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Rod Pacheco (SBN: 112432)
rpacheco@pncounsel.com
David Sire (SBN: 255798)
dsire@pncounsel.com
Nataly Rahmo (SNB: 354256)
nrahmo@pncounsel.com
PACHECO & NEACH PC
Two Park Plaza, Suite 1000
Irvine, California 92614
Telephone: 714.462.1700
Facsimile: 714.462.1785

Attorneys for Plaintiffs,
COYOTE AVIATION CORPORATION;
GIL BROWN; CAROL BROWN

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

COYOTE AVIATION CORPORATION, a
Nevada corporation; GIL BROWN, an
individual; CAROL BROWN, an individual,

Plaintiffs,

vs.

CITY OF REDLANDS, a municipal
corporation; ADRIAN LAWSON, an
individual; TABITHA KEVARI CROCKER,
an individual; CHRISTOPHER BOATMAN,
an individual; and DOES 1 through 20,
inclusive,

Defendants.

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO

JUN 21 2024

BY MARIAH MORA
MARIAH MORA, DEPUTY

Case No.: CIVSB2418252

FIRST AMENDED COMPLAINT FOR

1. **CONVERSION**
2. **BREACH OF CONTRACT**
3. **SPECIFIC PERFORMANCE**
4. **NEGLIGENCE**
5. **INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

1 Plaintiff Coyote Aviation Corporation, a Nevada corporation (“COYOTE AVIATION”),
2 Gil Brown (“Mr. Brown”) and Carol Brown (“Mrs. Brown”) (collectively referred to as
3 “Plaintiffs”) allege against the City of Redlands (the “CITY”), a municipal corporation, Adarian
4 Lawson (“LAWSON”), an individual, Tabitha Kevari Crocker (“CROCKER”), an individual, and
5 Chris Boatman (“BOATMAN”), an individual, as follows:

6 **THE PARTIES**

- 7 1. COYOTE AVIATION is a Nevada corporation in good standing doing business in San
8 Bernardino County, California.
- 9 2. Mr. Brown is an individual who resides in Redlands, California.
- 10 3. Mrs. Brown is an individual who resides in Redlands California.
- 11 4. CITY is a municipal corporation doing business in San Bernardino County, California.
- 12 5. Adarian Lawson, an individual, is an employee of the CITY and at all relevant times
13 served as the CITY Airport Supervisor.
- 14 6. Tabitha Kevari Crocker, an individual, is an employee of the CITY and at all relevant
15 times served as the CITY Director of Facilities and Community Services.
- 16 7. Chris Boatman, an individual, is an employee of the CITY and at all relevant times
17 served as the CITY Assistant City Manager.
- 18 8. The fictitious defendants, DOES 1 through 20, inclusive, are sued pursuant to California
19 Civil Procedure Code § 474. COYOTE AVIATION is ignorant of the true names and capacities,
20 whether individual, corporate, or otherwise, of such fictitious defendants. Upon information and
21 belief, each such fictitious defendant was in some way responsible for, participated in, and/or
22 contributed to the misconduct alleged against all Defendants as set forth herein. When COYOTE
23 AVIATION ascertains the true names of such fictitious defendants and their respective
24 responsibility, for participation in and contribution to the misconduct alleged herein, COYOTE
25 AVIATION will amend this complaint to designate same. Plaintiff suspects at this time that one or
26 more members of the CITY City Council will be added to this complaint once more facts are
27 revealed in discovery.

28 **JURISDICTION AND VENUE**

9. Plaintiffs are informed and believe that CITY is a California company doing business in
the state of California and in San Bernardino County, and which the liability of CITY arises from
San Bernardino County and therefore is subject to jurisdiction in San Bernardino County pursuant

1 to Code of Civil Procedure § 395.5.

2 10. Venue in this Court is also proper under California Code of Civil Procedure § 395(a)
3 because the acts, conduct and injuries alleged herein occurred in the County of San Bernardino,
4 California.

5 **GENERAL ALLEGATIONS**

6 11. On the fifth day of September 2000, representatives for COYOTE AVIATION and
7 CITY, respectively signed a lease agreement (hereinafter referred to as the "Lease"). (See Exhibit
8 A, Lease dated September 5, 2020). Signing on behalf of CITY was Pat Gilbreath, Mayor of CITY
9 and Lorrie Poyzer, Clerk of CITY. Signing on behalf of COYOTE AVIATION was the President
of the corporation, Gil Brown, and Eva Saliba, Secretary.

10 12. The purpose of the contractual agreement between the parties, CITY and COYOTE
11 AVIATION, was based on a proposal created and drafted by Mr. and Mrs. Brown. That proposal
12 was to allow COYOTE AVIATION to lease land from the CITY in consideration of Plaintiff's
13 agreement to construct and operate an aviation complex at Redlands Municipal Airport.

14 13. The lease between the parties encompassed 36,000 square feet located at Redlands
15 Municipal Airport to be possessed by COYOTE AVIATION according to the terms of the lease. At
16 some point after the lease had begun the CITY claimed that the actual square footage for the site
17 was 53,658. Not surprisingly the CITY then increased the rent to reflect their claim of more square
18 footage. Plaintiff dutifully paid the new rates, despite no amendment to the contract being drafted,
19 finalized, or signed as required by Paragraph 27 of the Lease. This was the CITY's first breach of
20 the Lease.

21 14. COYOTE AVIATION would pay rent to the CITY as part of its obligation under the
22 lease. Unbeknownst to Plaintiff at the time, the CITY was charging Plaintiff more than double it
23 was charging any other tenant for a ground lease at Redlands Municipal Airport and more than its
24 own schedule for ground leases. CITY greed at the municipal level was apparent from the beginning
25 of the interaction of the parties.

26 15. In substantial, if not complete satisfaction of its contractual obligations, COYOTE
27 AVIATION, Mr. and Mrs. Brown constructed a sixteen (16) bay aviation complex complete with
28 plumbing, electrical, concrete foundation, metal structure and numerous other improvements. The
existing structure and all improvements and alterations have great value as will be noted infra.

16. At all times, the CITY understood that the improvements in all particulars were the
property of COYOTE AVIATION. This understanding was memorialized in the lease between the

1 parties in Paragraph 21.1.

2 17. Prior to Plaintiffs' improvements the leased land was literally dirt next to a runway that
3 had no use whatsoever, an undeveloped dirt parcel 300' from the runway. The site had no water,
4 sewer or electrical conduits running to it and was nothing more than barren and raw land without
5 any improvements by the CITY.

6 18. Plaintiffs paid for all costs of construction for all improvements and alterations. At no
7 time did the CITY pay for *any* cost of construction or improvement.

8 19. Further, at all times COYOTE AVIATION, Mr. and Mrs. Brown complied with all CITY
9 regulations and secured all permits and CITY approvals for all parts of the construction of the
10 aviation complex. At the time of construction and throughout, the CITY did not withhold any
11 permits that would have prevented construction. The CITY would do so later when it came time for
12 removal.

13 20. The costs of construction, permits, approvals as borne by Plaintiffs were enormous and
14 made without contribution from the CITY.

15 21. From the execution of the contract between the parties on September 5, 2000, through
16 and including most of 2020, almost twenty years, Plaintiffs fully and faithfully complied with the
17 lease.

18 22. In 2020 the parties began a dispute over whether Plaintiffs had exercised their option to
19 extend the lease. That dispute continues to this day.

20 23. During the pendency of the legal dispute between the parties Plaintiffs on June 20, 2023,
21 applied for a permit from the CITY to remove its property in the form of the improvements and
22 alterations it had made to the site.

23 24. Plaintiffs' application was based on the Lease, Paragraph 21.1 which states in full:
24 "Immediately upon the expiration of the Term or earlier termination of the Lease, Tenant shall
25 peaceably and quietly vacate the Property and deliver possession of the same to City, *with all of*
26 *Tenant's improvements and alterations removed from the Property and with the Property*
27 *surrendered in the same or better condition as it existed at the time of approval of this Lease."*
28 (Emphasis added.)

25 25. Plaintiffs dutifully submitted the permit application to the CITY's Building & Safety
26 Department.

27 26. Approximately two weeks later Plaintiffs were informed by Building & Safety personnel
28 that they needed the approval and signature of the Airport Supervisor, Defendant LAWSON, at the

1 time.

2 27. Plaintiffs then approached and solicited LAWSON's approval of and signature on the
3 permit. Lawson refused.

4 28. Plaintiffs solicited LAWSON's approval at least one more time and LAWSON refused
5 to approve the permit.

6 29. Plaintiffs then asked LAWSON to send Plaintiff his refusal to sign or approve the permit
7 in writing. Lawson, in a futile effort to conceal his liability, refused to put his denial in writing.

8 30. After Defendant LAWSON refused to approve the removal of Plaintiff's personal
9 property, the airport complex, Plaintiffs approached an even more significant member of the CITY
10 who also had the authority to sign and approve the permit of which Plaintiff had applied, Defendant
11 CROCKER, the CITY Director of Facilities and Community Services.

12 31. Plaintiffs made a request of Defendant CROCKER, in 2023 after it had applied for the
13 permit, for approval. CROCKER refused to approve Plaintiffs' permit application. Defendant
14 CROCKER then suggested that Plaintiffs seek approval from Assistant City Manager BOATMAN.

15 32. Plaintiffs then sought the approval of his lawful permit application from BOATMAN.

16 33. On July 20, 2023, Plaintiffs received a written communication from Defendant
17 BOATMAN in which BOATMAN refused to approve Plaintiffs' permit application. The
18 communication was copied to Defendant CROCKER.

19 34. Plaintiffs are informed and believe that the Airport Supervisor for the CITY manages the
20 airport in all respects, particularly with regard to aviation tenants and their leases. Said Supervisor
21 works in collaboration with other CITY officials regarding leases and personal and real property at
22 the airport.

23 35. Permit applications for removal or demolition of property are handled exclusively by the
24 Building and Safety Department of the CITY. In the instant matter no official from Building and
25 Safety Department would approve of Plaintiffs' permit. On information and belief, clearly someone
26 with more authority, such as Assistant City Manager BOATMAN and above, overruled the Building
27 and Safety Department and prevented it from issuing a permit for removal of the aviation complex
28 constructed and operated by COYOTE AVIATION.

36. Unusual circumstances always have motives and interests behind them. In this instance
the motive by CITY officials was nothing less than greed.

