Leased Premises; provided, however, that if the removal or relocation of any such installation or partition causes nonstructural damage to any part of the improvement, then Lessee shall repair such damage and restore said improvement to the same condition as originally existed upon the completion of construction, ordinary and usual wear and tear excepted; and provided further, that no holes (other than nail) or unpainted or otherwise unfinished walls shall be left by Lessee in any improvement at the expiration or sooner termination of the Term.

D. Personal Property. Any and all personal property of every kind and nature whatsoever, not attached to or installed in any improvement which Lessee or its sublessees place in upon or about the Leased Premises during the term hereof may be removed therefrom prior to the expiration of the Term and shall, as between City and Lessee, be and remain the personal property of Lessee or its sublessees, as the case may be, provided that any such personal property left on the Leased Premises upon surrender to City shall be presumed to be abandoned by Lessee and City may dispose of said property in any manner at Lessee's cost and Lessee hereby waives any claim or right to said property or any proceeds derived from the sale thereof.

E. Lighting, Etc. Notwithstanding anything to the contrary contained in this Lease, any and all lighting, elevator, escalator, plumbing, air cooling, air conditioning, heating (including water heating) and ventilating equipment shall be deemed to be a part of the realty, and regardless of whether or not any such item or equipment can be removed without structural damage to the improvement in which it is installed, it shall not be removed from such improvement except for repairs, alterations and replacement with newer functionally equivalent equipment, without the consent of the City Manager, and all such equipment shall remain as a part of the realty at the expiration or sooner termination of the Term. Notwithstanding anything to the contrary contained within this paragraph, Lessee may remove, or allow to be removed, subtenant lighting and subtenant signs to the extent that such removal may be accomplished by the simple unfastening of screws and bolts and provided that such removal does not in any way cause damage to the Leased Premises.

## 11. INDEMNITY.

Lessee has accepted the condition of the Leased Premises and subject to City's obligations under this Lease and applicable law, Lessee hereby releases City from and agrees to indemnify and hold City (including its Mayor, City Council and its members, boards and commissions and their respective members, and City's officers, employees and agents) free and harmless from and against any and all liabilities and claims for damages, losses, costs and expenses (including reasonable attorneys' fees) relating to or arising from any injury or death to any persons, or damage to property of any kind, which occurs on the Leased Premises during the Term, or results from the activities conducted by Lessee or its sublessees on the Leased Premises.

## 12. INSURANCE.

A. Property and Casualty Coverages. Except as otherwise specifically provided in subsection I, below, concurrent with and as a condition of obtaining occupancy of the Leased Premises, Lessee shall procure and maintain at Lessee's expense for the duration of this Lease including any extensions, renewals, or holding over thereof, from insurance companies that are admitted to write insurance in the State of California or that have ratings of or equivalent to an A:VIII by A.M. Best and Company the following insurance:

(1) Commercial general liability insurance equivalent in coverage scope to ISO CG 00 01 11 85, including contractual coverage, naming the City of Long Beach, its officials, employees, and agents as additional insureds from and against claims, demands, causes of action, expenses, costs, or liability for injury to or death of persons, or damage to or loss of property arising out activities performed by or on behalf of Lessee in an amount not less than Five Million Dollars (US \$5,000,000) per occurrence. Said insurance shall be primary insurance with respect to City and shall include cross liability protection.

additional rent payable in full on the next rent payment date. Lessee shall not do or permit to be done any thing that shall invalidate insurance policies to the maintained by Lessee thereunder.

I. Waivers and Modifications. Any modification or waiver of the insurance requirements herein shall be made only with the written approval of the City's Risk Manager or designee. Prior to City's final approval of the plans submitted to City by Lessee, Lessee shall not be required to procure the insurance coverages described in subsections 12.A(3), (4), (5) and (6), and furthermore, the coverages required by subsections 12.A(1) and (2) shall each be in amounts not less than One Million Dollars (US \$1,000,000).

### **13. CASUALTY DAMAGES.**

In the event the whole or any part of the Improvements shall be damaged or destroyed by fire or other casualty, damage or action of the elements, at any time during the Term, Lessee shall with all due diligence, at Lessee's sole cost and expense, repair, restore and rebuild the Improvements on the same plan and design as existed immediately prior to such damage or destruction (subject to such changes as may be required by any local governmental authorities as a condition to obtaining building permits to rebuild), and to the same condition that existed immediately prior to such damage, provided, however, that if the Improvements are destroyed or damaged during the last five (5) years of the Term, and provided further that the extent of such damage or destruction is twenty percent (20%) or more of the replacement value of the Improvements immediately prior to the occurrence of such damage or destruction, then Lessee may cancel this Lease by giving written notice of its election to do so to City within one hundred twenty (120) days after such damage or destruction. In the event of any restoration or reconstruction pursuant to this paragraph, the insurance proceeds available in consequence of such damage, if any, shall be made reasonably available to Lessee by City for said purpose.

### **14. ASSIGNMENT AND SUBLETTING.**

A. Change of Developer. The qualifications and identity of Lessee are of particular concern to City. Therefore, no voluntary or involuntary successor in interest to Lessee shall succeed to any rights or powers of Lessee under this Lease. Except as expressly provided for in this Section, Lessee shall not permit any significant change (voluntary or involuntary) in the ownership, management or control of Lessee to occur unless such change is approved by City, subject to the requirements of this Section and reasonable conditions imposed by City.

#### **B. Consent.**

(1) Lessee shall not assign or sublet this Lease or any interest herein without first obtaining the written consent of City and the

giving of such consent shall not be a waiver of any rights to object to further or future assignments or subleases, but the consent to each successive assignment or sublease must be first obtained in writing from and by City. Any subleased portions of the Leased Premises shall be evidenced by a form of sublease agreement pre-approved by City. City's consent shall not be required for rentals of hangar space for private aircraft; provided that the tenant under such rental agreement is not re-renting the hangar space.

(2) Lessee shall give City thirty (30) days' written notice of the assignment or sublease and Lessee shall provide City with such data relating to the identity and financial condition of the proposed assignee or sublessee as may be requested to permit City to render its decision. If City does not respond to a proposed assignment or sublease during said thirty (30) day period, the consent of City shall be deemed granted.

(3) Lessee shall reimburse City for all costs, expenses and fees (including the allocated costs for in-house legal services) incurred by City in connection with any proposed assignment or sublease not to exceed Two Thousand Five Hundred Dollars (\$2,500.00).

(4) Except as otherwise provided herein, if Lessee is a partnership, limited liability company or joint venture, a withdrawal, addition or change (voluntary, involuntary, by operation of law, or otherwise) of any of the partners, members or adventurers thereof comprising twenty-five percent (25%) or more of the ownership as of the date of its acquisition of this Lease, or if Lessee is composed of more than one person, a purported assignment or transfer (voluntary or involuntary by operation of law, or otherwise) from one thereof unto the other or others thereof, or if Lessee be a corporation, a change in the ownership (voluntary, involuntary, or 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 City is first obtained thereto; provided, however, that a change in the ownership of said capital stock as a result of the death or judicially declared incompetency of Lessee may be made without the consent of City. Provided, however, that nothing herein shall be deemed to preclude transfer, assignment, purchase or sale of the interests to an existing shareholder of Lessee or a public offering so long as City shall have first been given written notice of such transfer, assignment, purchase or sale.

(5) City shall not unreasonably refuse to grant its written consent to such transfer provided that without said approval any proposed transfer, whether voluntary or involuntary, shall be void and shall confer no



right or occupancy upon said transferee.

(6) A transfer or an assignment of any such stock or interest to a shareholder's or partner's grantor trust, spouse, children or grandchildren is excepted from the provisions hereof.

(7) A transfer or assignment of the interest of any of the entities constituting Lessee to a wholly-owned subsidiary or subdivision of such entity shall not require consent of City.

(8) Notwithstanding anything to the contrary contained in this Lease, City shall recognize as lessee any transferee pursuant to a foreclosure sale conducted by Lessee's lender(s), and City shall otherwise reasonably cooperate with the lenders of any subtenants with respect to execution of estoppels or other documents requested to be executed by City by such lenders.

C. Vesting of Assignments. As a condition of the vesting of any rights in this Lease or in the Leased Premises in any assignee of Lessee's interest hereunder, whether voluntary or involuntary, each such assignee shall first have delivered to the Airport Director a written notice of such assignment, which notice:

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

(2) Shall state the name and address of the assignee for the purpose of enabling notices to be given under this Lease.

(3) Shall state whether the assignee is an individual, a corporation or a partnership, and if such assignee is a corporation, the names of such corporations, principal officers and of its directors and state of incorporation, and if such assignee is a partnership, the names and addresses of the members of such partnership.

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

D. Vesting of Subleases. As a condition to the vesting of any rights in this Lease or in the leasehold estate created hereby in any sublessee of Lessee's interest hereunder, whether voluntary or involuntary, each such sublessee shall first have delivered to Airport Director a written notice of such subleases which notice:

(1) Shall state the name and address of the sublessee for

the purpose of enabling notices to be given under this Lease.

(2) Shall state whether the sublessee is an individual, a corporation or a partnership, and if such sublessee is a corporation, the names of such corporations, principal officers and its directors and state of incorporation, and if such sublessee is a partnership, the names and addresses of the members of such partnership.

(3) Shall contain a statement that the subtenant agrees to be bound by all terms, covenants and conditions of this Lease which are to be performed by Lessee including, but not limited to, the restriction on use of the Leased Premises.

E. Termination. This Lease shall not be terminated by reason of any assignment or transfer by operation of law of Lessee's interest hereunder or in the leasehold estate created hereby.

F. Non-Disturbance Agreement. City agrees that it will from time to time enter into "non-disturbance" agreements with any permitted subtenant of Lessee which requests such an agreement. Such non-disturbance agreement shall provide that in the event of early termination of this Lease as a result of Lessee's default thereunder, City shall recognize the sublease and not disturb the subtenant's possession thereunder only so long as such subtenant shall not be in default under its sublease, that the subtenant will attorn to City and that the subtenant will pay rent to City from the date of such attornment, and that City shall not be responsible to the subtenant under the sublease except for obligations accruing subsequent to the date of such attornment.

G. Subdivided Leases. For the purpose of facilitating the development of the Leased Premises and obtaining financing and refinancing of improvements to be constructed thereon, at any time and from time to time during the term, within sixty (60) days after notice of demand from Lessee, City shall enter into one additional separate new lease ("Subdivided Lease") so that there shall be one lease for each of the two developable parcels of the Leased Premises. The Subdivided Lease shall be for the sole purpose of lease, sale or financing of the development of the Leased Premises. In all matters affecting the relationship, rights or obligations of the parties hereto, or in the case of any inconsistency between the language of the documents, this Lease as undivided and unmodified shall govern except that as to the individual subdivided lease parcels, rents, security deposits, legal descriptions and requirements governing amount and level of construction may be varied to conform to the specifics of such parcel, as long as the totals in all such categories for all subdivided leases added together correspond to the totals expressed in this document. The Subdivided Lease shall:

(1) Same Parties. Have the same parties as the parties

to this Lease, but such Subdivided Lease shall be immediately transferable to (i) Tom Jacobson or an entity wholly-owned by Tom Jacobson, or (ii) a different entity pursuant to Section 14.B.

(2) Obligations of Subdivided Lease. Be released from the overall obligations expressed in this Lease to pay rent and to carry out specific levels of construction within specific periods, provided, however that such parcel shall be subject to an appropriate proportionate share of such obligations divided among separated leases is not less than the total of such obligations expressed in this Lease. All other obligations imposed by this Lease shall apply to such separate parcel as an undivided shared obligation. As to any conflict between the Subdivided Lease and this Lease, the terms of this Lease shall govern.

(3) Terms, Covenants. Contain the same terms, covenants, provisions, conditions and agreements as those contained in this Lease except that: Rent and other periodic payments to be made by Lessee as part of Lessee's obligation under this Lease shall, under the Subdivided Lease, bear substantially the same proportion to amounts provided in this Lease as the area of the Leased Premises in the Subdivided Lease bears to the area of the Leased Premises in this Lease; provided, however, that if the fair market value of any land included in a Subdivided Lease is substantially greater or less than the balance of the land included in this Lease, then the Rent may be appropriately varied between the Subdivided Lease and this Lease in order to take into account such variance in the fair market land value.

(4) Improvements. Any improvements constructed upon the Leased Premises demised by the Subdivided Lease shall satisfy Lessee's obligations imposed by this Lease. The right of Lessee to make improvements shall be apportioned to the Subdivided Lease substantially as is provided in the Approved Plans.

