

RIVERSIDE MUNICIPAL AIRPORT LEASE
LEASE FOR HANGAR AND/OR OFFICE SPACE

On this _____ day of _____, 2018, the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and NextGen Flight Academy, Inc., a California corporation ("Lessee(s)"), mutually agree as follows:

1. PROPERTY LEASED. City hereby exclusively leases to Lessee(s) the real property, including improvements thereon, located at Riverside Municipal Airport, consisting of the hangar known as "Hangar G" and associated office space, as designated on the plat marked as Exhibit "A" ("the Premises"), attached hereto and incorporated herein by this reference; provided, however, City on its own behalf and for all other users of the Riverside Municipal Airport reserves the right to use the taxiways located between the buildings on said property and marked by a yellow center line, which taxiways are joint use and common taxiways.
2. PURPOSE. Lessee(s) shall use the Premises for the placement and location of an aircraft maintenance and avionics repair facility. Lessee(s) may use the Premises only for the use herein above authorized and for no other purpose.
3. TERM/OPTION TO RENEW. The Term of this Lease shall commence on the date first written above and shall terminate five (5) years thereafter ("Initial Term"). Upon mutual written consent, Lessee has the option to extend this Lease for two (2) five (5) year terms following the expiration of the Initial Term.
4. RENT. Commencing with the rental payment due on the first day of the month in which this Lease commences, Lessee(s) shall pay City a rental of One Thousand Six Hundred Dollars (\$1,600.00), per month for 18 months commencing the month of execution of this Lease as adjusted each year commencing with the rental payment due on August 1, 2018, to reflect either the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Anaheim-Riverside Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor for most recent 12-month published index, based upon the corresponding increase, if any, in the Index as it stands on May of that year over the Index as it stood on May of the prior year, or two percent (2%), whichever is greater.

Beginning with the rental payment due on the first day of the 19th month of the Lease term, Lessee shall pay City a rental Three Thousand Two Hundred Dollars (\$3,200) per month, as adjusted each year to reflect the percentage increase, if any, in the CPI-U Index, in the same manner as described above. Prior to the commencement of any optional extended term, as described in paragraph 3, the monthly rental payment shall be re-negotiated between the parties.

The monthly rental shall be payable in advance on or before the first (1st) day of each month, and shall be paid by check made payable to the "City of Riverside" and sent to the Revenue

Division, City of Riverside, 3900 Main Street, Riverside, California 92522. If the term of this lease begins on a date other than the first day of the month, rent for that month shall be prorated accordingly.

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

The monthly rental for the Premises may be increased by City after twelve (12) months at any time upon forty-five (45) days prior written notice to Lessee.

5. SECURITY, CLEANING DEPOSIT AND RE-KEY CHARGE. Concurrently with the execution of this Lease, Lessee shall deposit with City the sum of One Hundred Dollars (\$100.00), as a security and cleaning deposit. At the termination of this Lease Agreement, the deposit shall be returned to Lessee less any amounts retained by City for repairs, cleaning, or to cover other damages to the premises, normal wear and tear excepted, or to be credited against any unpaid rental. Lessee shall also deposit with City with the execution of this lease an additional Twenty-Five Dollars (\$25.00) as a re-key charge which is non-refundable.

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

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

6. REQUIRED IMPROVEMENTS. Lessee(s) shall be solely responsible for the repair of all electrical wiring within the hangar and/or office space in a manner approved by the Airport Manager. City shall be responsible for correcting rain event caused flooding within six (6) months.

7. OWNERSHIP OF EXISTING IMPROVEMENTS. Lessee(s) hereby acknowledges and agrees that any existing improvements located on the Premises prior to the commencement of this Lease are and shall remain the property of City. Lessee(s) acknowledges that Lessee(s) has inspected the Premises and knows the condition thereof and hereby accepts the Premises in its "as is" condition.