37. A sixteen hanger aviation complex can produce hundreds of thousands of dollars, if not
millions, over time to the CITY. But because it was owned by a private corporation the CITY had

1 no access to the revenue stream the complex could generate, until the option dispute threatened the
2 continued tenancy of Plaintiff.

3 38. Before the CITY acted to disenfranchise Plaintiffs of their personal property, the aviation
4 complex, CITY officials, big and small, studied the revenue they could generate from taking
5 Plaintiffs' property. They also spent CITY monies paying for three different appraisals of the
6 complex.

7 39. All financial evaluations by the CITY were done in secret and without the knowledge or
8 approval of Plaintiffs.

9 40. On October 27, 2020, while the CITY was disputing the continued lease with Plaintiffs
10 the CITY ordered an appraisal from Fiandaca Appraisal Services ("Fiandaca") located in Riverside,
11 California of Plaintiffs' personal property, the hangar complex.

12 41. In an effort to keep the appraisal and its opinions secret the CITY specifically instructed
13 Fiandaca to "restrict" access to its opinions for the client only, the CITY.

14 42. Further, the CITY explicitly commanded Fiandaca to only appraise the hangers and
15 ignore the "underlying land and site improvements", all constructed by Plaintiffs. Clearly the CITY
16 was manipulating its appraisal from the outset in an effort to include only some of Plaintiffs'
17 improvements, but not the costliest ones, such as a concrete slab covering tens of thousands of
18 square feet which included, sewer, electrical and plumbing lines, and hookups.

19 43. Despite the CITY's manufactured appraisal Fiandaca came back with an opinion that
20 just the hangers were worth \$1,227,389 minus what the appraiser described as depreciation of
21 \$405,038 for a total value of the hangers of \$822,351.

22 44. As typical of the CITY, the appraisal had more unusual aspects. First, the appraiser only
23 appraised 22,800 square feet yet Plaintiff was being charged for *53,658 square feet*. Rent was based
24 exclusively on square footage. As part of the concealment from Plaintiffs, Fiandaca personnel never
25 set foot within airport boundaries as Plaintiffs were occupying the premises at the time of the
26 appraisal.

27 45. The Fiandaca appraiser confessed that he was using only one of three possible evaluation
28 methodologies, the Cost approach. He did not use the Market or Income Approaches. Given that the
CITY wanted the hangar complex for income its unusual that the Income approach was not used,
but Plaintiffs are informed and believes that the Income approach can increase the value, beyond
Cost approach, of a commercial property based on rents. Consequently, the choice of method was a
further design to lower the value of the property the CITY wanted to steal.

1 46. The Fiandaca appraisal report to the CITY was signed on November 6, 2020. After
2 reception the CITY personnel did not provide the report to Plaintiffs or advise it that such a report
3 had been commissioned regarding their personal property.

4 47. Plaintiffs eventually secured the Fiandaca appraisal in a demand to CITY pursuant to the
5 California Public Records Act, which forced the CITY to provide the appraisal, and other
6 documents.

7 48. But the CITY was not done evaluating what they were planning to take from Plaintiffs.

8 49. On August 17, 2022, the CITY received correspondence and an appraisal from BTI
9 Appraisal ("BTI"), an appraisal company commissioned by the CITY to appraise Plaintiffs'
10 property.

11 50. In BTI's appraisal its appraisers, the Chairman and Senior Vice President of BTI,
12 provided an opinion that Plaintiffs' property and improvements were worth \$3,570,278, less
13 \$714,056 in depreciation, for a final value of \$2,856,222.

14 51. While BTI appears to have evaluated the entire property and its improvements, hanger,
15 maintenance and office, the square footage evaluated amounted again to 22,956. As before, this was
16 a great difference from the 53,658 square feet Plaintiff had been paying rent to the CITY for almost
17 twenty years.

18 52. After the CITY received the BTI appraisal in August of 2022 at no time did any CITY
19 personnel provide the report to Plaintiffs or advise it that such a report had been commissioned on
20 their personal property. Plaintiffs eventually secured the BTI appraisal in a demand of CITY
21 pursuant to the California Public Records Act, which forced the CITY to provide it, and other
22 documents.

23 53. But appraisals were not enough for the CITY. They wanted to calculate the revenue they
24 could extract from their new hanger complex they intended to take from Plaintiffs.

25 54. From late in 2020 through the winter months and into Spring of 2021 CITY personnel
26 worked to identify all the revenue they could generate once they acquired the hanger complex. And
27 they had some of these discussions via email.

28 55. Carl Bruce Shaffer, CITY Airport Supervisor at the time, and Tim Sullivan, CITY
Assistant Director of Facilities and Services at the time, exchanged emails regarding the potential
revenue. In an email dated December 15, 2020, Shaffer estimated that COYOTE AVIATION's
hangers could generate at least \$87,552 annually at the beginning. The COYOTE office would
generate potentially another \$10,500 for a total of almost \$100,000. Given that the Plaintiffs' lease

1 had frequent rent increases the rent the CITY could secure by taking Plaintiffs' property would
2 greatly increase over time.

3 56. Previously the CITY had commissioned a study of the airport and its income generating
4 options. Entitled "Redlands Municipal Airport Business Plan", the CITY had an exhaustive study
5 done in 2016, only a few years before they engineered a dispute with Plaintiffs regarding the exercise
6 of an option to extend the lease. The report is one hundred and forty-nine pages long and identifies
7 different ways the CITY can generate income.

8 57. Part of the Report identifies the ability of the CITY to generate income through the
9 construction of hangers which would then be leased out to individuals and entities. The report
10 identifies this as a "priority".

11 58. However, the challenge identified in the Report was that grant funding for hanger
12 construction was sporadic at best and never sufficient to cover the capital outlay needed. Further,
13 construction costs typically exceed \$3 million and debt service on that amount was excessive.
14 Further, whether the CITY has enough in their budget to cover construction costs was also
15 problematic.

16 59. Consequently, the Report recommended acquiring hangers that had been privately
17 constructed by individuals and entities, such as Plaintiffs', which the CITY could then lease out and
18 capture that revenue. The plan was so blatant as to disenfranchising Plaintiffs the Report actually
19 had a picture of the Plaintiffs' hanger complex next to the recommendation by the CITY for
20 "acquiring" private hangers. It appears the CITY personnel read the Report closely, for in a matter
21 of a few short years the CITY moved to take Plaintiffs' personal property and deny them access to
22 it.

23 60. On November 6, 2023, Plaintiffs, through its legal counsel, sent a Demand Letter to the
24 CITY, its Council, Clerk, and the Redlands Airport Advisory Board. Contained therein was a further
25 demand of the CITY to grant Plaintiffs "...the permit they have previously requested to dismantle
26 and remove the hangers and improvements to the property." The correspondence also demanded, in
27 the alternative, to begin negotiations to resolve and settle the dispute.

28 61. At no time since November 6, 2023, has the CITY approved the permit for removal or
allowed Plaintiffs to remove its personal property, the hanger complex and all its improvements.

62. Despite the efforts of Plaintiffs' counsel the CITY has refused to discuss settlement
between the parties in a professional manner.

63. On January 3, 2024, Plaintiffs served the Redlands City Clerk, and its City Council, with

1 a government claim filed pursuant to the California Government Claims Act. The claim included
2 facts of the offenses, prospective legal claims, damages estimate, individuals and entities that were
3 involved and potentially liable, and applicable law.

4 64. On February 16, 2024, the CITY, through its claim's administrator George Hills,
5 responded to the government claim of Plaintiff and denied it.

6 65. Towards the end of March 2024 Plaintiffs were evicted by the CITY from the premises.
7 Shortly after the eviction CITY removed and damaged personal property of Plaintiffs, to wit the
8 Coyote Aviation signage that was affixed to the hanger complex and other items.

9 66. Removal of the sign and damage to other aspects of the Plaintiffs' personal property by
10 CITY was without notice to Plaintiffs. Upon demand by Plaintiffs the CITY returned the very
11 expensive signage which had been severely damaged by the CITY's actions.

12 67. Defendants' conduct alleged herein, particularly as to their refusal to allow or permit
13 Plaintiffs Gil and Carol Brown from recovering personal property they spent considerable time,
14 money and effort creating. The hangar complex was a lifelong dream of theirs and required
15 extraordinary effort to realize. The actions by Defendants have caused extreme severe and severe
16 emotional distress.

17 68. The actions of Defendants, the hometown city of Plaintiffs and their agents the other
18 defendants, of stealing the Browns' personal property without any compensation was intentional or
19 reckless and so extreme to exceed all bounds of decency in a civilized community.

20 **FIRST CAUSE OF ACTION**

21 **CONVERSION**

22 **(All Plaintiffs Against All Defendants)**

23 69. Plaintiffs reallege and incorporate herein the allegations set forth in paragraphs 1
24 through 68 by reference.

25 70. Defendants, despite their mandatory duties including the issuance of permits necessary
26 to effectuate duties owed under the contractual agreement and to perform the contract, which created
27 a special relationship between Defendants and Plaintiffs - continue to wrongfully exercise control
28 over Plaintiffs' personal property, to wit the COYOTE AVIATION hangar complex.

71. Plaintiffs have a right to possess its personal property, to wit the COYOTE AVIATION
hangar complex, as it was responsible for its complete construction and all improvements on barren
land.

72. Defendants have substantially interfered with Plaintiffs' personal property by knowingly

1 and intentionally refusing to return the COYOTE AVIATION hangar complex and all
2 improvements after Plaintiffs have demanded its return, which mandatory duty Defendants
3 repeatedly failed to exercise in order to discharge Defendants' duty.

4 73. Plaintiffs did not consent to Defendants' unlawful actions.

5 74. Plaintiffs were harmed by the loss of their personal property.

6 75. The fair market value of the lost personal property, to with the COYOTE AVIATION
7 hangar complex and all improvements exceeds \$3 million.

8 76. However, the COYOTE AVIATION hangar complex has a peculiar value to Plaintiffs
9 as previously expressed herein, the design, construction and idea was personal in nature to the
10 owners of Plaintiffs' corporation as they are avid aviation enthusiasts. Further, Gil and Carole
11 Brown, shareholders of COYOTE AVIATION, personally handled all phases of the design,
12 negotiations, and construction of the hangar complex.

