

Hangar 8
Purchase And Sale Agreement

WHEREAS, Hawthorne Airport, LLC, a Delaware Limited Liability Company ("SELLER"), is currently leasing from the City of Hawthorne, a California Municipal Corporation ("MASTER LANDLORD"), certain portions of the "Hawthorne Municipal Airport - Jack Northrop Field" (the "AIRPORT") pursuant to: (i) that certain Ground Lease dated as of January 3, 2005; (ii) that certain First Amendment to Ground Lease dated as of November 22, 2005; (iii) that certain Second Amendment to Ground Lease dated as of June 13, 2006; (iv) that certain Third Amendment to Ground Lease dated as of June 28, 2017; and (v) that certain Fourth Amendment to Ground Lease dated as of January 24, 2024 (collectively the "MASTER GROUND LEASE" or "MGL"). A true and correct copy of which is attached hereto as Exhibit "A".

WHEREAS, as part of the AIRPORT, there is an improvement consisting of approximately 1,800 square feet, commonly referred to as Hangar 8, as more specifically depicted on EXHIBIT "B" hereto (the "HANGAR").

WHEREAS, SELLER and Michael Osborn ("BUYER"), with the approval of MASTER LANDLORD, intend to enter into this Purchase And Sale Agreement (the "AGREEMENT") for SELLER to sell to BUYER and BUYER to purchase from SELLER, the HANGAR, subject to a ground sublease for the land upon which the HANGAR exists. SELLER and BUYER may hereinafter be referred to individually as a party or collectively as the parties.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, SELLER, and BUYER agree as follows:

TERMS

- 1.) **Agreement Date.** SELLER and BUYER agree that this AGREEMENT shall be effective on September 11, 2024 (the "EFFECTIVE DATE"). The accompanying Ground Sublease shall be effective concurrently with this AGREEMENT.
- 2.) **Purchase Price.** BUYER will pay SELLER Nine Hundred Ninety Thousand Dollars (\$990,000) (the "PURCHASE PRICE") within seven calendar days of the EFFECTIVE DATE as the full purchase price for BUYER to acquire the HANGAR from SELLER. BUYER shall pay the PURCHASE PRICE via wire transfer to SELLER. SELLER to provide BUYER with wire instructions.
- 3.) **Payments Of The Ground Lease.** BUYER agrees that upon purchase of the HANGAR from SELLER, BUYER understands, acknowledges, and agrees to making payments to the SELLER for the ground lease payments set forth in the GROUND SUBLEASE attached hereto as EXHIBIT "C".

- 4.) **Term.** BUYER acknowledges that the HANGAR shall revert to the SELLER and become the sole property of the SELLER at 11:59 pm on December 31, 2055. This reversion shall be self-executing and SELLER shall not be required to give to BUYER any notice or execute any further documents. At 11:59 pm on December 31, 2055, any modification made to the HANGAR shall immediately become property of the SELLER, without compensation to the BUYER. BUYER expressly, knowingly and intentionally waives and relinquishes any and all rights BUYER has under Sections 1993 through 1993.09 of the California Civil Code, and all other similar provisions of the law, now or hereafter in effect, which establish procedures commercial real property landlords must follow to dispose of property that remains in the HANGAR after a tenancy has terminated (collectively "Property Disposition Laws") and further knowingly and intentionally releases SELLER from any duties and obligations SELLER may have under said Property Disposition Laws.

In the event that BUYER (a) files for protection under the bankruptcy laws of the United States, (b) is involuntarily declared a bankrupt under the bankruptcy laws of the United States, (c) loses its right to possession due to a final judgment of possession in connection with an unlawful detainer action brought pursuant to California Code of Civil Procedure Section 1161, et seq. or (d) is deemed to have habitually violated the Rules and Regulations for the Airport (i.e., at least 3 violations in any twelve month period after written notice and reasonable opportunity to cure), SELLER shall have the option to repurchase the HANGAR for the number of years remaining until December 31, 2055 (including partial years) multiplied by Twenty Thousand Dollars (\$20,000) (e.g. BUYER is declared bankrupt on June 30, 2050 -- since there are four and a half years remaining until December 31, 2055, SELLER would have the option to purchase the HANGAR for Ninety Thousand Dollars (\$90,000).