8. ADDITIONAL IMPROVEMENTS BY LESSEE(S). Lessee(s) may make additional improvements to the Premises as may be appropriate subject to the prior written approval of the Airport Manager of City. Lessee(s) shall submit plans and specifications for such improvements to said Airport Manager and obtain approval therefore prior to commencement of construction. Lessee(s) shall construct such improvements in accordance with the approved plans and

specifications. Approval by the Airport Manager shall not relieve Lessee(s) from the obligation of obtaining any other necessary permits or approval from other City departments or governmental agencies having jurisdiction. The term "improvement" as used herein shall include but not be limited to painting and signs.

All such improvements which are installed in or attached to the building, and which are not trade fixtures, shall become the property of City.

9. OWNERSHIP OF ADDITIONAL IMPROVEMENTS. Any additional improvements installed upon the Premises by Lessee(s) as herein above provided shall become the absolute property of City and title shall automatically vest in City without payment therefore by City upon the expiration of this Lease or upon the earlier termination of this Lease as hereinafter provided.

Notwithstanding anything to the contrary herein above, City reserves the right to require Lessee(s) to remove any or all of the said improvements and restore the leased Premises to its condition as it existed at the commencement of this Lease.

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

11. SIGNS. Lessee(s) shall not erect or display, or permit to be erected or displayed on the Premises any sign or advertising matter without first obtaining the written approval of the Airport Manager of City. Any signs which Lessee(s) desires to install shall be submitted first to the Airport Manager for approval as to number, design, size, color and location. The Airport Manager shall not approve any sign which is not in harmony with the City's General Plan, Municipal Code or the appearance of the Riverside Municipal Airport. Consent by the Airport Manager shall not relieve Lessee(s) from the responsibility of adhering to and conforming with any applicable City, State or Federal law, ordinance or regulation thereon.

12. LESSEE(S) MAINTENANCE AND SAFETY OBLIGATIONS. Notwithstanding anything to the contrary contained herein, it is understood and agreed that all maintenance responsibility for the Premises is that of the Lessee(s), at Lessee(s) sole expense.

Lessee(s) shall maintain and keep the entire Premises and all improvements located thereon or therein, in a good condition and repair, and to keep the Premises, in an attractive, neat, clean and orderly condition, including, without limiting the generality of the foregoing, all equipment or facilities specifically serving the Premises, such as plumbing, heating, ventilation, HVAC maintenance, lighting, electrical, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights, Lessee's signage, but excluding any items which are the responsibility of Lessor as provided below. Repairs, restorations, and

replacements are to be made as and when needed to preserve the Premises in good working order and condition, regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Lessee, its employees, agents, invitees, visitors or contractors. All repairs, restorations, and replacements shall be in quality and class equal to the original work or installations. If Lessee fails to make repairs, restorations or replacements as and when needed, Lessor may make them at the expense of Lessee and the expense shall be collected as additional rent to be paid by Lessee within fifteen (15) calendar days after delivery of a statement for the expense.

Lessee's obligation also includes, but is not limited to, any refuse or waste materials which might be or constitute a fire hazard or a public or private nuisance; and the disposal in a safe and proper manner, and in accordance with any applicable law, ordinance, statute, rule or regulation, of any industrial or hazardous waste including engine oil, paint and other waste placed upon the Premises following the commencement of this Lease. If the Premises are landscaped, Lessee(s) shall at Lessee(s) expense, maintain the landscaping in a presentable fashion consistent with existing Airport landscaping.

Lessor, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, and all parts thereof.

13. CITY'S RIGHT TO INSPECT. City, through its duly authorized representatives, may enter upon the Premises during regular business hours for the purpose of inspecting any or all of said Premises and the improvements and facilities thereon. The Airport Manager of City or other duly authorized representative may from time to time after said inspection of the Premises and after observation of the operation of the business thereon, require all such repairs or changes as shall be reasonable and consistent with maintaining the leased Premises and any improvements thereon in a manner consistent with City code requirements. Lessee(s) agrees to make all necessary repairs or changes within the period which may be reasonably required by the City's Airport Manager.