(5) Easements and CC&R's. The Subdivided Lease shall contain all cross-easements, covenants, conditions, restrictions and agreements requested by Lessee, and approved by City, provided they reasonably facilitate separating the Leased Premises within the overall intent of this Lease.

(6) Description of Leased Premises. The Subdivided Lease shall cover only that portion of the Leased Premises specified by Lessee in Lessee's notice of demand, provided that Lessee shall accompany each notice of demand with an accurate survey and metes and bounds description of the portion of the Leased Premises to be covered by the Subdivided Lease; or if the Leased Premises have been divided into separate parcels, with the appropriate parcel map description

of such Leased Premises.

(7) Right of First Refusal. In the event of an incurred default under the Subdivided Lease which permits City to terminate the Subdivided Lease, City shall not re-let the premises covered by the Subdivided Lease without first offering Lessee the option ("First Offer") of assuming the Subdivided Lease. Lessee shall have thirty (30) days from the date of the First Offer ("Acceptance Period") to assume the defaulted Subdivided Lease. If Lessee fails to accept the First Offer in writing on or before the last day of the Acceptance Period, the First Offer shall be deemed rejected by Lessee and City shall be entitled to re-let the premises covered by said defaulted Subdivided Lease in City's sole discretion.

## **15. LEASEHOLD MORTGAGES.**

A. Right to Hypothecate. Lessee may, from time to time, without obtaining the consent of City, hypothecate, mortgage, pledge or alienate Lessee's leasehold estate and rights hereunder (including rights to the Offset Account) as security for payment of any indebtedness of Lessee to any bank, savings and loan association, insurance company or other institutional lender. The holder of any such lien so long as the same shall be a first and senior lien upon the leasehold estate of Lessee, is herein referred to as "mortgagee". The mortgagee or its assigns may enforce such lien and acquire title to the leasehold estate in any lawful way and, pending foreclosure of such lien, the mortgagee may take possession of and operate the Leased Premises performing all obligations performable by mortgagee; and, upon foreclosure of such lien, by power of sale, judicial foreclosure or upon acquisition of the leasehold estate by deed in lieu of foreclosure, the mortgagee may, without further consent of City, sell and assign the leasehold estate hereby created. Any person or entity acquiring such leasehold estate so sold and assigned by the mortgagee shall be liable to perform the obligations imposed on Lessee by this Lease only during the period such person has ownership of said leasehold estate or possession of the Leased Premises.

B. Notice to Mortgagee of Default. When giving such notice to Lessee with respect to any default hereunder, City shall also serve a copy of each such notice upon such mortgagee of which City has received written notice specifying a business address to which such notice may be mailed or delivered. All such notices to the mortgagee shall be given by registered or certified mail, return receipt requested or by overnight courier, addressed to the mortgagee at the address last known to City. In the event Lessee shall default in the performance of any of the terms, covenants, agreements and conditions of this Lease on Lessee's part to be performed, the mortgagee shall have the right, within the period available to Lessee for curing such default, to cure or make good such default or to cause the same to be cured or made good whether the

same consists of the failure to pay rent or the failure to perform any other matter or thing, and City shall accept such performances on the part of any mortgagee as though the same had been done or performed by Lessee. Mortgagee shall have no responsibility for Lessee's monetary obligations which accrued more than ninety (90) days prior to mortgagee's receipt of notice of such monetary default. In case of a default by Lessee in the payment of money, City will take no action to effect a termination of this Lease by reason thereof unless such default has continued beyond fifteen (15) days after City shall have served a copy of such notice upon the mortgagee, it being the intent hereof and the understanding of the parties that the mortgagee shall be allowed up to, but not in excess of fifteen (15) days after the service of such notice to cure any default of Lessee in the payment of rent or in the making of any other monetary payment required under the terms of this Lease.

In case of any non-monetary default by Lessee, City will take no action to effect a termination of this Lease by reason thereof unless such default has continued beyond the period available to Lessee for curing said default, and then only after City shall have given to mortgagee all time reasonably necessary after the expiration of Lessee's period for curing such default with due diligence within which either (i) to cure such default in the case of a default which does not require possession by the mortgagee or a receiver to cure; (ii) to obtain possession of the Leased Premises (including possession by a receiver) and to cure such default in the case of a default which requires possession by the mortgagee or a receiver to cure and such default is reasonably susceptible of being cured when the mortgagee or receiver has obtained possession thereof; or (iii) to institute foreclosure proceedings and to complete such foreclosure proceedings or otherwise acquire Lessee's interest under this Lease in the case of a default which requires possession by the mortgagee and is not reasonably susceptible of being cured by the mortgagee (it being understood that mortgagee shall have no responsibility to cure any default which is not reasonably susceptible of being cured by it). No mortgagee shall be required to continue such possession or continue such foreclosure proceedings if the default which prompted the service of a notice of default has been cured. In the case of a default described in clause (i) of this paragraph, it shall be a condition to City's forbearance to terminate this Lease that the mortgagee commence the cure of such default with due diligence within forty-five (45) days of the expiration of Lessee's period for curing such default and that the mortgagee thereafter diligently prosecute such cure to completion, but in no event shall such cure period exceed one hundred twenty (120) days. In the case of a default described in clause (ii) or (iii) of this paragraph, it shall be a condition to City's forbearance to terminate this Lease that the said default not cured by Lessee within the cure period provided for in this Lease constitutes a default by Lessee under the mortgagee's mortgage or deed of trust that will permit the mortgagee to obtain the appointment of a receiver, as in the case of a default described in clause (ii) above, and to foreclose its mortgage or deed of trust by judicial or private power of sale foreclosure proceedings as in the case of a default described in clause

(iii) above. As long as there is a mortgagee, all bankruptcy and insolvency defaults as referenced in this Lease shall be applicable only with respect to the party which is then the owner of Lessee's interest under this Lease, and neither the bankruptcy nor the insolvency of Lessee shall operate or permit City to terminate this Lease as long as all rent specified in this Lease and all other charges of whatsoever nature payable by Lessee continue to be paid in accordance with the terms of this Lease, the mortgagee performs all of the remaining covenants of this Lease to be performed by Lessee susceptible of being performed by such mortgagee in accordance with the terms of this Lease and the mortgagee has reserved the right to institute and thereafter institutes and diligently prosecutes to completion judicial or power of sale foreclosure proceedings under its deed of trust or mortgage based upon such bankruptcy or insolvency default. The time available to the mortgagee to initiate foreclosure proceedings as aforesaid shall be deemed extended by the number of days of delay occasioned by judicial restriction against such initiation or occasioned by other circumstances beyond the mortgagee's reasonable control.

Following the acquisition of Lessee's leasehold estate by mortgagee, or its designee, or by any purchaser either as a result of foreclosure or acceptance of an assignment in lieu of foreclosure, such "Acquiring Party" shall, as promptly as possible, cause all default(s) hereunder to be cured and all unperformed covenants of Lessee to be performed, except such default(s) and covenants which cannot in the exercise of reasonable diligence be cured or performed by the Acquiring Party whereupon City's right to effect a termination of this Lease based upon the default(s) and covenants in question shall be deemed waived. Any default not reasonably susceptible of being cured by the Acquiring Party shall be, and shall be deemed to have been, waived by City upon completion of the foreclosure proceedings or acquisition of Lessee's interest in this Lease only as to the Acquiring Party (who may, but need not be, the mortgagee) at the foreclosure sale, or who otherwise acquires such Lessee's interest by virtue of the mortgagee's exercise of its remedies. In such event and notwithstanding anything to the contrary contained in this Lease, City shall recognize the Acquiring Party as Lessee under this Lease and this Lease shall continue as a direct lease between the Acquiring Party as Lessee and City as the lessor for the unexpired portion of the Lease Term and any renewals or extensions thereof, but nothing contained in this Section shall be construed as releasing any prior tenant under this Lease from liability for the performance of Lessee's obligations under this Lease. The Acquiring Party shall be liable to perform the obligations imposed on Lessee by this Lease that are incurred or accrued only during the period the Acquiring Party has ownership of said subleasehold estate or possession of the Leased Premises, and only if such obligations are reasonably susceptible of being performed by the Acquiring Party.

C. No Subordination. Nothing contained in this Lease shall be construed as an agreement by City to encumber City's fee interest in and to the

Leased Premises for the benefit of Lessee or as granting to Lessee the right to encumber such interests of City.

D. Consent to Surrender. Without the prior consent of the mortgagee, neither this Lease nor the leasehold estate created by this Lease shall be surrendered, cancelled, modified or amended (except with respect to termination pursuant to any casualty, damage or of any eminent domain proceedings concerning the whole of the Leased Premises or any termination of this Lease which Lessee is authorized to elect to make as a result of any eminent domain proceedings concerning less than the whole of the Leased Premises, or any termination otherwise in accordance with this Lease) and no agreement purporting to surrender, cancel, terminate, modify or amend this Lease without such consent shall be valid or effective.

E. No Merger. No merger of Lessee's leasehold estate into City's fee title shall result or be deemed to result by reason of ownership of City's and Lessee's estates by the same party or by reason of any other circumstances, without the prior consent of the mortgagee.

F. Estoppel Certificates. City and Lessee shall at any reasonable time and from time to time upon not less than thirty (30) days prior written request by the other, deliver to the requesting party an executed and acknowledged written statement certifying that (a) this Lease is unmodified and in full force and effect (or if this Lease has been modified or if this Lease is not in full force or effect, stating the nature of the modification or the basis on which this Lease had been terminated whichever is applicable); (b) to its knowledge, the requesting party is not in default under this Lease (or if any such default exists, stating the specific nature and extent of the default); (c) the dates to which the monthly rent and other monetary obligations under this Lease have been paid in advance; and (d) such other information as the requesting party may reasonably request. Each certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or transferee of City's or Lessee's respective interests in the Leased Premises.

## **16. DEFAULT AND REMEDIES.**

A. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee: (i) the failure by Lessee to make any payment of any Rent, Additional Rent or any other sums payable by Lessee under this Lease, within (5) days of the date required to be made by Lessee hereunder; (ii) the vacating or abandonment of the Leased Premises by Lessee; and (iii) the failure by Lessee to observe or perform any other obligation hereunder which shall not be remedied to the satisfaction of City within thirty (30) days after written notice from City specifying such failure to perform (or, if such failure cannot reasonably be remedied by Lessee within thirty (30) days, if Lessee shall not have commenced

appropriate action to effect such remedy within said thirty (30) day period and thereafter prosecuted such action to completion with all due diligence, but in no event such cure period shall not exceed ninety (90) days); (iv) the making by Lessee of any general arrangement or assignment for the benefit of creditors; (v) Lessee becomes a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (vi) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days, or (vii) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. In the event of any such default or breach of Lessee, then City may at any time thereafter, without limiting City in the exercise of any right or remedy which City may have by reason of such default or breach: (i) immediately terminate this Lease and Lessee's right to possession of the Leased Premises; (ii) continue this Lease in effect without terminating Lessee's right to possession even though Lessee has breached this Lease and abandoned the Leased Premises and enforce all of City's rights and remedies under this Lease; provided, however, that City may at any time thereafter elect to terminate this Lease for such previous breach by notifying Lessee in writing that Lessee's right to possession of the Leased Premises has been terminated; and (iii) pursue any other remedy now or hereafter available to City under applicable law.

B. Receipt of Rent Not Waiver of Default. The receipt by City of Rent, Additional Rent or any other charges due to City, with knowledge of any breach of this Lease by Lessee or of any default on the part of Lessee in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provisions of this Lease. No acceptance by City of a lesser sum than the Rent, Additional Rent, or any other charges then due shall be deemed to be other than on account of the earliest installment of the Rent, Additional Rent or other charges due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as the Rent, Additional Rent or charges due be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such installment or pursue any other remedy provided in this Lease.

C. Failure to Enforce Covenant Not Invalidation. No failure on the part of City to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by City shall discharge or invalidate such covenant or provision or affect the right of City to enforce the same in the event of any subsequent breach or default, unless expressly agreed to by City Manager in writing.



D. Receipt of Post-Termination Rent Not Reinstatement. The receipt by City of any of the Rent, Additional Rent or any other sum of money or any other consideration paid by Lessee after the termination in any manner of the term, or after notice by City of such termination, shall not reinstate, continue, or extend the term hereof, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the City Manager.

