

1 RIVERSIDE MUNICIPAL AIRPORT LEASE

2 (WAYPOINT AVIATION SERVICES)

3 On this day of , 2015, the CITY OF RIVERSIDE, a California
4 charter city and municipal corporation ("City"), and WAYPOINT AVIATION SERVICES, a
5 California corporation ("Lessee"), mutually agree as follows:

6 1. PREMISES LEASED. City hereby leases to Lessee the real property, including
7 improvements in their "as is" condition thereon, located at the Riverside Municipal Airport,
8 consisting of a 9794.4 square foot hangar and office building, located at 6873 Flight Road (also
9 known as "Hangar N") as designated on Exhibit "A"; 8840.2 square feet of land ("Ramp 1")
10 located at 6873 Flight Road as designated on Exhibit "B"; 23,576 square feet of land ("Ramp
11 2"), improved with an aviation grade asphalt covering and currently used as Airport tarmac
12 located on the north side of the hangar/building designated on Exhibit "C"; 9,711.9 square feet of
13 land ("Ramp 3") on the west side of the hangar/building designated on Exhibit "D". All real
14 property, including the hangar/building and the Ramps will be referred to as the "Premises".
15 Exhibits "A" through "D" are attached hereto and incorporated herein by this reference.

16 2. City on its own behalf and for all other users of the Riverside Municipal Airport
17 reserves the right to use the driving lanes and taxiways located between buildings on said
18 Premises, said taxiways marked.

19 3. PURPOSE. Lessee shall use the Premises as an aircraft maintenance facility,
20 aircraft storage, and offices for daily operations.

21 Aircraft and vehicle parking secondary to the permitted use is allowed on the Premises
22 but such parking shall not block or obstruct ingress or egress of the adjoining taxiways, hangars,
23 or any offices.

24 Lessee may use the Premises only for the use hereinabove or as authorized by the Airport
25 Manager, and for no other purpose.

26 4. PUBLIC PARKING SPACES. City licenses Lessee, and the employees and
27 invitees of Lessee, to use the vehicular parking spaces located within the public parking area
28 designated for use located at the easterly end of the building. Lessee's customers shall not park

1 their automobiles inside the Airport fence line.

2 5. RIGHT OF ACCESS. City shall permit full and unrestricted access by Lessee,
3 and the employees and invitees of Lessee, without charge, to and from the Premises for all
4 purposes contemplated by this Lease Agreement.

5 6. TERM. This Lease shall be for a period of ten years commencing December 1,
6 2015 and terminating on November 30, 2025 ("the "Term"). City hereby grants to Lessee an
7 option to extend this Lease for an additional period of ten (10) years following the expiration of
8 the initial term as provided herein this paragraph. Any extension to this Lease shall be subject to
9 approval by City and on the same terms and conditions contained herein, provided, however, the
10 rental payments shall be subject to negotiation by the Parties.

11 If, within the first 10 years, tenant constructs a new 8,000 square foot hangar with an
12 associated 2,000 square foot office complex, with a minimum investment of \$1 million, tenant
13 will have the option to convert the remainder of the initial 10 years to a total lease term of 40
14 years, all subject to City Council approval. If the lease is converted to a 40 year lease, rent for the
15 remainder of the 40 year lease will be negotiated.

16 7. RENT. Upon execution of the Lease Agreement, Lessee shall pay the monthly
17 rent in the amount of Two Thousand Six Hundred Twenty Five (\$2,625) for the first three (3)
18 months. Beginning in month four (4), the rent shall be increased annually as indicated below.

19 Months 4 - 12 - \$3500

20 Year 2 - \$3500 including an additional \$250.00 for a total of \$3750.

21 Year 3 - \$3750 including an additional \$250.00 for a total of \$4000.

22 Year 4 - \$4000 including an additional \$250.00 for a total of \$4250.

Year 5 - \$4250 including an additional \$250.00 for a total of \$4500.

23 Beginning with sixth year, the rent will be adjusted for the sixth year and each year
24 thereafter, to reflect the percentage increase, if any, in the Consumer Price Index for All Urban
25 Consumers (CPI-U) for the Los Angeles-Anaheim-Riverside Standard Metropolitan Statistical
26 Area ("Index") published by the Bureau of Labor Statistics of the United States Department of
27 Labor for most recent 12-month published index, based upon the corresponding increase, if any,
28 in the Index as it stands on September of that year over the Index as it stood on September of the

1 prior year.

2 The monthly rental shall be payable in advance on or before the first (1st) day of each
3 month, and shall be paid by check made payable to the "City of Riverside" and sent to the
4 Revenue Division, City of Riverside, 3900 Main Street, Riverside, California, 92522.

5 A late fee equal to 10% of the monthly rental shall be added to any monthly payment not
6 received by the City by the tenth (10th) day of the month in which it is due. Any rental payment
7 received after the tenth (10th) day of the month will be first credited to payment of the late fee.
8 Said late fee shall be added for each month thereafter until said rental payment and late fee or
9 fees are paid in full. Said late fee or fees shall be considered as part of the rent due City
10 hereunder.

11 If tenant constructs a 8,000 square foot hangar, during the initial ten years of this
12 agreement, and City and Tenant have not negotiated a rental price, then the rental rate shall be at
13 the fair market rent of the Premises and shall be determined by an appraiser selected by City who
14 shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have
15 experience in appraising properties similar to the Premises (the "Qualified Appraiser"). If either
16 the City or Lessee or both City and Lessee shall disapprove of the fair market rent of the
17 Premises as thus determined, the dissatisfied party (or parties) may then designate another
18 Qualified Appraiser who shall conduct a second (or additional) independent appraisal (s) of the
19 Premises or the fair market rent of the Premises shall be deemed to be the average of the two
20 appraisals. The cost of the appraisal shall be divided and borne equally between City and
21 Lessee.

22 7. SECURITY, CLEANING DEPOSIT AND RE-KEY CHARGE. Concurrently
23 with the execution of this Lease, Lessee shall deposit with City the sum of Four Thousand Five
24 Hundred and 00/100 Dollars (\$4,500) as partial consideration for City entering into this Lease,
25 and as security for the full and faithful performance of every provision of this Lease to be
26 performed by Lessee.

27 If Lessee defaults with respect to any provision of this Lease, including but not limited to
28 the provisions relating to the payment of rent, City may (but shall not be obligated to) use, apply

1 or retain all or any part of the security deposit for the payment of any rent or any other amount
2 which City may spend or become obligated to spend by reason of Lessee's default, or to
3 compensate City for any other loss or damage which City may suffer by reason of Lessee's
4 default. The fact that City is holding or applying this security deposit shall not affect City's
5 remedies upon any breach of this Lease by Lessee. If any portion of the security deposit is used
6 or applied, said application of funds shall not constitute liquidated damages for such default by
7 Lessee, and Lessee shall, within five (5) days after written demand therefore, deposit cash with
8 City in an amount sufficient to restore the security deposit to its original amount, and Lessee's
9 failure to do so shall be a breach of this Lease.

10 City shall not be required to keep the security deposit separate from its general funds, and
11 Lessee shall not be entitled to interest on such deposit.

12 At the termination of this Lease, the security deposit shall be returned to Lessee, less any
13 amounts retained by City for any cleaning, repairs or damage to the Premises, or for any unpaid
14 rental fee due City hereunder.

15 8. OWNERSHIP OF EXISTING IMPROVEMENTS. Lessee hereby acknowledges
16 and agrees that the existing improvements located on the Premises, including the hangar/building
17 (air conditioner/heater, roof and structural), are and shall remain the property of City. Lessee
18 acknowledges that Lessee has inspected the Premises including the hangar/building and knows
19 the condition thereof and hereby accepts them in their "as is" condition.

20 9. ADDITIONAL IMPROVEMENTS BY LESSEE. Lessee may also make
21 additional improvements to the Premises as may be appropriate subject to the prior written
22 approval of the Airport Manager of City. Lessee shall submit plans and specifications for such
23 improvements to said Airport Manager and obtain approval therefore prior to commencement of
24 construction. Lessee shall construct such improvement in accordance with the approved plans
25 and specifications. Approval by the Airport Manager shall not relieve Lessee from the
26 obligation of obtaining any other necessary permits or approval from other City departments or
27 governmental agencies having jurisdiction.

28 The term "improvement" as used herein shall include but not be limited to painting, signs

1 and landscaping, whether or not, those improvements are to the exterior or interior of the leased
2 Premises

3 10. OWNERSHIP OF ADDITIONAL IMPROVEMENTS. Any additional
4 improvements installed upon the Premises by Lessee as herein above provided shall become the
5 absolute property of City and title shall automatically vest in City without payment therefore by
6 City upon the expiration of this Lease or upon the earlier termination of this Lease as hereinafter
7 provided.

8 Notwithstanding anything to the contrary herein above, City reserves the right to require
9 Lessee to remove any or all of the said improvements and restore the leased Premises to its
10 condition at the commencement of this Lease.

11 11. DAMAGE OR DESTRUCTION. Lessee shall be responsible for any damages or
12 destruction to the Premises resulting from acts or omissions of Lessee or the employees, agents,
13 invitees or guests of Lessee, and shall repair or compensate City for such damages or destruction
14 and shall return the Premises to City, upon termination of this Lease, in its original condition
15 except for reasonable wear and tear.