In the event the Airport Manager determines that repairs or improvements to the Premises are necessary due to tenant's activity and in order to maintain the Premises for the uses contemplated herein, such requests shall be in writing and delivered or mailed to Lessee(s). Lessee(s) shall promptly commence making such repairs or improvements within ten (10) days after service of such notice and diligently pursue such repair to completion. If within ten (10) days after service of notice Lessee(s) fails to commence repairs, or if after what the Airport Manager deems a reasonable time the Lessee(s) fails to complete said repairs or maintenance, City may cause such repair or maintenance to be made and add the cost thereof to the rent thereafter accruing. If City causes such repair or maintenance to be completed by other than Lessee(s), and if said costs are not promptly paid by Lessee(s) to City, this Lease shall be deemed to be in default, and City shall be entitled to all legal remedies provided hereunder.

14. **MECHANICS' LIENS.** Lessee(s) agrees to keep the Premises free from any and all claims of persons or firms or corporations, who at the request of Lessee(s) or Lessee(s) contractor furnish labor or materials to or for the benefit of the leased Premises. Lessee(s) further agrees to indemnify and hold City harmless from any and all such claims.

City at any time may post and keep posted on the Premises appropriate notices to protect City against the claims of any persons, firms or corporations for work done, labor performed or materials furnished to the Premises. Before commencing any work relating to alterations or improvements affecting the Premises, Lessee(s) shall notify City in writing of the expected date of the commencement of such work so that City can post and record the appropriate notices of non-responsibility to protect City from any mechanics' liens, materialmen's liens, or any other liens.

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

15. **UTILITIES AND SERVICES.** Lessee shall make all necessary arrangements and pay for any janitorial services, water, gas, electricity, telephone, cable television, solid waste removal and all other charges for services which may be furnished to the Premises, and hold City harmless therefrom. Lessee shall provide submeters for water, gas and electrical services provided to the leased premises including those services necessary for the operation of the heating, ventilating and air conditioning system for the Premises to allow Lessee to be separately billed for such services.

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

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

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

(c) Any pollutant, contaminate, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability

or standards of conduct concerning any hazardous, dangerous or toxic waste, substance, or material, now or hereafter in effect);

(d) Petroleum products;

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

(f) Asbestos in any form or condition; and,

(g) Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

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

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

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

If the presence of any hazardous material brought onto the Premises by Lessee(s) or Lessee(s) employees, agents, contractors or invitees results in contamination of the Premises, Lessee(s) shall promptly take all necessary and appropriate actions, at Lessee(s) sole expense, to return the Premises to the condition that existed before the introduction of such hazardous material and City shall in no event be liable or responsible for any costs or expenses incurred in doing so. Lessee(s) shall first obtain City's approval of the proposed remedial action. This provision does not limit the indemnification obligations set forth above.

17. PERMITS/LICENSES. Lessee shall be responsible for obtaining all required Federal, State, County and City licenses and permits for the operation of the business.

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

City	Lessee(s)
Airport Manager Riverside Municipal Airport 6951 Flight Road Riverside, CA 92504 (951) 351-6113	Brandon Martini NextGen Flight Academy, Inc. 6951 Flight Road Riverside CA 92504 (877) 551-1110

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

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

19. POSSESSORY INTEREST AND PAYMENT OF TAXES. Lessee(s) recognizes and understands that this Lease may create a possessory interest subject to property taxation and that the Lessee(s) may be subject to the payment of property taxes levied on such interest.

Lessee(s) agrees to pay or reimburse the City for any and all taxes and assessments charged or assessed on the land and improvements described in this Lease and on Lessee(s) possessory interest therein together with all penalties and fees, if applicable, during the term of this Lease including any holding over period prior to any installment thereof becoming delinquent. Any such tax payment shall not reduce any payment due the City hereunder.

