

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

FARMERS & MERCHANTS BANK OF LONG BEACH
302 Pine Avenue
Long Beach, California 90802
Attention: Anand Chokshi

Assessor's Parcel No.: 7149-003-928

9351

**GROUND LESSOR'S CONSENT, ESTOPPEL CERTIFICATE
AND AGREEMENT**

This Ground Lessor's Consent, Estoppel Certificate and Agreement ("Agreement") is entered into by CITY OF LONG BEACH, a municipal corporation ("Ground Lessor"), and MILLION AIR NORTH, INC., a California corporation ("Ground Lessee"), for the benefit of FARMERS AND MERCHANTS BANK OF LONG BEACH, a California corporation ("Lender").

RECITALS

A. On January 3, 1968, that certain Lease Agreement (No. 9351) (as amended, the "Ground Lease") was entered into by and between Ground Lessor and Millie and Severson, Incorporated, a Delaware corporation ("Original Tenant"). On December 20, 1979, Original Tenant assigned its interests under the Ground Lease to United Technologies Corporation, Hamilton Standard Division ("UTC"). On January 1, 2000, UTC transferred certain assets, including its interest under the Ground Lease, to a wholly owned subsidiary, Hamilton Sundstrand Corporation ("HSC"). On December 23, 2009, HSC assigned its interest under the Ground Lease to Ground Lessee. The Ground Lease covers that certain premises located in the City of Long Beach, County of Los Angeles, State of California (the "Leased Property"), legally described in Exhibit "A" hereto.

B. Ground Lessee is obtaining an extension of credit from Lender in the principal sum of \$650,000.00 (the "Loan"). Ground Lessee desires to secure the Loan, in part, by Ground Lessee's interest in the Leased Property pursuant to the Ground Lease, and Lender is relying, in part, upon this Agreement in securing the Loan with Ground Lessee's interest in the Leased Property.

NOW THEREFOR, in consideration of the foregoing and for other and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **ESTOPPEL AND CONSENT**

Ground Lessor hereby certifies to and in favor of Lender the following:

- a. Ground Lessor is the current ground lessor under the Ground Lease.
- b. Ground Lessee is the current ground lessee under the Ground Lease. Ground Lessor has not assigned or conveyed, or agreed to assign or convey, Ground Lessor's interest under the Ground Lease, in whole or in part. There has been no assignment, encumbrance or conveyance of Ground Lessee's interest under the Ground Lease, in whole or in part.
- c. The Ground Lease is in full force and effect, and there have been no amendments, modifications, changes or additions since its execution, except as follows: First Amendment to Lease, dated January 13, 2000, and Second Amendment to Lease No. 9351, dated November 1, 2016. The Ground Lease constitutes the full and entire understanding and agreement between Ground Lessor and Ground Lessee pertaining to the Ground Lease and the Leased Property.
- d. Ground Lessee has accepted the Leased Property.
- e. Ground Lessee has made all rent payments required to be made under the Ground Lease. The next payment by Ground Lessee is due on May 1, 2017. The amount of the current monthly ground rent payment is \$18,345.83, subject to any increase of rent payment as set forth in the Ground Lease.
- f. No rent has been paid by Ground Lessee more than thirty (30) days before its due date (except for any security deposit).
- g. Ground Lessor is not in breach or default of any of the terms, conditions or provisions of the Ground Lease; further, all improvements made by Ground Lessee to the Leased Property have been made in accordance with the Ground Lease or have otherwise been approved and accepted by Ground Lessor.
- h. Ground Lessor does not have any claims, causes of action, judgments, liabilities or demands of any kind, nature or character against Ground Lessee concerning the Ground Lease.
- i. Ground Lessee is not, in any respect, in default under the terms and provisions of the Ground Lease. Further, Ground Lessor knows of no event which would constitute a default under the terms of the Ground Lease by either Ground Lessee or Ground Lessor.
- j. The Ground Lease is for an original term of fifty (50) years commencing January 3, 1968, and ending January 2, 2018, with one (1) option to extend for an additional five (5) years. On November 1, 2016, Ground Lessee exercised said option, and so the term of the Ground Lease has been extended for an additional five (5) years, commencing January 3, 2018, and ending January 2, 2023. Ground Lessee has no right to purchase the Leased Property.
- k. Ground Lessor has not encumbered its fee interest in the Leased Premises to any lender or financial institution, whether by way of mortgage, deed of trust or other security instruments, except for the following: None