16 12. SIGNS. Lessee shall place a suitable sign, limited to Lessee's company name
17 and/or logo, as approved by the Airport Manager, on the southerly facing façade of the Premises,
18 within one month after occupying Premises, but Lessee shall not erect or display, or permit to be
19 erected or displayed on the Premises any sign or advertising matter without first obtaining the
20 written approval of the Airport Manager. Any signs which Lessee desires to install shall be
21 submitted first to the Airport Manager for approval as to number, design, size, color and
22 location. The Airport Manager shall not approve any sign which is not in harmony with the
23 City's General Plan, Municipal Code or the appearance of the Riverside Municipal Airport.
24 Consent by the Airport Manager shall not relieve Lessee from the responsibility of adhering to
25 and conforming to any applicable City, State or Federal law, ordinance or regulation thereon.

26 13. LESSEE'S MAINTENANCE AND OPERATIONS OBLIGATIONS. Lessee has
27 inspected the Premises and accepts possession of the Premises and the improvements thereon "as
28 is" in its present condition, and subject to all limitations imposed upon the use thereof by the

1 rules and regulations of the FAA and by ordinances of the City, and Lessee acknowledges the
2 suitability and sufficiency of the Premises for the uses permitted hereunder. Except as may
3 otherwise be specifically provided for herein, the City shall not be required to maintain or to
4 make any improvements, repairs or restorations upon or to the Premises or to any of the
5 improvements presently located thereon. Under no circumstances shall the City have any
6 obligation to repair, maintain or restore any improvements placed upon the Property by Lessee.

7 Notwithstanding anything to the contrary contained herein, it is understood and agreed
8 that all maintenance responsibility, whether such maintenance be ordinary or extraordinary, is
9 that of the Lessee, at Lessee's sole expense. Repairs to the Premises will be made in compliance
10 with all regulatory codes and regulations, and shall be preapproved by City. The City may make
11 repair of damages caused by Lessee's employees, agents or suppliers, and the cost thereof shall
12 be billed to Lessee.

13 Lessee agrees to maintain and keep the entire Premises and all improvements located
14 thereon or therein, in good condition and repair, and to keep the Premises, in an attractive, neat,
15 clean and orderly condition. This includes, but is not limited to, any refuse or waste materials
16 which might be or constitute a fire hazard or a public or private nuisance; and the disposal in a
17 safe and proper manner, and in accordance with any applicable law, ordinance, statute, rule or
18 regulation, of any industrial or hazardous waste including engine oil, paint and other waste
19 placed upon the Premises following the commencement of this Lease.

20 Lessee's maintenance responsibilities shall include the following:

- 21 A. Keep at all times, in a clean and orderly condition and appearance, the Premises,
22 all improvements thereon and all of Lessee's fixtures, equipment and personal
23 property which are located on any part of the Premises. Lessee shall be
24 responsible for all janitorial services on the Premises;
- 25 B Be responsible for the maintenance and repair of all utility services lines placed
26 on the Premises and used by Lessee exclusively;
- 27 C. Repair any damage caused by Lessee, or its agents, employees or invitees, to the
28 Airport caused by any hazardous materials, including oil, gasoline, grease,

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lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

D. Lessee's maintenance shall include, but not be limited to, maintenance and repair of the following systems or improvements on or to the Premises:

1. Lessee shall be responsible for maintaining fire extinguishers that shall be in working order at all times.
2. Interior and hangar bay lighting light bulbs.
3. All other interior structures and fixtures, including carpeting, tiles, interior glass, floors, interior walls, partitions and furnishings.
4. Interior and exterior of all window and door glass, which shall be cleaned at a minimum every six weeks. Lessee shall replace all broken glass within thirty (30) days of the breakage. Should Lessee fail to perform the cleaning or repair services within the specified time, the City may perform such services or repairs and bill Lessee for the costs thereof.
5. Installation and maintenance of additional utilities that may be required in the future.
6. Interior painting.
7. Maintenance, repair and replacement as necessary of all HVAC equipment, plumbing, electrical, telephone, alarm and other utility systems or equipment associated with or serving the Premises, including any grease traps or clarifiers.
8. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash removal from the Premises. Trash removal shall be done on a weekly basis.

E. Lessee shall at all times provide appropriate training and enforcement programs to ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, paint thinners,

1 hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or
2 toxic materials. Lessee shall be responsible for collecting, storing, recycling
3 and/or disposing of its hazardous or toxic waste off the Premises in compliance
4 with all federal, state and local laws, rules and regulations governing the storage
5 and disposal of hazardous or toxic waste. All hazardous or toxic waste shall be
6 stored in a manner such that it is protected from physical damage to the containers
7 and is isolated from incompatible materials and all such waste shall be promptly
8 removed from the Premises.

9 F. Lessee shall obtain and keep on file a Material Safety Data Sheet ("MSDS") for
10 each hazardous or toxic material used on the Property. A copy of each MSDS
11 shall be submitted to the City. Lessee shall provide the City with such other
12 documentation as the City deems necessary with regard to the generation, use,
13 storage, handling and disposal of hazardous or toxic materials on or from the
14 Premises, in order to prevent any contamination of the Airport. Such
15 documentation shall be provided upon request during periodic inspections of the
16 Premises by the City. Lessee shall copy the City with all correspondence between
17 Lessee and any regulatory agency concerning Lessee's compliance with
18 environmental laws, rules and regulations.

19 G. Lessee shall obtain from the City's Fire Code Officials all necessary permits for
20 the installation, removal, repair, alteration and operation of all portable tanks used
21 for the storage of flammable, combustible, hazardous or toxic materials.

22 H. Lessee shall keep all asphalt areas in and around the main hangar/office building
23 free of oil and other lubricants, debris, weeds, and in good repair.. All
24 landscaping associated with the premises shall be maintained in a presentable
25 fashion consistent with existing Airport landscaping.

26 14. CITY'S MAINTENANCE OBLIGATIONS. The City agrees and covenants that
27 it will be responsible for and will perform, at its sole cost and expense, exterior and structural
28 building maintenance on buildings owned by City, and will maintain runways, taxiways and

1 pavements owned by City which are the responsibility of City. The City shall also maintain all
2 exterior walls, roof, foundations, and all exterior doors including hangar doors of City owned
3 facilities, except as noted in Paragraph 13, above. The City may make repair of damages caused
4 by Lessee's employees, agents or suppliers, and the cost thereof billed to Lessee. In the event
5 City shall fail to perform such maintenance, the Lessee, after giving thirty (30) days' prior
6 written notice to the Airport Manager of City (which notice shall specify the precise manner in
7 which City has failed to perform required maintenance), during which period City may abate or
8 correct the failure so set forth in Lessee's notice, may thereupon perform such maintenance; and
9 City agrees, subject to the proviso below, to pay Lessee the reasonable expenses incurred in the
10 above connection within thirty (30) days after submission to the Airport Manager of City of an
11 invoice showing the reasonable expenditure or the incurring of such reasonable expenditure by
12 the Lessee. Provided, however, City shall have no obligation hereunder to reimburse Lessee for
13 any amount expended by Lessee hereunder in excess of \$2,000.00 for any one occasion of
14 Lessee's curing of City's failure to maintain; moreover, City shall have no obligation to
15 reimburse Lessee for expenditures incurred by Lessee for the curing of City's failure to maintain
16 which are in excess of the cumulative amount of \$6,000.00 for any single annual period of the
17 Agreement term hereof.

18 15. CITY'S RIGHT TO INSPECT. City, through its duly authorized representatives,
19 may enter upon the Premises during regular business hours for the purpose of inspecting any or
20 all of said Premises and the improvements and facilities thereon. The Airport Manager of City
21 or other duly authorized representative may from time to time after said inspection of the
22 Premises and after observation of the operation of the business thereon, require all such repairs
23 or changes as shall be reasonable and consistent with maintaining the leased Premises and any
24 improvements thereon in a manner consistent with businesslike operations. Lessee agrees to
25 make all necessary repairs or changes consistent with Lease within the period which may be
26 reasonable required by the City's Airport Manager.

27 In the event the Airport Manager determines repairs or improvements to the Premises are
28 necessary due to tenant's activity, and in order to maintain the Premises for the uses

1 contemplated herein, such request shall be in writing and delivered or mailed to Lessee. Lessee
2 shall promptly commence making such repairs or improvements within ten (10) days after
3 service of such notice and diligently pursue such repair to completion. If within ten days after
4 service of such notice Lessee fails to commence repairs, or if after what the Airport Manager
5 deems a reasonable time the Lessee fails to complete said repairs or maintenance, City may
6 cause such repair or maintenance to be made and add the cost thereof to the rent thereafter
7 accruing. If City causes such repair or maintenance to be completed by other than Lessee, and if
8 said costs are not promptly paid by Lessee to City, this Lease shall be deemed to be in default,
9 and City shall be entitled to all legal remedies provided hereunder.

10 16. MECHANICS' LIENS AND PAYMENT BONDS. Lessee agrees to keep the
11 Premises free from any and all claims of persons or firms or corporations, who at the request of
12 Lessee or Lessee's contractor, furnish labor or materials to or for the benefit of the leased
13 Premises. Lessee further agrees to indemnify and hold City harmless from any and all such
14 claims City at any time may post and keep posted on the Premises appropriate notices to protect
15 City against the claims of any persons, firms or corporations for work done, labor performed or
16 materials furnished to the Premises. Before commencing any work relating to alterations or
17 improvements affecting the Premises, Lessee shall notify City in writing of the expected date of
18 the commencement of such work so that City can post and record the appropriate notices of non-
19 responsibility to protect City from any mechanics' liens, materialmen's liens, or any other liens.

20 Prior to the commencement of any construction on the Premises when it is estimated that
21 the cost of construction of such improvement shall be Twenty-Five Thousand Dollars (\$25,000)
22 or more, Lessee shall post a payment bond with City in an amount equal to the proposed cost of
23 construction. All such bonds must be issued by a company qualified to do business in the State
24 of California and acceptable to the City Attorney. Such bonds shall be in a form acceptable to
25 the City Attorney.

