

CONSENT TO GROUND SUBLEASE

(Riverside Municipal Airport Lease Agreement - Fixed Based Operator)

THE CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”), hereby consents and approves that certain Ground Sublease dated March 13, 2017, by and between RIVERSIDE AIR SERVICE, INC., a California corporation (as “Sub-Lessor”) and GARY STARK, (as “Sub-Lessee”), a copy of which is attached hereto as Exhibit “1” (“Ground Sublease”). The Ground Sublease pertains to real property located within Riverside Municipal Airport in Riverside, California, and more particularly depicted and described on Exhibit “A” (FBO Legal Description) to the Ground Sublease.

The Ground Sublease is subject to that certain Riverside Municipal Airport Lease Agreement Fixed Base Operator (“FBO Master Lease”) dated on or about November 5, 2012 by and between City (as “Lessor”) and Riverside Air Service, Inc. (as “Lessee”), as amended by that certain First Amendment to the FBO Master Lease dated December 18, 2014 and that certain Second Amendment to the FBO Master Lease dated January 13, 2016, (collectively, “Lease”), as more fully described in Exhibit “2” (“FBO Master Lease and Amendment”).

City hereby agrees that, in the event the FBO Master Lease should terminate in a manner that triggers its rights provided by Paragraph 31(h), City hereby agrees to assume the Ground Sublease without modification, and all possessory rights conferred by the Ground Sublease shall continue and remain in effect pursuant to the FBO Master Lease as if Sub-lessee was the original Lessee thereunder; provided, however, that such assumption and agreement shall pertain only to the premises (Hangar A) identified in Ground Sublease, Exhibit “B”, and not to the entire leased premises under the FBO Master Lease.

Consent and approval hereof by City to the Ground Sublease shall not relieve or release Riverside Air Service, Inc. from its duty to comply with any and all obligations, covenants and conditions required under the FBO Master Lease. In the event of any conflict in stated requirements and obligations in this Ground Lease and the FBO Master Lease, the requirements and obligations stated in the attached FBO Master Lease shall be controlling as to Riverside Air Service and its sub-lessees and/or assignees.

IN WITNESS WHEREOF, City has caused its duly authorized representative to execute this consent and approval to this Ground Sublease as of the date set forth below.

Date: 6/1/2017

CITY OF RIVERSIDE, a California charter city and municipal corporation

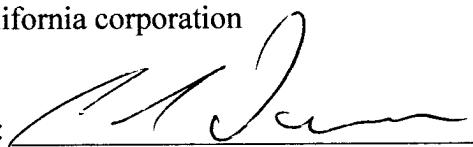
By: 

ATTEST

By: 
City Clerk

Date: 5/31/17

RIVERSIDE AIR SERVICE, INC., a California corporation

By: 
Chad Davies, President

APPROVED AS TO FORM
BY: 
Deputy City Attorney

CA #16-1306
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EXHIBIT 1
GROUND SUBLEASE
(Behind this page)

JETPORT HANGARS

HANGAR "A"

GROUND SUBLEASE

Riverside Air Service, Inc., herein called Sub-Lessor, subleases to **Gary Stark** herein called Sub-Lessee, the property described below, upon the following items and conditions.

RECITALS

Sub-Lessor leases from the City of Riverside, approximately eight (8) acres located at the Riverside Municipal Airport, Riverside, in the County of Riverside, State of California.

This Ground Sublease entered into by the Sub-Lessor is intended to conform with, be compatible with, and be subject to the terms and conditions of the FBO Master Lease dated November 5, 2012, and amended December 18, 2014, and January 13, 2016, between the City of Riverside as Lessor, and Riverside Air Service, Inc., as Lessee which lease and amendments thereto shall be called the "FBO Master Lease" and the City of Riverside shall be called the "City." Sub-lessor intends to convey, assign or transfer to Sub-Lessee its (Sub-Lessors) interest in certain ground facilities and improvements it owns within the premises sub-leased hereunder.

