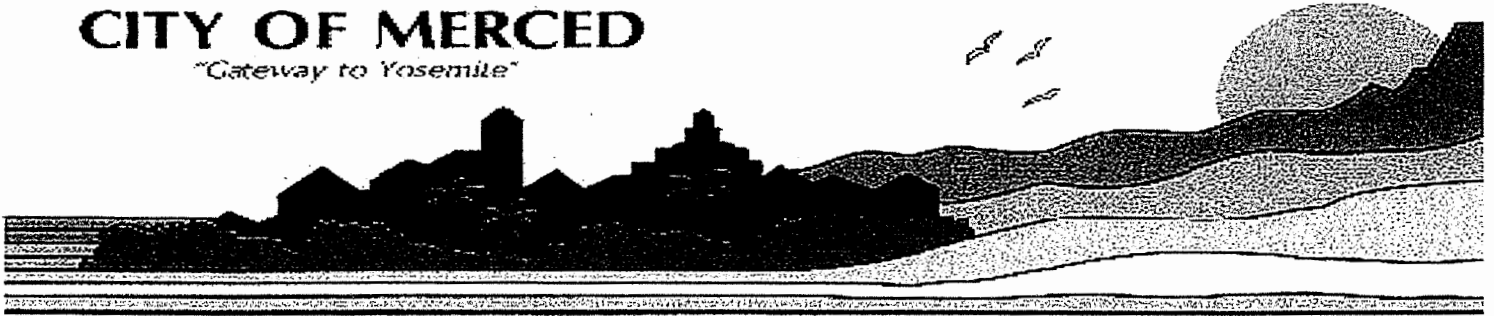


CITY OF MERCED
"Gateway to Yosemite"



**MERCED REGIONAL AIRPORT
HANGAR SIXTEEN (16) COMMERCIAL
MAINTENANCE AND REPAIR LEASE AGREEMENT
AND COMMERCIAL OPERATOR PERMIT**

THIS LEASE AGREEMENT AND COMMERCIAL OPERATOR PERMIT, made and entered into in the City of Merced, County of Merced, State of California, as of the 27th day of January, 2021, by and between the City of Merced, a California Charter Law Municipal Corporation, hereinafter called "LESSOR", and REACH Air Medical Services, LLC, a California Limited Liability Company, formally known as CALSTAR Air Medical Services, LLC, a Delaware Limited Liability Company, hereinafter called "LESSEE".

WITNESSETH

WHEREAS, the LESSOR owns Hangar Sixteen (16) for the use of aircraft storage and general commercial aircraft maintenance and repair at the Merced Regional Airport, and wishes to grant to LESSEE/LESSEE the rights, powers, licenses and privileges provided herein to be exercised by LESSEE in compliance with all the terms and conditions of this lease and commercial operator permit.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS AGREED AS FOLLOWS:

1. **LEASED AND PERMITTED PREMISES**: The Leased and Permitted Premises is the real property located at the Merced Municipal Airport as generally known as Hangar Sixteen (16), and more specifically described on attached Exhibit A incorporated herein by reference.

2. **RENTAL AND TERM:** This Lease and Permit shall commence on the 1st day of January, 2021 and shall continue for 24 months. The rent to be paid by LESSEE shall be the sum of Eight Hundred Dollars (\$800.00) per month, paid in advance to the LESSOR each month beginning on or before January 1st, 2021. The rent for the month of January 2021 shall be pro-rated from the date of occupancy by Lessee. At the conclusion of the 24 month term of the Agreement, Lessee shall have the first right of refusal to renew the Agreement for a second 24 month term.

3. **COMMERCIAL OPERATOR FEES:** In addition to the rental payment described above, LESSEE agrees to and shall pay to LESSOR a commercial operator fee as specified by the City of Merced. Such fee shall be paid on a monthly basis to Lessor, in advance on or before the due date of each month for the term of commercial operator permit. The parties agree that the commercial operator fee paid hereunder will increase whenever the said fee is increased per the City of Merced.

Failure on the part of LESSEE to pay the commercial operator fee and/or additional tiedown fee at the end of the month and after same shall become due shall authorize LESSOR, at its option and without any legal proceedings, to declare this airport commercial operator permit void, cancel the same, and LESSEE shall cease providing commercial services.

