

34607
SUBLEASE AGREEMENT

between

MILLION AIR NORTH, INC., as Landlord

and

CITY OF LONG BEACH, as Tenant

Dated as of May 4, 2017

4401 Donald Douglas Drive, Suites 150 and 250, Long Beach, California
(Property address)

TABLE OF CONTENTS

ARTICLE I BASIC SUBLEASE PROVISIONS

- Section 1.1 Premises
- Section 1.2 Permitted Uses
- Section 1.3 Sublease Term
 - A. Master Lease
 - B. Term
 - C. Conditions Precedent

ARTICLE II RENT

- Section 2.1 Base Rent
- Section 2.2 Additional Rent
- Section 2.3 Payment Information
- Section 2.4 Security Deposit
- Section 2.5 Tenant Improvements

ARTICLE III LANDLORD'S OBLIGATIONS

- Section 3.1 Quiet Enjoyment
- Section 3.2 Operation, Maintenance and Repair of the Building
- Section 3.3 Landlord's Compliance with Laws
- Section 3.4 Access
- Section 3.5 Sustainable Office Environment

ARTICLE IV TENANT'S OBLIGATIONS

- Section 4.1 Maintenance and Repair of Premises
- Section 4.2 Utilities
- Section 4.3 Alterations; Trade Fixtures
- Section 4.4 Tenant's Compliance with Laws
- Section 4.5 Entry by Landlord
- Section 4.6 Estoppel Certificates
- Section 4.7 Return of Premises; Holdover

ARTICLE V ASSIGNMENT AND SUBLETTING

ARTICLE VI INDEMNITY AND INSURANCE

- Section 6.1 Tenant's Indemnity
- Section 6.2 Landlord's Indemnity
- Section 6.3 Tenant's Insurance
- Section 6.4 Landlord's Insurance
- Section 6.5 General Requirements with Respect to Insurance
- Section 6.6 Waiver of Subrogation

ARTICLE VII CASUALTY

ARTICLE VIII CONDEMNATION

- Section 8.1 Entire Premises
- Section 8.2 Partial Taking
- Section 8.3 Awards

ARTICLE IX DEFAULT

- Section 9.1 Default by Tenant
- Section 9.2 Default by Landlord
- Section 9.3 Remedies Not Exclusive

ARTICLE X SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

ARTICLE XI ENVIRONMENTAL INDEMNITY

- Section 11.1 Tenant's Environmental Indemnity
- Section 11.2 Landlord's Environmental Indemnity
- Section 11.3 Survival

ARTICLE XII NOTICE

ARTICLE XIII SIGNS

ARTICLE XIV MISCELLANEOUS

- Section 14.1 Applicable Law
- Section 14.2 Successors and Assigns
- Section 14.3 Entire Understanding
- Section 14.4 Rules and Regulations
- Section 14.5 Warranties and Representations
- Section 14.6 Arbitration
- Section 14.7 Approvals
- Section 14.8 Captions
- Section 14.9 Provisions Severable
- Section 14.10 Time is of the Essence

Exhibit A — Depiction of Premises

Exhibit B — Schedule of 2016 Common Area Maintenance ("CAM") Charges

Exhibit C — Tenant Improvement Amortization Schedule - Monthly

Exhibit D – Work Letter Agreement

Exhibit E – Master Lease

Exhibit F – Exclusive Parking Area

Exhibit G – Rules and Regulations

Exhibit H – Memorandum of Effective Date

34607

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Agreement") is made and entered into the 4 day of May 2017, by and between MILLION AIR NORTH, INC., a California corporation (the "Landlord") and CITY OF LONG BEACH, a California municipal corporation (the "Tenant"). Landlord and Tenant are each a "Party" to this Agreement and are sometimes collectively referred to hereinafter as the "Parties." This Agreement is entered into with reference to the following recitals:

WITNESSETH:

- A. WHEREAS, Landlord holds possession of the Property, as defined hereinafter, pursuant to that Lease Agreement dated January 2, 1968 (Lease No. 9351) and originally entered into by and between the City of Long Beach (the "City"), a municipal corporation, as Lessor, and Millie and Severson, Incorporated, a Nevada corporation, as Lessee, which Lease Agreement was subsequently assigned to and assumed by Landlord effective as of January 4, 2010 (the "Master Lease"); and
- B. WHEREAS, Landlord now wishes to sublease a portion of the Property, referred to hereinafter as the Premises, to Tenant and Tenant wishes to sublease the Premises from Landlord;

NOW, THEREFORE, In consideration of the mutual covenants and agreements contained herein, Landlord and Tenant covenant and agree as follows:

ARTICLE I - BASIC SUBLEASE PROVISIONS

- 1.1 The Premises. Landlord hereby subleases to Tenant, and Tenant hereby subleases from Landlord, approximately six thousand, thirty-three (6,073) rentable square feet of space, as shown on Exhibit A hereto (the "Premises") in the building (the "Building") presently bearing the street address of 4401 Donald Douglas Drive, Long Beach, California (the "Property").
- 1.2 Permitted Uses. Tenant may use the Premises for any uses currently permitted by applicable law under applicable zoning regulations.
- 1.3 Sublease Term.

A. Master Lease. Landlord and Tenant acknowledge and agree that the Premises are subject to the terms and conditions of the Master Lease, attached as Exhibit "E", as referred to and defined in Recital A to this Agreement entered into between Landlord as master tenant and City as master landlord. Further, Landlord and Tenant acknowledge and agree that the

Agreement is and shall be at all times, subject to Article X below, subordinate to the Master Lease. Both Landlord and Tenant shall comply with all rules and regulations governing the Long Beach Municipal Airport. This Agreement is subject to the consent of the City as master landlord. By execution of this Agreement by City as Tenant, City as master landlord evidences its consent to this Agreement as required under the Master Lease.

B. Term. The term (the "Term") of this Agreement shall begin on the date on which the Tenant Improvements are substantially complete (the "Effective Date"), as defined in Exhibit D – Work Letter Agreement, and end on January 2, 2023 (the "Expiration Date"). The Effective Date shall be memorialized by the execution of the Memorandum of Effective Date in a similar form as provided in Exhibit H.

C. Conditions Precedent. The Premises is occupied by an existing tenant subject to a sublease. Accordingly, this Sublease is conditioned upon the modification of such sublease to exclude the Premises and to the relocation of such party. Additionally, this Sublease (and subsequent Lease modifications) is subject to Long Beach City Council approval. Upon such approval and mutual agreement on all Sublease terms and conditions, Landlord shall execute the Sublease Agreement and return the documents to Tenant for full execution.

ARTICLE II - RENT

2.1 Base Rent. During the first year of the Term, Tenant shall pay to Landlord, at the address designated herein for notices to Landlord or such other address as Landlord may direct in writing, Base Rent, payable in advance, in equal monthly installments of twelve thousand, seven hundred fifty-three dollars and thirty cents (U.S. \$12,753.30), which is equal to two dollars and ten cents (\$2.10) per rentable square foot, on the Effective Date and on the first day of each calendar month during such portion of the Term. Base Rent shall be abated during months two (2) through six (6) of the Term. At the option of Tenant, Tenant may pay part or all of the Base Rent during such months and add the amount of such paid rent to the cost of Tenant Improvements. Commencing on the first anniversary of the Effective Date, and on each anniversary thereafter, the Base Rent shall be increased by three percent (3%) of the Base Rent for the preceding year. The effect of these annual adjustments shall increase the Base Rent as follows (if applicable) :

Year 2: Thirteen thousand, one hundred thirty-five dollars and ninety cents (U.S. \$13,135.90);

Year 3: Thirteen thousand, five hundred twenty-nine dollars and ninety-eight cents (U.S. \$13,529.98);

Year 4: Thirteen thousand, nine hundred thirty-five dollars and eighty-eight cents (U.S. \$13,935.88);

Year 5: Fourteen thousand, three hundred fifty-three dollars and ninety-five cents (U.S. \$14,353.95);

Year 6: Fourteen thousand, seven hundred eighty-four dollars and fifty-seven cents (U.S. \$14,784.57);

The installment of Base Rent for any partial month during the Term of this Agreement shall be pro-rated based upon the actual number of days in such month. Any rent or other sums due from either Party hereto to the other in accordance with the terms of this Agreement which are not paid within ten (10) days after the date such sum became due and owing shall accrue interest at the rate of ten percent (10%) per year from the date due until paid.

2.2 Additional Rent. Tenant shall also pay to Landlord, in addition to Base Rent, additional rent ("Additional Rent") defined as follows:

A. Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share (as said term is hereinafter defined) of Operating Expenses and Taxes. Tenant's obligations for any year in which the Term begins or ends, shall be prorated so as to be limited to the portion of such year within the Term. Base Rent shall include all Taxes and Operating Expenses in an amount equal to such amounts in the base year of 2017, and Tenant shall not be required to pay such amounts as Additional Rent. Additionally, the Operating Expenses shall not include electricity and water, which shall be supplied directly to the Premises, submetered, and reimbursed to the Landlord in arrears on a monthly basis as Additional Rent payable at the same time as the Base Rent. Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of the amount of any increases in Taxes and Operating Expenses over the base year of 2017, grossed up to 95% occupancy. Tenant shall not be liable for any increase in Operating Expenses for the first 12 months of the Term, nor shall Tenant be responsible for any increase in property taxes throughout the Term due to sale, refinancing, or transfer of ownership. Tenant shall not be responsible for any increase in "controllable" Operating Expenses in excess of five per cent (5%) per year. Landlord shall provide Tenant with itemized statements for any Additional Rent.

B. "Tenant's Proportionate Share" shall mean 9.06%.

C. "Operating Expenses" shall mean costs and expenses actually and reasonably incurred by Landlord in connection with the operation and maintenance of the Building (other than electricity and water supplied to the Premises and submetered and paid as set forth above), as set forth the Schedule of Common Area Maintenance ("CAM") Charges attached hereto as Exhibit B, which may be updated from time to time upon the mutual agreement of the Landlord and Tenant, including, without limitation, the following items, except to the extent that such item, or any portion thereof, is payable by Tenant or any third party:

(a) Wages and benefits of all persons engaged in operation or maintenance of the Building;

(b) All supplies and materials used in operation or maintenance of the Building;

(c) The cost of all utilities, including water, sewer, gas and fuel oil used in connection with the operation and maintenance of the Common Areas of the Building (as used herein, "Common Areas" shall mean all portions of the Building that are intended for use in common by all tenants, their employees and visitors, including, without limitation, parking lots, access drives, service areas, utility systems, stormwater retention facilities, landscaped areas and lighting systems);

(d) The cost of building management; Landlord's management fees shall be seven thousand two hundred U.S. dollars (U.S. \$7,200.00) per year (this fee will be subject to the 3% increase per year for controllable expenses);

(e) The cost of janitorial services, accounting and legal services directly related to the operation of the Building, trash and garbage removal, servicing and maintenance of all systems and equipment including, but not limited to, plumbing, heating, air conditioning, ventilating, security and fire prevention systems, telephone switching, window cleaning, landscaping and gardening, and pest control (these costs will be subject to the 3% increase per year for controllable expenses);

(f) The cost of casualty and liability insurance applicable to the Building and Landlord's personal property used in connection therewith; and,

(g) Taxes (as defined below) with regard to the Premises.

D. Operating Expenses shall not include, without limitation, the following items:

(a) Capital expenditures, including the cost of the Building and any capital replacement, capital repair or capital improvement to the Building and any other expense which would be deemed to be a capital expenditure in accordance with generally accepted accounting principles (nor any interest on or depreciation or amortization of the cost of any such capital expenditure), including but not limited to any capital expenditures involving structural repairs of the Property, or replacement of the heating, ventilation and air conditioning (HVAC), plumbing, mechanical, electrical or other building systems;

(b) The cost of preparing any space for any tenant or prospective tenant of the Building, including Tenant, or costs associated with any space presently deemed to be rentable space;

(c) The cost of repairs or other work required as a result of fire, windstorm, casualty or any other occurrence covered by the insurance which Landlord is

required to obtain hereunder, including costs subject to any self-insured retention or deductible amount;

(d) Costs incurred in leasing or obtaining new tenants or retaining existing tenants, including leasing commissions, attorneys' fees, or the cost of advertising and promotion;

(e) Lost rent and/or attorneys' fees incurred and arising out of a claim Landlord may bring against a tenant in the enforcement of a sublease;

(f) The cost of any item or service that Landlord provides selectively to one or more tenants of the Building, whether or not Landlord is reimbursed by such other tenants;

(g) Any amount paid to an entity or individual affiliated with or otherwise related to Landlord which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties;

(h) Any cost incurred to test, clean up, contain, abate, remove or undertake any other remedial action in accordance with any environmental law or regulation applicable to the Building, except to the extent caused by Tenant;

(i) Any expenses, costs, damages, claims, actions or losses incurred by or brought against Tenant as a result of the intentional acts or omissions or negligence of Landlord and/or Landlord's employees, principals, agents, contractors, successors and assigns;

(j) Late fees, penalties, interest obligations or assessments imposed by any third party or governmental entity, attributable to Landlord's conduct or failure to act;

(k) Landlord's gross receipt taxes; taxes on rental income received by Landlord; personal and corporate income taxes; inheritance and estate taxes and other business, franchise, gift or transfer taxes;

(l) Landlord's general administrative and corporate overhead not directly attributable to management or operation of the Building; and,

(m) Ground rent under the Master Lease.

E. "Taxes" shall mean all taxes and governmental assessments attributable to the Building and the Property or Landlord's interest therein, excluding any inheritance, estate, succession, transfer, gift or income taxes. Landlord shall promptly furnish Tenant with copies of all tax bills and assessments concerning the Premises and Tenant shall have the right, at Tenant's own expense, to challenge any such bills or assessments imposed by any taxing authority that

affect Tenant. Landlord agrees to cooperate with Tenant in any such challenge at no expense to Landlord.

- 2.3 Payment Information. Tenant shall make its Rent payments using the following information, or such other information as Landlord may from time to time designate for this purpose:

Contact Person: Glenn Ray
Phone Number: 562-427-3338

- 2.4 Security Deposit. No security deposit shall be required.
- 2.5 Tenant Improvements. Landlord, at Landlord's sole expense, shall provide Tenant with a Tenant Improvement Allowance of ninety-five dollars (\$95.00) per rentable square foot (see Exhibit "D", Work Letter Agreement).

ARTICLE III - LANDLORD'S OBLIGATIONS

- 3.1 Quiet Enjoyment. Landlord covenants and agrees that upon Tenant's paying rent and performing all of the other obligations of Tenant under this Agreement, Tenant shall peaceably and quietly have, hold and enjoy the Premises hereby demised, subject to the terms and conditions of this Agreement.
- 3.2 Operation, Maintenance and Repair of the Building. Landlord shall operate the Building as a professional facility and shall supply all services reasonably required in order to comply with such obligation, including, without limitation, the following:
- 1) Tenant shall have use of the parking area located at the southwest corner of the building (see Exhibit "F"). Any additional parking needs shall be handled by Tenant utilizing City owned nearby parking structure/lots.
 - 2) maintenance of, repairs to and replacement of the exterior and structural elements of the Premises and the Building, including the roof and all Common Areas, as well as repair and replacement of all systems including HVAC, electrical and plumbing, except such maintenance and repair of the Premises which are Tenant's obligation in accordance with the provisions of Section 4.1 below;
 - 3) electricity, six (6) watts/USF, for lighting and the operation of Tenant's electrical equipment;
 - 4) heat and air conditioning as currently provided at the Premises;
 - 5) hot and cold running potable water for Tenant's purposes; and

- 6) vermin extermination, and repair and replacing any item in the Building damaged by vermin.

- 3.3 Landlord's Compliance with Laws. Landlord shall operate and maintain the Building in accordance with all applicable Federal, state and local statutes, laws, ordinances and regulations, including, but not limited to the Americans with Disabilities Act, the current edition of the National Fire Code Bulletin entitled "NFPA 101 — Code for Safety to Life," and California Labor Code Section 1720 regarding the payment of prevailing wages for the Tenant Improvements. In particular, and not by way of limitation, Landlord agrees, subject to applicable laws, rules, and regulations, that no person shall be subject to discrimination in the performance of this Agreement on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Landlord agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the City setting out the provisions of this nondiscrimination clause. Landlord shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.
- 3.4 Access. Tenant shall have access to the Premises 24 hours a day, seven days a week.
- 3.5 Sustainable Office Environment. The Parties acknowledge that sustainable building practices help facility owners/managers (as well as tenants) upgrade and operate their buildings in a sustainable way over the long-term, yielding various benefits. Financial, environmental, and social benefits result from lower energy and water costs, lower waste disposal costs, lower environmental and emission costs, lower operations and maintenance costs, increased productivity of building occupants, increased health of building occupants, higher building valuation, and positive impacts on the local and global environment from reductions in resource use, emissions, water use, and waste disposal. Landlord, to the best of Landlord's ability, shall implement sustainable building practices in its operations.

