

SUBLEASE

23972

THIS SUBLEASE ("Sublease") is made and entered, in duplicate, as of
May 13 _____, 2005 for reference purposes only, pursuant to a minute order adopted
by the City Council of the City of Long Beach at its meeting on April 19, 2005, by and
between LONG BEACH MILLION AIR, INC., a California corporation ("Sublessor"), and the
CITY OF LONG BEACH, a municipal corporation ("Sublessee").

1. Master Lease. Sublessor is the lessee of approximately 16.171 acres
of land more particularly described in Exhibit "A" attached hereto and incorporated herein
by this reference (the "Premises") by virtue of that certain lease dated May 2, 1995
between Sublessor and Sublessee, as amended ("Master Lease").

1.1 Priority. This Sublease is and shall be at all times subject and
subordinate to the Master Lease. The terms, conditions and respective obligations
of Sublessor and Sublessee to each other under this Sublease shall, as to the
Sublease Premises only, be the terms and conditions of the Master Lease.
Therefore, for purposes of this Sublease as to the Sublease Premises only,
wherever in the Master Lease the word "Landlord" is used it shall be deemed to
mean Sublessor and wherever in the Master Lease the word "Tenant" is used it
shall be deemed to mean the Sublessee.

1.2 Conflicts. During the term of this Sublease as to the Sublease
Premises only, Sublessee does hereby expressly assume and agree to perform and
comply with each and every obligation of Sublessor under the Master Lease except
as otherwise provided herein and except for the obligations of Sublessor under
paragraphs 9, 16, 17, 18 and 29 of the Master Lease.

2. Premises. Sublessor hereby subleases to Sublessee and Sublessee
hereby subleases from Sublessor the premises located at 4135 Donald Douglas Drive
together consisting of approximately 1,800 square feet of office space together with all
remaining areas in common with other subtenants (the "Sublease Premises"). The

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Long Beach, California 90802-4664
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1 Sublease Premises are more particularly described in Exhibit "B" attached hereto and
2 incorporated herein by this reference.

3 3. Term. The term of this Sublease ("Term") shall begin at 12:00 a.m.
4 on May 1, 2005, and shall end at 11:59 p.m. on April 30, 2008, unless sooner terminated
5 as provided herein. Sublessee shall have and is hereby granted the option ("Option") to
6 extend the Term for an additional period of two (2) years ("Option Period") by giving written
7 notice to Sublessor not less than 45 days prior to the expiration of the Term.

8 4. Use. The Sublease Premises shall be used solely for general offices
9 for Sublessee. No other use is authorized or permitted without the consent of Sublessor,
10 which consent shall not be unreasonably withheld, delayed or conditioned.

11 5. Rent.

12 5.1 Monthly Rent. Sublessee shall pay Sublessor as monthly rent
13 ("Rent") for the Sublease Premises as follows:

14	May 1, 2005 through and including April 30, 2006	\$3,330 per month
15	May 1, 2006 through and including April 30, 2007	\$3,420 per month
16	May 1, 2007 through and including April 30, 2008	\$3,510 per month
17	May 1, 2008 through and including April 30, 2010	\$3,690 per month

18 Rent shall be due and payable on the first day of each month during the Term and the
19 Option Term, in the event Sublessee exercises the Option, commencing on May 1, 2005.
20 Rent shall be deemed delinquent if not paid by the tenth (10th) day following the date due.
21 Sublessee shall pay a late fee of \$3.30 per day for each day after the tenth (10th) of each
22 month that Rent is not paid.

23 5.2 Additional Rent. In addition to Rent during the Term and the
24 Option Period, in the event Sublessee exercises the Option, Sublessee shall pay
25 as additional rent an amount equal to three percent (3%) of the applicable Rent.
26 Additional rent shall be paid as and when Rent is due and payable under this
27 Sublease.

28 6. Improvements: Signage. All alterations and improvements to the

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1 Sublease Premises ("Subtenant Improvements") shall be made at the sole cost and
2 expense of the Sublessee. The Subtenant Improvements are listed and described in
3 Exhibit "C" attached hereto and incorporated herein by this reference. By executing this
4 Sublease, Sublessor consents to the construction of the Subtenant Improvements.
5 Sublessee may, at its sole cost and expense and subject to the prior approval of
6 Sublessor, which approval shall not be unreasonably withheld, delayed or conditioned,
7 construct, install or maintain signage in or upon the Sublease Premises.