DESCRIPTION

The premises subleased hereby are located within the Riverside Airport, and within the area leased from City by Sub-Lessor consisting of approximately eight (8) acres and as more particularly shown on **Exhibit "A"**, attached thereto and by this reference, made a part of this sublease. The portion of the eight acres being subleased to Sub-Lessee is that portion of land occupied by **Hangar A** as depicted in **Exhibit "B"**. In addition to the forgoing during the term of this Ground Sublease, Sub-lessor grants to Sub-lessee the right to ingress and egress over that portion of the leasehold premises of Sub-lessor held under the FBO Master Lease and a license to use the taxiway areas as designated by Sub-lessor for the duration of the lease term.

USE

The Ground Sublease is for the use of an aircraft hangar upon the stated premises. The use of the hangar is for the storage of aircraft, or private vehicles when aircraft are not being stored.

TERM

The term of this Ground Sublease shall be for a period equal to the portion of forty (40) years or that portion remaining under the FBO Master Lease and terminating on November 5, 2056. Nothing in this Ground Sublease shall be interpreted to obligate or require the Sub-lessor to extend the term of the FBO Master Lease or this Ground Sublease.

RENT

Any and all ground rent, calculated on a per square foot basis, is incorporated into the FBO master lease rental amount, which Sub-lessor pays to the City on a monthly basis. No ground rent is due or payable during the duration of this ground lease.

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the terms of this Ground Sublease:

- a) Observe and comply with all rules, regulations and laws, which govern and are in effect under the FBO Master Lease as adopted by Sub-lessor and the City of Riverside.
- b) Maintain premises and equipment in a clean, orderly, neat and safe condition.
- c) Pay for all utilities.

SUB LESSOR'S RESERVED RIGHTS

Sub-Lessor and City, or other duly authorized agents, shall have the right to enter the sub-leased premises for inspections pertaining to allowable uses as stated in this Ground Sublease upon advance notice given to Sub-Lessee.

IMPROVEMENTS, REPAIRS & SIGNS

Sub-Lessee shall not make any exterior improvements or modifications, paint the exterior of the hangar or install any exterior signs without prior written approval of Sub-Lessor and the City. All improvements will comply with City rules and regulations, as well as the provisions of the FBO Master Lease. All improvements made by Sub-Lessee become the property of the Sub-Lessor or City at the expiration of the Ground Sublease, and no compensation for any improvements made by Sub-Lessee shall be due.

INSURANCE

Sub-Lessee shall, during the term of this Ground Sublease, procure and maintain the following described insurance coverage and limits as indicated.

Procure and maintain General Liability Insurance to include vehicle coverage that shall protect Sub-lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Sub-lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Sub-lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sub-lessor and the City of Riverside, their respective directors, officers, employees, elected or appointed officials, agents or representatives as Additional Insured with respect to this Ground Sublease and obligations of Sub-lessee hereunder. Such insurance shall provide for limits of not less than \$1,000,000, per occurrence.

RENT

Any and all ground rent, calculated on a per square foot basis, is incorporated into the FBO master lease rental amount, which Sub-lessor pays to the City on a monthly basis. No ground rent is due or payable during the duration of this ground lease.

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the terms of this Ground Sublease:

- a) Observe and comply with all rules, regulations and laws, which govern and are in effect under the FBO Master Lease as adopted by Sub-lessor and the City of Riverside.
- b) Maintain premises and equipment in a clean, orderly, neat and safe condition.
- c) Pay for all utilities.

SUB LESSOR'S RESERVED RIGHTS

Sub-Lessor and City, or other duly authorized agents, shall have the right to enter the sub-leased premises for inspections pertaining to allowable uses only, as stated in this Ground Sublease upon advance notice given to Sub-Lessee.