26 17. UTILITIES AND SERVICES. Lessee shall be responsible for the installation of
27 any necessary utilities for the Premises and/or new construction, including the installation of
28 separate meters therefore, if such utilities have not been previously installed. Lessee shall pay

1 for sewer, gas, water, electricity and other utilities supplied to and used on the Premises during
2 the term of this Lease, and shall hold City harmless therefrom.

3 Further, Lessee agrees to provide and pay for all trash removal and the removal of waste
4 oils, fuels, paint and other hazardous materials and chemicals placed on the Premises following
5 the commencement of the term of this Lease. All such hazardous materials and waste shall be
6 removed in accordance to, and in compliance with, any applicable City, County, State and
7 Federal laws and regulations.

8 18. HAZARDOUS MATERIALS. As used in this paragraph, the terms "hazardous
9 material" shall mean any hazardous or toxic substance, material or waste that is or becomes
10 regulated by the United States, the State of California or any local government authority having
11 jurisdiction over the Premises. Hazardous material includes:

12 a. Any "hazardous substance," as that term is defined in the Comprehensive
13 Environment Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United
14 States Code Sections 9601-9675.

15 b. "Hazardous waste," as that term is defined in the Resource Conservation
16 and Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-6992k);

17 c. Any pollutant, contaminate, or hazardous, dangerous, or toxic chemical,
18 material, or substance, within the meaning of any other applicable federal, state, or local
19 law, regulation, ordinance, or requirement (including consent decrees and administrative
20 orders imposing liability or standards of conduct concerning any hazardous, dangerous or
21 toxic waste, substance, or material, now or hereafter in effect);

22 d. Petroleum products;

23 e. Radioactive material, including any source, special nuclear, or by-product
24 material as defined in 42 United States Code Sections 2011-2297g-4.

25 f. Asbestos in any form or condition; and

26 g. Polychlorinated biphenyls (PCB's) and substances or compounds
27 containing PCBs.

28 Lessee shall at all times observe and satisfy the requirements of, and maintain the

1 Premises including the use and disposal of all hazardous material in compliance with all federal,
2 state and local environmental protection, occupational, health and safety and similar laws,
3 ordinances, restrictions, licenses and regulations, including but not limited to, the Federal Water
4 Pollution Control Act (33 U.S.C. Section 1251 et seq.), Resource Conservation and Recovery
5 Act (42 U.S.C. Section 6901 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et
6 seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C.
7 Section 7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act
8 (42 U.S.C. Section 9601 et seq.), California Health and Safety Code (Section 25100 et seq.,
9 Section 25300 et seq., Section 39000 et seq.), California Water Code (Section 13000 et seq.) and
10 the Environmental Responsibility Acceptance Act (California Civil Code Section 850 et seq.).

11 If during the term of this Lease, Lessee becomes aware of (a) any actual or threatened
12 release of any hazardous material on, under, or about the Premises or (b) any inquiry,
13 investigation, proceeding, or claim by any governmental agency or other person regarding the
14 presence of hazardous material on, under or about the Premises, Lessee shall give City written
15 notice of the release or investigation within five (5) days after learning of it and shall
16 simultaneously furnish to City copies of any claims, notices of violation, reports, or other
17 writings received by Lessee that concern the release or investigation.

18 Lessee hereby indemnifies City and agrees to defend and hold City harmless for any loss
19 incurred by or liability imposed on City by reason of Lessee's failure to perform or observe any
20 of its obligations or agreements under this agreement, including but not limited to any damage,
21 liability, fine, penalty, punitive damage, cost or expense (including without limitation all clean
22 up and removal costs and expenses) arising from or out of any claim, action, suit or proceeding
23 for personal injury (including sickness, disease or death), tangible or intangible property damage,
24 compensation for lost wages, business income, profits, or other economic loss, damage to the
25 natural resources of the environment, nuisance, pollution, contamination, leak, spill, release or
26 other adverse effect on the environment.

27 If the presence of any hazardous material brought onto the Premises by Lessee or
28 Lessee's employees, agents, contractors or invitees results in contamination of the Premises,

1 Lessee shall promptly take all necessary and appropriate actions, at Lessee's sole expense, to
2 return the Premises to the condition that existed before the introduction of such hazardous
3 material and City shall in no event be liable or responsible for any costs or expenses incurred in
4 doing so. Lessee shall first obtain City's approval of the proposed remedial action. This
5 provision does not limit the indemnification obligations set forth above.

6 19. PERMITS/LICENSES. Lessee shall be responsible for obtaining all AQMD,
7 health and safety, Federal, State, County, FAA and City licenses and permits before occupying
8 the Premises.

9 20. COMMUNICATIONS. Except for the payment of rent as herein above provided,
10 all notices, requests, consents, approvals or other communications between the parties in
11 connection with this Lease shall be in writing and personally delivered or mailed to the recipient
12 party by certified mail at its last known address as follows:

13	<u>City</u>	<u>Lessee</u>
14	Airport Manager	Chad Davies
15	Riverside Municipal Airport	Waypoint Aviation Services.
16	6951 Flight Road	6873 Flight Road
	Riverside, CA 92504	Riverside, CA 92504
	(951) 351-6113	(888) 624-6825

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18 The parties may, from time to time, change their respective addresses for the purpose of
19 this paragraph by sending notice of such change to the other as provided herein.

20 Any notice given pursuant to this paragraph shall be deemed served when personally
21 served or when placed in the U.S. mails with postage prepaid and addressed to the recipient at
22 the recipient's latest known address.

23 21. POSSESSORY INTEREST AND PAYMENT OF TAXES. Lessee recognizes
24 and understands that this Lease may create a possessory interest subject to property taxation and
25 that the Lessee may be subject to the payment of property taxes levied on such interest.

26 Lessee agrees to pay or reimburse the City for any and all taxes and assessments charged
27 or assessed on the land and improvements described in this Lease and on Lessee's possessory
28 interest therein together with all penalties and fees, if applicable, during the term of this Lease

1 including any holding over period prior to any installment thereof becoming delinquent. Any
2 such tax payment shall not reduce any payment due the City hereunder.

3 If Lessee shall, in good faith, desire to contest the validity, the imposition, or the amount
4 of any tax or assessment or any other governmental charge herein agreed to be paid by Lessee,
5 Lessee shall be permitted to do so; provided, however, the Lessee shall not permit or allow any
6 lien to be placed or assessed upon the real property or any improvements thereon.

7 22. IDEMNIFICATION. Except for City's sole negligence or willful misconduct,
8 Lessee shall fully defend, indemnify and hold the City, its officers and employees, harmless from
9 any and all loss, damage, claim for damage, liability, expense or cost, including attorney's fees,
10 which arises out of or is in any way connected with the performance of Lessee's responsibilities
11 under this Lease by Lessee in the operation of Lessee's business, or any of Lessee's employees,
12 agents, contractors, subcontractors or consultants and from all claims by Lessee's employees,
13 agents, contractors, subcontractors or consultants for compensation for services rendered to
14 Lessee in connection with this Lease, notwithstanding that City may have indirectly benefitted
15 from their services. This indemnification provision shall apply to any acts or omissions, willful
16 misconduct or negligent conduct, whether active or passive, on the part of Lessee or any of
17 Lessee's employees, agents, contractors, subcontractors or consultants.

18 The parties expressly agree that any payment, attorney's fees, cost or expense the City
19 incurs or makes to or on behalf of an injured employee under its self-administered workers'
20 compensation program is included as a loss, expense or cost for the purposes of this section, and
21 that this section shall survive the expiration or early termination of this Lease.

22 23. INSURANCE. Lessee shall obtain and keep in full force and effect during the
23 entire term of this Lease, commercial general liability and property damage insurance in an
24 amount not less than \$1,000,000 per occurrence limit. Coverage shall be maintained in an
25 amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$2,000,000, also auto
26 liability coverage shall be maintained with a minimum combined single limit of \$1,000,000
27 Lessee agrees to deposit with City upon execution of this Lease by City, certificates of insurance
28 evidencing the required insurance with coverage at least equal to the above types and amounts as

1 a minimum, and further agrees to file certificates with City during the entire term of this Lease
2 showing continued coverage.

3 To be acceptable, the insurance coverage must meet the following requirements:

4 (a) Such policy(s) must provide that the policy shall not be canceled or
5 materially changed unless thirty (30) days' prior written notice thereof by certified or
6 registered mail has been given to City.

7 (b) The commercial general liability policy must provide that City shall be
8 named as additional insured as respects all operations of the insured, which insurance
9 shall be primary insurance and not contributing with any other insurance available to the
10 City under any other third party liability policy or any self-insurance retention.

11 (c) The commercial general liability policy shall contain either a provision for
12 a broad form of contractual liability including leases, or an endorsement providing for
13 such coverage.

14 (d) Each policy must be placed with a company authorized to do business in
15 the State of California having a policy holder rating of A or higher and a Financial Class
16 of at least VII or higher.

17 City shall have the right at any time during the term of this Lease to review the type,
18 form, and coverage limits of the insurance enumerated herein. If, in the opinion of City
19 reasonably obtained, the insurance provisions in this Lease are not sufficient to provide adequate
20 protection for City and the members of the public using Riverside Municipal Airport, City may
21 require Lessee to maintain insurance sufficient to provide such adequate protection.

22 City shall notify Lessee in writing of any change in the insurance provisions necessary to
23 provide adequate protection.

24 If Lessee does not deposit acceptable certificate of valid insurance policies acceptable in
25 form and content to City, incorporating such changes, within sixth (60) days of receipt of such
26 notice, this Lease shall be in default without further notice to Lessee and City shall be entitled to
27 all legal remedies provided herein.