13 77. Defendant CITY by its actions could and should be considered a "willful wrongdoer"
14 that has made every effort to convert or steal the personal property of Plaintiffs and to frustrate
15 Plaintiffs' attempts to secure its personal property. Defendant's machinations were done in secret
16 and involved financial calculations that Defendant CITY would secure once they unlawfully seized
17 Plaintiffs' property.

18 78. Defendants' conduct was a substantial factor in causing harm to Plaintiffs.

19 79. Defendants LAWSON, CROCKER, AND BOATMAN and each of them, committed
20 the acts alleged herein oppressively, maliciously, and fraudulently, with the wrongful intention of
21 injuring Plaintiffs, from an evil and improper motive amounting to malice, and in conscious
22 disregard of Plaintiffs' rights. Consequently, Plaintiffs seeks an award of punitive and exemplary
23 damages, pursuant to California Civil Code § 3294, against Defendants LAWSON, CROCKER,
24 AND BOATMAN in an amount according to proof.

25 **SECOND CAUSE OF ACTION**

26 **BREACH OF CONTRACT**

27 **(By Plaintiff COYOTE AVIATION Against All Defendants)**

28 80. Plaintiff realleges and incorporates herein the allegations set forth in paragraphs 1
2 through 79 by reference.

81. Plaintiff COYOTE AVIATION and CITY entered a contract, attached hereto, for the
lease of land, to wit a "ground lease", at the Redlands Municipal Airport.

82. Plaintiff COYOTE AVIATION did all, or substantially all, of the significant things that

1 the contract required of it to do.

2 83. Defendant CITY did something that the contract prohibited it from doing, to wit CITY
3 refused to allow Plaintiff to remove its personal property, the COYOTE AVIATION hanger
4 complex, from the Redlands Municipal Airport specifically allowed in Paragraph 21.1 of the
5 contract.

6 84. As a result of Defendants' breach of contract Plaintiff was harmed.

7 85. Defendants' breach of contract was a substantial factor in causing Plaintiff's harm.

8 86. Defendants LAWSON, CROCKER, AND BOATMAN aided and abetted Defendant
9 CITY's breach of contract with full knowledge of the existence of the contract between the Plaintiff
10 and CITY.

11 **THIRD CAUSE OF ACTION**

12 **SPECIFIC PERFORMANCE**

13 **(By Plaintiff COYOTE AVIATION Against Defendant CITY)**

14 87. Plaintiff realleges and incorporates herein the allegations set forth in paragraphs 1
15 through 86 by reference.

16 88. Plaintiff COYOTE AVIATION realleges and incorporates herein the allegations set
17 forth in paragraphs 1 through 83 by reference.

18 89. Plaintiff COYOTE AVIATION alleges, in the alternative to money damages, the request
19 for equitable relief herein.

20 90. As noted herein a contract exists between the parties which mandates removal of all
21 improvements and alterations, specifically Paragraph 21.1 of the lease states in full: "Immediately
22 upon the expiration of the Term or earlier termination of the Lease, Tenant shall peaceably and
23 quietly vacate the Property and deliver possession of the same to City, *with all of Tenant's
24 improvements and alterations removed from the Property and with the Property
25 surrendered in the same or better condition as it existed at the time of approval of this Lease.*"
(Emphasis added.)

26 91. Given the refusal of the Defendant CITY to allow Plaintiff's performance to return the
27 property in the same or better condition as it existed at the time of approval of the Lease, Plaintiff
28 has no adequate legal remedy now available and only intervention by the court can allow Plaintiff
to recover its property.

92. Plaintiff COYOTE AVIATION has performed all the conditions of the contract that are
required to be performed by Plaintiff except for the removal of all alterations and improvements that

1 Defendant CITY has refused to allow Plaintiff to perform. Plaintiff is ready and willing to perform
2 this last term of the agreement and has applied for a permit to do so which has been denied by
3 Defendant CITY.

4 93. Defendant CITY, by its actions have intended to frustrate Plaintiff's compliance with the
5 contract existing between the parties in an effort to steal personal property of the Plaintiff worth
6 over \$3 million. Intervention by the court is thus necessary to prevent such a violation of law.

7 94. In addition, Plaintiff COYOTE AVIATION is aware that Defendant CITY has begun
8 renting/leasing out the personal property of Plaintiff, to wit the hanger complex, to third parties and
9 securing monies from such unlawful activities. At no time did Defendant CITY contract with
10 Plaintiff COYOTE AVIATION to use its property for a commercial enterprise nor does any
11 contractual agreement exist between the parties that would allow for such unlawful use of Plaintiff's
12 property. Defendant CITY's unlawful behavior is essentially acting as a *squatter* in Plaintiff's
13 property and renting out that which they do not own.

14 95. Defendant CITY should have performed on the contract between the parties and granted
15 the permit applied for by Plaintiff. Due to City's refusal to grant Plaintiff's permit, in an effort to
16 steal Plaintiff's property, Plaintiff is entitled to the reasonable rental value of the hanger complex,
17 and the actual rents/monies Defendant CITY has secured by renting out property it did not own.
18 Reasonable rental value is easily ascertainable from the leases already in place at the Redlands
19 Municipal Airport and the new leases that have been unlawfully secured for the Plaintiff's hanger
20 complex.

21 **FOURTH CAUSE OF ACTION**

22 **NEGLIGENCE**

23 **(All Plaintiffs Against All Defendants)**

24 96. Plaintiffs reallege and incorporate herein the allegations set forth in paragraphs 1
25 through 95 by reference.

26 97. Plaintiffs are informed and believe, and thereon allege, that the Defendants owed to
27 Plaintiffs a duty (1) of reasonable care; (2) to abstain from injuring the property of Plaintiffs or
28 infringing upon any of Plaintiffs' rights including under the contractual agreement; and (3) to avoid
deception (*Civ. Code* § 1708.)

98. LAWSON, CROCKER, and BOATMAN were at all times relevant employees of the
CITY, and acting within the scope of their employment for which CITY is vicariously liable under
Gov. Code §815.2.

1 99. Defendants negligently, carelessly, and wrongfully failed to use reasonable care, and to
2 execute ministerial duties to respond to Plaintiffs' requests for permits and to remove their
3 belongings from the property after receiving these requests and demands from Plaintiffs, which
4 created a special relationship between Defendants and Plaintiffs.

5 100. By doing so, the Defendants affirmatively created, contributed to, or increased the risk
6 of harm that led to Plaintiffs' injuries.

7 101. Plaintiffs are informed and believe, and thereon allege, that Defendants, and each of
8 them, negligently and carelessly failed to exercise reasonable care and diligence to permit Plaintiffs
9 to remove their property; and by preventing Plaintiffs from minimizing and mitigating their
10 damages, which could have been prevented by reasonable efforts on behalf of LAWSON,
11 CROCKER, BOATMAN, and the CITY, all of which duties were owed to Plaintiffs.

12 102. Plaintiffs are informed and believes, and thereon allege that the damages suffered by
13 PLAINTIFFS occurred because of the negligence of LAWSON, CROCKER, and BOATMAN, and
14 each of them.

15 103. As a direct and proximate result of the negligence of Defendants, and each of them,
16 it is herein alleged that PLAINTIFFS has incurred damages in an amount to be proven at trial.

17 104. Defendants LAWSON, CROCKER, AND BOATMAN and each of them, committed
18 the acts alleged herein oppressively, maliciously, and fraudulently, with the wrongful intention of
19 injuring Plaintiffs, from an evil and improper motive amounting to malice, and in conscious
20 disregard of Plaintiffs' rights. Consequently, Plaintiffs seeks an award of punitive and exemplary
21 damages, pursuant to California Civil Code § 3294, against Defendants LAWSON, CROCKER,
22 AND BOATMAN in an amount according to proof.

23 **FIFTH CAUSE OF ACTION**

24 **INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

25 **(Plaintiffs Gil Brown and Carol Brown Against All Defendants)**

26 105. Plaintiffs reallege and incorporate herein the allegations set forth in paragraphs 1
27 through 104 by reference.

28 106. Defendants engaged in extreme and outrageous conduct with the intent to cause, or with
reckless disregard for the probability of causing, emotional distress by their actions. Those actions
include but are not limited to refusing the pleas of Gil and Carol Brown to allow them to recover
their personal property, by altering and damaging Gil and Carol Brown's personal property and by

1 Defendants converting the personal property of the Browns to their own use by renting out the
2 hangar lease, as well as many other facts which evinced at least a reckless disregard for the
3 probability of causing emotional distress.

4 107. As a result of Defendants actions Plaintiffs Gil Brown and Carol Brown suffered
5 extreme or severe emotional distress.

6 108. Defendants' extreme and outrageous conduct was the actual and proximate cause of
7 Plaintiffs' extreme or severe emotional distress as the CITY denied the permit which would allow
8 the Plaintiffs to recover their property and the Defendants openly converted Plaintiffs' property for
9 their own illicit use.

10 109. Defendants LAWSON, CROCKER, AND BOATMAN and each of them, committed
11 the acts alleged herein oppressively, maliciously, and fraudulently, with the wrongful intention of
12 injuring Plaintiffs, from an evil and improper motive amounting to malice, and in conscious
13 disregard of Plaintiffs' rights. Consequently, Plaintiffs seeks an award of punitive and exemplary
14 damages, pursuant to California Civil Code § 3294, against Defendants LAWSON, CROCKER,
15 AND BOATMAN in an amount according to proof.

16 **PRAYER FOR RELIEF**

- 17 1. For compensatory damages in an amount, to be proven at trial;
- 18 2. Pursuant to the Conversion claim, the full market value of the converted property plus
19 interest, at the legal rate, from the date of conversion;
- 20 3. Pursuant to the Conversion claim and in the alternative to fair market value damages,
21 damages sufficient to indemnify Plaintiff for all loss that is the natural, reasonable, and
22 proximate result of Defendant CITY's wrongful conduct;
- 23 4. Pursuant to the Conversion claim, fair compensation for the time and money properly
24 expended in pursuit of the property, to wit the hanger complex;
- 25 5. Pursuant to the Conversion claim, all compensation for pain, suffering and emotional
26 distress;
- 27 6. For special, incidental, and or consequential damages according to proof, to be proven
28 at trial;
7. In the alternative to money damages, an order that Defendant CITY and its agents
specifically perform the contract, Paragraph 21.1, and allow the removal of all
improvements and alterations so that the property is surrendered in the same or better

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- condition as it existed at the time of approval of this Lease;
- 8. In addition to an order for specific performance, any reasonable or actual rents secured by Defendant CITY as of the date the contract should have been performed by Defendant CITY to present;
- 9. For exemplary or punitive damages according to proof, to be proven at trial;
- 10. For prejudgment interest;
- 11. For attorney's fees as allowed in the contract between the parties;
- 12. For costs of the suit;
- 13. For any such other and further relief as the Court deems just and equitable.