8 7. Utilities: Parking. Sublessor shall, at its own cost, pay for all electricity,
9 gas, janitorial, and water services furnished to the Sublease Premises. Sublessee shall
10 pay for all telephone services to the Sublease Premises and the cost of any modifications
11 to existing utility connections. Sublessor shall also furnish, at no additional cost to
12 Sublessee, valet parking for customers of Sublessee. Sublessee shall provide Sublessor
13 with not less than 24-hour notice for Public Affairs meetings where customer valet parking
14 is anticipated for 10 or more vehicles.

15 8. Insurance. Sublessor acknowledges that Sublessee is self-insured
16 as a matter of Sublessee's usual and customary business policy and Sublessor hereby
17 waives the liability insurance requirements of the Master Lease as to the Sublease
18 Premises to the extent that such self-insurance protects Sublessor against the risk covered
19 by the insurance required under the Master Lease.

20 9. Maintenance. Sublessor, at Sublessor's sole cost and expense, shall
21 maintain the roof, foundations, exterior walls, mechanical, electrical and plumbing systems
22 of the Sublease Premises.

23 10. Nondiscrimination. Subject to applicable laws, rules, and regulations,
24 Subtenant shall not discriminate against anyone on the basis of age, sex, sexual
25 orientation, AIDS, AIDS related conditions, marital status, race, religion, creed ancestry
26 national origin, disability, handicap or Vietnam Era veteran status in the use of the
27 Sublease Premises.

28 11. Notice. Any notice or notification hereunder shall be in writing and

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1 personally delivered or deposited in the U.S. Mail, first class, postage prepaid, to the
2 Sublessee at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City
3 Manager and to Sublessor at the Premises. Notice shall be deemed effective on the date
4 of mailing or on the date personal delivery is made, whichever first occurs.

5 12. No Hazardous Materials. Sublessee shall not keep or store any
6 goods, merchandise, supplies, personal property, materials, or items of any kind on the
7 Sublease Premises which are in any way explosive or hazardous. Sublessee shall notify
8 the Sublessor if Sublessee discovers or has knowledge of the presence or suspected
9 presence of any hazardous material on the Premises.

10 13. Indemnity. Sublessee shall defend, indemnify and hold harmless
11 Sublessor, its officials and employees from all claims, demands, damages, causes of
12 action, losses, liability, costs, or expenses (including reasonable attorney's fees) which
13 Sublessee, its officials and employees may incur for injury to or death of persons or
14 damage to or loss of property occurring in, on, or about the Sublease Premises arising
15 from Sublessee's occupancy, use or misuse of the Sublease Premises.

16 14. No Assignment. Sublessee shall not assign or transfer this Sublease
17 or any interest in it nor any part of it without the prior written consent of Sublessor, which
18 consent shall not be unreasonably withheld, delayed or conditioned.

19 15. Right of Access. Sublessor shall have the right of access to the
20 Sublease Premises at all reasonable times to inspect the Sublease Premises and in
21 emergencies.

22 16. Destruction of Premises. Sublessee shall immediately notify
23 Sublessor of any damage or destruction of the Sublease Premises and the date and nature
24 of the damage or destruction. Sublessee shall promptly make proof of loss and proceed
25 to collect all valid claims that Sublessee may have against insurers or others based on
26 such damage or destruction. All amounts recovered as a result of said claims shall be
27 used first for the restoration of the Sublease Premises.

28 17. Abandonment. If Sublessee abandons the Sublease Premises or is

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1 disposed by operation of law or otherwise, title to any personal property belonging to
2 Sublessee and left on the Sublease Premises forty-five (45) days after such abandonment
3 or dispossession shall be deemed to have been transferred to Sublessor. Sublessor shall
4 thereafter have the right to remove and to dispose of said property without liability to
5 Sublessee or to any person claiming under Sublessee, and shall have no duty to account
6 therefor. Sublessee hereby names the City's City Manager as Sublessee's attorney-in-fact
7 to execute and deliver such documents or instruments as may be reasonably required by
8 dispose of such abandoned property and transfer title thereto.

