



AGENDA STAFF REPORT

ASR Control 21-000361

MEETING DATE: 05/25/21

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): 2

SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)

DEPARTMENT CONTACT PERSON(S): Barry A. Rondinella (949) 252-5183
Dave Pfeiffer (949) 252-5291

SUBJECT: Consent to Assignment of Southwest Limited-Service Fixed Base Operator Lease

CEO CONCUR Pending Review	COUNTY COUNSEL REVIEW Approved Agreement to Form	CLERK OF THE BOARD Consent Calendar 3 Votes Board Majority
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Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A **County Audit in last 3 years:** No

Prior Board Action: 11/3/2020 #22

RECOMMENDED ACTION(S):

- Find that the project is categorically exempt from the California Environmental Quality Act (CEQA) Class 1 (Existing Facilities) pursuant to CEQA Guidelines Section 15301.
- Approve and execute the Consent to Assignment of Interest in Lease for the Southwest Limited-Service Fixed Base Operator lease from Jay’s Aircraft Maintenance, Inc. to Jay’s Air Center, LLC, effective January 1, 2021.

SUMMARY:

Approval of the Consent to Assignment will allow transfer of the Southwest Limited-Service Fixed Base Operator lease from Jay’s Aircraft Maintenance, Inc. to Jay’s Air Center, LLC, and allow FBO operations to continue without interruption at John Wayne Airport.

BACKGROUND INFORMATION:

On November 3, 2020, after a competitive Request for Proposal (RFP) process, the Board awarded the Limited-Service Fixed Base Operator (FBO) leasehold on the Southwest parcel at John Wayne Airport

(JWA) to Jay's Aircraft Maintenance, Inc. (Jay's). The term of the lease is for 30 years commencing January 1, 2021, through December 31, 2050, with an option to extend the term for one additional consecutive term of 5 years provided specific conditions are met.

Jay's has been serving the JWA general aviation community for over 40 years as the incumbent operator prior to the awarded lease term on November 3, 2020. Jay's operates a Federal Aviation Administration (FAA) certified Part 145 aircraft repair station and is an Authorized Cessna Service Center. Jay's has asked the County to approve the assignment of its interest in the lease to Jay's Air Center, LLC (Assignee).

Assignment:

Section 8.01 of the lease requires the County's written consent to a transfer of Jay's interest in the lease. Jay's represents that the assignment is for liability purposes and to separate Jay's, whose primary business is aircraft maintenance, from the hangar/tie-down development/management aspect of Assignee's business. Jay's represents that the members, structure, history, and values of Assignee will be nearly identical to Jay's. Jay's will fulfill all aircraft maintenance requirements of Assignee as a sub-tenant of Assignee.

Jay's has provided JWA with a copy of the Operating Agreement of Assignee and the Assignment and Assumption Agreement between Jay's and Assignee. These documents have been reviewed and are included in Attachment A. Assignee was formed on or about August 24, 2020. Assignee is 50 percent owned by the same individuals who have owned Jay's (Amir and Jay Ghanbarzadeh through AMS Aviation, LLC) and 50 percent owned by Legacy Aviation, LLC (manager George Sumner).

Jay's seeks County approval to assign and transfer to Assignee all its right, title and interest in the lease. The assignment does not relieve Jay's of its obligations to pay the rent and to perform all of the other obligations to be performed by Assignee. The assignment does not relieve Jay's of any interest, responsibility or liability in or under the terms of the lease. Both Jay's and Assignee will be fully responsible for complying with all provisions of the lease and will both be directly liable for all obligations under the lease.

All original terms and conditions of the lease agreement remain unchanged.

Compliance with CEQA: The proposed project is Categorically Exempt (Class 1) from the provisions of CEQA, pursuant to Section 15301, because it consists of an assignment of a lease for the Southwest Limited-Service Fixed Base Operator from Jay's Aircraft Maintenance, Inc. to Jay's Air Center, LLC, involving negligible or no expansion of an existing use.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Consent to Assignment of Interest in Lease

CONSENT TO ASSIGNMENT OF INTEREST IN LEASE

This CONSENT TO ASSIGNMENT OF INTEREST IN LEASE (“Consent to Assignment”) is made and entered into as of the ____ day of _____, 2021 (“Effective Date”), by and between the County of Orange, a political subdivision of the State of California (“County”), Jay’s Aircraft Maintenance, Inc. (“Assignor”), and Jay’s Air Center, LLC (“Assignee”). County, Assignor, and Assignee may sometimes hereinafter individually be referred to as “Party” or jointly as “Parties.”