17. RIGHT OF ACCESS. City and City's officers, employees and agents shall have the right to enter upon the Leased Premises thereon with reasonable prior written notice to Lessee and subtenants and at reasonable times, in each instance given the circumstances, for the purpose of inspecting the same and posting notices of non-responsibility or any other notices City may reasonably deem necessary or desirable.

18. QUIET ENJOYMENT. Subject to all rights reserved by City under this Lease and to the title exceptions existing as of the Commencement Date, City covenants that Lessee, upon paying the rent expressly reserved in this Lease and observing and keeping the terms, covenants, and conditions of this Lease on its part to be kept and performed, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the Term, without hindrance from City or those lawfully claiming an interest in or to the Leased Premises through or under City.

19. CONDEMNATION.

A. Condemnation. In the event proceedings be taken pursuant to an exercise of the power of eminent domain by any lawful authority to condemn or otherwise acquire any portion of the Leased Premises, Lessee shall have the option, by written notice to City at any time prior to the date the Leased Premises are taken by the condemning authority, to terminate this Lease effective as of the date of possession by the condemning authority. In the event of such termination, rent shall be prorated to the date of termination and any unearned rent shall be refunded to Lessee. Lessee shall not grant a right of entry to any condemner without the written consent of City.

B. Termination. Should Lessee not elect to so terminate this Lease, then this Lease shall terminate automatically as to the portion of the Leased Premises taken upon the date which possession of said portion is taken, but this Lease shall continue in force and effect as to the remainder of the Leased Premises. Lessee shall, in the event of a taking of any portion of the Improvements, be entitled to a reduction in the Rent payable pursuant to this Lease thereafter required to be paid, based on the ratio between (i) the reduction in the fair market rental value of the Leased Premises following such a taking and (ii) the fair market rental value of the Leased Premises as improved immediately prior to such taking.

C. Award. In the event that an award is made for an entire or partial taking or for damage to the Leased Premises or any interest therein in any action in direct or inverse condemnation or in the event of a taking under the power of eminent domain, the parties hereto agree that their respective rights to the award or compensation paid shall be as follows:

(1) City shall be entitled to that portion of the award received for the taking of the real property within the Leased Premises, exclusive of all Improvements and other Improvements placed on the Leased Premises by or under Lessee.

(2) Lessee shall be entitled to that portion of the award received for the taking of Improvements and other Improvements placed on the Leased Premises by or under Lessee and to any award that may be made for the taking of or injury to Lessee's business and profits or on account of any cost or loss Lessee or its subtenants may sustain in the removal of its or their merchandise, fixtures, equipment and furnishings from the Leased Premises.

(3) Any severance damages and interest payable on the total award shall be divided between City and Lessee in the same ratio as are the awards granted to them pursuant to the other provisions of this Section.

(4) Lessee shall not be entitled to any portion of the award on the basis that Lessee's interest in this Lease has a bonus value (i.e. that the fair rental value of the Leased Premises for all or any portion of the remainder of the term hereof exceeds the rental reserved under this Lease for such period).

## 20. AUTHORITY.

A. City Representations. City warrants that it has full right, legal capacity and authority to enter into and perform its obligations under this Lease and except as otherwise set forth in this Lease, no approval or consent not heretofore obtained is necessary in connection with its execution on behalf of City or the performance of City's obligations hereunder.

B. Lessee Representations. Lessee warrants that it has full right, legal capacity and authority to enter into and perform its obligations under this Lease and except as otherwise set forth in this Lease, no approval or consent not heretofore obtained is necessary in connection with its execution on behalf of Lessee or the performance of Lessee's obligations hereunder.

**21. NOTICES.**

A. Notices to City. The address for all Notices (hereinafter defined) given by Lessee to City shall be:

City of Long Beach  
4100 Donald Douglas Drive  
Long Beach, CA 90808  
Attn: Airport Director  
Fax: (562) 570-2601

and

City of Long Beach  
333 West Ocean Boulevard, 13th Floor  
Long Beach, CA 90802  
Attn: City Manager  
Fax: (562) 570-7650

B. Notices to Lessee. The address for all Notices hereunder given by City to Lessee shall be:

Long Beach AirPark, LLC  
3481 Airport Dr. Suite 200  
Torrance, CA 90505  
Tel: 310-378-8948  
Fax: 775-521-0657

C. Effectiveness. Any and all notices, demands or other communications ("Notices") required or desired to be given hereunder by either party shall be in writing and shall be validly given or made by any of the following methods: (i) by personal delivery; (ii) by facsimile transmission if also concurrently deposited for delivery by United States mail in the manner described in clause (iii); (iii) by deposit in the United States mail, certified or registered, postage prepaid; or (iv) by delivery by a same day or overnight courier (e.g., Federal Express, etc.). For Notices served personally or by courier, service shall be conclusively deemed made at the time of such personal service or refusal to accept service. Notice served by facsimile transmission shall conclusively be deemed to have been made as of the earlier of (a) the first business day following the date of transmission to the facsimile number, if any, shown above, so long as the sender has reasonable confirmation of the receipt by the receiving

facsimile machine of the facsimile transmission; or (b) the date of receipt or refusal of the concurrently mailed copy of the Notice. If such Notice be given by mail, such shall be deemed delivered upon actual delivery or refusal to accept delivery, addressed to the party to whom such Notice is to be given at the address set forth above. Any party hereto may change its address or facsimile number for the purpose of receiving Notices as herein provided by a written notice given in the manner aforesaid to the other party or parties hereto. Notwithstanding the prescribed methods of delivery set forth above, actual receipt of written notice by the parties shall constitute notice given in accordance with this provision on the date received or refused.

## **22. GENERAL PROVISIONS.**

A. Remedies Cumulative. No remedy or election provided in any provision of this Lease shall be deemed exclusive unless so indicated, but shall whenever possible be cumulative with all other remedies in law or equity except as otherwise herein specifically provided.

B. Amendments and Modifications. This Lease shall not be amended or modified in any way, and no purported amendment or modification shall be effective, unless the same has been (i) approved by the City Council and set forth in a written instrument, expressly purporting to amend this Lease, executed by the City Manager or his or her designee or the Mayor for City; (ii) executed by Lessee; and (iii) approved in writing by any Approved Leasehold Mortgagee.

C. Litigation Expenses. If either party to this Lease commences an action against the other party to this Lease arising out of or in connection with this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees, expert witness fees, costs of investigation, and costs of suit from the losing party.

D. Time. Time is of the essence of this Lease.

E. Headings. The paragraph headings contained in this Lease are for convenience and reference only, and are not intended to and shall not define, govern, limit, modify or in any manner affect the scope, meaning, or intent of any provision in this Lease.

F. Successors in Interest. Except as otherwise provide herein, each and every term, covenant and condition of this Lease shall inure to the benefit of and shall bind, as the case may be, not only the parties hereto but each and every of the heirs, executors, administrators, successors, assigns and legal representatives of the parties hereto.

G. Waivers. The waiver by either Lessee or City of any of the covenants, agreements, obligations, conditions, terms or provisions of this Lease shall not be construed to be a waiver of such covenant, agreement, obligation, condition, term or provision upon any subsequent breach of the same or of any other covenant, agreement, obligation, condition, term or provision herein contained. All waivers must be in writing and signed by the appropriate authorities of the party to be charged.

H. Gender and Number. In this Lease, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the neuter gender includes the masculine and/or feminine, and the singular number includes the plural and the plural includes the singular.

I. Memorandum of Lease. Neither party will suffer or permit all or any part or a copy of this Lease to be recorded; provided, however, that Lessee shall have the right, at Lessee's expense, including the expense of any documentary transfer tax, to record or cause to be recorded a memorandum of this Lease executed by both parties. Upon the expiration or earlier termination of this Lease, Lessee shall execute, acknowledge, and deliver to City within ten (10) days after City's request therefor, a quitclaim deed or such other document(s) required by a reputable title company to remove any cloud from City's title to the Leased Premises that might arise as a result of the memorandum.

J. No Brokers. In connection with this Lease, Lessee and City each for itself warrants and represents that it has had no dealings with any person who is or might be entitled to a commission, finder's fee or other like payment in connection with the transactions contemplated by this Lease and does hereby indemnify and agree to hold the other harmless from and against any and all loss, liability and expense that the other may incur should such warranty and representation prove incorrect.

K. Good Faith and Reasonableness. In the event any provision under this Lease shall require or anticipate that either party hereto make a judgment, give consent or approval, or exercise discretion, that party agrees to do so reasonably and in good faith, with due diligence, communicated to the other party in writing and without the imposition of conditions, except in those instances where a Lease provision specifically sets forth a different standard of approval, in which case the specific standard of that Lease provision shall govern.

L. Governing Law; Venue. This Lease is made under and shall be construed pursuant to the laws of the State of California. Any suit hereon or hereunder shall be brought only in a state or federal court sitting in the County of Los Angeles, State of California, and all parties hereto hereby agree that venue shall lie therein.

M. Execution in Counterpart. This Lease may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

N. Approvals By City Government Functions. No consent, approval or satisfaction of City provided for hereunder, and no waiver by City of any provisions hereof, shall be effective unless given in writing specifically referring to this Lease and executed by the City Manager or his or her designee; no such consent, approval, satisfaction or waiver under or with respect to this Lease shall be inferred or implied from any other act or omission of City or any agent or employee thereof. Similarly, unless otherwise expressly provided therein, no approval, consent or other action taken by City under or pursuant to this Lease shall be deemed to waive any other rights or authority of City in any capacity other than as the lessor under this Lease. Similarly, nothing contained in this Lease shall in any way restrict or diminish the rights, powers or jurisdiction of City, its City Council, Planning Commission and other agencies with respect to the governance of the Leased Premises and all buildings improvements, businesses and activities located on or conducted thereon.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the Commencement Date.

1/22/2009, 2009

LONG BEACH AIRPARK, LLC, a California limited liability company

By *Hassan Izad*

HASSAN IZAD

Type or Print Name

*Managing Member*  
Title

"Lessee"

CITY OF LONG BEACH, a municipal corporation

1.29.09, 2009

By *J*, Assistant City Manager

City Manager

"City"

EXECUTED PURSUANT TO SECTION 5.04 OF THE CITY CHARTER.

APPROVED AS TO FORM

1-26, 2009  
ROBERT E. SHANNON, City Attorney

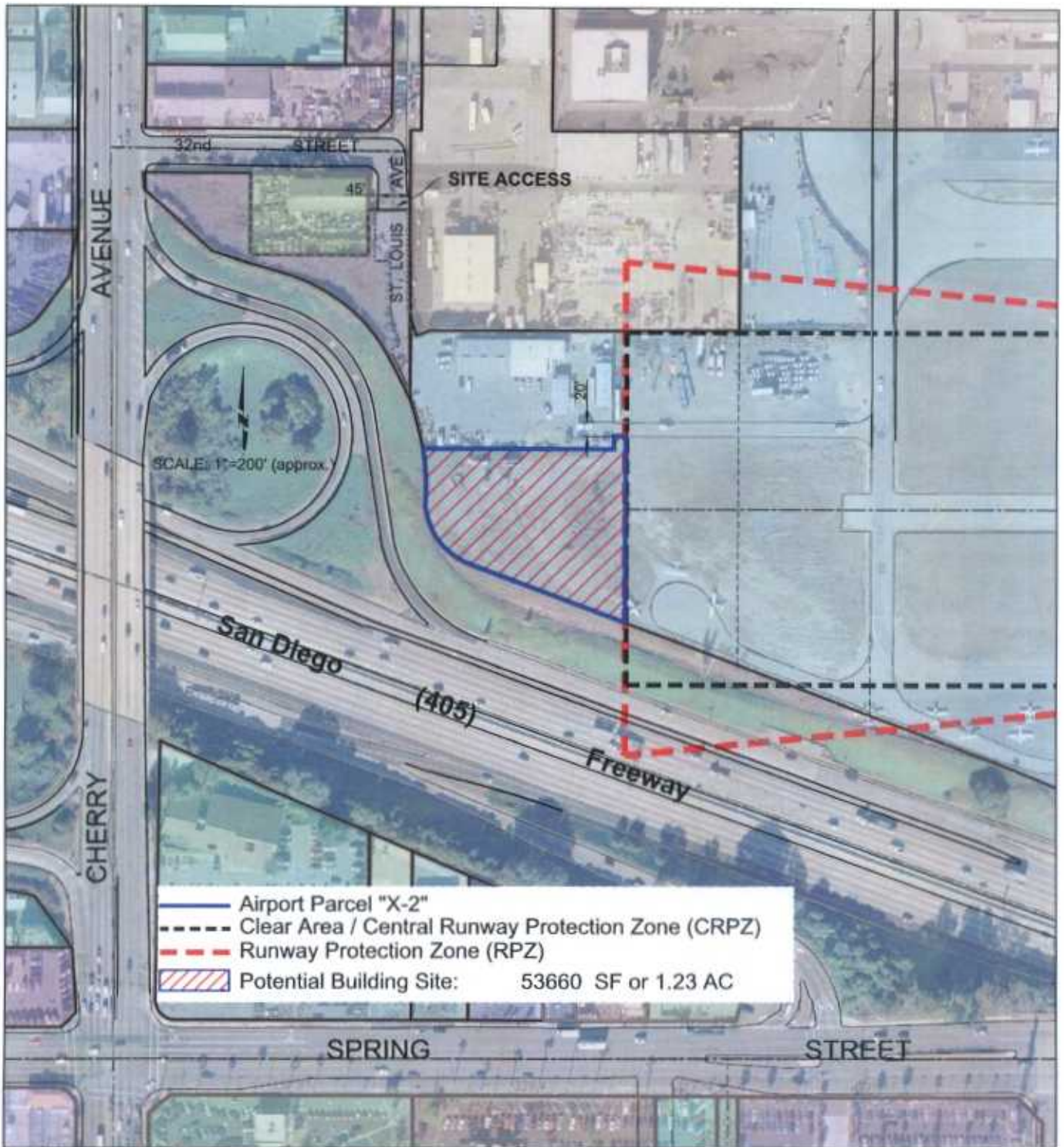
By *[Signature]*  
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

