

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

218



FROM: Economic Development Agency

SUBMITTAL DATE:
November 12, 2009

SUBJECT: Assignment and Assumption of Aviation Sublease at Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Consent to the Assignment and Assumption of Sublease dated October 30, 2009, from MW Properties LLC, as Assignor, and Dennis and Roya Jensen, Trustees, The Jensen Family Trust, Dated April 27, 2001, as Assignee, of the Sublease dated April 13, 2005, between Signature Flight Support Corporation, a Delaware corporation, as Sublessor and successor in interest to La Quinta FBO Two, LLC, a Delaware corporation, and MW Properties, LLC, as Sublessee;
2. Authorize the Chairman of the Board of Supervisors to execute the Consent to Assignment and Assumption of Sublease; and
3. Authorize the Assistant County Executive Office/EDA or designee to execute any additional documents required by the Consent to Assignment and Assumption of Sublease.

BACKGROUND: (Commences on page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	No

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY:
CYNTHIA M. GUNZEL
DATE: 11/24/09
Departmental Concurrence

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 01/4/04 3.20; 07/12/05 3.29; District: 4th
02/07/06 3.12

Agenda Number

3.9

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

The Economic Development Agency has received an Assignment and Assumption of Sublease dated October 30, 2009, from MW Properties LLC, as Assignor, and Dennis and Roya Jensen, Trustees, The Jensen Family Trust, Dated April 27, 2001, as Assignee, of the Sublease dated April 13, 2005, between Signature Flight Support Corporation, a Delaware corporation, as Sublessor and successor in interest to La Quinta FBO Two, LLC, a Delaware corporation, and MW Properties, LLC, as Sublessee, for the premises referred to as hangar C-23.

The Sublease is under an 18.44-acre lease between the County of Riverside, as Lessor, and La Quinta FBO Two, LLC, as Lessee, dated January 13, 2004, as subsequently amended by First Amendment to Lease and assigned to Signature Flight Corporation.

The Economic Development Agency recommends that the Board of Supervisors consent to the Assignment and Assumption of Sublease. County Counsel has reviewed the assignment agreement and the Request for Consent to Assignment of Sublease and approved the Consent as to form.

218

REQUEST FOR CONSENT TO ASSIGNMENT OF SUBLEASE

Reference is made to that certain Sublease Agreement dated as of as of April 13, 2005 by and between La Quinta FBO Two, LLC, a Delaware limited liability company, as sublessor, the predecessor in interest to Signature Flight Support Corporation, a Delaware corporation (the "Sublessor") and MW Properties, LLC, as sublessee (the "Sublessee" or the "Assignor"), for the following described premises: The premises commonly referred to as Hangar number C-23 located at the Jacqueline Cochrane Regional Airport, as described in the Sublease together with all his right, title, and interest in and to the Sublease and the Premises (as defined in the Sublease), subject to all the conditions and terms contained in the Sublease.

The Sublessor hereby requests the County of Riverside's consent to the Assignment of Sublease Agreement (the "Assignment") between the Assignor and Dennis Jensen and Roya Jensen, Trustees, The Jensen Family Trust, Dated April 27, 2001, as the new sublessee and assignee (the "Assignee"), a copy of which is attached hereto as Exhibit "A" and made a part hereof.

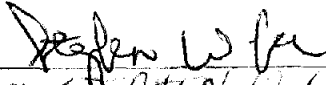
The address of the Assignee is:

54745 Riviera Drive
La Quinta, CA 92253

This request is made on _____, 2009.

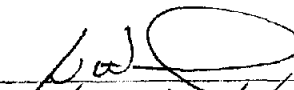
SUBLESSOR:

SIGNATURE FLIGHT SUPPORT
CORPORATION

By: 
Name: STEPHEN W. LEE
Title: C.O.O.

ASSIGNOR:


MW PROPERTIES, LLC


Name: Michael D. Linko
Title: Manager

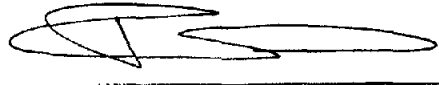
Buyer

ASSIGNEE:

DENNIS JENSEN AND ROYA JENSEN,
TRUSTEES, THE JENSEN FAMILY TRUST,
DATED APRIL 27, 2001

 , TRUSTEE

Dennis Jensen, Trustee

 , TRUSTEE

Roya Jensen, Trustee

CONSENT TO ASSIGNMENT

The County of Riverside hereby grants its consent to the Assignment, without however, waiving the restrictions contained in said Sublease with respect to any future assignments thereunder, and otherwise accepts the Assignee as the "Sublessee" under the Sublease for all intents and purposes as though Assignee was the original Sublessee thereunder.