28 The procuring of such policy of insurance shall not be construed to be a limitation upon

1 Lessee's liability nor as a full performance of its part of the indemnification provisions of this
2 Lease. Lessee's obligation being, notwithstanding said policy or policies of insurance, the full
3 and total amount of any damage, injury or loss caused by the negligence or neglect connected
4 with the operation under this Lease.

5 Lessee shall provide a valid certificate of insurance and additional insured endorsement
6 prior to occupying the leased property under this Agreement. No policy shall be acceptable
7 unless first approved by the City Attorney.

8 24. WORKERS' COMPENSATION. Lessee shall obtain and maintain in full force
9 and effect during the term of this Lease workers' compensation insurance coverage in
10 accordance with the provisions and requirements of the Labor Code of the State of California
11 and any other applicable law. A certificate of insurance evidencing such coverage shall be filed
12 with the City Clerk of City, which certificate shall provide that City will be given at least thirty
13 (30) days' notice prior to cancellation.

14 25. RELEASE. City shall not be responsible for theft, loss, injury, damage or
15 destruction of any aircraft or other property on the Premises, or accident or injury to Lessee, its
16 officers, employees, agents or invitees. Lessee hereby releases and discharges City from any and
17 all claims and demands of Lessee for loss or of damage to Lessee's property or injury to Lessee
18 or Lessee's officers, employees, agents and invitees.

19 26. ASSIGNMENT AND SUBLETTING. Lessee shall not assign, transfer,
20 hypothecate or sublet all or any portion of its interest under this Lease, nor permit any other
21 person, firm or corporation to occupy the leased premises without the prior written approval of
22 the City. For purposes of this Article, any transfer of control of Lessee's interest shall be
23 considered to be an assignment of interest. Such approval by City shall not be unreasonably
24 withheld. The City may, as a condition of approval, require that any potential transferee submit
25 biographical and financial information to the City at least thirty days prior to any transfer of
26 Lessee's interest.

27 27. INSOLVENCY OR BANKRUPTCY. Lessee agrees that if all or substantially all
28 of Lessee's assets are placed in the hands of a receiver or trustee, and such receivership or

1 trusteeship continues for a period of 30 days, or should Lessee make an assignment for the
2 benefit of creditors or be adjudicated a bankrupt, or should Lessee institute any proceedings
3 under the Bankruptcy Act or under any amendment thereof which may hereafter be enacted, or
4 under any other act relating to the subject of bankruptcy wherein Lessee seeks to be adjudicated
5 a bankrupt, or to be discharged of Lessee's debts, or to effect a plan of liquidation, composition,
6 arrangement or reorganization under such bankruptcy, or should an involuntary proceeding be
7 filed against Lessee under any such bankruptcy laws and Lessee consents thereto or acquiesces
8 therein by pleading or default, then any such act shall be deemed a breach of this Lease , and
9 neither this Lease nor any interest in and to the Premises shall become an asset in any of such
10 proceeding s and, in any such event and in addition to any and all rights or remedies of City
11 hereunder or by law provided, this Lease shall terminate automatically as of the date on which
12 any one or more of the above-described occurrences takes place, and in such event, it shall be
13 lawful for City to re-enter the leased Premises and take possession thereof and remove all
14 persons and all of Lessee's personal property, including trade fixtures and equipment therefrom,
15 and Lessee shall have no further claim to the Premises or under this Lease.

16 28. DEFAULT; REMEDIES.

17 (a) Default. The occurrence of any one or more of the following events shall
18 constitute a default under this Lease.

19 (1) Non-curable defaults:

- 20 a) The vacation or abandonment of the Premises by Lessee.
- 21 b) Any attempted or involuntary transfer of Lessee's interest in this
22 Lease without the City's prior written consent.
- 23 c) If Lessee makes (or has made) or furnishes (or has furnished) any
24 warranty, representation or statement to City in connection with this Lease (or any
25 assignment of this Lease) or any other agreement to which City and Lessee are
26 parties, which is or was intentionally false or misleading in any material respect
27 when made or furnished.
- 28 d) Any breach under the paragraph entitled Insolvency or

1 Bankruptcy.

2 (2) Curable defaults:

3 a) The failure by Lessee to make any payment of rent, fee or any
4 other payment required to be made by Lessee hereunder as and when due. If
5 Lessee does not fully cure such default within three (3) days after Lessee has been
6 served with a notice of such default, this Lease shall be terminable at City's
7 option.

8 b) the failure by Lessee to observe or perform any non-monetary
9 covenants, conditions or provisions of this Lease to be observed or performed by
10 Lessee, other than the aforementioned non-curable defaults. If Lessee does not
11 fully cure any such non-monetary default within ten (10) days after Lessee has
12 been served with a notice of such default, this Lease shall be terminable at City's
13 option; provided, however, that if the nature of Lessee's default is such that more
14 than ten days are reasonably required for its cure, then City shall not be entitled to
15 terminate this Lease on account of such default if Lessee commences such cure
16 within said ten-day period and thereafter diligently prosecutes such cure to
17 completion.

18 c) If the leasehold interest of Lessee is levied upon under execution
19 or is attached by process of law.

20 (b) Remedies.

21 (1) In addition to all other rights and remedies it might have, City shall have
22 the right to terminate this Lease and Lessee's right to possession of the leased Premises in
23 the event of any non-curable default as set forth above or if a curable default is not fully
24 cured within the cure period designated above for such default. Termination of Lessee's
25 right to possession of the Premises shall terminate this Lease and vice-versa. However, if
26 Lessee has abandoned or vacated the Premises, the mere taking of possession of same by
27 City in order to perform acts of maintenance or preservation or to attempt to re-let the
28 Premises, or the appointment of a receiver in order to protect City's interests under this

1 Lease, shall not be deemed a termination of Lessee's right to possession of the Premises
2 or a termination of this Lease unless City has notified Lessee in writing that the Lease is
3 terminated. The notification provided for herein for curable defaults shall be in lieu of,
4 and not in addition to, any notice required under Section 1161, et seq., of the California
5 Code of Civil Procedure. If City terminates this Lease and Lessee's right to possession of
6 the Premises pursuant to this paragraph, City may recover the following from Lessee:

7 a) The worth at the time of award of the unpaid rent which was due,
8 owing and unpaid by Lessee to City at the time of termination; plus

9 b) the worth at the time of award of the amount by which the unpaid
10 rent which would have come due after termination until the time of award exceeds
11 the amount of rental loss that Lessee proves could have been reasonably avoided;
12 plus

13 c) the worth at the time of award of the amount by which the unpaid
14 rent for the balance of the lease term after the time of award exceeds the amount
15 of rental loss which Lessee proves could be reasonably avoided; plus

16 d) all other amounts necessary to compensate City for all of the
17 detriment proximately caused by Lessee's failure to perform its obligations under
18 this Lease or which in the ordinary course of things are likely to result therefrom.

19 e) At City's election, such other amounts in addition to, or in lieu of
20 the foregoing, as may be permitted from time to time by applicable California
21 law.

22 (2) Upon termination of this Lease, whether by lapse of time or otherwise,
23 Lessee shall deliver possession thereof to City.

24 (3) If Lessee violates any of the terms or provisions of this Lease or defaults
25 in any of its obligations hereunder, other than the payment of rent or other sums payable
26 hereunder, such violation may be restrained or such obligation enforced by injunction.

27 (4) Pursuit of any of the foregoing remedies shall not preclude pursuit of any
28 of the other remedies herein provided or any other remedies provided at law or in equity.

1 (5) No act or thing done by City or its agents during the term hereof shall be
2 deemed an acceptance or a surrender of the Premises, and no agreement to accept a
3 surrender of the Premises shall be valid unless made in writing and signed by City.
4 Neither the reference in this Lease to any particular remedy nor the pursuit of any
5 particular remedy shall preclude City from any other remedy City might have, either at
6 law or in equity.

7 29. ABANDONMENT. If Lessee shall abandon the Premises at any time during the
8 term of this Lease or be dispossessed therefrom by process of law or otherwise, any personal
9 property belonging to Lessee and left on the Premises thirty (30) days after such abandonment or
10 dispossession shall be deemed to have been transferred to City, and City shall have the right to
11 remove and to dispose of the same without liability to account to Lessee or to any person
12 claiming under Lessee.

13 30. TERMINATION BY LESSEE. If any law or ordinance should come into effect
14 during the term of this Lease, the terms of which so restrict the use to which the Premises can be
15 put so that the Lessee is unable to use the Premises in the manner contemplated herein, then
16 Lessee may, upon thirty (30) days' written notice to City, terminate this Lease.

17 31. WAIVER OF DEFAULT. Acceptance by either party of performance following
18 a default will not be deemed a waiver of such default. No waiver of a default will constitute a
19 waiver of any other default.

20 32. EMINENT DOMAIN. In the event all or any part of the Premises is taken or
21 damaged by the exercise of the power of eminent domain, all compensation and damages
22 payable by reason of the condemnation of the real property shall be payable to City without any
23 apportionment to Lessee, Lessee hereby waiving any claim for leasehold damages attributable to
24 this Lease having any bonus value, but Lessee shall have the right to claim and receive from the
25 condemning authority (but not from City) any relocation assistance pursuant to Section 7260 et
26 seq. of the Government Code of the State of California.

27 33. EXISTING TITLE TO LEASE PROPERTY. Lessee accepts the conditions of
28 City's title to the Premises as the same now exists without representation or warranty of any

1 kind, and Lessee shall be bound by any reservations, restrictions, easements, or encumbrances
2 thereon which an examination of title would disclose.

