

THE CITY OF SAN DIEGO

And

PACIFIC WINGS, L.L.C.

Month-to-Month Rental Agreement

**For Portions of Lots 16 & 17 and
a Portion of the Airport Terminal Building**

Commencement Date: February 1, 1998

LEASE OUTLINE

SECTION 1: USES	1
1.1 <u>Premises</u>	1
1.2 <u>Uses</u>	1
1.3 <u>Related Council Actions</u>	2
1.4 <u>Quiet Possession</u>	2
1.5 <u>Easements and Reservations</u>	2
1.6 <u>Competent Management</u>	2
1.7 <u>Limited Liability Company Articles of Organization (Exhibit "B" hereof)</u>	2
1.8 <u>Security</u>	3
1.9 <u>Political Activities</u>	3
 SECTION 2: TERM	 3
2.1 <u>Commencement</u>	3
2.2 <u>Surrender of Premises</u>	3
 SECTION 3: RENT	 3
3.1 <u>Time and Place of Payment</u>	3
3.2 <u>Rent</u>	3
3.3 <u>Delinquent Rent</u>	4
3.4 <u>Inspection of Records</u>	4
 SECTION 4: ASSIGNMENT	 4
4.1 <u>Time is of Essence; Provisions Binding on Successors</u>	4
4.2 <u>Assignment and Subletting</u>	4
4.3 <u>Defaults and Remedies</u>	4
4.4 <u>Members' Liability</u>	5
 SECTION 5: INSURANCE RISKS/SECURITY	 5
5.1 <u>Indemnity</u>	5
5.2 <u>Insurance</u>	6
5.3 <u>Security Deposit</u>	7
 SECTION 6: IMPROVEMENTS/ALTERATIONS/REPAIRS	 7
6.1 <u>Acceptance of Premises</u>	7
6.2 <u>Entry and Inspection</u>	8
6.3 <u>Maintenance</u>	8
6.4 <u>Improvements/Alterations</u>	8
6.5 <u>Utilities</u>	8
6.6 <u>Liens</u>	9
6.7 <u>Taxes</u>	9
6.8 <u>Signs</u>	9
6.9 <u>Ownership of Improvements and Personal Property</u>	9
6.10 <u>Hazardous/Toxic Waste</u>	9

SECTION 7: GENERAL PROVISIONS	10
7.1 <u>Notices</u>	10
7.2 <u>Compliance with Law</u>	10
7.3 <u>CITY Approval</u>	11
7.4 <u>Nondiscrimination</u>	11
7.5 <u>Compliance with City's Equal Opportunity Contracting Program</u>	11
7.6 <u>FAA Nondiscrimination Covenant</u>	11
7.7 <u>Equal Opportunity</u>	12
7.8 <u>Disable Access Compliance</u>	12
7.9 <u>Partial Invalidity</u>	13
7.10 <u>Legal Fees</u>	13
7.11 <u>Number and Gender</u>	13
7.12 <u>Captions</u>	13
7.13 <u>Entire Understanding</u>	13
7.14 <u>CITY Employee Participation Policy</u>	14
7.15 <u>Drug-free Workplace</u>	14
7.16 <u>Interchangeable Terms</u>	14
 SECTION 8: SPECIAL PROVISIONS	 15
8.1 <u>Authority</u>	15
8.2 <u>Standard of Employees</u>	15
8.3 <u>Landscaping</u>	15
8.4 <u>Schedule of Prices</u>	15
8.5 <u>No Warranty</u>	15
8.6 <u>Cutting of Trees</u>	15
 SECTION 9: AIRPORT PROVISIONS	 15
9.1 <u>LESSEE Use to Conform with Law and Other Rules</u>	15
9.2 <u>LESSEE Use and Construction to Conform with Federal Aviation Regulations</u>	15
9.3 <u>LESSEE'S Noninterference with Aircraft</u>	15
9.4 <u>Lease Subordinate to CITY-United States Agreements</u>	16
9.5 <u>Height Limitation</u>	16
9.6 <u>Right of Flight Easement</u>	16
9.7 <u>War or National Emergency</u>	16
9.8 <u>Airport Development</u>	16
9.9 <u>Nonexclusive Right</u>	16
9.10 <u>Landing Area Maintenance</u>	16
9.11 <u>CITY to Mitigate Impacts of Subordination</u>	16
9.12 <u>CITY to Mitigate Impacts of Subordination by Termination of Extension</u>	17
9.13 <u>Licenses and Certifications</u>	17
9.14 <u>Employee Conduct</u>	17
9.15 <u>Aircraft Parking</u>	17
9.16 <u>Noise Abatement</u>	17
9.17 <u>Minority Business Policy</u>	17
9.18 <u>Guarantee Removal of Aircraft</u>	18

SECTION 10: SIGNATURES	19
10.1 <u>Signature Page</u>	19
SECTION 11: EXHIBITS	20
11.1 <u>Premises Map and Description</u>	20
11.2 <u>Limited Liability Company Articles of Organization</u>	21

CITY OF SAN DIEGO

FLAT RATE LEASE

THIS RENTAL AGREEMENT is executed between THE CITY OF SAN DIEGO, a municipal corporation, hereinafter called "CITY," and Pacific Wings, L.L.C., a Limited Liability Company, hereinafter called "LESSEE."

WHEREAS, LESSEE acknowledges the CITY is marketing the premises for long-term lease and development, and this lease may be terminated by either party serving the other party with a prior 30-day written notice. The LESSEE acknowledges that It will not be entitled to any relocation benefits of any kind when this lease is terminated;

NOW, therefore, CITY and LESSEE wish to execute this rental agreement with the following terms and conditions:

SECTION 1: USES

- 1.1 Premises. CITY hereby leases to LESSEE and LESSEE leases from CITY all of that certain real property consisting of approximately 4.7 acres on portions of Lots 16 & 17 and Suites "A" and "C" in the Airport Terminal Building, on Montgomery Field Airport, situated in the City of San Diego, County of San Diego, State of California, described in Exhibit "A" attached hereto and by this reference made part of this rental agreement. Said real property is hereinafter called the "premises" or "leased premises."
- 1.2 Uses. It is expressly agreed that the premises are leased to LESSEE solely and exclusively for the purposes of : flight instruction, aviation ground school, aircraft maintenance and repair, aircraft sales, renting aircraft, aircraft tiedowns and existing aircraft storage hangar(s), and for such other related or incidental purposes as may be first approved in writing by the City Manager and for no other purpose whatsoever. LESSEE will not paint or wash aircraft on the premises or allow exterior storage, other than operative aircraft tied down on the premises.

LESSEE covenants and agrees to use the premises for the above-specified purposes and to diligently pursue said purposes throughout the term hereof. Failure

to continuously use the premises for said purposes, or the use thereof for purposes not expressly authorized herein, will be grounds for termination by CITY. The use of the premises for any unauthorized purpose will constitute a substantial default and subject this lease to termination at the sole option of the CITY.

1.3 Related Council Actions. By the granting of this lease, neither CITY nor the Council of CITY is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to development or operation of the premises. Discretionary action includes, but is not limited to rezonings, variances, environmental clearances or any other governmental agency approvals which may be required for the development and operation of the leased premises.

1.4 Quiet Possession. LESSEE, paying the rent and performing the covenants and agreements herein, shall at all times during the term peaceably and quietly have, hold and enjoy the premises.

1.5 Easements and Reservations.

- a. CITY hereby reserves all rights, title and interest in any and all subsurface natural gas, oil, minerals and water on or within the premises.
- b. CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along and across the leased premises for utilities, thoroughfares, or access as it deems advisable for the public good.
- c. CITY has the right to enter the premises for the purpose of making repairs to or developing municipal resources and services.

