

RIVERSIDE MUNICIPAL AIRPORT LEASE

RIVERSIDE AIR SERVICE, INC.

Ground Lease for Gemende Tie-Down Hangar Development

On this _____ day of _____, 20_____, the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), RIVERSIDE AIR SERVICE, INC., a California corporation, hereinafter referred to as "Lessee", mutually agree as follows:

1) **PROPERTY LEASED.** City hereby leases to Lessee the real property, located at the Riverside Municipal Airport consisting of approximately 50,094 square feet of land located at 6591 Flight Road, Riverside, CA 92504 at the corner of Flight Road and Gemende Drive ("Premises") as more specifically described in Exhibit "A" attached hereto and incorporated herein.

2) **PURPOSE.** Lessee shall use the Premises for the construction and placement of a multi-unit aircraft hangar complex. Lessee may use the Premises only for the use herein above authorized and for no other purpose. The hangar complex shall be used only for storage of aircraft, personal property, equipment and supplies for minimum owner maintenance of aircraft, except that parking of motor vehicles is permitted in accordance with the Riverside Municipal Code and/or at such time as a hangar unit is temporarily unoccupied by an aircraft. The restriction on the use of the hangar is applicable whether the hangar is for personal use or business, and also applies whether or not the hangar is leased or purchased by an individual or entity and shall be clearly stated in any instruments transferring Lessee's interest in any portion of the premises in accordance with section 22 hereof. The use of combustible chemicals, welding or repairs to the aircraft fuel system in or adjacent to the hangar complex is strictly prohibited. Any other use shall conform to the Riverside Municipal Code, Airport Rules and Regulations, state and federal rules and/or policies, and all other applicable laws, rules, or regulations. The operation of a business from any hangar unit is not permitted without prior approval from City.

3) **TERM.** This Lease agreement shall be for an initial term of thirty-five (35) years commencing on July 1, 2021 and terminating on June 30, 2056, unless this Lease is earlier terminated pursuant to the provisions herein. This Lease may be extended by written agreement of the parties for one (1) additional ten (10) year period. Rental payments due during any extended period, will be renegotiated prior to the commencement of each extended period.

4) **RENT.** During the Term of this Lease agreement, Lessee shall pay to City the rental rates as set forth below ("Rent").

(a) Design Phase: No Rent due. The Design Phase shall commence upon the effective date of this Lease and cease upon the issuance of the first construction permit by the City or twelve (12) months after the effective date of this Lease, whichever is earlier. During this phase, the City shall be permitted to continue collecting rent from the existing aircraft tie-down spaces located on the Premises. City shall retain all tie-down revenue collected during the Design Phase and Lessee shall have no claim to such revenues. Lessee shall give the City no less than 90 days' written notice of intent to begin construction, at which time aircraft occupying the tie-down spaces will be

relocated. With City approval, Lessee may extend the Design Phase for an additional six (6) months, provided that Lessee gives thirty (30) days' written notice to the Airport Manager. If at the conclusion of the Design Phase, Lessee has not provided notice of intent to begin construction, the City may terminate this Lease with 30 days' written notice to Lessee.

(b) Construction Phase: The Construction Phase shall commence upon the conclusion of the Design Phase defined above, following project design and issuance of construction permits. The Construction Phase shall cease upon the issuance of a Certificate of Occupancy or twenty-four (24) months after the beginning of the Construction Phase, whichever is earlier. Rent due during the Construction Phase shall be a monthly rental payment of Five Hundred Fifty Six dollars and Sixty cents (\$556.60), per month.

(c) Rent Following Construction Phase:

(i) At the conclusion of the Construction Phase and for the next Twenty-Four (24) calendar months, Lessee shall pay a monthly rent of Eight Hundred Thirty Four dollars and Ninety Cents (\$834.90), as adjusted each year commencing with the rental payment due on August 1 of that year, to reflect the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario 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, whichever is greater.