IMPROVEMENTS, REPAIRS & SIGNS

Sub-Lessee shall not make any exterior improvements or modifications, paint the exterior of the hangar or install any exterior signs without prior written approval of Sub-Lessor. All improvements will comply with City rules and regulations. All improvements made by Sub-Lessee become the property of the Sub-Lessor or City at the expiration of the Ground Sublease, and no compensation for any improvements made by Sub-Lessee shall be due.

INSURANCE

Sub-Lessee shall, during the term of this Ground Sublease, procure and maintain the following described insurance coverage and limits as indicated.

Procure and maintain General Liability Insurance to include vehicle coverage that shall protect Sub-lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Sub-lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Sub-lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sub-lessor and the City of Riverside, their respective directors, officers, employees, elected or appointed officials, agents or representatives as Additional Insured with respect to this Ground Sublease and obligations of Sub-lessee hereunder. Such insurance shall provide for limits of not less than \$1,000,000, per occurrence.

Furnish Sub-lessor and the City of Riverside with Certificates of Insurance showing that such insurance on an annual basis, is in full force and effect, and that additional insured are named as required in (a) above. Further, said certificates shall contain the covenant of the insurance carrier that 30 days written notice will be given to the City of Riverside and or Sub-lessor prior to cancellation or reduction in coverage of such insurance.

The foregoing notwithstanding, this Ground Sublease is subject to Section 20 of the FBO Master Lease and Sub-Lessee shall procure and maintain additional coverages specified therein if required by operation and as may be required by City, and be subject to the City's review and approval, from time to time.

TERMINATION BY SUB-LESSOR

Sub-Lessor shall have the right to terminate this Ground Sublease as follows:

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessee as a debtor.

In the event that Sub-Lessee makes a general assignment, or sub-lessee's interest hereunder is assigned involuntarily or by operation of law for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Ground Sublease.

In the event of the abandonment of, or the discontinuance of the use of, the sub-leased premises by Sub-Lessee.

In the event Sub-Lessee fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessee shall be given 90 days in which to correct its breach or default after written notice hereof has been served on it by Sub-Lessor.

TERMINATION BY SUB-LESSEE

Sub-Lessee shall have the right to terminate this Sub-Lease as follows:

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessor as a debtor.

In the event that Sub-Lessor makes a general assignment for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Ground Sublease.

In the event of the abandonment of, or the discontinuance of, the use of the leased premises by Sub-Lessor.

In the event that the leased premises are rendered unfit for Sub-Lessee's use and cannot be restored within a reasonable time.

HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and City, their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessee, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (Sub-Lessee's employees included) or any other element of damage or any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the leased premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor, City, who shall be able to select legal counsel of its choice, its officers, agents, employees and independent contractors in any legal action based on any alleged acts or omissions.

ASSIGNMENT

Sub-Lessee cannot, assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties and obligations hereunder to any person or entity without the written consent of Sub-Lessor being first obtained.

BINDING ON SUCCESSORS

Sub-Lessee, his heirs, assigns and successor in interest shall be bound by all the terms and conditions contained in this Ground Sublease, and all of the parties thereto shall be jointly and severally liable hereunder.

EMPLOYEES AND AGENTS OF SUB-LESSEE

It is understood that all persons hired or engaged by Sub-Lessee shall be considered to be employees or agents of Sub-Lessee and not of Sub-Lessor or City.

COMPLIANCE WITH LAW

Sub-Lessee shall observe all statutes, rules, regulations, ordinances, and orders relating to the use of the sub-leased premises enacted or promulgated by City, the State of California, the Federal Aviation Administration, the United States of America and the agencies thereof.

WAIVER OF PERFORMANCE

No waiver by Sub-Lessor at any time of any of the terms and conditions of this Ground Sublease shall be deemed or construed as a waiver at any time thereafter of the same or any other terms and conditions contained herein or of the strict and timely performance of such terms and

conditions.

