

FIRST AMENDMENT TO SUBLEASE AGREEMENT

THIS **FIRST AMENDMENT TO SUBLEASE AGREEMENT** (the "First Amendment") is made and entered into the 30th day of AUGUST 2022 (the "Effective Date"), 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 First Amendment and are sometimes collectively referred to hereinafter as the "Parties." This First Amendment is entered into with reference to the following recitals:

WITNESSETH:

- A. WHEREAS, Landlord holds possession of a building presently bearing the street address of 4401 Donald Douglas Drive, Long Beach, California (the "Property"), 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, City and Landlord entered into a Third Amendment to Lease No. 9351 (the "Third Amendment"), effective May 1, 2021, pursuant to which the term of the Master Lease was extended and is now scheduled to expire January 31, 2033 and Landlord holds possession of the Property in accordance with said Third Amendment; and
- C. WHEREAS, the Parties entered into a Sublease Agreement as of May 4, 2017 (the "Sublease Agreement") pursuant to which Tenant subleased two portions of the Property from Landlord, identified with specificity in Exhibits A-1 and A-2 to the Sublease Agreement and commonly described as Suites 150 and 250 (the "Existing Space") consisting of, in the aggregate, approximately six thousand, seventy-three (6,073) rentable square feet of space; and
- D. WHEREAS, the term of the Sublease Agreement is currently scheduled to expire on January 2, 2023 and the Parties wish to extend to the term of the Sublease Agreement to make it coterminous with the expiration of the Master Lease and to memorialize certain additional terms with respect to the Existing Space;

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

1. **Amended Term and Extended Expiration Date.** Subsection 1.3 B. of the Sublease Agreement, entitled "Term," is amended to provide that the Term shall end on January 31, 2033 (the "Expiration Date").
2. **Amended Base Rent.** Effective January 3, 2023, Subsection 2.1 of the Sublease Agreement is amended in its entirety to omit the current rent schedule as set forth therein and to provide that 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 sixteen thousand, two hundred seventy-six dollars (U.S. \$16,276.00), which is equal to two dollars and sixty-eight cents (\$2.68) per rentable square foot on the first day of each calendar month during such portion of the Term. Commencing January 3, 2024, and on each anniversary thereafter, the Base Rent shall be increased in an amount equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Long Beach-Anaheim Metropolitan Area, as determined by the United States Bureau of Labor Statistics or any successor agency having responsibility therefor (hereinafter "CPI"), but not in an amount less than two percent (2%) nor more than four percent (4%) of the Base Rent for the preceding year.

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.


3. **Additional Rent.** Subsection 2.2 of the Sublease Agreement, which concerns "Additional Rent" to be paid by Tenant, remains in full force and effect and is not amended or modified by this First Amendment.
4. **Tenant Improvements.** Subsection 2.5 of the Sublease Agreement, which concerns "Tenant Improvements," is amended to provide that Landlord, at Landlord's sole expense, shall provide Tenant with a Tenant Improvement Allowance of fifteen dollars (\$15.00) per rentable square foot (see Exhibit "D", Work Letter Agreement). The Tenant Improvement Allowance specified in this Paragraph 4 may be utilized by Tenant to construct improvements in any space subleased by Landlord to the City of Long Beach within the Property, whether said space is the subject of the Sublease Agreement or this First Amendment or otherwise.
5. **Contact Information and Notice.** Landlord's Contact Person as identified in Subsection 2.3 and Article XII of the Sublease Agreement is amended and the names of Jommel Limiac and/or Angie Swan are substituted in place of Glenn Ray. In addition, the address listed in Article XII for Landlord's legal counsel, the Aerlex Law Group, is changed to 11900 West Olympic Boulevard, Suite 450, Los Angeles, California 90064-1171.

6. All Other Terms and Conditions Remain the Same. Except as expressly set forth in the First Amendment, all other terms and conditions of the Sublease Agreement remain the same and continue in full and effect, without amendment, revision or modification.

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

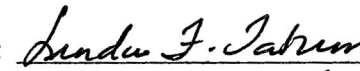
LANDLORD:

MILLION AIR NORTH, INC.

By: 
Printed Name: Jommel Limiac
Title: President

TENANT:

CITY OF LONG BEACH

By: 
Printed Name: LINDA F. TATUM
Title: Asst. City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

APPROVED AS TO FORM

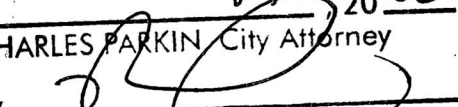
8-10-2022
CHARLES PARKIN City Attorney
By: 
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

EXHIBIT D
WORK LETTER AGREEMENT

(Landlord Performs Work)

THIS WORK LETTER AGREEMENT (“**Work Letter**”) made as of AUGUST 30, 2022, 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 Sublease Agreement entered into between Landlord and Tenant, dated May 4, 2017, as amended by that First Amendment to Sublease Agreement, dated AUGUST 30, 2022 (the “**Lease**”) for premises consisting of a portion of the first and second floors, identified as Suites 150 and 250 and 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**”). Further reference is made to the Work Letter Agreement which was attached to the May 4, 2017 Lease. The parties hereto acknowledge and confirm that the work to be performed by Landlord pursuant to that earlier Work Letter Agreement has been completed or is presently in a state of substantial completion and the work to be performed pursuant to this new Work Letter Agreement constitutes new and additional work to be performed by Landlord.

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.

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. 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 fifteen dollars (\$15.00) per rentable square foot, which equals ninety one thousand and ninety five dollars (\$91,095.00) 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 specified in this paragraph may be utilized by Tenant to construct improvements in any space subleased by Landlord to the City of Long Beach in the Building, whether said space is the subject of the Sublease Agreement as amended by the First Amendment to the Sublease Agreement or otherwise.

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 contractor bids. Landlord shall manage the construction process and ensure that the Tenant Improvements are completed in a timely manner. Landlord acknowledges that although the building is for the Long Beach Airport Department, Tenant does not control the permitting process. Landlord shall solicit a minimum of three (3) competitive bids from contractors for the Tenant Improvement Work to be performed and one of those contractors will be selected by Tenant. 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.

Substantial Completion. 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.

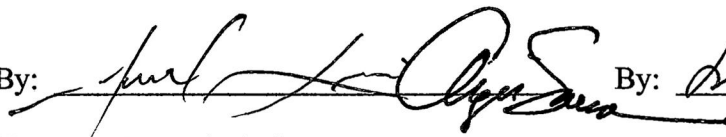
IN WITNESS WHEREOF, the parties hereto have executed this Work Letter Agreement as of the date first above written.

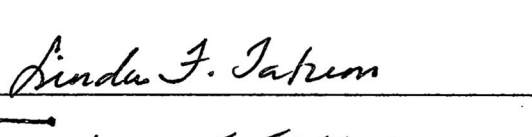
LANDLORD:

TENANT:

MILLION AIR NORTH, INC.
a California corporation,

CITY OF LONG BEACH,
a California municipal corporation

By: 

By: 

Name: Jommel Limiac
Title: President

Name: LINDA F. TATUM
Title: ASST City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM

8-30-2022

CHARLES PARKIN, City Attorney

By: 
RICHARD ANTHONY
DEPUTY CITY ATTORNEY