- 5.) **Insurance.** BUYER agrees that at all times, until 11:59 on December 31, 2055, it will maintain, in full force and effect, an airport (general) liability policy, including contractual, in an amount not less than \$5,000,000 combined single limit, which will indemnify and hold harmless, the entities and persons listed in EXHIBIT "D" against liability resulting from any suits, claims, demands, actions or loss, including all costs and expense of litigation, brought or made by reason of the use and/or occupancy by BUYER, its officers, agents, employees, licensees, patrons, invitees or visitors of the HANGAR.

BUYER shall carry aircraft liability insurance, and adequate hangars keepers, ground, and flight insurance.

BUYER shall carry on-airport automobile liability insurance in the amount of \$5,000,000.

All policies required by this Section shall include a severability of interest (cross liability) clause. Said coverage shall be primary with respect to any other insurance that maybe available to the Additional Insured, with all such Additional Insureds listed on Exhibit

“D” hereto. The Additional Insured shall be named as additional insured on said policy(s) and include a waiver of subrogation.

All insurance policies secured by BUYER shall contain the following: "The inclusion herein of any person or entity as an insured shall not affect any right such person or entity would have as a claimant hereunder if not so included". All insurance policies shall be obtained from insurers having a financial rating in the Best Insurance Guide reasonably satisfactory to SELLER, and shall require each insurer to notify SELLER by certified mail of any modification, termination, or cancellation by the insurance company of any policy of insurance no less than thirty (30) days prior to the effective date of such modification, termination, or cancellation. Notice by the insurer shall be effective upon receipt of said notice by SELLER.

BUYER shall provide SELLER with proof of current insurance. In addition to any other requirements of this AGREEMENT, BUYER shall notify SELLER of any modification, termination, or cancellation of any policy of insurance secured by BUYER pursuant to this paragraph as soon as BUYER learns of any such modification, termination, or cancellation. Notice by the insured shall be effective upon receipt of said notice by SELLER.

The procuring of such insurance shall not be construed to be a limitation upon BUYER's liability or as full performance on BUYER's part of the indemnification, and hold harmless provisions of this AGREEMENT, and BUYER understands and agrees that notwithstanding any policies of insurance, BUYER's obligation to protect and hold harmless the Additional Insured hereunder is for the full amount of any damage, injuries, loss expense, costs or liabilities caused by, or in any manner connected with or attributed to, the acts or omissions of BUYER, its officers, agents, or employees.

The insurance amounts listed in this section shall increase annually by the greater of Three Percent (3%) or the published Consumer Price Index for Los Angeles County.

- 6.) **Permitted Uses and Modifications.** BUYER may use the HANGAR for any aviation-related activity as permitted by the MGL or the MASTER LANDLORD. A true and correct copy of the MGL is attached hereto as EXHIBIT "A". BUYER may make any modification to the HANGAR, at BUYER'S sole expense, in compliance with the MGL, applicable building codes, and the Federal Aviation Authority's guidelines and rules, and subject to the written approval by the MASTER LANDLORD. Any such modification must be made in a first-class workmanlike manner and must be performed in accordance with all applicable laws, ordinances, and regulations. If BUYER habitually violates the Hawthorne Municipal Airport Rules and Regulations, BUYER understands, acknowledges, and agrees that SELLER has an option to repurchase the HANGAR and the ownership thereof will revert to the SELLER for payment of \$20,000 multiplied by the number of years remaining until December 31, 2055 (including partial years). Prior to such reversion to SELLER, SELLER shall give a 30 day written notice to the BUYER and MASTER LANDLORD. BUYER shall then have 30 calendar days from the receipt

of the written notice, to cure such non-permitted use or rectify such unpermitted modifications. If BUYER, in SELLER's sole opinion, fails to cure such unpermitted use or rectify such unpermitted modifications, SELLER shall have the right to initiate mediation proceedings which are to be completed in Sixty (60) days. If the BUYER fails to participate in the mediation or the mediation fails to resolve the matter, any outstanding disputes shall be submitted to binding arbitration with the American Arbitration Association, JAMS, or ADR, with such arbitrator having all emergency powers.