9 18. Possession on Termination or Expiration. Sublessee shall peaceably
10 deliver possession of the Sublease Premises to Sublessor on the effective date of
11 termination or expiration of this Sublease. On giving notice of termination to Sublessee,
12 the Sublessor shall have the right to re-enter and take possession of the Sublease
13 Premises without further notice and without instituting summary or regular legal
14 proceedings. This Sublease shall be binding on and inure to the benefit of the parties and
15 their successors, heirs, and personal representatives and all of the parties hereto shall be
16 jointly and severally liable. This Sublease shall be governed by and construed in
17 accordance with the laws of the State of California, except those provisions relating to
18 conflicts of laws. If the Sublease Premises are taken by right of eminent domain or
19 otherwise for any public or quasi-public use, then Sublessee shall have the right to
20 terminate this Sublease by giving thirty (30) days prior notice to Sublessor and any award
21 shall belong to and be paid to the Sublessee.

22 IN WITNESS WHEREOF, the parties have caused this Sublease to be duly

23 //

24 //

25 //

26 //

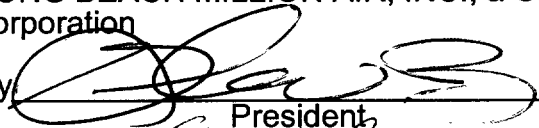
27 //

28 //


1 executed with all of the formalities required by law as of the date first stated above.

2 LONG BEACH MILLION AIR, INC., a California
3 corporation

4 May 10, 2005

By 
5 President
6 Glenn W. Ray
7 (Type or Print Name)

8 May 10, 2005

By 
9 Chairman
10 Grant G. Murray
11 (Type or Print Name)

12 "Sublessor"

13 CITY OF LONG BEACH, a municipal corporation

14 5.13. 2005

By 
15 City Manager

16 "Sublessee"

17 This Sublease is approved as to form on 5/12, 2005.

18 ROBERT E. SHANNON, City Attorney

By 
19 Deputy

20 Robert E. Shannon
21 City Attorney of Long Beach
22 333 West Ocean Boulevard
23 Long Beach, California 90802-4664
24 Telephone (562) 570-2200

25 ELG:rjr:eg04/28/05;05/09/05;05/10/05(SUBLEASE)#05-01892
26 L:\APPS\CtyLaw32\WPDOCS\ID028\P004\00073576.WPD

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

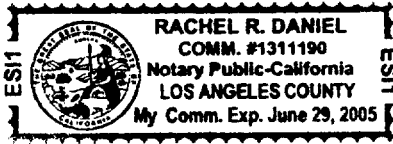
County of LOS Angeles

} ss. Rachel R. DANIEL
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

On 5-10-05, before me,
Date

personally appeared Glenn Ray
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.



Place Notary Seal Above

WITNESS my hand and official seal.
Rachel R. Daniel
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: _____

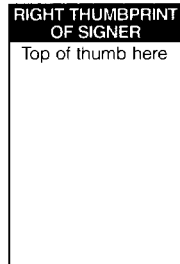
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

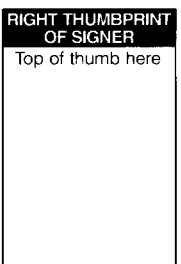
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

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



Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles } ss.

On 5-10-05, before me,

personally appeared

Grant

Rachel R. Daniel
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

G. MURRAY
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.



Place Notary Seal Above

WITNESS my hand and official seal
Rachel R. Daniel
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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

