

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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CONSENT TO SUBLEASE
FOR LEASE NO. 25418

25418

THIS CONSENT TO SUBLEASE, dated for reference purposes as of May 23, 2011, is executed by the CITY OF LONG BEACH, a municipal corporation ("City") pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting of October 14, 1997.

RECITALS. This Consent is made with reference to the following facts and objectives:

A. City, as lessor, and Advanced Aerodynamics & Structures, Inc., as lessee ("Original Lessee"), entered into that certain Long Beach Municipal Airport Lease No. 25418 dated as of October 17, 1997, as amended by (i) that certain First Amendment dated April 27, 1999 by and between City and Original Lessee, (ii) that certain Second Amendment dated August 15, 2005 by and between City and AP-Long Beach Airport LLC, a Delaware limited liability company, as successor-in-interest of Original Lessee ("Lessee"), and (iii) that certain Third Amendment dated as of even date herewith by and between City and Lessee (as amended, the "Master Lease").

B. Lessee wishes to sublet a portion of the premises covered by the Master Lease to the United States of America, as sublessee, pursuant to that certain U.S. Government Lease for Real Property, dated as of even date herewith by and between Lessee, as sublessor, and the United States of America, as sublessee, a copy of which is attached hereto as Exhibit "A" (the "Sublease").

C. City, in its capacity as lessor under the Master Lease, is willing to consent to the sublease on the terms and conditions of this Consent.

NOW THEREFORE, City, in its capacity as lessor under the Master Lease, agrees as follows:

1. SUBLEASE. For good and valuable consideration, receipt of which is hereby acknowledged, City hereby consents to the terms and conditions of the

EXHIBIT "A"

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 101-11.601

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE:

5/23/11

LEASE No. GS-09B-01939

THIS LEASE, made and entered into this date between AP-Long Beach Airport LLC, A Delaware Limited Liability Company

whose address is: 310 Golden Shore, Suite 300
Long Beach, CA 90802-4240

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
34,500 rentable square feet (r.s.f.), yielding approximately 31,500 ANSI/BOMA Office Area square feet and related space located at the The Long Beach Hangar, 3205 Lakewood Blvd, Long Beach, CA 92808-1733, together with 30 onsite surface parking spaces and 5 onsite secured parking spaces, as depicted on the attached Site Plan - Exhibit "A" (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED
4. The Government may terminate this lease in whole or in part effective any time after the 20th year of this lease giving at least 30 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. PARAGRAPH 5 IS INTENTIONALLY OMITTED

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 6CA0133 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 6CA0133 (pages 1-50) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Basis of Design: Special Requirements (pages 1-79);
- c) Appendix I: Detailed Room Requirements (pages 1-92);
- d) U.S. Customs and Border Protection Security Policy and Procedures Handbook (pages 1-442);
- e) Amendment Number 1 (page 1);
- f) Amendment Number 2 (pages 1-3);
- g) Amendment Number 3 (pages 1-3);
- h) Amendment Number 4 (page 1);
- i) Amendment Number 5 (pages 1-2);
- j) Amendment Number 6 (pages 1-3);
- k) GSA Form 3517 (pages 1-33);
- l) GSA Form 3518 (pages 1-7);
- m) Sheet no. 1-2 containing Paragraphs 9-23;
- n) Site Plan (Exhibit "A", page 1);
- o) Floor Plan (Exhibit "B", page 1).

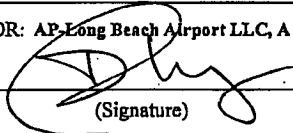
8. The following changes were made in this lease prior to its execution:

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 24 have been added.

IN WITNESS WHEREOF, the parties hereto have herunto subscribed their names as of the date first above written.