4. **SECURITY DEPOSIT:** LESSEE shall deposit with LESSOR upon execution of this Agreement by LESSEE an amount of Eight Hundred Dollars (\$800.00) as security for the full and faithful performance of every term and condition of this Agreement. If LESSEE defaults with respect to any of the terms and conditions of this Agreement, including but not limited to the payment of rent, LESSOR may use, apply or retain the whole or any part of this security for payment of any or all of the above mentioned purposes. Any remaining portion of such deposit shall be returned to the LESSEE after termination of this Lease. LESSEE shall not be entitled to any interest on the security deposit.

5. **SECURITY AND AIRPORT GATE ACCESS:** LESSEE shall, at its own expense, provide reasonable security for the buildings and other improvements now existing or hereafter erected or installed on the Leased and Permitted premises subject to the approval of the Airport Manager. LESSEE shall not be required to install nor maintain a burglar alarm system on the premises. Upon the mutual execution of this Agreement by both parties, a specific code will be issued to LESSEE for accessing the Airport's

secured gates (the "Access Code"). The Access Code is personal to LESSEE and not transferable. LESSEE agrees to keep and maintain the Access Code secure and shall not transfer or share said code with anyone else other than LESSEE's employees. Immediately following LESSEE's entry through the gate, LESSEE shall ensure that the gate fully closes behind LESSEE, and that no vehicle or pedestrian enters through said gate without using his or her own Access Code. LESSEE shall not permit any vehicle or pedestrian piggybacking LESSEE's entry through any Airport gates. No additional locks or bolts of any kind shall be placed upon any of the doors of the Permitted premises nor shall any change be made in existing locks, unless the Airport Manager approves and is furnished a duplicate set of keys therefore. LESSEE warrants and agrees that LESSEE shall inform all of LESSEE's agents and employees of these security requirements and take all reasonably necessary steps to insure LESSEE's agents and employees comply with these security requirements. By executing and entering into this Lease, LESSEE acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

6. **USE:** The Leased Premises which is the subject of this Lease shall be used solely for aircraft/helicopter storage, maintenance and repair associated with LESSEE's operational needs as a regional air ambulance service provider. LESSEE shall submit aircraft/helicopter tail numbers at the date of entry into this Lease and shall within five (5) business days of any change in that tail number provide written notice of same to LESSOR.

7. **WORK AREAS:** LESSEE agrees to confine the performance of all major aircraft maintenance/repair work mentioned herein to the interior of the hangars. All such work shall comply with applicable, federal and state laws and regulations, and with all local rules and regulation, including, but not limited to the City of Merced's Municipal Code and all rules and regulations of the Merced Regional Airport.

8. **VENDING MACHINE OPERATIONS:** Vending machines may not be installed without the permission of the LESSOR or LESSOR'S designer and the LESSOR shall have the right to terminate such permission and require the removal of such vending machines.

9. **COVENANTS OF OPERATOR:** LESSEE hereby covenants and agrees:

(a) **Service:** To furnish prompt and efficient service, adequate to meet all customer needs.

(b) **Personnel:** That personnel performing services hereunder shall be neat, clean and courteous, and LESSEE shall not permit its agents, servants or employees so engaged to conduct business in a loud, noisy, boisterous, offensive or objectionable manner.

10. **SIGNS:** LESSEE will not suffer or permit to be erected or maintained upon the outside of any improvements on the Permitted premises any billboards, signs or other advertising, except that LESSEE may maintain on the outside of said improvements its name on a sign or signs conforming to the municipal sign ordinance; such signs; however, shall be approved by the Airport Superintendent as to their number, size, construction, location and general appearance. LESSEE agrees to remove any signs or other advertising erected on the Permitted premises at LESSEE'S expense at the termination of this Agreement.

11. **REGULATIONS:** The use of the Leased and Permitted Premises by LESSEE shall comply with all rules and regulations of the Federal Aviation Administration and the laws of the United States of America and the State of California, ordinances of the County of Merced, and the Municipal Code of the City of Merced and all regulations of the Merced Regional Airport as they now exist or may hereafter be enacted or amended. LESSOR expressly reserves the right to enact, amend and repeal provisions of the Merced Municipal Code, and such actions shall, when effective, apply to this Agreement and to LESSEE'S occupancy of the Leased and Permitted premises. Nothing herein contained shall be construed to the LESSEE, its employees or agents to operate the said airport for or in connection with the operation of any regularly scheduled interstate or intrastate airline either for the transportation of person, property, cargo or mail by air. LESSEE acknowledges by his signature below that it has been provided a copy of the Airport Rules and Regulations.