ARTICLE IV - TENANT'S OBLIGATIONS

- 4.1 Maintenance and Repair of the Premises. Tenant shall maintain the interior of the Premises in good condition, ordinary wear and tear and casualty excepted. Tenant shall not be responsible for exterior or structural repairs to the Premises or Building (including the roof and all Common Areas) or for repairs to or

replacement of HVAC, plumbing, mechanical and electrical or other building systems.

4.2 Utilities. The Tenant Improvements shall include installation of devices to measure and monitor the use of electricity and water on the Premises. Tenant shall be obligated to reimburse Landlord for the cost of the electricity and water (but not for the actual electrical systems themselves) that Tenant uses or consumes at the Premises. Tenant shall bear sole responsibility and pay directly for all telephone and other communications services (e.g., Internet, wireless connections) that Tenant utilizes or provides for its personnel on the Premises.

4.3 Alterations; Trade Fixtures.

A. Tenant may make from time to time, at its own expense, such alterations, additions and improvements in and to the Premises as it may deem necessary or desirable, provided, however, that Tenant shall not make any alterations or additions to the Premises which affect the exterior of the Premises or its structural components, the roof or any major building system without the prior written consent of Landlord, which consent shall not be unreasonably withheld. At the expiration or sooner termination of the Agreement, Landlord agrees to accept the Premises with all alterations, additions and improvements made by Tenant during the Term for which Landlord's written consent was received, which alterations, additions and improvements shall thereafter become Landlord's property. Tenant shall not be required to restore the Premises to the condition existing prior to the making of such alterations, additions and improvements at the commencement of the Term; provided, however, at Tenant's option, Tenant may remove any such alterations or improvements made by Tenant so long as Tenant restores the Premises to their condition prior to the making of such alterations or improvements.

Landlord shall not make any alterations to the Building which materially alter or affect the Premises or Tenant's use thereof without the written consent of Tenant, which consent shall not be unreasonably withheld.

Tenant shall not permit any lien to attach to the Premises as a result of its construction or installation of improvements at the Premises. If any such lien shall be filed against the Premises or the Building as a result of Tenant's construction or installation of improvements at the Premises, then Tenant shall, within sixty (60) days after the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Nothing in this Agreement shall be construed as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, materialman, architect, surveyor or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or the Building. Notice is hereby given that Landlord shall not be liable for any labor or material or services furnished or to be furnished to Tenant upon credit, and that no mechanic's or other lien for such labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of Landlord in the Premises, the Building or this Agreement.

All trade fixtures and/or equipment of whatsoever nature as shall have been installed in the Premises by Tenant, whether permanently affixed thereto or otherwise, shall continue to be the property of Tenant, and shall be removed by Tenant at its option at the expiration or termination of this Agreement; provided, however, that Tenant shall at its own expense repair any injury to the Premises resulting from such removal. Tenant will remove trade fixtures, equipment, and personal property at the end of the Term and will pull the electrical distribution in the Premises back to the distribution panel. Tenant shall repair any damage to the Premises caused by such actions.

- 4.4 Tenant's Compliance with Laws. Tenant shall comply with all Federal, State and local statutes, laws, ordinances and regulations applicable to its occupancy of the Premises and the conduct of its business thereon, other than compliance obligations for which Landlord is responsible hereunder.
- 4.5 Entry by Landlord. Tenant shall permit Landlord or its agent to enter upon the Premises upon reasonable prior notice during usual business hours (or at any time, and without notice, if necessary in connection with an emergency), subject at all times the restriction that some areas cannot be accessed by persons without sufficient governmental security clearance, to examine the condition of same and to make any necessary repairs to the Premises or to perform any work that may be necessary by reason of Tenant's default under the terms of this Agreement.
- 4.6 Estoppel Certificates. Tenant shall, from time to time, within fifteen (15) business days after receipt of a request from Landlord, deliver to Landlord a written statement concerning whether or not, to the best of Tenant's knowledge: (1) the Agreement has been modified, (2) the Agreement is in full force and effect, (3) rent has been paid to date, and (4) Tenant is aware of any defaults by Landlord under the terms of this Agreement. Landlord shall deliver to Tenant, within fifteen (15) business days after receipt of a request from Tenant, an estoppel certificate covering similar issues.
- 4.7 Return of Premises; Holdover. Tenant shall surrender the Premises at the expiration or earlier termination of the Term of this Agreement, in as good condition as received or to which improved by or with the consent of Landlord, reasonable wear and tear and casualty excepted.

In the event Tenant holds over after the expiration or earlier termination of the Term of this Agreement, Tenant shall be liable to Landlord for Base Rent at the rate of one hundred ten percent (110%) of the rate in effect for the month which includes the date of such expiration or earlier termination of the Sublease Term; provided, however, should Tenant remain in possession of the Premises without written approval for a period in excess of ninety (90) days following the end of the Sublease Term, Tenant's Base Rent shall be increased to 200% of the Base Rent as it was in effect for the month which includes the date of such expiration or earlier termination of the Sublease Term.

Said increased rent shall be the Landlord's sole remedy with respect to the holdover period and Tenant shall not be liable for any consequential or other damages arising therefrom.

ARTICLE V - ASSIGNMENT AND SUBLETTING

Tenant shall have the right to sub lease any portion of the Premises during the Term to any other department of the City of Long Beach without the need for Landlord's consent, provided that the new use is consistent with and does not materially impact the building. With respect to other parties, Tenant shall not assign this Agreement without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant may sublet all or any portion of the Premises to any tenant whose use would be consistent with the character of the Building and whose presence would not devalue the Property without Landlord's consent and in such case Tenant shall remain liable on the Agreement. Landlord and Tenant shall split evenly on a 50%/50% basis any net profit resulting from Tenant's subleasing of all or any portion of the Premises after first making allowance for any customary and reasonable costs incurred by Tenant in connection with such subleasing (e.g., broker's fees, advertising costs, legal expenses, tenant improvement allowance, abated rent periods). In addition, notwithstanding the foregoing, Tenant may enter into an assignment or sublease without obtaining Landlord's consent with any entity with which it is affiliated (*i.e.*, an entity which it controls, or which controls it or with which it is under common control). Any assignment to which Landlord consents shall not effect a release of Tenant from its responsibility for the obligations of Tenant under this Agreement.

ARTICLE VI - INDEMNITY AND INSURANCE

- 6.1 Tenant's Indemnity. Tenant shall indemnify and hold harmless Landlord from and against any loss, damage, liability (except fire loss and other losses covered by the insurance Landlord is required to obtain in accordance with the provisions of Section 6.4(B) below) and expense (including, without limitation, court costs, reasonable expert witness fees and reasonable attorneys' fees), to the extent caused by a negligent act or omission on the part of Tenant, its agents, invitees, subcontractors, or employees with respect to the Premises as defined in Article 1.1.
- 6.2 Landlord's Indemnity. Landlord shall indemnify and hold harmless Tenant from and against any loss, damage, liability (except fire loss and other losses covered by the insurance Tenant is required to obtain in accordance with the provisions of Section 6.3(B) below) and expense (including, without limitation, court costs, reasonable expert witness fees and reasonable attorneys' fees) to the extent caused by a negligent act or omission on the part of Landlord, its agents, subcontractors, invitees, or employees.
- 6.3 Tenant's Insurance. Landlord understands and agrees that Tenant self-insures its liability insurance.
- 6.4 Landlord's Insurance.

A. Landlord shall obtain commercial general liability insurance with respect to liability for death, bodily injury and property damage resulting from the ownership, use, occupancy and maintenance of the common areas of the Building in the amount of not less than ten million dollars (\$10,000,000) combined single limit per occurrence, with a reasonable self-insured retention or deductible amount and with contractual liability coverage for Landlord's indemnity obligation to Tenant under this Agreement.

B. Landlord shall also maintain special perils property insurance covering loss or damage to the Building in an amount equal to its replacement cost. Such policies shall contain an inflation guard endorsement and shall provide fire, extended coverage, and all risk (special) coverage with loss payable to Landlord.

C. If the location is subject to damage by flood or earthquake, at its sole option and cost, Landlord may provide such insurance. If the Building has boilers, air conditioning, hot water heaters, other objects subject to boiler and machinery insurance, Landlord's property coverage will be extended to provide boiler and machinery insurance on a comprehensive coverage basis. Notwithstanding the preceding sentences in this Section 6.4(B), in the event that Tenant is the sole Tenant of the Building, Tenant may elect to maintain special perils property insurance covering loss or damage to the Building in an amount equal to its replacement cost in which case the cost of any property insurance on the Building obtained by Landlord shall not be included in Operating Costs or Additional Rent.

6.5 General Requirements with Respect to Insurance. At least ten (10) days prior to the Effective Date, and at least twenty (20) days prior to the expiration of any insurance policy provided by either Party under the terms of this Agreement, the Party providing such insurance shall, upon written request, furnish to the other Party a certificate of insurance evidencing such coverage. Such certificate shall provide that the policy may not be canceled or modified without at least thirty (30) days prior written notice to such other Party.

6.6 Waiver of Subrogation. Landlord shall relieve Tenant of all liability for loss or damage to Landlord's property, including loss of use and/or any deductibles thereof, whether real or personal, caused by fire and/or the other perils covered by the insurance Landlord is required to obtain in accordance with the provisions of Section 6.4(B) above. Landlord's property coverage will be endorsed to allow for Landlord's waiver of subrogation as noted herein if the policy does not automatically allow Landlord to waive subrogation.

Except for the Landlord's gross negligence or intentional acts, Tenant shall relieve Landlord of all liability for loss or damage to Tenant's property, including loss of use and/or any deductibles thereof, whether real or personal, caused by fire and/or the other perils covered by the insurance in accordance with the terms of Section 6.3(B) above. Tenant's property coverage will be endorsed to allow for Tenant's waiver of subrogation as noted herein if the policy does not automatically allow Tenant to waive subrogation.

ARTICLE VII - ARTICLE VII - CASUALTY

If the Premises or the Building are materially damaged by fire or any other cause, Landlord shall deliver to Tenant within ten (10) days after the damage, a notice of Landlord's intention to rebuild and the estimated date of completion of such repairs. If such notice is not so given by Landlord or Tenant will not be able to use any substantial portion of the Premises to conduct its business for a period of at least one hundred twenty (120) days, Tenant may terminate this Agreement as of the date of such damage by notice to Landlord within thirty (30) days after the date of such damage. If the Premises or the Building are damaged, such damage shall be promptly repaired at the sole cost and expense of Landlord. Until such repairs and restoration are completed, the Base Rent and Additional Rent shall be equitably abated. If such damage can be repaired within one hundred twenty (120) days and Landlord fails to repair the damage within such period, Tenant may terminate this Agreement upon written notice to Landlord given at any time prior to the completion of such repairs. If any such damage which causes any material portion of the Premises to be unusable by Tenant in the conduct of its business occurs during the last twelve (12) months of the Term of this Agreement, then either Party may terminate this Agreement by written notice to the other Party within thirty (30) days after the date of the casualty.

ARTICLE VIII - CONDEMNATION

- 8.1 Entire Premises. If the entire Premises is taken by condemnation or conveyance in lieu of condemnation (a "Taking"), this Agreement shall terminate immediately upon the effective date of the Taking.
- 8.2 Partial Taking. If there is a Taking of a portion of the Premises or the Building, Tenant may terminate this Agreement by notice to Landlord if the remaining portion of the Premises or the Building is not, in Tenant's reasonable judgment, adequate for the conduct of Tenant's business.

If Tenant does not terminate this Agreement, Landlord shall proceed with due diligence to make all necessary repairs to the Premises or the Building in order to render and restore the same to its condition prior to the Taking. Tenant shall remain in possession of the portion of the Premises not taken upon the terms and conditions of this Agreement, except that the Base Rent and Tenant's Proportionate Share of Operating Expenses and Taxes shall be equitably abated.

- 8.3 Awards. Damages awarded to Landlord for any Taking of the Premises or the Building shall belong to Landlord; provided, however, that nothing shall restrict or limit Tenant from asserting a claim for the value of the Agreement to Tenant, the value of any leasehold improvements, trade fixtures or equipment paid for by Tenant, or for Tenant's moving expenses.

ARTICLE IX - DEFAULT

- 9.1 Default by Tenant.

A. Each of the following events is hereby declared an event of default:

(1) Failure of Tenant to pay any installment of Base Rent or Additional Rent when the same becomes due and payable and the continuation of such failure for a period of ten (10) days after written notice thereof by Landlord to Tenant;

(2) Failure of Tenant to observe and perform any of its other covenants, conditions or agreements under this Agreement for a period of thirty (30) days after written notice from Landlord to Tenant specifying such failure and requesting that it be remedied; or, in the case of any such default which cannot with due diligence be cured within such thirty (30) day period, failure of Tenant to commence to cure the same within such thirty (30) day period and thereafter diligently pursue the curing of such default;

(3) Making by Tenant of a general assignment for the benefit of creditors; or an admission in writing of its inability to pay its debts as they become due; or the filing of a petition in bankruptcy, or adjudication as a bankrupt or insolvent; or its filing of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation; or its filing of an answer admitting or not contesting the material allegations of the petition against it in any such proceeding; or its seeking or consenting to or its acquiescence in the appointment of any trustee, receiver or liquidator of Tenant or any material part of its properties; or

(4) Failure of Tenant within sixty (60) days after the commencement of any proceeding against it seeking its adjudication as a bankrupt or insolvent, or any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, to have such proceeding dismissed, or within ninety (90) days after the appointment without the consent or acquiescence of Tenant of a trustee, receiver or liquidator of Tenant or of any material part of its properties, to have such appointment vacated.

B. Upon the occurrence, and during the continuance, of such an event of default, Landlord may pursue either of the following remedies, or such other remedies as may be available to Landlord at law or in equity:

(1) Landlord may terminate this Agreement by giving notice thereof to Tenant. In such event, the Term of this Agreement shall cease as of the date of such notice of termination, and any and all right, title and interest of Tenant hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire Term of this Agreement had elapsed; or

(2) In the alternative, Landlord may, without terminating this Agreement, re-enter the Premises and recover possession thereof, in the manner prescribed by statute relating to summary proceedings or similar statutes. In such case, Landlord may re-let the Premises, or any part or parts thereof, for the account of Tenant, for a term which may, at Landlord's option, be less than or exceed the period which would otherwise have

constituted the balance of the Term of this Agreement. In such event, Tenant shall pay to Landlord (i) the cost of any reasonable and necessary alterations, repairs, replacements and/or restorations made by Landlord for the purpose of re-letting the Premises; (ii) the cost of such reasonable expenses as Landlord may incur in connection with such re-letting including, without limitation, reasonable brokerage commissions; and (iii) any deficiency between the rent herein reserved and the net amount of the rents collected on account of any other sublease of the Premises for each month of the period which would otherwise have constituted the balance of the Term of this Agreement, provided that Landlord has made a good faith effort to re-let the Premises at a rental rate which is reasonable under the circumstances (and, should the re-letting extend beyond the balance of the Term of this Agreement, the average aggregate rental will be pro-rated over the Term of such sublease so that any incentives (e.g., free rent) are equitably distributed).

9.2 Default by Landlord. If Landlord commits a material default in the performance of any terms, covenants or conditions of this Agreement, and such default shall not have been remedied within a reasonable period (but in no event shall such period exceed ninety (90) days) after written notice by Tenant to Landlord specifying such default and requiring it to be remedied, then Tenant, at its election, may either remedy the default and deduct the cost of the remedy from subsequent payments due to Landlord under this Agreement or terminate this Agreement upon thirty (30) days' written notice to Landlord and unless Landlord shall have cured the default complained of within said thirty (30) day period, this Agreement shall be terminated upon the expiration of the said thirty (30) day period, and Landlord shall accept the demised premises on or before such termination date. Notwithstanding the foregoing, there shall be no termination of this Agreement under the provisions of this paragraph if Landlord is in good faith attempting to remedy the default complained of, and in such case the time for Landlord to remedy such default shall be extended for such period as may be reasonably necessary to do so. However, if Landlord shall neglect to proceed in good faith and as speedily as is reasonably possible to remedy the aforesaid default, Tenant may at any time thereafter give Landlord at least ten (10) days notice of its election to end the Term of this Agreement and at the expiration of said period this Agreement shall terminate.