LESSOR: AP-Long Beach Airport LLC, A Delaware Limited Liability Company

BY


(Signature)

(Signature)

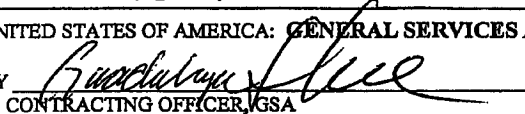
IN PRESENCE OF:


(Signature)

310 Golden Shore, Suite 300 Long Beach CA
(Address)

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY


CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-01939

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following 20 years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. The Government shall pay the Lessor annual rent as follows:

<u>MONTHS</u>	<u>ANNUAL</u>	<u>MONTHLY</u>
1 through 6	\$552,517.50	\$92,086.25 (For tenant improvements only. Shell and operating provided free.)
7 through 120	\$2,224,905.00	\$185,408.75
121 through 240	\$2,610,270.00	\$217,522.50

- Rent for a lesser period shall be prorated. Rent shall be payable to:

The Abbey Company
310 Golden Shore, Suite 300
Long Beach, CA 90802
(562) 435-2100

11. The Lessor shall have 180 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **OPERATING COST:** Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$11.21 per rentable square foot per annum.
13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.3, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$9.20 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs."
14. **OVERTIME USAGE:** Pursuant to Paragraph 4.5, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. - 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$47.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at Laguna Field Office, 24000 Avila Road, Suite 4100, Laguna Niguel, CA 92677, to receive payment.
15. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas have been factored into the Operating Cost of this lease and shall be provided at the rate of \$0.00 per hour after "Normal Hours".
16. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 20 year firm term of the lease agreement at an interest rate (amortization rate) of 8% per year.
17. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- The price proposal required to be provided by Lessor in SFO Paragraph 5.10 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, B (1) through (10), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - The construction schedule required in Paragraph 5.10 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
 - In addition to the submission requirements specified under Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

Initials: D & GF
Lessor Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-01939

18. ACCEPTANCE OF SPACE:

- A. The following is added to Paragraph 5.10 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

19. OCCUPANCY REPORTS:

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

20. UNAUTHORIZED IMPROVEMENTS: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.

- 21. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
- 22. Pursuant to Paragraph 5.1, "Unit Costs for Adjustments", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