However, CITY will not unreasonably or substantially interfere with LESSEE'S use of the premises and will reimburse LESSEE for physical damages, if any, to the permanent improvements located on the leased premises resulting from CITY exercising the rights reserved in this section. Such reimbursement may include a reduction in the rent proportionate to the amount of physical damage as determined by CITY. CITY will pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

1.6 Competent Management. Throughout the term of this rental agreement LESSEE will provide competent management of the leased premises to the satisfaction of the City Manager. For the purposes of this paragraph, "competent management" will mean demonstrated ability in the management and operation of uses approved in Paragraph 1.2 Uses. above and related activities in a fiscally responsible manner.

1.7 Limited Liability Company Articles of Organization (Exhibit "B" hereof) is by mention hereof made part of this rental agreement. LESSEE shall give CITY a copy of any

change in said Articles of Organization within 10 days after they have been approved by the owners, and LESSEE must obtain prior City written approval for transfer of ownership in LESSEE, which shall be considered an assignment of lease, in accordance with 4.2 Assignment and Subletting.

- 1.8 Security. LESSEE is totally responsible for providing its own security service for the premises at its sole option and expense.
- 1.9 Political Activities. The leased premises shall be used exclusively for the purposes specified in Section 1 Uses, hereof. The premises shall not be used for working or campaigning for the nomination or election of any individual to any public office, be it partisan or nonpartisan. Provided, however, that LESSEE shall not be precluded from providing a forum for open public debate by candidates such as occurs at a "candidate forum" and similar events.

SECTION 2: TERM

- 2.1 Commencement. The term of this rental agreement shall be month-to-month commencing on February 1, 1998, and it may be terminated by either party, without the necessity of cause, by one party serving the other party with a prior 30-day written notice by U.S. First Class Mail.
- 2.2 Surrender of Premises. Upon termination of this rental agreement, LESSEE shall surrender the premises to the CITY free and clear of all liens and encumbrances, and in a decent, safe and sanitary condition.

SECTION 3: RENT

- 3.1 Time and Place of Payment. Rent is due monthly in advance on or before the first day of each calendar month. All monthly rents will be prorated during the first and final months of any rental period in order to achieve payment on the first day of each calendar month. Checks should be made payable to the City Treasurer and mailed to the Office of the City Treasurer, City of San Diego, P.O. Box 2289, San Diego, California 92112-4165, or delivered to the Office of the City Treasurer, City Operations Building, 1222 First Avenue, Third Floor, San Diego, California.

The place and time of payment may be changed at any time by CITY upon thirty (30) days' written notice to LESSEE. Mailed rental payments shall be deemed paid upon the date such payment is postmarked by the postal authorities. If postmarks are illegible, the payment shall be deemed paid upon actual receipt by the City Treasurer. LESSEE assumes all risk of loss and responsibility for late payment charges if payments are made by mail.

- 3.2 Rent. The total initial monthly flat-rate rent is Two thousand, three hundred, fifty dollars (\$2,350) per month. The rent shall be adjusted periodically by City to reflect increases in the Consumer Price Index for "All Urban Consumers" for Los Angeles/Long BeachAnaheim, California.

- 3.3 Delinquent Rent. If LESSEE fails to pay the rent when due, LESSEE will pay in addition to the unpaid rents, five percent (5%) of the delinquent rent. If the rent is still unpaid at the end of fifteen (15) days, LESSEE shall pay an additional ten percent (10%) [being a total of fifteen percent (15%)] which is hereby mutually agreed by the parties to be appropriate to compensate CITY for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.
- 3.4 Inspection of Records. LESSEE agrees to make any and all records and accounts available to CITY for inspection at all reasonable times, so that CITY can determine LESSEE'S compliance with this lease. These records and accounts will be made available by LESSEE at the leased premises and will be complete and accurate showing all income and receipts from use of the premises. LESSEE'S failure to keep and maintain such records and make them available for inspection by CITY is a breach of this lease and cause for termination. LESSEE shall maintain all such records and accounts for a minimum period of five (5) years.

SECTION 4: ASSIGNMENT

- 4.1 Time is of Essence; Provisions Binding on Successors. Time is of the essence of all of the terms, covenants and conditions of this lease and, except as otherwise provided herein, all of the terms, covenants and conditions of this lease shall apply to, benefit and bind the successors and assigns of the respective parties, jointly and individually.
- 4.2 Assignment and Subletting. LESSEE shall not assign this lease, or any interest therein, and shall not sublet the premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person, except employees, agents and guests of LESSEE, to use or occupy the premises or any part thereof.
- 4.3 Defaults and Remedies.
- a. Default. In the event that:
- (1) LESSEE shall default in the performance of any covenant or condition required by this lease to be performed by LESSEE and shall fail to cure said default within thirty (30) days following written notice thereof from CITY; or if any such default is not curable within thirty (30) days, shall fail to commence to cure the default(s) within said thirty-day period and diligently pursue such cure to completion; or
 - (2) LESSEE shall voluntarily file or have involuntarily filed against it and petition on under any bankruptcy or insolvency act or law; or
 - (3) LESSEE shall be adjudicated a bankrupt; or

(4) LESSEE shall make a general assignment for the benefit of creditors; then CITY may, at its option, without further notice or demand upon LESSEE or upon any person claiming rights through LESSEE, immediately terminate this lease and all rights of LESSEE and of all persons claiming rights through LESSEE to the premises or to possession thereof; and CITY may enter and take possession of the premises. Provided, however, in the event that any default described in Section 4.3 a.(1), Defaults and Remedies, hereof, is not curable within thirty (30) days after notice to LESSEE, CITY shall not terminate this lease pursuant to the default if LESSEE immediately commences to cure the default and diligently pursues such cure to completion.

- b. Waiver. Any CITY waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the City Manager in order to constitute a valid and binding waiver. CITY delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this lease. The use of one remedy or right for any default does not waive the use of another remedy or right for the same default or for another or later default. CITY'S acceptance of any rents is not a waiver of any default preceding the rent payment. CITY and LESSEE specifically agree that the property constituting the premises is CITY-owned and held in trust for the benefit of the citizens of the City of San Diego and that any failure by the City Manager or CITY staff to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY shall at all times, subject to applicable statute of limitations, have the legal right to require the cure of any default when and as such defaults are discovered or when and as the City Council directs the City Manager to take action or require the cure of any default after such default is brought to the attention of the City Council by the City Manager or by any concerned citizen.
- c. No Inverse Condemnation. The exercise of any CITY right under this lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation.

- 4.4 Members' Liability. Each member and owner of Pacific Wings, L.L.C. shall jointly and severally perform and be responsible for each and every term, covenant and condition and each member is jointly and severally liable for performance under this lease.

SECTION 5: INSURANCE RISKS/SECURITY

- 5.1 Indemnity. LESSEE agrees to defend, indemnify, protect, and hold the CITY, its agents, officers, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to LESSEE'S employees, invitee, guests, or officers, which arise out

of or are in any manner directly or indirectly connected with the development or operation of the leasehold or the work to be performed under this rental agreement, and all expenses of investigating and defending against same; provided, however, that LESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

5.2 Insurance.

- a. LESSEE shall take out and maintain at all times during the term of this lease the following insurance at its sole expense:

(1) Public liability and property damage insurance in the amount of not less than THREE MILLION DOLLARS (\$3,000,000) Combined Single Limit Liability with an occurrence claims form. This policy shall cover all injury or damage, including death, suffered by any party or parties from acts or failures to act by CITY or LESSEE or by authorized representatives of CITY or LESSEE on or in connection with the use or operation of the premises.

(2) Fire, extended coverage, and vandalism insurance policy on all insurable City-owned property on the premises in an amount to cover 100 percent of the replacement cost. Any proceeds from a loss shall be payable jointly to CITY and LESSEE. The proceeds shall be placed in a trust fund to be reinvested in rebuilding or repairing the damaged property.