- 7.) **Ramp Area.** BUYER understands, acknowledges, and agrees that BUYER is not acquiring any rights to the ramp area in front of the HANGAR or anywhere else on the Airport. No outside ramp, alleyway, or parking lot shall be used for the storage of aircraft parts or service equipment, lumber, metal, machinery, liquids, vehicles, trailers, or other materials.
- 8.) **Rules and Regulations.** Effective as of the date of this AGREEMENT, BUYER understands, acknowledges, and agrees that BUYER will faithfully observe and comply with the Hawthorne Municipal Airport Rules and Regulations and any other rules and regulations for the Premises or Airport, as such may be amended from time to time. To the extent BUYER habitually fails to observe and comply with Hawthorne Municipal Airport Rules and Regulations (i.e., 3 times in any twelve month period, after written notice and reasonable opportunity to cure), SELLER shall have the option repurchase the HANGAR for payment of \$20,000 multiplied by the number of full years remaining until December 31, 2055. A true and correct copy of the Rules and Regulations are attached as Exhibit "F".
- 9.) **Gate Card Access to the Airport.** BUYER acknowledges that SELLER does not have authority to issue or grant BUYER, or any other person, a gate card for access to the Airport.
- 10.) **Seller Warranty; As-Is Disclaimer.** SELLER represents and warrants to BUYER that SELLER holds legal title to the HANGAR free and clear of any and all liens, encumbrances and claims of third parties with respect to the title ownership of the HANGAR (other than the reversionary rights of SELLER under this Agreement). SELLER also warrants to BUYER that the SELLER is delivering the HANGAR in turn-key ready condition, free of material defects and violations of law. SELLER's warranty against material defects and violations of law shall continue for a period of twelve (12) months from the EFFECTIVE DATE ("Warranty Period"). BUYER shall notify SELLER in writing of any breach of the foregoing warranty during the Warranty Period, and SELLER shall be responsible for correcting the material defect or violation of law at SELLER's sole cost and expense. Other than the foregoing SELLER warranty, BUYER understands, acknowledges, and agrees that BUYER has had a reasonable opportunity to inspect the HANGAR prior to the EFFECTIVE DATE, and therefore has a thorough and sufficient understanding of what the HANGAR consists of, where it is located, that the HANGAR is being acquired in AS-IS condition, and what is included with the purchase of the HANGAR. BUYER agrees that this sale shall be final. BUYER agrees that BUYER does not have any "cooling off" period.

- 11.) **Subsequent Actions In Furtherance Of This AGREEMENT.** BUYER understands, acknowledges, and agrees that SELLER is not intending to provide BUYER with any documents in addition to this AGREEMENT to evidence BUYER's ownership of the HANGAR. However, the parties agree that they will each do whatever is reasonably necessary to effect the purpose of this AGREEMENT, including, but not limited to, executing, acknowledging, and delivering all further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and all further instruments and documents as may be necessary, expedient, or proper to complete any conveyances, transfers, sales, and agreements covered by this AGREEMENT, and to do all other acts and to execute, acknowledge, and deliver all requested documents to carry out the intent and purpose of this AGREEMENT.
- 12.) **Utilities.** BUYER shall be obligated to pay all utility bills for the HANGAR.
- 13.) **Access To Electrical Access Panel.** BUYER understands, acknowledges, and agrees that on the inside of the HANGAR there are located certain electrical access panels. BUYER hereby grants SELLER the non-revocable right to access the HANGAR, without notice, in emergency situation to access the electrical panels in the HANGAR. BUYER hereby grants SELLER the non-revocable right to access the HANGAR, with notice, in non-emergency situation to access the electrical panels in the HANGAR upon 24 hour notice.
- 14.) **Right of First Refusal.** In the event that BUYER receives a bona fide offer from a third party for the purchase and sale of the HANGAR, then SELLER shall have the right of first refusal for the purchase and sale of the HANGAR. BUYER shall provide written notice to SELLER of the bona fide offer, including a copy of the bona fide offer and any accompanying documents, at least thirty (30) calendar days before the anticipated closing date for the purchase and sale of the HANGAR. No later than five (5) calendar days prior to the anticipated closing date for the purchase and sale of the HANGAR, SELLER shall have the right to notify BUYER that it is exercising its right of first refusal and will purchase the HANGAR pursuant to a purchase and sale agreement which shall contain substantially similar terms to the bona fide offer. If SELLER does not exercise its right of first refusal within the time stated above, then the right of first refusal will expire.
- 15.) **Sub-Sublease of Hangar.** BUYER shall have the right to sub-sublease the HANGAR to anyone approved by SELLER and MASTER LANDLORD, approval of such sub-sublease shall not be unreasonably withheld by SELLER or MASTER LANDLORD. In the event the HANGAR is sub-subleased, BUYER shall continue to be responsible for compliance of the HANGAR's sub-sublessee with Airport Rules and Regulations, as may be amended from time to time and making the scheduled ground lease payments. SELLER's consent and approval, which shall not be unreasonably withheld, shall be required for any such sub-sublease.
- 16.) **Assignment By SELLER.** SELLER shall be allowed to assign the rights under this AGREEMENT without approval from BUYER. However, SELLER shall notify BUYER within 7 calendar days of making such assignment and provide a new contact address.