RECITALS

1. County, through its Board of Supervisors, is the owner and proprietor of John Wayne Airport (“JWA” or “Airport”), located in the County of Orange, State of California and operates and maintains the Airport as a governmental function for the primary purpose of providing air transportation to the public.
2. On November 3, 2020, County entered into a lease (“Lease”) with Assignor for the operation of a Limited-Service Fixed Base Operation at John Wayne Airport.
3. The primary Lease term began on January 1, 2021, and expires on December 31, 2050.
4. Assignor has requested that County approve the assignment of Assignor’s leasehold interest in the Lease to Assignee. Assignor represents that the assignment is for liability purposes. The basis for the assignment is to separate Assignor, whose primary business is aircraft maintenance, from the hangar/tie-down development/management aspect of Assignee’s business. Assignor represents that the members, structure, history, and values of Assignee will be nearly identical to Assignor. Assignor will fulfill all aircraft maintenance requirements of Assignee as a sub-tenant of Assignee. A copy of the “Operating Agreement of Jay’s Air Center, LLC” is attached hereto as EXHIBIT A and by reference made a part hereof.
5. Section 8.01 of the Lease requires County’s written consent to a Transfer of Assignor’s interest in the Lease.
6. In accordance with the terms of the “Assignment and Assumption Agreement,” dated January 1, 2021 (the “Transfer Document”), a copy of which is attached hereto as EXHIBIT B and by reference made a part hereof, Assignor proposes to assign all right, title and interest in the Lease to Assignee and Assignee desires to accept from Assignor all right, title and interest subject to the terms and conditions set forth in this Consent to Assignment.

NOW THEREFORE, in consideration of the above, County hereby consents to the assignment of leasehold interest in the Lease from Assignor to Assignee subject to the following terms and conditions:

- A. Assignor assigns and transfers to Assignee all its right, title and interest in the Lease. However, pursuant to the lease, no assignment, even with County approval, shall relieve Assignor of its obligations to pay the rent and to perform all of the other obligations to be performed by Assignee. This Consent to Assignment does not relieve Assignor of any

interest, responsibility or liability in or under the terms of the Lease. Both Assignor and Assignee will be fully responsible for complying with all provisions of the Lease and will both be directly liable for all obligations under the Lease. Assignee accepts the assignment and assumes and agrees to perform from the date the assignment becomes effective, as a direct obligation to County, all the provisions of the Lease.

- B. In the event of any conflict between the provisions of the Lease, or as said Lease may from time to time be amended in the future, and the provisions of the Transfer Document, the provisions of the Lease shall control.
- C. In the event of any conflict between the provisions of this Consent to Assignment of Interest in Lease and the provisions of the Transfer Document, the provisions of this Consent to Assignment shall prevail.
- D. It is understood that the consent hereby given to the execution of the Transfer Document referred to herein is a mere accommodation and that COUNTY is in no way obligated by, or under any duty whatsoever with regard to the terms and conditions of said Transfer Document.
- E. Any additions or modifications to said Transfer Document shall first be approved by County's Airport Director ("Director"). Assignor and Assignee warrant that all documents and agreements pertaining to the leasehold assignment have been fully disclosed to the Director.
- F. Assignor's use of the leasehold premises is limited to the operation of a Limited-Service FBO as set forth more fully in the Lease. All other activities shall be subject to the prior written approval of the Director.
- G. This assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
- H. The Recitals paragraphs above are hereby incorporated by this reference.
- I. This assignment shall be governed by and construed in accordance with California law.
- J. As it relates to the profit, if any, received by Assignor from Assignee pertaining to the value of Assignor's leasehold interest, for which the County is entitled, at County request, a copy of the Assignor's tax return shall be provided to County to verify the value reported.
- K. Notices. From and after the Effective Date, notices to Assignor and Assignee under the Lease shall be sent to the following address:

Jay's Air Center, LLC
2980 Airway Ave.
Costa Mesa, CA 92626

IN WITNESS WHEREOF, the Parties hereto have executed this Consent to Assignment as of the day and year first above written.

