

GUARANTY OF LEASE OBLIGATIONS

THIS GUARANTY OF LEASE OBLIGATIONS (this “Guaranty”) is made this August ___, 2025, by Clay Lacy Aviation, Inc. (“CLA”), in favor of the County of Orange, a political subdivision of the State of California (the “County”) with reference to the following:

RECITALS

A. The County and CLA entered into the Northwest Full-Service Fixed Base Operation Lease, dated September 15, 2020 (the “Original Lease”), as amended by the First Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated January 14, 2021 (the “First Amendment”), and as further amended by the Second Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated March 8, 2022 (the “Second Amendment”).

B. The County and CLA are entering into the Third Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated the date hereof (the “Third Amendment”) and together with the Original Lease, the First Amendment, and the Second Amendment, the “Ground Lease”), to facilitate financing the Improvement Project.

C. CLA has requested that the County approve the assignment of CLA’s leasehold interest in the Ground Lease to Clay Lacy Santa Ana, LLC (the “Assignee”).

D. CLA and the Assignee have executed and delivered that certain Operations, Management and Administrative Services Agreement, dated as of August ___, 2025 (the “Management Services Agreement”) pursuant to which CLA will be providing certain day-to-day management and operations on behalf of the Assignee with respect to the Assignee’s responsibilities under the Ground Lease.

E. As a condition to consenting to an assignment of the Ground Lease to the Assignee, the County has required that CLA concurrently execute and deliver to the County this Guaranty. CLA is willing to provide such guarantees and assurances to the County as are more particularly set forth hereinbelow.

NOW, THEREFORE, in consideration of the County consenting to an assignment of the Ground Lease to the Assignee, CLA hereby covenants and agrees as follows:

1. **Recitals.** The Recitals set forth above are incorporated herein by this reference.

2. **Guaranty.** In consideration of the County consenting to an assignment of the Ground Lease to the Assignee, CLA absolutely, unconditionally, and irrevocably guarantees to the County the full, faithful and timely performance by the Assignee of all of the Assignee’s obligations under the Ground Lease, including, but not limited to, the obligation of the Assignee to make timely payments of rent or other monies

that the Assignee may at any time owe under the Ground Lease or any extensions, renewals, or modifications of the Ground Lease and any maintenance and repair obligations under the Ground Lease. If the Assignee shall default at any time in the payment of any rent (or any other monetary covenant) or in the performance of any non-monetary covenant or obligation under the Ground Lease, then CLA, at CLA's expense, shall on demand by the County fully and promptly pay all rent, sums, costs and charges to be paid by the Assignee under or arising out of the Ground Lease and shall perform all other covenants and obligations of the Assignee pursuant to the Ground Lease (including such defaulted covenant or obligation). In addition, CLA shall on demand by the County pay to the County all sums due to the County, including, without limitation, all interest on past due obligations of the Assignee, costs advanced by the County, damages, and all expenses (including, but not limited to, court costs and attorneys' fees) that may arise in consequence of the Assignee's said default. The liability of CLA under this Guaranty is a guaranty of payment and performance and not of collectability only. CLA agrees that CLA's liability under this Guaranty is primary and direct, and that the County will not be required to pursue any right or remedy it may have against the Assignee under the Ground Lease or otherwise (and will not be required to first commence any action or obtain any judgment against the Assignee or against property of the Assignee) before enforcing this Guaranty against CLA.

The obligations guaranteed in this Section 2 are collectively referred to hereinafter as the "Guaranteed Obligations". No notice of the Guaranteed Obligations to which this Guaranty may apply, or of any renewal, modification, consolidation, replacement, extension or amendment thereof, need be given to CLA and none of the foregoing acts will release CLA from liability hereunder.

Notwithstanding the foregoing limitations on the guaranty of CLA, the County shall not be deemed to have waived any right which the County may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of all sums due and owing under the Ground Lease (or which may become due and owing thereunder) (including interest accruing after the commencement of any bankruptcy or insolvency proceeding by or against the Assignee or CLA, whether or not allowed in such proceeding), fees, costs, expenses, indemnification indebtedness, attorneys' fees, and other sums of money now or hereafter due and owing pursuant to (x) the terms of the Ground Lease and any indemnifications contained in the Ground Lease, now or hereafter existing, and (y) all renewals, extensions, modifications, supplements or amendments of the Guaranteed Obligations or to require that any collateral given to secure the Assignee's obligations under the Ground Lease or CLA's obligations under this Guaranty shall continue to secure all of such amounts owing to the County.