(3) Aircraft and Flight Instructor's Liability in the minimum amount of Three Million dollars (\$3,000,000)

(4) Hangar Keeper's Insurance. LESSEE agrees to maintain the following insurance at its sole expense, during the term of this lease: Hangar Keeper's Insurance sufficient to cover 100% the value any aircraft hangared for others.

This insurance is subject to the same requirements, restrictions and penalties in the event of failure to provide or maintain as detailed under the insurance provision of this lease.

- b. LESSEE'S responsibility to maintain said insurance also includes the following:

(1) Additional Insured. All insurance policies will name CITY as an additional insured, protect CITY against any legal costs in defending claims, and will not terminate without sixty (60) days' prior written notice to CITY. All insurance companies must be satisfactory to CITY and licensed to do business in California. All policies will be in effect on or before the first day of the lease, except "course of construction fire insurance" shall be in force on commencement of all authorized construction on the premises, and full applicable fire insurance coverage shall be effective upon completion of each

insurable improvement. A copy of the insurance policy will remain on file with CITY during the entire term of the lease. At least thirty (30) days prior to the expiration of each policy, LESSEE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the terms of this lease.

(2) Modification. CITY, at its discretion, may require the revision of amounts and coverages at any time during the term by giving LESSEE sixty (60) days' prior written notice. CITY'S requirements shall be designed to assure protection from and against the kind and extent of risk existing on the premises. LESSEE also agrees to obtain any additional insurance required by CITY for new improvements, in order to meet the requirements of this lease.

(3) Accident Reports. LESSEE shall report to CITY any accident causing more than TEN THOUSAND DOLLARS (\$10,000) worth of property damage or any serious injury to persons on the premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.

(4) Failure to Comply. If LESSEE fails or refuses to take out and maintain the required insurance, or fails to provide the proof of coverage, CITY has the right to obtain the insurance. LESSEE shall reimburse CITY for the premiums paid with interest at the maximum allowable legal rate then in effect in California. CITY shall give notice of the payment of premiums within thirty (30) days of payment stating the amount paid, names of the insurer(s) and rate of interest. Said reimbursement and interest shall be paid by LESSEE on the first (1st) day of the month following the notice of payment by CITY.

Notwithstanding the preceding provisions of this Subsection (4), if LESSEE fails or refuses to take out or maintain insurance as required in this lease, or fails to provide the proof of insurance, CITY has the right to declare this lease in default without further notice to LESSEE and CITY shall be entitled to exercise all legal remedies in the event of such default.

5.3 Security Deposit. Prior to execution of this lease, LESSEE shall pay and maintain with City a cash security deposit in the amount of \$2,350, which is subject to increases in proportion of any increases in the monthly rent.

The security or any balance thereof will be returned to LESSEE within ninety (90) days following expiration or termination of this lease, provided LESSEE has faithfully complied with all terms, covenants and conditions hereof.

SECTION 6: IMPROVEMENTS/ALTERATIONS/REPAIRS

6.1 Acceptance of Premises. By signing this lease, LESSEE represents and warrants that it has independently inspected the premises and made all tests, investigations,

and observations necessary to satisfy itself of the condition of the premises. LESSEE agrees it is relying solely on such independent inspection, tests, investigations, and observations in making this lease. LESSEE further acknowledges that the premises are in the condition called for by this lease, that CITY has performed all work with respect to the premises, and that LESSEE does not hold CITY responsible for any defects in the premises.

6.2 Entry and Inspection. CITY reserves and shall always have the right to enter said premises for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises, or to inspect the operations conducted thereon during LESSEE'S hours of operations, except CITY may enter the premises at any time, without LESSEE'S permission, to protect human life or protect CITY's interest in the premises.

6.3 Maintenance. Except as hereinafter provided, LESSEE agrees to assume full responsibility and cost for the operation, maintenance and replacement or repair of the premises throughout the lease term.

LESSEE shall also make such repairs and replacements necessary to maintain and preserve the premises in a decent, safe, healthy and sanitary condition satisfactory to CITY and in compliance with all applicable laws. All applicable codes and standards of CITY, state and federal agencies shall be observed in all maintenance, repairs and replacements on the premises.

6.4 Improvements/Alterations. No improvements, structures, or installations shall be constructed on the premises, and the premises may not be altered by LESSEE without prior written approval by the City Manager.

6.5 Utilities. Except as hereinafter provided, LESSEE agrees to order, obtain and pay for all utilities necessary for operation of the premises. All utilities will be installed underground. CITY shall provide reasonable amounts of water and sewer service for LESSEE'S office hangar and the landscaping around the office hangar. The City Manager shall have sole and absolute discretion to determine what constitutes a "reasonable amount" for purposes of this paragraph.

6.6 Liens. LESSEE shall at all times save CITY free and harmless and indemnify CITY against all claims for labor or materials in connection with operations, improvements, alterations, or repairs on or to the premises and the costs of defending against such claims, including reasonable attorney's fees.

If improvements, alterations, or repairs are made to the premises by LESSEE or by any party other than CITY, and a lien or notice of lien is filed, LESSEE shall within

five (5) days of such filing either:

- a. take all actions necessary to record a valid release of lien, or
- b. file with CITY a bond, cash, or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.

6.7 Taxes. LESSEE agrees to pay, before delinquency, all taxes, assessments, and fees assessed or levied upon LESSEE or the premises, including the land, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by LESSEE or levied by reason of the business or other LESSEE activities related to the leased premises, including any licenses or permits. LESSEE recognizes and agrees that this lease may create a possessory interest subject to property taxation, and that LESSEE may be subject to the payment of taxes levied on such interest, and that LESSEE shall pay all such possessory interest taxes. LESSEE further agrees that payment for such taxes, fees and assessments will not reduce any rent due CITY.

6.8 Signs. All signs erected on the premises must comply with the Airports approved signage program.

6.9 Ownership of Improvements and Personal Property.

- a. Any and all improvements and installations, except utilities and taxiways, now existing or constructed on the premises by LESSEE shall prior to lease expiration or termination be deemed owned by LESSEE, and LESSEE shall remove the improvements, installations and all personal property from the premises at its sole expense prior to the expiration or termination of this rental agreement.
- b. If any removal of such improvements and personal property by LESSEE results in damage to the remaining improvements on the premises, LESSEE agrees to promptly repair all such damage.
- c. Any necessary removal by either CITY or LESSEE which takes place beyond said expiration or termination hereof shall require LESSEE to pay rent to CITY at the rate in effect immediately prior to said expiration or termination and to reimburse CITY for its cost to remove the personal property.
- d. Abandonment by LESSEE. Even though LESSEE has breached the lease and abandoned the property, this lease shall continue in effect for so long as CITY does not terminate this lease, and CITY may enforce all its rights and remedies hereunder, including but not limited to the right to recover the rent as it becomes due, plus damages.

6.10 Hazardous/Toxic Waste. LESSEE will not allow the installation of storage tanks or

release of hazardous substances in, on, or under or from the premises. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State's list of hazardous substances. A copy of the presently effective EPA and the State lists is on file in the City Clerk's Office as City Clerk Document 769704.

LESSEE agrees to assume the defense of, indemnify and hold the CITY harmless from any and all claims, costs and expenses related to environmental liabilities resulting from LESSEE'S operations on the premises, including, but not limited to, costs of environmental assessments, costs of remediation and removal, any necessary response costs, damage for injury to natural resources or the public, and costs of any health assessment or health effect studies.