12. **AIRPORT SECURITY PLAN:** LESSEE agrees to comply with all rules set forth in the Airport Security Plan now and in the future that pertain to its operation under federal, state and local security directives specifically:

a. **LESSEE** shall furnish the LESSOR a duplicate set of keys for locks of any kind placed upon any of the access/entries to the Leased Premises. LESSOR shall have the right to access any structure placed on

the Leased Premises as reasonably necessary to protect the health, safety, security and welfare of the Airport. LESSOR shall provide reasonable prior notice before obtaining access except in case of an emergency.

13. **NATIONAL EMERGENCY**: LESSOR reserves the right during time of war or national emergency to Permit the landing area or any part thereof to the United States Government for military or civil operator provided that if any such Permit is executed, the provisions of this agreement shall be suspended insofar as they are inconsistent with the provisions of the Permit to the United States Government.

14. **SUBORDINATION**: This agreement shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required to be a condition precedent to the expenditures of federal funds for the development of the airport.

15. **VOLUNTARY ASSIGNMENT**: Except as expressly provided herein, LESSEE shall not assign this Lease nor any right hereunder, nor sublet the Leased Premises, nor any part thereof, or suffer any other person to occupy or use the said Leased Premises or any portion thereof without prior written consent of the LESSOR. Any such assignment, subletting, occupation or use by any other person without such consent shall be void, and shall at the option of LESSOR terminate this Lease.

16. **INVOLUNTARY ASSIGNMENT**: LESSEE agrees that, except as expressly provided herein, neither this Lease nor any interest herein shall be assignable or transferable by operation of law, and it is hereby mutually agreed, covenanted and understood by and between the parties hereto that in the event of any proceeding under the Bankruptcy Act or any amendment thereto be commenced by or against LESSEE, or in the event LESSEE be adjudged or makes an assignment for the benefit of his creditors, or a writ of attachment or execution be levied on the leasehold estate created hereby, and not be released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which LESSEE is a party, with authority to take possession or control of the Leased Premises, such action shall be deemed a default under this Lease and this Lease at the option of LESSOR be terminated and shall in no way be treated as an asset of LESSEE. LESSOR shall have the right, after termination of the Lease to immediately re-enter and repossess itself of said Leased Premises as of its original estate.

17. **IMPROVEMENTS AND/OR CONSTRUCTION,**

ALTERATIONS: LESSEE shall make no improvements or alterations of any kind on the Leased Premises until LESSEE has obtained written approval of the plans and specifications for the structure by LESSOR. Any such structure and/or alteration by LESSEE shall be at the LESSEE'S sole expense.

18. **IMPROVEMENTS, MAINTENANCE AND REPAIRS:** All

structures and facilities on the Leased and Permitted premises are Leased and Permitted to LESSEE in an "as is" condition and all costs for adopting such facilities to LESSEE'S business purposes shall be borne by LESSEE. All improvements and fixtures attached to the real property shall be the property of the LESSOR. No improvements or fixtures shall be constructed or installed without written approval of the Airport Superintendent.

LESSOR will be responsible for all major structural repairs such as roofing, exterior painting, major electrical and HVAC repairs. LESSEE will be responsible for all other maintenance and repairs including broken windows, doors, fixtures, and interior painting, as well as all interior improvements.

LESSOR reserves the right to notify the LESSEE in writing to maintain or repair any of the above which are LESSEE'S responsibility. If LESSEE fails to make such maintenance and repairs within a reasonable length of time as set forth in said notice, LESSOR may perform such maintenance or repairs and LESSEE shall pay cost including ten percent (10%) for overhead. LESSOR shall be the sole judge of the amount of repairs necessary in order to maintain the facilities.

19. **GARBAGE:** LESSEE agrees to cause to be removed at its own expense from the Leased Premises all waste, garbage, and rubbish, and agrees not to deposit the same on the Leased Premises except temporarily in connection with collection for removal.

20. **AUTO PARKING:** LESSEE, its employees and customers, shall have the nonexclusive right to use the public vehicle parking area located outside the Airport security fence, or such other suitable area as may be from time to time designated by LESSOR.

21. **UTILITIES:** LESSEE promises and agrees to pay for all electric energy and electric lighting, telephone service, water, and other public utility

services operated on the Leased and Permitted premises. All extension or alterations to the wiring system and all globes and electric lams shall be paid for by LESSEE.

22. **ENVIRONMENTAL SURVEY**: LESSEE shall have the right, at its expense, to obtain such environmental surveys and studies that it desires. LESSEE may terminate this lease upon ten (10) days written notice to LESSOR, given within the first sixty (60) days of the term of this Lease if the results of any such environmental survey or study is unacceptable to LESSEE.