DATED: June 13, 2024

PACHECO & NEACH, PC

By: 

Rod Pacheco
David J. Sire, Jr.
Nataly Rahmo
Attorney for Plaintiffs,
COYOTE AVIATION CORPORATION;
GIL BROWN; CAROL BROWN

EXHIBIT A

EXHIBIT A

Recorded in Official Records, County of San Bernardino, Larry Walker, Recorder

Doc No. 20000351727
2:25pm 09/27/00

Recording requested by
and when recorded mail to:

City Clerk
City of Redlands
PO Box 3005
Redlands, CA 92373

No Fee

699

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FEES NOT REQUIRED
PER GOVERNMENT CODE
SECTION 6103

LEASE OF PROPERTY
LOCATED AT REDLANDS MUNICIPAL AIRPORT

This lease agreement for property located at the Redlands Municipal Airport ("Lease") is made and entered into this 5th day of September, 2000, by and between the City of Redlands, a municipal corporation ("City"), and Coyote Aviation, a Nevada corporation ("Tenant").

RECITALS

Whereas, City is the owner of certain real property commonly known as the Redlands Municipal Airport which is generally located at 1633 Sessums Drive, Redlands, California (the "Airport"); and

Whereas, Tenant has made a proposal to lease certain property located at the Airport for the purpose of constructing and operating an aviation complex, and City desires to lease such property to Tenant, all on the terms and conditions hereinafter set forth; and

Whereas, Tenant and City previously entered into a lease of the property identified herein and located at the Airport on April 4, 2000, and the parties now wish to rescind that lease and enter into this new lease in its place;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City of Redlands and Coyote Aviation hereby agree as follows:

AGREEMENT

1. Premises. City hereby leases to Tenant that certain real property located at the Airport consisting of approximately 36,000 square feet and which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

2. Term. This lease shall remain in full force and effect until April 4, 2020 at which time it shall terminate, unless extended as otherwise provided herein.

2.1 Tenant shall have two (2) successive options for extending the Term of this Lease for periods of fifteen (15) additional years each. Provided Tenant is in compliance with all terms of the Lease, Tenant may exercise such options by providing written notice to City forty-five (45) days prior to the termination date of this Lease. Any extension of the Term of this Lease pursuant to this section shall be on the same terms and conditions contained in this Lease.

3. Rent. During the Term of this Lease, Tenant shall pay to City annual base rent in the sum of five thousand seven hundred twenty-four dollars (\$5,724.00) for the Property (the "Rent"). The Rent shall be increased every three-year period on the anniversary date of this Lease by the percentage increase in the Consumer Price Index for Los Angeles - Riverside - Orange Counties. The Rent shall be paid to City in equal monthly installments, each installment payable in advance on the first day of each month during the Term of this Lease. Rent for any partial month, if applicable, shall be prorated based on the actual number of days of the month. All Rent shall be paid to City at the following address: City of Redlands, P.O. Box 3005, Redlands, CA 92373. Any Rent payment not received by City by 5:00 p.m. on the tenth day of the month in which it is due shall incur a late charge of twenty-five dollars (\$25).

3.1 Notwithstanding any other provision of this Lease, the Rent required to be paid by Tenant shall be subject to adjustment at the commencement of the 30th year of the Term of this Lease (if Tenant exercises the first option provided for in this Lease). The adjustment in Rent shall be based upon an appraisal of the fair market rental value of the Property, and shall be applicable to all square footage of the Airport then leased by Tenant under this Lease, and any other Lease resulting from Tenant's exercise of the options granted by this Lease. Notwithstanding any other provision of this Lease, the adjustment pursuant to this subsection shall not exceed ten percent (10%) of the then-existing rent.

4. Option for Additional Property. During the Term of this Lease, Tenant shall have the following two options to lease additional property located at the Airport:

A. For a period of five (5) years terminating on April 4, 2005, Tenant shall have the right to additionally lease, at the rate of \$0.159 per square foot, the property consisting of approximately 17,658 square feet and more particularly described in Exhibit "B," attached hereto and incorporated herein by reference. Such rent shall be subject to automatic increases every third year during the term of such additional lease by the percentage increase in the Consumer Price Index for Los Angeles - Riverside - Orange Counties.

B. For a period of ten (10) years terminating on April 4, 2010, Tenant shall have the right to additionally lease, at the rate of \$0.159 per square foot, the property consisting of approximately 45,603 square feet and more particularly described in Exhibit "C," attached hereto and incorporated herein by reference. Such rent shall be subject to automatic increases every third year during the term of such additional lease by the percentage increase in the Consumer Price Index for Los Angeles - Riverside - Orange Counties.

5. Security Deposit. Tenant has deposited with City a security deposit equal to three (3) months Rent in the sum of one thousand four hundred thirty one dollars (the "Security Deposit"). If at any time during this Lease any of the Rent payable by Tenant to City becomes overdue, City may in its sole discretion apply the Security Deposit to the payment of the overdue Rent. In such event, Tenant shall promptly, on receipt of written demand by City, restore the amount of the Security Deposit so applied. Tenant's failure to restore the Security Deposit within fifteen (15) days after receipt of the written demand of City shall constitute a material breach of this Lease.

5.1 Should Tenant at any time during this Lease default in the performance of any of the terms, covenants or conditions of this Lease, City may, after terminating this Lease, apply any portion of the Security Deposit, up to the whole amount of the Security Deposit, to compensate City for damages caused by Tenant's breach.

5.2 Should Tenant fully and faithfully perform all the terms, covenants and conditions of this Lease, City shall, on expiration or earlier termination of this Lease, return the full amount of the Security Deposit, without interest, to Tenant in accordance with the provisions of California Civil Code Section 1950.7.

6. No Partnership of Joint Venture. Nothing in this Lease shall be construed to cause City, in any way or for any purpose, to be a partner, joint venturer or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this Lease be construed to authorize either party to act as agent for the other.

7. Termination. Either party may terminate this Lease as provided below:

7.1 City may terminate this Lease upon Tenant's failure to cure any Tenant Event of Default within thirty (30) days after City provides by certified mail, return receipt requested, written notice of default to Tenant setting forth in general terms the action necessary by Tenant to cure the Event of Default. As used herein, "Tenant Event of Default" shall mean nonpayment of Rent, or any portion thereof, Tenant's failure to construct and complete the improvements required to be made by Tenant under this Lease, the occurrence of any of the events described in Section 24 of this Lease, or any other material breach of any obligation imposed on Tenant under this Lease. City may additionally terminate this Lease for any other cause recognized by law.

7.2 Tenant may terminate this Lease upon City's failure to cure any City Event of Default within thirty (30) days after Tenant provides by certified mail, return receipt requested, written notice of default to City, setting forth in general terms the action necessary to cure the Event of Default. As used herein, "City Event of Default" shall mean the material breach of any obligation imposed upon City under this Lease.

8. Use of Property. The Property shall be used by Tenant for operation of an aviation complex and specifically the sole purposes described in the "construction and aviation operations plan" attached hereto as Exhibit "D" which is incorporated herein by this reference. Tenant shall not use the Property, or any part thereof, for any other purpose without the prior written consent of City.

8.1 Notwithstanding any other provisions of the Lease, Tenant shall not engage in the construction of fuel storage tanks, operate any fuel storage facilities or sell any fuel, without the prior written consent of City through written amendment to this Lease.

8.2 Tenant shall not commit, nor permit to be committed, any waste upon the Property, or any nuisance or other act which disturbs the quiet enjoyment of any other tenant at the Airport.

9. Environmental Laws. Tenant shall not engage in any activity on or about the Property that violates any Environmental Law and Tenant shall promptly, at Tenant's sole cost and expense, take all investigatory and remedial actions reasonably required by City, or required by any government agency, for clean-up and removal of any contamination involving any Hazardous Material created, caused or materially contributed to, either directly or indirectly, by Tenant. The term "Environmental Law," as used herein, shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Property, including without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601 et. seq. (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et. seq.; (iii) California Health and Safety Code Section 25100 et. seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et. seq.; (v) The Federal Water Pollution Control Act, 33 U.S.C. Section 1151 et. seq.; (vi) The Porter-Cologne Water Quality Control Act, California Water Code Section 13000 et. seq.; and (vii) California Civil Code Section 3479 et. seq., as such laws are amended from time to time, and the regulations and administrative codes applicable thereto. The term "Hazardous Material," as used herein, includes without limitation any material or substance which is (a) defined or listed as a "hazardous waste," "extremely hazardous waste," "restrictive hazardous waste" or "hazardous substance," or considered a waste, condition of pollution or a nuisance under the Environmental Laws; (b) petroleum or a petroleum product or fraction thereof; (c) asbestos; and/or (d) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto to construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Tenant shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986. Tenant shall further provide prompt written notice to City of the existence of any Hazardous Substances on the Property and all notices of violations of Environmental Laws received by Tenant. Tenant shall not bring onto, create, or dispose of, any Hazardous Substances or Material in or about the Property, including without limitation the release or disposal of such Hazardous Substances or Material into the sewage or storm drain systems.

10. Compliance with Laws. Tenant shall, at Tenant's sole cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, both federal and state, and county, including those requiring improvements to the Property, relating to any use and occupancy of the Property (and specifically not limited to any particular use or occupancy by Tenant), whether those statutes, ordinances, regulations and requirements are now in force or are

subsequently enacted. If any license, permit or other government authorization is required for the lawful use or occupancy of the Property or any portion of the Property, Tenant shall procure and maintain the same throughout the Term of this Lease. The judgment of any court of competent jurisdiction, or the admission by Tenant in a proceeding brought against Tenant by any government entity, that Tenant has violated any such statute, ordinance, regulation or requirement shall be conclusive as between City and Tenant and shall constitute a material breach of this Lease and grounds for termination of this Lease by City.