LESSEE shall notify the CITY in writing immediately if it has reasonable cause to believe, that any hazardous substance has been released in, on or beneath the premises, LESSEE shall give written notice to the City Manager

SECTION 7: GENERAL PROVISIONS

7.1. Notices

- a. Any notice required or permitted to be given hereunder shall be in writing and may be served personally or by United States mail, postage prepaid, addressed to LESSEE at the leased premises or at such other address designated in writing by LESSEE; and to CITY as follows:

City Manager
City of San Diego
Real Estate Assets Department, Airports Division
3750 John J. Montgomery Drive
San Diego, CA 92123

- b. Any party entitled or required to receive notice under this lease may by like notice designate a different address to which notices shall be sent.

- 7.2 Compliance with Law. LESSEE shall at all times in the construction, maintenance, occupancy, and operation of the premises comply with all applicable laws, statutes, ordinances, and regulations of CITY, County, State, and Federal Governments, at LESSEE'S sole cost and expense. In addition, LESSEE shall comply with any and all notices issued by the City Manager or his authorized representative under the authority of any such law, statute, ordinance, or regulation.

- 7.3 CITY Approval. The approval or consent of CITY, wherever required in this lease, shall mean the written approval or consent of the City Manager unless otherwise specified, without need for further resolution by the City Council.

7.4 Nondiscrimination. LESSEE agrees not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in LESSEE'S use of the premises, including, but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.

7.5 Compliance with CITY'S Equal Opportunity Contracting Program. LESSEE shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; and any other applicable federal and state laws and regulations herein after enacted. LESSEE will not discriminate against any employee or applicant for employment based on race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition, or place of birth. Upon CITY request, LESSEE will submit a current Workforce Report and, if required, an Equal Opportunity Plan which set forth actions that LESSEE will take to achieve the CITY'S goals for the employment of African Americans, American Indians, Asians, Filipinos, Latinos, women, and people with disabilities. Further, LESSEE will cause the foregoing provisions to be inserted in all subleases and all subcontracts for any work covered by this lease so that such provisions will be binding upon each sublessee and subcontractor.

LESSEE understands that failure to comply with the requirements listed above and/or submitting false information in response to these requirements may result in termination of this lease and debarment from participating in CITY contracts for a period of not less than one (1) year.

LESSEE acknowledges that the CITY seeks to promote employment and business opportunities for local residents and firms on all CITY contracts. LESSEE is encourages to solicit applications for employment, bids and proposals for subcontracts, and work associated with this lease from local residents and firms as opportunities occur. LESSEE is encouraged to hire qualified local residents and firms.

7.6 FAA Nondiscrimination Covenant.

a. LESSEE and LESSEE'S representatives, successors, sublessees and assigns agree, as part of the consideration that:

(1) No person shall be denied benefits, participation or subjected to discrimination in the use of facilities on the premises based on race, color, sex or national origin.

(2) No person shall be denied benefits, excluded from participation in or subject to discrimination in the construction of any improvements nor the furnishing of any services on the premises, based on race, color, sex or national origin.

(3) LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations (CFR), Department of Transportation, Subtitle A, Office of the Secretary, Part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964," as now exists or may be amended in the future.

- b. If any of the provisions are breached, CITY may terminate the lease and reenter and repossess the premises as if this lease had never been made. This provision is not effective until the procedures of 49 CFR Part 21 are allowed and completed, including expiration of appeal rights.
- c. LESSEE agrees to furnish accommodations and services on a fair and equal basis to all users and will charge fair, reasonable and equal prices for each item or service. LESSEE is allowed to make reasonable and nondiscriminatory discounts, rebates or similar price reductions to volume purchasers. If LESSEE does not comply with this provision, CITY has the right to terminate this lease rental agreement, without liability, or either CITY or the United States may judicially enforce this entire covenant.
- d. LESSEE agrees to include the entire covenant in any sublease or lease rental agreement by which LESSEE grants any right or privilege to any firm, corporation or person providing services or accommodations to the public on the leased premises.

7.7 Equal Opportunity. LESSEE, LESSEE'S successors, assigns, sublessees, and any suborganizations agree to undertake an equal opportunity program as required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to insure that no person shall be excluded from any employment program or opportunity, nor be denied any service described, based on race, creed, color, national origin or sex.

7.8 Disabled Access Compliance. LESSEE agrees to comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. LESSEE'S compliance shall include but not necessarily be limited to the following:

- a. LESSEE shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.
- b. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of LESSEE.

- c. LESSEE shall post a statement addressing the requirements of the ADA in a prominent place at the work site.
- d. Where required by law, LESSEE shall comply with CITY'S disabled access requirements by bringing up to code and making accessible any areas of the premises which deny access to disabled persons. All such improvements and alterations shall be at the sole cost of LESSEE.
- e. LESSEE shall include language in each sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions. LESSEE and sublessees shall be individually responsible for their own ADA employment programs.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements shall constitute a default under this lease.

- 7.9 Partial Invalidity. If any term, covenant, condition, or provision of this lease is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect.
- 7.10 Legal Fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney's fees.
- 7.11 Number and Gender. Words of any gender used in this lease shall include any other gender, and words in the singular number shall include the plural, when the tense requires.
- 7.12 Captions. The Lease Outline, section headings, and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this lease. The numbers of the paragraphs and pages of this lease may not be consecutive. Such lack of consecutive numbers is intentional and shall have no effect on the enforceability of this lease.
- 7.13 Entire Understanding. This lease contains the entire understanding of the parties. LESSEE, by signing this lease, agrees that there is no other written or oral understanding between the parties with respect to the leased premises. Each party has relied on its own examination of the premises, advice from its own attorneys, and the warranties, representations, and covenants of the lease itself. Each of the parties in this lease agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this lease.

The failure or refusal of any party to read the lease or other documents, inspect the premises, and obtain legal or other advice relevant to this transaction constitutes a

waiver of any objection, contention, or claim that might have been based on these actions. No modification, amendment, or alteration of this lease will be valid unless it is in writing and signed by all parties.

7.14 CITY Employee Participation Policy. It is the policy of CITY that all CITY contracts, agreements or leases with consultants, vendors or LESSEES shall include a condition that the contract or lease shall be unilaterally and immediately terminated by CITY if the contractor or LESSEE employs an individual who within the twelve months immediately preceding such employment did in his/her capacity as a CITY officer or employee participate in negotiations with or otherwise have an influence on the recommendation made to the City Council in connection with the selection of the contractor or LESSEE. It is not the intent of this policy that these provisions apply to members of the City Council.

7.15 Drug-free Workplace. LESSEE shall be required to abide by the omnibus drug legislation passed by Congress on November 18, 1988 by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:

- a. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances is prohibited on the leasehold and specifying the actions that will be taken against employees for violations of the prohibition.
- b. Establishing a drug-free awareness program to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The LESSEE'S policy of maintaining a drug-free workplace.
 - (3) Any available drug counseling, rehabilitation, and employees assistance programs.
 - (4) The penalties that may be imposed upon employees for drug abuse violations.
- c. LESSEE shall include in each sublease agreement language which indicates the sublessee's agreement to abide by the provisions of a drug-free workplace. LESSEE and sublessees shall be individually responsible for their own drug-free workplace programs.

7.16 Interchangeable Terms. The terms LESSEE and TENANT; LESSOR and LANDLORD; LEASE or LEASE AGREEMENT and RENTAL AGREEMENT are used interchangeably in this agreement.

