

LANDLORD'S ESTOPPEL & CONSENT

THIS LANDLORD'S ESTOPPEL & CONSENT ("Agreement") is entered into this ____ day of _____, 2017 by and between GARY STARK ("Sublessee") whose address is 3110 Indian Ave., Suite A, Perris, CA 92571; HANA SMALL BUSINESS LENDING, INC., a Delaware corporation ("Lender"), whose address is 1000 Wilshire Blvd. 20th Floor, Los Angeles, CA 90017; CITY OF RIVERSIDE, a California charter city and municipal corporation ("Landlord") and RIVERSIDE AIR SERVICE, INC., a California corporation ("Sublessor"), whose address is 9233 Gawn Trail, Moreno Valley, CA 92557.

RECITALS

WHEREAS, a subleasehold estate ("Subleasehold Estate") was created by that certain sublease dated executed by Riverside Air Service, Inc., a California corporation, as sublessor, and Gary Stark, as sublessee, as (the "Sublease") covering the real property commonly known as 6741 Gemende Drive, Unit A, Riverside, Ca 92504 ("Property").

WHEREAS, the Sublease is subject to the terms and conditions of the Riverside Municipal Airport Lease Agreement Fixed Based Operator ("Lease") dated November 5, 2012, as amended by the First Amendment to the Lease dated December 18, 2014, the Second Amendment to the lease dated January 13, 2016, and the Third Amendment to the Lease dated May 8, 2017 (collectively, "Master Lease").

WHEREAS Sublessor has, or will be, assigning its rights, title and interest in the Ground Sublease dated March 10, 2017 as part of a Sublessee's purchase of Sublessee's Hangar Structure known as "Hangar A" located at 6741 Gemende Drive, Unit A, Riverside, CA 92504 pursuant to that certain Purchase Agreement dated March 13, 2017 ("Purchase Agreement"), for which Lender is, or will be, providing Sublessee with a loan for purchasing said property.

WHEREAS, Sublessee and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest in the Subleasehold Estate for financial accommodations from Lender to Sublessee ("Loan") which will be secured by a leasehold deed of trust on the Property ("Deed of Trust").

NOW THEREFORE, to induce Lender to extend the Loan to Sublessee against such security interest in the Subleasehold Estate, the parties do hereby agree as follows:

1. ESTOPPEL.

- (i) Sublessee, Sublessor, and Landlord represent and warrant to the best of their actual knowledge that the Master Lease is in full force and effect and has not been modified or changed, except as provided herein and is, or will be on close of escrow on the Purchase Agreement, comprised of the following documents:
 - (a) Master Ground Lease dated November 5, 2012;
 - (b) First Amendment to Ground Lease dated December 18, 2014;
 - (c) Second Amendment to Ground Lease dated January 13, 2016;
 - (d) Third Amendment to Ground Lease dated May 8, 2017; and
 - (e) Consent to Ground Sublease dated June 1, 2017.
- (ii) Sublessee, Sublessor, and Landlord represent and warrant to the best of their actual knowledge that the Sublease is in full force and effect and has not been modified or changed, except as provided herein and is, or will be on close of escrow on the Purchase Agreement, comprised of the following documents:

(a) Sublease dated March 13, 2017.

2. **AGREEMENT.** Sublessee, Landlord, and Sublessor each represent to the best of their actual knowledge to Lender that:
- (i) Sublessee has the right to encumber Subleasehold Estate with the Deed of Trust;
 - (ii) No modification or cancellation of the Sublease without Lender's or Sublessee's approval;
 - (iii) Lender or Sublessee has right to:
 - (a) Acquire the Subleasehold Estate at foreclosure sale, either judicial or non-judicial; or by assignment, and to reassign the Subleasehold Estate (along with right to exercise any options) by Lender or successors. Sublessor or Landlord may not unreasonably withhold, condition or delay the reassignment;
 - (b) Lender or Sublessee shall have the right to sublease, subject to the terms and conditions of the Master Lease;
 - (c) Hazard insurance proceeds resulting from damage to improvements;
 - (d) Share in condemnation proceeds
 - (iv) Lender's or Sublessee's rights upon default of the tenant or termination
3. Sublessor and Landlord shall provide to Lender a copy of any written notice of default delivered to sublessee under the Master Lease and Sublease and Lender shall have the same period of time to cure the default as Sublessee would have under the Lease.
4. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.
5. This Agreement shall be binding upon the parties and each of their successors and assigns for so long as any obligations of Sublessee under the Loan remain outstanding. Upon full payoff of Loan, this Agreement shall be terminated without further action required.
6. All notices, demands or communications required or permitted under this Agreement (the "Notices") shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid; by reputable overnight delivery service; by reputable messenger service to the address of the party set forth above. Any Notice delivered by reputable overnight delivery service or reputable messenger service shall be deemed complete upon actual delivery, attempted delivery or the date delivery is refused, provided such attempted or refused delivery is made on a business day. Any such Notice not given by reputable overnight courier, reputable messenger service or facsimile shall be deemed to be given, delivered or made upon receipt of the same by the party to whom the same is to be given or delivered or on the date such delivery is refused. Either party may change its address for Notices by delivering a notice to the other party as provided above.
- Notices to Landlord shall be addressed as follows:
- Riverside Municipal Airport
Attn: Airport Manager
6951 Flight Road
Riverside, CA 92504
7. Notwithstanding anything to the contrary contained in this Agreement, Sublessee shall remain liable to Landlord and Sublessor for full performance of all obligations under the Master Lease and Sublease and nothing contained here shall amend the terms of the Master Lease and



Sublease. Nothing in this Agreement shall restrict the right of Landlord and Sublessee to amend the Master Lease after execution of this Agreement, especially as it applies to property not subject to the Sublease.

8. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be governed by the law of the State of California and tried in the Superior Court of California, County of Riverside and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

SUBLESSOR
Riverside Air Service, Inc.

By: 

CHAD DAVIES, President

SUBLESSEE

X: 

GARY STARK

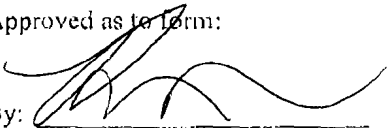
LANDLORD
City Of Riverside, a California charter city
and municipal corporation

By: _____
City Manager

Attest:

By: _____
City Clerk

Approved as to form:

By: 
Deputy City Attorney

LENDER
Hana Small Business Lending, Inc.

By: 

BRENDON LEE, SVP & Dept. Manger