9.3 Remedies Not Exclusive. Except as otherwise provided in this Agreement, no remedy herein conferred upon or reserved to Landlord or Tenant is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon a default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE X - SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

Subject to the provisions of this Article X, this Agreement shall be subject and subordinate to any mortgage or deed of trust ("Mortgage") which is currently effective or which Landlord may hereafter enter into with respect to the Premises, and any renewal, replacement or modification thereof; provided, however, that such automatic subordination is conditioned on Tenant's possession of the Premises not being disturbed as a result thereof or in connection with the foreclosure of any such mortgage (or deed in lieu thereof), so long as Tenant is not in default under any of the terms and provisions of this Agreement. If the interest of Landlord under this Agreement is transferred by reason of foreclosure or other proceedings for the enforcement of any such Mortgage, Tenant shall attorn to such mortgagee as its Landlord in accordance with all of the terms and conditions of this Agreement. This provision shall be effective without the execution of any additional documents; provided, however, that Landlord and Tenant each agrees, upon request of the other Party, to execute a subordination, non-disturbance and attornment agreement, to carry out the intent of this Article X. Notwithstanding the foregoing, Landlord shall provide a recordable and commercially reasonable non-disturbance agreement promptly following execution of this Agreement, running to the benefit of Tenant and applicable to all current and future mortgages of Landlord or City and/or any other party with superior rights prior to the Lease Effective Date and at all times as reasonably requested by Tenant during the Term; subject, however, to Landlord's legal capacity (and/or limitations thereupon) to bind the City to any such non-disturbance agreement and further subject to any limitations contained in any such Master Lease.

ARTICLE XI - ENVIRONMENTAL INDEMNITY

- 11.1 Tenant's Environmental Indemnity. Tenant shall indemnify Landlord and hold Landlord harmless from any cost, liability or expense imposed upon Landlord under any local, state or federal law, ordinance, statute, rule, regulation, or judicial or administrative order because of or arising out of any contamination of the property on which the Premises are located or any contamination of groundwater or surrounding lands because of or arising out of contamination of the property on which the Premises are located due to the actions of Tenant or Tenant's employees or agents during the Term of the Agreement.
- 11.2 Landlord's Environmental Indemnity. Landlord shall indemnify Tenant and hold Tenant harmless from any cost, liability or expense imposed upon Tenant, including but not limited to, any cost liability or expense under any local, state or federal law, ordinance, statute, rule, regulation, or judicial or administrative order, because of or arising out of any contamination of the property on which the Premises are located or any contamination of groundwater or surrounding lands because of or arising out of contamination of the property on which the Premises are located that was caused by the actions of Landlord or Landlord's employees or agents during the Term of the Agreement.
- 11.3 Survival. The indemnifications of this Article XI shall survive the expiration or termination of this Agreement.

ARTICLE XII - NOTICE

All notices, consents, approvals or demands required under this Agreement shall be in writing, and shall be deemed delivered when either (i) deposited in the U.S. Mail, postage prepaid, certified or registered, return receipt requested, or (ii) delivered in person (including delivery by any courier service), provided that there is a written record confirming such personal delivery; in any event addressed to or delivered to the appropriate Party at:

Tenant: City of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802
Attention: City Manager

with a copy to: Long Beach Airport
4100 Donald Douglas Drive, 2nd floor
Long Beach, California 90808
Attention: Director
Facsimile Number: 562-570-2601

Landlord: Million Air North, Inc.
3229 East Spring Street
Suite 300
Long Beach, California 90806
Attention: Glenn Ray

With a copy
(which shall not
constitute notice) to: Stephen R. Hofer
Aerlex Law Group
2800 28th Street
Suite 200
Santa Monica, California 90405-2959

or to such other address(es) as either Party may from time to time designate for this purpose.

ARTICLE XIII - SIGNS

Subject to the allowance for signage on the Building's monument sign, Tenant will not attach any sign on any part of the outside of the Premises or the Building during the Term without Landlord's prior written permission, which may not be unreasonably withheld, delayed or conditioned. Permitted signs will comply with the requirements of the governmental authorities having jurisdiction over the Building. Landlord shall not alter Tenant's signage at the Building without Tenant's prior written consent which may not be unreasonably withheld, delayed or conditioned.

ARTICLE XIV - MISCELLANEOUS

- 14.1 Applicable Law. This Agreement has been entered into in, and shall be construed and interpreted in accordance with the laws of, the State of California without reference to conflicts of laws principles.

14.2 Successors and Assigns. The covenants and agreements in this Agreement shall extend to, be binding upon, and inure to the benefit of the Parties hereto, and their respective heirs, executors, administrators, successors and assigns.

14.3 Entire Understanding. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and any prior agreements, representations or statements made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements, are merged herein. This Agreement may be modified only by a written instrument executed by the Parties hereto.

14.4 Rules and Regulations. Tenant agrees to comply with any reasonable rules and regulations promulgated by Landlord to promote the safe, orderly and efficient operation of the Building upon receipt of a written copy of such rules and regulations or any modifications thereto (see current copy attached as Exhibit "G").

14.5 Warranties and Representations.

A. Landlord hereby warrants and represents to Tenant that on and as of the date of this Agreement: (i) that Landlord is corporation duly formed and validly existing, in good standing, under the laws of California; and (ii) that the officer of Landlord executing and delivering this Agreement on behalf of Landlord is authorized to execute and deliver this Agreement on behalf of Landlord, and when so executed and delivered by such officer of Landlord on behalf of Landlord, this Agreement shall be binding upon and enforceable against Landlord in all respects.

B. Tenant hereby warrants and represents to Landlord that on and as of the date of this Agreement: (i) that Tenant is a municipal corporation duly formed and validly existing, in good standing, under the laws of the State of California; and (ii) that the officer of Tenant executing and delivering this Agreement on behalf of Tenant is authorized to execute and deliver this Agreement on behalf of Tenant, and when so executed and delivered by such officer of Tenant on behalf of Tenant, this Agreement shall be binding upon and enforceable against Tenant in all respects.

14.6 Arbitration. The Parties to this Agreement hereby agree that at the option of either Party, any dispute under this Agreement shall be settled by submission to arbitration conducted in Long Beach, California in accordance with the rules and regulations of the American Arbitration Association, before three arbitrators, one chosen by Landlord, one chosen by Tenant and one chosen by the above chosen arbitrators. Judgment by such arbitrators shall be fixed and binding upon all Parties and may be entered in any court having jurisdiction thereover. Each Party shall be responsible for its own legal fees and expenses, for the costs and expenses of the arbitrator designated by it and for one-half of the costs and expenses of the third arbitrator.

- 14.7 Approvals. Landlord and Tenant each shall at all times act in good faith and in a reasonable manner in performing any of their respective obligations and duties under the Lease, or in granting any approvals, consents or permissions under the Lease.
- 14.8 Captions. The captions contained herein are for convenience and reference only and shall not be deemed to be part of this Agreement or construed in any manner as limiting or amplifying the terms and provisions of this Agreement to which they relate.
- 14.9 Provisions Severable. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.
- 14.10 Time is of the Essence. Time is expressed to be of the essence with respect to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Sublease Agreement to be executed as of the day and year first above written.

LANDLORD:

MILLION AIR NORTH, INC.

By: 

Printed Name: Glenn W. Ray

Title: President and Chief Executive Officer

TENANT:

CITY OF LONG BEACH

By: 

Printed Name: Patrick H. West

Title: City Manager

Assistant City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM

5-2-2017

CHARLES PARKIN, City Attorney

By: 

RICHARD ANTHONY
DEPUTY CITY ATTORNEY

Exhibit A -1



PRELIMINARY DOCUMENTS
NOT FOR CONSTRUCTION

REVISIONS	DATE	BY	DESCRIPTION
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

HMR
ARCHITECTURE
INC.
224 VAN ST.
SUNTELEPHONE
PLAZA
SAN FRANCISCO
CALIFORNIA 94104
TEL: 415-398-2000
FAX: 415-398-2001
WWW.HMR.COM



PROJECT NAME
LONG BEACH
RENTAL
IMPROVEMENTS
TENANT
4401 EAST
DONALD DOUGLAS
DRIVE
LONG BEACH
CALIFORNIA

DATE
10/11/2011

SHEET NAME
PRELIMINARY
GROUND LEVEL
FLOOR PLAN

SHEET NUMBER
PPF1

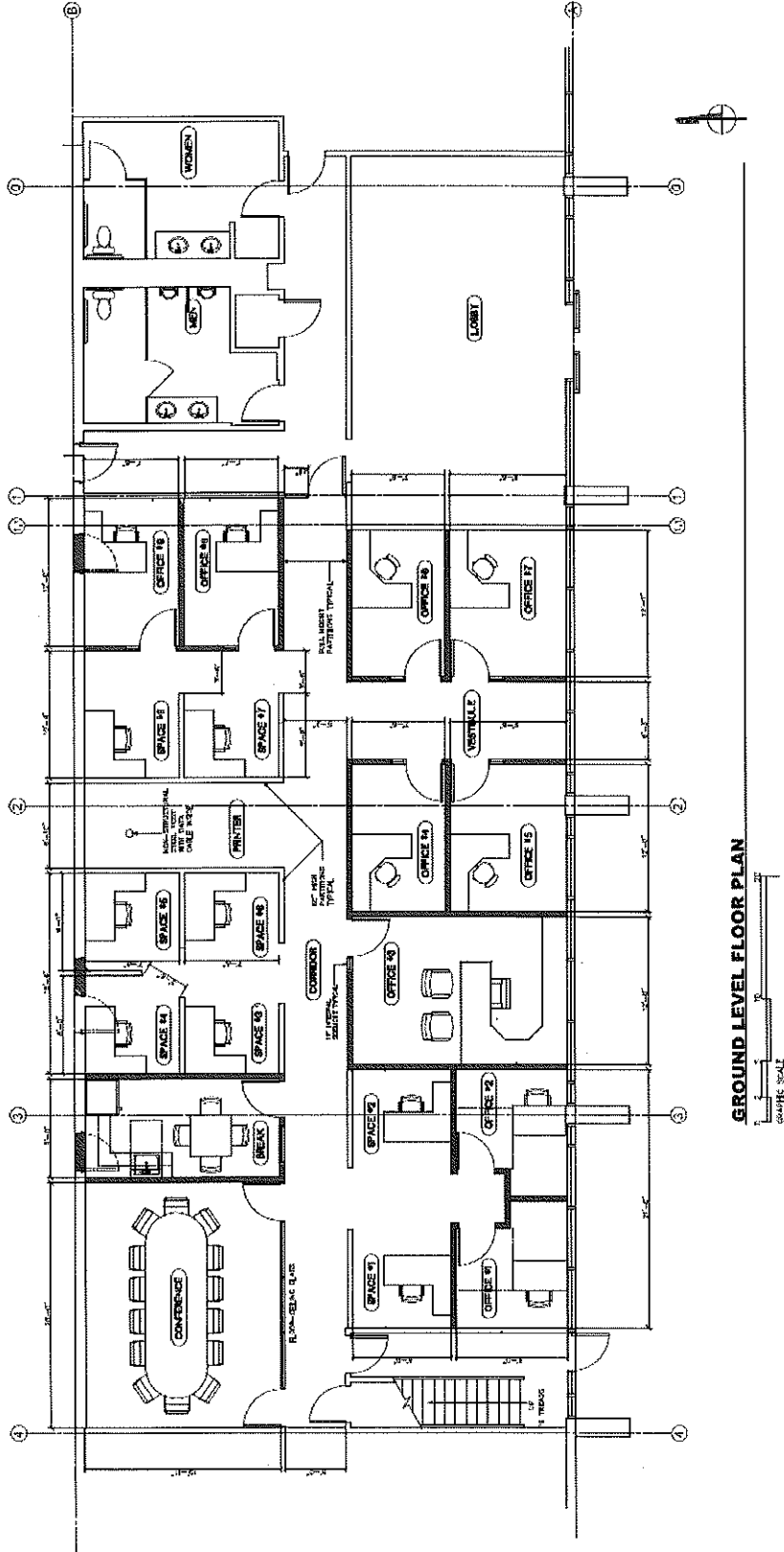

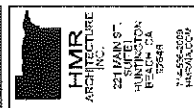
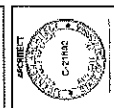
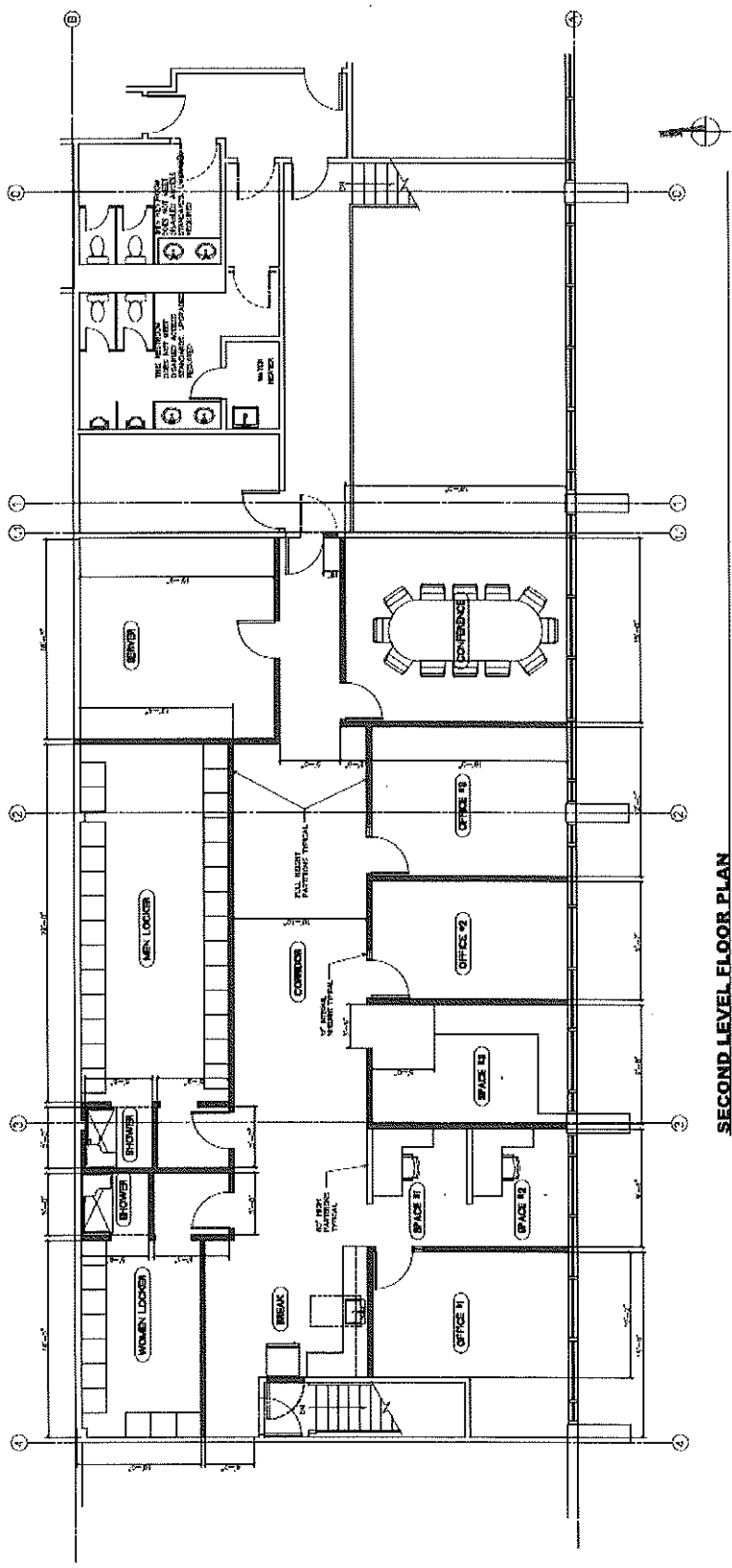