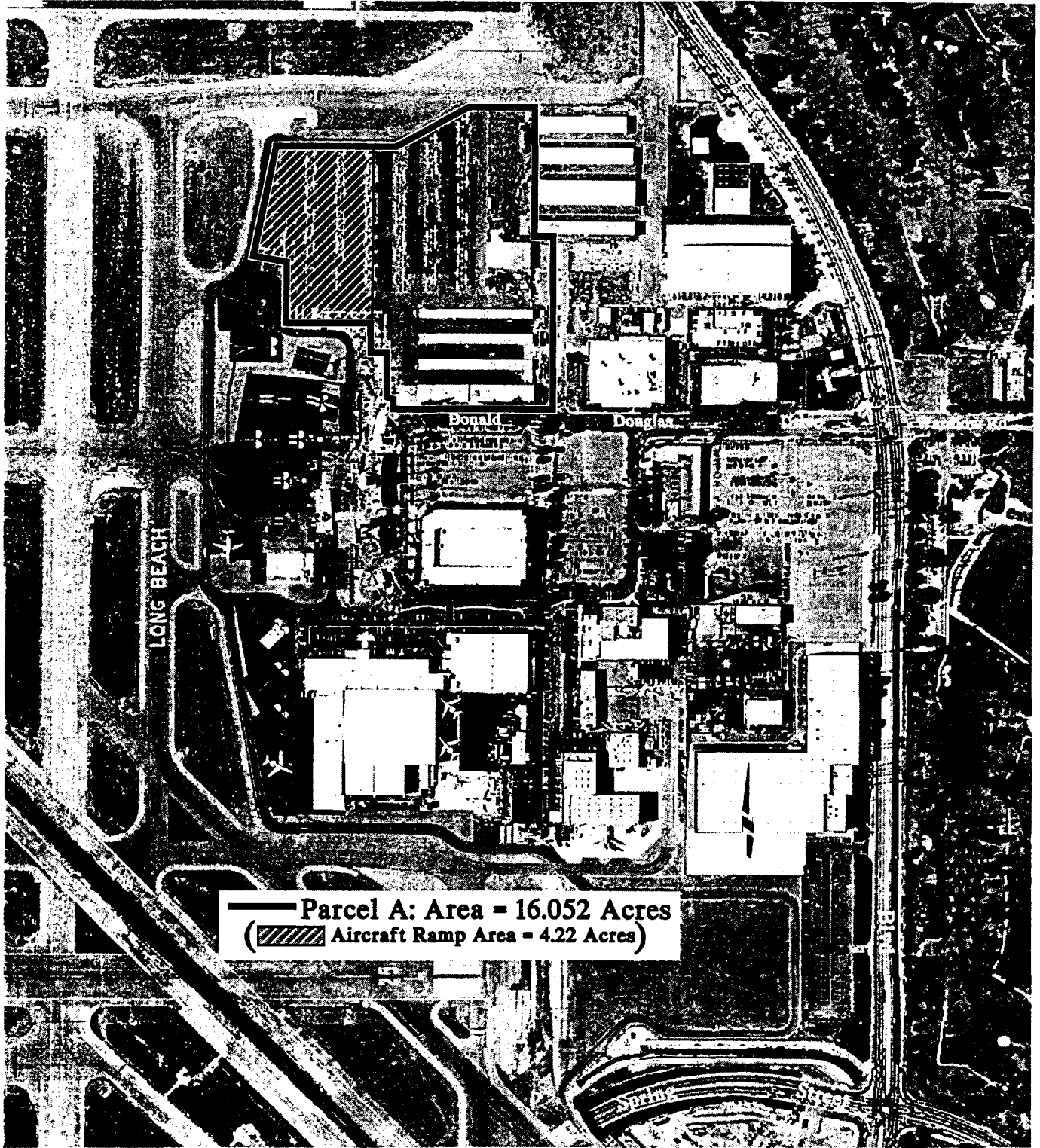
Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
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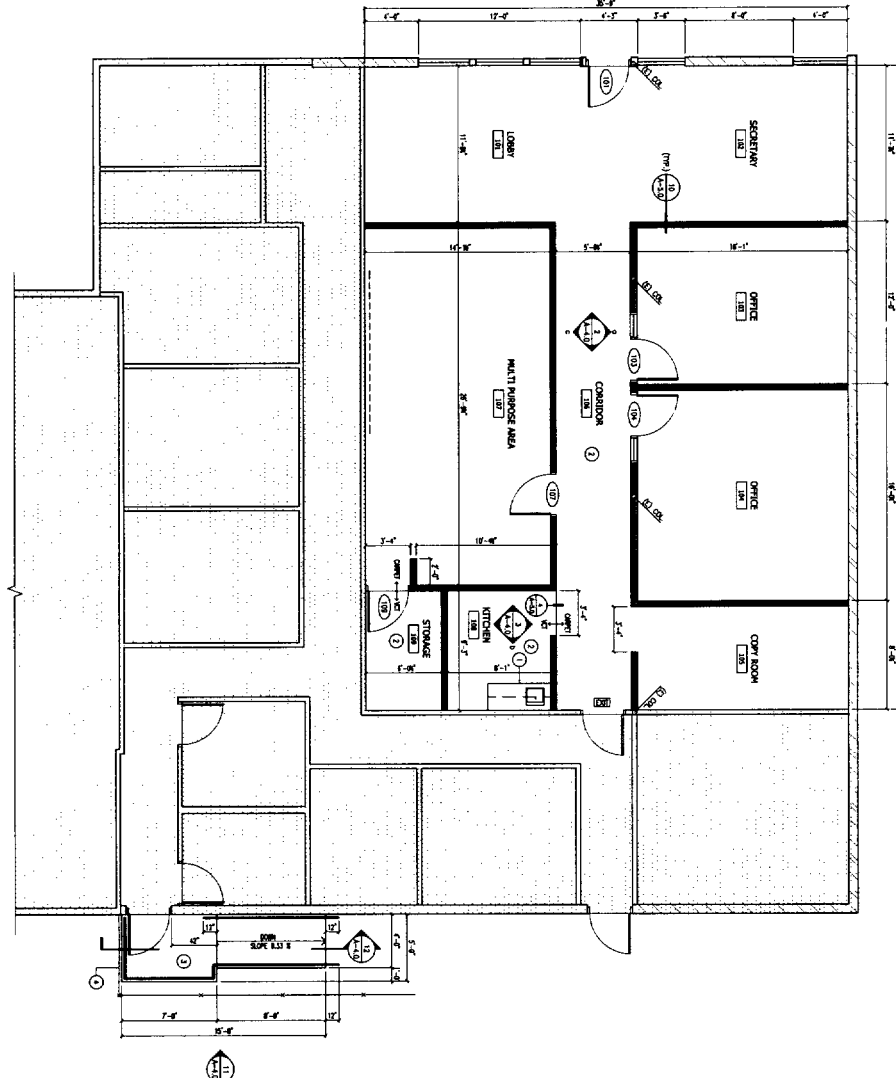
Signer Is Representing: _____