EXHIBIT "A"  
DESCRIPTION OF LEASED PREMISES  
[To Be Attached]



**EXHIBIT "B"**  
**SITE MAP**  
**[To Be Attached]**

**EXHIBIT "B"**



Local public works engineering 334748  
 PW: Airport Parcel X-2 - New 03.08g

CITY OF LONG BEACH - CALIFORNIA  
 LONG BEACH AIRPORT - CHRIS KUNZE, ACTING DIRECTOR

Development Area Map for  
**AIRPORT PARCEL "X-2"**  
 North of San Diego (405) Freeway and East of Cherry Avenue

EXHIBIT "C"

MEMORANDUM OF TERM, RENT AND OFFSET ACCOUNT

The undersigned are parties to that certain Lease dated \_\_\_\_\_, 2009 (the "Lease") for the premises commonly known as Parcel X2 and more specifically described therein. Pursuant to the terms of the Lease, the undersigned hereby acknowledge and agree upon the following dates:

- 1. The Commencement Date of the Lease is agreed to be:  
\_\_\_\_\_.
- 2. The Rent Commencement Date of the Lease is agreed to be:  
\_\_\_\_\_.
- 3. The expiration date of the Term of the Lease is agreed to be:  
\_\_\_\_\_.
- 4. The initial monthly rent under the Lease is agreed to be:  
\_\_\_\_\_.
- 5. The initial amount of funds in the Offset Account is agreed to be:  
\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of \_\_\_\_\_.

LONG BEACH AIRPARK, LLC, a California limited liability company

\_\_\_\_\_, 20\_\_

By \_\_\_\_\_

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

"Lessee"

CITY OF LONG BEACH, a municipal corporation

\_\_\_\_\_, 20\_\_

By \_\_\_\_\_

City Manager

"City"

**EXHIBIT "D"**  
**MINIMUM STANDARDS**



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# **Minimum Standards for Aeronautical Activities**

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## **Long Beach Airport**

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**JANUARY 2008**

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## **1. Introduction**

### **1.1 Purpose and Scope**

1.1.1 The purpose of these Minimum Standards is to encourage, promote, and ensure: (1) the delivery of high quality aviation products, services, and facilities to Long Beach Airport users, (2) the design and development of quality aviation improvements at the Airport, (3) aviation safety and security, (4) the economic health of aviation businesses, and (5) the orderly development of Airport property for aviation purposes.

1.1.1.1 To this end, all entities desiring to engage in aeronautical activities at the Airport shall be accorded reasonable opportunities, without unjust discrimination, to engage in such activities, subject to meeting (complying with) these Minimum Standards, the Airport's Land Use Plan, and agreement/permit conformance.

1.1.2 Aeronautical activities may be proposed that do not fall within the categories designated herein. In any such cases, appropriate minimum standards shall be established by the Airport Director on a case-by-case basis for such activities and incorporated into the operator's agreement or permit.

### **1.2 Exclusive Rights**

1.2.1 In accordance with the Airport Assurance given to the Federal and/or State government by the City of Long Beach (City) as a condition to receiving federal and/or state funds, the granting of rights or privileges to engage in commercial aeronautical activities shall not be construed in any manner as affording an operator any exclusive right, other than the exclusive use of the land and/or improvements that may be leased to the operator, and then only to the extent provided in an agreement or permit.

1.2.1.1 The presence on the Airport of only one entity engaged in a particular commercial aeronautical activity does not, in and of itself, indicate that an exclusive right has been granted. It is the policy of the City not to enter into or promote an understanding, commitment, or express agreement to exclude other reasonably qualified entities. Accordingly, those who desire to enter into an agreement or permit with the City should neither expect nor request that the City exclude others who also desire to engage in the same or similar activities. The opportunity to engage in a commercial aeronautical activity shall be made available to those entities meeting (complying with) the qualifications and the requirements set forth in these Minimum Standards and as space may be available at the Airport to support such activity provided such use is consistent with the current and planned uses of Airport land and improvements and is in the best interest of the City.

1.2.1.1.1 If the FAA determines that any provision of these Minimum Standards or any agreement or permit or any practice constitutes a grant of a prohibited exclusive right, such provision or agreement or permit shall be deemed null and void and such practice shall be discontinued immediately.



### **1.3 Applicability**

**1.3.1** These Minimum Standards specify the standards and requirements that must be met (and complied with) by any operator desiring to engage in commercial aeronautical activities at the Airport.

**1.3.1.1** Throughout these Minimum Standards, the words "standards" or "requirements" shall be understood to be modified by the word "minimum" except where explicitly stated otherwise. Any required determinations, interpretations or judgments regarding what constitutes an acceptable minimum standard, or regarding compliance with such standard, shall be made by the Airport Director. All entities are encouraged to exceed the applicable minimum standards. No entity shall be allowed to engage in aeronautical activities at the Airport under conditions that do not, in the City's discretion, meet (comply with) these Minimum Standards.

**1.3.2** These Minimum Standards shall apply to any new agreement or permit or any amendment to an existing agreement or permit relating to the occupancy and/or use of Airport land and/or improvements for engaging in aeronautical activities. If an entity desires, under the terms of an existing agreement or permit, to change its aeronautical activities, the City shall, as a condition of its approval of such change, require the entity to meet (comply with) these Minimum Standards, except as noted in this section (1.3)

**1.3.2.1** These Minimum Standards shall not affect any agreement or permit or amendment to such agreement or permit properly executed prior to the date of promulgation of these Minimum Standards except as provided for in such agreement or permit, in which case these Minimum Standards shall apply to the extent permitted by such agreement or permit.

**1.3.2.2** Upon execution of a new agreement or permit or amendment to an existing agreement or permit, operator shall be required to meet (comply with) these Minimum Standards.

**1.3.2.3** These Minimum Standards shall not be deemed to modify any existing agreement or permit under which an entity is required to exceed these Minimum Standards, nor shall they prohibit the City from entering into or enforcing an agreement or permit that requires an entity to exceed the Minimum Standards.

**1.3.3** If these Minimum Standards are amended after operator enters into an agreement or permit with the City, the operator shall not be required to increase operator's leased premises or construct any additional capital improvements to be in compliance with the amended Minimum Standards until such time as operator's existing agreement or permit is amended (or an assignment is made to another entity acceptable to the City) or operator enters into a new agreement or permit with the City.

## **2. GENERAL REQUIREMENTS**

### **2.1 Introduction**

2.1.1 All operators engaging in aeronautical activities at the Airport shall meet (fully comply with) or exceed the requirements of this Section 2 as well as the minimum standards applicable to the operator's activities, as set forth in subsequent sections, except as noted in Section 1.3

### **2.2 Experience/Capability**

2.2.1 Operator shall, in the judgment of the City demonstrate before and maintain during (throughout) the term of the agreement or permit, the following:

- 2.2.1.1 The capability of consistently providing the proposed products, services, and facilities and engaging in the proposed activities in a safe, secure, efficient, courteous, prompt, and professional manner in service to and to the benefit of the public, and
- 2.2.1.2 The financial and technical responsibility, capability, and integrity to develop and maintain required improvements; procure and maintain required vehicles, equipment, and /or aircraft; employ required personnel; and engage in the activity.

### **2.3 Agreement or Permit Approval**

2.3.1 No entity shall engage in an activity unless the entity has an agreement or permit with the City authorizing such activity or the entity has received prior written approval from the City to sublease land or improvements from an authorized operator and engage in the activity at the Airport.

2.3.2 An agreement or permit shall not reduce or limit operator's obligations with respect to complying with these Minimum Standards, except as noted in Section 1.3.

### **2.4 Payment of rents, Fees, and Charges**

2.4.1 shall pay the rents, fees, or other charges specified by the City for engaging in commercial aeronautical activities.

2.4.2 Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the City shall be grounds for revocation of the operator's agreement, permit, or the City's approval authorizing the conduct of activities at the Airport.

### **2.5 Leased Premises**

2.5.1 Operator shall lease or sublease sufficient land and/or lease, sublease, or construct sufficient improvements for the activity as required in these Minimum Standards.

#### **2.5.2 Apron/Paved Tiedowns**

2.5.2.1 Aprons/paved tiedowns (if required) must be of adequate size and weight-bearing capacity to accommodate the movement, staging, and parking of operator's, operator's sublessees', and customers' aircraft, and support equipment without interfering with the movement of aircraft in and out of other facilities and the movement of aircraft operating to/from/on taxilanes or taxiways.

### **2.5.3 Vehicle Parking**

- 2.5.3.1 Paved vehicle parking shall be sufficient to accommodate all of operator's and operators' sublessees' customers', employees', visitors', vendors', and suppliers' vehicles on a daily basis. The sufficiency of vehicle parking shall be determined in conjunction with the City.
- 2.5.3.2 Paved vehicle parking shall be on operator's leased premises and/or located in close proximity to operator's main facility.
- 2.5.3.3 On-street vehicle parking is not allowed, unless specifically authorized by the City.

### **2.6 Facility Maintenance**

- 2.6.1 Operator shall maintain its leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, lighting, and signage) in a clean, neat, orderly, and fully functional condition.
- 2.6.2 Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, removal of foreign objects/debris, and any related services necessary to maintain the improvements in good, clean, neat, orderly, and fully functional condition, normal wear and tear excepted.
- 2.6.3 Operator shall replace, in like kind, any property damaged by its employees, patrons, sublessees, contractors, et.al. or by operator's activities.

### **2.7 Products, Services, and Facilities**

- 2.7.1 Products, services, and facilities shall be available on a reasonable, and not unjustly discriminatory, basis to all Airport users.
- 2.7.2 Operator shall charge reasonable, and not unjustly discriminatory, prices for each product, service, or facility.
- 2.7.3 Operator shall conduct its activities on and from its leased premises in a safe, secure, efficient, courteous, prompt, and professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities, and engaging in similar activities from similar leased premises in like markets.

### **2.8 Non-Discrimination**

- 2.8.1 Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, or physical handicap in providing any products, services, or facilities or in the use of any of its facilities that are available to the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.

## **2.9 Licenses, Permits, Certifications, and Ratings**

2.9.1 Operator and operator's personnel shall obtain and comply with, at operator's sole cost and expense, all necessary licenses, permits, certifications, or ratings required for the conduct of operator's activities at the Airport as required by the City or any other duly authorized agency prior to engaging in any activity at the Airport.

2.9.1.1 Operator shall keep in effect and post in a prominent place, readily accessible to the public, all necessary or required licenses, permits, certifications, or ratings.

2.9.1.2 Upon request, operator shall provide copies of such licenses, permits, certifications, or ratings to the Airport Director within 10 business days.

## **2.10 Personnel**

2.10.1 Operator shall have a responsible person on its leased premises to supervise activities and such person shall be qualified and authorized to represent and act for and on behalf of operator during all hours of activities with respect to the method, manner, and conduct of the operator and operator's activities.

2.10.1.1 When such responsible person is not on the leased premises, such individual shall be immediately available by telephone or pager.