SECTION 8: SPECIAL PROVISIONS

- 8.1 Authority. Each individual executing this lease on behalf of LESSEE represents and warrants that he/she is duly authorized to execute and deliver this lease on behalf of said LESSEE, in accordance with duly adopted articles of organization and membership agreement and all steps have been taken prior to the date hereof to qualify LESSEE to do business in the State and City where the premises are situated.
- 8.2 Standard of Employees. LESSEE and its employees shall at all times conduct themselves and the operations on the leased premises in a creditable manner.
- 8.3 Landscaping. LESSEE shall, at its sole cost, landscape and maintain all areas in accordance with the Airport's approved landscaping plan.
- 8.4 Schedule of Prices. All prices of merchandise, equipment and services of LESSEE and its sublessees shall be competitive with prices of like merchandise, equipment and services offered in the San Diego area, except LESSEE shall not be required to sell any services at a loss.
- 8.5 No Warranty. CITY does not warrant that said premises are suitable for the purposes for which they are leased as stated herein.
- 8.6 Cutting of Trees. LESSEE shall not remove any trees on the premises without the written prior instruction or authorization from City.

SECTION 9: AIRPORT PROVISIONS

- 9.1 LESSEE Use to Conform with Law and Other Rules. LESSEE is granted the nonexclusive use of all public airport facilities including, but not limited to, taxiways, runways, aprons, navigational aids and other facilities related to the normal function of any aircraft under LESSEE'S or its sublessee's control. LESSEE agrees that such use shall be in accord with existing or future laws, rules and regulations of the United States of America, the State of California and CITY in regard to their aviation and air navigation authority.
- 9.2 LESSEE Use and Construction to Conform with Federal Aviation Regulations. LESSEE agrees to conform to all applicable Federal Aviation Regulations in any operation or construction on the premises. LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations (which may be amended or replaced by other regulations from time to time) before constructing any improvements or modifying or altering any structure on the premises.
- 9.3 LESSEE'S Noninterference with Aircraft. LESSEE and LESSEE'S successors, assigns and sublessees agree not to use the premises in any manner or act in any manner that might interfere with any aircraft landing or taking off from Montgomery

Airport or otherwise create a hazard. If this covenant is breached in any way, CITY reserves the right to enter the premises and abate or eliminate the interference at the expense of LESSEE.

- 9.4 Lease Subordinate to CITY-United States Agreements. This lease shall be subordinate to the terms of any existing or future agreements between CITY and the United States, or to any United States legal requirement relative to the development, operation or maintenance of the airport.
- 9.5 Height Limitation. LESSEE and LESSEE'S successors, sublessees and assigns agree not to erect or permit any structure or tree on the premises in excess of FAA recommendations. If this covenant is breached in any way, CITY reserves the right to enter the premises and remove the structure, object, or tree, at the expense of LESSEE.
- 9.6 Right of Flight Easement. CITY and its successors and assigns reserve a right of flight for the passage of aircraft in the air space above the premises, for the benefit and use of the public. This right includes the right to make noise inherent in the operation of existing or future aircraft that operate in any way on or near Montgomery Airport.
- 9.7 War or National Emergency. In the event of war or national emergency, this lease and all of its provisions shall be subject to any United States Government right, existing now or in the future, affecting the control, operation, regulation, take over, or exclusive or nonexclusive use of Montgomery Airport.
- 9.8 Airport Development. CITY reserves the right to further develop, change or improve the airport and its routes and landing areas as CITY sees fit, without LESSEE interference or hindrance and regardless of LESSEE'S views and desires.
- 9.9 Nonexclusive Right. LESSEE understands and agrees that nothing in this lease shall be construed to grant or authorize an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (Title 49, Section 1349 of the United States Code).
- 9.10 Landing Area Maintenance. CITY reserves the right, but not the obligation, to maintain and repair the airport landing area and all other public facilities. CITY also has the right to direct and control all LESSEE activities affecting the maintenance and repair of these facilities.
- 9.11 CITY to Mitigate Impacts of Subordination. If subordination agreements between CITY and United States of America result in LESSEE'S inability to operate as a business on the premises, or if the business operations permitted under this rental agreement are materially affected during a period of subordination, CITY agrees to make a reasonable rental reduction or adjustment, as determined by CITY. LESSEE agrees that any damages claimed during this subordination period will be limited to

this rental relief.

- 9.12 CITY to Mitigate Impacts of Subordination by Termination or Extension. If subordination agreements between CITY and the United States of America result in LESSEE'S inability to operate as a business on the premises, or if the business operations permitted under this lease are materially affected during a period of subordination, CITY, upon written request from LESSEE, will terminate this lease or extend the term of this lease for the period of time that LESSEE'S operation is affected, and no rent shall accrue during any period of inoperation.
- 9.13 Licenses and Certifications. LESSEE agrees that it will not maintain any activities such as a flight school, air charter, air taxi or grounds school, without the required FAA certifications and licenses. Failure to comply with this provision constitutes a default and CITY then has the right to terminate the lease without liability.
- 9.14 Employee Conduct. LESSEE shall be responsible for the conduct of any employee on the entire property, if that employee is on airport property during any period of employment.
- 9.15 Aircraft Parking. LESSEE shall require that all aircraft under its control be parked only on the leased premises, except as otherwise provided by the direction of the City Manager. At no time shall any aircraft, vehicle or other object, including refuse, under LESSEE'S control, be allowed to obstruct any designated taxiways.
- 9.16 Noise Abatement. CITY airports are severely impacted by noise; therefore, LESSEE shall comply at all times with all airport noise abatement rules and regulations ("Noise Abatement Program") as may be applicable to LESSEE'S use of CITY-owned airports and this lease. Current information on the Noise Abatement Program for CITY airports may be obtained at CITY'S Airport Noise Abatement Office.

It is CITY'S intent to take whatever action is necessary to enforce its Noise Abatement Program. This may include fining violators and/or terminating their use of the airport. LESSEE shall fully cooperate with CITY in its enforcement of its Noise Abatement Program with users of the leased premises, including providing CITY with any information it has in its records that would assist the CITY in identifying and locating those that violate the Airport's Noise Abatement Program.

9.17 Minority Business Policy

- a. If LESSEE receives any federal funds governed by Title 49, Code of Federal Regulations, Part 23, LESSEE agrees that it and its contractor will ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts and subcontracts. LESSEE and LESSEE'S contractors agree not to discriminate on the basis of race, color, national origin or sex in the award and performance of any Federal Department of Transportation assisted contracts.

- b. Developer will comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practice Act, and any other applicable federal and state laws and regulations hereinafter enacted. Developer will not discriminate based on race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition or place of birth against any employee, applicant for employment, or firm seeking to conduct business with developer.

Further, developer will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this rental agreement so that such provisions will be binding upon each subcontractor.

9.18 Guarantee Removal of Aircraft. LESSEE and its owners jointly and severally guarantee CITY that it shall promptly do one of the following at its sole expense:

(1) Provide CITY with a current written certification from an AEI licensed mechanic stating the Beech 18 aircraft, located on the premises, has been inspected and found to be flight worthy and its engines are now properly sealed and no longer leaking hazardous materials, or

(2) Remove the Beech 18 from the premises as soon as legally possible.

SECTION 10: SIGNATURES

10.1 Signature Page.

IN WITNESS WHEREOF, this Lease Agreement is executed by CITY, acting by and through its City Manager, and by LESSEE, acting by and through its lawfully authorized officers.

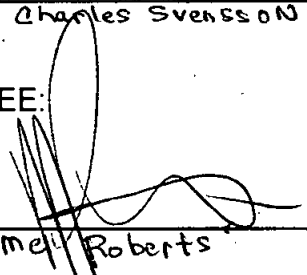
THE CITY OF SAN DIEGO

Date 2/19/98

By 
Charles Svensson

LESSEE:

Date 2-19-98

By 
Mel Roberts

By _____

APPROVED as to form and legality this 25th day of Feb, 1998.