- 17.) **Liens.** BUYER will not at any time permit any mechanics', laborers', or materialmen's liens to stand against the HANGAR for any labor or material furnished to BUYER or claimed to have been furnished to BUYER or BUYER's agents, contractors, or sublessees, in connection with work of any character performed or claimed to have been performed on the HANGAR by or at the direction or sufferance of BUYER. BUYER shall have the right to contest the validity or amount of any lien or claimed lien, upon giving to SELLER a bond assuring that the lien or claimed lien will be paid, when and to the extent that the lien is finally determined to be valid and owing. On final determination of the lien or claim of lien, BUYER will immediately pay any final judgment rendered, with all property costs and charges, and shall have the lien released or judgment satisfied at BUYER's sole expense. If BUYER fails to pay the judgment promptly or otherwise fails to prevent any sale, foreclosure, or forfeiture of the HANGAR because of a lien, SELLER shall have the right, upon five (5) days' written notice to BUYER, to pay or prevent this action, and the amount paid by SELLER shall be immediately due and payable to SELLER from BUYER, and shall bear interest at the lesser of ten percent (10%) per annum or the highest rate allowed by law from the date of payment by SELLER until repayment by BUYER.
- 18.) **Signage.** BUYER understands, acknowledges, and agrees that BUYER does not have the right to affix any signage, or paint, or modify the exterior of the HANGAR.
- 19.) **Hazardous Materials.** BUYER shall not use or allow another person or entity to use any part of the HANGAR for the storage, use, treatment, manufacture or sale of "Hazardous Material," as that term is defined below. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the state in which the HANGAR is located or the United States Government. Any product used in connection with BUYER's maintenance activities must be handled, stored, disposed, and used in accordance with all local, state, and federal laws. BUYER agrees to indemnify, defend, and hold SELLER and its agents, contractors, licensees, employees, directors, officers, partners, trustees, invitees, affiliates, subsidiaries, successors, assigns, heirs, shareholders and members harmless from any liabilities, losses, claims, damages, penalties, fines, attorneys' fees, experts' fees, court costs, remediation costs, investigation costs, or other expenses resulting from or arising out of the use, storage, treatment, transportation, release, or disposal of Hazardous Material or any other material used in connection with their maintenance activities on or about the HANGAR by BUYER and BUYER's agents, officers, directors, employees, contractors, subcontractors, licensees, or invitees.
- 20.) **FAA Regulations.** BUYER will abide by all Federal Aviation Administration Regulations, and reimburse SELLER, and/or the MASTER LANDLORD for the full amount of any fine, penalty or other financial loss suffered by SELLER or MASTER LANDLORD resulting from BUYER's failure to do so.
- 21.) **Towing of Aircraft.** BUYER will only tow aircraft that are in its possession. Any personnel performing towing of aircraft must be trained in towing aircraft, and comply with all Airport rules and regulations, including any FAA rules and regulations.
- 22.) **Time of the Essence.** Time is of the essence for this AGREEMENT.

- 23.) **Notices.** All notices, consents, waivers, payments or other communications which this AGREEMENT requires or permits either party to give to the other shall be in writing and shall be deemed given when actually received or refused by the party to whom sent if delivered personally or on the day of actual delivery or refusal as shown on the addressee's registered or certified mail receipt if forwarded by registered or certified mail, postage prepaid, or upon confirmation of receipt if given by facsimile or email, to the parties at their respective addresses as follows:

To SELLER:

Hawthorne Airport, LLC
12101 Crenshaw Blvd., Suite 100
Hawthorne, CA 90250
Attn: Levi Stockton
Email: lstockton@flyadvancedair.com

To BUYER:

Michael K. Osborn and Kalpana P. Osborn Revocable
Living Trust
6313 Riggs Pl.
Los Angeles, CA 90045
Email: mosborn9981@gmail.com