(ii) Beginning with the twenty-fifth (25th) month after the conclusion of the Construction Phase and for the remainder of the initial term of this Lease, Lessee shall pay a monthly rental of One Thousand Six Hundred Sixty Nine Dollars and Eighty Cents (\$1,669.80) as adjusted each year commencing with the rental payment due on August 1 of that year, to reflect the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario 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, whichever is greater.

(d) 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. 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.

5) **SECURITY DEPOSIT.** Intentionally Omitted.

6) REQUIRED IMPROVEMENTS. Lessee shall be solely responsible for the construction and placement of an aircraft hangar complex consisting of multiple separate hangar units in accordance with the terms and conditions contained in Exhibit "B" attached hereto and incorporated herein, and for any and all costs and damage associated with, or resulting from, their placement and construction. Lessee shall be responsible for any improvement of pavement surfaces as required to support the most critical aircraft intended to be accommodated by the individual hangar units. Lessee shall also be responsible for any permits required, any temporary removal of fencing, site work, location of power, etc., necessary for the construction and placement of the hangar complex. In addition, Lessee shall remove all construction debris from the Airport property and shall be solely responsible for all construction clean up. Construction of the hangars shall be complete within two (2) years following the commencement of the Construction Phase described in Section 4 of this Agreement. An extension to this requirement may be granted by the City for extenuating circumstances at the sole discretion of the City.

7) IMPROVEMENTS BY LESSEE. Lessee may make improvements to the Premises as may be appropriate subject to the prior written approval of the Airport Manager of City. Lessee shall submit plans and specifications for such improvements to said Airport Manager and obtain written approval therefor prior to commencement of construction. Lessee shall construct such improvements in accordance with the approved plans and specifications. Approval by the Airport Manager shall not relieve Lessee 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, signs and landscaping.

Lessee hereby agrees that upon completion of the improvements required by this Lease, Lessee may apply to the Airport Manager for a Phase II development. Phase II would consist of demolishing and rebuilding a small hangar complex directly north of the Premises. Lessee acknowledges and agrees that this does not create a right of first refusal for the Phase II development and that City retains the right to lease or otherwise develop the Phase II development area at any time. Lessee further acknowledges that before City approves Lessee's request for Phase II, Lessee will build/remodel at least one of the Phases (Phase 2, 3, or 4), described in Exhibit "C" attached hereto and incorporated herein.

8) OWNERSHIP OF IMPROVEMENTS. Any improvements installed upon the Premises by Lessee as herein above provided shall become the absolute property of City and title shall automatically vest in City without payment therefor 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 to remove any or all of the said improvements and restore the leased Premises to its condition at the commencement of this Lease.

9) DAMAGE OR DESTRUCTION. Lessee shall be responsible for any damages or destruction to the Premises resulting from acts or omissions of Lessee or the employees, agents, invitees or guests of Lessee, 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.

10) SIGNS. Lessee 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 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 from the responsibility of adhering to and conforming with any applicable City, State or Federal law, ordinance or regulation thereon.

11) MAINTENANCE AND CITY'S RIGHT TO INSPECT. Lessee agrees at Lessee's own expense to 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. This 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 is landscaped, Lessee shall at Lessee's expense, maintain the landscaping in a presentable fashion consistent with existing Airport landscaping.

Notwithstanding the above, Lessee agrees to permit City to install Closed Circuit Television Cameras (CCTV) on the exterior of the hangar complex, without compensation to Lessee for the use of the space. The number, specifications, physical appearance, and location of the CCTV cameras shall be determined by Lessor in Lessor's sole discretion. Utility and electrical requirements for the CCTV cameras will be separate and independent of the electrical systems of the hangar complex. Lessor shall not be obligated to provide Lessee with access to any data or video obtained from these security cameras, except as otherwise required by law, such as the California Public Records Act.

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 businesslike operations. Lessee 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. Lessee 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 days after service of notice Lessee fails to commence repairs, or if after what the Airport Manager deems a reasonable

time the Lessee 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, and if said costs are not promptly paid by Lessee to City, this Lease shall be deemed to be in default, and City shall be entitled to all legal remedies provided hereunder.