3 34. QUITCLAIM OR LESSEE'S INTEREST UPON EXPIRATION OR
4 TERMINATION. Upon the expiration or termination of this Lease for any reason, including but
5 not limited to termination because of default by Lessee, at the request of City Lessee shall
6 execute, acknowledge and deliver to City within thirty (30) days after receipt of written demand
7 therefore a good and sufficient deed whereby all right, title and interest of Lessee in the
8 Premises, including any improvements thereon, is quitclaimed the City. Should Lessee fail or
9 refuse to deliver the required deed to City, City may prepare and record a notice reciting the
10 failure of Lessee to execute, acknowledge, and deliver such deed and said notice shall be
11 conclusive evidence of the termination of this Lease, and of all right of Lessee or those claiming
12 under Lessee in and to the Premises, and any improvement thereon.

13 35. VENUE. Any action at law or in equity brought by either party hereto for the
14 purpose of enforcing a right provided for by this Lease shall be tried in a court of competent
15 jurisdiction in the County of Riverside, California, and the parties hereby waive all provisions of
16 law providing for a change of venue in such proceedings to any other county.

17 36. PROVISIONS BINDING ON SUCCESSORS. Each and all of the covenants,
18 conditions and agreements herein contained shall, in accordance with the context, inure to the
19 benefit of and be binding upon the parties hereto, and the successors-in-interest, agents and
20 assigns of such parties, or any person who may come into possession or occupancy of the
21 Premises, or any part thereof, in any manner whatsoever. Nothing in this paragraph shall in any
22 way alter the provisions in this Lease against assignment or subletting or other transfers.

23 37. PARTIAL INVALIDITY. If any term, covenant, condition or provision of this
24 Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the
25 remainder of the provisions hereof shall remain in full force and effect and shall in no way be
26 affected, impaired or invalidated thereby.

27 38. MARGINAL CAPTIONS. The various headings and numbers herein and the
28 groupings of the provisions of this Lease into separate sections and paragraphs are for the

1 purpose of convenience only, and shall not be considered a part hereof.

2 39. RESERVATIONS TO CITY. The Premises herein leased is hereby accepted by
3 Lessee subject to any and all existing easements and other encumbrances. In addition, City
4 hereby reserves and Lessee hereby expressly agrees that City shall have the right to install, lay,
5 construct, maintain, repair and operate sanitary sewers, storm drains, electric lines, telephone
6 lines, telegraph lines, water pipelines, oil pipelines, and gas pipelines and such other appliances
7 and appurtenances necessary or convenient to all of the above-listed, over, in, upon, through,
8 across, and along the Premises or any part thereof as will not interfere with Lessee's operations
9 hereunder and to enter upon the Premises for any and all such purposes. City also reserves the
10 right to grant franchises, easements, rights of way and permits in, over, upon, along and across
11 any and all portions of said Premises as City may elect so to do; provided, however, that no right
12 of City provided for in this paragraph shall be so executed as to interfere unreasonably with
13 Lessee's operations hereunder.

14 City agrees that any right as set forth in this paragraph shall not be exercised unless a
15 prior written notice of thirty (30) days is given to Lessee; provided, however, that in case of
16 emergency such right may be exercised without such prior 30 days' notice, in which event City
17 will give Lessee such notice in writing as is reasonable under the then existing circumstances.

18 City agrees that it will cause the surface of the Premises to be restored to its original
19 condition upon the completion of any construction permitted hereunder. City further agrees that,
20 should the exercise of these rights temporarily interfere with the use of any or all of the Premises
21 by Lessee, the rental due to City by Lessee shall be reduced in a proportion of the amount said
22 interference bears to the total use of the Premises.

23 40. UNLAWFUL USE. Lessee agrees no improvements shall be erected, placed
24 upon, operated nor maintained on the Premises, nor shall business be conducted or carried on
25 thereon in violation of the terms of this Lease, or any regulation, order, law, statute, bylaw or
26 ordinance of any governmental agency having jurisdiction there over.

27 41. AIRPORT RULES AND REGULATIONS. Lessee and the employees and
28 invitees of Lessee shall obey all rules and regulations and ordinances of City or other competent

1 authority relating to operations at the Riverside Municipal Airport including the rules or
2 procedures prescribed by a competent United States Government authority having applicable
3 jurisdiction.

4 42. NONDISCRIMINATION, COMPLIANCE WITH TITLE 49. Lessee, on
5 Lessee's own behalf and on the behalf of Lessee's personal representatives, successors in interest
6 and assigns, as a part of the consideration hereof does hereby covenant and agree as a covenant
7 running with the land that in the event facilities are constructed, maintained, or otherwise
8 operated on the property described in this Lease for a purpose for which a Department of
9 Transportation (hereinafter referred to as ("DOT")) program or activity is extended or for another
10 purpose involving the provision of similar services or benefits, Lessee shall maintain and operate
11 such facilities and services in compliance with all other requirements imposed pursuant to Title
12 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21,
13 Nondiscrimination in Federally-Assisted Programs of the Department of Transportation –
14 Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be
15 amended.

16 Lessee, on Lessee's own behalf and on behalf of the personal representatives, successors
17 in interest and assigns of Lessee, as part of the consideration hereof, does hereby covenant and
18 agree as a covenant running with the land that:

19 (a) no person on the grounds of race, religious creed, color, national origin,
20 ancestry, age, physical disability, mental disability, medical condition including the
21 medical condition Acquired Immune Deficiency Syndrome or any condition related
22 thereto, marital status, sex or sexual orientation shall be excluded from participation in,
23 denied the benefits of, or be otherwise subjected to discrimination in the use of said
24 facilities:

25 (b) that in the construction of any improvements on, over, or under such land
26 and the furnishing of services thereon, no person on the grounds of race religious creed,
27 color, national origin, ancestry, age, physical disability, mental disability, medical
28 condition including the medical condition Acquired Immune Deficiency Syndrome of

1 any condition related thereto, marital status, sex or sexual orientation shall be excluded
2 from participation in, denied the benefits of, or otherwise be subject to discrimination;
3 and

4 (c) that Lessee shall use the Premises in compliance with all other
5 requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT,
6 Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted
7 Programs of the Department of Transportation – Effectuation of Title VI of the Civil
8 Rights Act of 1964, and as said Regulations may be amended.

9 Lessee acknowledges and agrees that in the event of breach of any of the
10 nondiscrimination covenants set forth in this paragraph, City shall have the right to terminate this
11 Lease and re-enter and repossess said land and the facilities thereon, and hold the same as if said
12 Lease had never been made or issued. The provision of this paragraph does not become effective
13 until the procedures of 49 CFR Part 21 are followed and completed including expiration of
14 appeal rights.

15 43. ACCOMMODATIONS AND SERVICES. Lessee shall furnish Lessee's
16 accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users
17 thereof and Lessee shall charge fair, reasonable and not unjustly discriminatory prices for each
18 unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory
19 discounts, increases, rebates or other similar type of price increases or reductions to volume
20 purchasers.

21 Noncompliance with this paragraph shall constitute a material breach thereof and in the
22 event of such noncompliance, City shall have the right to terminate this Lease and the estate
23 hereby created without liability therefore or at the election of City or the United States either or
24 both said governments shall have the right to judicially enforce said provisions.

25 44. INSERTION. Lessee agrees that Lessee shall insert the above Paragraphs 41 and
26 42 in any license, lease, agreement, or contract by which said Lessee grants a right or privilege to
27 any person, firm, or corporation to render accommodations and/or services to the public on the
28 Premises herein leased.

1 45. AFFIRMATIVE ACTION. Lessee assures that Lessee will undertake an
2 affirmative action program as may be required by 14 CFR Part 152, Subpart E, to ensure that no
3 person shall on the ground of race, religious creed, color, national origin, ancestry, age, physical
4 disability, mental disability medical condition including the medical condition Acquired Immune
5 Deficiency Syndrome or any condition related thereto, marital status, sex or sexual orientation be
6 excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart
7 E. Lessee assures that no person shall be excluded on these grounds from participating in or
8 receiving the services or benefits of any program or activity covered by this Subpart. Lessee
9 assures that Lessee will require that Lessee's covered suborganizations provide assurance to
10 Lessee that they similarly will undertake affirmative action programs and that they will require
11 assurances from their suborganizations, as may be required by 14 CFR Part 152, Subpart E, to
12 the same effect.

13 46. DEVELOPMENT OF LANDING AREA. City reserves the right to further
14 develop or improve the landing area of the Riverside Municipal Airport as said City sees fit,
15 regardless of the desire or view of Lessee and without interference or hindrance.

16 47. MAINTENANCE OF LANDING AREA. City reserves the right to maintain and
17 keep in repair the landing area of the Riverside Municipal Airport and all publicly-owned
18 facilities of the Airport together with the right to direct and control all activities of Lessee in this
19 regard.

20 48. LEASE SUBORDINATE. This Lease shall be subordinate to the provisions and
21 requirements of any existing or future agreement between City and the United States of America
22 relative to the development, operation, or maintenance of the Riverside Municipal Airport.

23 49. RIGHT OF FLIGHT. There is hereby reserved to City, its successors and assigns,
24 for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace
25 above the surface of the Premises. This public right of flight shall include the right to cause in
26 said airspace any noise inherent in the operation of any aircraft used for navigation or flight
27 through said airspace or landing at, taking off from or operation on the Riverside Municipal
28 Airport.

1 50. USE TO CONFORM WITH FAA REGULATIONS. Lessee agrees that Lessee's
2 use of the Premises, including all construction thereon, shall conform to applicable regulations
3 issued by the Federal Aviation Administration (FAA), Department of Transportation, or other
4 applicable federal agency.