23. **SURRENDER OF POSSESSION**: At the expiration of this Agreement, LESSEE promises and agrees to deliver unto LESSOR the said Leased Premises in as good condition as at the date of execution of this Agreement, reasonable wear and tear excepted.

24. **POSSESSORY INTEREST**: LESSEE recognizes and understands that to the extent this Agreement may or may not create a possessory interest subject to property taxation, and that the LESSEE is solely responsible for the payment of any taxes levied or assessed on the Leased and Permitted Premises. LESSOR expresses no opinion on the taxable effect of this Lease. LESSEE further agrees to pay, without the right to deduct from rental or other fees provided herein, any and all property taxes, if any, assessed during the term of this Agreement against LESSEE'S possessory interest in the Premises. LESSEE further agrees to pay, without right to deduct from rental or other fees provided herein, any and all personal property taxes assessed against its property on said Premises, and such portion of any real property taxes as may be levied against structures/improvements owned by LESSEE and erected upon land owned by LESSOR.

25. **INDEMNIFICATION**: LESSEE shall indemnify, protect, defend (with legal counsel approved by the LESSOR) and hold City, and any and all of its employees, officials and agents harmless from and against any and all liabilities, actions (including actual, alleged, or threatened claims, demands, suits, legal or equitable actions, arbitration proceedings, administrative proceedings, or other dispute resolution proceedings), losses, damages, and expenses or costs of any kind (including attorney's fees and costs, court costs, interest, defense costs, expert witness fees and investigatory fees), where the same arise out of, are a consequence of, or are in any way related to, in whole or in part, LESSEE'S use or the use of any guests,

invitees or agents of LESSEE of the Leased Premises or of LESSEE'S operation, use, maintenance, repair, storage, loading or unloading of any aircraft/helicopter; except in each case, to the extent caused solely by the negligent or willful misconduct of LESSOR or its agents or employees.

26. **INSURANCE**: LESSEE shall provide evidence that the following insurance coverage(s) are in effect prior to the commencement of this Lease and any right of occupancy of the Leased Premises and shall maintain coverage in full force and in effect until the termination of this Lease. The insurance required herein is a separate covenant of LESSEE from its indemnity obligation in Section 26 hereof. As such, LESSEE'S indemnity obligation is not limited to its insurance obligation in this Section.

A. **General Liability and Bodily Injury Insurance**: LESSEE shall obtain and keep in full force and effect, a commercial, general liability policy of at least One Million Dollars (\$1,000,000) per occurrence combined limit for bodily injury and property damage, provided that the LESSOR, its officers, employees, volunteers and agents are to be named additional insureds under the policy, and that the policy shall stipulate that this insurance will operate as primary insurance, and that no other insurance effected by LESSOR or other named insureds will be called on to cover a loss covered thereunder.

B. **Fire Damage Insurance**: LESSEE shall also maintain in full force and effect fire damage insurance on the Leased Premises, including any improvements and fixtures installed by LESSEE, in an amount of at least One Million Dollars (\$1,000,000), with loss payable to LESSOR. LESSOR shall maintain fire/casualty insurance on the hangar building itself, with limits no less than reasonable replacement value.

C. **Certificate of Insurance**: All policies of insurance required above shall be written by a qualified insurance company rated 'A:VII' or better by the Best's Insurance Rating Guide and be authorized to do business by the State of California and shall be in a form approved by LESSOR. LESSEE shall file with the LESSOR a certificate of insurance and endorsement evidencing coverage as set forth above. LESSEE is required to mail a certificate of insurance, signed by an authorized representative of the issuing company, annually, to the City of Merced City Clerks' Office, at 678 West 18th St, Merced, CA 95340. The following information must be included on each certificate of insurance or the coverage shall be considered incomplete:

- (1) A statement that the City of Merced, its officers, employees, volunteers and agents are named as additionally insured under each policy or policies;
- (2) All required dollar limits of insurance coverages shall be correctly stated;
- (3) A provision that written notice of cancellation or any material change in coverage shall be delivered to LESSOR at least 30 days in advance of the effective date of the material change or cancellation, and that no cancellation, alteration or change of beneficiary or beneficiaries shall be made without written notice to LESSOR;
- (4) An original signature and the printed name of the insurance agent or authorized representative of the insurance company issuing the policy, including the insurance underwriter's or broker's telephone number.