12) MECHANICS' LIENS AND PAYMENT BONDS. Lessee agrees to keep the Premises free from any and all claims of persons or firms or corporations, who at the request of Lessee or Lessee's contractor, furnish labor or materials to or for the benefit of the leased Premises. Lessee 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 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.

13) UTILITIES AND SERVICES. Lessee shall be responsible for the relocation or installation of any necessary utilities for the Premises, including the installation of separate meters therefor, if such utilities have not been previously installed or if relocation is necessary to complete the Required Improvements. Lessee shall pay for sewer, gas, water, electricity and other utilities supplied to and used on the Premises during the term of this Lease, and shall hold City harmless therefrom.

Further, Lessee agrees upon request of City, to provide at Lessee's own expense a commercial type dumpster for the trash generated on the leased Premises, which dumpster shall be placed at a location designated by the City's Airport Manager. The dumpster must be emptied on a regular basis, no less frequently than required by ordinance of the City of Riverside. The top of the dumpster must remain closed at all times when trash is not being placed into, or being removed from, the dumpster, so that the trash is not exposed to view. Lessee also agrees at Lessee's own expense to remove any waste oils, fuels, paint and other hazardous materials and chemicals placed on the Premises following the commencement of the term of this Lease. All such hazardous materials and waste shall be removed in accordance to, and in compliance with, any applicable City, County, State and Federal laws and regulations.

14) 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);
- (e) "Hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-6992k);
- (f) 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 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 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 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 that concern the release or investigation.

Lessee 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 or Lessee's employees, agents, contractors or invitees results in contamination of the Premises, Lessee 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 shall first obtain City's approval of the proposed remedial action. This provision does not limit the indemnification obligations set forth above.

15) PERMITS/LICENSES. Lessee shall be responsible for obtaining all AQMD, health and safety, Federal, State, County and City licenses and permits before occupying the Premises.

16) 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

Airport Manager
Riverside Municipal Airport
6951 Flight Road
Riverside, CA 92504

Chad Davies
Riverside Air Service, Inc.
6471 Gemende Drive
Riverside, CA 92504

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.

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

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

18) INDEMNIFICATION. Except for City's sole negligence or willful misconduct, Lessee shall fully defend, indemnify and hold the City, its officers and employees, harmless from any and all loss, damage, claim for damage, liability, fine, penalty, 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 by Lessee 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 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 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.

19) INSURANCE. Lessee 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 shall obtain and keep in full force and effect during the entire term of this Lease Hangar Keeper's Liability insurance in an amount not less than \$1,000,000 per occurrence. Lessee 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 respects 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 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 in writing of any change in the insurance provisions necessary to provide adequate protection. If Lessee 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 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 shall provide a valid certificate of insurance and additional insured endorsement prior to occupying the leased property under this Lease. No certificate of insurance and additional insured endorsement shall be acceptable unless first approved by the City's Risk Manager.

20) 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) day notice prior to cancellation.

21) 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, its officers,

employees, agents or invitees. Lessee hereby releases and discharges City from any and all claims and demands of Lessee for loss or of damage to Lessee's property or injury to Lessee or Lessee's officers, employees, agents and invitees.

22) ASSIGNMENT AND SUBLETTING.

(a) Lessee 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 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 sublessee is financially responsible; and (3) the proposed assignee or sublessee has the ability to conduct a business on the Premises of a quality substantially equal to that conducted by Lessee. Should Lessee 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 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. For the purposes of this section 22, "transfer" shall be all inclusive and include any and all assignments or transfers of any right, title, or interest in this Lease except arising from death or otherwise expressly exempt by the provisions of this Lease. "Transfer" shall include, but not be limited to, a sale or transfer of a majority ownership interest in Lessee, such as a sale or transfer of common stock of Lessee, whether voluntary or involuntary, and any dissolution, merger, consolidation or other reorganization of Lessee.

(b) If Lessee shall submit a request to City for City's consent to an assignment, sublease or other transfer by Lessee of all or a portion of Lessee's interest under this Lease or to the Premises, Lessee 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 desires at any time to assign this Lease or sublet the Premises or any portion thereof, Lessee shall first notify City of Lessee's desires to do so and shall submit in writing to City (1) the name of the proposed sublessee or assignee; (2) the nature of the proposed sublessee'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 sublessee 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) Intentionally omitted.