5 Lessee agrees to comply with the notification and review requirements covered in Part 77
6 of Title 14, Code of Federal Regulations (as same may be amended from time to time, or such
7 other regulations replacing Part 77 as may be adopted by Federal authority) prior to the
8 construction of any improvements, future structure or building upon the leased Premises, or in
9 the event of any planned modification or alteration of any present or future building or structure
10 situated on the Premises.

11 51. HEIGHT RESTRICTIONS. Lessee by accepting this Lease expressly agrees for
12 and on behalf of Lessee and on behalf of Lessee's successors and assigns that Lessee will not
13 erect nor permit the erection of any structure or object, nor permit the growth of any tree on the
14 Premises above the limitations specified in Part 77 of the Federal Aviation Regulations. In the
15 event the aforesaid covenants are breached, City reserves the right to enter upon the land leased
16 hereunder and to remove the offending structure or object and cut the offending trees, all of
17 which shall be at the expense of Lessee.

18 52. NONINTERFERENCE WITH LANDING AND DEPARTURE OF AIRCRAFT.
19 Lessee by accepting this Lease expressly agrees on Lessee's own behalf and on the behalf of
20 Lessee's successors and assigns that Lessee will not make use of the Premises in any manner
21 which might interfere with the landing and taking off of aircraft from the Riverside Municipal
22 Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, City
23 reserves the right to enter upon the Premises hereby leased and cause the abatement of such
24 interference at the expense of the Lessee.

25 53. NO EXCLUSIVE RIGHT GRANTED. It is understood and agreed that nothing
26 herein contained shall be construed to grant or authorize the granting of an exclusive right within
27 the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

28 54. LEASE SUBJECT TO U.S. GOVERNMENT ACQUISITION, CONTROL. This

1 Lease and all the provisions hereof shall be subject to whatever right the United States
2 Government now has or in the future may have or acquire, affecting the control, operation,
3 regulation and taking over of the Riverside Municipal Airport or the exclusive or nonexclusive
4 use of the Airport by the United States during time of war or national emergency.

5 55. RIGHT TO ENCUMBER

6 (a) Lessee's Right to Encumber. Notwithstanding the provisions of Paragraph 26
7 herein, the City does hereby consent to and agree that Lessee may encumber or assign, or both,
8 for the benefit of a lender ("Encumbrancer"), this Lease, the leasehold estate and/or
9 improvements thereof, as security for a deed of trust, mortgage or other security type instrument
10 ("Trust Deed") to assure the payment of monetary obligations/promissory note owed by Lessee
11 to an established bank, savings and loan association, or insurance company, without prior written
12 consent of the City shall it be required for:

13 (1) The transfer of this Lease to Encumbrancer at foreclosure under
14 the Trust Deed, judicial foreclosure, or an assignment in lieu of foreclosure; or

15 (2) To any subsequent transfer by the Encumbrancer if the
16 Encumbrancer is an established bank, savings and loan association or insurance company, and is
17 the purchaser at such foreclosure sale, or is the assignee under an assignment in lieu of
18 foreclosure; provided, however, that in either such event the Encumbrancer within thirty (30)
19 days gives notice to City in writing of any such transfer, setting forth the name and address of the
20 transferee, the effective date of such transfer, and the express agreement of the transferee
21 assuming and agreeing to perform all of the obligations under the Lease, together with a copy of
22 the document by which such transfer was made.

23 Any Encumbrancer described in Paragraph 55(a) above which is the transferee
24 under the provisions of Paragraph 55(a) above, shall be liable to perform the obligations and
25 duties of Lessee under this Lease only so long as such transferee holds title to the leasehold
26 estate.

27 Any subsequent transfer of this Lease hereunder shall not be made without the
28 prior written consent of City and shall be subject to the conditions relating hereto as set forth in

1 Paragraph 26. Lessee shall give the City prior written notice of any such trust deed and shall
2 accompany such notice with a true copy of the Trust Deed and note secured thereby.

3 (b) Right of Encumbrancer to Cure. City agrees that it will not terminate this
4 Lease because of any default or breach hereunder on the part of lessee if the Encumbrancer under
5 the trust deed, within ninety (90) days after service of written notice on the Encumbrancer by
6 City of its intention to terminate this Lease for such default or breach,

7 (1) Cures such default or breach if the same can be cured by
8 the payment or expenditure of money provided to be paid under the terms of this Lease;
9 provided, however, that for the purpose of the foregoing, the Encumbrancer shall not be required
10 to pay money to cure the bankruptcy or insolvency of Lessee; or

11 (2) If such default or breach is not so curable, causes the
12 trustee under the Trust Deed to commence and thereafter diligently to pursue to completion steps
13 and proceedings for judicial foreclosure, the exercise of the power of sale under and pursuant to
14 the trust deed in the manner provided by law, or accept from Lessee an assignment in lieu of
15 foreclosure, and to keep and perform all of the covenants and conditions of this Lease requiring
16 the payment or expenditure of money by Lessee until such time as said leasehold shall be sold
17 upon foreclosure pursuant to the Trust Deed, be released or reconveyed thereunder, be sold upon
18 judicial foreclosure or be transferred by deed in lieu of foreclosure, all in accordance with terms
19 and conditions set forth herein.

20 56. AMENDMENTS. It is mutually understood and agreed that no alteration or
21 variation of the terms of this Lease shall be valid unless made in writing signed by the parties
22 hereto and that oral understandings or agreements not incorporated herein shall not be binding on
23 the parties hereto.

24 57. SEVERABILITY. If any provision or clause of this Agreement is declared
25 invalid by a court of competent jurisdiction, the invalidity shall not affect the remaining
26 provisions which can be given effect without the invalid provisions of clause. Such invalid
27 provision or clause shall be severed from the remaining provisions and the balance shall remain
28 enforceable and in full effect.

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58. ANNUAL AIRSHOW. Lessee acknowledges and agrees it will not have access to Ramp 1, one day before and the day of the City's Annual Airshow. City will give Lessee a minimum of two (2) weeks advance notice in writing to allow Lessee sufficient time to relocate any aircraft.

59. AUTHORITY. The individual(s) executing this Lease on behalf of Lessee each represent and warrant that they have the legal power, right and actual authority to bind Lessee to the terms and conditions hereof and thereof.

60. EXHIBITS. All exhibits referenced in this Lease are incorporated herein by reference.

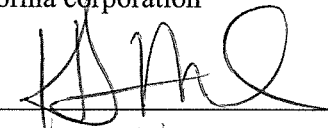
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IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed the
day and year first above written.


CITY OF RIVERSIDE, a California charter
City and municipal corporation

WAYPOINT AVIATION SERVICES, a
California corporation

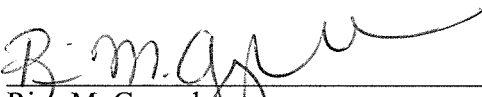
By: _____
City Manager

By: 
Printed Name: Heidi Miceli Davies
Title: CEO/President

Attest _____
City Clerk

By: 
Printed Name: CHAD L. DAVIES.
Title: CFO

APPROVED AS TO FORM:


Rina M. Gonzales
Deputy City Attorney

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LEASE DESCRIPTION
Waypoint Lease – Building

Those portions of Lots 2 and 4 in 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 $0^{\circ}18'47''$ 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 $57^{\circ}13'55''$ West, a distance of 1095.11 feet;

THENCE North $29^{\circ}23'17''$ East, a distance of 74.60 feet to the **POINT OF BEGINNING** of the parcel of land being described;

THENCE Continuing North $29^{\circ}23'17''$ East, a distance of 81.73 feet;

THENCE North $60^{\circ}36'43''$ West, a distance of 119.84 feet;

THENCE South $29^{\circ}23'17''$ West, a distance of 81.73 feet;

THENCE South $60^{\circ}36'43''$ East, a distance of 119.84 feet to the **POINT OF BEGINNING**.

Area – 9,794.4 square feet.