27. **ENVIRONMENTAL LIABILITY:** LESSOR shall be solely responsible for any and all environmental pollution and/or the contamination of soil or water which has occurred, is existing and which may exist or occur in the future in, on, about or under the Permitted premises. LESSOR agrees that LESSOR shall indemnify, protect and defend and hold LESSEE and the directors, officers, employees, agents, successors and assigns harmless from and against any and all claims, demands, proceedings, causes of action, damages, liabilities, losses, costs and expenses, including, without limitation, attorneys' and consultants' fees, costs and expenses arising out of or resulting from any and all environmental pollution and/or the contamination of soil or water which has occurred, is existing and which may exist or occur in the future in, on, about or under the Permitted premises.

Notwithstanding the previous paragraph, LESSEE agrees that it shall be responsible for fuel spills caused by it or its employees, agents, or invitees, and for any other of its negligent acts causing environmental damage or liability, and monitor such as is required by law and regulations of the state or federal government. LESSEE agrees that LESSEE shall indemnify, protect and defend and hold LESSOR and the officers, employees, agents, successors, and assigns harmless from and against any and all claims, demands, proceedings, causes of action, damages, liabilities, losses, costs and expenses arising out of or resulting from any and all of the

above, whether or not labeled environmental pollution and/or contamination of soil or water.

28. **DEFAULT:** In the event the LESSEE violates any of the terms or provisions of this Agreement, the Agreement may be terminated by LESSOR. LESSEE agrees to vacate said Leased and Permitted Premises no later than ten (10) days after written notice from LESSOR. Notice from LESSOR shall be by certified letter to the address stated at the end of this Lease and by letter posted on the Leased Premises. Ten (10) days after LESSOR has mailed and posted notice, the LESSOR, or its authorized agents, may remove any personal property from said Premises, except for LESSEE's aircraft, and sell or assign the personal property at public or private sale. Ten (10) days after LESSOR has mailed and posted notice, LESSOR may enter and take possession of the Leased and Permitted Premises occupied by the LESSEE, and expel, oust and remove any and all parties who may occupy any portion of the Premises or Airport covered by this Agreement, and any and all goods and chattels belonging to the LESSEE or his associates which may be found in or upon same, without being liable for prosecution or to any claim for damages therefor. Upon such termination by the LESSOR, all rights, powers and privileges of the LESSEE shall cease, and the LESSEE shall make no claims of any kind whatsoever against the LESSOR, its agents or representatives, by reason of such termination, or any act incident thereto.

Expenses of selling and preparing for sale, including reasonable attorneys' fees and other legal or transfer expense, shall be included in the amount LESSOR is entitled to retain. Nothing herein shall be deemed a waiver of any rights of LESSOR to demand and obtain possession of said premises in accordance with law.

29. **CHANGE OF ADDRESS:** It shall be LESSEE'S responsibility to inform LESSOR of any change of address.

30. **LATE FEE:** In addition to other remedies contained in this Lease, in the event any rental payment or any other payment due under this Agreement is not received by the LESSOR within 21 calendar days of the date it is due, LESSEE shall in addition, pay a late charge of five percent (5%) of the amount due.

31. **PEACEFUL ENJOYMENT:** For the entire period that LESSEE performs all of the terms, covenants and conditions of this lease, and abides by all of the rules and regulations pertaining to the Merced Regional Airport and abides by all rules and regulations adopted by the City Council of the City of Merced, the LESSEE shall have the right of peaceful enjoyment of the Leased Premises. This shall include the right to use, along with others, the roads and driveways on the airport premises in the conduct and operation of LESSEE'S Permit subject to the rules and regulations of LESSOR, and the right of LESSEE, its agents, servants, employees, customers and patrons to ingress and egress from the location of LESSEE'S operations at the airport.

32. **CONDEMNATION:** If any part of the Leased Premises of said Airport is condemned, or its character is changed by public authority or otherwise, or in the event operation of said Airport for airport purposes is discontinued, or if any obstructions are placed on said Airport or Leased Premises adjoining said Airport so that it then becomes impossible or impractical to use said Leased Premises for the purposes for which they are leased hereof, this Lease shall terminate. LESSEE shall not be entitled to any proceeds from the condemnation except those specifically designated and provided by law or the public entity or person acquiring the property under threat of condemnation for the purpose of relocation and/or goodwill. LESSEE hereby assigns to LESSOR the rights to any and all damages for property taken in any such proceeding and all such damages shall be payable to LESSOR, except relocation and/or goodwill.