3. **Guaranty Absolute.** The liability of CLA under this Guaranty shall be absolute, unconditional, and irrevocable, irrespective of:

(a) any express or implied amendment, modification, renewal, addition, supplement or extension (including, without limitation, extensions beyond the original term) of the Ground Lease;

(b) any exercise or nonexercise by the County of any right or privilege under this Guaranty or the Ground Lease;

(c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, litigation or other like proceeding relating to CLA or the Assignee or to any other guarantor (which term shall include any other party at any time directly or contingently liable for any of Guaranteed Obligations), or any action taken with respect to this Guaranty by any trustee, receiver or court in any such proceeding, whether or not CLA shall have had notice or knowledge of any of the foregoing;

(d) any release or discharge of the Assignee from its liability under the Ground Lease or any release or discharge of any endorser, guarantor or other party at any time directly or contingently liable for the Guaranteed Obligations (other than as a result of payment or performance of the Guaranteed Obligations);

(e) any subordination, compromise, release (by operation of law or otherwise), discharge, compound, collection or liquidation of any or all of the Assignee's obligations under the Ground Lease;

(f) any assignment or other transfer of this Guaranty in whole or in part of the Ground Lease;

(g) any acceptance of partial performance of the Guaranteed Obligations; and

(h) any consent to the transfer of the Ground Lease or any portion thereof.

4. **Waiver.** CLA unconditionally waives, to the extent permitted by law, any defense to the enforcement of this Guaranty, including, without limitation:

(a) any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor and notice of acceptance of this Guaranty;

(b) any right to require the County to proceed against the Assignee, CLA or any other guarantor at any time, or to exhaust any security held by the County at any time or to pursue any other remedy whatsoever at any time;

(c) any defense of any statute of limitations affecting the liability of the Assignee, CLA or any other guarantor, or the enforcement hereof or thereof, to the extent permitted by law;

(d) any defense arising by reason of any invalidity or unenforceability of the Ground Lease or any disability of the Assignee, CLA or any other guarantor or of any manner in which the County has exercised its rights and remedies under the Ground

Lease or by any cessation from any cause whatsoever of the liability of the Assignee, CLA or any other guarantor;

(e) any defense based upon an election of remedies by the County, including but not limited to any election of remedies relating to real property or personal property security, that destroys or otherwise impairs the subrogation rights of CLA to proceed against the Assignee or any other guarantor for reimbursement, or both;

(f) any duty of the County to advise CLA of any information known to the County regarding the financial condition of the Assignee or any other circumstances affecting the Assignee's ability to perform the Guaranteed Obligations, it being agreed that CLA assumes the responsibility for being and keeping informed regarding such condition or any such circumstances;

(g) any right of subrogation, contribution, indemnity or otherwise against the Assignee which may arise out of or in connection with this Guaranty, any right to enforce any remedy that the County now has or may hereafter have against the Assignee and any benefit of, and any right to participate in, any security now or hereafter held by the County, until this Guaranty ceases to be in full force and effect; and

(h) without limiting the generality of the foregoing or any other provision hereof, any rights and benefits that might otherwise be available to CLA under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 or 3433.

5. **Subrogation.** CLA shall not exercise any rights that it may acquire by way of subrogation, contribution, indemnity or otherwise arising out of or in connection with this Guaranty, by any payment made by CLA hereunder or otherwise, until such time as the obligations of the Assignee guaranteed hereby have been indefeasibly paid in full and satisfied and this Guaranty released by the County. If any amount shall be paid to CLA on account of such subrogation or other rights at any time before the obligations of the Assignee guaranteed hereby have been indefeasibly paid in full and satisfied and this Guaranty released by the County, such amount shall be held in trust for the benefit of the County and shall forthwith be paid to the County to be credited and applied against the Guaranteed Obligations, when and as due, in accordance with the terms of the Ground Lease. Upon this Guaranty being fully and indefeasibly paid or performed and released as hereinbefore provided, the County will, at CLA's request execute and deliver to CLA appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to CLA of any interest in the Guaranteed Obligations resulting from such payment by CLA.

6. **Representation and Warranty.** CLA represents and warrants as a continuing representation and warranty until this Guaranty expires in accordance with the provisions contained herein that the Guaranty constitutes the legal, valid and binding obligation of CLA enforceable against CLA in accordance with its terms.

7. **Surety.** CLA shall secure, maintain and furnish to the County, suitable surety to satisfy the Assignee's obligations under Section 4.08 of the Ground Lease to provide a security deposit equal to six months of monthly building and ground rent determined, from time to time, in accordance with the terms of the Ground Lease. In all manners, such surety shall be in a form and from a provider as required by the Ground Lease. Such surety shall be in place at least sixty (60) days prior to the expiration of the preceding surety in order to provide continuity so that the surety shall always be in force during the effectiveness of this Guaranty. Each of CLA and the Assignee hereby waives any rights to any interest on such surety that CLA or the Assignee might otherwise be entitled to by law.