Exhibit A -2

		CONTRACT PRELIMINARY SECOND LEVEL FLOOR PLAN		SECTIONS 1-1 2-2 3-3 4-4 5-5 6-6 7-7 8-8 9-9 10-10 11-11 12-12 13-13 14-14 15-15 16-16 17-17 18-18 19-19 20-20 21-21 22-22 23-23 24-24 25-25 26-26 27-27 28-28 29-29 30-30 31-31 32-32 33-33 34-34 35-35 36-36 37-37 38-38 39-39 40-40 41-41 42-42 43-43 44-44 45-45 46-46 47-47 48-48 49-49 50-50 51-51 52-52 53-53 54-54 55-55 56-56 57-57 58-58 59-59 60-60 61-61 62-62 63-63 64-64 65-65 66-66 67-67 68-68 69-69 70-70 71-71 72-72 73-73 74-74 75-75 76-76 77-77 78-78 79-79 80-80 81-81 82-82 83-83 84-84 85-85 86-86 87-87 88-88 89-89 90-90 91-91 92-92 93-93 94-94 95-95 96-96 97-97 98-98 99-99 100-100		 HMR ARCHITECTURE INC. 221 MAIN ST. HUNTINGTON BEACH, CA 92648 TEL: 714/363-1100 FAX: 714/363-1101 WWW.HMRARCH.COM				PROJECT NAME LONG BEACH AIRPORT TERMINAL IMPROVEMENTS PHASE 1B DONALD DODD GILAS DRIVE LONG BEACH CALIFORNIA		DATE 10/20/22		DRAWN BY J. B. BROWN		CHECKED BY W. J. ESTER		SCALE 1/8" = 1'-0"		SHEET NAME PRELIMINARY SECOND LEVEL FLOOR PLAN		SHEET NUMBER PFP2	
-----------------------------------------------------------------------------------	--	-----------------------------------------------------------	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------------------------------------------------------------------------------	--	-----------------------------------------------------------------------------------------------------------------------------------------	--	------------------	--	-------------------------	--	---------------------------	--	-----------------------	--	---------------------------------------------------------	--	-----------------------------	--



SECOND LEVEL FLOOR PLAN

Exhibit B

2016 CAM CHARGES FOR 4401 DONALD DOUGLAS

TOTALS:

BUILDING MAINTENANCE	\$	25,655.61
PLUMBING SERVICE	\$	23,255.50
GAS, WATER & SANITATION	\$	10,758.48
AIR CONDITIONING	\$	24,495.00
SECURITY	\$	7,055.34
LANDSCAPING	\$	1,875.00
PEST CONTROL	\$	1,500.00
OTHER	\$	7,889.05
TOTAL:	\$	102,483.98

PROPERTY TAXES	\$	36,617.52
INSURANCE - POLICY	\$	13,500.00
ADMINISTRATION - MANAGEMENT	\$	7,200.00
JANITORIAL & SUPPLIES	\$	12,000.00
TOTAL:	\$	69,317.52

TOTAL ANNUAL OPERATING EXPENSES	\$	171,801.50
--------------------------------------------	-----------	-------------------

Exhibit C

Tenant Improvement Amortization Schedule - Monthly City of Long Beach - 4401 Donald Douglas Drive

TI Allowance:	\$576,935
Rate of Interest:	6.00%
Months:	120
Loan Amount:	\$576,935
Payment*:	\$6,405.16

Calculation is based on 'end of month' payment basis*

Month	Beginning Balance	Interest Due	Principal Due	Principal Paid	Ending Balance	Payment Made
1	\$576,935.00	\$2,884.68	\$3,520.49	\$3,520.49	\$573,414.51	\$6,405.16
2	\$573,414.51	\$2,867.07	\$3,538.09	\$3,538.09	\$569,876.42	\$6,405.16
3	\$569,876.42	\$2,849.38	\$3,555.78	\$3,555.78	\$566,320.65	\$6,405.16
4	\$566,320.65	\$2,831.60	\$3,573.56	\$3,573.56	\$562,747.09	\$6,405.16
5	\$562,747.09	\$2,813.74	\$3,591.43	\$3,591.43	\$559,155.66	\$6,405.16
6	\$559,155.66	\$2,795.78	\$3,609.38	\$3,609.38	\$555,546.28	\$6,405.16
7	\$555,546.28	\$2,777.73	\$3,627.43	\$3,627.43	\$551,918.85	\$6,405.16
8	\$551,918.85	\$2,759.59	\$3,645.57	\$3,645.57	\$548,273.28	\$6,405.16
9	\$548,273.28	\$2,741.37	\$3,663.79	\$3,663.79	\$544,609.49	\$6,405.16
10	\$544,609.49	\$2,723.05	\$3,682.11	\$3,682.11	\$540,927.37	\$6,405.16
11	\$540,927.37	\$2,704.64	\$3,700.52	\$3,700.52	\$537,226.85	\$6,405.16
12	\$537,226.85	\$2,686.13	\$3,719.03	\$3,719.03	\$533,507.82	\$6,405.16
13	\$533,507.82	\$2,667.54	\$3,737.62	\$3,737.62	\$529,770.20	\$6,405.16
14	\$529,770.20	\$2,648.85	\$3,756.31	\$3,756.31	\$526,013.89	\$6,405.16
15	\$526,013.89	\$2,630.07	\$3,775.09	\$3,775.09	\$522,238.80	\$6,405.16
16	\$522,238.80	\$2,611.19	\$3,793.97	\$3,793.97	\$518,444.83	\$6,405.16
17	\$518,444.83	\$2,592.22	\$3,812.94	\$3,812.94	\$514,631.89	\$6,405.16
18	\$514,631.89	\$2,573.16	\$3,832.00	\$3,832.00	\$510,799.89	\$6,405.16
19	\$510,799.89	\$2,554.00	\$3,851.16	\$3,851.16	\$506,948.73	\$6,405.16
20	\$506,948.73	\$2,534.74	\$3,870.42	\$3,870.42	\$503,078.31	\$6,405.16
21	\$503,078.31	\$2,515.39	\$3,889.77	\$3,889.77	\$499,188.54	\$6,405.16
22	\$499,188.54	\$2,495.94	\$3,909.22	\$3,909.22	\$495,279.32	\$6,405.16
23	\$495,279.32	\$2,476.40	\$3,928.76	\$3,928.76	\$491,350.56	\$6,405.16
24	\$491,350.56	\$2,456.75	\$3,948.41	\$3,948.41	\$487,402.15	\$6,405.16
25	\$487,402.15	\$2,437.01	\$3,968.15	\$3,968.15	\$483,434.00	\$6,405.16
26	\$483,434.00	\$2,417.17	\$3,987.99	\$3,987.99	\$479,446.01	\$6,405.16
27	\$479,446.01	\$2,397.23	\$4,007.93	\$4,007.93	\$475,438.08	\$6,405.16
28	\$475,438.08	\$2,377.19	\$4,027.97	\$4,027.97	\$471,410.11	\$6,405.16
29	\$471,410.11	\$2,357.05	\$4,048.11	\$4,048.11	\$467,361.99	\$6,405.16
30	\$467,361.99	\$2,336.81	\$4,068.35	\$4,068.35	\$463,293.64	\$6,405.16
31	\$463,293.64	\$2,316.47	\$4,088.69	\$4,088.69	\$459,204.95	\$6,405.16

32	\$459,204.95	\$2,296.02	\$4,109.14	\$4,109.14	\$455,095.81	\$6,405.16
33	\$455,095.81	\$2,275.48	\$4,129.68	\$4,129.68	\$450,966.13	\$6,405.16
34	\$450,966.13	\$2,254.83	\$4,150.33	\$4,150.33	\$446,815.80	\$6,405.16
35	\$446,815.80	\$2,234.08	\$4,171.08	\$4,171.08	\$442,644.72	\$6,405.16
36	\$442,644.72	\$2,213.22	\$4,191.94	\$4,191.94	\$438,452.78	\$6,405.16
37	\$438,452.78	\$2,192.26	\$4,212.90	\$4,212.90	\$434,239.88	\$6,405.16
38	\$434,239.88	\$2,171.20	\$4,233.96	\$4,233.96	\$430,005.92	\$6,405.16
39	\$430,005.92	\$2,150.03	\$4,255.13	\$4,255.13	\$425,750.79	\$6,405.16
40	\$425,750.79	\$2,128.75	\$4,276.41	\$4,276.41	\$421,474.38	\$6,405.16
41	\$421,474.38	\$2,107.37	\$4,297.79	\$4,297.79	\$417,176.59	\$6,405.16
42	\$417,176.59	\$2,085.88	\$4,319.28	\$4,319.28	\$412,857.31	\$6,405.16
43	\$412,857.31	\$2,064.29	\$4,340.87	\$4,340.87	\$408,516.44	\$6,405.16
44	\$408,516.44	\$2,042.58	\$4,362.58	\$4,362.58	\$404,153.86	\$6,405.16
45	\$404,153.86	\$2,020.77	\$4,384.39	\$4,384.39	\$399,769.47	\$6,405.16
46	\$399,769.47	\$1,998.85	\$4,406.31	\$4,406.31	\$395,363.15	\$6,405.16
47	\$395,363.15	\$1,976.82	\$4,428.35	\$4,428.35	\$390,934.81	\$6,405.16
48	\$390,934.81	\$1,954.67	\$4,450.49	\$4,450.49	\$386,484.32	\$6,405.16
49	\$386,484.32	\$1,932.42	\$4,472.74	\$4,472.74	\$382,011.58	\$6,405.16
50	\$382,011.58	\$1,910.06	\$4,495.10	\$4,495.10	\$377,516.48	\$6,405.16
51	\$377,516.48	\$1,887.58	\$4,517.58	\$4,517.58	\$372,998.90	\$6,405.16
52	\$372,998.90	\$1,864.99	\$4,540.17	\$4,540.17	\$368,458.73	\$6,405.16
53	\$368,458.73	\$1,842.29	\$4,562.87	\$4,562.87	\$363,895.86	\$6,405.16
54	\$363,895.86	\$1,819.48	\$4,585.68	\$4,585.68	\$359,310.18	\$6,405.16
55	\$359,310.18	\$1,796.55	\$4,608.61	\$4,608.61	\$354,701.57	\$6,405.16
56	\$354,701.57	\$1,773.51	\$4,631.65	\$4,631.65	\$350,069.92	\$6,405.16
57	\$350,069.92	\$1,750.35	\$4,654.81	\$4,654.81	\$345,415.11	\$6,405.16
58	\$345,415.11	\$1,727.08	\$4,678.09	\$4,678.09	\$340,737.02	\$6,405.16
59	\$340,737.02	\$1,703.69	\$4,701.48	\$4,701.48	\$336,035.55	\$6,405.16
60	\$336,035.55	\$1,680.18	\$4,724.98	\$4,724.98	\$331,310.56	\$6,405.16
61	\$331,310.56	\$1,656.55	\$4,748.61	\$4,748.61	\$326,561.95	\$6,405.16
62	\$326,561.95	\$1,632.81	\$4,772.35	\$4,772.35	\$321,789.60	\$6,405.16
63	\$321,789.60	\$1,608.95	\$4,796.21	\$4,796.21	\$316,993.39	\$6,405.16
64	\$316,993.39	\$1,584.97	\$4,820.19	\$4,820.19	\$312,173.19	\$6,405.16
65	\$312,173.19	\$1,560.87	\$4,844.30	\$4,844.30	\$307,328.90	\$6,405.16
66	\$307,328.90	\$1,536.64	\$4,868.52	\$4,868.52	\$302,460.38	\$6,405.16
67	\$302,460.38	\$1,512.30	\$4,892.86	\$4,892.86	\$297,567.52	\$6,405.16
68	\$297,567.52	\$1,487.84	\$4,917.32	\$4,917.32	\$292,650.20	\$6,405.16
69	\$292,650.20	\$1,463.25	\$4,941.91	\$4,941.91	\$287,708.29	\$6,405.16
70	\$287,708.29	\$1,438.54	\$4,966.62	\$4,966.62	\$282,741.67	\$6,405.16
71	\$282,741.67	\$1,413.71	\$4,991.45	\$4,991.45	\$277,750.22	\$6,405.16
72	\$277,750.22	\$1,388.75	\$5,016.41	\$5,016.41	\$272,733.80	\$6,405.16
73	\$272,733.80	\$1,363.67	\$5,041.49	\$5,041.49	\$267,692.31	\$6,405.16
74	\$267,692.31	\$1,338.46	\$5,066.70	\$5,066.70	\$262,625.61	\$6,405.16
75	\$262,625.61	\$1,313.13	\$5,092.03	\$5,092.03	\$257,533.58	\$6,405.16
76	\$257,533.58	\$1,287.67	\$5,117.49	\$5,117.49	\$252,416.09	\$6,405.16
77	\$252,416.09	\$1,262.08	\$5,143.08	\$5,143.08	\$247,273.01	\$6,405.16
78	\$247,273.01	\$1,236.37	\$5,168.80	\$5,168.80	\$242,104.21	\$6,405.16

79	\$242,104.21	\$1,210.52	\$5,194.64	\$5,194.64	\$236,909.57	\$6,405.16
80	\$236,909.57	\$1,184.55	\$5,220.61	\$5,220.61	\$231,688.96	\$6,405.16
81	\$231,688.96	\$1,158.44	\$5,246.72	\$5,246.72	\$226,442.24	\$6,405.16
82	\$226,442.24	\$1,132.21	\$5,272.95	\$5,272.95	\$221,169.29	\$6,405.16
83	\$221,169.29	\$1,105.85	\$5,299.31	\$5,299.31	\$215,869.97	\$6,405.16
84	\$215,869.97	\$1,079.35	\$5,325.81	\$5,325.81	\$210,544.16	\$6,405.16
85	\$210,544.16	\$1,052.72	\$5,352.44	\$5,352.44	\$205,191.72	\$6,405.16
86	\$205,191.72	\$1,025.96	\$5,379.20	\$5,379.20	\$199,812.52	\$6,405.16
87	\$199,812.52	\$999.06	\$5,406.10	\$5,406.10	\$194,406.42	\$6,405.16
88	\$194,406.42	\$972.03	\$5,433.13	\$5,433.13	\$188,973.29	\$6,405.16
89	\$188,973.29	\$944.87	\$5,460.29	\$5,460.29	\$183,513.00	\$6,405.16
90	\$183,513.00	\$917.56	\$5,487.60	\$5,487.60	\$178,025.40	\$6,405.16
91	\$178,025.40	\$890.13	\$5,515.03	\$5,515.03	\$172,510.37	\$6,405.16
92	\$172,510.37	\$862.55	\$5,542.61	\$5,542.61	\$166,967.76	\$6,405.16
93	\$166,967.76	\$834.84	\$5,570.32	\$5,570.32	\$161,397.43	\$6,405.16
94	\$161,397.43	\$806.99	\$5,598.17	\$5,598.17	\$155,799.26	\$6,405.16
95	\$155,799.26	\$779.00	\$5,626.17	\$5,626.17	\$150,173.09	\$6,405.16
96	\$150,173.09	\$750.87	\$5,654.30	\$5,654.30	\$144,518.80	\$6,405.16
97	\$144,518.80	\$722.59	\$5,682.57	\$5,682.57	\$138,836.23	\$6,405.16
98	\$138,836.23	\$694.18	\$5,710.98	\$5,710.98	\$133,125.25	\$6,405.16
99	\$133,125.25	\$665.63	\$5,739.54	\$5,739.54	\$127,385.72	\$6,405.16
100	\$127,385.72	\$636.93	\$5,768.23	\$5,768.23	\$121,617.48	\$6,405.16
101	\$121,617.48	\$608.09	\$5,797.07	\$5,797.07	\$115,820.41	\$6,405.16
102	\$115,820.41	\$579.10	\$5,826.06	\$5,826.06	\$109,994.35	\$6,405.16
103	\$109,994.35	\$549.97	\$5,855.19	\$5,855.19	\$104,139.16	\$6,405.16
104	\$104,139.16	\$520.70	\$5,884.47	\$5,884.47	\$98,254.69	\$6,405.16
105	\$98,254.69	\$491.27	\$5,913.89	\$5,913.89	\$92,340.81	\$6,405.16
106	\$92,340.81	\$461.70	\$5,943.46	\$5,943.46	\$86,397.35	\$6,405.16
107	\$86,397.35	\$431.99	\$5,973.17	\$5,973.17	\$80,424.17	\$6,405.16
108	\$80,424.17	\$402.12	\$6,003.04	\$6,003.04	\$74,421.13	\$6,405.16
109	\$74,421.13	\$372.11	\$6,033.06	\$6,033.06	\$68,388.08	\$6,405.16
110	\$68,388.08	\$341.94	\$6,063.22	\$6,063.22	\$62,324.86	\$6,405.16
111	\$62,324.86	\$311.62	\$6,093.54	\$6,093.54	\$56,231.32	\$6,405.16
112	\$56,231.32	\$281.16	\$6,124.00	\$6,124.00	\$50,107.32	\$6,405.16
113	\$50,107.32	\$250.54	\$6,154.62	\$6,154.62	\$43,952.69	\$6,405.16
114	\$43,952.69	\$219.76	\$6,185.40	\$6,185.40	\$37,767.29	\$6,405.16
115	\$37,767.29	\$188.84	\$6,216.32	\$6,216.32	\$31,550.97	\$6,405.16
116	\$31,550.97	\$157.75	\$6,247.41	\$6,247.41	\$25,303.56	\$6,405.16
117	\$25,303.56	\$126.52	\$6,278.64	\$6,278.64	\$19,024.92	\$6,405.16
118	\$19,024.92	\$95.12	\$6,310.04	\$6,310.04	\$12,714.88	\$6,405.16
119	\$12,714.88	\$63.57	\$6,341.59	\$6,341.59	\$6,373.29	\$6,405.16
120	\$6,373.29	\$31.87	\$6,373.29	\$6,373.29	\$0.00	\$6,405.16

EXHIBIT D
WORK LETTER AGREEMENT

(Landlord Performs Work)

THIS WORK LETTER AGREEMENT ("Work Letter") made as of May 4, 2017, between **MILLION AIR NORTH, INC.**, a California corporation as landlord ("Landlord") and **CITY OF LONG BEACH**, a California municipal corporation as tenant ("Tenant").