33. **INSPECTION:** LESSOR shall be permitted to enter and view the Leased Premises at any and all times for the purpose of inspecting or maintaining such Leased Premises and doing any and all things with reference thereto which the LESSOR is obligated to do or which may be deemed necessary or desirable for the proper conduct and operation of the Airport.

34. **TERMINATION PRIOR TO EXPIRATION:** The LESSOR shall have the right to terminate this Agreement, in whole or in part, on the occurrence of any of the following events:

(a) Failure on the part of the LESSEE to pay rent within ten (10) days of the date when due or any other monetary fees required by this Agreement.

(b) Filing by or the final adjudication of LESSEE of any petition in bankruptcy or the making of any transfer of general assignment for the benefit of creditors which has not been previously authorized by the LESSOR.

(c) The failure of the LESSEE to perform or observe any of the terms, covenants and conditions which it is obligated to perform, keep or observe under this Lease, or to obey any law, ordinance, or regulation pertaining to LESSEE'S use or occupancy of the Premises.

(d) The abandonment of the Premises, or any portion thereof or required services, or any portion thereof. Should this occur, LESSOR shall not be responsible for the custodial protection of LESSEE'S property, fixtures or equipment abandoned, even though it is necessary for LESSOR to remove same from the Premises for storage or disposal.

(e) In the event of need for the Premises by the LESSOR for purposes of national defense.

35. **ESCAPE CLAUSE:** If LESSEE, after one year from LESSOR'S execution of this Agreement, suffers financial hardship in connection with its operations, LESSEE may terminate this Agreement upon providing sixty (60) days notice to LESSOR. Upon such event, LESSEE forfeits the security deposit mentioned herein. LESSEE shall provide to LESSOR for verification any and all documents evidencing such financial hardship.

36. **BREACH:** In the event of breach of this Agreement by LESSEE, LESSOR shall be entitled to all rights and remedies provided by law in addition to the specific remedies mentioned herein.

37. **PARTNERSHIP DISCLAIMER:** It is mutually understood and agreed that nothing in this Agreement is intended to or shall be construed as in any way creating or establishing the relationship of partners between the parties hereto, or as constituting the LESSEE as an agent or representative of the LESSOR for any purpose or in any manner whatsoever.

38. **CONFORMANCE TO APPLICABLE LAWS AND NONDISCRIMINATORY SERVICE TO THE PUBLIC:** LESSEE shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by LESSEE in connection with this Agreement because of race, color, national

origin, ancestry, disability, sex or religion of such person. LESSEE promises and agrees that if service such as the furnishing or sale of any aeronautical parts, materials, or supplies essential to the operations of aircraft at the City of Merced Regional Airport, is rendered to the public, LESSEE shall furnish said service on a fair, equal, and not unjustly discriminatory basis to all user thereof, and shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service; except, however, the LESSEE may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reduction to volume purchasers.

39. **NOTICES**: Any notice to the LESSOR shall be sufficient if sent by certified mail postage prepaid, addressed to the City Clerk, City of Merced, 678 West 18th Street, Merced, California, 95340. Any notice to the LESSEE shall be sufficient if sent by certified mail addressed to LESSEE at the address of the Permitted premises or posted thereon, whether or not LESSEE shall have theretofore vacated or abandoned such premises, or by personal delivery to LESSEE. A copy of any notice to LESSEE shall be mailed to 1001 Boardwalk Springs Place, Suite 250, O'Fallon, MO 63368, Attn: General Counsel.

40. **ATTORNEY'S FEES**: If either party brings any action or proceeding to enforce, protect or establish any right or remedy under this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees. Judicial arbitration is an action or proceeding for the purpose of this provision.

41. **NON-WAIVER**: Any waiver or breach of covenants or conditions herein contained to be kept and performed by either party shall be effective only if in writing and shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party from declaring a forfeiture or exercising its rights for any succeeding breach of either the same or other condition or covenant.

42. **TIME OF ESSENCE, BINDING UPON HEIRS, ETC**: Time is of the essence of each and all the terms and provisions of this Agreement, and the terms and provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto. If more than one LESSEE is named herein, the obligations of said LESSEES herein contained shall be joint and several obligations. The singular includes the plural, and the plural, the singular.

43. **APPLICABLE LAW**: The laws of the State of California shall apply to this Agreement, except where Federal supersedes California law or where this agreement expressly references Federal law.