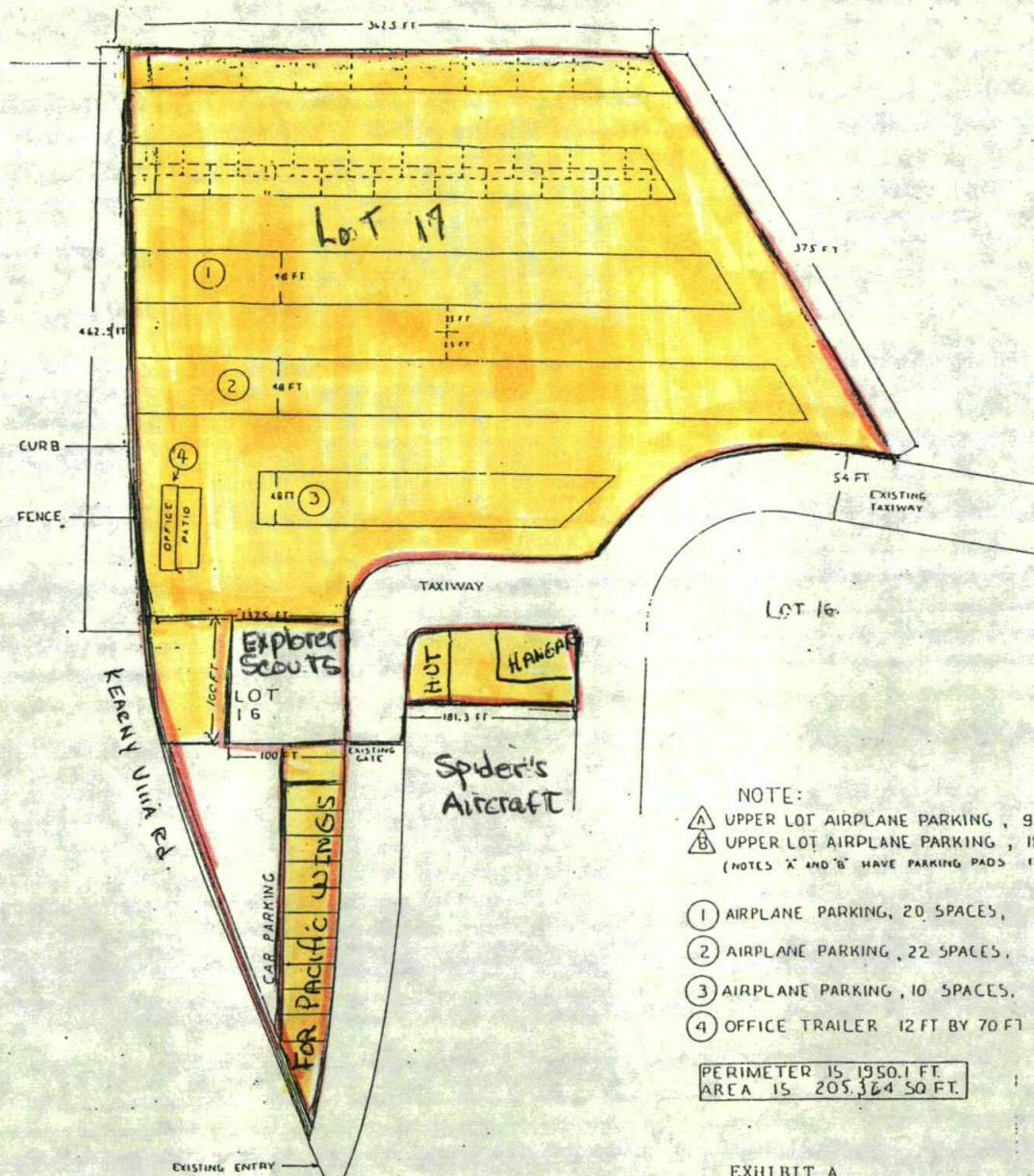
CASEY GWINN, City Attorney

By 
Deputy City Attorney

file: a:pacifi1
2-2-98

SECTION 11: EXHIBITS "A", Premises Map and Description:

Description of Premises: Portions of Lots 16 7 17 at Montgomery Field containing a total of 4.7 acres and Suites "A" (150 sq. ft.) and "C" (90 sq. ft.), delineated below.

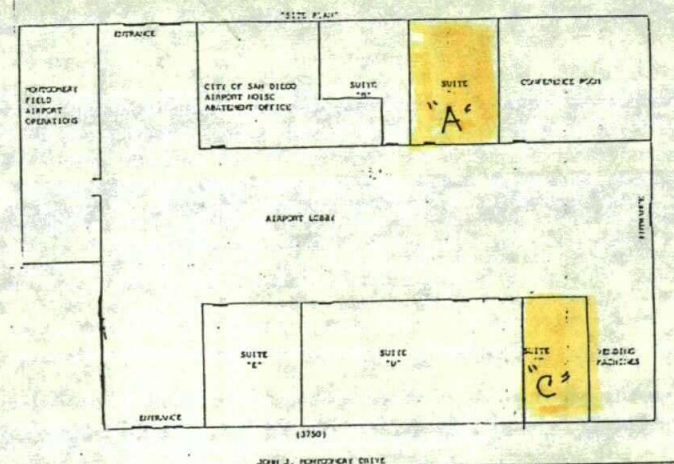


NOTE:
 A UPPER LOT AIRPLANE PARKING , 9
 B UPPER LOT AIRPLANE PARKING , 18
 (NOTES "A" AND "B" HAVE PARKING PADS 12')

- ① AIRPLANE PARKING, 20 SPACES,
- ② AIRPLANE PARKING , 22 SPACES,
- ③ AIRPLANE PARKING , 10 SPACES,
- ④ OFFICE TRAILER 12 FT BY 70 FT

PERIMETER IS 1950.1 FT.
 AREA IS 205,364 SQ. FT.

EXHIBIT A



RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Legal

SPACE ABOVE THIS LINE FOR RECORDER'S USE

State of California

Bill Jones

Secretary of State

SACRAMENTO



I, BILL JONES, Secretary of State of California, hereby certify:

***That the annexed transcript of 4 page(s) was prepared by
and in this office from the record on file, of which it purports to be a copy,
and that it is full, true and correct.***



***IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California***

NOV 25 1997

Bill Jones

Secretary of State



State of California
Bill Jones
Secretary of State

LLC-1

LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION

IMPORTANT - Read the instructions before completing the form.

This document is presented for filing pursuant to Section 17050 of the California Corporations Code.

1. Limited liability company name:

(List the name with "LLC" or "Limited Liability Company". No periods between the letters in "LLC", "Limited" and "Company" may be abbreviated to "Ltd." and "Co.")

PACIFIC WINGS, LLC

2. Latest date (month/day/year) on which the limited liability company is to dissolve:

NOVEMBER 24, 2097

3. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

4. Enter the name of initial agent for service of process and check the appropriate provision below:

DAVID PETERS

, which is

☒ an individual residing in California. Proceed to Item 5.

☐ a corporation which has filed a certificate pursuant to Section 1505 of the California Corporations Code. Skip Item 5 and proceed to Item 6.

5. If the initial agent for service of process is an individual, enter a business or residential street address in California:

Street address: 402 WEST BROADWAY FOURTH FL

City: SAN DIEGO

State: CALIFORNIA

Zip Code: 92101

6. The limited liability company will be managed by: (check one)

☒ one manager☐ more than one manager☐ limited liability company members

7. If other matters are to be included in the Articles of Organization attach one or more separate pages.

Number of pages attached, if any: 3

8. It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

Signature of organizer

JENNIFER MARSON

Type or print name of organizer

Date: NOVEMBER 24, 1997

For Secretary of State Use

101997328038

FILEDIn the office of the Secretary of State
of the State of California

NOV 24 1997

 BILL JONES, Secretary of State

ATTACHMENT TO LIMITED LIABILITY COMPANY ARTICLES OF PACIFIC WINGS, LLC

7A. Restrictions on Transfer and Admission of a New Member.