ASSIGNOR:

Jay's Aircraft Maintenance, Inc.

By: _____
Name: _____
Title: _____

ASSIGNEE:

Jay's Air Center, LLC

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

County Counsel

By: _____

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor-Controller

By: _____

RECOMMENDED FOR APPROVAL:

John Wayne Airport

By: _____
Barry Rondinella
Airport Director

Signed and certified that a copy of this document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535
Attest:

COUNTY

COUNTY OF ORANGE

By: _____
Chairman, Board of Supervisors

Robin Stieler
Clerk of the Board of Supervisors
of Orange County, California

OPERATING AGREEMENT OF
OF JAY'S AIR CENTER, LLC

This Operating Agreement (hereinafter "Agreement") is made as of November 10, 2020, between AMS Aviation, LLC, a California limited liability company ("AMS"), and Legacy Aviation, LLC, a California limited liability company ("Legacy").

RECITALS

A. Jay's Air Center, LLC (the "Company") was formed on or about August 24, 2020 as evidenced by, among other things, (i) the Articles of Organization filed on August 24, 2020 with the State of California Secretary of State (the "Articles").

B. AMS and Legacy, as all of the Members of the Company, desire to set forth the terms for the Operation of the Company.

1. FORMATION AND PURPOSE.

(a) Organization: Name. Pursuant to Sections 17701.01 through 17713.13 inclusive, of the California Corporations Code, commonly known as the California Revised Uniform Limited Liability Act, as amended (hereinafter the "Act"), the Members have formed the Company as a California limited liability company.

(b) Principal Office: Agent. The Company shall continuously maintain a principal office and registered agent. The principal office of the Company shall be as the Managers may determine. The registered agent for service of process shall be as set forth in the Articles or as determined by the Managers from time to time.

(c) Purpose. The Company has been formed to lease from the County of Orange, redevelop, operate and sublease the real property located at 2980 Airway Avenue, Costa Mesa, California (the "Premises") with a new state of the art aircraft maintenance and corporate aircraft hangar facility consisting of new corporate hangars and the operation of such hangar facility and to engage in and do any act concerning any or all lawful businesses for which limited liability companies may be organized under California law.

(d) Title to Company Property. All property owned by the Company shall be owned by the Company as an entity and insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's Membership Interest shall be personal property for all purpose.

(e) Term. The term of the Company shall commence as of the date of the filing of the Certificate and shall continue in existence until the date set forth in the Articles, unless sooner dissolved pursuant to this Agreement or under the Act.

(f) Treatment as a Partnership. The Members intend that the Company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. The Members also intend that the Company not be operated or treated as a partnership for purposes of Section 303 of the United States Bankruptcy Code. No Member shall take any action inconsistent with the express intent of the parties hereto.

(g) Definitions. In addition to such terms as are defined elsewhere in this Agreement, the following terms shall have the following meanings:

(i) "Capital Contributions" of a Member means the amounts contributed by such member to the capital of the Company pursuant to Section 2(a) or as otherwise contributed by the mutual agreement of the Members.

(ii) "Code" means the Internal Revenue Code of 1986, as amended.

(iii) "Manager" or "Managers" means, individually or collectively as the context may require, the persons designated under Section 4(a) as the Managers of the Company.

(iv) "Member" means the person(s) listed in Exhibit A and any person who has been duly admitted as a Member under Section 2(e) hereof; and any permitted transferee of a Membership Interest under Section 5 hereof.

(v) "Membership Interest" means a Member's rights in the Company collectively, including the Member's right to share in the income, gains, losses, deductions, credit, or similar items of, and to receive distributions from, the Company; any right to vote or participate in management; and any right to information concerning the business and affairs of the Company. Notwithstanding any provision of the Act to the contrary, a Member's right to share in the income, gains, losses, deductions, credit, or similar items of, and to receive distributions from, the Company may not be transferred apart from the full Membership Interest except as expressly provided to the contrary in this Agreement, and references herein to a "portion" of a Membership Interest refer to an undivided portion of a Membership Interest.