(f) City may collect rent from the assignee, sublessee, 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, 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, sublessee, occupant or transferee, or a release of Lessee from the further performance of the covenants obligating Lessee under this Lease.

(g) Lessee 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 pays (or causes to be paid) all amounts owed to City under subparagraph (b) above, (3) Lessee 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 sublessee 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 sublessee 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 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 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 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 of Lessee's obligations or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee 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.

(k) During the term of any City-approved sublease, Lessee shall remain responsible for the use of the subleased Premises. Lessee shall ensure that any sublease use conforms to the Riverside Municipal Code, Airport Rules and Regulations, state and federal rules and/or policies, all other applicable laws, rules, or regulations, and the terms of this Lease.

Any agreement that transfers an interest in this Lease shall require the transferee to accept all of the terms contained in this Lease.

23) INSOLVENCY OR BANKRUPTCY. Lessee 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 30 days, or should Lessee make an assignment for the benefit of creditors or be adjudicated a bankrupt, or should Lessee 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 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 under any such bankruptcy laws and Lessee 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 shall have no further claim to the Premises or under this Lease.

24) 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.

(B) Any attempted or involuntary transfer of Lessee's interest in this Lease without the City's prior written consent.

(C) If Lessee 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 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 to make any payment of rent, fee or any other payment required to be made by Lessee hereunder as and when due. If Lessee does not fully cure such default within three (3) days after Lessee

has been served with a notice of such default, this Lease shall be terminable at City's option.

(B) The failure by Lessee to observe or perform any non-monetary covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than the aforementioned non curable defaults. If Lessee does not fully cure any such non-monetary default within ten (10) days after Lessee 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 days are reasonably required for its cure, then City shall not be entitled to terminate this Lease on account of such default if Lessee commences such cure within said ten day period and thereafter diligently prosecutes such cure to completion.

(C) If the leasehold interest of Lessee 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 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 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:

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

(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 proves could have been reasonably avoided; plus

(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 proves could be reasonably avoided;
plus

(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 shall immediately vacate the Premises and deliver possession thereof to City.

(3) If Lessee 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.

25) ABANDONMENT. If Lessee 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 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 or to any person claiming under Lessee.

26) TERMINATION BY LESSEE. 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 is unable to use the Premises in the manner contemplated herein, then Lessee may, upon thirty (30) days' written notice to City, terminate this Lease.

27) **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.

28) **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, Lessee hereby waiving any claim for leasehold damages attributable to this Lease having any bonus value, but Lessee 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.

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

30) **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, at the request of City Lessee shall execute, acknowledge and deliver to City within thirty (30) days after receipt of written demand therefor a good and sufficient deed whereby all right, title and interest of Lessee in the Premises, including any improvements thereon, is quitclaimed to the City. Should Lessee fail or refuse to deliver the required deed to City, City may prepare and record a notice reciting the failure of Lessee 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 or those claiming under Lessee in and to the Premises, and any improvements thereon.

31) **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 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 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 each party shall bear their own attorneys' fees and costs.

32) **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.

33) **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.

34) 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.

35) RESERVATIONS TO CITY. The Premises herein leased is hereby accepted by Lessee subject to any and all existing easements and other encumbrances. In addition, City hereby reserves and Lessee 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; provided, however, that in case of emergency such right may be exercised without such prior 30 days' notice, in which event City will give Lessee 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, the rental due to City by Lessee shall be reduced in a proportion of the amount said interference bears to the total use of the Premises.

36) UNLAWFUL USE. Lessee 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.

37) AIRPORT RULES AND REGULATIONS. Lessee and the employees and invitees of Lessee 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, including but not limited to the Federal Aviation Administration policy on aeronautical use of hangars. This paragraph specifically includes any applicable Grant Assurances made applicable to the Riverside Municipal Airport through the Federal Aviation Administration Airport Improvement Program.