1. Ground Lessor hereby consents to the extension of credit by Lender and the encumbrance of Ground Lessee's interest in the Ground Lease pursuant to a deed of trust by Ground Lessee in favor of Lender ("Deed of Trust").

2. AGREEMENTS BY GROUND LESSOR

Ground Lessor has been further advised by Ground Lessee that Lender has required, in order to induce Lender to make the Loan, among other matters, the delivery of the following statements, agreements, and representations by Ground Lessor to Lender:

a. During the term of the Loan, and except as provided in the Ground Lease, Ground Lessor will not change or amend the Ground Lease or any interest of the Ground Lessee thereunder without Lender's prior written consent.

b. Ground Lessor shall deliver to Lender a copy of any notice relating to a default by Ground Lessee under the Ground Lease at the time it gives such notice to Ground Lessee. All such notices shall be given to Lender in accordance with the Ground Lease, at the following address, or to such other address as Lender may hereinafter designate in writing and delivered in the manner provided for notice to be given under the Ground Lease:

FARMERS AND MERCHANTS BANK OF LONG BEACH
302 Pine Avenue
Long Beach, CA 90802
Attn: Anand Chokshi, Vice President

FARMERS AND MERCHANTS BANK OF LONG BEACH
302 Pine Avenue
Long Beach, CA 90802
Attn: Chief Credit Officer

c. As set forth in Section 24 of the Ground Lease, Ground Lessor shall deliver written notice of any default by Ground Lessee under the Ground Lease to both Ground Lessee and Lender, and Ground Lessee and Lender shall have thirty (30) calendar days from receipt of said notice to cure the default(s) specified therein. In addition to the foregoing, in the event the default(s) specified in said thirty (30)-day notice are not cured within said thirty (30) calendar day period and Ground Lessor intends to terminate the Ground Lease, Ground Lessor agrees that it shall not terminate the Ground Lease unless or until it delivers a further written notice to Lender specifying the default(s) and Ground Lessor's intention to so terminate the Ground Lease, and not less than sixty (60) calendar days have elapsed after delivery of said sixty (60)-day notice without Lender having (i) cured the same if it can be cured by the payment or expenditure of money ("monetary default"), or (ii) commenced to cure or remedy such default (in the event of a non-monetary default by Ground Lessee under the Ground Lease) with reasonable diligence, and continuing the process with reasonable diligence to completion. Without limiting the foregoing, said sixty (60)-day period shall be extended for so long as reasonably required for Lender to foreclose upon and take possession of the Leased Property or to obtain the appointment of a receiver to take possession of the Leased Property; provided, that during the

time that Lender is curing such non-monetary defaults, Lender also cures any monetary defaults as provided above.

d. Lender shall have all of the rights and benefits of a leasehold “mortgagee” and/or “beneficiary” as provided in paragraph 24 of the Ground Lease.

e. If Ground Lessee’s interest in the Ground Lease is acquired by Lender or a wholly owned subsidiary corporation or other entity of Lender, by reason of foreclosure or other proceedings brought to enforce Lender’s rights under the Deed of Trust or any other security document, or by deed in lieu of foreclosure, or by any other method, the Ground Lease and the rights of the Ground Lessee thereunder shall continue in full force and effect and shall not be terminated or disturbed by Ground Lessor, except in accordance with the terms of the Ground Lease and this Agreement. Upon such acquisition by Lender, Lender shall attorn to Ground Lessor as landlord under the Ground lease, which attornment shall be effective and self-operative without the execution of any other instrument on the part of any party hereto, immediately upon Lender’s succeeding to the interest of Ground Lessee under the Lease.