(vi) "Percentage Interest" of a Member means the percentage interest shown for such Member on Exhibit A attached hereto.

(vii) A "person" means an individual or a corporation, partnership, limited liability company, trust or other legal entity.

(viii) "Regulations" means the Treasury regulations promulgated under the Code.

(ix) A "transfer" of a Membership Interest means an assignment, conveyance, exchange, lease, mortgage, security interest, encumbrance, gift, or other disposition of such Membership Interest, whether voluntary or involuntary.

2. CAPITAL.

(a) Capital Contributions. Each of the Members has made the capital contributions set forth in Exhibit A attached hereto, which exhibit is, by this reference, incorporated herein.

(b) No Rights of Redemption or Return of Contribution. Except with the consent of any other Members and notwithstanding any provision of the Act to the contrary, a Member shall not have the right to have its Membership Interest redeemed or its Capital

Contributions returned until the full and complete winding up and liquidation of the business and affairs of the Company.

(c) Capital Accounts. For financial accounting purposes, a "Capital Account" shall be established and maintained for each Member in accordance with the following provisions:

(i) Each Member's Capital Account shall be credited with such Member's pro rata share of any income or gain allocated to such Member pursuant to Section 3 hereof, and the amount to any Company liabilities assumed by such Member of which are secured by any property distributed to such Member.

(ii) Each Member's Capital Account shall be reduced by the amount of cash distributed to such Member, any losses or deductions allocated to such Member pursuant to Section 3 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(iii) For federal income tax purposes, such Capital Accounts shall be maintained for each member in accordance with Section 1.704-1(b)(2)(iv) of the Regulations.

(d) Advances and Loans. A Member may, but shall not be obligated to, advance or loan money to the Company with the consent of the other Members. The amount of any such advance or loan shall not constitute a Capital Contribution by the lending Member or entitle such Member to any increase in the Member's share of the distributions of the Company. Any such advance or loan shall be an obligation of the Company to such Member, evidenced by a written agreement, and shall be repaid to the Member upon such fair market terms and conditions as shall be mutually agreed between the lending Member the other Members.

3. ALLOCATIONS AND DISTRIBUTIONS.

(a) Distributions. Except upon a liquidation of the Company, in which case distributions shall be made in the manner and at the time provided in Section 6(b) hereof, the Company may make cash distributions to the Members according to their Percentage Interests at such times as all of the Members may determine.

(b) Allocations. All items of income, gain, loss, deduction and credit of the Company for federal income tax purposes shall be allocated to the Members according to their Percentage Interests; provided however, that (i) Sections 1.704-(b)(2)(ii)(d), 1.704-2 and 1.704-3 of the Regulations are hereby incorporated by reference and shall apply, according to any reasonable method selected by the Managers, notwithstanding any provision of this Section 3 to the contrary, and (ii) in addition, the requirements of the Code and Regulations (including, but not limited to, sections 706(d) and 752 and the Regulations promulgated thereunder) shall be applied in any reasonable method selected by the Managers.

4. GOVERNANCE.

(a) Managers. The Company shall have two (2) Managers and, subject to the approval rights of the Members set forth elsewhere in this Agreement, the Company shall

be exclusively managed by the Managers. The Managers, acting together, shall have exclusive authority to manage the Company and are authorized to make any contracts, enter into any transactions, and make and obtain any commitments on behalf of the Company to conduct or further the Company's business subject to the qualifications below. AMS shall select one Manager and Legacy shall select the other Manager. As of date of this Agreement, AMS and Legacy are hereby selected as the initial Managers.

(b) Bankruptcy, Death or Incompetency of a Manager. In the event of the death, withdrawal, retirement, removal, assignment for the benefit of creditors or adjudication of bankruptcy or incompetence of a Manager, the Company shall continue, and shall not dissolve.

(c) Consent of Members. Notwithstanding any provision herein to the contrary, including the preceding provisions of this Section 4, without the consent of all of the Members, the Managers shall not, either individually or acting together, have the authority to:

- (i) Do any act in contravention of this Agreement;
- (ii) Modify the Company's existing lease with the County of Orange;
- (iii) Admit a new Member to the Company;
- (iv) Distribute money or profits to Members of the Company;
- (v) Do any act which would make it impossible to carry on the ordinary business of the Company, except as otherwise provided in this Agreement;
- (vi) Knowingly perform any act that would subject any Member to liability as in any jurisdiction; or
- (vii) Amend, alter, modify, change or repeal any provision of this Agreement or cause any provision of this Agreement to be amended, altered, changed or repealed.