38) NONDISCRIMINATION, COMPLIANCE WITH TITLE 49. Lessee, on Lessee's own behalf and on the behalf of Lessee's personal representatives, successors in interest and

assigns, as a part of the consideration hereof does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Department of Transportation (hereinafter referred to as ("DOT")) program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

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

- (a) no person 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 shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
- (b) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person 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 shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and
- (c) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

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

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

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

40) INSERTION. Lessee agrees that Lessee shall insert the above Paragraphs 37 and 38 in any license, lease, agreement, or contract by which said Lessee 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.

41) AFFIRMATIVE ACTION. Lessee assures that Lessee 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 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 assures that Lessee will require that Lessee's covered sub-organizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as may be required by 14 CFR Part 152, Subpart E, to the same effect.

42) 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 and without interference or hindrance.

43) 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 in this regard. Lessee recognizes that from time to time during the Term of this Lease it will be necessary for the City to initiate and pursue extensive programs of construction, reconstruction, expansion, relocation, maintenance and repair at the Airport that will require accommodation, and that such construction, reconstruction expansion, relocation, maintenance and repair may inconvenience Lessee in its operations at the Airport. Lessee agrees that no liability shall attach to the City, its elected officials, officers, agents, employees, attorneys, contractors, subcontractors and representations by reason of inconvenience or discomfort as a result of such activity. Additionally, in further consideration of this Lease of the Premises, Lessee waives any right to claim damages or other consideration for such inconvenience or discomfort; provided, however, that the City agrees that it shall schedule and undertake such activities in such a manner as shall reasonably reduce the disruption of the operations of Lessee on the Premises and before undertaking any such action, the City shall, except in cases of emergency provide reasonable advance notice to Lessee of such activity.

44) 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.

45) 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.

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

Lessee 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.

47) HEIGHT RESTRICTIONS. Lessee by accepting this Lease expressly agrees for and on behalf of Lessee and on behalf of Lessee's successors and assigns that Lessee 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.

48) NONINTERFERENCE WITH LANDING AND DEPARTURE OF AIRCRAFT. Lessee by accepting this Lease expressly agrees on Lessee's own behalf and on the behalf of Lessee's successors and assigns that Lessee 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.

49) 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 Title 49 U.S.C. subtitle VII, Aviation Programs.

50) 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 nonexclusive use of the Airport by the United States during time of war or national emergency.

51) RIGHT TO ENCUMBER/RIGHT TO CURE.

(a) Lessee shall not, and shall have no right, to encumber City's interest in the Premises or in any part of the Premises. Lessee covenants to keep the Premises and each and every part thereof and City's interest in this Lease Agreement at all times free and clear of any and all liens and encumbrances of any kind whatsoever, including, without limitation, the lien of any mortgage, deed of trust or other security interest (except to the extent hereinafter expressly permitted), those liens and encumbrances created by Lessee's acts or omissions, and those created by the performance of any work, or labor or furnishing of any material, supplies or equipment.

(b) City's interest in the Premises and this Lease Agreement shall be superior and prior in interest to any loans, mortgages, deeds of trust, security instruments, and other leases, liens and encumbrances that may hereafter be placed on the Premises, or any part thereof. A loan, mortgage, deed of trust, security instruments, lease, lien or encumbrance placed by Lessee on Lessee's Leasehold estate shall not attach to or otherwise affect City's interest in the Premises or this Lease Agreement. Lessee shall, without cost or expense to City execute any instrument, which is necessary or is reasonably requested by City to further confirm the non-subordination of City's interest in the Premises and in this Lease Agreement.

(c) Lessee's Right to Encumber. Notwithstanding the provisions of Paragraph 22 herein, the City does hereby consent to and agree that Lessee may encumber or assign, or both, for the benefit of a lender ("Encumbrancer"), this Lease, the leasehold estate and/or improvements thereof, as security for a deed of trust, mortgage or other security type instrument ("Trust Deed") to assure the payment of monetary obligations/promissory note owed by Lessee to an established bank, savings and loan association, or insurance company. The prior written consent of the City shall not be required for:

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

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

Any Encumbrancer described in Paragraph 51(c) above which is the transferee under the provisions of Paragraph 51(c) above, shall be liable to perform the obligations and duties of Lessee under this Lease only so long as such transferee holds title to the leasehold estate.