Reference is made to the Lease dated May 4, 2017 (the "Lease") for premises consisting of a portion of the first and second floors comprising 6,073 rentable square feet (the "Premises"), located in that certain office building at 4401 Donald Douglas Drive, Long Beach, CA 90808 together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building").

Tenant Improvement Work: The Tenant Improvement Work shall consist of all work necessary to complete the Premises pursuant to the working drawings. Said work shall include but not be limited to: construction, architectural plans, engineering, consulting and permitting, and submeters for Tenant's electricity and water. This Work shall not include any improvements to the Western parking lot for Tenant's exclusive parking use during the Lease term. Tenant, at its sole cost and expense, shall improve, expand and secure the Western parking lot (see attachment for approximate area of the expanded parking lot area). Construction on the Western parking lot by Tenant shall occur concurrently with the Tenant Improvement Work. Tenant shall not be charged for its use of this area during the Lease term.

All Tenant Improvements shall be constructed pursuant to all applicable government codes in effect at the beginning of the Term, including but not limited to ADA, State of California building and seismic codes, and fire-life safety codes. Tenant acknowledges that the Premises does not have, and it is economically unfeasible to provide, handicapped access to the second floor of the Premises. Tenant acknowledges that if the additional supplemental HVAC return installed in the server room does not sufficiently cool the server room, Tenant will be responsible for installing supplemental HVAC and a sub-meter at Tenant's sole cost and expense, subject to Article IX of the Lease, and shall be responsible for the associated electrical usage costs. Landlord agrees that if any work performed pursuant to this Work Letter is later determined by the City to be in violation of any City codes, then Landlord shall be responsible for completion of any additional work required by the City for compliance with such codes, provided that such work and code compliance is not triggered by Tenant's use of, or conduct within, the Premises.

Tenant Improvement Allowance: Landlord, shall provide Tenant with a Tenant Improvement Allowance of ninety-five dollars (\$95.00) per rentable square foot, which equals five hundred seventy-six, nine hundred thirty-five dollars (\$576,935.00) in total, to complete all aspects of the Tenant Improvement Work. Tenant shall be responsible for all costs in excess of the Tenant Improvement Allowance pursuant to the Additional Allowance section below. The Tenant Improvement Allowance shall be amortized over a 10-year term at an annual interest rate of six percent. At the termination of the Lease, Tenant shall be responsible for a one-time payment of the then-unamortized remaining principal balance of the Tenant Improvement Allowance, which shall also include unamortized leasing and legal costs (exclusive of any brokerage fees) associated with this transaction. Amortization of these costs shall be on a straight-line basis as set forth in Exhibit C, which is attached hereto and incorporated herein by this reference.

Additional Allowance: Tenant also shall be entitled to an Additional Allowance of up to one hundred fifty thousand dollars (\$150,000.00) which, if used, shall be reimbursed to Landlord within thirty (30) days of receipt of Landlord's invoice and backup documentation. Backup documentation shall include proof of progress payments made to the contractor and corresponding lien releases. Tenant shall reimburse this Additional Allowance in three parts during the buildout process as follows: 1) after completion of thirty (30%) percent of the Tenant Improvement work, and; 2) after completion of sixty (60%) percent, and; 3) after completion of one hundred (100%) percent of the Tenant Improvement work. At Tenant's option, Tenant may forgo all or part of the Free Rent (up to \$76,519.80 in total) and apply that amount toward repayment of the Additional Allowance or toward payment of any other amount owed by Tenant. If any amount is still owed to Landlord by Tenant after payment of the Additional Allowance and application of Free Rent, then that amount shall be paid directly by Tenant to Landlord within thirty (30) days of Substantial Completion.

Plans and Construction Process: Tenant and Landlord shall complete a mutually agreeable space plan from which the architect shall complete a set of working drawings to be used for permitting and subcontractor bids. Landlord shall manage the construction process and ensure that the Tenant Improvements are completed in a timely manner. Tenant has executed a letter of indemnity in favor of the Landlord to cover the cost space plans and the working drawings which is currently in process. Landlord acknowledges that although the building is for the Long Beach Airport Department, Tenant, as a department of the City, does not control the permitting process. Landlord has hired Bremco Construction to oversee the Tenant Improvement work. In order to assure that Tenant receives competitive pricing, Bremco will develop a comprehensive budget including bids from three subcontractors for each of the budgeted line items. In addition, Bremco will include its costs for supervision, overhead and profit so that all costs are known and can be compared to market pricing for such services. Tenant and Landlord will work together during the planning, budgeting, and construction process in order to achieve the timely completion of the Tenant Improvement Work.

California Labor Code Compliance: Landlord acknowledges that preliminary cost estimates of the Tenant Improvement Work have been done using prevailing labor rates pursuant to California Labor Code Section 1720, and all work at the Premises on behalf of Tenant shall be performed in accordance with applicable provisions of the California Labor Code, including without limitation Section 1720.

Landlord will use commercially reasonable efforts to "Substantially Complete" (as defined below) the Tenant Improvement Work as soon as reasonably possible. Tenant and Landlord will cooperate with each other in all aspects of this Work Letter and respond to requests for information, approve plans/documents and perform their obligations in a timely manner. For purposes of this Lease, "Substantial Completion" of the Premises shall occur when Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Work Letter, (with the exception of any minor punch list items and any tenant fixtures, furniture or equipment to be installed by Tenant) and Landlord has obtained a formal sign off by the City Building Department allowing Tenant to occupy the Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Work Letter Agreement as of the date first above written.

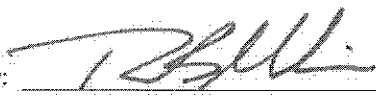
LANDLORD:

MILLION AIR NORTH, INC.
a California corporation,

By: 
Glenn W. Ray
President and Chief Executive Officer

TENANT:

CITY OF LONG BEACH,
a California municipal corporation

By: 
Name: Patrick H. West
City Manager
Assistant City Manager

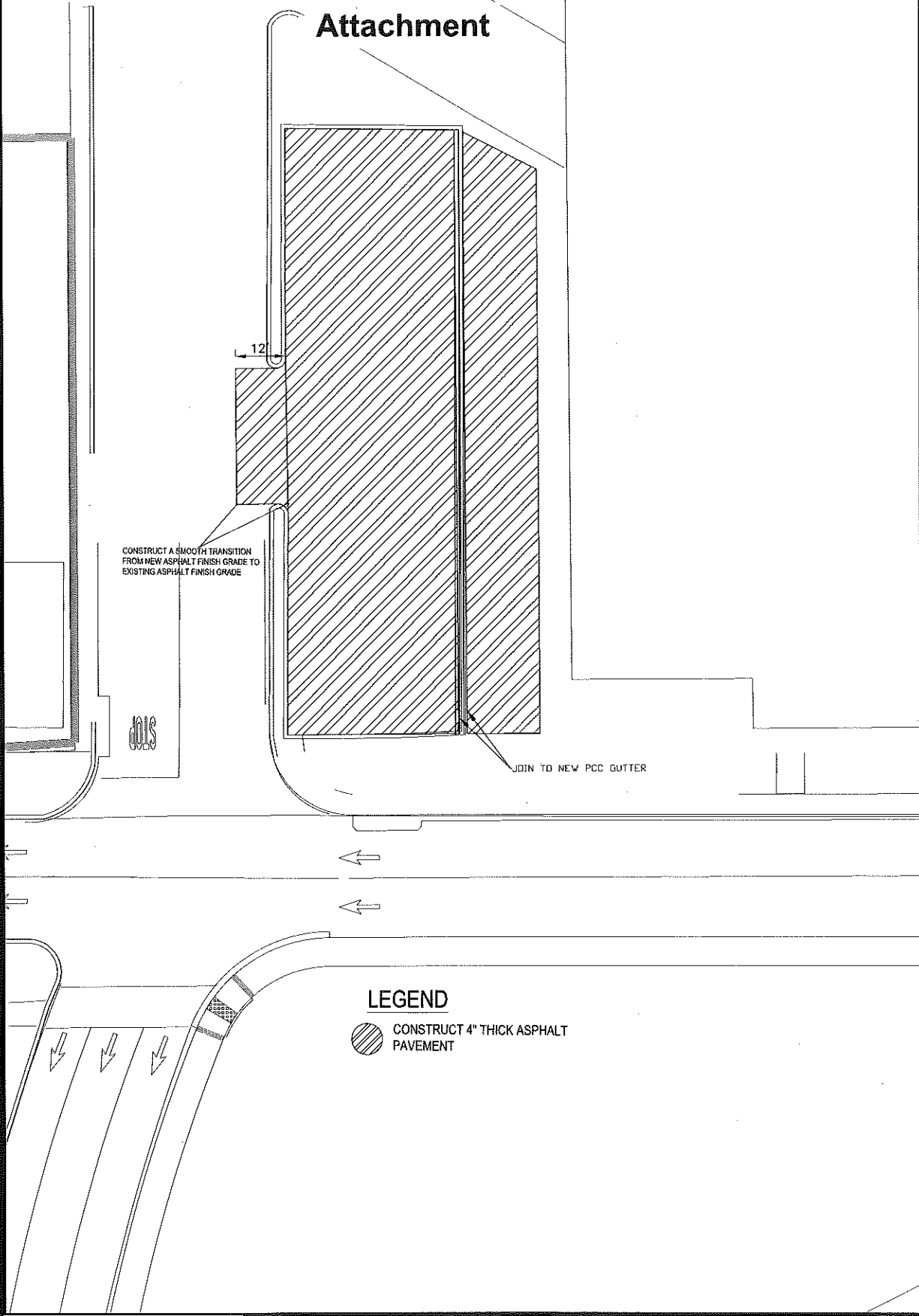
EXECUTED PURSUANT
TO SECTION 321 OF
THE CITY CHARTER

APPROVED AS TO FORM

5-2-2017
CHARLES PARKIN, City Attorney

By: 
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

Attachment



CITY OF LONG BEACH - CALIFORNIA
WESTERN PARKING LOT - PAVEMENT PLAN
4100 DONALD DOUGLAS DRIVE LONG BEACH, CA 90808



EXHIBIT "E"

LEASE AGREEMENT

The following Lease is made and entered into, in duplicate, as of the 3rd day of January, 1968, pursuant to minute order adopted by the City Council of the City of Long Beach on the 2nd day of January, 1968, by and

BETWEEN CITY OF LONG BEACH, a municipal corporation, hereinafter referred to as the

"LESSOR",

AND MILLIE AND SEVERSON, INCORPORATED, a Nevada corporation, hereinafter referred to as the

"LESSEE".

In consideration of the faithful performance of the covenants and conditions hereinafter agreed to be kept by Lessor and Lessee, Lessor does hereby lease and Lessee does hereby accept the following described premises:

Portions of Lot 52, Tract No. 8084 as per map recorded in Book 171, Pages 24 to 30, inclusive, of Maps in the Office of the County Recorder of the County of Los Angeles, State of California and portions of vacated Lakewood Boulevard, 100 feet in width (formerly Cerritos Avenue, 80 feet in width), as more particularly bounded and described, using bearings based on the California Coordinate System Zone VII, as follows:

Parcel A: Beginning at a point marked by City of Long Beach Monument No. 2906, a brass cap in concrete, having Zone VII coordinates of North 4,046,563.79 and East 4,244,900.30, said point being at the intersection of the westerly prolongation of the southerly line of said Lot 52 with the centerline of vacated Lakewood Boulevard and being formerly marked by City of Long Beach Monument No. 1848; thence North 0° 06' 03" East along the centerline of vacated Lakewood Boulevard, 330.00 feet; thence East, 400.00 feet; thence South 0° 06' 03" West, 331.96 feet, more or less, to a point on the southerly line of said Lot 52; thence South 89° 51' 04" West along said southerly line, 400.00 feet, more or less, to the point of beginning.

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
500 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-3041

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Parcel B: Beginning at the aforementioned Monument No. 2906; thence North 89° 51' 04" East along the southerly line of the aforesaid Lot 52, 400.00 feet to the True Point of Beginning; thence North 0° 06' 03" East, 331.96 feet; thence East, 305.00 feet; thence South 0° 06' 03" West, 331.17 feet, more or less, to a point on the southerly line of said Lot 52; thence South 89° 51' 04" West along said southerly line, 305.00 feet, more or less to the True Point of Beginning.

Parcel C: Beginning at the aforementioned Monument No. 2906; thence North 0° 06' 03" East along the centerline of vacated Lakewood Boulevard, 400.00 feet to the True Point of Beginning; thence North 0° 06' 03" East, 40.00 feet; thence North 89° 51' 04" East, 200.00 feet; thence South, 40.00 feet; thence South 89° 51' 04" West, 200.07 feet, more or less to the True Point of Beginning.

Parcel D: Beginning at the aforementioned Monument No. 2906; thence North 0° 06' 03" East along the centerline of vacated Lakewood Boulevard, 330.00 feet to the True Point of Beginning; thence North 0° 06' 03" East, 75.00 feet; thence North 89° 51' 04" East, 200.07 feet; thence South 75.52 feet; thence West, 200.20 feet, more or less, to the True Point of Beginning.

Said parcels are shown in red on drawing M-807a, labeled Parcel A, Parcel B and Parcel D, marked Exhibit "A", attached and made a part hereof and consist of approximately 5.721 acres of land.

1. TERM. This Lease shall commence upon the execution thereof by Lessor's City Manager and shall continue for a period of fifty (50) years unless sooner terminated in accordance with the terms hereof. The Lessee may, at its option, extend this Lease for an additional five (5) year period by giving to Lessor a notice in writing of its intention to exercise such option, such written notice to be given to Lessor no less than six (6) months prior to the term provided for herein, provided as a condition precedent to Lessee acquiring any rights to extend the term of this Lease, the California statutes shall

Handwritten initials and signatures on the right margin, including "M" and "S".

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 have been amended to permit municipalities to lease airport
2 property for terms in excess of fifty (50) years.

3 2. RENT. Lessee shall pay to Lessor as and for rent
4 the sum of Six Hundred Thirty-six (\$636.00) Dollars per month
5 on Parcel A, and Seventy-two (\$72.00) Dollars per month on
6 Parcel D, said rent to be based upon the rate of Two Thousand
7 Five Hundred (\$2,500.00) Dollars per acre per year. Lessee
8 shall pay to Lessor as and for rent the sum of Three Hundred
9 Thirty-nine (\$339.00) Dollars per month on Parcel B, said rent
10 for Parcel B to be based upon the rate of One Thousand Seven
11 Hundred Fifty (\$1,750.00) Dollars per acre per year. The
12 parties hereto understand and are aware of the fact that Parcel
13 B is presently encumbered by an oil easement, and the parties
14 further agree that in the event that said oil easement is
15 removed from Parcel B, the rent on said Parcel B shall be based
16 upon the same rate that the rent for Parcel A and Parcel D is
17 based upon. Said rent provided for herein shall be payable in
18 advance on the first day of each calendar month during the term
19 hereof, except as otherwise provided hereinafter.

20 It is contemplated that Lessee will construct certain
21 buildings and improvements upon the leased premises. From the
22 time of the commencement of this Lease until such improvements
23 are completed or until eleven (11) months following commencement
24 of this Lease, whichever is sooner, Lessee shall pay to Lessor
25 twenty percent (20%) of said rental payable monthly as here-
26 tofore provided in this paragraph.