If Lessee(s) shall, in good faith, desire to contest the validity, the imposition, or the amount of any tax or assessment or any other governmental charge herein agreed to be paid by Lessee(s),

Lessee(s) shall be permitted to do so; provided, however, the Lessee(s) shall not permit or allow any lien to be placed or assessed upon the real property or any improvements thereon.

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

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

21. INSURANCE. Lessee(s) shall obtain and keep in full force and effect during the entire term of this Lease, commercial general liability and property damage insurance (including but not limited to premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in an amount not less than \$2,000,000; automobile liability coverage covering both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. Further, Lessee(s) shall obtain and keep in full force and effect during the entire term of this Lease Hangar Keepers Liability insurance in an amount not less than \$1,000,000 per occurrence. Lessee(s) agrees to deposit with City prior to execution of this Lease by City, certificates of insurance evidencing the required insurance with coverage at least equal to the above types and amounts as a minimum, and further agrees to file certificates with City during the entire term of this Lease showing that continued coverage is being maintained.

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

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

(b) Such policy must provide that City shall be named as additional insured as respect to all operations of the insured, which insurance shall be primary insurance and not contributing with any other insurance available to the City under any other third party liability policy or any self-insurance retention.

(c) Such policy shall contain either a provision for a broad form of contractual liability including leases, or an endorsement providing for such coverage. City shall have the right at any time during the term of this Lease to review the type, form, and coverage limits of the insurance enumerated herein. If, in the opinion of City reasonably obtained, the insurance provisions in this Lease are not sufficient to provide adequate protection for City and the members of the public using Riverside Municipal Airport, City may require Lessee(s) to maintain insurance sufficient to provide such adequate protection.

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

City shall notify Lessee(s) in writing of any change in the insurance provisions necessary to provide adequate protection. If Lessee(s) does not deposit acceptable copies of valid insurance policies acceptable in form and content to City, incorporating such changes, within sixty (60) days of receipt of such notice, this Lease shall be in default without further notice to Lessee(s) and City shall be entitled to all legal remedies provided herein.

The procuring of such policy of insurance shall not be construed to be a limitation upon Lessee(s) liability nor as a full performance of its part of the indemnification provisions of this Lease. Lessee(s) obligation being, notwithstanding said policy or policies of insurance, the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with the operation under this Lease.

Lessee(s) shall provide a valid certificate of insurance and additional insured endorsement prior to occupying the leased property under this Lease. No policy shall be acceptable unless first approved by the City's Risk Manager.

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

23. **RELEASE.** City shall not be responsible for theft, loss, injury, damage or destruction of any aircraft or other property on the Premises, or accident or injury to Lessee(s), its officers, employees, agents or invitees. Lessee(s) hereby releases and discharges City from any and all

claims and demands of Lessee(s) for loss or of damage to Lessee(s) property or injury to Lessee(s) or Lessee(s) officers, employees, agents and invitees.

24. ASSIGNMENT AND SUBLETTING.

(a) Lessee(s) shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber any part of Lessee(s) interest in this Lease or in the Premises without City's prior written consent, which consent shall not be unreasonably withheld, provided that City shall not be liable in damages if such consent is adjudicated to have been unreasonably withheld. It shall not be unreasonable for City to condition such consent upon City's determination that (1) Lessee(s) is not in default in the performance of any of Lessee(s) obligations under this Lease whether monetary or non-monetary; (2) the proposed assignee or sub-Lessee(s) is financially responsible; and (3) the proposed assignee or sub-Lessee(s) has the ability to conduct a business on the Premises of a quality substantially equal to that conducted by Lessee(s). Should Lessee(s) attempt to make or allow to be made any such transfer, assignment or subletting, except as aforesaid, or should any of Lessee(s) rights under this Lease be sold or otherwise transferred by or under court order or legal process or otherwise, then, and in any of the foregoing events, City may, at its option, treat such act as a default by Lessee(s) under the provisions of this Lease. Should City consent to any such transfer, assignment or subletting, such consent shall not constitute a waiver of any of the restrictions of this paragraph and the same shall apply to each successive transfer, assignment or subletting hereunder, if any.

