

1 Section 4), the then-current monthly Base Rent shall be adjusted to reflect the increase (if
2 any) in the Consumer Price Index for All Urban Consumers, All Items, for the Los
3 Angeles-Riverside-Orange County, CA Area, published by the United States Department
4 of Labor, Bureau of Labor Statistics ("index"). If the index for the month of March for the
5 year of such review (hereinafter referred to as the "current index") is more than the index
6 for the month of March in the year immediately prior to the year of such review
7 (hereinafter referred to as the "beginning index"), then the then-current monthly rental
8 payable by Tenant to Landlord thereafter, unless and until adjusted as a result of further
9 periodic reviews, shall be increased by the same percentage that the current index
10 increased over the beginning index; provided, however, that in no event shall each
11 annual rent increase calculated in accordance with this Section 3 be less than two
12 percent (2%) nor more than seven percent (7%).

13 4. Fair Market Rental Adjustment. The monthly Base Rent shall be
14 adjusted to reflect fair market value conditions. In order to adjust the monthly Base Rent,
15 the fair market land value of the Premises and the prevailing rate of return shall be
16 determined as of December 1 immediately preceding the date on which the fair market
17 value rent adjustment is to become effective. Adjusted rent payment shall take effect on
18 the following dates (each, an "FMV Adjustment Date"): June 1, 2026.

19 A. Approximately six (6) months prior to an FMV Adjustment Date,
20 Landlord and Tenant shall meet to determine the fair market land value and
21 prevailing rate of return. Should Landlord and Tenant not be able to come to
22 agreement at least four (4) months prior to the FMV Adjustment Date, then the fair
23 rental value of the subject land and/or the prevailing rate of return shall be
24 determined by appraisals prepared by two appraisers, one appointed by Landlord
25 at its expense and one appointed by Tenant at its expense. All appraisers shall be
26 MAI members of the American Institute of Real Estate Appraisers or a successor
27 organization in the event the American Institute of Real Estate Appraisers ceases
28 to exist. Both appraisals must be completed and exchanged between Landlord

1 and Tenant respectively within forty (40) days after the appointment of the
2 appraisers. The two appraisals shall be averaged unless the higher of the two
3 appraisals exceeds the lesser by ten percent (10%) or more, in which case the two
4 appraisers shall appoint a third appraiser, also an MAI member of the American
5 Institute. In order to select such third appraiser, if the two appraisers do not agree,
6 the appraisers shall obtain a list of five appraisers from the President of the
7 American Institute of Real Estate Appraisers and shall alternately strike names
8 from such list until one remains to become the third appraiser. The third appraiser
9 shall be appointed by the first two appraisers within fourteen (14) days after notice
10 from either of the parties to this Lease that the appointment of a third appraiser is
11 necessary. The cost of such third appraiser shall be shared equally by Landlord
12 and Tenant. The third appraiser shall complete and submit the required appraisal
13 to both parties within forty (40) days after appointment. All appraisals shall be in
14 the form of written reports supported by facts and analysis. The two of the three
15 appraisers arriving at values closest to each other shall attempt to concur on a
16 value. If they are unable to do so within forty (40) days, the two closest appraisals
17 shall be averaged and that value shall be the fair market value of the land or the
18 prevailing rate of return, as appropriate. The adjusted fair market land value shall
19 be converted into an annual rent obligation based on the prevailing rate of return
20 on similar ground leases then current in the market. Disagreements between the
21 two appraisers as to the method of appraisal shall be resolved by a third appraiser,
22 appointed in the manner described in this subsection.

23 B. Upon completion of the determination of the adjusted rent to be paid
24 by Tenant hereunder, Landlord and Tenant shall promptly execute an amendment
25 to the Lease to formally recognize the new rent amount.

26 5. Capital Improvements. Prior to September 1, 2023, Tenant shall be
27 required to spend not less than Four Hundred Forty-Five Thousand Dollars (\$445,000) on
28 capital improvements to the Premises ("Capital Improvements"). Capital Improvements

1 shall include repaving of the ramp, upgrades to the fuel farm, exterior painting, new
2 exterior signage, remodeling of the restrooms. Capital Improvements may include other
3 improvements which add additional capacity or function to the Premises or which extend
4 the useful life of the Premises for at least five (5) years. The timeline for completion of
5 the capital improvements may be extended as the sole discretion of the Airport Director.
6 Tenant shall submit to Landlord periodic report(s) detailing all Capital Improvement
7 expenditures actually made by Tenant hereunder and providing supporting
8 documentation of both such expenditures and the completion of the Capital Improvement
9 work.

10 6. Permitted Uses. Effective September 1, 2023, the use of the
11 Premises will conform to the requirements of the most recent version of the Airport
12 Minimum Standards adopted in 2017, notwithstanding anything to the contrary contained
13 in such Minimum Standards.

14 7. Capitalized terms not otherwise defined herein shall have the
15 meaning ascribed to such terms in the Lease.

16 8. Except as herein amended, the Lease shall remain unchanged and
17 in full force and effect.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
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IN WITNESS WHEREOF, Landlord and Tenant have signed this Third Amendment to Fixed Base Operation Lease No. 7819 as of the date opposite their signature.

FUEL CONTROLS, INC., a California corporation

By: [Signature]
Name: _____

_____, 2021

By: _____
Name: _____

_____, 2021

Tenant

CITY OF LONG BEACH, a municipal corporation

March 25, 2021

By: [Signature]
City Manager

Landlord

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

This Third Amendment to Fixed Base Operation Lease No. 7819 is approved as to form on February 9, 2021.

CHARLES PARKIN, City Attorney

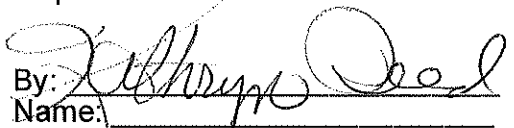
By [Signature]
Deputy

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FUEL CONTROLS, INC., a California corporation

By: 
Name: _____

_____, 2021

By: _____
Name: _____

_____, 2021

Tenant

CITY OF LONG BEACH, a municipal corporation

_____, 2021

By: _____
City Manager

Landlord

This Third Amendment to Fixed Base Operation Lease No. 7819 is approved as to form on _____, 2021.

CHARLES PARKIN, City Attorney

By _____
Deputy