44. **INTERPRETATION OF THIS AGREEMENT**: All parties to this agreement acknowledge and agree that this Agreement shall not be construed against either party on the basis that a party was the drafter of the Agreement.

45. **FEDERALLY MANDATED PROVISIONS**: The following provisions prevail over any inconsistent provisions in paragraphs 1-44 hereof.

A. The LESSEE, for himself, his heirs, 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 said property described in this Permit for a purpose for which a Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the Operator 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.

B. The LESSEE, for himself, his 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: (a) no person on the grounds of race, color, national origin, ancestry, disability, sex, or religion shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the operator 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, color, national origin, ancestry, disability, sex, or religion shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (c) that the LESSEE shall operator 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.

C. That in the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate this Agreement and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

D. LESSEE shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service; PROVIDED, THAT the LESSEE may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Non-compliance with Provision D above shall constitute a material breach thereof and in the event of such non-compliance the LESSOR shall have the right to terminate this Agreement and the estate hereby created without liability therefore or at the election of the LESSOR or the United States either or both said Governments shall have the right to judicially enforce Provisions.

F. LESSEE agrees that it shall insert the above five (5) provisions in any sub-use agreement 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 Permitted.

G. The LESSEE assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, ancestry, disability, sex, or religion be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The 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. The LESSEE assures that it will require that its covered suborganizations provide assurances to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances

from their suborganizations, as required by 14 CFR, Subpart E, to the same effect.

H. The LESSOR reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the LESSEE and without interference or hindrance.

I. The LESSOR reserves the right, but shall not be obligated to the LESSEE to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the LESSEE in this regard.

J. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the LESSOR and the United States, relative to the development, operation or maintenance of the airport.

K. There is hereby reserved to the LESSOR, its successors and assigns, for the operator and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein Permitted. 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 Merced Regional Airport.

L. LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the Permitted premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Permitted premises.

M. The LESSEE, by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land Permitted hereunder. In the event the aforesaid covenants are breached, the LESSOR reserves the right to enter upon the land Permitted hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the LESSEE.

N. The LESSEE, by accepting this Agreement, agrees for itself, its successors and assigns that it will not make operator of the

Permitted premises in any manner which might interfere with the landing and taking off of aircraft from Merced Regional Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the LESSOR reserves the right to enter upon the premises hereby Permitted and cause the abatement of such interference at the expense of the LESSEE.

O. 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).

P. This Agreement 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 said airport or the exclusive or non-exclusive operator of the airport by the United States during the time of war or national emergency.


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

LESSOR:
CITY OF MERCED
A Municipal Corporation

BY: _____
City Manager

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
 12/18/2020

City Attorney Date

{Signatures continued on next page}

ACCOUNT DATA:

Verified by Finance Officer

LESSEE:
REACH Air Medical Services, LLC,
A California Limited Liability
Company, under the umbrella of
REACH Medical Holdings, LLC,
A Delaware Limited Liability
Company

DocuSigned by: DS
BY: Vicky Spediacci KLM
3CP25C44203E3AA...