11. Discrimination Prohibited.

11.1 Against Persons. Tenant shall not, either in the performance of its obligations under this Lease, or otherwise in the conduct of its operations or other use of the Airport, discriminate or permit discrimination against any person or class or persons by reason of race, color, creed, religion, sex, marital status, national origin or ancestry, or in any other manner prohibited by the Federal Aviation Regulations.

11.2 Price Discrimination. Tenant shall furnish its accommodations and/or services on a fair, equal and non-discriminatory basis to all users thereof, and Tenant shall further charge fair, reasonable and non-discriminatory prices for each unit of service.

11.3 Accommodations Discrimination. Tenant shall make its accommodations and services available to the public on fair and reasonable terms and shall not discriminate on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry, or in any other manner prohibited by the Federal Aviation Regulations.

11.4 Judicial Enforcement Against Discrimination. Tenant's non-compliance with Sections 11.1, 11.2 and 11.3, above, constitutes a material breach of this Lease and City shall have the right to terminate this Lease or, at the election of City, have the right to judicially enforce the provisions of Sections 11.1, 11.2 and 11.3.

11.5 Non-Discrimination Clauses Binding on Successors. Tenant shall insert the substance of the four (4) preceding subsections (Sections 11.1, 11.2, 11.3, and 11.4) in any lease or sublease by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Property.

12. Maintenance and Repairs.

12.1 At all times during the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, keep and maintain the Property in clean, good and sanitary order, condition and repair. By taking possession of the Property, Tenant accepts them as being in good and sanitary order, condition and repair, and shall surrender the Property on the last day of the Term, or at any sooner termination of this Lease, in the same condition as the Property existed at the commencement of the Term, reasonable wear and tear excepted.

12.2 At all times during the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall do all of the following:

A. Make all alterations, additions, or repairs to the Property and any improvements located thereon required by any law, ordinance, statute, order or regulation now or hereafter made or issued by any federal, state, county, local or other government agency or entity;

B. Observe and comply with all laws, ordinances, statutes, orders and regulations now or hereafter made or issued respecting the Property or any improvements on the Property by any federal, state, county, local or other government agency or entity;

C. Defend, indemnify and hold City free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Tenant's failure to comply with and perform the requirements of this Section.

13. Tenant Improvements

13.1 Tenant is responsible for all construction of any improvements made to the Property, including but not limited to the installation of any trade improvements or trade fixtures which Tenant requires to operate its business at the Property. Tenant shall prepare plans and specifications for all improvements to be installed, and shall submit such plans to City for its review and approval prior to commencement of any construction of Tenant's improvements. "Construction" is defined as any modification, addition, alteration, change or deletion from the existing physical or structural condition of the Property. Tenant's work shall be performed by Tenant in accordance with plans and specifications approved by the City, and Tenant shall have the sole responsibility to arrange for and pay for the costs of all items included in Tenant's work. Tenant shall give City ten (10) days prior

written notice before commencing any construction requiring building permits at the Property. All construction work required or permitted by this Lease, shall be done in a good and workmanlike manner, and in compliance with all applicable laws and ordinances, regulations and orders of government authority and insurers of the Property. City may inspect the work at all reasonable times.

13.2 Before commencing any improvement work, Tenant shall:

- A. Obtain all required licenses and permits;
- B. Deliver to City the name of all contractors and subcontractors and the estimated costs of all labor and material to be furnished by them;
- C. Cause Tenant's contractors to obtain worker's compensation insurance, public liability insurance with limits of one million dollars (\$1,000,000.00) and property damage insurance with limits of five-hundred thousand dollars (\$500,000.00), both general and vehicular, written by companies licensed and admitted to do business in the State of California, insuring City and Tenant as well as the contractors, and;
- D. Deliver to City certificates of insurance, naming City, and each of its elected officials, officers and employees as additional insureds, and providing that such insurance shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. The insurance shall not be canceled without thirty (30) days' prior written notice to City. At all times Tenant shall keep the Property free and clear from any and all mechanics' or other creditor's liens.

14. Taxes. Tenant shall pay, without abatement, deduction or offset, any and all real and personal property taxes, general and special assessments, and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the Term of this Lease by any government agency or entity on or against the Property, any improvements located on the Property, and any personal property located on or in the Property or improvements, and the leasehold estate created by this Lease.

15. Possessory Interest. In accordance with California Revenue and Tax Code Section 107.6, City is hereby notifying Tenant that the leasehold interest created by this Lease may be subject

to property taxation and Lessee may be subject to the payment of property taxes levied on such interest. Tenant shall be solely responsible for the payment of such taxes and shall defend, indemnify and hold City harmless from and against any and all claims or actions for payment (or non-payment) of such taxes.

16. Utilities. Tenant shall pay for all public and other utilities and related services rendered or furnished to the Property, including without limitation water, gas, electricity, rubbish, cable television, sewer and telephone service. City shall not be liable in damages, consequential or otherwise, nor shall there be any abatement of rent, arising out of any interruption in utility services due to fire, accident, strike, governmental authority, acts of nature, or other causes beyond the reasonable control of City, or any temporary interruption in utility services necessary to make alterations, repairs or improvements to the Property or any part of them.

17. Signs. Tenant shall not place or permit to be placed, any sign, marquee, awning, decoration or other attachment on or to the roof, canopy, storefront, windows, doors or exterior walls of the Property, except with the prior, written consent of City. All proposed signs shall conform to all City laws.

18. City Business License Required. Tenant shall obtain and maintain a valid business license to do business within City at all times during the Term of this Lease.

19. Entry by City. City may enter the Property upon reasonable notice and at reasonable times for any of the following purposes: (i) to inspect the Property; or (ii) to post notices of non-responsibility for alterations, additions or repairs undertaken by Tenant. City's entry shall be without any abatement of Rent to Tenant. Tenant shall, at all times during the Term of this Lease, provide City with keys to all locks on exterior doors and the alarm code for all buildings, if any.

20. Assignment and Subletting.

20.1 Tenant shall not assign this Lease or any interest under it, nor lease or sublet all or any part of, or any right or privilege appurtenant to, the Property, nor shall Tenant permit the occupancy or use of any part of the Property by any other person, or mortgage or hypothecate the leasehold without first obtaining the prior written consent of City. City agrees not to unreasonably withhold any such consent, provided that the proposed assignee or subtenant shall use the Property

in a manner in compliance with this Lease, and in a manner that does not interfere with the quiet enjoyment of any other tenant at the Airport.

20.2 Any assignment or transfer of this Lease, or of any interest herein, or any subletting or hypothecation, either by voluntary or involuntary action of Tenant or by operation of law, or otherwise without the express, written consent of City, shall constitute a default by Tenant and any such purported assignment, transfer, subletting or hypothecation without City's consent shall be null and void and may, at City's election, result in the immediate termination of this Lease.

20.3 City's consent to any assignment, subletting, transfer of interest, occupancy, use or hypothecation shall not relieve Tenant from any of its obligations under this Lease, nor shall such consent be construed as consent to any subsequent assignment, subletting, transfer of interest, occupancy, use or hypothecation. Prior to giving its consent, if any, for any assignment, subletting, transfer of interest, occupancy, use or hypothecation of the Lease, City shall be fully and completely satisfied that the assignee or subtenant is of the same class and quality of business as tenant, holding all valid licenses, with a substantial history of profit-making, sound capitalization, sound management and business practices.

20.4 In the event City consents to the assignment of this Lease, then such assignment may include all of Tenant's rights hereunder, including without limitation any rights of Tenant acquired hereafter by amendment of this Lease.

21. Surrender of Possession and Holding Over.

21.1 Immediately upon the expiration of the Term or earlier termination of the Lease, Tenant shall peaceably and quietly vacate the Property and deliver possession of the same to City, with all of Tenant's improvements and alterations removed from the Property and with the Property surrendered in the same or better condition as it existed at the time of approval of this Lease.

21.2 If Tenant fails to vacate and deliver possession of the Property on the expiration or earlier termination of this Lease, as required under subparagraph A above, Tenant shall defend, indemnify and hold City harmless from all damages resulting from Tenant's failure to so vacate and deliver possession of the Property, including, without limitation, claims made by a succeeding tenant

resulting from Tenant's failure to vacate and deliver possession of the Property and any Rent lost by City.

✓ 21.3 If Tenant, with City's consent, remains in possession of the Property without negotiating a new lease, the continued possession by Tenant shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' written notice given at any time by either party. All provisions of this Lease, except those pertaining to the Term, shall apply to the month-to-month tenancy.

21.4 Tenant shall vacate and deliver possession of the Property free of all liens, charges or encumbrances resulting from any act or omission on Tenant's part and free and clear of all violations placed by any federal, state, municipal, or other authority, and shall defend and indemnify City against any claims, damages, loss, expense, costs or attorney's fees arising out of Tenant's failure to do so.

22. Waiver of Claims and Indemnification of City by Tenant. Tenant shall defend and indemnify and hold City and City's elected officials, officers, employees, free and harmless from any and all liability, claims, loss, damages or expenses resulting from Tenant's occupation and use of the Property, specifically including, without limitation, any liability, claim, loss, damage or expense arising by reason of the following:

22.1 The death or injury of any person including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatsoever while that person or property is in or on the Property or in any way connected with the Property or with any of the improvements or personal property on the Property;

22.2 The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, caused or allegedly caused by either (1) the condition of the Property or some building or improvement on the Property, or (2) some act or omission on the Property of Tenant or any person in, on, or about the Property with the permission and consent of Tenant;

22.3. Any work performed on the Property or materials furnished to the Property at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant; or

22.4 Tenant's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on Tenant or the Property by any duly authorized government agency or political subdivision.

22.5 City, and its elected officials, officers, employees, representatives and agents shall not be liable to Tenant, Tenant's officers, agents, employees, customers, invitees, or third parties for loss of or damage to property, including goods, wares, and merchandise, for lost profits, for injury or death to persons in, on, or about the Property, and Tenant waives and releases City and its elected officials, officers, employees, representatives and agents, and agrees to defend, indemnify and hold harmless the City, and its officers, employees, representatives and agents from and against any and all claims, actions, demands, lawsuits or other liability arising as a result of, or in connection with, the Tenant's operations pursuant to this Lease, no matter how arising or by whom caused, except for the loss or damage as may be caused by the gross negligence or willful act or omission of City, or its officers, employees, representatives or agents.