SEVERABILITY

The invalidity of any provision in this Ground Sublease as determined by a court of competent jurisdiction shall in no way effect the validity of any other provisions hereof.

NOTICES

Any notices required or to be served by either party upon the other shall be addressed to the respective parties as set forth below:

SUB-LESSOR:

Riverside Air Service, Inc.
6741 Gemende Dr,
Riverside CA 92504

SUBLESSEE:

Gary Stark
3110 Indian Ave, Suite A
Perris, CA 92571

VENUE

Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights for by this Ground Sublease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other County.

TAXES

Sub-Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Sub-Lessee recognizes and understands that this Ground Sublease will create a possessory interest subject to property taxation and that Sub-Lessee will be subject to the payment of property taxes levied on such interest.

TOXIC MATERIALS

During the term of this Ground Sublease and any extension thereof, Sub-Lessee shall not violate any federal, state or local law, or ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the sub-leased premises including, but not limited to, soil and ground water conditions. Further, Sub-Lessee, its successors and assigns shall not use, generate, manufacture, produce, store or dispose of, on, under or about the sub-leased premises or transport to or from the sub-leased premises, any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Ground Sublease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials" or "toxic substances," in the Comprehensive Environmental Response, Cleanup and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49, U.S.C. §

1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous wastes" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

Section 22 of the FBO Master Lease will be in full force and effect regarding the leasehold.

FREE FROM LIENS

Sub-Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Sub-Lessee, in, upon or about the sub-leased premises, and which may be secured by a mechanic's, materialmens, or other lien against the sub-leased premises or City's interest therein, and will cause such lien to be fully discharged and released at the time the performance of any obligation secured by such lien natures or becomes due, provided, however, that if Sub-Lessee desires to contest any such lien provided that it either pays the lien or obtains a bond to allow release of said lien, and then it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Sub-Lessee shall forthwith pay and discharge said judgment.

DISPUTES/DAMAGES

In the event of any litigation or arbitration between Sub-lessee and Sub-lessor to enforce any of the provisions of this Ground Sublease or any right of either party hereto, tried in a court of competent jurisdiction in the County of Riverside, California, and the parties hereby waive all provisions of law providing for a change in venue in such proceedings to any other county, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award rendered in such litigation or arbitration.

MASTER LEASE/SURVIVAL OF SUB-LEASE

a. Sub-Lessee acknowledges and agrees that it shall be bound, and shall otherwise be subject to all of the terms and conditions contained in the FBO Master Lease.

b. In the event the FBO Master Lease is terminated or surrendered, City shall accept pursuant to the terms and conditions of the FBO Master Lease, the assignment and operation of this Ground Sublease, waiving its right to terminate said Ground Sublease, and Sub-Lessee agrees to keep, observe and perform all of the terms and conditions of the FBO Master Lease on the part of the Sub-Lessor to be kept, observed and performed, and Sub-Lessee's right to possession shall remain in effect pursuant to the FBO Master Lease terms, to all intents and

purposes as though Sub-Lessee was the original Lessee thereunder. At such time, Sub-Lessee shall make lease payments, based on the vacant land rate in effect, to be negotiated at that time and subject to Section 6 for adjustments as specified in the FBO Master Lease, to the City.

c. The City of Riverside hereby consents and agrees that, in the event the FBO Master Lease should terminate in a manner that triggers its rights provided by Paragraph 31(h), the City hereby agrees to assume the Ground Sublease without modification, and all possessory rights conferred by the Ground Sublease shall continue and remain in effect pursuant to the FBO Master Lease as if Sub-leasee was the original Lessee thereunder; provided, however, that such assumption and agreement shall pertain only to the premises identified in Ground Sublease, Exhibit 2, and not to the entire leased premises under the FBO Master Lease.

CONSENT BY CITY

The parties hereto understand and agree that this Sub-lease shall not be enforceable by either party unless and until consent has been obtained from the City in writing.

IN WITNESS WHEREOF, this Sublease is executed on March 13, 2017.