(d) Devotion of Time. No Manager or Member is obligated to devote all of his or her time and business efforts to the affairs of the Company. Each Manager and Member shall devote whatever time, effort and skill as he, she or it deems appropriate for the operation of the Company.

5. TRANSFER OF INTERESTS.

(a) Transfer of Member's Interest. No Member may transfer any portion of such Member's Membership Interest without the prior written consent of the other Members.

(b) Conditions to Permitted Transfers. Notwithstanding any other provision of this Agreement, a transfer shall not be permitted unless and until the following conditions are satisfied:

(i) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate (as determined by the non-transferring Member in its reasonable discretion) to effect such Transfer, and to confirm the agreement of the transferee to be bound by the provisions of this Section 5;

(ii) The transfer does not cause the Company to “terminate” for federal income tax purposes unless all of the Members consent in writing to waive this condition; and

(iii) The transferor and transferee shall furnish the Company with the transferee’s taxpayer identification number, sufficient information to determine the transferee’s initial tax basis in the Company Interest transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Interest until it has received such information.

6. DISSOLUTION.

(a) Events of Dissolution. Subject to the provisions of Section 4 hereof, the Company shall be dissolved only upon the occurrence of any of the following events, notwithstanding any provision of the Act to the contrary:

- (i) The sale, exchange or other disposition by the Company of substantially all of its assets; or
- (ii) The vote by all of the Members to dissolve the Company.

(b) Liquidation. Upon the occurrence of an event of dissolution as described in Section 6(a) hereof, the Managers shall take full account of the Company’s assets and liabilities, shall collect the receivables of the Company, and shall liquidate the Company’s assets as promptly as is consistent with obtaining the fair market value thereof. Upon dissolution, the Company shall engage in no further business other than that necessary to collect its receivables and to liquidate its assets. The proceeds from the liquidation of Company assets and collection of Company receivables, together with assets distributed in kind, shall, to the extent sufficient thereof, be applied and distributed in the following order:

- (i) First, to the creating of any reasonable reserves that the Managers may deem necessary during the period of liquidation;
- (ii) Second, the return of all capital of the Members; and
- (iii) Third, to the Members according to their respective Percentage Interests of the Company.

(c) Termination Upon Liquidation. Upon completion of the dissolution, winding up, liquidation and distribution of the Company assets and liquidation proceeds, the

Company shall terminate and the Managers shall file or cause to be filed with all appropriate governmental authorities a certificate of cancellation as required by the Act.

7. FINANCIAL MATTERS.

(a) Books and Records. Proper and complete books of account and records of the Company's business shall be kept at the Company's principal place of business and shall be open to inspection and copying by any of the Members or their designated representatives during regular business hours and upon reasonable notice to the Company.

(b) Tax Information and Elections. The Managers shall cause income tax returns for the Company to be prepared and timely filed with all appropriate governmental authorities, and shall from time to time make such tax elections with respect to the Company as the Managers deems necessary or desirable.

(c) Fiscal Year. The fiscal year of the Company shall be the calendar year.

8. GENERAL PROVISIONS.

(a) Complete Agreement; Amendments. This Agreement and any documents referred to herein or executed contemporaneously herewith constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof. Subject to the provisions of Section 4, this Agreement may be amended only with the written consent of all of the Members; provided, that any amendment affecting a Member's voting rights under this Agreement, transfer rights under Section 5 hereof, or allocations and distributions under Section 3 hereof must also be signed by the Member so affected.

(b) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns. Nothing in this Section 8(b) shall be deemed to modify in any way the prohibition on transfer contained in Section 5 hereof.

(c) Schedules and Exhibits. All schedules and exhibits attached hereto are hereby incorporated in and made a part of this Agreement as if fully set forth herein.

(d) Severability. The validity, legality or enforceability of the remainder of this Agreement shall not be affected even if one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable in any respect.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.