Any subsequent transfer of this Lease hereunder shall not be made without the prior written consent of City and shall be subject to the conditions relating hereto as set forth in Paragraph 22. Lessee shall give the City prior written notice of any such trust deed and shall accompany such notice with a true copy of the Trust Deed and note secured thereby.

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

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

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


[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


RIVERSIDE AIR SERVICE, INC., a
California corporation

By: _____
City Manager

By: 
Name: CHAD DAVIES
Title: PRESIDENT

ATTEST

By: _____
City Clerk

By: 
Name: HEIDI MICELI DAVIES
Title: SECRETARY

APPROVED AS TO FORM:

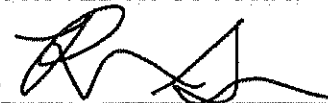
By: 
Deputy City Attorney
Ruthann M. Salera

Exhibit “A”

Legal Description

LEASE DESCRIPTION
Gemende Hangars Lease

Those portions of Lot 2 and Lot 4 of Block 36 of Tract No. 5 of the Riverview Addition to the City of Riverside, as shown by map on file in Book 7, Page 7 of Maps, Records of Riverside County, California, described as follows:

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

Thence North $0^{\circ}18'47''$ 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 $85^{\circ}55'53''$ West, a distance of 929.28 feet to the **POINT OF BEGINNING** of the parcel of land being described;

Thence North $89^{\circ}41'13''$ West, a distance of 131.27 feet to the beginning of a tangent curve, concave northeast and having a radius of 15.00 feet;

Thence westerly, northerly and northeasterly to the right along said curve an arc length of 31.18 feet through a central angle of $119^{\circ}05'40''$;


Thence North $29^{\circ}24'27''$ East, a distance of 379.23 feet;

Thence South $60^{\circ}35'33''$ East, a distance of 137.00 feet;

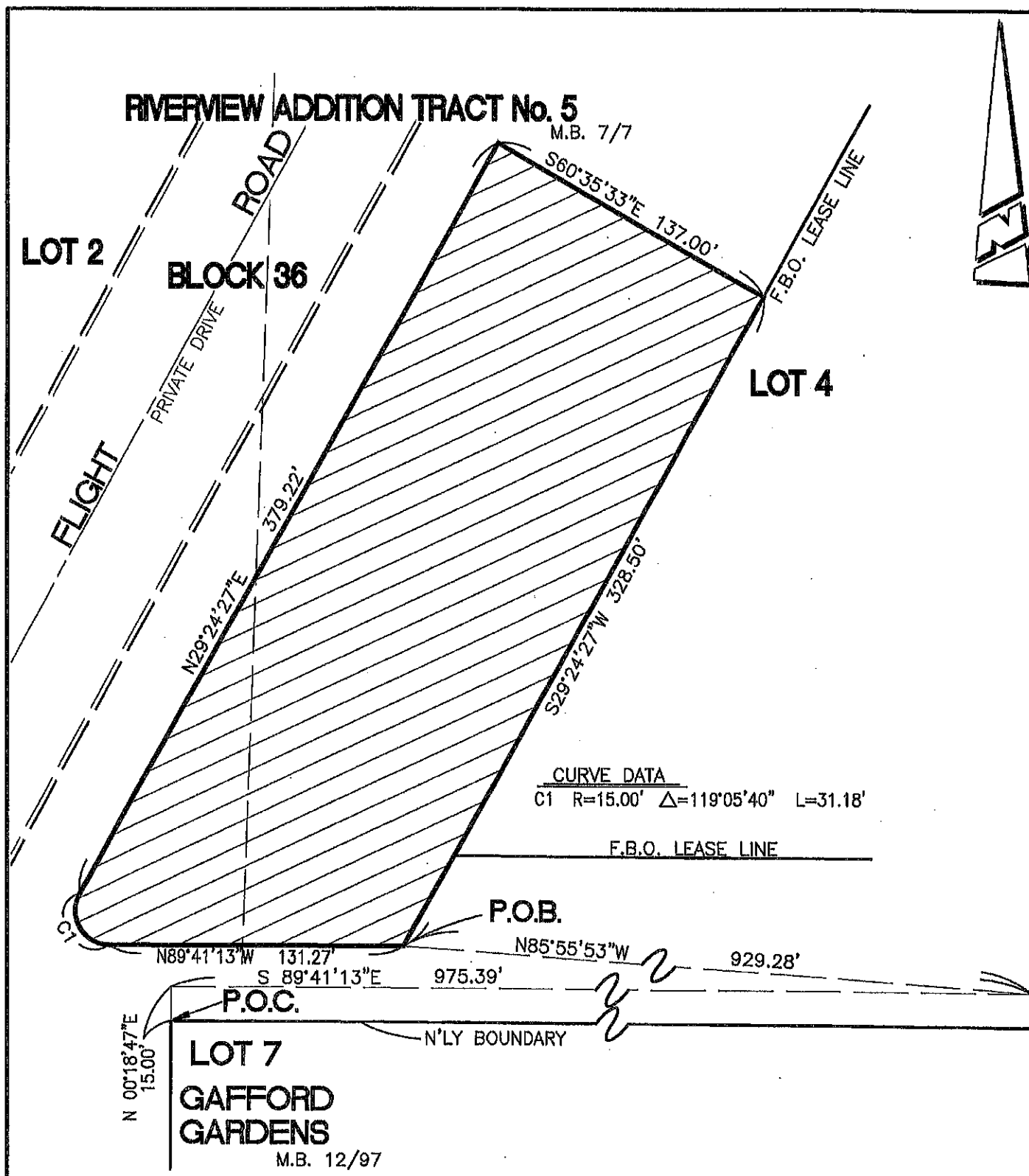
Thence South $29^{\circ}24'27''$ West, a distance of 328.50 feet to the **POINT OF BEGINNING**.