3. MISCELLANEOUS

This Agreement may be executed in any number of counterparts, and any party hereto or thereto may execute any counterpart, each of which, when executed and delivered, will be deemed to be an original, and all of which counterparts of this Agreement, as the case may be, taken together will be deemed to be but one and the same instrument. The execution of this Agreement by any party or parties hereto or thereto will not become effective until counterparts hereof or thereof, as the case may be, have been executed by all the parties hereto or thereto.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lessor's Consent, Estoppel Certificate and Agreement as of the date first above written.

Dated: April 26, 2017

"GROUND LESSOR":

CITY OF LONG BEACH,
a municipal corporation

By: [Signature]
Name: Patrick H. West
Its: City Manager
Assistant City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM

4-25, 2017
By: [Signature]
CHARLES PARKIN, City Attorney
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

"GROUND LESSEE":

MILLION AIR NORTH, INC.,
a California corporation

By: [Signature]
Name: Glenn W. Ray
Its: President, Secretary & C.F.O.

"LENDER":

FARMERS AND MERCHANTS BANK OF LONG BEACH
a California corporation

By: [Signature]
Name: Aman & chokshi
Its: Vice President

[ALL SIGNATURES MUST BE ACKNOWLEDGED]

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

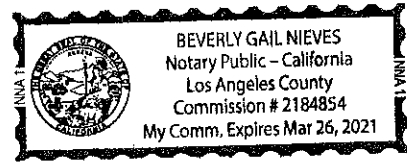
STATE OF CALIFORNIA)
)
) SS
COUNTY OF Los Angeles)

On 4/26/17, before me, Beverly Gail Nieves, a Notary Public, personally appeared Thomas B. Modica, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Beverly Gail Nieves
Notary Public



CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

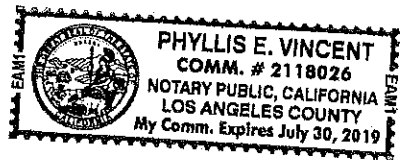
STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) SS

On May 3rd 2017, before me, Phyllis E. Vincent, a Notary Public, personally appeared Anand Chokshi, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Phyllis E. Vincent
Notary Public



CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) ss
)

On May 3rd 2017, before me, Phyllis E. Vincent, a Notary Public, personally appeared Glenn W. RAY, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Phyllis E. Vincent
Notary Public

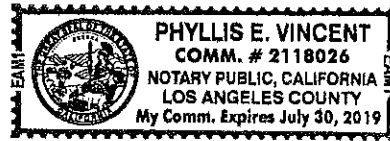


EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PORTIONS OF LOT 52, TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 171 PAGE(S) 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, 333.00 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.

PARCEL B:

BEGINNING AT THE AFOREMENTIONED MONUMENT NO. 2906; THENCE NORTH 0° 06' 03" EAST ALONG THE CENTERLINE OF VACATED LAKEWOOD BOULEVARD, 408.00 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 C:

BEGINNING AT THE AFOREMENTIONED MONUMENT NO. 2906; THENCE NORTH 0° 06' 03" EAST ALONG THE CENTERLINE OF VACATED LAKEWOOD BOULEVARD, 333.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 06' 03" EAST, 75.00 FEET; THENCE NORTH 89° 51' 04" EAST 200.7 FEET; THENCE SOUTH 75.52 FEET; THENCE WEST, 200.20 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OF RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITHOUT THE RIGHT TO DRILL INTO, LOCATE WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS, AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923 PAGE 236, OFFICIAL RECORDS.

SAID LAND IS ALSO KNOWN AS PARCEL 2 OF PARCEL MAP NO. 17641 RECORDED IN BOOK 209, PAGE(S) 19 TO 21 OF PARCEL MAPS.

APN: 7149-003-928

According to the Lease, Parcel B above is actually Parcel C, and Parcel C above is actually Parcel D. Parcel B was removed from the Leased Premises under the First Amendment to Lease 9351.