8. **Address for Notices.** All notices pursuant to this Guaranty shall be addressed to either party as set forth below and shall be sent through the United States Mail, in the State of California, duly registered or certified, return receipt requested with postage prepaid or by an overnight carrier service. If any notice is sent by an overnight carrier service, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing. Notwithstanding the above, the County may also provide notices to CLA or the Assignee by personal delivery or by regular mail postage prepaid and any such notice so given shall be deemed to have been given upon the date of personal delivery or three (3) days after the date of deposit in the United States Mail, respectively:

To: COUNTY

John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626
Attn: Director

To: CLA

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

To: ASSIGNEE

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

Any party hereto may from time to time, by written notice to the others in the method described above, designate a different address which shall be substituted for the one above specified.

9. **No Waiver; Remedies.** No failure on the part of the County to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. **Continuing Guaranty.** This Guaranty is a continuing guaranty and shall remain in full force and effect until the performance in full of the Guaranteed Obligations.

11. **Independent and Separate Obligations.** The obligation of CLA hereunder is independent of and may exceed, the obligation of the Assignee and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against CLA whether or not CLA is the alter ego of the Assignee and whether or not the Assignee is joined therein, or a separate action or actions are brought against the County. The County's rights hereunder shall not be exhausted until all of the Guaranteed Obligations have been fully paid and performed.

12. **Bankruptcy No Discharge; Repayments.** So long as any of the Guaranteed Obligations shall be outstanding, CLA shall not, without the prior written consent of the County, commence or join with any other party in commencing any bankruptcy, reorganization, or insolvency proceedings of or against the Assignee. CLA understands and acknowledges that by virtue of this Guaranty, CLA has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Assignee. As an example and not in any way by limitation, a subsequent modification of the Guaranteed Obligations in any reorganization case concerning the Assignee shall not affect the obligation of CLA to pay and perform the Guaranteed Obligations in accordance with its original terms. If claim is ever made upon the County for repayment of the Guaranteed Obligations and the County repays all or any part of said amount pursuant to an order of a court with jurisdiction over the matter, then, notwithstanding any revocation or termination of this Guaranty or the cancellation or termination of the Ground Lease, CLA shall be and remain liable to the County for the amount so repaid to the same extent as if such amount had never originally been received by the County.

If any payment received by the County from the Assignee or any other obligor and applied to the Guaranteed Obligations is subsequently set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Assignee or any other obligor), the Guaranteed Obligations to which such payment was applied will for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty will be enforceable against CLA as to such Guaranteed Obligations as fully as if such application had never been made.

13. **Expenses.** CLA agrees to pay all costs and expenses, including reasonable attorneys' fees, which may be incurred by the County in any effort to collect or enforce

any of the obligations of CLA hereunder, whether or not any lawsuit is filed, including, without limitation, all costs and attorneys' fees incurred by the County in any bankruptcy proceeding (including, without limitation, any action or relief from the automatic stay of any bankruptcy proceeding) and in any judicial or nonjudicial foreclosure action.

14. **Amendments; Successors; Etc.** Neither this instrument nor any term hereof may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. All of the terms of this instrument shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective. CLA shall not have the right to assign any of CLA's rights or obligations under this Guaranty.

15. **Assignability by the County.** The County may, at any time and from time to time, assign, conditionally or otherwise, all of the rights of the County under this Guaranty, whereupon such assignee shall succeed to all rights of the County hereunder to the extent that such rights may be assigned to it. The County may give written notice to the CLA of any such assignment, but any failure to give, or delay in giving, such notice shall not affect the validity or enforceability of any such assignment.

16. **Governing Law.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California without regard to conflict of laws principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of CLA, the Assignee and the County has executed and delivered this Guaranty, or caused this Guaranty to be duly executed and delivered by its duly authorized representative, as of the date first above written.

CLAY LACV AVIATION INC.

DocuSigned by:
By: Bradford W. Wright
216EB6ECB1EE41F...

Name: Bradford W. Wright
Title: Chief Financial Officer

Clay Lacy SANTA ANA LLC

DocuSigned by:
By: Bradford W. Wright
216EB6ECB1EE41F...

Name: Bradford W. Wright
Title: Chief Executive Officer

APPROVED AS TO FORM:

County Counsel
DocuSigned by:
By: Mark Sanchez
5EE66EC8DA7B48F...

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor-Controller
Signed by:
By: Vivian Luz C. Grzeszczak
98187C051B2C443...

RECOMMENDED FOR APPROVAL:

John Wayne Airport
Signed by:
By: Charlene Reynolds
A1A526A921AF49F...
Charlene Reynolds
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:

Robin Stieler
Clerk of the Board of Supervisors

COUNTY
COUNTY OF ORANGE

By: _____
Chairman, Board of Supervisors