[Remainder of Page Intentionally Left Blank – Signature Page Follows]

[Signature Page to Operating Agreement of Jay's Air Center, LLC]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

"AMS"

AMS Aviation, LLC,
a California limited liability company

By: 
Name: Amir Ghanbarzadeh
Title: Managing Partner

"Legacy"

Legacy Aviation, LLC,
a California limited liability company


By: 
Name: George Sumner
Title: Manager

EXHIBIT A**SCHEDULE OF MEMBERS**

Member	Address	Initial Capital Contribution	Percentage Interest
AMS Aviation, LLC	2980 Airway Ave., Costa Mesa, CA 92626	Cause Jay's Aircraft Maintenance, Inc. to transfer the existing lease agreement for the Premises to the Company Agreement to provide management services as provided herein.	50%
Legacy Aviation, LLC	17 Corporate Plaza Dr., Suite 243, Newport Beach, CA 92660	Arrange for up to \$10,000,000 of capital for the redevelopment of the Premises. Agreement to provide management services as provided herein.	50%

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is entered into as of January 1st, 2021 by and between JAY'S AIRCRAFT MAINTENANCE, INC., a California corporation ("Assignor"), and JAY'S AIR CENTER, LLC, a California limited liability company ("Assignee").

Recitals

A. Assignor is the present Lessee under that certain Southwest Limited Service Fixed Base Operation Lease (PM1121-0223-0033) dated November 3, 2020 (the "Master Lease") with the County of Orange (the "County") pursuant to which Lessor is leasing approximately 12.75 Acres (the "Master Premises") that is within the confines of John Wayne Airport.

B. Principals of Assignor are also principals of Assignee and desire to assign to Assignee all of Assignor's right, title and interest of Assignor in and to the Master Lease and the Master Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. **Assignment.** Effective as of the date hereof and the written consent of the County, Assignor hereby grants, sells, conveys, assigns, transfers, and delivers unto Assignee and its successors and assigns, all of Assignor's right, title and interest in and to the Master Lease and the Master Premises, including, without limitation, all of the rights, powers, estates and privileges of the Lessee in, to and under the Master Lease.

2. **Assumption.** Assignee hereby accepts the foregoing assignment and agrees to assume and perform all of the Assignee's covenants, conditions and obligations under the Master Lease as of the consent to this Assignment by the County.

3. **Miscellaneous.**

(a) All of the covenants, terms and conditions set forth herein, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) No waiver or breach of any covenant or provision shall be deemed a waiver of any other covenant or provision. No waiver shall be valid unless in writing and executed by the waiving party.

(c) This Assignment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

(d) Whenever requested to do so by the other party, each party shall execute, acknowledge and deliver any further instruments, approvals, consents or such other documents that are necessary, expedient or proper to complete any conveyances, transfers, sales and assignment contemplated by this Assignment. In addition, each party shall do any other acts and execute, acknowledge and deliver any requested documents in order to carry out the intent and purpose of this Assignment.

(e) This Assignment shall be governed and construed in accordance with California law.

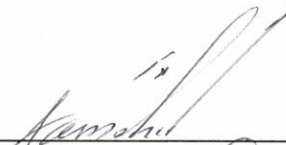
This Assignment is executed and delivered as of the date first written above.


ASSIGNOR:

ASSIGNEE:

JAY'S AIRCRAFT MAINTENANCE, INC., a California corporation

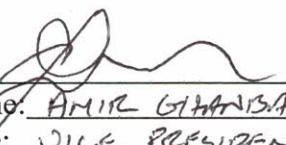
JAY'S AIR CENTER, LLC, a California limited liability company

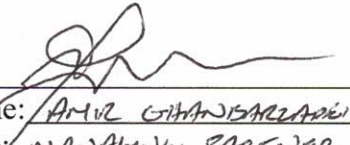
By: 
Name: JAMSHID GHANBARZADEH
Title: PRESIDENT

By: 
Name: JAMSHID GHANBARZADEH
Title: MANAGING PARTNER

JAY'S AIRCRAFT MAINTENANCE, INC., a California corporation

JAY'S AIR CENTER, LLC, a California limited liability company

By: 
Name: AMIR GHANBARZADEH
Title: VICE PRESIDENT

By: 
Name: AMIR GHANBARZADEH
Title: MANAGING PARTNER