Exhibit "A"



CITY OF LONG BEACH - CALIFORNIA
DEPARTMENT OF PUBLIC WORKS - EDWARD K. SHIKADA, DIRECTOR

VICINITY MAP FOR AIRPORT PARCEL A
MILLION AIR LEASEHOLD
NORTH OF DONALD DOUGLAS DRIVE AND WEST OF LAKEWOOD BLVD



- KEYED NOTES**
- ① NEW ACCESSIBLE COUNTER WITH SINK AND TOILET CABINET
 - ② NEW FLOORING, SEE THE SCAI SET A-1.0
 - ③ NEW ACCESSIBLE RAMP
 - ④ TO OVAL LHM FINISH

- LEGEND**
- (A) N.I.C. (AREA NOT IN CONTRACT)
 - (B) MASONRY WALL
 - (C) METAL STUD WALL
 - (D) NEW METAL STUD WALL

KEY PLAN

SCALE: N.T.S.

		CITY OF LONG BEACH AIRPORT CENTER	
Architecture Planning 19772 WASHINGTON BLVD., STE. 100 IRVINE, CALIFORNIA 92617 PHONE: 949.250.0800 FAX: 949.250.0800 WWW.WESTGROUPDESIGN.COM		4125 DONALD DODDINS DRIVE LONG BEACH, CALIFORNIA	
CONSTRUCTION FLOOR PLAN A-1.0		SHEET NO. 0201 NORTH & WESTERN, N-1.10-02	
Project No. 020108 Date: 1/14/02	Drawn By: [Name] Checked By: [Name]	Architect / Designer: [Name]	

Exhibit B

Exhibit "C"

Per Paragraph 6 of Sublease, Exhibit "C" is Subtenant Improvements listed and described.