27 In the event this Lease is entered into after the
28 first day of the then current calendar month, the rent due for

29 *

30 *

31 *

32 *

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
800 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 438-9041

1 the balance of that month shall be prorated and paid immediately;
2 the rent thereafter shall be paid by Lessee in advance, of the
3 first day of each successive calendar month during the term
4 hereof, except that on the first day of the last full calendar
5 month of the term hereof Lessee shall pay Lessor the total
6 remaining rent as provided herein.

7 3. OPTION TO TERMINATE. Lessee shall have the right
8 to terminate this Lease at any time during the first six (6)
9 months of the term of this Lease, provided written notice to
10 Lessor is given thirty (30) days prior to such termination.

11 4. RENEGOTIATION. At the end of the first ten (10)
12 years of the term of this Lease and at the end of each succeed-
13 ing five (5) year period thereafter, the monthly rental for the
14 leased premises shall be renegotiated and established at a ^{4/10} ~~annual~~
15 rental rate equal to seven (7%) percent of the fair market
16 value of said parcel, excluding any improvements constructed
17 thereon by Lessee. In the event the parties are unable to
18 agree upon the rental to be in effect for any of the said
19 five (5) year periods, either party may refer the determination
20 of such rental to the American Arbitration Association for
21 determination in accordance with the rules and practices then
22 in effect. Such determination shall be final and binding upon
23 the parties and may be entered as a Judgment of a Court having
24 jurisdiction of the subject matter as provided by law. Each
25 party shall pay one-half (1/2) of the cost of arbitration.
26 The Lessee shall pay the negotiated rental from the expiration
27 of the then current term set forth above. During the nego-
28 tiation period, Lessee shall continue to pay the rental at the
29 monthly rate established for the preceding term. The Lessor
30 and Lessee agree that the difference between the negotiated
31 rental and the rental paid during the period of negotiation
32 shall be adjusted and paid within sixty (60) days after the

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 negotiated rental is determined.

2 5. USE OF PREMISES. The leased premises and any and
3 all improvements located thereupon shall be used solely for the
4 purpose of office space, manufacturing, storage, warehousing,
5 parking of automobiles and trucks and such other purposes for
6 which the premises and improvements thereon may be adapted.

7 6. IMPROVEMENTS. Lessee shall, at its sole cost and
8 expense, within one hundred eighty (180) days after the date of
9 execution of this Lease by Lessor's City Manager, begin con-
10 struction on the leased premises of a fifty thousand (50,000)
11 square foot manufacturing and office facility including a paved
12 area for automobile parking and related facilities necessary to
13 conduct the business permitted hereunder. Lessee shall dili-
14 gently proceed with the construction of any improvements here-
15 under until completion of such improvements. In the event the
16 leased premises are sublet or in the event Lessee assigns this
17 Lease to Hamilton Standard Division of United Aircraft Corpo-
18 ration, said subtenant or assignee is authorized to construct
19 additional improvements, or to alter or modify existing
20 structures constructed by Lessee herein upon the same terms
21 and conditions as are set forth herein.

22 No structure shall be erected on the premises unless
23 plans for structures have been approved, in writing, by Lessor's
24 Director of Aeronautics. Lessee shall continue its construction
25 operations so that such construction operations will in no way
26 interfere with the normal operation and use of Lessor's Long
27 Beach Airport by the Lessor and other persons and organizations
28 entitled to use the same.

29 Lessee shall have the right, upon the termination of
30 this Lease, and provided Lessee is not in default hereof, to
31 remove all facilities erected, installed or placed upon the
32 leased premises by Lessee. All such removals shall be made by

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
500 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 Lessee at Lessee's sole cost and expense; provided, however,
2 that any such facility which Lessee might desire not to remove
3 may, with the written consent of the Director of Aeronautics,
4 be permitted to remain upon the leased premises, and shall
5 become the property of Lessor without compensation being paid
6 therefor, unless otherwise agreed to in writing by the parties
7 hereof.

8 Anything hereinabove to the contrary notwithstanding,
9 the parties hereto understand and are aware of the fact that
10 Parcel B is presently encumbered by an oil easement that
11 restricts the use of said parcel by Lessee to the parking of
12 automobiles and/or aircraft and similar uses, not involving the
13 erection of structures. Lessee agrees that it will so use said
14 parcel as not to violate such restrictions. While it is con-
15 templated between the parties hereto that such restrictions
16 will be removed, Lessor does not expressly or impliedly rep-
17 resent or warrant that such restriction will, in fact, be
18 removed, nor does Lessor, expressly or impliedly, represent or
19 warrant the date of such removal if in fact it is removed.
20 Upon any such removal of such restriction, Lessee shall be
21 entitled to use said parcel in any manner not inconsistent with
22 the terms of this Lease.

23 7. AIRPORT FACILITIES. Lessee is granted the right,
24 in common with others, to the use of such of the facilities of
25 the Long Beach Airport as are necessary and convenient for
26 Lessee's operations. Lessee, in the use of the leased premises
27 and other airport facilities, shall comply with all rules and
28 regulations promulgated for and applicable to the use of the
29 Long Beach Airport, and all applicable provisions of the
30 Municipal Code of the City of Long Beach as presently exist,
31 or as may be subsequently amended. Lessee shall pay to Lessor
32 the landing fees specified in said Municipal Code for all

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
800 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 438-9041

1 landings made by aircraft owned by, or under the control of
2 Lessee. Said landing fees shall be due and payable on or before
3 the 10th day of each and every calendar month next following
4 the month in which said landings were made. Lessee shall, at
5 the time the Lessee pays to Lessor the specified landing fees,
6 deliver to the Lessor a report on forms furnished by the
7 Director of Aeronautics, setting forth the number of landings
8 accomplished during the previous calendar month, the type of
9 aircraft accomplishing each landing and the date on which it
10 occurred.

11 Lessee shall not store, park or otherwise let stand
12 on the Long Beach Airport and off the leased premises any
13 aircraft owned by or under the control of Lessee. Lessee shall
14 pay to Lessor, upon demand of the Director of Aeronautics, for
15 any such unauthorized parking at the rates set forth in said
16 Municipal Code for the storage or parking of aircraft at the
17 Long Beach Airport.

18 8. USE OF ACCESS ROAD BY LESSEE. Lessee shall have
19 the right to use the access road, which is designated as
20 Parcel C on drawing M-807a attached hereto, during the term
21 of this Lease.

22 9. UNLAWFUL USE. Lessee shall not erect, place upon
23 or maintain any improvements on the leased premises, nor shall
24 Lessee conduct or carry on therein or thereon any business in
25 violation of any rule, regulation, order, statute or ordinance
26 of any governmental agency having jurisdiction thereover.

27 10. TAXES AND ASSESSMENTS. Lessee shall pay before
28 delinquent any and all taxes levied against Lessee by reason of
29 Lessee's use and occupancy of the leased premises, including
30 taxes on possessory interest.

31 11. CONDITION OF PREMISES. Lessee shall keep the
32 leased premises in a neat, orderly and safe condition, and free

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 of waste, rubbish and debris throughout the term of this Lease.

2 12. LIENS. Lessee shall keep the leased premises
3 free from any and all liens of any kind or nature for any work
4 done, labor performed or materials furnished thereon at the
5 instance or request, or on behalf of the Lessee; and the Lessee
6 shall indemnify and save harmless the Lessor from and against
7 any and all claims, liens, demands, costs and expenses of
8 whatsoever nature for any such work done, labor performed or
9 materials furnished.

10 Lessee shall indemnify, save and keep the Lessor, its
11 officers and employees, free and harmless from and against any
12 and all actions, suits, proceedings, claims and demands for
13 injury, damage, loss, liability, cost and expense, of any kind
14 or nature whatsoever, which may be brought, made or filed
15 against the Lessor, its officers and employees, by reason of or
16 arising out of, or in any manner attributable to any and all
17 operations of the Lessee in the use of the leased premises and
18 by reason of the use of the airport and not arising out of or
19 resulting from the sole negligence of the Lessor, its officers
20 and employees.

21 13. UTILITIES. The Lessee shall, at its own cost,
22 pay for all electricity, gas, water, telephone and other
23 utility services furnished to Lessee, including the cost of
24 installation of necessary connections for all of said services.

25 14. WASTE DISPOSAL. Lessee shall construct all
26 necessary facilities to prevent any water or industrial waste
27 resulting from the operations of Lessee on the leased premises
28 from flowing into adjacent property. Lessee shall dispose of
29 all sewage and industrial waste to the satisfaction of the
30 Director of Aeronautics.

31 15. SIGNS. Lessee may, without charge, and subject
32 to the prior approval of the Director of Aeronautics, erect and

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 maintain on the leased premises, at its own expense, suitable
2 signs advertising its business.

3 16. ASSIGNMENT-SUBLETTING. Except as otherwise pro-
4 vided herein, Lessee shall not sublet or assign, either volun-
5 tarily or involuntarily the leased premises, or any part
6 thereof, nor permit any transfer of these premises by operation
7 of law, nor shall Lessee mortgage any interest created hereby,
8 or any part thereof, without first obtaining the written consent
9 of Lessor's City Manager, provided that Lessor agrees that such
10 consent will not be unreasonably withheld. Any such subletting,
11 assignment, transfer or mortgage of this Lease, or any interest
12 therein, contrary to the foregoing provisions whether voluntary
13 or involuntary, shall be void and confer no right of occupancy
14 upon said sublessee, assignee, mortgagee, or transferee and the
15 same result in an immediate forfeiture of the rights of the
16 Lessee hereunder. Anything in this Paragraph 16 to the contrary
17 notwithstanding, the parties hereto contemplate that Lessee may
18 sublet the leased premises or may assign this Lease to Hamilton
19 Standard Division of United Aircraft Corp. Consent to such
20 subletting or assignment shall be deemed to have been given by
21 Lessor's City Manager. In the event this Lease is assigned to
22 Hamilton Standard Division of United Aircraft Corp., and upon
23 the assumption of the liabilities and obligations of this
24 Lease by Hamilton Standard Division of United Aircraft Corp.,
25 Lessee is thereupon released from further performance of the
26 provisions of this Lease. Lessee agrees to promptly notify
27 Lessor's Director of Aeronautics, in writing, of the sub-
28 letting or assignment of this Lease to Hamilton Standard
29 Division of United Aircraft Corp. Consent to such sub-
30 letting or assignment shall not be deemed to have been
31 given unless the sublessee or assignee shall, assume and
32 agree to perform and be bound by all the obligations,

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 liabilities, covenants, conditions or restrictions, to be done,
2 kept or performed by, or imposed upon the Lessee under this
3 Lease. Consent to the contemplated subletting or assigning of
4 said Lease to Hamilton Standard Division of United Aircraft
5 Corp. shall not be deemed to constitute consent to any other
6 subletting or assignment of this Lease.

7 17. RESERVATIONS TO LESSOR. The leased premises are
8 accepted by Lessee subject to any and all existing easements or
9 other encumbrances, and Lessor shall have the right to install,
10 lay, construct, maintain, repair and operate such sanitary
11 sewers, drains, storm water sewers, pipelines, manholes,
12 connections, water, oil or gas pipelines, and telephone and
13 telegraph power lines and such other appliances and appurte-
14 nances necessary or convenient to use in connection therewith,
15 over, in, upon, through, across and along the leased premises,
16 or in any part thereof, as will not interfere with Lessee's
17 operations hereunder, and to enter thereupon for any and all
18 such purposes; Lessor also reserves the right to grant fran-
19 chises, easements, rights of way and permits in, over, upon,
20 along or across any and all portions of said leased premises
21 as Lessor may elect so to do, provided, however, that no right
22 of Lessor provided for in this paragraph shall be so exercised
23 as to interfere unreasonably with the Lessee's operations
24 hereunder.

25 18. PETROLEUM PRODUCTS. Lessee shall have the right
26 to store and sell aviation fuel and lubricants on the leased
27 premises. Such right shall be limited to the supply needed for
28 Lessee's own use or its customers' use. All such sales shall
29 be in conjunction with the permitted uses of the leased premises
30 as set forth herein. No deliveries of aviation fuel or lubri-
31 cants shall be made by the Lessee outside of the leased premises
32 without the permission of Lessor's Director of Aeronautics.

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 The Lessee shall only obtain aviation fuel and engine oils from
2 persons authorized by Lessor to make deliveries of such
3 products to, from or upon the airport.

4 19. INSPECTION. The Director of Aeronautics, or his
5 authorized representative, shall have the right at all rea-
6 sonable times to inspect the leased premises.

7 20. TERMINATION BY LESSEE. Should any law or ordi-
8 nance become effective so as to substantially interfere with
9 the use of the leased premises by Lessee, then the Lessee may
10 terminate this Lease upon giving written notice to the City
11 Manager of such termination.

12 21. TERMINATION BY LESSOR. Should Lessee default in
13 the performance of any term, covenant or condition to be per-
14 formed by Lessee and such default is not remedied within thirty
15 (30) days from and after written notice to it by the Director
16 of Aeronautics, specifying said default, the City Manager may
17 declare this Lease and all the rights and interests created
18 thereby to be terminated.

19 22. REDELIVERY OF PREMISES. Except as provided in
20 this Lease, and upon the termination or cancellation thereof,
21 the Lessee shall redeliver possession of said leased premises
22 to the Lessor in substantially the same condition in which the
23 same were immediately prior to Lessee's entry thereon, reason-
24 able wear and tear, damage by the elements, earthquake, acts
25 of God, war, or any act of war, excepted.

26 23. INDEMNITY AND INSURANCE. Lessee shall indemnify
27 and save harmless the Lessor, its officers and employees, from
28 and against any and all claims, demands, loss or liability of
29 any kind or nature which the Lessor, its officers and employees,
30 or any of them, may sustain or incur or which may be imposed
31 upon them, or any of them, for injury to or death of persons or
32 damage to property, arising out of or in any manner connected

LEONARD. PUTNAM.
CITY ATTORNEY OF LONG BEACH.
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 with or attributable to the negligence or lack of care of the
2 Lessee, its officers or employees, in the use of the premises
3 described in this lease, including the use of the Long Beach
4 Airport and its facilities.

5 As a condition precedent to the effectiveness of this
6 Lease and in partial performance of the Lessee's obligations
7 hereunder, Lessee shall procure and maintain in full force and
8 effect during the term of this Lease a policy of public lia-
9 bility and property damage insurance from a company authorized
10 to do business in the State of California, with minimum cover-
11 ages of:

12	\$100,000	- for death or bodily injury
13		or loss sustained by any
14		one person in any one
15		occurrence;
16	\$300,000	- for death or bodily injury
17		or loss sustained by more
18		than one person in any one
19		occurrence; and
20	\$100,000	- for loss by damages or injury
21		to property in any one
22		occurrence.

23 The insurance policy shall either contain a provision for a
24 broad form of contractual liability, including leases, or there
25 shall be attached thereto an endorsement providing for such
26 coverage.

27 The policy shall further provide that the same shall
28 not be cancelled until a ten (10)-day written notice of can-
29 cellation has been served upon the Director of Aeronautics of
30 the City of Long Beach.

31 Lessee shall, coincidentally with the execution of
32 this Lease, deliver said policy of insurance, or a certified or
photostatic copy thereof, to the City Manager for approval as
to sufficiency and the City Attorney as to form.

In lieu of filing said policy with Lessor, the same
will be returned to Lessee when Lessee files a certificate of

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
800 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 insurance executed by the insurance carrier issuing said policy
2 certifying that said insurance is in full force and effect and
3 that all operations of Lessee under this Lease are covered by
4 such policy. In the event Lessee does not desire to present
5 the original or a photostatic copy of said policy for approval
6 as above provided, Lessee may present for approval and filing
7 a certificate of insurance to which is attached the following
8 endorsement:

9 "Within the limits set forth in the declarations,
10 to indemnify and save harmless the City of Long Beach,
11 its officers and employees, from and against any and
12 all claims or demands for injury, damage, loss, lia-
13 bility, cost and expense of any kind or nature what-
14 soever for death, injury or loss to persons or damage
15 to property, which the City of Long Beach, its
16 officers or employees, may sustain or incur or which
17 may be imposed upon them, or any of them, arising out
18 of or attributable to the use of the premises des-
19 cribed in a lease between the City of Long Beach and
20 the insured, including the use of the City's Long
21 Beach Airport and its facilities.

22 "This policy shall not be cancelled until ten
23 days' written notice of cancellation has been served
24 on the Director of Aeronautics of the City of Long
25 Beach. This endorsement shall control over all other
26 provisions of the policy, or endorsements thereto,
27 which are inconsistent herewith."