Area – 50,077 S.F. more or less

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

Curtis C. Stephens 4/24/19 Prep. 
Curtis C. Stephens, L.S. 7519 Date





• **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: 4/23/19

SUBJECT: GEMENDE HANGARS LEASE

Exhibit "B"

Required Improvements, Terms and Conditions

IMPROVEMENTS

- Construct hangars for the storage of aircraft and related minor maintenance of stored aircraft
- Improve pavement to support the critical aircraft hangars are designed to accommodate
- Maintain pavement improvements
- Maintain hangars through routine maintenance, painting, and necessary repairs
- Maintain any landscaping that may be installed
- Relocate, as necessary, any all utilities to accommodate hangar construction and support
- Install utility meters for electric, water, etc., necessary for the operation of the hangars
- Exterior lighting shall provide adequate lighting for aircraft operations on the east side and security on the north side of the structure.
- Hangar structure shall provide for a separation of at least 20 feet from the buildings to the north.

CONDITIONS

- Hangars are for the storage of aircraft only
- Personal vehicles may be stored in the hangar when the aircraft is not stored
- No business may be operated from the hangar(s) without prior approval of City
- City will not be responsible for any associated utility costs
- All construction spoils will be removed from the airport
- All construction will meet City requirements for permitting
- All construction contractors and sub-contractors must show evidence of insurance, to include the following: General Liability, Automobile Liability and Worker's Compensation in amounts as determined by the City. Insurance will show evidence of "additionally insured" for the City. Evidence of Insurance must be submitted to the City and approved by the City prior to the commencement of any construction.
- Following City approval of construction contractor insurance, the City will provide Lessee with a Right of Entry permit or agreement for the construction contract.
- As stipulated in the Request for Proposal, dated March 25, 2019, Lessee agrees that the intent of this Lease is to attract new tenants to Riverside Municipal Airport. The exception to this condition is that an existing tenant with an aircraft that existing hangars cannot accommodate, or multiple aircraft, may enter into a lease or sale agreement with Riverside Air Services.

Exhibit “C”