SUB-LESSOR:



Chad Davies President
Riverside Air Service, Inc.
FBO Master Lessor

SUB-LESSEE:



Gary Stark

EXHIBIT A

LEASE DESCRIPTION F.B.O. Lease

Those portions of Lot 2 of Block 35 and that portion of Ordway Street (vacated) all of Tract No 5 of the Riverview Addition to the City of Riverside, as shown by map on file in Book 7, Page 7 of Maps, records of Riverside County, California, described as follows:

COMMENCING at the northwesterly corner of Lot 7 of Gafford Gardens, as shown by map on file in Book 12, Page 97 of Maps, records of said Riverside County;

THENCE North $0^{\circ}18'47''$ East, at right angles to the northerly boundary of said Gafford Gardens, a distance of 15.00 feet to a line parallel with and distant 15.00 feet northerly, as measured at right angles, from said northerly boundary;

THENCE South $89^{\circ}41'13''$ East, along said parallel line, a distance of 975.39 feet;

THENCE North $4^{\circ}00'00''$ West, a distance of 722.58 feet to the **POINT OF BEGINNING** of the parcel of land being described;

THENCE South $29^{\circ}24'27''$ West, a distance of 765.97 feet;

THENCE North $89^{\circ}42'09''$ West, a distance of 474.43 feet;

THENCE North $29^{\circ}24'27''$ East, a distance of 880.33 feet;

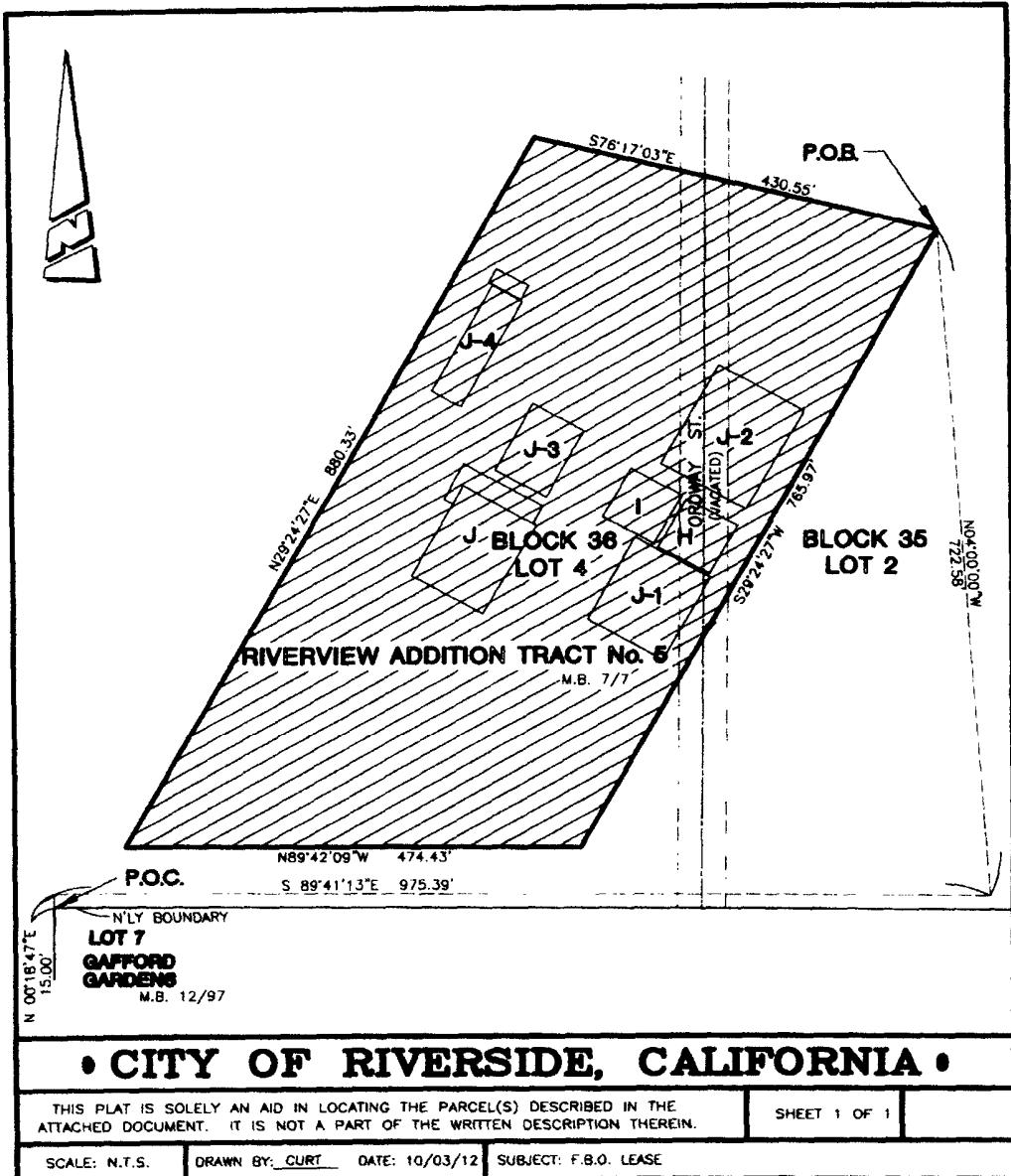
THENCE South $76^{\circ}17'03''$ East a distance of 430.55 feet to the **POINT OF BEGINNING**.