2.10.2 Operator shall have in its employ, on duty, and on its leased premises during hours of activity, properly trained, qualified, and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe, secure, efficient, courteous, prompt, and professional manner.

2.10.3 Operator shall control the conduct, demeanor, and appearance of its employees. It shall be the responsibility of the operator to maintain close supervision over its employees to ensure that a high standard (quality) of products, services, and facilities are provided in a safe, secure, efficient, courteous, prompt, and professional manner.

## **2.11 Aircraft, Equipment, and Vehicles**

2.11.1 All required aircraft, equipment, and vehicles must be fully operational, functional, and available at all times and capable of providing all required products and services.

2.11.1.1 Aircraft equipment, and vehicles may be unavailable, from time to time, on a temporary basis, as long as appropriate measures are taken to return the aircraft, equipment, or vehicle to service as soon as possible.

## **2.12 Hours of Activity**

2.12.1 Hours of activity shall be clearly posted in public view using appropriate and professional signage.

## **2.13 Security**

2.13.1 Operator shall fully comply with the City's Airport Security Program (ASP).

- 2.13.2 Operator shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Airport Security Coordinator (ASC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.
- 2.13.3 Operator shall develop and maintain a security plan which shall include, at a minimum, the following elements:
  - 2.13.3.1 Procedures for security facilities, vehicles, equipment, and aircraft during hours of operation and after hours.
  - 2.13.3.2 Employees background checks required by the ASP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies.
  - 2.13.3.3 Customer, visitor, and baggage identification.
  - 2.13.3.4 Procedures for preventing tampering of facilities, vehicles, equipment, and aircraft.
  - 2.13.3.5 Procedures for handling threats by phone and in person.
  - 2.13.3.6 Procedures for controlling access to operator's leased premises and ensuring that vehicles, equipment, and personnel allowed to access through operator's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the ASC.
  - 2.13.3.7 Procedures for securing unattended facilities, vehicles, equipment, and aircraft.
  - 2.13.3.8 Procedures prohibiting passengers or baggage from being left unattended in or near aircraft, within the public-restricted areas of the Airport (Air Operations Area), or within the Security Identification Display Area (ASIDA).
  - 2.13.3.9 Procedures for transient flight crew members and passengers including:
    - 2.13.3.9.1 Ensuring proper escort or other method of control approved by the ASC.
    - 2.13.3.9.2 Crewmember contact information and verification procedures.
    - 2.13.3.9.3 Verification of pilot's certificate and government-issued photo ID for flight crewmembers.
    - 2.13.3.10 Vendor procedures including:

- 2.13.3.10.1 Positive identification of all vendors having access to operator's leased premises.
- 2.13.3.10.2 Security check-in procedures for all vendors.
- 2.13.3.10.3 Procedures for ensuring all vendors are aware of security requirements for the operator's leased premises.
- 2.13.4 Operator's Security Plan shall be submitted to the ASC for review and approval no later than 30 days before Operator commences activities at the Airport (and it shall be resubmitted any time changes are made).
- 2.13.5 Operator shall maintain fencing, doors, gates, lighting, and locks in good condition at all times.
- 2.13.6 Aircraft rental and flight instruction operators must positively identify new students and renter pilots, consistent with any/all federal, State, and local regulations.
- 2.13.7 Aircraft charter and aircraft management operators and other businesses involved in the dispatching of aircraft must develop procedures to verify aircraft dispatch customers.
- 2.13.8 All operators are required to keep an active log of keys, access cards, and other media issued that allows access to operator's leased premises or identifies authorized persons. The log shall be made available to the ASC upon request, and any lost or stolen access/identification media shall be reported to the ASC immediately.
- 2.13.9 All operators must comply with all applicable reporting requirements (as established by the City, FAA, TSA, and law enforcement agencies).

#### **2.14 Conformance with federal, State, and local rules and regulations**

- 2.14.1 Operator shall abide by all applicable federal, State, and local rules and regulations, including Long Beach Municipal Code Section 16.43, as amended.

#### **2.15 Insurance**

- 2.15.1 Operator shall procure and maintain during the term of its agreement or permit, insurance policies required by applicable regulatory measures and/or the City.
- 2.15.2 When operator engages in more than one activity, the minimum insurance limits shall be established by the City based upon the nature of each activity or combination of activities. While it may not be necessary for operator to carry insurance policies for the combined total of the minimum requirements of each activity, operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum or as established by the City.
- 2.15.3 Certificates of Insurance for the insurance required by regulatory measures and/or the City shall be delivered to the City upon execution of any agreement, permit, or when approval is given by the City to engage in commercial aeronautical activities

at the Airport. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage. Insurance coverage's shall remain in full force and effect through the term of the agreement or permit, and Certificates of Insurance shall be kept current with the Airport Director.

## **2.16 Indemnification and Hold Harmless**

2.16.1 Operator shall defend, indemnify, save, protect, and hold harmless the City of Long Beach, the Long Beach Airport, and the Long Beach City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the City of Long Beach, the Long Beach Airport, and the Long Beach City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's activities, actions, or inactions. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with California principles of comparative fault.

2.16.2 Operator shall accept total responsibility, defend, indemnify, save, protect, and hold harmless the City of Long Beach, the Long Beach Airport, and the Long Beach City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's improvements, vehicles, equipment, or aircraft.

2.16.3 Nothing herein shall constitute a waiver of any protection available to the City of Long Beach, the Long Beach Airport, and the Long Beach City Council, individually and collectively, and their representatives officers, officials, employees, agents, and volunteers under the California Governmental Immunity Act or similar statutory provisions.

## **2.17 Taxes**

2.17.1 Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency relating to operator's leased premises (land and/or improvements), operator's improvements on leased premises, and/or operator's activities.

## **2.18 Multiple Activities**

2.18.1 When more than one activity is conducted at the Airport, applicable Minimum Standards shall be established by the Airport Director.

2.18.2 Depending upon the nature of the combined activities, the Minimum Standards shall not be:

2.18.2.1 Less than the highest standard for each element (e.g., land, hangar, office, shop, etc.) within the combined activities, or

2.18.2.2 Greater than the cumulative standards for all of the combined activities.

### **3. FIXED BASE OPERATOR**

#### **3.1 Introduction**

3.1.1 A Fixed Base Operator (FBO) is a commercial operator engaged in the sale of products, services, and facilities for all types of aircraft (piston and turbine-powered aircraft) to include, at a minimum, the following activities at the Airport: aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants); passenger, crew, and aircraft ground services, support, and amenities; aircraft maintenance; aircraft parking, tiedown, hangar, office, and shop rental.

3.1.2 In addition to the general requirements set forth in Section 2, each FBO at the Airport shall comply with the following Minimum Standards set forth in Section 3.

#### **3.2 Scope of Activity**

3.2.1 Unless otherwise stated in these Minimum Standards, all products and services shall be provided by FBO's employees using FBO's vehicles and equipment.

3.2.2 FBO's products and services shall include the following:

3.2.2.1 Aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants):

3.2.2.1.1 FBO shall deliver and dispense, upon request, Jet Fuel, Avgas and aircraft lubricants into all aircraft using the Airport.

3.2.2.1.2 FBO shall provide a response time of no more than 15 minutes during required hours of activity (except in situations beyond the control of the FBO).

3.2.2.2 Passenger, crew, and aircraft ground services, support, and amenities:

3.2.2.2.1 FBO shall meet, direct, and park all aircraft arriving on FBO's leased premises with exception of aircraft that have a designated (assigned) tiedown space or area.

3.2.2.2.2 FBO shall provide courtesy on-site transportation for passengers, crew, and baggage, as necessary and /or appropriate.

3.2.2.2.3 FBO shall provide parking and tiedown of aircraft upon the FBO's leased premises.

3.2.2.2.4 FBO shall provide hangar storage for aircraft upon the FBO's leased premises, to include in-out (aircraft towing) service.

3.2.2.2.5 FBO shall provide crew and passenger baggage handling and other related arrival and departure services.



3.2.2.2.6 FBO shall provide oxygen and compressed air services and be able to provide nitrogen services directly or through arranged with another entity.

3.2.2.2.7 FBO shall provide lavatory services and aircraft cleaning services.

3.2.2.2.8 FBO shall provide aircraft ground power.

3.2.2.2.9 FBO shall be able to make crew and passenger ground transportation arrangements (limousine, shuttle, and rental car).

3.2.2.2.10 FBO shall be able to make aircraft catering arrangements.

**3.2.2.3 Aircraft Maintenance**

FBO shall provide, upon request, routine (minor) aircraft line maintenance (i.e., including preventative maintenance as defined in 14 CFR Part 43, Appendix A and excluding maintenance associated with 50 hour, 100 hour, annual inspections, major alteration, and major repair) on the airframe, powerplants and associated systems of aircraft using the Airport. Service may be provided directly through in-house or by procurement through qualified contract services.

**3.2.2.4 Aircraft Storage**

FBO shall develop, own, and/or lease facilities for the purpose of subleasing (to the public) aircraft storage space to entities engaging in commercial or non-commercial aeronautical activities.

**3.3 Leased Premises**

3.3.1 FBO shall have adequate land (see Section 2.5.1), including apron/paved tiedown (see Section 2.5.2), facilities (hangars, terminal, maintenance, and fuel storage), and vehicle parking (see Section 2.5.3) to accommodate all activities of FBO and all approved sublessees, but not less than the following:

3.3.1.1 Contiguous Land – 7 acres (304,920 square feet), upon which all required improvements including apron/paved tiedown, facilities and vehicle parking shall be located.

3.3.1.2 Apron – 3 acres (130,680 square feet), with weight bearing capacity to accommodate the largest aircraft handled or serviced by FBO.

3.3.1.3 Paved tiedown – adequate to accommodate the number, type, and size of based and transient aircraft requiring tiedown space at the operator's leased premises, but not less than 10 paved tiedown spaces.

3.3.1.4 Facilities – 46,000 square feet (total) consisting of the following:

3.3.1.4.1 Terminal space – 5,000 square feet. Customer area shall be at least 2,500 dedicated square feet to include adequate space for crew and passenger lounge(s), flight planning room,

conference room, public use telephones, and restrooms. Administrative area shall be at least 1,250 dedicated square feet to include adequate space for employee offices, work areas, and storage.

3.3.1.4.2 Maintenance area – 1,000 square feet. Maintenance area shall include adequate space for employee offices, work areas, and storage for aircraft parts and equipment.

3.3.1.4.3 Hangar space – 40,000 square feet. At least one hangar shall be capable of accommodating an aircraft having a length of 100 feet, a wingspan of 95 feet, and a tail height of 26 feet. At least 25,000 square feet shall be dedicated to (for) aircraft storage and 15,000 square feet shall be available for the provision of aircraft maintenance.

3.3.1.4.4 Vehicle Parking – not less than required by City code.

#### **3.4 Fuel Storage**

3.4.1 FBO shall construct or install and maintain an on-Airport below ground fuel storage facility at the Airport, unless otherwise authorized or required, in a location consistent with the current and planned uses of Airport land and improvements and approved by the City.

3.4.2 Fuel storage facility shall have total capacity for three days peak supply of aviation fuel for aircraft being serviced by FBO. In no event shall the total storage capacity be less than:

3.4.2.1 20,000 gallons for Jet Fuel storage.

3.4.2.2 20,000 gallons for Avgas storage.

3.4.2.3 500 gallons for waste fuel or test samples (or the capability to recycle waste fuel or test samples).

3.4.3 FBO shall, at its sole cost and expense, maintain the fuel storage facility, all improvements thereon, and all appurtenances thereto, in a clean, neat, orderly, and fully functional condition consistent with good business practices and equal or better than in appearance and character, other similar improvements on the Airport.

3.4.4 FBO shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum supplier/distributor for the delivery of aviation fuels in the quantities that are necessary to meet the requirements set forth herein.

3.4.5 Fuel suppliers utilized by operator must have a current and executed Fuel Delivery Permit, if one is required by the City, on file with the Airport Director.

3.4.6 FBO shall have a written Spill Prevention Control and Countermeasures (SPCC) Plan that meets regulatory measures for fuel storage facilities. An updated copy of the SPCC Plan shall be filed with the Airport Director at least 30 days prior to commencing operations.