22.6 Tenant shall maintain in full force and effect during the Term of this Lease, at Tenant's sole cost and expense, sufficient insurance from a California licensed and admitted insurance company, as provided in Section 23 herein.

23. Insurance. Tenant shall, at its sole expense, procure and maintain during the Term of this Lease a policy of insurance as required by the State of California for workers' compensation, and a policy of public liability insurance that is reasonably acceptable to City. Tenant shall provide copies of such insurance policies to City prior to Tenant's occupancy of the Property. The amounts of the liability insurance shall not be less than \$2,000,000 for single limit coverage applying to bodily and personal injury and property damage. Furthermore, the following endorsements shall be attached to the liability policy:

A. The policy shall cover property damage and wrongful death as well as bodily injury.

B. The policy shall cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier's standard endorsement as to bodily injuries, personal injuries wrongful death and property damage.

C. The policy shall afford broad form property damage liability.

D. The policy shall name City, its elected officials, officers and employees as additional insureds.

E. The policy shall include an endorsement which states that the coverage is primary insurance with respect to City and non-contributing to any insurance or self-insurance maintained by City.

F. The policy shall contain an endorsement stating that the policy shall not be canceled or modified without thirty (30) days' prior written notice to City.

24. Default By Tenant. The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:

A. The vacation or abandonment of the Property by Tenant. Abandonment is herein defined to include, without limitation, any absence by Tenant from the Property for five (5) business days or longer while in default of any provision of this Lease or any failure by Tenant to keep the Property open for business for fifteen (15) consecutive business days without the prior written consent of City.

B. The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged as bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at

the Property or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days.

C. The use of the Property for any purpose other than as specifically authorized by this Lease.

24.1 In the event of any default by Tenant, City shall also have the right, with or without terminating this Lease to re-enter the Property and remove all persons and property from the Property; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Property by City pursuant to this Section shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant, or unless the termination thereof is decreed by a court of competent jurisdiction; provided, however, that City may, at any time thereafter, elect to terminate this Lease for such previous and uncured breach by notifying Tenant in writing that Tenant's right to possession of the Property has been terminated.

24.2 All rights, options and remedies of City contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and City shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by City of any rent or other payments due hereunder or any omission by City to take any action on account of such default if such default persists or is repealed, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of City to or of any act by Tenant requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent or approval to or of any subsequent similar acts of Tenant.

24.3 Nothing in this Section shall be deemed to affect Tenant's indemnity of City for liability or liabilities based upon occurrences prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease. Such covenants of indemnification shall survive the termination of this Lease.

25. Notices. Any notice required by this Lease shall, unless otherwise specified in this Lease, be served by deposit in the United States mail with first-class postage prepaid, addressed to

the person and address listed below, unless written notice is provided of a change of address as to either party.

Tenant: Gil Brown and Jerjes Y. Saliba
COYOTE AVIATION
15 Meadowbrook Lane
Redlands, California 92374

City: CITY OF REDLANDS, CITY CLERK
35 Cajon Street, Suite 200
PO Box 3005
Redlands, California 92373

26. Waiver. No waiver by either party of any breach of any condition or covenant of this Lease shall be deemed a waiver of any subsequent breach of the same or any other condition or covenant.

27. Modification and Amendment. This Lease may not be amended or modified except as expressly provided in this section. Any amendment, modification, waiver, consent or acquiescence with respect to any provision of this Lease shall be set forth in writing and duly executed by or on behalf of the party to be bound thereby.

28. Attorney Fees. If any action is commenced to enforce or interpret the terms or conditions of this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled under law.

29. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

30. Integration. This Lease represents the entire and integrated agreement between the parties hereto with respect to the subject matter hereof, and supersedes any and all prior negotiations, representations, agreements and understandings, whether written or oral, between the parties with respect to the subject matter contained herein.

31. Incorporation by Reference. All exhibits attached to this Lease shall be deemed incorporated into the Lease by the individual reference to each such exhibit, and all exhibits shall be deemed part of this Lease as though set forth in full.

32. Severability. Wherever possible, each provision of this Lease shall be interpreted in such a manner as to be valid under applicable law. If any provision of the Lease, or the application of it to any person or circumstances, is determined by a court of competent jurisdiction to be unenforceable, such provision shall be severed from and shall not affect the remainder of this Lease.

33. Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

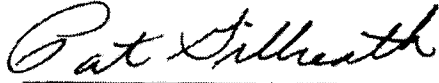
34. Binding Effect. All terms, covenants, and conditions of this Lease shall be binding on and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, and in the case of Tenant, all amounts due and payable under this Lease shall be the obligation of the heirs, executors, administrators, and assigns, regardless of the time period to which these amounts relate. Nothing in this Section shall be deemed to permit any assignment, subletting, occupancy, or use contrary to the provisions contained in this Lease.

35. Time is of the Essence. Time is of the essence with respect to the performance of this Lease and each and every provision herein.

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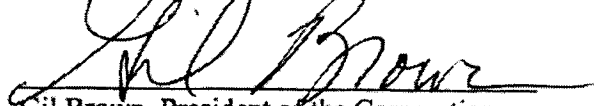
WHEREFORE, the parties have executed this Lease on the 5th day of September, 2000.

CITY OF REDLANDS



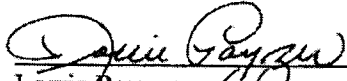
Mayor

COYOTE AVIATION



Gil Brown, President of the Corporation

Attest:



Lorie Poyzer,
City Clerk, City of Redlands

Attest:



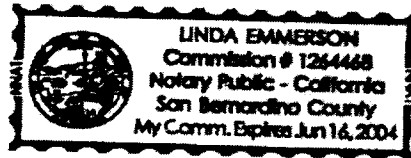
Secretary of the Corporation

STATE OF CALIFORNIA }
COUNTY OF } ss.

On 9-8-00 before me, Linda Emmerson

Notary Public for the State of California, personally appeared Eva Saliba
~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity,
and that by his signature on the instrument the person, or the entity upon behalf of which the person acted,
executed the instrument.

WITNESS my hand and official seal.



Linda Emmerson
Notary Public

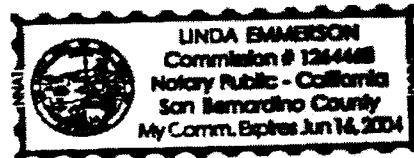
(Notary Seal)

STATE OF CALIFORNIA }
COUNTY OF } ss.

On 9-11-00 before me, Linda Emmerson

Notary Public for the State of California, personally appeared Gil Brown
~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity,
and that by his signature on the instrument the person, or the entity upon behalf of which the person acted,
executed the instrument.

WITNESS my hand and official seal.



Linda Emmerson
Notary Public

(Notary Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

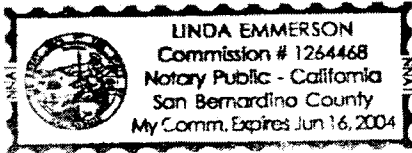
State of California

County of San Bernardino

On 9/6/00 before me, Linda Emmerson, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Pat Gilbreath and Lorrie Poyzer
Names of Signer(s)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in ~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Linda Emmerson
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Lease of Property Located at Redlands Municipal Airport

Document Date: 9/5/00 Number of Pages: 24

Signer(s) Other Than Named Above: Gil Brown and Eva Saliba

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Exhibit "A"

LEASE PARCEL FOR COYOTE AVIATION - PHASE I

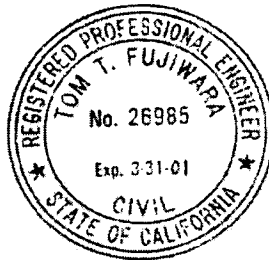
That portion of Lot 1, Tract No. 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps, in the City of Redlands, County of San Bernardino, State of California, more specifically described as follows:

Beginning at the northeast corner of Lot 1, Tract 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps; thence southerly along the east lot line of said Lot 1, South $0^{\circ} 03' 49''$ East 322.91 Feet to a point on the northerly right-of-way line of Sessums Drive, said point also being the southeast corner of said Lot 1; thence westerly along said northerly right-of-way line, South $89^{\circ} 55' 00''$ West 107.85 Feet; thence leaving said right-of-way line North $0^{\circ} 11' 28''$ West 25.46 Feet; thence South $89^{\circ} 48' 32''$ West 409.21 Feet; thence North $0^{\circ} 11' 28''$ West 74.00 Feet; thence South $89^{\circ} 48' 32''$ West 62.50 Feet to the True Point of Beginning;

Thence South $0^{\circ} 11' 28''$ East 100.00 Feet; thence South $89^{\circ} 48' 32''$ West 360.00 Feet; thence North $0^{\circ} 11' 28''$ West 100.00 Feet; thence North $89^{\circ} 48' 32''$ East 360.00 Feet, more or less, to the True Point of Beginning.