Area - 341,199 square feet

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act


Mark S. Brown, L.S. 5655 Date 1/4/2017 Prep _____





Sub-Lease EXHIBIT "B"

"Hangar Parcel Plat and Legal"

LEASE DESCRIPTION
JETPORT HANGAR 'A' LEASE

THOSE PORTIONS OF LOT 4 OF BLOCK 36 OF TRACT NO. 5 OF THE RIVERVIEW ADDITION TO THE CITY OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7, PAGE 7 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF LOT 7 OF GAFFORD GARDENS, AS SHOWN BY MAP ON FILE IN BOOK 12, PAGE 97 OF MAPS, RECORDS OF SAID RIVERSIDE COUNTY;

THENCE NORTH 00° 18' 47" EAST, AT RIGHT ANGLES TO THE NORTHERLY BOUNDARY OF SAID GAFFORD GARDENS, A DISTANCE OF 15.00 FEET TO A LINE PARALLEL WITH AND DISTANT 15.00 FEET NORTHERLY, AS MEASURED AT RIGHT ANGLES, FROM SAID NORTHERLY BOUNDARY;

THENCE SOUTH 89° 41' 13" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 975.39 FEET;

THENCE NORTH 82° 55' 16" WEST, A DISTANCE OF 765.80 FEET;

THENCE NORTH 28° 57' 57" EAST, A DISTANCE OF 220.00 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL OF LAND BEING DESCRIBED;

THENCE NORTH 61° 02' 03" WEST, A DISTANCE OF 85.00 FEET;

THENCE NORTH 28° 57' 57" EAST, A DISTANCE OF 65.00 FEET;

THENCE SOUTH 61° 02' 03" EAST, A DISTANCE OF 69.00 FEET;

THENCE SOUTH 06° 07' 56" WEST, A DISTANCE OF 41.23 FEET;

THENCE SOUTH 28° 57' 57" WEST, A DISTANCE OF 27.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINS 5,221.00 SQUARE FEET MORE OR LESS.

PREPARED UNDER MY SUPERVISION:



MICHAEL D. VAN NOTY

PROFESSIONAL LAND SURVEYOR NO. 8932

DATE SIGNED: 4-13-16



RIVERVIEW ADDITION
TRACT NO. 5
MB 7/7

BLOCK 36
LOT 4