The members may admit to the limited liability company one or more additional members who will participate in the profits, losses, available cash flow, and ownership of the assets of the limited liability company on such terms as are in accordance with the Operating Agreement. Notwithstanding the foregoing, the admission of any such additional member or members shall require the consent of members then having a majority of the non-transferred profits of the limited liability company. The transfer of any membership interest shall require the approval of the members having a majority of the non-transferred profits.

7B. Dissolution and Continuity.

The limited liability company shall be dissolved upon the occurrence of any of the following events:

- a. By the unanimous written agreement of all members; or
- b. Upon the death, withdrawal, resignation, expulsion, bankruptcy, or dissolution of a member or occurrence of any other event which terminates the continued membership of a member in the limited liability company, unless the business of the limited liability company is continued by the consent of the remaining members (if more than one) holding a majority-in-interest as provided in Sub-Article 7C below, or
- c. By entry of a decree of judicial dissolution pursuant to California Corporate Code 17351.

7C. Right to Continue Business by Consent of Majority-In-Interest.

Upon the death, withdrawal, resignation, withdrawal, expulsion or dissolution of a member, adjudication of a member as a bankrupt or incompetent or occurrence of any other event which terminates the continued membership of a member in this limited liability company, the remaining members (if more than one) holding a majority-in-interest shall have the right to continue the business of the limited liability company.

101997328038

7D. Nature of Membership Interest.

The interest of each member of this limited liability company constitutes the personal estate of that member, and may be transferred or assigned as provided in the Operating Agreement. However, if all of the other members of this limited liability company, other than the member proposing to dispose of his, her or its interest, do not approve of the proposed transfer or assignment by unanimous written consent, the transferee of the member's interest shall have no right to participate in the management of the business and affairs of this limited liability company or to become a member. The transferee shall be entitled to receive only the share of profits or other compensation by way of income and the return of contributions to which that member would otherwise be entitled and shall hold only an economic interest.

7E. Regulation of Business and Affairs.

The business and affairs of this limited liability company shall be regulated by an Operating Agreement between the limited liability company and its members, which agreement shall in writing and consistent with the legal requirements and provisions of the Beverly-Killea Limited Liability Company Act and these Articles of Organization including all amendments thereto.

7F. Indemnifications.

The limited liability company may indemnify an individual made a party to a proceeding because he or she is or was a manager, member, officer, employee or agent of the limited liability company against judgments, settlements, penalties, or expenses of any kind incurred as result of action in that capacity if, acting as a manager, he or she has fulfilled all fiduciary duties owed to the limited liability company and to its members, and regardless of the position held, he or she conducted himself or herself in good faith, he or she reasonably believed that his or her conduct was in or at least not opposed to the best interests of the limited liability company and, in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

The limited liability company may also provide indemnification for an individual with respect to his or her conduct as an administrator or advisor to an employee benefit plan maintained by the limited liability company if the individual reasonably believed his or her conduct to be in the interests of the participants in and beneficiaries of the plan.

The indemnification of expenses permitted herein shall only be authorized if at all by written Operating Agreement and any other agreements approved by all of the members. The Articles of Organization shall not be interpreted to limit in any manner the right to the indemnification, the power of the limited liability company to purchase any insurance or to provide for the advancement of expenses of an individual who would otherwise be entitled thereto.

In addition to the foregoing, the limited liability company shall indemnify and save the organizer harmless for all acts taken by him as organizer of the limited liability company, and shall pay all costs and expenses incurred by or imposed upon him as a result of the same, including compensation based upon the usual charges for any time expenditures required of him in pursuit of the defense against any liability arising on the account of acting as organizer or arising on the account of enforcing the indemnification right hereunder, and the limited liability company releases him from all liability or any such act as organizer not involving willful or grossly negligent misconduct.

7G. Amendments.

Amendments to the Articles of Organization of the limited liability company shall be adopted in accordance with the Operating Agreement or with the consent of all the members but in no event shall the Articles of Organization be amended by a vote of less than a majority in interest of the members.

*** **



**AGREEMENT TO ORGANIZE A
LIMITED LIABILITY COMPANY AND
SUBSCRIBE TO INITIAL CAPITAL**

This agreement is made effective 24 November 1997, between Melvyn Roberts, Mr. Alejandro Diaz, Daniel Gayet.

In consideration of the mutual promises herein contained, the undersigned parties agree to form a Limited Liability Company (herein "LLC") pursuant to the California Liability Company Act to undertake and carry on business as follows:

SECTION 1. NAME:

The name of the LLC shall be Pacific Wings, LLC.

SECTION 2. PURPOSE:

The LLC shall be formed for the purposes set forth in Exhibit A.

SECTION 3. MEMBERS AND SUBSCRIPTIONS:

The initial members in the LLC shall be the signatories to this agreement and hereby subscribe to the capital contributions set out in Exhibit B.

SECTION 4. MANAGEMENT:

The management of the LLC shall be in the hands of Melvyn Roberts, its sole manager, as set forth in Exhibit C.

SECTION 5. PRINCIPAL OFFICE:

The principal office for the transaction of business of the LLC shall be located at ~~8665 Gibbs Drive, Suite 110, San Diego, CA 92123.~~

4025 LEARNY VILLA RD. SAN DIEGO, CA 92123

section 6. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS:

The Articles of Organization and Operating Agreement will contain provisions that shall restrict the transfer of membership of the LLC as set forth in Exhibit D.

SECTION 7. DISSOLUTION AND CONTINUATION:

The Articles of Organization and the Operating Agreement shall define events of dissolution and provide for continuation of the business of the LLC as set forth in Exhibit E.

SECTION 8. APPROVED FORM OF ARTICLES OF ORGANIZATION:

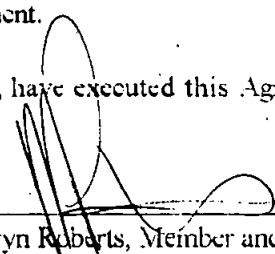
A copy of approved Articles of Organization of the LLC are attached and incorporated by this reference as Exhibit F.

SECTION 9. OPERATING AGREEMENT TO BE ADOPTED:

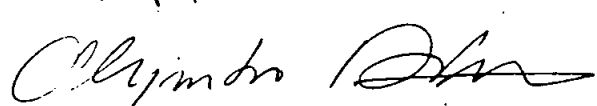
The initial members and signatories shall adopt an operating agreement not inconsistent with the terms of this agreement.

IN WITNESS WHEREOF, the Undersigned, have executed this Agreement, effective the day and year first above written.

Dated: 12/5, 1997



Mr. Melvyn Roberts, Member and Manager



Mr. Alejandro Diaz, Member

Mr. Daniel Gayet, Member

EXHIBIT A

Purpose of LLC

The purposes for which this Limited Liability Company is organized are the transaction of any and all lawful businesses for which limited liability companies may be organized under the laws of the State of California, including, but not limited to, civilian flight instruction.

EXHIBIT B

Initial Capitalization

NAMES	ASSET VALUE
Mr. Melvyn Roberts	\$ 40.00
Mr. Alejandro Diaz	\$ 30.00
Mr. Daniel Gayet	\$ 30.00
TOTAL VALUE OF INITIAL CAPITALIZATION:	\$100.00

EXHIBIT C

Management

The management of the Company shall be vested in Mr. Melvyn Roberts, or his designees pursuant to a management contract and as set forth below.