- 3.4.7 FBO shall be liable and indemnify the City for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
- 3.4.8 Fuel dispensed by FBO shall meet quality specifications as outlined in ASTM D 1655 (Jet A) and ASTM D 1910 (Avgas), or superseding standards. Ensuring the quality of the fuel is the responsibility of the FBO.
- 3.4.9 FBO shall maintain records that identify the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by FBO at the Airport (by customer type).
- 3.4.10 On or before the 10<sup>th</sup> day of the subsequent month, unless otherwise provided for in operators agreement with City, FBO shall provide a summary report to the City identifying the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by the FBO at the Airport (by customer type) and FBO shall pay the appropriate fees and charges due to the City.
- 3.4.11 Records (and meters) shall be made available for review (audit) by the City or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to the FBO and the amount of fuel delivered to FBO customer aircraft and/or dispensed by the FBO at the Airport, FBO shall promptly pay, in cash, all additional fees and charges due the City, plus annual interest on the unpaid balance at the maximum rate allowable by law, or as specified by a current agreement, from the date originally due.

### **3.5 Fueling Equipment**

- 3.5.1 FBO shall have two Jet Fuel refueling vehicles with one having a capacity of at least 5,000 gallons and one having a capacity of at least 2,000 gallons.
- 3.5.2 FBO shall have two Avgas refueling vehicles each having a capacity of at least 750 gallons. A fixed Avgas self-serve refueling system can be substituted for an Avgas refueling vehicle.
- 3.5.2.1 If substituted for an Avgas refueling vehicle, the fixed Avgas self-serve fueling system shall: (1) be constructed or installed in a location specified by the Airport Director, (2) be available and maintained by FBO for public commercial use, and (3) have detailed (and readily accessible) instructions for the proper and safe operation of the system and a fully functional (and readily accessible) telephone, emergency shut-off, properly rated fire extinguisher, and fuel spill kit.
- 3.5.2.2 FBO may have only one Avgas refueling vehicle if FBO has a written agreement with another (separate) FBO at the Airport to provide Avgas fueling services at times when the FBO's refueling vehicle is unavailable or unable to meet the required response time.
- 3.5.2.2.1 Agreement must be on file with the Airport Director.

- 3.5.3 Aircraft refueling vehicles shall be equipped with metering devices that meet all applicable regulatory measures. One refueling vehicle dispensing Jet Fuel shall have over-the-wing and single point aircraft servicing capability. All refueling vehicles shall be bottom loaded.
- 3.5.4 Each refueling vehicle and all fueling equipment shall be equipped and maintained to comply with all applicable safety and fire prevention requirements, standards, and regulatory measure including, without limitation, those prescribed by:
  - 3.5.4.1 State of California Fire Code;
  - 3.5.4.2 City of Long Beach Fire Code;
  - 3.5.4.3 National Fire Protection Association (NFPA) Codes;
  - 3.5.4.4 California Department of Health and Environment Oil Inspection Regulatory Section;
  - 3.5.4.5 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials".
  - 3.5.4.6 Applicable FAA Advisory circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".

### **3.6 Equipment**

3.6.1 FBO shall have the following equipment:

- 3.6.1.1 Adequate wheel chocks for aircraft parking on open apron areas and equipment for securing aircraft on permanent tiedowns including ropes, chains, wheel chocks, and/or other types of aircraft restraining devices which are required to safely secure aircraft as described in FAA Advisory Circular 20-35C.
- 3.6.1.2 One oxygen cart and one compressed air unit.
- 3.6.1.3 One ramp transportation vehicle to provide transportation of passengers and baggage between FBO terminal building and aircraft.
- 3.6.1.4 Two aircraft towing vehicles (and two bars) with at least one having a rated draw bar capacity sufficient to meet the towing requirement of the heaviest general aviation aircraft frequenting the Airport.
- 3.6.1.5 Two ground power units capable of providing electricity to direct current (DC) powered aircraft.
- 3.6.1.6 One lavatory service cart.
- 3.6.1.7 Spill kits including one mobile unit per contiguous ramp area with the necessary equipment and materials to contain a fuel spill and keep it from flowing into drains or other damage potential areas.

3.6.1.8 Adequate number of approved and regularly inspected dry chemical fire extinguisher units shall be maintained within all hangars, on all apron areas, at all fuel storage facilities, and on all ground handling and refueling vehicles.

3.6.1.9 All equipment reasonably necessary for the proper performance of aircraft maintenance in accordance with applicable FAA regulations and manufacturers' specifications, and minimum maintenance as stipulated in Section 3.2.2.3.

### **3.7 Personnel**

3.7.1 Personnel, while on duty, shall be clean, neat in appearance, courteous, and at all times properly uniformed. Uniforms shall identify the name of the FBO and the employee and shall be clean, neat, professional, and properly maintained at all times.

3.7.1.1 Management and administrative personnel shall not be required to be uniformed.

3.7.2 FBO shall develop and maintain Standard Operating Procedures (SOP) for fueling and ground handling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A "Aircraft Ground Handling and Servicing." FBO's SOP shall include a training plan, fuel quality assurance procedures and record keeping, and emergency response procedures to fuel spills and fires. FBO's SOP shall also address: regular safety inspections, bonding and fire protection; public protection; control of access to fuel storage facilities; and marking and labeling of fuel storage tanks and refueling vehicles. FBO's SOP shall be submitted to the Airport Director no later than 30 days before the FBO commences activities at the Airport (and it shall be resubmitted anytime changes are made).

3.7.3 FBO shall have two properly trained and qualified line service technicians (FBO employees), on each shift, providing aircraft fueling, parking, and ground services and support.

3.7.3.1 FBO shall have one supervisory line service technician (FBO employee) trained in an FAA approved fire safety program (14 CFR Part 139.321).

3.7.4 FBO shall have one properly trained and qualified customer service representative (FBO employee), on each shift (except from the hours of 11:00 p.m. to 6:00 a.m.), to provide customer service and support.

3.7.5 FBO (or authorized aircraft maintenance operator) shall have one airframe and powerplant mechanic properly trained and qualified to provide aircraft maintenance on aircraft using the Airport.

### **3.8 Hours of Activity**

3.8.1 Aircraft fueling and passenger, crew, and aircraft ground handling services, support, and amenities shall be continuously offered and available to meet reasonable demands of the public for this activity between the hours 6:00 a.m. and 11:00 p.m. seven days a week (including holidays).

3.8.1.1 These services shall also be available all other times (after hours), on-call, with a response time not to exceed 30 minutes.

3.8.2 Aircraft maintenance shall be continuously offered and available to meet reasonable demand of the public for this activity between the hours of 8:00 a.m. and 5:00 p.m. five days a week.

3.8.2.1 Aircraft maintenance shall be available all other times (after hours), on-call with response time not to exceed 60 minutes.

### **3.9 Aircraft Removal**

3.9.1 Recognizing that aircraft removal is the responsibility of the aircraft owner/operator, the FBO shall be prepared to lend assistance within 30 minutes upon request by either the Airport Director or the aircraft owner in order to maintain the operational readiness of the Airport's aircraft movement areas. The FBO shall prepare an aircraft removal plan and have the equipment readily available that is necessary to remove aircraft typically using the Airport.

### **3.10 Insurance**

3.10.1 FBO shall maintain, at a minimum, the insurance coverage set forth in their agreement with the City.

## **4. LIMITED FIXED BASE OPERATOR**

### **4.1 Introduction**

4.1.1 A Limited Fixed Base Operator (FBO) is a commercial operator engaged in the sale of products, services, and facilities for (or in support of) piston-powered aircraft only, to include, at a minimum, the following activities at the Airport: aviation fuel (Avgas only) and aircraft lubricants; passenger, crew, and aircraft ground services; support and amenities; aircraft maintenance; and aircraft parking, tiedown, hangar, office, and shop rental.

4.1.1.1 A Limited FBO does not engage in the sale of products, services, and facilities for (or in support of) aircraft other than piston-powered aircraft.

4.1.1.1.1 Any entity desirous of engaging in the sale of products, services, and facilities for piston aircraft must meet the requirements set forth in Section 3.

4.1.2 In addition to the general requirements set forth in Section 2, each Limited FBO at the Airport shall comply with the following Minimum Standards set forth in this Section 4.

### **4.2 Scope of Activity**

4.2.1 Unless otherwise stated in these Minimum Standards, all products and services shall be provided by Limited FBO's employees using Limited FBO's vehicles and equipment.

4.2.2 Limited FBO's products and services shall include the following:

4.2.2.1 Aviation fuel (Avgas only) and aircraft lubricants:

4.2.2.1.1 Limited FBO shall deliver and dispense, upon request, Avgas and aircraft lubricants into piston-powered aircraft using the Airport.

4.2.2.1.2 Limited FBO shall provide a response time of no more than 15 minutes during required hours of activity (except in situations beyond the control of Limited FBO).

4.2.2.2 Passenger, crew, and aircraft ground services, support, and amenities.

4.2.2.2.1 Limited FBO shall meet, direct, and park aircraft arriving on Limited FBO's leased premises with exception of aircraft that have a designated (assigned) tiedown space or area.

4.2.2.2.2 Limited FBO shall provide courtesy on-site transportation for passengers, crew, and baggage, as necessary and/or appropriate.

- 4.2.2.2.3 Limited FBO shall provide parking and tiedown of aircraft upon Limited FBO's leased premises.
- 4.2.2.2.4 Limited FBO shall provide hangar storage of aircraft upon Limited FBO's leased premises, to include in-out (aircraft towing) service.
- 4.2.2.2.5 Limited FBO shall provide crew and passenger baggage handling and other related arrival and departure services.
- 4.2.2.2.6 Limited FBO shall provide oxygen and compressed air services.
- 4.2.2.2.7 Limited FBO shall provide lavatory services and aircraft cleaning services.
- 4.2.2.2.8 Limited FBO shall provide aircraft ground power.
- 4.2.2.2.9 Limited FBO shall be able to make crew and passenger ground transportation arrangements (limousine, shuttle, and rental car).
- 4.2.2.2.10 Limited FBO shall be able to make aircraft catering arrangements.
- 4.2.2.3 Aircraft Maintenance - Limited FBO shall provide, upon request, routine (minor) aircraft line maintenance (i.e., including preventative maintenance as defined in 14 CFR Part 43, Appendix A and excluding maintenance associated with 50 hour, 100 hour, annual inspections, major alteration, and major repair) on the airframe, powerplants, and associated systems of aircraft (piston-powered only) using the Airport. Service may be provided directly through in-house or by procurement through qualified contract services.
- 4.2.2.4 Aircraft Storage - Limited FBO shall develop, own, and/or lease facilities for the purpose of subleasing (to the public) aircraft storage space for aircraft to entities engaging in commercial or non-commercial aeronautical activities.

#### **4.3 Leased Premises**

- 4.3.1 Limited FBO shall have adequate land (see Section 2.5.1), apron/paved tiedown (see Section 2.5.2), facilities (hangars, terminal, maintenance, and fuel storage), and vehicle parking (see Section 2.5.3) to accommodate all activities of Limited FBO and all approved sub lessees, but not less than the following:
  - 4.3.1.1 Contiguous Land - 3 acres (130,680 square feet), upon which all required improvements including apron, paved tiedown, facilities, and vehicle parking shall be located.



4.3.1.2 Apron – 1.5 acres (65,340 square feet), with weight bearing capacity to accommodate the largest aircraft handled or serviced by Limited FBO.

4.3.1.3 Paved Tiedown – adequate to accommodate the number, type, and size based and transient aircraft requiring tiedown space at the operator's leased premises, but not less than 10 paved tiedown spaces.

4.3.1.4 Facilities – 8,000 square feet (total) consisting of the following:

4.3.1.4.1 Terminal space – 2,500 square feet. Customer area shall be at least 1,250 dedicated square feet to include adequate space for crew and passenger lounge(s), flight planning room, conference room, public use telephones, and restrooms. Administrative area shall be at least 625 dedicated square feet to include adequate space for employee offices, work areas, and storage.

4.3.1.4.2 Maintenance space – 500 square feet. Maintenance area shall include adequate space for employee offices, work areas, and storage for aircraft parts and equipment.

4.3.1.4.3 Hangar space – 5,000 square feet or large enough to accommodate the largest aircraft undergoing aircraft maintenance (other than preventative aircraft maintenance as described in 14 CFR Part 43), whichever is greater.

4.3.1.5 Vehicle Parking – not less than required by City code.

#### **4.4 Fuel Storage**

4.4.1 Limited FBO shall construct or install and maintain an on-Airport below ground fuel storage facility at the Airport, unless otherwise authorized or required, in a location consistent with the current and planned uses of Airport land and improvements and approved by the City.