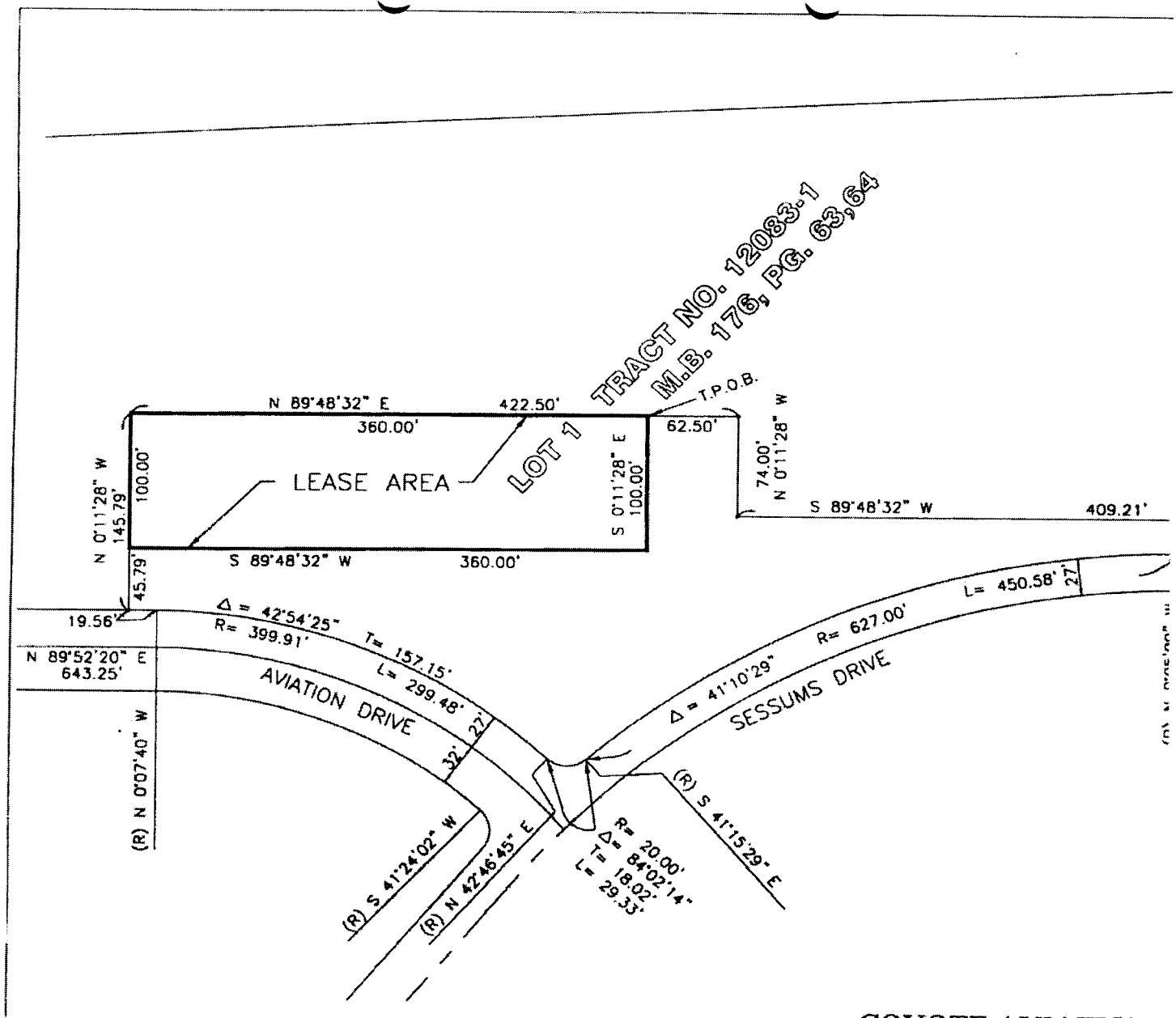
Described parcel contains 0.8264 Acres (36,000 s.f.)

TTF: (05/31/00)
COYOTE AVIATION



Tom T. Fujiwara

TRACT NO. 12083-1
 M.B. 176, PG. 63, 64



COYOTE AVIATION I

06/05/00 TTF

Exhibit "B"

LEASE PARCEL FOR COYOTE AVIATION - PHASE II

That portion of Lot 1, Tract No. 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps, in the City of Redlands, County of San Bernardino, State of California, more specifically described as follows:

Beginning at the northeast corner of Lot 1, Tract 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps; thence southerly along the east lot line of said Lot 1, South $0^{\circ} 03' 49''$ East 322.91 Feet to a point on the northerly right-of-way line of Sessums Drive, said point also being the southeast corner of said Lot 1; thence westerly along said northerly right-of-way line, South $89^{\circ} 55' 00''$ West 107.85 Feet; thence leaving said right-of-way line North $0^{\circ} 11' 28''$ West 25.46 Feet; thence South $89^{\circ} 48' 32''$ West 409.21 Feet; thence North $0^{\circ} 11' 28''$ West 74.00 Feet, to the True Point of Beginning;

Thence South $0^{\circ} 11' 28''$ East 127.00 Feet; thence South $89^{\circ} 48' 32''$ West 422.50 Feet, thence North $0^{\circ} 11' 28''$ West 27.00 Feet; thence North $89^{\circ} 48' 32''$ East 360.00 Feet; thence North $0^{\circ} 11' 28''$ West 100.00 Feet; thence North $89^{\circ} 48' 32''$ East 62.50 Feet, more or less, to the True Point of Beginning.

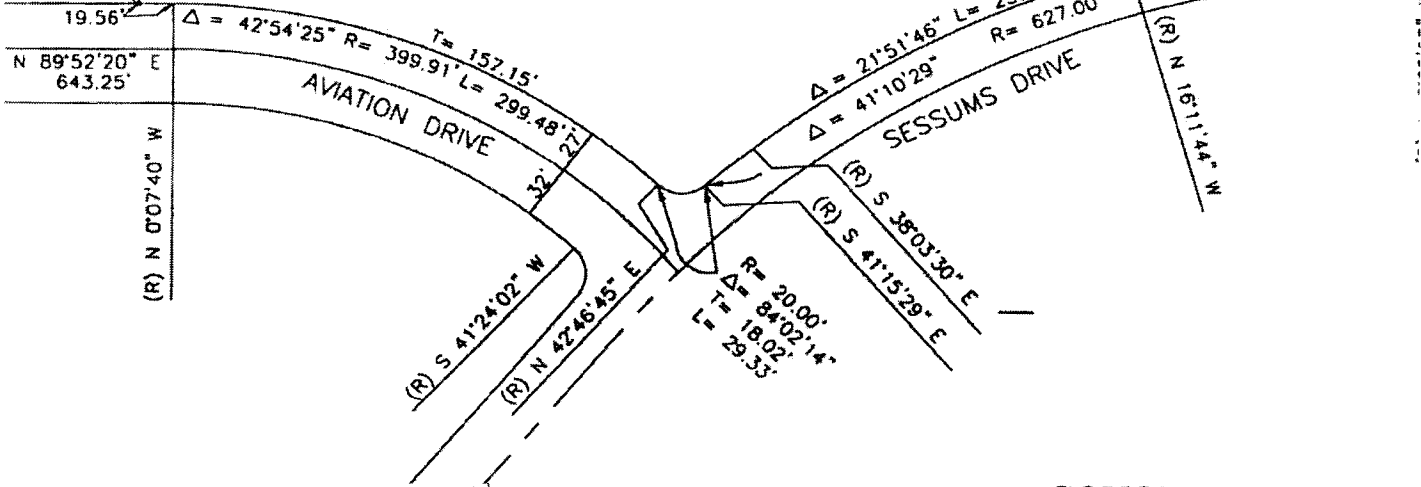
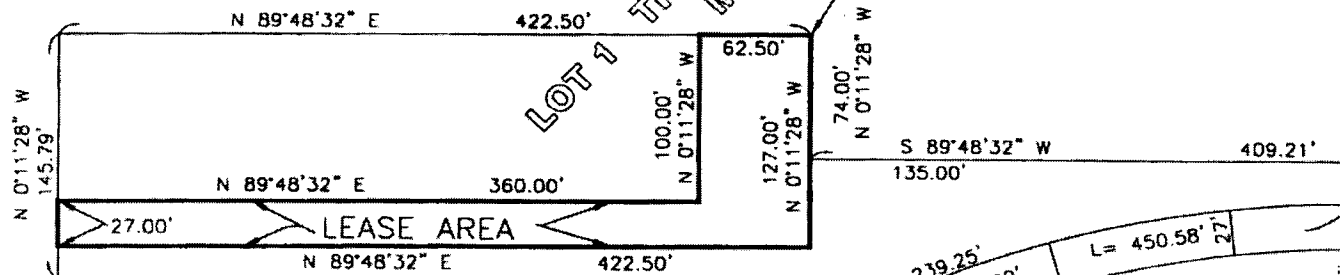
Described parcel contains 0.4053 Acres (17,657 s.f.)

TTF:08/17/00
COYOTE AVIATION



Tom T. Fujiwara

TRACT NO. 12083-1
M.B. 176, PG. 63, 64



08/17/00 TTF

COYOTE AVIATION
(PHASE II)

Exhibit "C"

LEASE PARCEL FOR COYOTE AVIATION - PHASE III

That portion of Lot 1, Tract No. 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps, in the City of Redlands, County of San Bernardino, State of California, more specifically described as follows:

Beginning at the northeast corner of Lot 1, Tract 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps; thence southerly along the east lot line of said Lot 1, South $0^{\circ} 03' 49''$ East 322.91 Feet to a point on the northerly right-of-way line of Sessums Drive, said point also being the southeast corner of said Lot 1; thence westerly along said northerly right-of-way line, South $89^{\circ} 55' 00''$ West 107.85 Feet to the True Point of Beginning;

Thence westerly along said northerly right-of-way line of Sessums Drive, South $89^{\circ} 55' 00''$ West 100.16 Feet to the beginning of a tangent 627.00-foot radius curve, concave southeasterly, a radial to which bears North $0^{\circ} 05' 00''$ West; thence continuing southwesterly along said northerly right-of-way line, along the arc of said curve, through a central angle of $41^{\circ} 10' 29''$, a distance of 450.58 Feet to the beginning of a tangent 20.00-foot radius reverse curve, concave northerly, a radial to which bears South $41^{\circ} 15' 29''$ East; thence westerly along the northerly right-of-way line of Aviation Drive, along the arc of said curve, through a central angle of $84^{\circ} 02' 14''$, a distance of 29.33 Feet, to the beginning of a tangent 399.91-foot radius reverse curve, concave southwesterly, a radial to which bears North $42^{\circ} 46' 45''$ East; thence northwesterly along said northerly right-of-way line of Aviation Drive, along the arc of said curve, through a central angle of $42^{\circ} 54' 25''$, a distance of 299.48 Feet; thence South $89^{\circ} 52' 20''$ West 19.56 Feet; thence leaving said northerly right-of-way line, North $0^{\circ} 11' 28''$ West 18.79 Feet; thence North $89^{\circ} 48' 32''$ East 422.50 Feet, thence North $0^{\circ} 11' 28''$ West 53.00 Feet; thence North $89^{\circ} 48' 32''$ East 409.21 Feet; thence South $0^{\circ} 11' 28''$ East 25.46 Feet, more or less, to the True Point of Beginning.

Described parcel contains 1.0469 Acres (45,604 s.f.)