POSITION	INDIVIDUAL
Manager/President	Mr. Melvyn Roberts
Manager/Treasurer	Mr. Melvyn Roberts or designee
Manager/Secretary	Mr. Melvyn Roberts or designee

List other members

EXHIBIT A

CAPITAL CONTRIBUTION OF MEMBERS AS OF
PACIFIC WINGS, LLC

MEMBER'S NAME	MEMBER'S ADDRESS	MEMBER'S CAPITAL CONTRIBUTION	MEMBER'S PERCENTAGE INTEREST
Mr. Melvyn Roberts	8665 Gibbs Drive, Suite 110 San Diego, CA 92123	\$ 40.00	Forty Percent (40%)
Mr. Alejandro Diaz	8665 Gibbs Drive, Suite 110 San Diego, CA 92125	\$ 50.00	Thirty Percent (50%)
Mr. Daniel Gayet	8665 Gibbs Drive, Suite 110 San Diego, CA 92125	\$ 50.00	Thirty Percent (50%)
	TOTALS:	\$ 100.00	One-Hundred (100%)

EXHIBIT B

PERCENTAGE INTERESTS IN
NET PROFITS AND NET LOSSES

NAME OF MEMBER	NET PROFITS PERCENTAGE	NET LOSSES PERCENTAGE
Mr. Melvyn Roberts	Forty Percent (40%)	Forty Percent (40%)
Mr. Alejandro Diaz	Thirty Percent (30%)	Thirty Percent (30%)
Mr. Daniel Gayet	Thirty Percent (30%)	Thirty Percent (30%)
TOTALS:	One Hundred (100%)	One Hundred (100%)



Regal

THE CITY OF **SAN DIEGO**
EQUAL OPPORTUNITY CONTRACTING PROGRAM
1010 SECOND AVENUE • SUITE 500 • SAN DIEGO, CA 92101
(619) 533-4464 • FAX: 533-4474

WORK FORCE REPORT

The objective of the Equal Employment Opportunity Program is to ensure that contractors doing business with the City, or receiving funds from the City, will not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship.

NO OTHER FORMS WILL BE ACCEPTED

CONTRACTOR IDENTIFICATION

Type of Contractor: ☐ Construction ☒ Vendor/Supplier ☐ Financial Institution ☒ Lessee/Lessor
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: PACIFIC WINGS, LLC

AKA/DBA: _____

Address (Corporate Headquarters, where applicable): 4025 KEARNY VILLA ROAD

City SAN DIEGO County CA State CA Zip 92123

Telephone Number: (619) 268-9464 FAX Number: (619) 278-1087

Name of Company CEO: MEL ROBERTS

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City _____ County _____ State _____ Zip _____

Telephone Number: () _____ FAX Number: () _____

Type of Business: FLIGHT SCHOOL Type of License: _____

The Company has appointed: MEL ROBERTS

as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: _____

Telephone Number: () _____ FAX Number: () _____

For Firm's: ☐ San Diego Work Force and/or ☐ Managing Office Work Force

I, the undersigned representative of PACIFIC WINGS, LLC.

(Firm Name)

SAN DIEGO

(County)

CALIFORNIA

(State)

hereby certify that information provided herein is true and correct. This document was executed on this
4th day of FEBRUARY, 1998.

[Signature]
(Authorized Signature)

MEL ROBERTS
(Print Authorized Signature Name)

WORK FORCE REPORT - F 2

NAME OF FIRM:

PACIFIC WINGS, LLC

DATE:

2-4-98

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force.

Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- | | |
|--|--|
| (1) African-American, Black | (5) Filipino |
| (2) Latino, Hispanic, Mexican-American, Puerto Rican | (6) Caucasian |
| (3) Asian, Pacific Islander | (7) Other Ethnicities; not falling into other groups |
| (4) American Indian, Eskimo | |

OCCUPATIONAL CATEGORY	(1) African-American		(2) Latino		(3) Asian		(4) American Indian		(5) Filipino		(6) Caucasian		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Executive, Administrative, Managerial											1	1	1	
Professional Specialty						1					1			
Engineers/Architects														
Technicians and Related Support														
Sales														
Administrative Support/Clerical														
Services														
Precision Production, Craft and Repair														
Machine Operators, Assemblers, Inspectors														
Transportation and Material Moving														
Handlers, Equipment Cleaners, Helpers and Nonconstruction Laborers*														

*Construction labors and other field employees are not to be included on this page

TOTALS EACH COLUMN						1					2	1	1	
--------------------	--	--	--	--	--	---	--	--	--	--	---	---	---	--

GRAND TOTAL ALL EMPLOYEES

5

INDICATE BY GENDER AND ETHNICITY THE NUMBER OF ABOVE EMPLOYEES WHO ARE DISABLED:

DISABLED														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NON-PROFIT ORGANIZATIONS ONLY:

BOARD OF DIRECTORS														
VOLUNTEERS														
ARTISTS														

EQUAL OPPORTUNITY AGREEMENT

NON-DISCRIMINATION CLAUSE: Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor shall provide equal opportunity in all employment practices. Contractor shall ensure that its subcontractors comply with the City of San Diego's Equal Employment Opportunity Program.

EQUAL EMPLOYMENT OPPORTUNITY (EEO): Contractor has received, read, understands and agrees to be bound by the City of San Diego *Municipal Code*, Chapter II, Article 2, Division 27 (Equal Employment Opportunity Program) provided with the proposal package.

Contractor has submitted either a *Work Force Report* or an *Equal Employment Opportunity Plan* as required by Section 22.2705 of the City of San Diego *Municipal Code*.

City and Contractor agree that compliance with EEO provisions will be implemented, monitored, and reviewed by the City's Equal Opportunity Contracting Program (EOCP) staff.

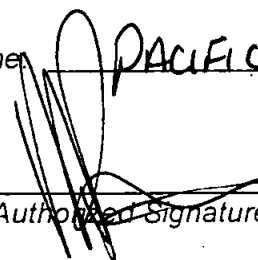
EQUAL OPPORTUNITY CONTRACTING: Contractor has received, read, understands and agrees to be bound by the Equal Opportunity Contracting Program requirements described in the proposal package.

Contractor has submitted the *Outreach and Teaming Survey*. Contractor agrees to provide updated reports as requested by the City.

Contractor agrees to insert equal opportunity compliance language in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor.

Project Name: _____ Bid No.: _____

Company Name: PACIFIC WINGS, LLC Date: 2-4-98



Authorized Signature

MEL ROBERTS

Print Authorized Signature Name

COMPLETE SET OF "BIDDING DOCUMENTS" (All "B" Pages) MUST BE SUBMITTED AS BID PROPOSAL

WORK FORCE REPORT (Construction) - Page 3

NAME OF FIRM: Pacific Wings L.L.C DATE: 2-4-98

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force.

Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- | | |
|--|--|
| (1) African-American, Black | (5) Filipino |
| (2) Latino, Hispanic, Mexican-American, Puerto Rican | (6) Caucasian |
| (3) Asian, Pacific Islander | (7) Other Ethnicities; not falling into other groups |
| (4) American Indian, Eskimo | |

OCCUPATIONAL CATEGORY	(1) African-American		(2) Latino		(3) Asian		(4) American Indian		(5) Filipino		(6) Caucasian		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Carpenter														
Drywall Installers														
Electrician														
Elevator Installers														
Finishers, Concrete or Terrazzo														
Glaziers														
Helpers, Construction Trade														
Ironworkers, Structural Metal Workers														
Laborers														
Millwrights														
Masons, Bricklayers														
Tilesellers														
Operators														
Painters														
Pipefitter, Plumbers														
Plasterers														
Roofers														
Security, Protective Services														
Sheet Metal, Duct Installers														
Welders, Cutters														

TOTALS EACH COLUMN														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

GRAND TOTAL ALL EMPLOYEES 0

INDICATE BY GENDER AND ETHNICITY THE NUMBER OF ABOVE EMPLOYEES WHO ARE DISABLED:

DISABLED														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--