4.4.2 Fuel storage facility shall have total capacity for three days peak supply of aviation fuel for aircraft being services by Limited FBO, in no event shall the total storage capacity be less than:

4.4.2.1 20,000 gallons for Avgas storage.

4.4.2.2 500 gallons for waste fuel or test samples (or the capability to recycle waste fuel or test samples).

4.4.3 Limited FBO shall, at its sole cost and expense, maintain the fuel storage facility, all improvements thereon, and all appurtenances thereto, in a clean, neat, orderly, and fully functional condition consistent with good business

practices and equal or better than in appearance and character to other similar improvements on the Airport.

- 4.4.4 Limited FBO shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum supplier/distributor for the delivery of aviation fuel in the quantities that are necessary to meet the requirements set forth herein.
- 4.4.5 Fuel supplies utilized by Limited FBO must have a current and executed fuel delivery permit, if required by the City, on file with the Airport Director.
- 4.4.6 Limited FBO shall have a written Spill Prevention, Control, and Countermeasures (SPCC) plan that meet regulatory measures for fuel storage facilities. An updated copy of the SPCC plan shall be filed with the Airport Director at least 30 days prior to commencing operations.
- 4.4.7 Limited FBO shall be liable and indemnify the City for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
- 4.4.8 Fuel dispensed by Limited FBO shall meet quality specifications as outlined in ASTM D 1910 (Avgas), or any superseding standards. Ensuring the quality of the fuel is the responsibility of Limited FBO.
- 4.4.9 Limited FBO shall maintain records that identify the amount (number of gallons) of: (1) aviation fuel purchased by Limited FBO, (2) delivered to Limited FBO's fuel storage facility, and (3) delivered to Limited FBO customer aircraft and/or dispensed by Limited FBO at the Airport (by customer type).
  - 4.4.9.1 On or before the 10<sup>th</sup> day of the subsequent month, Limited FBO shall provide a summary report to the City identifying the amount (number of gallons) of: (1) aviation fuel purchased by Limited FBO, (2) delivered to Limited FBO's fuel storage facility, and (3) delivered to Limited FBO customer aircraft and/or dispensed by the FBO at the Airport (by customer type) and Limited FBO shall pay the appropriate fees and charges due to the City.
  - 4.4.9.2 Records (and meters) shall be made available for review (audit) by the City or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to Limited FBO and the amount of fuel delivered to Limited FBO customer aircraft and/or dispensed by Limited FBO at the Airport, Limited FBO shall promptly pay, in cash, all additional fees and charges due the City, plus annual interest on the unpaid balance at the maximum rate allowable by law or as specified by a current agreement, from the date originally due.

#### **4.5 Fueling Equipment**

- 4.5.1 Limited FBO shall have two Avgas refueling vehicles each having a capacity of at least 750 gallons. A fixed Avgas self-serve refueling system can be substituted for an Avgas refueling vehicle.

- 4.5.1.1 If substituted for an Avgas refueling vehicle, the fixed Avgas self-serve fueling system shall: (1) be constructed or installed in a location specified by the Airport Director, (2) be available and maintained by Limited FBO for public commercial use, and (3) have detailed (and readily accessible) instructions for the proper and safe operation of the system and a fully functional (and readily accessible) telephone, emergency shut-off, properly rated fire extinguisher, and fuel spill kit.
- 4.5.1.2 Limited FBO may have only one Avgas refueling vehicle if Limited FBO has a written agreement with another (separate) FBO at the Airport to provide Avgas fueling services at times when Limited FBO's refueling vehicle is unavailable or unable to meet the required response time.
  - 4.5.1.2.1 Agreement must be on file with the Airport Director.
- 4.5.2 Aircraft refueling vehicles shall be equipped with metering devices that meet all applicable regulatory measures. All refueling vehicles shall be bottom loaded.
- 4.5.3 Each refueling vehicle and all fueling equipment shall be equipped and maintained to comply with all applicable safety and fire prevention requirements, standards, and regulatory measures including, without limitation, those prescribed by:
  - 4.5.3.1 State of California Fire Code;
  - 4.5.3.2 City of Long Beach Fire Code;
  - 4.5.3.3 National Fire Protection Association (NFPA) Codes;
  - 4.5.3.4 California Department of Health and Environment Oil Inspection Regulatory Section;
  - 4.5.3.5 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials".
  - 4.5.3.6 Applicable FAA Advisory Circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".

#### **4.6 Equipment**

- 4.6.1 Limited FBO shall have the following equipment:

- 4.6.1.1 Adequate wheel chocks for aircraft parking in (on) open apron areas and equipment for securing aircraft on permanent tiedowns including ropes, chains, wheel chocks, and/or other types of aircraft restraining devices, which are required to safely secure aircraft as described in FAA Advisory Circular 20-35C.

- 4.6.1.2 One oxygen cart and one compressed air unit.
- 4.6.1.3 One ramp transportation vehicle to provide transportation of passengers and baggage between Limited FBO's terminal building and aircraft.
- 4.6.1.4 Two aircraft towing vehicles (and two bars) with at least one having a rated draw bar capacity sufficient to meet the towing requirement of the heaviest piston-powered aircraft typically using the Airport.
- 4.6.1.5 Two ground power units capable of providing electricity to direct current (DC) powered aircraft.
- 4.6.1.6 One lavatory service cart.
- 4.6.1.7 Spill kits including one mobile unit per contiguous ramp area with the necessary equipment and materials to contain a fuel spill and keep it from flowing into drains or other damage potential areas.
- 4.6.1.8 Adequate number of approved and regularly inspected dry chemical fire extinguisher units shall be maintained within all hangars, on all apron areas, at all fuel storage facilities, and on all grounding handling and refueling vehicles.
- 4.6.1.9 All equipment reasonably necessary for the proper performance of aircraft maintenance in accordance with applicable FAA regulations and manufacturers' specifications.

#### **4.7 Personnel**

- 4.7.1 Personnel while on duty shall be clean, neat in appearance, courteous, and at all times, properly uniformed. Uniforms shall identify the name of Limited FBO and the employee and shall be clean, neat, professional, and properly maintained at all times.
  - 4.7.1.1 Management and administrative personnel shall not be required to be uniformed.
- 4.7.2 Limited FBO shall develop and maintain Standard Operating Procedures (SOP) for fueling and ground handling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A "Aircraft Ground Handling and Servicing". Limited FBO's SOP shall include a training plan, fuel quality assurance procedures and record keeping, and emergency response procedures to fuel spills and fires. Limited FBO's SOP shall also address: regular safety inspections, bonding and fire protection; public protection; control of access to fuel storage facilities; and marking and labeling of fuel storage tanks and refueling vehicles. Limited FBO's SOP shall be submitted to the Airport Director no later than 30 days before Limited FBO commences activities at the Airport (and it shall be resubmitted anytime changes are made).

- 4.7.3 Limited FBO shall have two properly trained and qualified line service technicians (Limited FBO employees), on each shift, providing aircraft fueling, parking, and ground services and support.
- 4.7.4 Limited FBO shall have one supervisory line service technician (Limited FBO employee) trained in an FAA approved fire safety program (14 CFR Part 139.321).
- 4.7.5 Limited FBO shall have one properly trained and qualified customer service representative (Limited FBO employee), on each shift (except from the hours of 11:00 p.m. to 6:00 a.m.), to provide customer service and support.
- 4.7.6 Limited FBO (or authorized aircraft maintenance operator) shall have one airframe and powerplant mechanic properly trained and qualified to provide aircraft maintenance on piston-powered aircraft typically using the Airport.

#### **4.8 Hours of Activity**

4.8.1 Aircraft fueling and passenger, crew, and aircraft ground handling services, support, and amenities shall be continuously offered and available to meet reasonable demands of the public for this activity between the hours of 6:00 a.m. and 11:00 p.m. seven days a week (including holidays).

4.8.1.1 These services shall also be available all other times (after hours), on-call with a response time not to exceed 30 minutes.

4.8.2 Aircraft maintenance shall be continuously offered and available to meet reasonable demand of the public for this activity between the hours of 8:00 a.m. and 5:00 p.m. five days a week.

4.8.2.1 Aircraft maintenance shall be available all other times (after hours), on-call with response time not to exceed 60 minutes.

#### **4.9 Aircraft Removal**

4.9.1 Recognizing that aircraft removal is the responsibility of the aircraft owner/operator, Limited FBO shall be prepared to lend assistance within 30 minutes upon request by either the Airport Director or the aircraft owner in order to maintain the operational readiness of the Airport's aircraft movement areas. Limited FBO shall prepare an aircraft removal plan and have the equipment readily available that is necessary to remove piston-powered aircraft typically using the Airport.

#### **4.10 Insurance**

4.10.1 Limited FBO shall maintain, at a minimum, the insurance coverage set forth in their agreement with the City.

## **5. SPECIALIZED AVIATION SERVICE PROVIDERS**

### **5.1 Based Aircraft Flight Instruction**

- 5.1.1 Providers of flight instruction shall hold FAA and State certification where applicable.
- 5.1.2 Provider shall have on-Airport office space and telephone.
- 5.1.3 Restroom facilities within reasonable walking distance of office space shall be provided.
- 5.1.4 Provider shall have parking (customer & employee vehicles) available consistent with City code.

### **5.2 Aircraft Sales**

- 5.2.1 The business shall maintain on-Airport office space.
- 5.2.2 The business shall hold licenses as required by other governmental agencies.
- 5.2.3 Aircraft owners selling their own airplane and exempt from State sales licensing requirements are considered exempt from these requirements.
- 5.2.4 The sales entity shall provide, either directly or by subcontract, necessary and satisfactory arrangements for repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty period and shall provide an adequate inventory of spare parts, either directly or by subcontract, for the type of new aircraft for which sales privileges are granted.

### **5.3 Aircraft Storage**

- 5.3.1 Tiedown spaces shall be designed to provide for no aircraft wing overlap.
- 5.3.2 Adequate tiedown hardware shall be provided for wing and tail tiedowns.
- 5.3.3 Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.
- 5.3.4 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 Director.
- 5.3.5 Taxilanes shall be marked in accordance with the standards set forth in FAA Advisory Circular 150/5340-1G, "Standards for Airport Markings."

### **5.4 Aircraft Storage Hangars**

- 5.4.1 No commercial operations shall be conducted out of a hangar unless authorized in writing by the Airport Director.
- 5.4.2 Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.

**5.5 Aircraft Maintenance and Repair**

5.5.1 All aircraft repairs must be made in accordance with FAA standards.

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

5.5.3 Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by City's Airport Director.

**5.6 Aircraft Rental**

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

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

**5.7 Avionics, Instruments, and Propeller Repair**

5.7.1 Purveyor shall hold required FAA and FCC licenses.

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

5.7.3 Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by City's Airport Director.

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

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

5.8.2 The aircraft shall be owned or leased by the club.

5.8.3 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.

5.8.4 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.

5.8.5 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.

## **5.9 Aircraft Charter**

- 5.9.1 Adequate sheltered waiting area shall be provided within 500 feet of the aircraft. 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.
- 5.9.2 Restrooms shall be available at the waiting area.
- 5.9.3 Adequate vehicle parking spaces shall be provided on-site in accordance with City Code.
- 5.9.4 The operator shall hold all applicable FAA and DOT licenses and/or certificates.
- 5.9.5 The operator shall provide adequate ground handling equipment for type aircraft.
- 5.9.6 The operator shall provide public telephones within reasonable distance of waiting area.
- 5.9.7 No publicly available scheduled operations or public charters with a scheduled frequency of five flights or more per week are permitted except at the Airport's terminal building and associated air carrier ramp.

## **5.10 Scheduled Airline Operations**

- 5.10.1 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.
- 5.10.2 Scheduled airline operations shall be conducted solely from the Airport's terminal building and associated air carrier ramp.
- 5.10.3 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.
- 5.10.4 The Airline operator shall provide skycap service or automated check-in service, in addition to customer service agent ticket counter check-in service, unless the Airport Director waives requirement.
- 5.10.5 The Airline operator shall provide adequate guidance or escort between the boarding lounge gate and the aircraft door.
- 5.10.6 The Airline operator shall provide queuing stanchions, of an approved type, for crowd control in all queuing areas.
- 5.10.7 The Airline operator shall abide by the current approved City of Long Beach Terminal Area Graphics Standards Manual.
- 5.10.8 The Airline operator shall utilize a pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.



5.10.9 All Airline operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to/from remote parking areas between the hours of 5:30 a.m. to 10:30 p.m.