Vicky Spediacci

Print Name

Its: COO

BY: _____

Print Name

Its: _____

Taxpayer I.D. No. 81-2180683

Business License No. 17-22259574

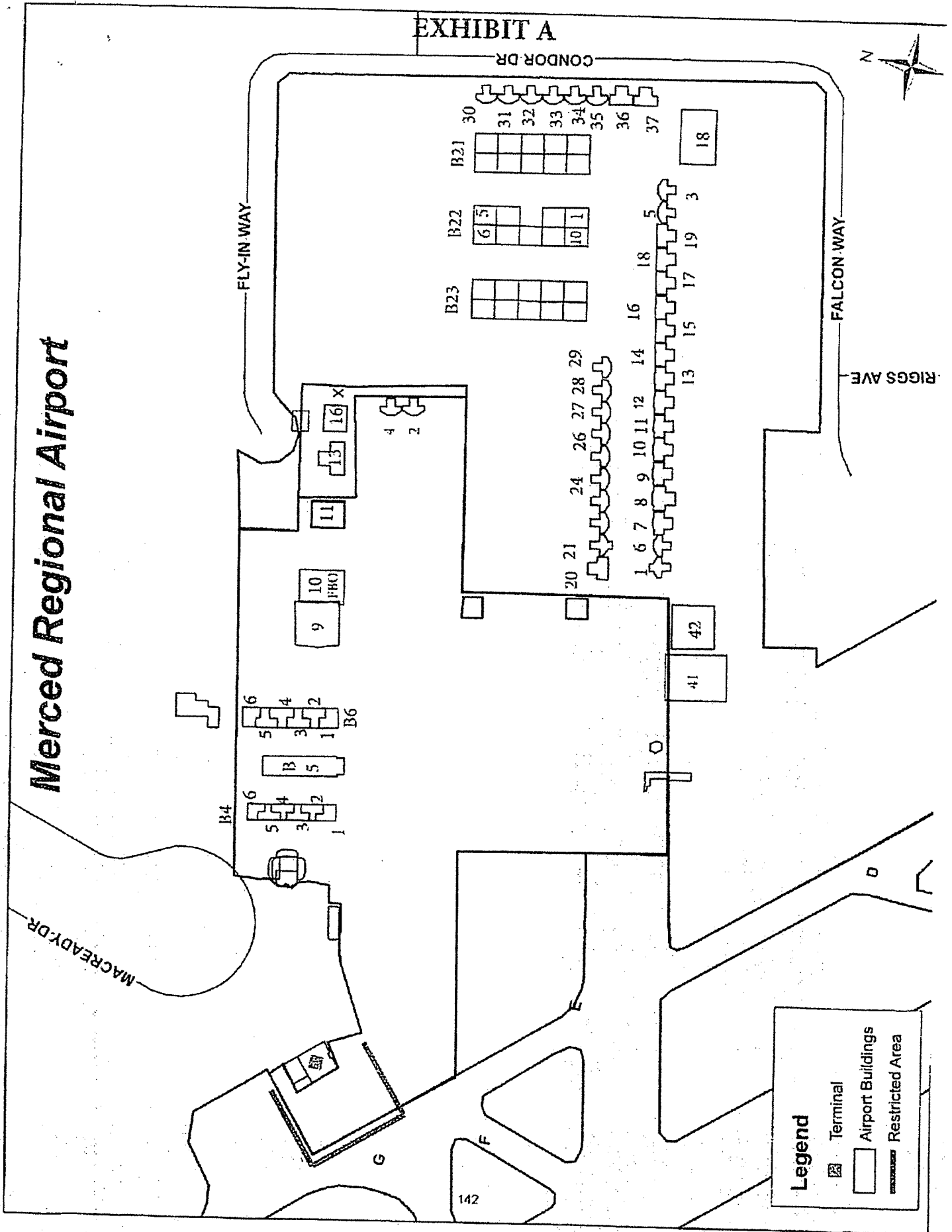
ADDRESS: 1001 Boardwalk Spring
Place, Suite 250
O'Fallon, MO 63368

TELEPHONE: (916) 921-4000

E-MAIL: kevin.c.may@gmr.net

Merced Regional Airport

EXHIBIT A





CITY OF MERCED

MERCED

**NOTICE AND CALL OF A VIRTUAL SPECIAL MEETING
OF THE MERCED REGIONAL AIRPORT AUTHORITY
OF THE
CITY OF MERCED**

NOTICE IS HEREBY GIVEN that a Virtual Special Meeting of the Merced Regional Airport Authority of the City of Merced is hereby called to be held on Tuesday, February 2, 2021, commencing at 7:00 PM. Pursuant to Governor Newsom's Executive Order N-29-20, this meeting will be conducted by teleconference and there will be no in-person public access to the meeting location. Any comments for the meeting should be submitted to the Authority via voicemail at (209) 388-8574 or email at Airportvmo@cityofmerced.org. No later than 1:00 PM on the day of the meeting. Voicemails should be limited to 3 minutes or less and emails should be limited to 300 words or less.

Said Special Virtual Meeting shall be for the purpose of the following:

- RECOMMENDATION TO THE CITY COUNCIL FOR A LONG TERM GROUND LEASE BETWEEN THE CITY OF MERCED AND HOLDING PATTERN, LLC FOR DEVELOPMENT OF A PRIVATE HANGAR ON APPROXIMATELY 10,000 SQUARE FEET OF LAND ON THE MERCED REGIONAL AIRPORT WITH RENT STARTING AT \$3,100 PER YEAR FOR A TERM OF THIRTY (30) YEARS, WITH AN OPTION TERM OF FIFTEEN (15) YEARS.
- CONSIDERATION OF A NAME CHANGE TO THE MERCED REGIONAL AIRPORT AND RECOMMENDATION AS REQUESTED BY THE MERCED CITY COUNCIL.

Dated: January 28, 2021

Karen Baker, Economic Development Associate