(b) If Lessee(s) shall submit a request to City for City's consent to an assignment, sublease or other transfer by Lessee(s) of all or a portion of Lessee(s) interest under this Lease or to the Premises, Lessee(s) shall pay, or cause to be paid, to City at the time of such request, a processing fee of One Hundred Dollars (\$100) to cover administrative, accounting and other related expenses.

(c) If Lessee(s) desires at any time to assign this Lease or sublet the Premises or any portion thereof, Lessee(s) shall first notify City of Lessee(s) desires to do so and shall submit in writing to City (1) the name of the proposed sub-Lessee(s) or assignee; (2) the nature of the proposed sub-Lessee(s) or assignee's business to be carried on in the subject Premises; (3) the terms and provisions of the proposed sublease or assignment; and (4) such financial information as City may reasonably request concerning the proposed sub-Lessee(s) or assignee. Lessee(s) failure to comply with the provisions of this subparagraph shall be a breach of this Lease.

(d) City shall respond to Lessee(s) request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease.

(e) If City consents to Lessee(s) assigning, subleasing or transferring (hereinafter collectively "transfer") Lessee(s) interest under this Lease, Lessee(s) shall pay to City (in addition to rent and all other amounts payable by Lessee(s) under this Lease) 90% of the consideration

payable by such transferee to Lessee(s) for such transfer. Said amount shall be paid to City immediately upon receipt by Lessee(s) of such consideration from the transferee. Any transfer entered into by Lessee(s) in connection with the Premises shall contain a representation by Lessee(s) and the transferee which states the amount of any consideration payable by such transferee. If such representation understates the amount of such consideration or is false or misleading in any other material respect, City shall have the right to treat any such misrepresentation as a non-curable default and terminate this Lease as to Lessee(s) and the proposed transferee.

(f) City may collect rent from the assignee, sub-Lessee(s), occupant, or other transferee, and apply the amount so collected, first to the rent herein imposed, then to any additional rent due and payable, and refund the balance (if any) to Lessee(s), but no such assignment, subletting, occupancy, transfer or collection shall be deemed a waiver of City's rights under this paragraph or the acceptance of the proposed assignee, sub-lessee(s), occupant or transferee, or a release of Lessee(s) from the further performance of the covenants obligating Lessee(s) under this Lease.

(g) Lessee(s) may enter into a valid assignment or sublease with respect to the Premises, provided that City consents thereto pursuant to this paragraph, and provided further that (1) such assignment or sublease is executed within ninety (90) days after City has given its consent to same; (2) Lessee(s) pays (or causes to be paid) all amounts owed to City under subparagraph (b) above, (3) Lessee(s) is not in default under this Lease as of the effective date of the assignment or sublease, (4) there have been no material changes (since the date on which City's consent was given) with respect to the financial condition of the proposed sub-Lessee(s) or assignee or the business which said party plans to conduct on the Premises, and (5) a fully executed original of such assignment or sublease (either of which shall state that the assignee or sub-Lessee(s) agrees to be bound by all of the terms, covenants, and conditions of this Lease) is delivered promptly to the City Clerk of City.

(h) Lessee(s) agrees to fully defend and indemnify City with respect to all costs (including attorneys' fees expended by City in connection with any such claim) and liability for compensation claimed by any broker or agent employed by Lessee(s) in connection with any assignment, subletting or other transfer of Lessee(s) interest under this Lease.

(i) The voluntary or other surrender of this Lease by Lessee(s) or a mutual termination hereof shall not work a merger, and shall, at City's option, either terminate all or any existing subleases or sub-tenancies, or shall operate as an assignment to City of Lessee(s) interest under such sublease or sub-tenancy.