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

Curtis C. Stephens 3/13/15 Prep. CS
Curtis C. Stephens, L.S. 7519 Date



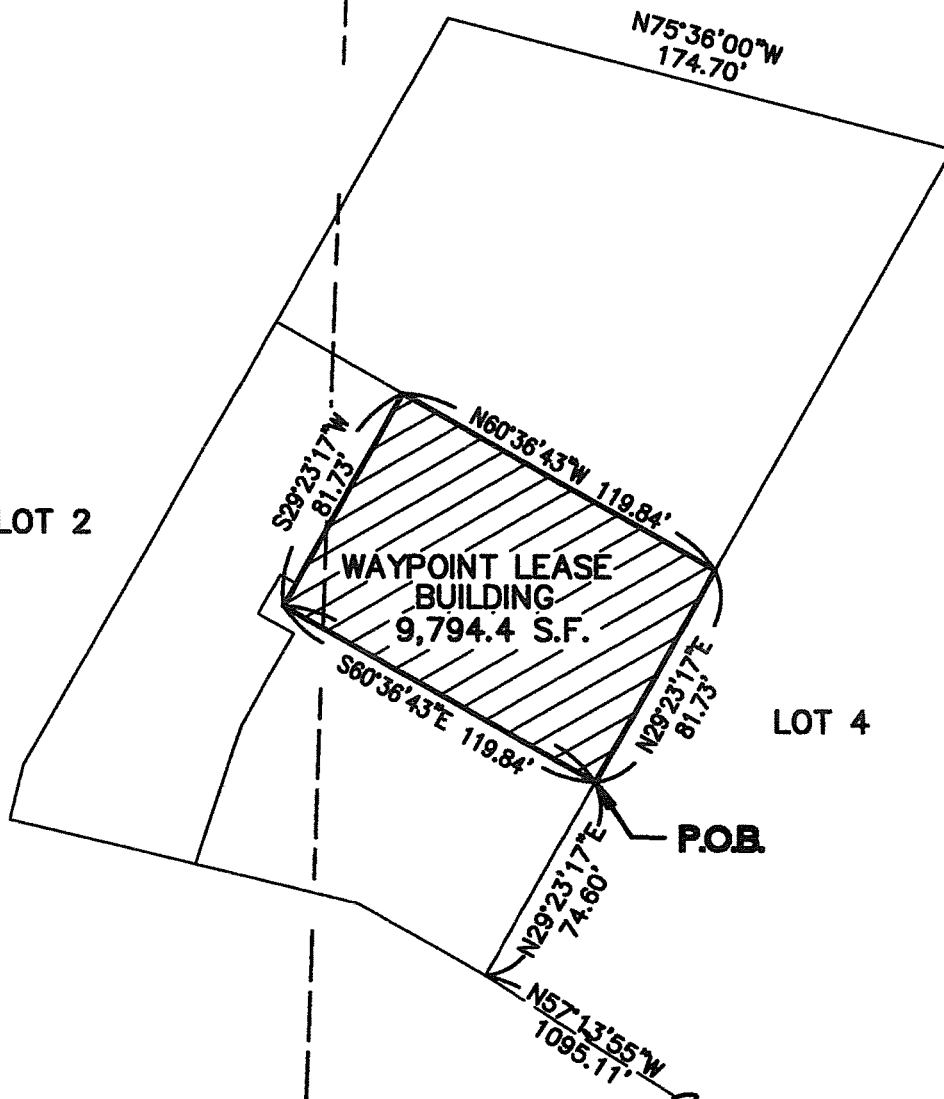
RIVERVIEW ADDITION TRACT No. 5

M.B. 7/7

BLOCK 36

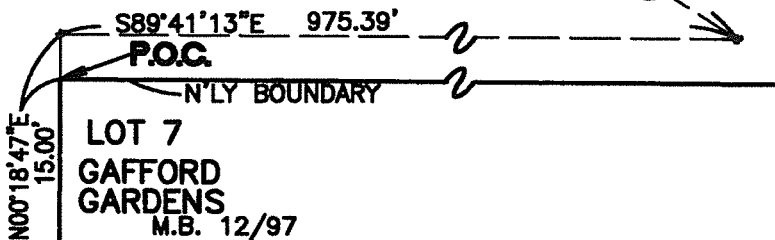


LOT 2



LOT 4

P.O.B.



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=60'

DRAWN BY: CURT

DATE: 3/03/15

SUBJECT: WAYPOINT LEASE - BUILDING

LEASE DESCRIPTION
Waypoint Lease – Ramp 1

Those portions of Lots 2 and 4 in 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 0°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 57°13'55" West, a distance of 1095.11 feet to the **POINT OF BEGINNING** of the parcel of land being described;

THENCE North 29°23'17" East, a distance of 74.60 feet;

THENCE North 60°36'43" West, a distance of 119.84 feet;

THENCE North 29°23'17" East, a distance of 8.58 feet;

THENCE North 60°36'43" West, a distance of 6.00 feet;

THENCE South 29°23'17" West, a distance of 15.00 feet;

THENCE South 60°36'43" East, a distance of 13.41 feet;

THENCE South 29°23'17" West, a distance of 35.35 feet;

THENCE South 17°51'08" West, a distance of 49.08 feet;

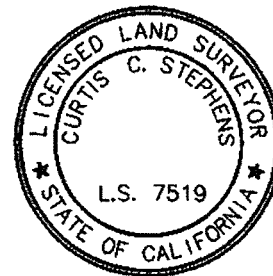
THENCE South 76°18'43" East, a distance of 55.65 feet;

THENCE South 60°37'13" East, a distance of 49.04 feet to the **POINT OF BEGINNING**.

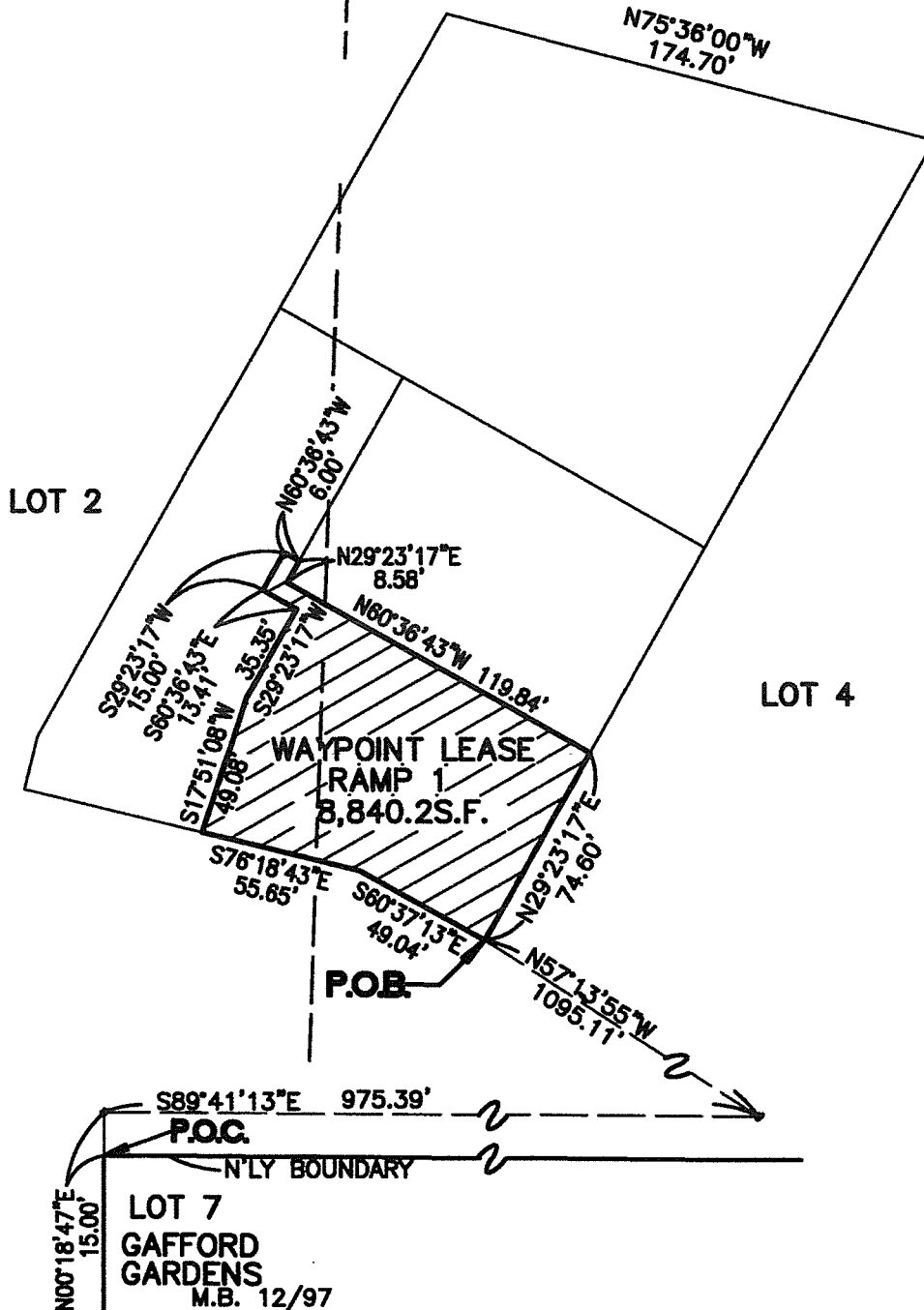
Area – 8,840.2 square feet.

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

Curtis C. Stephens 8/15/15 Prep. [Signature]
Curtis C. Stephens, L.S. 7519 Date



RIVERVIEW ADDITION TRACT No. 5
BLOCK 36 M.B. 7/7



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=60'

DRAWN BY: CURT

DATE: 3/03/15

SUBJECT: WAYPOINT LEASE - RAMP 1

LEASE DESCRIPTION
Waypoint Lease – Ramp 2

Those portions of Lots 2 and 4 in 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 $0^{\circ}18'47''$ 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 $57^{\circ}13'55''$ West, a distance of 1095.11 feet;

THENCE North $29^{\circ}23'17''$ East, a distance of 156.33 feet to the **POINT OF BEGINNING** of the parcel of land being described;

THENCE Continuing North $29^{\circ}23'17''$ East, a distance of 162.30 feet;

THENCE North $75^{\circ}36'00''$ West, a distance of 174.70 feet;

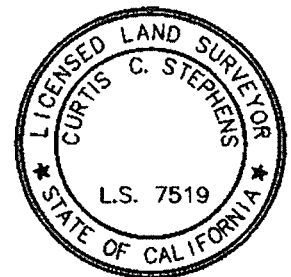
THENCE South $29^{\circ}23'17''$ West, a distance of 117.12 feet;

THENCE South $60^{\circ}36'43''$ East, a distance of 168.75 feet to the **POINT OF BEGINNING**.

