

LEASE TERMINATION AGREEMENT (LEASE No. VNA-7770)

THIS LEASE TERMINATION AGREEMENT (LEASE No. VNA-7770) (this “Agreement”) is dated, made and entered into as of the ___ day of _____, 2021 (“Effective Date”), by and between the CITY OF LOS ANGELES, a municipal corporation, acting through its Board of Airport Commissioners (“City”), and NATIONAL HELICOPTER SERVICE AND ENGINEERING COMPANY, a California corporation (“Lessee”), with reference to the following:

WITNESSETH:

A. City and Lessee entered into Lease No. VNA-7770, dated December 10, 1998, covering approximately two acres of aviation space located at 16750 Roscoe Boulevard in Van Nuys at Van Nuys Airport (“Airport”), as subsequently amended by the First Amendment to Lease No. VNA-7770A, dated January 11, 2006, and as further amended by the Second Amendment to Lease No. 7770B, dated March 30, 2016 (collectively, the “Lease”). Unless otherwise defined herein or the context otherwise requires, the capitalized terms used in this Agreement shall have the same respective meanings as ascribed to such terms in the Lease.

B. City and Lessee entered into a letter agreement Re: Temporary Rent Relief due to the Adverse Impact of the COVID-19 Pandemic for Van Nuys Airport Non-Fixed Based Operators eligible for rent deferral under the Los Angeles City Ordinance No. 186585, VNA-7770C (“Rent Deferral Agreement”).

C. Under the Rent Deferral Agreement, Lessee’s obligation to pay rent under the Lease is deferred for the Local Emergency Period, as defined in Los Angeles City Ordinance Section 49.99.1(E), with the unpaid rent payable in six (6) monthly installments commencing on the first day of the month following the end of the Local Emergency Period.

D. Pursuant to Section 3 of the Lease, if Lessee fails to complete any of the required milestones under the Lease, City has the right to terminate the Lease twelve (12) months following a Lease termination notice from City.

E. Lessee failed to achieve Milestone #1, Milestone #2, Milestone #3, and Milestone #4 as set forth in Section 3 of the Lease.

F. City issued a termination notice to Lessee on July 16, 2021, with such termination to be effective on July 15, 2022 (“Notice Termination Date”).

G. Lessee and City desire to terminate the Lease earlier than the Notice Termination Date in order to allow City the opportunity to initiate a competitive process to obtain a new tenant for the Demised Premises.

H. As consideration for the earlier termination of the Lease, City will waive its right to collect Deferred Rent (as defined in the Rent Deferral Agreement), as provided under the Rent Deferral Agreement.

I. City and Lessee desire to voluntarily terminate the Lease on the terms set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Termination of Lease. City and Lessee hereby agree that the Lease shall terminate on the day that is thirty (30) days from the Effective Date of this Agreement (such date, the "Termination Date"). The Effective Date is the date this Agreement is fully executed by both parties and referenced above. Lessee shall vacate and surrender possession of the Demised Premises to City by the Termination Date. Except provided in Section 2 of this Agreement, nothing in this Agreement shall be construed to release or relieve Lessee from the observance or performance of Lessee's obligations accruing under the Lease on or before the Termination Date (and all such obligations shall expressly survive the termination of the Lease). Lessee acknowledges that Lessee shall have ceased all operations upon, surrendered full possession of and fully vacated the Demised Premises (including the removal of any and all personal property of Lessee and/or its sublessees or licensees) on or before the Termination Date, and there shall be no further use of the Demised Premises by Lessee or any other person or entity claiming rights of use under or through Lessee.

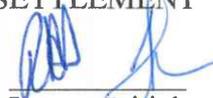
2. Release of Planned Investment Obligation. Due to the termination of the Lease, Lessee shall be released of any obligation, and shall have no liability to City, to make the Planned Investment Obligation (as referenced in Section 8 of the Lease) through either the construction of the Required Improvements or through payment to City of any portion of the Planned Investment Obligation.