(j) Regardless of City's consent, no subletting or assignment for financing purposes shall release Lessee(s) of Lessee(s) obligations or alter the primary liability of Lessee(s) to pay the rent and to perform all other obligations to be performed by Lessee(s) hereunder. The acceptance of rent by City from any other person shall not be deemed to be a waiver by City of any provisions

hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

25. **INSOLVENCY OR BANKRUPTCY.** Lessee(s) agrees that if all or substantially all of Lessee(s) assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days, or should Lessee(s) make an assignment for the benefit of creditors or be adjudicated a bankrupt, or should Lessee(s) institute any proceedings under the Bankruptcy Act or under any amendment thereof which may hereafter be enacted, or under any other act relating to the subject of bankruptcy wherein Lessee(s) seeks to be adjudicated a bankrupt, or to be discharged of Lessee(s) debts, or to effect a plan of liquidation, composition, arrangement or reorganization under such bankruptcy, or should an involuntary proceeding be filed against Lessee(s) under any such bankruptcy laws and Lessee(s) consents thereto or acquiesces therein by pleading or default, then any such act shall be deemed a breach of this Lease, and neither this Lease nor any interest in and to the Premises shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of City hereunder or by law provided, this Lease shall terminate automatically as of the date on which any one or more of the above-described occurrences takes place, and in such event, it shall be lawful for City to re-enter the leased Premises and take possession thereof and remove all persons and all of Lessee(s) personal property, including trade fixtures and equipment therefrom, and Lessee(s) shall have no further claim to the Premises or under this Lease.

26. **DEFAULT; REMEDIES.**

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

(1) **Non-curable defaults:**

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

(2) **Curable defaults:**

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

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

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

(b) Remedies.

(1) In addition to all other rights and remedies it might have, City shall have the right to terminate this Lease and Lessee(s) right to possession of the leased Premises in the event of any non-curable default as set forth above or if a curable default is not fully cured within the cure period designated above for such default. Termination of Lessee(s) right to possession of the Premises shall terminate this Lease and vice-versa. However, if Lessee(s) has abandoned or vacated the Premises, the mere taking of possession of same by City in order to perform acts of maintenance or preservation or to attempt to re-let the Premises, or the appointment of a receiver in order to protect City's interests under this Lease, shall not be deemed a termination of Lessee(s) right to possession of the Premises or a termination of this Lease unless City has notified Lessee(s) in writing that the Lease is terminated. The notification provided for herein for curable defaults shall be in lieu of, and not in addition to, any notice required under Section 1161, et seq., of the California Code of Civil Procedure. If City terminates this Lease and Lessee(s) right to possession of the Premises pursuant to this paragraph, City may recover the following from Lessee(s):

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

b) the worth at the time of award of the amount by which the unpaid rent which would have come due after termination until the time of award exceeds the amount of rental loss that Lessee(s) proves could have been reasonably avoided; and

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

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

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

(2) Upon termination of this Lease, whether by lapse of time or otherwise, Lessee(s) shall immediately vacate the Premises and deliver possession thereof to City.

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

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

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

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

28. TERMINATION BY LESSEE(S). If any law or ordinance should come into effect during the term of this Lease, the terms of which so restrict the use to which the Premises can be put so that the Lessee(s) is unable to use the Premises in the manner contemplated herein, then Lessee(s) may, upon ninety (90) days written notice to City, terminate this Lease.

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

30. EMINENT DOMAIN. In the event all or any part of the Premises is taken or damaged by the exercise of the power of eminent domain, all compensation and damages payable by reason of the condemnation of the real property shall be payable to City without any apportionment to

Lessee(s), Lessee(s) hereby waiving any claim for leasehold damages attributable to this Lease having any bonus value, but Lessee(s) shall have the right to claim and receive from the condemning authority (but not from City) any relocation assistance pursuant to Section 7260 et seq. of the Government Code of the State of California.

31. EXISTING TITLE TO LEASED PROPERTY. Lessee(s) accepts the conditions of City's title to the Premises as the same now exists without representation or warranty of any kind, and Lessee(s) shall be bound by any reservations, restrictions, easements, or encumbrances thereon which an examination of title would disclose.