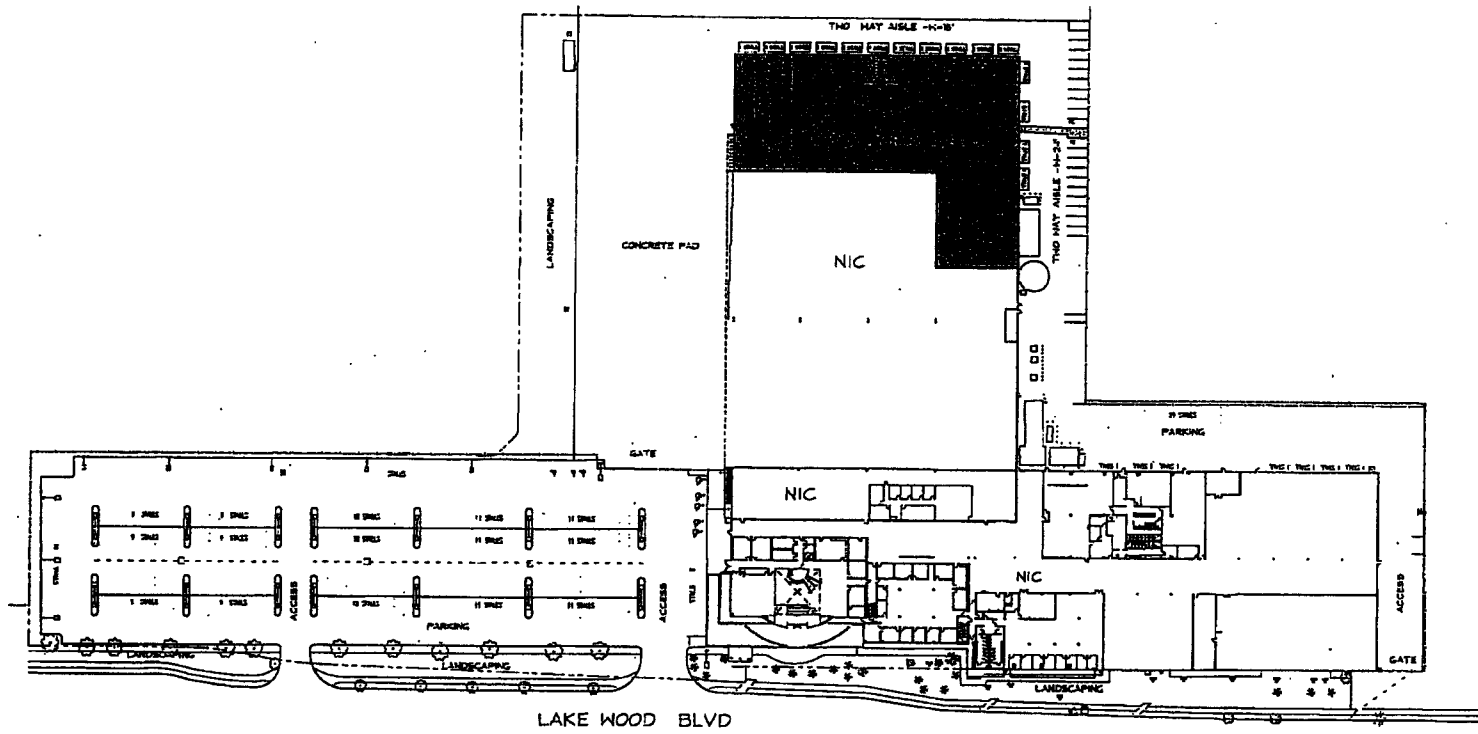
<u>ITEM</u>	<u>UNIT COST</u>
1) The cost per linear foot of office subdividing ceiling-high partition.	\$65.00
2) The cost per floor-mounted duplex electrical outlet.	\$465.00
3) The cost per wall-mounted duplex electrical outlet.	\$85.00
4) The cost per floor-mounted fourplex (double duplex) electrical outlet.	\$465.00
5) The cost per wall-mounted fourplex (double duplex) electrical outlet.	\$125.00
6) The cost per dedicated clean electrical computer receptacle.	\$450.00
7) The cost per floor-mounted telephone outlet.	\$145.00
8) The cost per wall-mounted telephone outlet.	\$35.00
9) The cost per interior door.	\$550.00

23. WAIVER OF RESTORATION: The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

24. The "Proposed Area", as depicted in Exhibits A and B, is subject to change prior to the finalization of Construction Drawings based on the Government's proposed design and layout of space. Such changes, if any, will be accommodated by the Lessor at no additional cost to the Government.

Initials: D & GF
Lessor Government

EXHIBIT A - SITE PLAN



Handwritten signature

SITEPLAN

SCALE 0 10' 20' 40' 60' 80' 100'



The Abbey Company
 ARCHITECTS
 10000 S. GARDEN BLVD.
 LOS ANGELES, CA 90047

THE HANGAR
 LONG BEACH AIRPORT
 3300 LAKEWOOD BLVD.
 LONG BEACH, CA

GSA



NL SERVICES

PLD E, PROJECT NO.
 AIRPORT, 00 0000
 PROJECT-000 000 PROJECT-000

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Project No. 0000
 Date: 10/10/00
 Project location:
 Drawn by:
 Checked by:
 Issue Date: 10/10/00