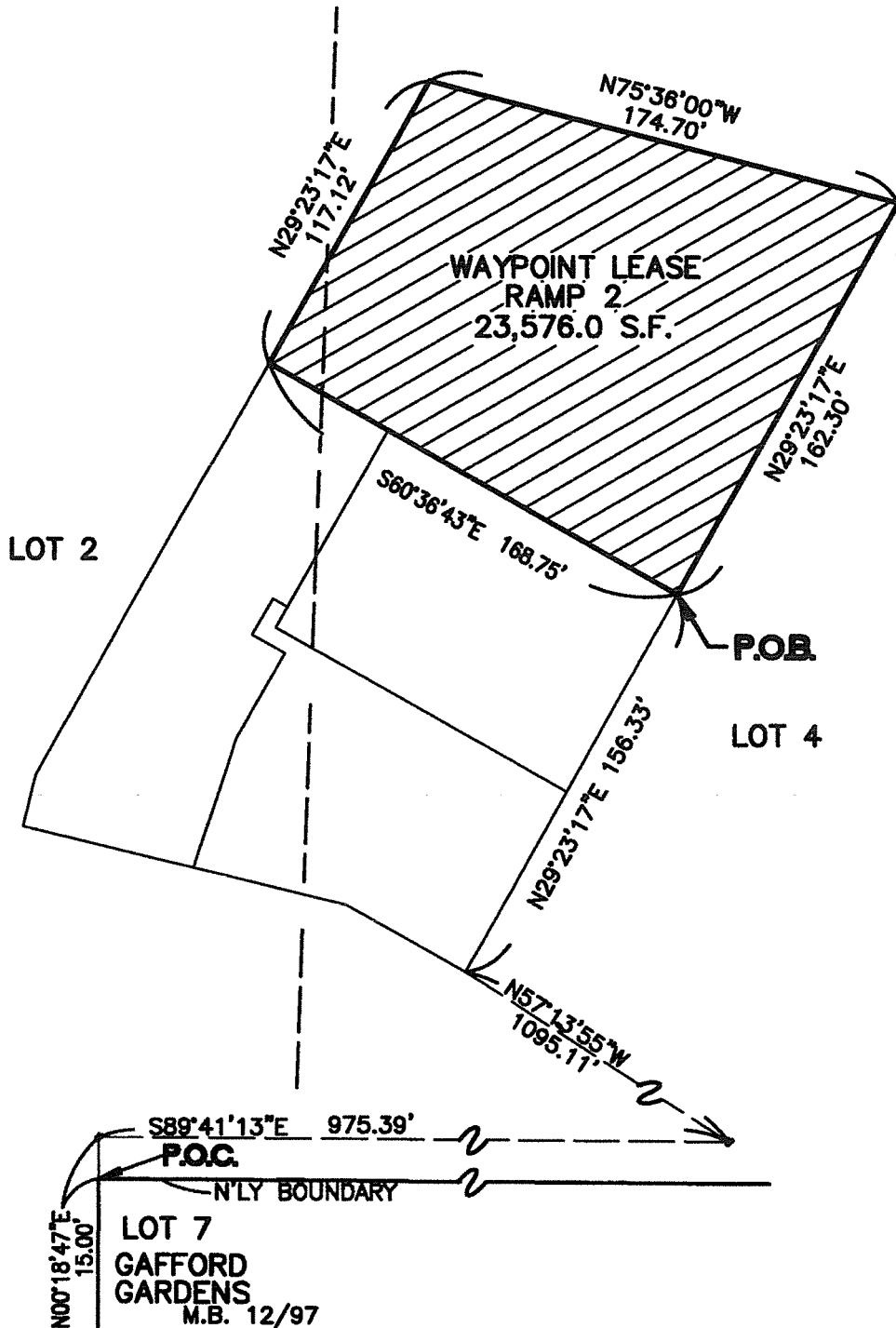
Area – 23,576.0 square feet.

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

Curtis C. Stephens 3/5/15 Prep. _____
Curtis C. Stephens, L.S. 7519 Date



RIVERVIEW ADDITION TRACT No. 5
BLOCK 36 M.B. 7/7



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=60'

DRAWN BY: CURT

DATE: 3/03/15

SUBJECT: WAYPOINT LEASE - RAMP 2

LEASE DESCRIPTION
Waypoint Lease – Ramp 3

Those portions of Lots 2 and 4 in 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 $0^{\circ}18'47''$ 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 $57^{\circ}13'55''$ West, a distance of 1095.11 feet ;

THENCE North $29^{\circ}23'17''$ East, a distance of 156.33 feet;

THENCE North $60^{\circ}36'43''$ West, a distance of 119.84 feet to the **POINT OF BEGINNING** of the parcel of land being described;

THENCE South $29^{\circ}23'17''$ West, a distance of 73.15 feet;

THENCE North $60^{\circ}36'43''$ West, a distance of 6.00 feet;

THENCE South $29^{\circ}23'17''$ West, a distance of 15.00 feet;

THENCE South $60^{\circ}36'43''$ East, a distance of 13.41 feet;

THENCE South $29^{\circ}23'17''$ West, a distance of 35.35 feet;

THENCE South $17^{\circ}51'08''$ West, a distance of 49.08 feet;

THENCE North $76^{\circ}18'43''$ West, a distance of 63.39 feet;

THENCE North $13^{\circ}41'17''$ East, a distance of 18.92 feet;

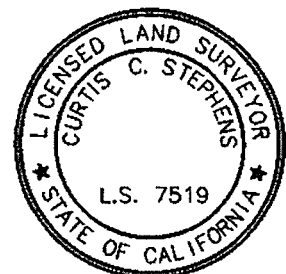
THENCE North $29^{\circ}23'17''$ East, a distance of 170.34 feet;

THENCE South $60^{\circ}36'43''$ East, a distance of 48.91 feet to the **POINT OF BEGINNING**.

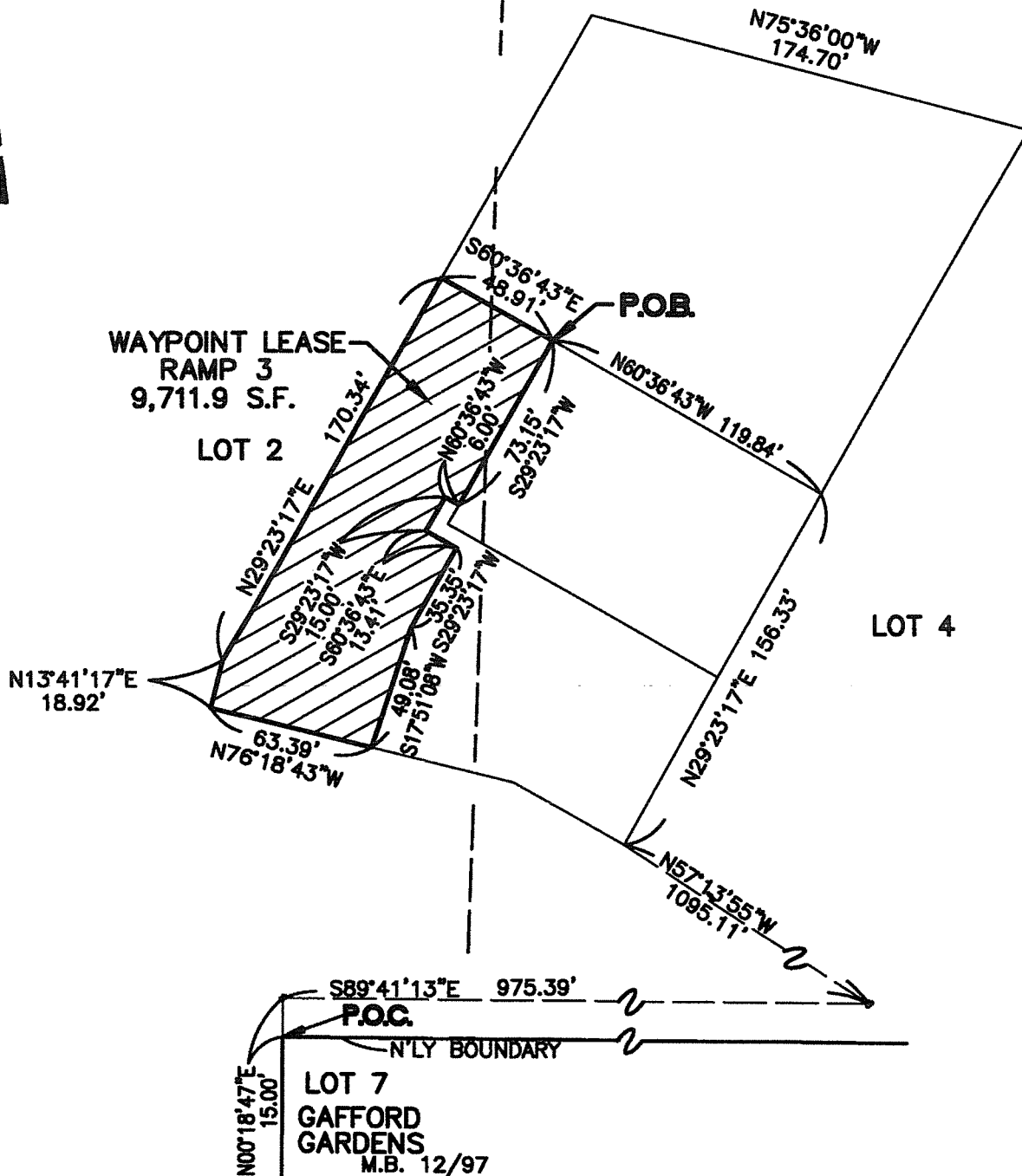
Area – 9,711.9 square feet.

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

Curtis C. Stephens 3/3/15 Prep. (Signature)
Curtis C. Stephens, L.S. 7519 Date



RIVERVIEW ADDITION TRACT No. 5
BLOCK 36 M.B. 7/7



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=60'

DRAWN BY: CURT

DATE: 3/03/15

SUBJECT: WAYPOINT LEASE - RAMP 3