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

33. VENUE/ATTORNEY'S FEES. Any action at law or in equity brought by either party hereto for the purpose of enforcing a right provided for by this Lease shall be 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 of venue in such proceedings to any other county. In the event either party shall bring suit to enforce any covenant of this Lease or to recover any damages for and on account of the breach of any covenant of this Lease, it is mutually agreed that the that each party shall bear their own attorneys' fees and costs.

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

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

36. MARGINAL CAPTIONS. The various headings and numbers herein and the groupings of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only, and shall not be considered a part hereof.

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

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

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

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

39. AIRPORT RULES AND REGULATIONS. Lessee(s) and the employees and invitees of Lessee(s) shall obey all rules and regulations and ordinances of City or other competent authority relating to operations at the Riverside Municipal Airport including the rules or procedures prescribed by a competent United States Government authority having applicable jurisdiction.

40. NONDISCRIMINATION; COMPLIANCE WITH TITLE 49.

(a) FAA General Civil Rights Provision. The Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating

in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the Lessee.

This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964

(b) Compliance with Nondiscrimination Requirements: During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

(1) Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(3) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

(4) Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a) Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b) Cancelling, terminating, or suspending a contract, in whole or in part.

(6) **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) **Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

(1) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

(2) 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

(3) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(4) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

(5) The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);

(6) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

(7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(8) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and

private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

(9) The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(10) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(11) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

(12) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

41. ACCOMMODATIONS AND SERVICES. Lessee(s) shall furnish Lessee(s) accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and Lessee(s) shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; Provided, that Lessee(s) may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

Non-compliance with this paragraph shall constitute a material breach thereof and in the event of such non-compliance City shall have the right to terminate this Lease and the estate hereby created without liability therefore or at the election of City or the United States either or both said governments shall have the right to judicially enforce said provisions.

42. INSERTION. Lessee(s) agrees that Lessee(s) shall insert the above Paragraphs 40 and 41 in any license, lease, agreement, or contract by which said Lessee(s) grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises herein leased.

43. AFFIRMATIVE ACTION. Lessee(s) assures that Lessee(s) will undertake an affirmative action program as may be required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition Acquired Immune Deficiency Syndrome or any condition related thereto, marital status, sex or sexual orientation be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee(s) assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Lessee(s) assures that

Lessee(s) will require that Lessee(s) covered suborganizations provide assurances to Lessee(s) that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as may be required by 14 CFR Part 152, Subpart E, to the same effect.

44. DEVELOPMENT OF LANDING AREA. City reserves the right to further develop or improve the landing area of the Riverside Municipal Airport as said City sees fit, regardless of the desires or view of Lessee(s) and without interference or hindrance.

45. MAINTENANCE OF LANDING AREA. City reserves the right to maintain and keep in repair the landing area of the Riverside Municipal Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee(s) in this regard.

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

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

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

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

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

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

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

52. LEASE SUBJECT TO U. S. GOVERNMENT ACQUISITION, CONTROL. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Riverside Municipal Airport or the exclusive or non-exclusive use of the Airport by the United States during time of war or national emergency.

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

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

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

[Signatures on following page]

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

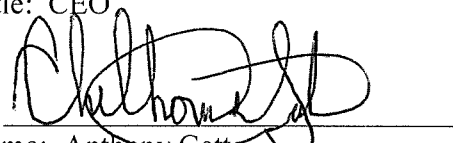
CITY OF RIVERSIDE, a California charter
City and municipal corporation

NEXTGEN FLIGHT ACADEMY, INC., a
California corporation


By: _____
General Services Director

By: 
Name: Brandon Martini
Title: CEO

Attest _____
City Clerk

By: 
Name: Anthony Gatto
Title: CFO

APPROVED AS TO FORM:



Deputy City Attorney
Ruthann M. Elder

CA# 18-0496

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EXHIBIT 'A'