- 24.) **Litigation Costs.** If any legal action or other proceeding, including arbitration or action for declaratory relief, is brought for the enforcement of this AGREEMENT or because of an alleged dispute, breach, default, or misrepresentation in connection with this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs, in addition to any other relief to which the party may be entitled. The prevailing party shall be determined by the arbitrator or court. If neither party is found to be the prevailing party or if the arbitrator or court does not make such a determination, each party shall bear their own attorneys' fees and costs.
- 25.) **Successors.** This AGREEMENT shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assignees of the parties to this Agreement.
- 26.) **Subordination.** This AGREEMENT and the rights granted to BUYER hereunder are and shall, at all times, be subject and subordinate to: (i) the underlying MGL, including the terms thereof affecting all or any part of the HANGAR now or later existing, and all amendments, renewals, modifications, supplements and extensions thereof, and (ii) all deeds of trust or mortgages now or later affecting or encumbering all or any part of the HANGAR and/or any ground or underlying leasehold estate.

BUYER acknowledges that the HANGAR and this AGREEMENT are subordinate and subject to the terms and provisions of the MGL between the MASTER LANDLORD and SELLER.

_____ (BUYER Initial)

- 27.) **Attornment.** BUYER shall attorn to MASTER LANDLORD in the event the MASTER LANDLORD requests it.
- 28.) **Waivers.** No waiver of any breach of any covenant or provision in this AGREEMENT shall be deemed a waiver of any other covenant or provision in this AGREEMENT, and no waiver shall be valid unless in writing and executed by the waiving party.
- 29.) **Taxes.** BUYER shall be responsible for all taxes owed on the HANGAR and the SUBLEASE PREMISES. Any real estate taxes paid by SELLER for the HANGAR or the SUBLEASED PREMISES after or in connection with the close of this AGREEMENT shall be reimbursed to SELLER by BUYER.
- 30.) **Construction.** Section headings are solely for the convenience of the parties and are not a part of and shall not be used to interpret this AGREEMENT. The singular form shall include the plural and vice versa. This AGREEMENT shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this AGREEMENT.
- 31.) **Integration.** This AGREEMENT contains the entire agreement between the parties, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting the sale of the HANGAR from SELLER to BUYER.
- 32.) **Counterparts.** This AGREEMENT may be executed in one or more counterparts by facsimile or by electronic mail (.pdf format), each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.
- 33.) **Written Amendment Required.** This AGREEMENT may not be amended or altered except by a written instrument executed by SELLER and BUYER.
- 34.) **Partial Invalidity.** Any provision of this AGREEMENT that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforceability of this AGREEMENT shall be of no effect, but all the remaining provisions of this AGREEMENT shall remain in full force.
- 35.) **Exhibits.** All attached exhibits are incorporated in this AGREEMENT by this reference.
- 36.) **Authority Of Parties And Signers.** All persons executing this AGREEMENT on behalf of any party to this AGREEMENT warrant that they have the authority to execute this AGREEMENT on behalf of that party.
- 37.) **Governing Law.** The validity, meaning, and effect of this AGREEMENT shall be determined in accordance with California laws.
- 38.) **Non Disturbance And Attornment.** Concurrently with the AGREEMENT, BUYER and MASTER LANDLORD or entering into a Nondisturbance And Attornment Agreement, a true and correct copy of which is attached hereto as Exhibit "E".

The parties have agreed as set forth above as of the date indicated next to their signature.

[SIGNATURES ON NEXT PAGE]

SELLER:

HAWTHORNE AIRPORT, LLC, a Delaware
limited liability company

Date: 9/11/24

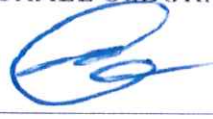
By: 

Printed Name: Levi Stockton

BUYER:

MICHAEL OSBORN, Trustee

Date: 9/11/24



KALPANA OSBORN, Trustee

Date: 9/11/2024



Acknowledged by the City of Hawthorne

Date:

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"
MASTER GROUND LEASE

EXHIBIT "B"
DESCRIPTION OF PROPERTY

EXHIBIT "C"
GROUND SUBLEASE

EXHIBIT "D"

SELLER'S AFFILIATED ENTITIES

Hawthorne Airport, LLC, its affiliates, and agents;

City of Hawthorne, its agents, and employees;

395 Park Place, LLC, its affiliates, and agents;

Terminal Building, LLC, its affiliates, and agents;

West Ridge Rentals, LLC, its affiliates, and agents;

Main Street Management, LLC, its affiliates, and agents;

Willow Vista Rentals, LLC, its affiliates, and agents

Exhibit "E"

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Exhibit "F"

RULES AND REGULATIONS