28 The procuring of any policy of insurance shall not be
29 construed to be a limitation upon Lessee's liability or as a
30 full performance on its part of the indemnification provisions
31 of this Lease, Lessee's obligations being, notwithstanding said
32 policy of insurance, for the full and total amount of any damage,

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 injury or loss caused by the negligence or neglect connected
2 with or attributable to its operations under this Lease.

3 As a condition precedent to this Lease's becoming
4 effective, Lessee shall obtain an endorsement to, or have an
5 appropriate provision in, its public liability and property
6 damage insurance policy indicating that any loss occasioned
7 the City as a result of negligent activities, operation or
8 conduct of any sublessee is covered by the policy.

9 24. ENCUMBRANCES: Lessee shall have the right to
10 encumber this leasehold estate by a trust deed or mortgage to
11 any lending agency as security for the payment of money loaned
12 or credit extended to Lessee for the construction or installa-
13 tion of the facilities to be constructed or installed under the
14 terms of this Lease or for other purposes. The loan may be a
15 permanent or a construction loan. The lending agency shall be
16 subject to the approval of the City Manager.

17 The lender under any such loan shall be under no
18 obligation or duty to, and shall not be required to represent
19 that it will, see to the application of the loan proceeds by
20 the Lessee for construction or installation of facilities upon
21 the leased premises or for any other purpose and any appli-
22 cation or use of such proceeds by the Lessee for purposes other
23 than the construction or installation of such facilities shall
24 not defeat or prejudice the security interest of the lender or
25 its rights under the instrument by which such interest is
26 created. Any encumbrance of this Lease by the Lessee, the
27 instrument for which recites that it has been executed by the
28 Lessee to secure a loan for the purpose of constructing or
29 installing improvements upon the leased premises, shall be
30 deemed to be an encumbrance to which the Lessor has given its
31 consent under the provisions of this paragraph.

32 The right to encumber shall include the right to

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 assign subleases to a mortgagee or beneficiary under a deed of
2 trust as additional security; provided, however, that the
3 mortgagee or beneficiary, in the event of default by Lessee
4 in the payment of rent to Lessor, or other payments or expendi-
5 tures of money provided to be paid under the terms of this
6 Lease, shall pay over to Lessor any rents collected under sub-
7 leases or rent for office space up to the amount due on the
8 lease. The payment to Lessor of the rents collected from sub-
9 lessees or for office space shall not be construed as full
10 compliance with the provisions of this Lease pertaining to the
11 payment of rent. The right to encumber the leasehold estate
12 shall be subject to each and all of the covenants, conditions
13 and restrictions set forth in this lease and as to all rights
14 and interests of Lessor herein, none of which is or shall be
15 waived by consenting to Lessor encumbering the leasehold estate.

16 Should there be any conflict between the provisions of
17 this Lease and the provisions of any deed of trust or mortgage,
18 the provisions of this Lease shall control; provided, however,
19 in the event there is any conflict between the provisions of
20 this Paragraph 24 and other provisions of the Lease, the pro-
21 visions of this Paragraph 24 shall control as to the rights of
22 the beneficiary or mortgagee.

23 Should the Lessee default in the performance of the
24 terms of this Lease, or any part thereof, the City Manager may
25 give to Lessee, and to any mortgagee or beneficiary under deed
26 of trust, a thirty (30)-day notice in writing of such default
27 and specify therein the nature of the default. Should the
28 Lessee, mortgagee, or beneficiary under deed of trust fail or
29 refuse to remedy any specified default or to cure any breach
30 within said thirty (30)-day period, the Lessor, at the option
31 of the City Manager, may give to any mortgagee or beneficiary
32 under deed of trust a sixty (60)-day notice in writing of

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-8041

1 Lessor's intention to terminate said Lease, specifying the
2 nature of the default. During such additional sixty (60)-day
3 period, any mortgagee or beneficiary under deed of trust may;
4 (1) cure such default if the same may be cured by the payment
5 of money or expenditure of money provided to be paid under the
6 terms of this Lease, or, if such default is not so curable,
7 if the mortgagee or beneficiary under deed of trust shall,
8 within said sixty (60)-day period, commence and thereafter
9 diligently proceed to completion proceedings for foreclosure
10 and sale under and pursuant to said mortgage or deed of trust;
11 and (2) shall pay to Lessor the rent and other moneys due under
12 this Lease until such time as said leasehold interest shall be
13 sold upon foreclosure pursuant to said mortgage or deed of trust
14 or shall be released or reconveyed thereunder; provided, however,
15 that mortgagee, beneficiary under deed of trust, or any pur-
16 chaser at foreclosure sale, shall not be required to cure any
17 noncurable default or any type of default which is not feasible
18 or practical to cure, and which default occurred prior to the
19 time the mortgagee, beneficiary under deed of trust or pur-
20 chaser at foreclosure sale takes possession of the premises.

21 Should the Lessee, mortgagee or beneficiary under
22 deed of trust fail or refuse to act as provided herein within
23 said sixty (60)-day period after receipt of Lessor's intention
24 to terminate this Lease, the Lessor at the option of the City
25 Manager may terminate this Lease and all rights of said Lessee,
26 mortgagee or beneficiary under deed of trust shall cease and
27 terminate. The service of the thirty (30)-day written notices
28 upon the parties designated above is a condition precedent to
29 the right of the Lessor to terminate this Lease for default or
30 breach of Lessee. Such notices may be served by certified
31 or registered mail.

32 Except as herein provided, which exception shall

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
500 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 include noncurable defaults or any type of default which is
2 not feasible or practical to cure, occurring prior to the
3 taking of possession thereof, should a mortgagee, beneficiary
4 under deed of trust or purchaser at foreclosure sale take
5 possession of the premises, such mortgagee, beneficiary under
6 deed of trust or purchaser at foreclosure sale shall assume and
7 be bound by all of the terms, conditions, covenants and obli-
8 gations upon Lessee under the terms of this Lease.

9 In the event the mortgagee, beneficiary under deed of
10 trust or purchaser at foreclosure sale acquires title by fore-
11 closure sale or in any other manner, Lessor will allow the
12 mortgagee, beneficiary under deed of trust or purchaser at
13 foreclosure sale to take over as Lessee or to provide a new
14 Lessee acceptable to Lessor. Lessor shall not unreasonably
15 withhold approval of a Lessee furnished by mortgagee, bene-
16 ficiary under deed of trust or purchaser at foreclosure sale.
17 The surrender of this Lease by Lessee and acceptance by Lessor
18 shall not affect the rights of any mortgagee or beneficiary
19 under deed of trust.

20 Should the Lessee default or breach the terms and
21 conditions of this Lease and the Lessor have the right to
22 terminate the interest of the Lessee herein, the Lessor shall
23 have the right to pay and discharge any loans secured by
24 mortgage or deed of trust and accept a satisfaction of mortgage
25 or reconveyance of deed of trust, and, if Lessor exercises this
26 right, all right, title and interest of Lessee in and to the
27 Lease shall cease and terminate. Nothing in this Lease shall
28 be construed as requiring mortgagee or beneficiary under deed
29 of trust to take over this Lease.

30 Immediately after the recordation of the deed of
31 trust, Lessee shall, at Lessee's own expense, cause to be
32 recorded in the office of the County Recorder of Los Angeles

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 County a written request executed and acknowledged by said
2 Lessor for a copy of any notice of default and notice of sale
3 under deed of trust, as provided by the Statutes of the State
4 of California relating thereto. Lessee shall also furnish to
5 Lessor a complete copy of said mortgage or deed of trust,
6 together with the name and address of the holder thereof. Any
7 notices which Lessor may desire to serve upon any of the parties
8 shall be served by registered or certified mail at the address
9 so designated.

10 Bankruptcy, receivership or insolvency of Lessee shall
11 not obligate any beneficiary or mortgagee to pay any money to
12 secure or terminate the bankruptcy, receivership or insolvency,
13 and the beneficiary or mortgagee shall be required to do no
14 more than is required of said beneficiary or mortgagee under
15 the terms of this Lease.

16 By the execution of this Lease, or any amendment
17 thereto, the Lessee agrees that the beneficiary or mortgagee
18 shall not be liable to said Lessee for any adverse effect which
19 any provisions required by the beneficiary or mortgagee may
20 have upon said Lessee.

21 25. BOND. The Lessee, concurrently with its execu-
22 tion of this Lease, shall furnish to the Lessor and shall keep
23 in full force and effect during the term of this Lease a good
24 and sufficient surety bond in the sum of Two Thousand Dollars
25 (\$2,000), or in lieu of such surety bond Lessee may deposit
26 with the Lessor an equivalent amount in cash or negotiable
27 securities to assure Lessee's faithful performance of all the
28 terms, covenants and conditions of this Lease. Any such surety
29 bond submitted to the Lessor pursuant to this paragraph shall
30 be procured from a surety company authorized to transact a
31 surety business in the State of California, and to be approved
32 in the manner prescribed by the Charter of the City of Long

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 Beach. The surety company issuing said bond may terminate
2 said bond on any anniversary date thereof by giving the
3 Director of Aeronautics written notice of its intention to do
4 so at least thirty (30)-days prior to the next anniversary
5 date of said bond, and said bond shall thereupon terminate on
6 such anniversary date. Lessee, in the event any surety bond
7 is terminated shall, within a reasonable time prior to the
8 effective date of such termination, either procure another
9 surety bond acceptable to Lessor or deposit with Lessor cash
10 or negotiable securities in the amount and in accordance with
11 the conditions set forth herein.

12 In the event Lessee elects to deposit negotiable
13 securities in lieu of a surety bond or cash as provided for
14 hereinabove, such negotiable securities must be acceptable to
15 the Lessor and be of such kind and nature as to be readily
16 convertible into cash by Lessor without further execution of
17 any documents or endorsement on the part of the Lessee. The
18 decision to accept or refuse any negotiable securities offered
19 by Lessee shall rest solely with the Lessor.

20 Any cash or negotiable securities deposited with
21 Lessor pursuant hereto may be used by Lessor to compensate it
22 for any loss or damage resulting from Lessee's failure to per-
23 form to the satisfaction of the City Manager any or all of the
24 terms, covenants and conditions of this Lease.

25 In the event any part of the cash or negotiable
26 securities remain unused after the Lessor has been compensated
27 for such loss or damage, the remaining cash or securities shall
28 be returned to Lessee within ten (10)-days thereafter. Should
29 the City Manager determine that no default has occurred and
30 the Lessor has not been damaged by any of Lessee's acts here-
31 under, then the Lessor shall return the cash or securities in
32 its possession within ten (10)-days after such determination by

LEONARD PUTNAM
CITY ATTORNEY OF LONG BEACH
600 CITY HALL
LONG BEACH, CALIFORNIA 90802
TELEPHONE 436-9041

1 the City Manager, and in any event no later than twenty (20)
2 days after the expiration of this Lease. Should the cash or
3 securities on deposit with the Lessor hereunder be insufficient
4 to compensate the Lessor for its loss due to Lessee's failure
5 to comply with the terms and conditions of this Lease, Lessee
6 shall be liable for any deficiencies resulting therefrom.

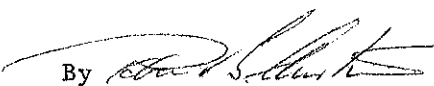
7 26. WORKMEN'S COMPENSATION INSURANCE. Before the
8 Lessee shall employ any person or persons to aid or assist the
9 Lessee in conducting or managing the business contemplated to
10 be carried on hereunder, the Lessee shall procure a policy of
11 workmen's compensation insurance as required under the pro-
12 visions of Section 3700 of the Labor Code of the State of
13 California. Lessee shall furnish to the City Manager a cer-
14 tificate of insurance showing that the aforesaid insurance is
15 in full force and effect.

16 27. NOTICES. Any and all notices to be given under
17 this Lease, or otherwise, may be served by enclosing the same
18 in a sealed envelope, addressed to the party intended to
19 receive the same, at its address, and deposited in the United
20 States Post Office as registered mail with postage prepaid.
21 When so given, such notices shall be effective from the date
22 of the mailing of the same. For the purposes thereof, unless
23 otherwise provided in writing by the parties hereto, the address
24 of the Lessor and the proper party to receive any such notices
25 on its behalf is Director of Aeronautics, 4100 Donald Douglas
26 Drive, Long Beach, California 90808, and the address of the
27 Lessee is Millie and Severson, Incorporated, Post Office
28 Box 1269, 2679 Redondo Avenue, Long Beach, California.

29 28. CAPTIONS. The use of paragraph headings or
30 captions in this Lease is solely for the purpose of convenience,
31 and the same shall be entirely disregarded in construing any
32 part or portion of this Lease.

1 The foregoing Lease is hereby approved as to form
2 this 3rd day of January, 1968.

3 LEONARD PUTNAM, City Attorney

4
5 By  Deputy
6

7
8
9
10
11
12
13
14 LEONARD PUTNAM
15 CITY ATTORNEY OF LONG BEACH
16 600 CITY HALL
17 LONG BEACH, CALIFORNIA 90802
18 TELEPHONE 436-9041
19
20
21
22
23
24
25
26
27
28
29
30

31 RGA:s1
32 12/22/67
11

12
13
14
15
16
17
18

19

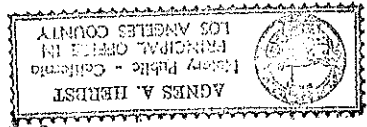
20

(This area for official notarial seal)

My Commission Expires March 28, 1968

Name (Typed or Printed)

Agnes A. Herbst



Signature
Agnes A. Herbst
WITNESS my hand and official seal.

of directors.
Instrument pursuant to its by-laws or a resolution of its board
acknowledged to me that such corporation executed the within
Instrument on behalf of the corporation therein named, and
known to me to be the persons who executed the within
Instrument that executed the within Instrument,
Secretary of the corporation that executed the within Instrument,

known to me to be the
President, and

G. O. Millie

On December 27, 1967
before me, the undersigned, a Notary Public in and for said

State, personally appeared
N. L. Millie

STATE OF CALIFORNIA
COUNTY OF Los Angeles
} SS.

(Corporation)

STAPLE HERE

(11)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

NOTARY PUBLIC, LOS ANGELES COUNTY, CALIFORNIA
AGNES A. HERBST
1000 GLENDALE BLVD., SUITE 100
GLENDALE, CALIFORNIA 91201
TELEPHONE (213) 249-1111

CONTRACT



UNITED PACIFIC INSURANCE COMPANY

A MEMBER OF UNITED PACIFIC INSURANCE GROUP
HOME OFFICE: TACOMA, WASHINGTON

FIDELITY & SURETY DEPARTMENT

Bond No. B-535259
Premium: \$40.00 per annum

LEASE BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, MILLIE AND SEVERSON, INCORPORATED, a Nevada corporation, as Principal, and UNITED PACIFIC INSURANCE COMPANY, a corporation organized under the laws of the State of Washington, and authorized to transact the business of surety in the State of California, as Surety, are held and firmly bound unto CITY OF LONG BEACH, California, a municipal corporation, in the just and full sum of TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals, and dated this 29th day of December, 1967.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS Millie and Severson, Incorporated has entered into a Lease Agreement with the City of Long Beach dated on or about 3rd day of January, 1968 for lease of premises described as approximately 5.814 acres of land as shown in red on drawing M-807a, labeled Parcel A, Parcel B, and Parcel D, marked Exhibit "A", as set forth in said Lease Agreement.

NOW, THEREFORE, if the said Millie and Severson, Incorporated shall faithfully perform all the terms, covenants and conditions of this Lease then this obligation to be void; otherwise, to remain in full force and effect.

Provided however, that the Surety may terminate its liability under this bond on any anniversary date thereof by giving the Director of Aeronautics written notice of its intention to do so at least thirty (30) days prior to the next anniversary date of said bond, and said bond shall thereupon terminate on such anniversary date.

MILLIE AND SEVERSON, INCORPORATED

BY: [Signature], pres.
[Signature] sec.

UNITED PACIFIC INSURANCE COMPANY

BY: [Signature]
Jay B. Miller, Attorney-in-Fact

APPROVED AS TO SUFFICIENCY
1-12 1968
[Signature]
ASSISTANT CITY MANAGER

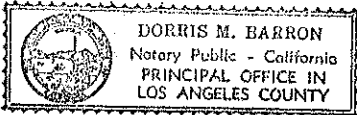
APPROVED AS TO FORM
JAN 11 1968
LEONARD PUTNAM, City Attorney
BY: [Signature]
DEPUTY CITY ATTORNEY

STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES

} ss.