Premises

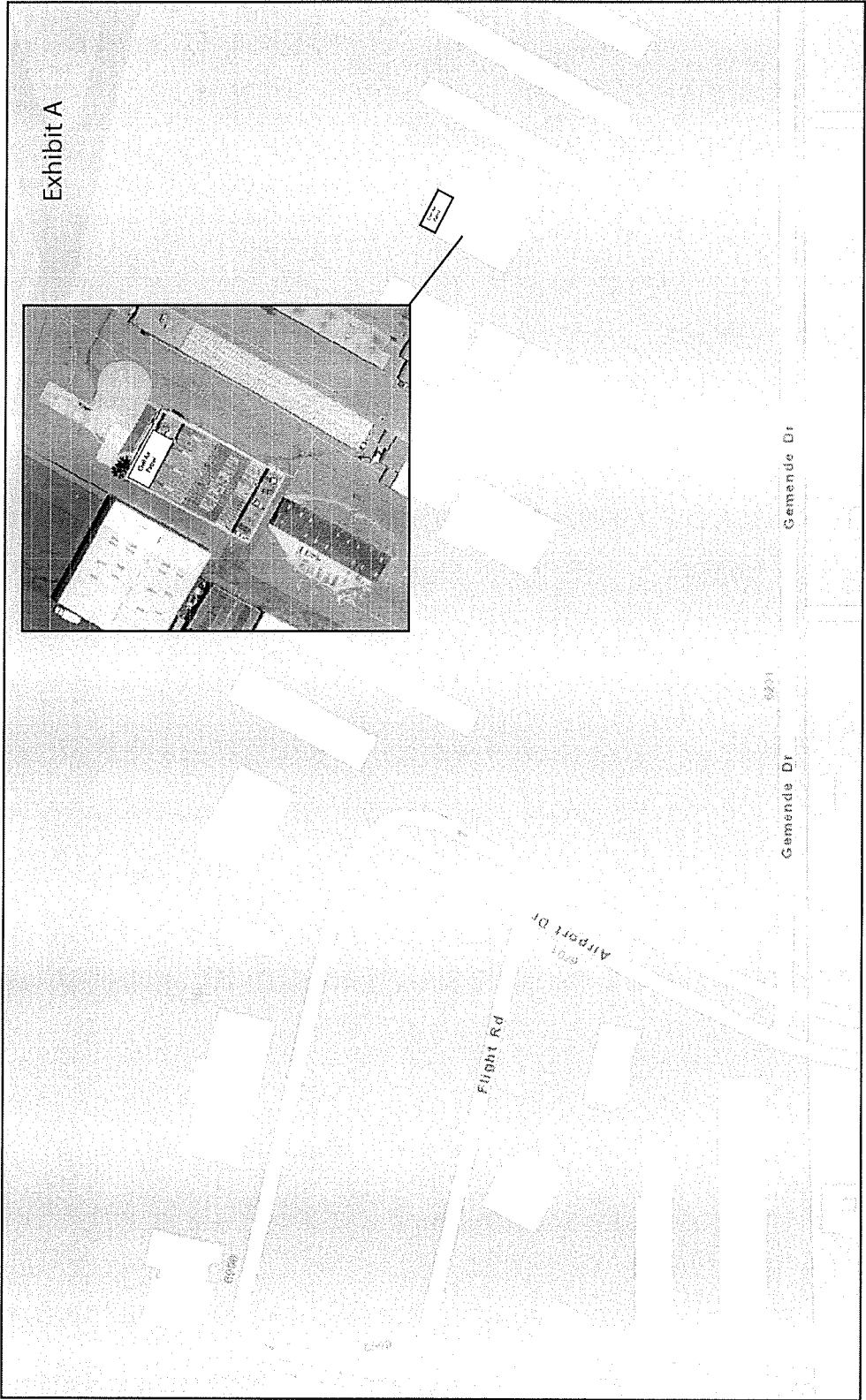


Exhibit A