TTF: 08/17/00
COYOTE AVIATION



Tom T. Fujiwara

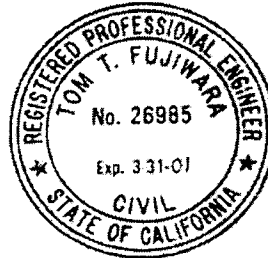
PUBLIC ACCESS EASEMENT
COYOTE AVIATION - PHASE III

A 20-foot wide Public Access Easement within that portion of Lot 1, Tract No. 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps, in the City of Redlands, County of San Bernardino, State of California, the easterly sideline of which is described as follows:

Beginning at the northeast corner of Lot 1, Tract 12083-1, filed in the County Recorder's Office of San Bernardino County in Book 176, Pages 64 and 65 of Maps; thence southerly along the east lot line of said Lot 1, South $0^{\circ} 03' 49''$ East 322.91 Feet to a point on the northerly right-of-way line of Sessums Drive, said point also being the southeast corner of said Lot 1; thence westerly along said northerly right-of-way line, South $89^{\circ} 55' 00''$ West 107.85 Feet; thence leaving said right-of-way line North $0^{\circ} 11' 28''$ West 25.46 Feet; thence South $89^{\circ} 48' 32''$ West 274.21 Feet, to the True Point of Beginning;

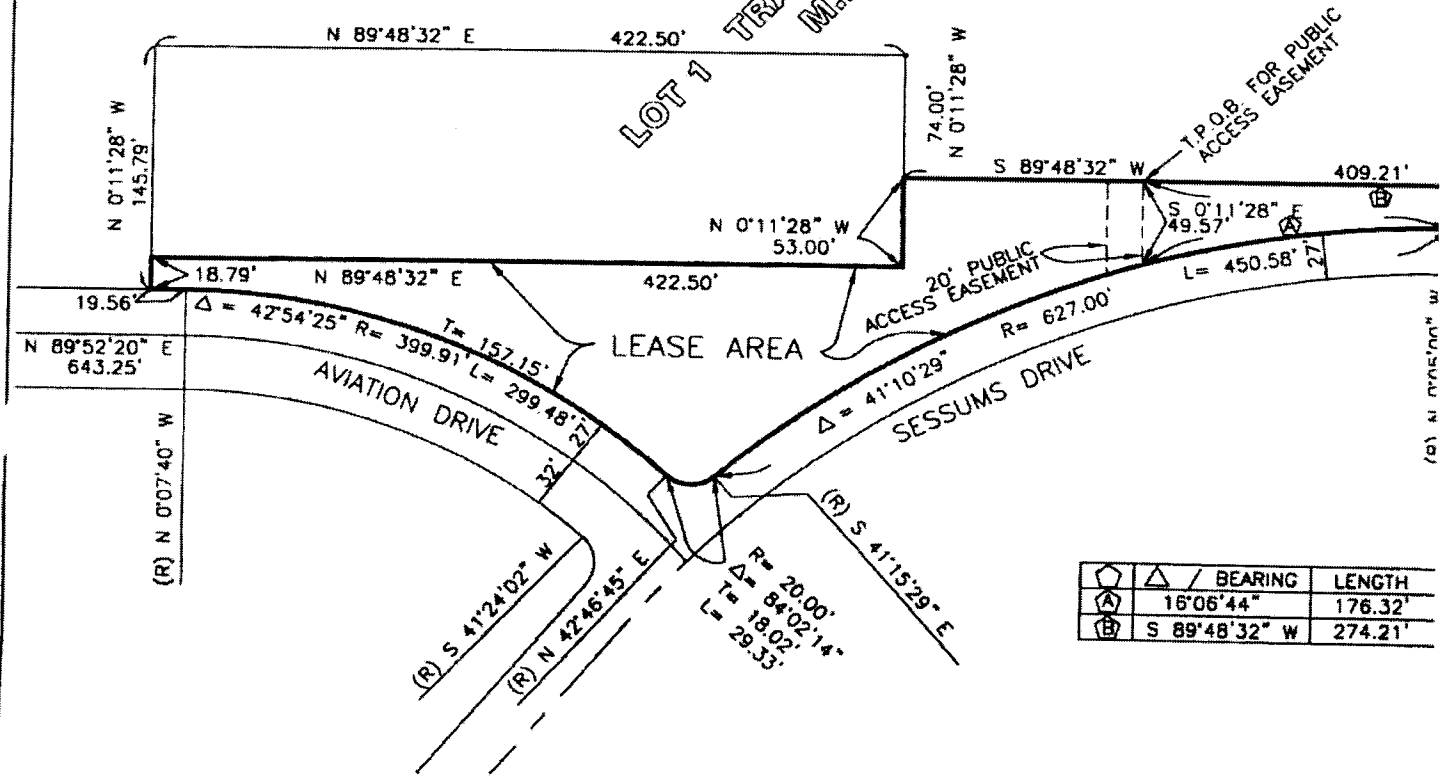
Thence South $0^{\circ} 11' 28''$ East 49.57 Feet to the terminus, said terminus being on the northerly right-of-way line of Sessums Drive. The westerly sideline of described easement is to be prolonged to intersect said northerly right-of-way line of Sessums Drive.

TTF:if 08/07/00
COYOTE AVIATION



Tom T. Fujiwara

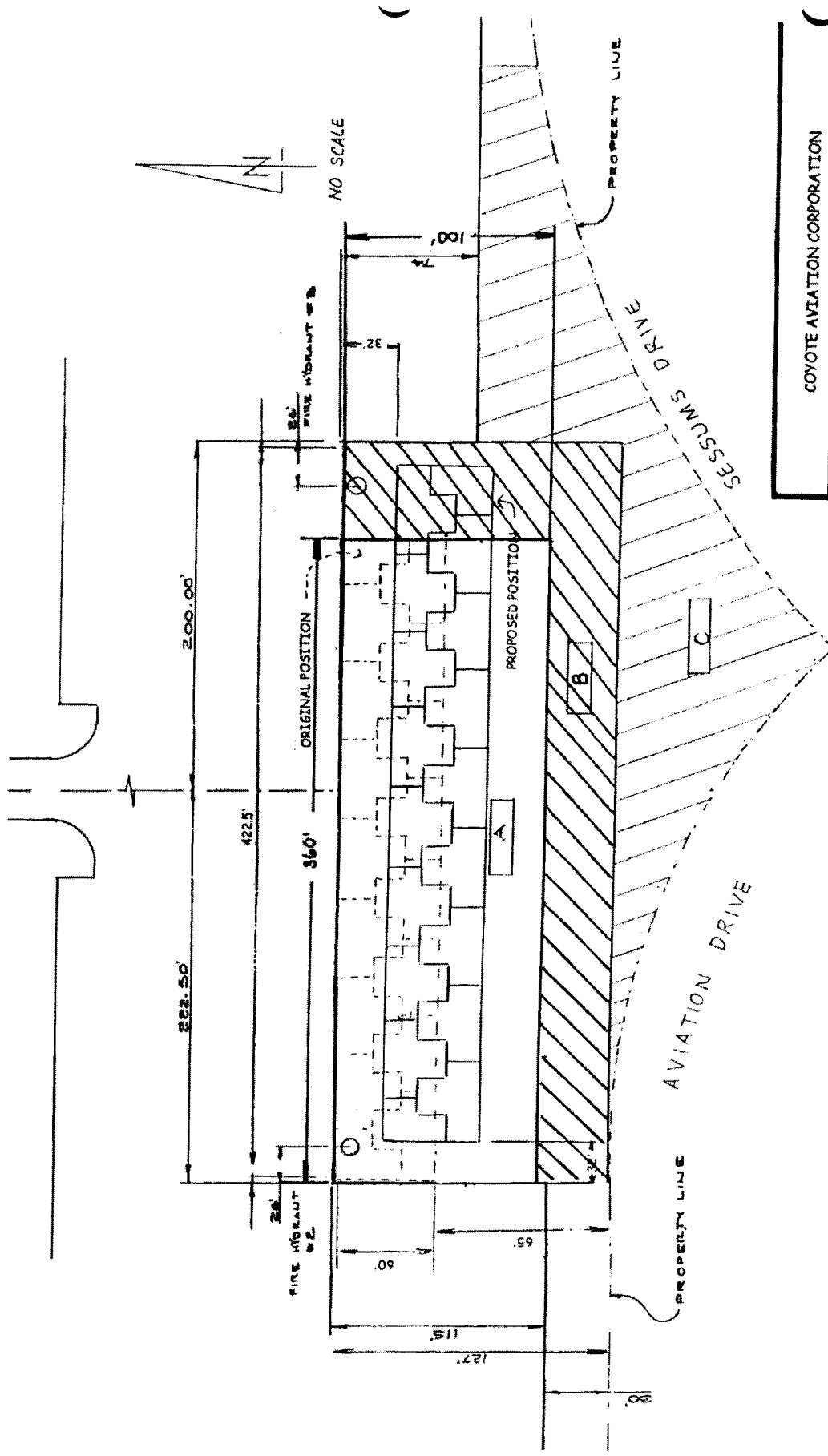
TRACT NO. 12083-1
 M.B. 176, PG. 63, 64



Symbol	BEARING	LENGTH
(A)	$16^{\circ}06'44''$	176.32'
(B)	$S 89^{\circ}48'32'' W$	274.21'

08/17/00 TTF

COYOTE AVIATION I
 (PHASE III)



COYOTE AVIATION CORPORATION	
EXHIBIT "D" - CONSTRUCTION & AVIATION OPERATIONS PLAN	
APPROVED BY	REDLANDS MUNICIPAL AIRPORT
DATE 8/1/2000	DRAWN BY JG, GB
SCALE	DRAWING NUMBER

95-00

Approved: 9/5/00

AMENDED LEASE AGREEMENT

Coyote Aviation

Use of a portion of property at Redlands
Municipal Airport for construction of an
aviation complex

Initial approval 4/4/00

ORIGINALS FILED WITH AIRPORT LEASES

EXHIBIT "D"

CONSTRUCTION AND AVIATION BUSINESS OPERATIONS PLAN

1. Operation of an Aviation Business: Tenant shall operate an aviation business which includes the use of structures for subletting to individuals with aircraft, storage of Tenant's related equipment, use of tie down areas, parking of aircraft and related uses.

2. Construction of Facilities: Within one (1) year from the commencement date of this Lease, Tenant shall construct fifteen (15) hangers comprising a hanger complex of not less than 21,500 feet, and shall construct and maintain 18,000 square feet of ramp space (consisting of a total of not less than 36,000 square feet).