ON December 29, 19 67,
before me, the undersigned, a Notary Public in and for said State, personally appeared
N. L. Millie
President, and G. O. Millie, known to me to be the
to be the Secretary of
Millie and Severson, Incorporated

the Corporation that executed the within instrument, known to me to be the persons who
executed the within instrument, on behalf of the Corporation herein named, and acknowledged
to me that such Corporation executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.
WITNESS my hand and official seal.



MY COMMISSION EXPIRES APRIL 15, 1969

Dorris M. Barron

Dorris M. Barron

NAME (TYPED OR PRINTED)
Notary Public in and for said State.

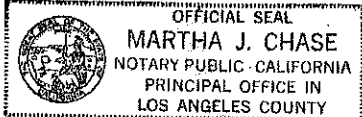
KNOWLEDGMENT—Corp., Pres. & Sec., Wolcott Form 223—Rev. 3-64

State of California

County of Los Angeles

} ss:

On December 29, 19 67, before me, the undersigned, a Notary Public in and for said County, personally
appeared Jay B. Miller known to me to be the person
whose name is subscribed to the within instrument as Attorney-in-Fact of UNITED PACIFIC INSURANCE COMPANY, and
acknowledged to me that he subscribed the name of UNITED PACIFIC INSURANCE COMPANY, as Surety, and his
own name as Attorney-in-Fact.



My Commission expires April 3, 1969, 19

Martha J. Chase
Martha J. Chase
Notary Public in and for said County.

B-2004 California - Jurat (Attorney-in-Fact Acknowledgment) Rev. 1-65

Certified copy received in Auditor's office

JAN 19 1968

by *Janice Ross*

Copy received in Accountant's office

JAN 19 1968

by *Helen Wright*

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

FIRST AMENDMENT TO LEASE
9351

This First Amendment to Lease ("First Amendment") is made and entered into as of January 13, 2000, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on December 7, 1999, between the **CITY OF LONG BEACH**, a municipal corporation and trust grantee of the State of California of certain tide and submerged lands within the limits of said City, ("Lessor"), and **UNITED TECHNOLOGIES CORPORATION, HAMILTON STANDARD DIVISION**, a Delaware corporation ("Lessee").

1. **RECITALS:** This First Amendment is made with reference to the following facts and objectives:

1.1 City and MILLIE AND SEVERSON, INC., a Delaware corporation ("M & S") entered into a written Lease (the "Lease") as of January 2, 1968 (City Clerk Document No. 9351).

1.2 Pursuant to that certain Assignment and Assumption Lease dated December 19, 1979, M & S transferred and assigned all of its right, title and interest under the Lease to Lessee.

1.3 City and Lessee now wish to amend said Lease in certain respects.

NOW, THEREFORE, the parties do hereby agree as follows:

2. Paragraph 1 of the Lease is amended to delete Parcel B, as shown on the drawing attached as Exhibit "A," from the premises covered by the Lease.

3. The first sentence of Paragraph 2 is amended and restated in its entirety to read as follows:

"RENT: Lessee shall pay to Lessor as and for rent the sum of Eight Thousand Six Hundred Thirty-Seven Dollars (\$8,637.00) per month for Parcels A, C and D."

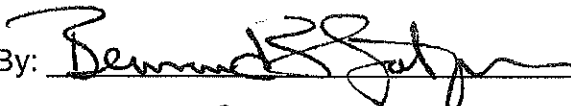
4. Paragraph 2 is further amended by deleting the second and third

1 sentences of paragraph 2 in their entirety.

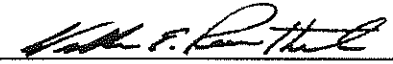
2 5. All other references to Parcel B in the Lease shall be and hereby are
3 deleted in their entirety.

4 6. Except as herein expressly provided in this First Amendment, all terms
5 and conditions of the Lease shall remain unchanged and in full force and effect.

6 UNITED TECHNOLOGIES, HAMILTON
7 STANDARD DIVISION, a Delaware corporation

8
9 DATED: 12/23, 1999 By: 
10 Name: Bernard S. Gatzel

11 Title: Director, Asset Management

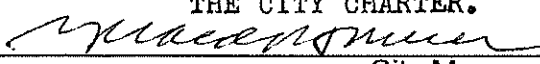
12
13 DATED: 12/23, 1999 By: 
14 Name: William E. Rosenthal

15 Title: Assistant Secretary

16
17 "Lessee"

18 CITY OF LONG BEACH, a municipal
19 corporation

20 EXECUTED PURSUANT
21 TO SECTION 301 OF
22 THE CITY CHARTER.

23 DATED: 1/13, 1999 By: 
24 2000 ASSISTANT City Manager

25 "Lessor"


26 ///
27 ///
28 ///

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

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

The foregoing First Amendment to Lease Agreement is hereby approved as
to form.

ROBERT E. SHANNON, City Attorney

By:  1/12/00
Everett L. Glenn, Deputy

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

ELG:ss
12/13/99 #99-05646
F:\APPS\CityLaw\32\WPDOCS\ID001\1P001\00007494.WPD

CONNECTICUT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of Connecticut
~~California~~

County of Hartford

} SS.

On 12/23/99, before me, Julie A. Opheim, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared William E. Rosenthal
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

JULIE A. OPHEIM
NOTARY PUBLIC
MY COMMISSION EXPIRES OCT. 31, 2003

Place Notary Seal Above

WITNESS my hand and official seal.

Julie A. Opheim
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: First Amendment to Lease

Document Date: JAN 13 2000 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): Assistant Secretary
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: United Technologies Corporation,
Hamilton Standard Division

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

CONNECTICUT
~~CALIFORNIA~~ ALL-PURPOSE ACKNOWLEDGMENT

Connecticut
State of ~~California~~ } ss.
County of Hartford

On 12/23/99, before me, Julie A. Opheim, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Bernard J. Gatzen
Name(s) of Signer(s)

- personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

JULIE A. OPHEIM
NOTARY PUBLIC
MY COMMISSION EXPIRES OCT. 31, 2003

Place Notary Seal Above

WITNESS my hand and official seal.

Julie A. Opheim
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: First Amendment to Lease

Document Date: JAN 13 2000 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 Corporate Officer — Title(s): Director, Asset Management
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: United Technologies Corporation,
Hamilton Standard Division

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Centerline of Vacated Lakewood Blvd. (100' wide)
 formerly Cerritos Ave. (80' wide)
 Vacated per Resolution of
 California Highway Commission
 recorded as Doc. No 3601, May 19, 1959

Exist 8" H.P. Gas Line
 40' E. of E

Exist. 12" Water Line

Exist. Lease

PARCEL C
 0.184 Acres

Exist. Easement for
 Oil Drill Site

PARCEL D
 0.346 Acres

Exist. 8" V.C.P. Sewer

Exist. Lease

200.00'

N 89° 51' 04" E

40.00'

4000' North

200.07'

N 82° 51' 04" E

200.20'

75.52' North

400.00'

East

16.5'

PARCEL A

3.053 Acres

M.H.

Exist. 8" Sewer

54' E of E

400.00'

333.00'

N 0° 06' 03" E

418.00'

75.00'

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W

W


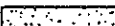
W

Existing Lease to

Angle Point

S.W. Cor., Lot 52
 Tract 8084
 M.B. 171, P. 24-30

LEGEND

- Area to be Leased 
- Restricted use areas, utility & emergency access reservations 

Bearings based on California Coordinate System, Zone 7

References
 City of L.B. Dwg. A-503 d
 " " " M-682

Revised
 12-15-67

FIELD BOOK C-357, P. 63
 DESIGNED BY B.L.W. & G.J.G.
 DRAWN BY Kirshman 10-31-67
 CHECKED BY _____
 SUBMITTED BY _____
R.F. Matthews
 RECOMMENDED BY _____
 DEPUTY CITY ENGINEER

DEPARTMENT OF ENGINEERING, CITY OF LONG BEACH, CALIFORNIA
 LONG BEACH AIRPORT
 LEASE TO
 Millie and Severson, Inc.
 United Aircraft Corporation (Hamilton Standard Division)

APPROVED Oct. 31, 1967

CITY ENGINEER

EXHIBIT # 1

DRAWING NO. 11-07

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

SECOND AMENDMENT TO LEASE NO. 9351

9351

THIS SECOND AMENDMENT TO LEASE NO. 9351 is made and entered into as of November 1, 2016, pursuant to a minute order adopted by the City Council of the City of Long Beach, at its meetings held on the January 2, 1968 and December 7, 1999, by and between MILLION AIR NORTH, INC., a California corporation ("Lessee") and the CITY OF LONG BEACH, a municipal corporation and trust grantee of the State of California of certain tide and submerged lands within the limits of said City ("Lessor").

WHEREAS, on January 3, 1968, City and Millie and Severson, Incorporated ("Original Tenant") entered into that certain Lease No. 9351 (the "Ground Lease"), for premises commonly known as 4401 Donald Douglas Drive; and

WHEREAS, on December 20, 1979, Original Tenant assigned its interests under the Ground Lease to United Technologies Corporation, Hamilton Standard Division ("UTC"); and

WHEREAS, on January 1, 2000, UTC transferred certain assets, including the leasehold interest under the Ground Lease, to Hamilton Sundstrand Corporation ("HSC"); and

WHEREAS, on December 23, 2009, HSC assigned its interest under the Ground Lease to Lessee; and

WHEREAS, City and Lessee desire to amend the Ground Lease by recognizing Lessee's exercise of its option to extend the term for an additional period of five (5) years;

NOW, THEREFORE, in consideration of the mutual terms and conditions herein, the parties agree as follows:

1. The initial fifty (50) year term of the Ground Lease is hereby extended for an additional period of five (5) years commencing on January 3, 2018, and ending on January 2, 2023. Lessee shall have no options to further extend the term of the Ground Lease.

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

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

2. Except as amended by this Amendment, the Ground Lease remains unchanged and in full force and effect.

3. This Amendment shall be effective as of the date executed by City.

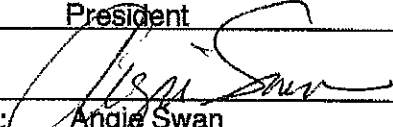
IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

MILLION AIR NORTH, INC., a California corporation

November 1, 2016

By: 
 Name: Glenn Ray
 Title: President

November 1, 2016

By: 
 Name: Angie Swan
 Title: Comptroller

"Lessee"

CITY OF LONG BEACH, a municipal corporation

Nov. 8, 2016

By: 
 City Manager

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

Assistant City Manager

"Lessor"

This Second Amendment to Lease No. 9351 is approved as to form on

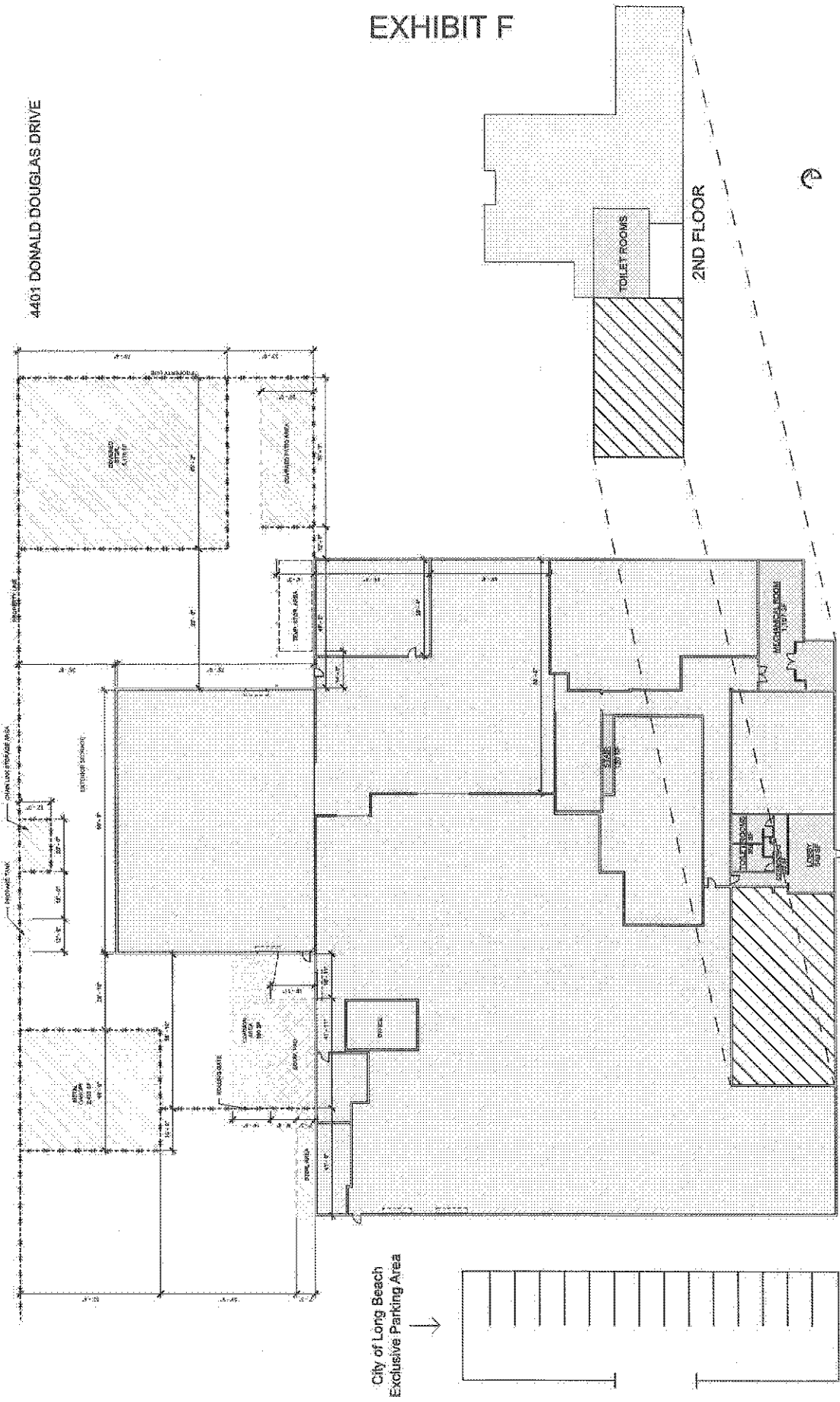
November 7, 2016.

CHARLES PARKIN, City Attorney

By: 
 Deputy

EXHIBIT F

4481 DONALD DOUGLAS DRIVE



*Not to scale. All dimensions are approximate.

EXHIBIT G
RULES & REGULATIONS
4401 DONALD DOUGLAS DRIVE, LONG BEACH, CA

Date: 5/4/07

By and Between: Million Air North, Inc and City of Long Beach

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any "Common Area Access" locks or install new or additional locks or bolts without approval of Lessor.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
12. No window coverings, shades or awnings shall be installed or used by Lessee.
13. No Lessee, employee or invitee shall go upon the roof of the Building.
14. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
15. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
16. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
17. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
18. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.

Initials CDR

Initials JK

EXHIBIT G
RULES & REGULATIONS
4401 DONALD DOUGLAS DRIVE, LONG BEACH, CA

19. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.

20. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.

21. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles.

2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.

4. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

5. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

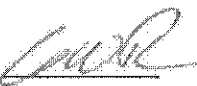
6. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

7. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.

8. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

9. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

Initials



Initials

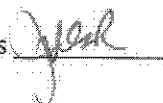


EXHIBIT "H"

MEMORANDUM OF EFFECTIVE DATE

The undersigned, Million Air North, Inc., a California corporation ("Landlord"), and the City of Long Beach, a municipal corporation ("Tenant"), are the Parties to that certain Sublease Agreement Number _____ ("Agreement") dated as of _____, 2017, for certain premises located at 4401 Donald Douglas Drive, Long Beach, California. Pursuant to the terms and conditions of the Agreement, the undersigned hereby acknowledge and agree upon the following dates:

1. The Effective Date of the Agreement occurred on _____ and shall be adjusted annually on _____ of each successive year as per paragraph 2.1 of the Agreement.
2. As per paragraph 2.1 of the Agreement, Base Rent for Month 1 of the Term shall be \$12,753.30. As per paragraph 2.1 of the Agreement, the installment of Base Rent for any partial month during the Term of the Agreement shall be pro-rated based upon the actual number of days in such month. Base Rent for Month 1 of the Agreement shall for the period commencing on _____ and ending on _____ shall be \$ _____.

Executed as of the _____ day of _____, 2017,

"LANDLORD"

Million Air North, Inc., a California corporation

By: _____

Title: _____

"TENANT"

City of Long Beach, a municipal corporation

By: _____

Title: _____