DISCIPLINE

SCALE

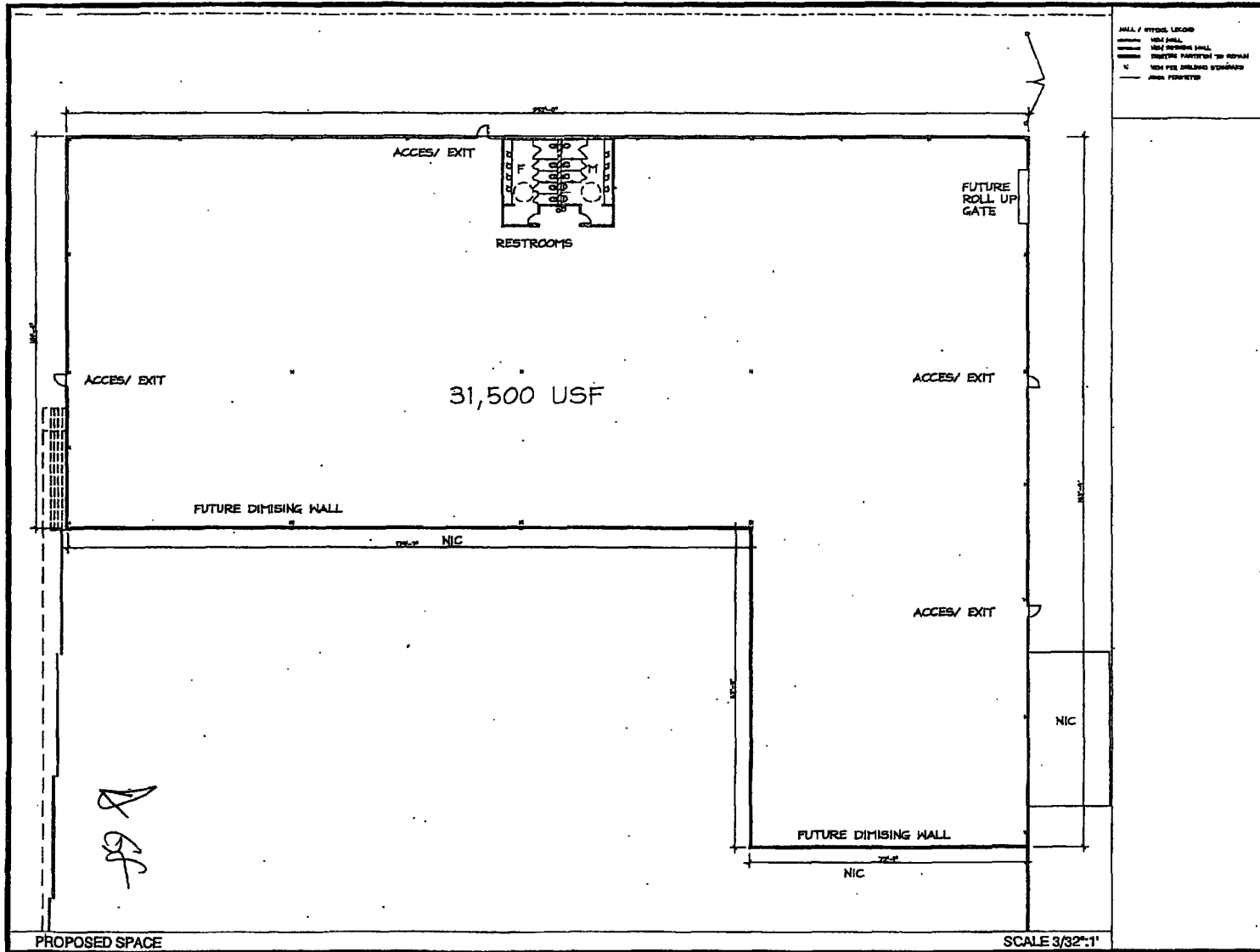
DRAWING TITLE

SITEPLAN

DRAWING NO.

A1

Exhibit B - Floor Plan

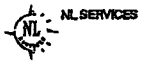


WALL / STUDIOS LAYOUT
 --- 1/2" WALL
 --- 1/2" STUDIOS LAYOUT
 --- STUDIOS PARTITION TO REMAIN
 --- 1/2" STUDIOS PARTITION TO REMAIN
 --- 1/2" STUDIOS PARTITION TO REMAIN
 --- 1/2" STUDIOS PARTITION TO REMAIN



THE HANGAR
 LONG BEACH AIRPORT
 3285 LAKEWOOD BLVD.
 LONG BEACH, CA

GSA



3000 E. STREET, SUITE 100
 LONG BEACH, CA 90801
 (562) 433-1111

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Project No.	10000
Rev.	001
Project Name	THE HANGAR
Client	GSA
Architect	NL SERVICES
Scale	3/32"=1'
Date	10/10/00

PROPOSED SPACE

A2