3. City's Waiver of Right to Deferred Rent. As consideration for the termination of the Lease prior to the Notice Termination Date, for the period starting from July 1, 2020, City waives its right to collect Deferred Rent ("Deferred Rent Waiver), as described in Section 1 of the Deferred Rent Agreement, and Lessee shall be excused from the obligation to make the Deferred Rent Payments (as such term is defined in the Deferred Rent Agreement). In the event that the Local Emergency Period (as such term is defined in the Deferred Rent Agreement) ends prior to the Termination Date, Lessee shall also be excused from any payment of rent from the end of the Local Emergency Period until the Termination Date of the Lease. As of August 31, 2021, the amount of Deferred Rent is One Hundred Forty-One Thousand Seven Hundred Forty-Nine and 39/100 Dollars (\$141,749.39) and will accrue in the amount of Nine Thousand Nine Hundred Seventy-Two and 49/100 Dollars (\$9,972.49) per month until the Termination Date.

4. Release of Claims. In consideration of the Deferred Rent Waiver and other consideration provided under this Agreement, Lessee hereby forever completely and unconditionally releases, acquits and discharges City, the Board of Airport Commissioners and the City Council of the City of Los Angeles, and their respective board and council members, officers, directors, employees, contractors, agents, attorneys, and representatives (collectively, the "City Parties") from any and all past, present or future claims, demands, liabilities, actions,

causes of action, debts, losses, costs, expenses, counterclaims, set-offs, damages or suits of every kind or nature (collectively, "Claims") which Lessee now has or may hereafter accrue against City Parties, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, arising out of, based upon, or in any way related to the Lease, the termination of the Lease and/or the Lessee's activities on or about the Demised Premises, including, but not limited to (a) any lost profits, loss of business opportunities, lost investment returns, loss of goodwill, or other business losses relating thereto; (b) any alleged violation of the California Environmental Quality Act ("CEQA") statute (Public Resources Code Sec. 21000, et seq.) and CEQA Guidelines (Cal. Code of Regs, Tit. 14, Section 15000, et seq.); (c) any Compensation Claims relating thereto; (d) Lessee's surrender or vacation of the Demised Premises; and (e) any alleged costs, expenses, fees, charges, or attorney's fees purportedly incurred relating thereto. Lessee hereby waives all rights it has or may have in the future under California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.



Lessee Initial

5. Indemnification. Lessee, on behalf of itself and its successors and assigns, agrees to indemnify, defend and hold harmless the City Parties, and each of them, from and against any and all losses, liabilities, claims, demands, suits, liens, damages, costs and expenses (including attorney's fees) that are incurred by or asserted against any of them arising out of or connected in any manner with Lessee's activities and operation on the Demised Premises and/or the termination of the Lease.

6. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Agreement and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Agreement had been delivered that had been signed using a handwritten signature. All parties to this Agreement (i) agree that an electronic signature, whether digital or encrypted, of a party to this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will

rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature. If this Agreement has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

7. Authority. Lessee and City each represent and warrant to the other that it has full authority to enter into and perform this Agreement without the consent or approval of any other person or entity including, without limitation, any mortgagees, partners, ground lessors, or other superior interest holders or interested parties. Each person signing this Agreement on behalf of Lessee or City represents and warrants that he or she has the full and complete authority, corporate, partnership or otherwise, to bind Lessee or City, as the case may be, to this Agreement.

8. Entire Agreement. This Agreement constitutes the entire agreement between each of the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements between the parties with regard to such subject matter.

9. Legal Counsel. Each party to this Agreement hereby acknowledges and represents to the other parties that, in connection with the preparation, review and execution of this Agreement, each such party has been represented by and consulted with independent legal counsel. This Agreement shall be construed and interpreted without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties have hereunto duly executed and delivered this Agreement as of the day and year first above written.

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney

By: Cynthia Alexander
Cynthia Alexander (Sep 16, 2021 11:03 PDT)
Deputy/Assistant City Attorney

CITY OF LOS ANGELES, a municipal corporation,

By: _____
Chief Executive Officer
Department of Airports

NATIONAL HELICOPTER SERVICE AND ENGINEERING COMPANY, a California corporation

By: Michael H. Smith

Its: PRESIDENT

By: [Signature]

Its: SECRETARY