5.10.10 All Airline operators shall have the necessary procedures and resources available to board passengers from both the north and south holdrooms.

5.10.11 The Airline operator shall comply with the intent of the California Air Resources Board/Airline Ground Service Equipment MOU signed in December 2002, to the satisfaction of the City, once enabled by Airport infrastructure improvements.

#### **5.11. Scheduled Commuter Operations**

5.11.1 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.

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

5.11.3 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.

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

5.11.5 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 Director.

5.11.6 The Commuter operator shall provide queuing stanchions, of approved type, for crowd control in all queuing areas.

5.11.7 The Commuter operator shall abide by the current approved City of Long Beach Terminal Area Graphics Standards Manual.

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

5.11.9 All Commuter operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to/from remote parking areas between the hours of 5:30 a.m. to 10:30 p.m.

5.11.10 All Commuter operators shall have the necessary procedures and resources available to board passengers from both the north and south holdrooms.

5.11.11 The Commuter operator shall comply with the intent of the California Air Resources Board/Airline Ground Service Equipment MOU signed in December

2002, to the satisfaction of the City, once enabled by Airport infrastructure improvements.

**5.12 Other Specialized Aviation Services**

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

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

5.12.3 Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by City's Airport Director.

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

5.12.5 Purveyor shall hold the required FAA certification for type work.

**5.13 Airship Operations**

5.13.1 Airship mooring locations shall be assigned as appropriate by Airport management.

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

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

**5.14 Banner Tow Operations**

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

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

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

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

5.14.5 The banner tow operator shall provide ground operations and radio training to the satisfaction of the Airport Bureau to each crewmember required to operate a vehicle on the Airport surface and/or communicate via radio with the ATC tower.

**5.15 Mobile Aircraft Washing and Detailing**

5.15.1 Aircraft washing shall be conducted only in designated areas.

5.15.2 Operators must contain all water and associated discharge from washing activities. All such effluent shall be recycled or removed from the Airport, and meet all applicable Airport, City, State, and federal clean water regulations.

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

**5.16 Mobile Catering**

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

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

5.16.3 Mobile caterers must meet all applicable Airport, City, State and, Federal Regulations.

## **6.0 NON-COMMERCIAL SELF-FUELING**

### **6.1 Introduction**

6.1.1 All entities desiring self-service fueling shall be accorded a reasonable opportunity, without unlawful discrimination, to qualify and receive a Non-Commercial Self-Service Fueling Permit. Those entities that have a permit granting them the rights to perform commercial fueling (i.e., FBO) are not required to apply for a Non-Commercial Self-Service Fueling Permit.

6.1.2 This article sets forth the standards prerequisite to an entity engaging in non-commercial self-fueling activities at the Airport. Any entity engaging in such activities shall also be required to comply with all applicable regulatory measures pertaining to such activities.

6.1.3 In addition to the applicable Minimum Standards General Requirements, each entity conducting non-commercial self-fueling activities at the Airport shall comply with the following Minimum Standards.

### **6.2 Permit Approval**

6.2.1 No entity shall engage in self-fueling activities unless a valid Non-Commercial Self-Fueling Permit authorizing such activity has been obtained from the City. Such entities shall herein be referred to as "Permittees".

6.2.2 The Permit shall not reduce or limit Permittee's obligations with respect to these Self-Fueling Minimum Standards, which shall be included in the Permit by reference.

6.2.3 Prior to issuance and subsequently upon request by the City, Permittee shall provide evidence of ownership (and/or lease) of any aircraft being operated (under the full control of) and fueled by Permittee. The City will determine if an aircraft lease is commercially reasonable, for purposes of self-fueling.

### **6.3 Reporting**

6.3.1 Permittee shall report all fuel delivered to the approved Permittee's fuel storage facility and Permittee's aircraft during each calendar month and submit a summary report along with appropriate fees and charges due the City on or before the 10<sup>th</sup> day of the subsequent month.

6.3.2 Records (and meters) shall be made available for review (audit) by the City or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to Permittee and the amount of fuel dispensed by Permittee at the Airport, Permittee shall promptly pay, in cash, all additional fees and charges due the City, plus annual interest on the unpaid balance at the maximum rate allowable by law or as specified by a current agreement, from the date originally due.

### **6.4 Fuel Storage**

6.4.1 Permittee shall arrange and demonstrate that satisfactory arrangements have been made for the storage of fuel, as follows:

1. through either an authorized FBO at the Airport or
2. in an on-Airport fuel storage location approved by the City.

- 6.4.2 Permittee shall be liable and indemnify the City for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
- 6.4.3 Ensuring the quality of the fuel is the responsibility of Permittee.

## **6.5 Fueling Equipment**

- 6.5.1 Permittee shall utilize a single refueling vehicle for each type of fuel to be dispensed. Avgas refueling vehicles shall have a minimum capacity of 750 gallons and Jet Fuel refueling vehicles shall have a minimum capacity of 2,000 gallons.
- 6.5.2 Each refueling vehicle shall be equipped and maintained to comply at all times with all applicable safety and fire prevention requirements or standards, as may be amended from time to time, including without limitation, those prescribed by:
1. State of California Code,
  2. City of Long Beach Fire Code,
  3. National Fire Protection Association (NFPA) Codes,
  4. 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials"; and
  5. Applicable FAA Advisory Circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".
- 6.5.3 Prior to transporting fuel onto the Airport; the Permittee shall provide the City with a Spill Prevention Contingency and Control Plan (SPCC) that meets regulatory requirements for fuel storage facilities. An updated copy of such SPCC Plan shall be filed with the Airport Director at least thirty (30) days prior to actual implementation. Such plan shall describe, in detail, those methods that shall be used by the Permittee to clean up any potentially hazardous fuel spills. The plan should include equipment to be used, emergency contact personnel and their telephone numbers, and all other details as to how the Permittee would contain such a spill. This plan should also describe, in detail, what methods the Permittee intends to use to prevent any such spill from occurring.
- 6.5.4 In accordance with all applicable regulatory measures and appropriate industry practices, the Permittee shall develop and maintain Standard Operating Procedures (SOP) for fueling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A, entitled "Aircraft Ground Handling and Servicing". The SOP shall include a training plan, fuel quality assurance procedures, record keeping, and emergency response procedures for fuel spills and fires. The SOP shall also address the following: (1) bonding and fire protection, (2) public protection, (3) control of access to refueling vehicle storage areas, and (4) marking and labeling of refueling vehicles. The SOP shall be submitted to the Airport Director not later than thirty (30) days before the Permittee commences self-fueling at the Airport.

## **6.6 Licenses, Certifications, and Permits**

Permittee shall have and provide to the Airport evidence of all federal, State, and local licenses, certificates, and permits that are required to conduct self-fueling.

**6.7 Personnel**

6.7.1 Permittee's employees must conduct the self-fueling activity and be properly trained in aircraft refueling.

6.7.2 There must be a minimum of two (2) individuals present during self-fueling activities.

**6.8 Limitations**

Permittees shall not sell and/or dispense fuels to based or transient aircraft that are not owned by or under the full control of Permittee. Any such selling or dispensing shall be grounds for immediate revocation of the Permit by the City.

**6.9 Insurance**

Except as otherwise provided for herein, Permittee shall maintain, at a minimum, the coverages and policy limits set forth in their agreement with the City.

DCJ/km  
G:fo MIN. STDS

**EXHIBIT "E"**  
**FAA ASSURANCES**  
**[To Be Attached]**

## Federal Aviation Administration Grant Assurances

### LEASE AND USE AGREEMENT PROVISIONS

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 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 lessee 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 lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree 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 lessee 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 lessee 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.

2. The City of Long Beach 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 City of Long Beach 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 lease shall be subordinate to the provisions and requirements of any existing or future agreement between the City of Long Beach 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 lessor and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of lessee's rights hereunder.

5. There is reserved to the City of Long Beach, 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 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 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 lessee 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 lessee.

8. The lessee, 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 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 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 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.

12. The lessee will conform to airport 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 airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

Revised: January 2004 (AWP-620.1)

EXHIBIT "F"  
FAA DETERMINATION LETTER  
[To Be Attached]



U.S. Department  
of Transportation

Federal Aviation  
Administration

Western-Pacific Region  
Airports Division  
Los Angeles Airport District Office

P.O. Box 92007  
Los Angeles, CA 90009

June 8, 2007

Christene Edwards  
Acting Airport Manager  
Long Beach Airport  
4100 Donald Douglas Drive  
Long Beach, CA 90808



Dear Ms. Edwards:

Long Beach Airport  
Long Beach Airpark Venture - Proposed 13 Hangar Development  
Airspace Case No: 2005-AWP-667-NRA

The Federal Aviation Administration (FAA) has received your request dated June 6, 2007 for an extension of our original airspace determination dated January 11, 2006 for above referenced proposal. Since the proposals has not changed, an extension of our determination is hereby granted. The new expiration date will be January 31, 2009. All other conditions of our original determination will remain unchanged.

If you are not able to start the proposed action before the new expiration date, a new *Notice of Landing Area Proposal* (FAA Form 7460-1) will have to be filed.

If you have any questions, please contact me at (310) 725-3621.

Sincerely,

Ruben C. Cabalbag  
Assistant Manager, Los Angeles Airport District Office



U.S. Department  
of Transportation

Federal Aviation  
Administration

Western-Pacific Region  
Airports Division

P.O. Box 92097  
Los Angeles, CA 90009

January 11, 2006

Chris Kunze, Manager  
Long Beach Airport  
4100 Donald Douglas Drive  
Long Beach, CA 90808

Dear Mr. Kunze:

Long Beach Airport  
Long Beach Airpark Venture -Proposed 13 Hangar Development  
Airspace Case No: 2005-AWP-667-NRA

The Federal Aviation Administration (FAA) has completed an airspace study from an airspace utilization standpoint of the subject project at Long Beach Airport. The airspace study was based upon the information received from Long Beach Airpark Venture, on November 17, 2005, which included FAA Form 7460-1, Notice of Proposed Construction or Alteration.

Our review indicates that the proposal is located approximately 1,207 feet west of Runway 7R threshold and approximately 300 feet south and 625 feet north of the Runway 7R extended centerline. Based upon the information submitted, the following conditions are part of this determination:

a. The maximum site elevation of the closest proposed structure is 55 feet Above Mean Sea Level (AMSL). The maximum building height for the tallest proposed structure will not exceed 30 feet above the site elevation (above ground level) and 85 feet AMSL.

b. All construction activities shall be coordinated with you, and the manager of the Air Traffic Control Tower (ATCT) to ensure that the appropriate Notice to Airmen (NOTAM) is issued.

c. Ensure that the proposed subject project will be in accordance with airport design safety standards, such as providing or maintaining clearing requirements of the Runway Protection Zone, in accordance with FAA Advisory Circular (AC) 150/5300-13, Change 9, Airport Design.

d. The proposed subject project shall be depicted on your next Airport Layout Plan update.

e. Construction vehicles, equipment and barricades shall be marked and lighted as in accordance with FAA Advisory Circular (AC) 150/5370-2E, Operational Safety of Airports During Construction and FAA AC 150/5210-5B, Painting, Marking and Lighting of Vehicles Used on an Airport. We encourage you to include additional project specific requirements that you believe would make the project safer. E.G. Lighted Barricades.

f. Maximum acceptable height of the tallest proposed structure shall not exceed 85-feet AMSL. Recommend obstruction lighting in accordance with Chapter 5 of Advisory Circular 70/7460-1K, Obstruction Marking and Lighting.

If all of the aforementioned conditions are met, the FAA has no objection to the proposal.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

The study did not include any environmental review to determine whether the proposed development is environmentally acceptable. This determination does not indicate FAA approval or disapproval of the physical development involved in the proposal. It is a determination with respect to the safe and efficient use of airspace by aircraft and safety of persons and property on the ground.

Temporary construction equipment used with the proposal that has a greater height than the height of the proposal, which could exceed the notice requirements of Federal Aviation Regulation Part 77, will require separate notice to the FAA on Form 7460-1.

This determination expires on July 31, 2007, unless it is otherwise extended, revised, or terminated. An extension, if necessary, may be requested through our office up to 15 days prior this expiration date.

If you have any questions, please contact me at (310) 725-3630.

Sincerely,

ORIGINAL SIGNED BY  
RUBEN C. CABALBAG

Ruben C. Cabalbag  
Airports Program Engineer

cc: Ralph Martin  
Long Beach Airpark Venture  
3481 Airport Drive, Suite 200  
Torrance, CA 90505