Executed this _____ day of _____, 2009.

COUNTY OF RIVERSIDE

By: _____

ATTEST:

FORM APPROVED:

By: _____

By: *Synthia M. Gunzel*
SYNTHIA M. GUNZEL
Deputy County Counsel

EXHIBIT "A"
THE ASSIGNMENT

[Attached]

ASSIGNMENT AND ASSUMPTION OF SUBLEASE

THIS ASSIGNMENT AND ASSUMPTION OF SUBLEASE (the "Agreement"), made this 30th day of October, 2009, by and between MW Properties, LLC, hereinafter referred to as "Assignor," and Dennis Jensen and Roya Jensen, Trustees, The Jensen Family Trust, Dated April 27, 2001, hereinafter referred to as "Assignee."

WITNESSETH:

WHEREAS, Assignor holds a subleasehold estate in the land described as Unit 23, Phase II of the La Quinta Jet Center, a master planned hangar community located at Jacqueline Cochran Regional Airport, Riverside County, California, that was created by that certain Sublease dated April 13, 2005 between Signature Flight Support Corporation, a Delaware corporation ("Signature"), as successor-in-interest to La Quinta FBO Two, LLC, a Delaware limited liability company ("La Quinta"), as sublessor, and Assignor, as sublessee (the "Sublease"), which is subject to the terms of a Master Lease Agreement dated January 13, 2004, between Riverside County, California, as lessor and owner of the described property, and Signature, as successor-in-interest to La Quinta, as lessee, as amended by that certain First Amendment to Lease dated February 7, 2006, as recorded in the Official Records of Riverside County on September 4, 2008 under recording no. 20080485828 (the "Master Lease"). A copy of the Sublease is attached hereto as Exhibit A. A copy of the Master Lease is attached hereto as Exhibit B.

WHEREAS, the Assignor desires to assign all of Assignor's right, title and interest in and to, and duties and obligations under, the Sublease, and all of Assignor's right, title and interest in and to those certain leasehold improvements located thereon pursuant to the terms and conditions set forth herein below and Assignee desires to accept such assignment and assume all of the Assignor's duties and obligations under the Sublease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Assignment. Assignor hereby gives, grants, bargains, sells, conveys, transfers and sets over unto Assignee, its successors and assigns, as of the date hereof (the "Effective Date"), all of Assignor's rights under, and its interest as sublessee in and to, the Sublease.

2. Assumption. Assignee hereby accepts the foregoing assignment and, in consideration thereof, Assignee hereby covenants and agrees that, on and after the Effective Date, Assignee will assume the sublessee's duties under the Sublease arising and accruing on and after the Effective Date, and will assume, observe, perform, fulfill and be bound by all terms, covenants, conditions and obligations of the sublessee under the Sublease which arise and accrue on and after the Effective Date in the same manner and to the same extent as if the Assignee were the sublessee named therein.

3. Indemnification.

(a) Assignor hereby indemnifies Assignee, and agrees to defend and hold harmless Assignee from and against any and all liability, loss, damage and expense, including, without limitation, reasonable attorneys' fees, which Assignee may or shall incur under the Sublease by reason of any failure or alleged failure of Assignor to have complied with or to have performed, before the Effective Date, the duties of the sublessee thereunder which were to be performed before the Effective Date.

(b) Assignee hereby indemnifies Assignor, and agrees to defend and hold harmless Assignor from and against any and all liability, loss, damage and expense, including without limitation reasonable attorneys' fees which Assignor may or shall incur under the Sublease by reason of any failure or alleged failure of Assignee to comply with or to perform, on or after the Effective Date, all the duties of the sublessee thereunder which are to be performed on or after the Effective Date.

4. Successors and Assigns. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. Counterparts. This Agreement may be executed in counterparts which, when taken together, shall constitute an original document. Signatures transmitted via facsimile shall be deemed to be an original and shall constitute due execution and delivery.

[Signature Page Follows]

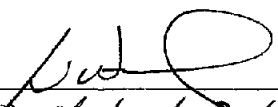
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

ASSIGNOR:

ASSIGNEE:

MW Properties, LLC

**Dennis Jensen and Roya Jensen, Trustees,
The Jensen Family Trust, Dated April 27,
2001**

By: 
Name: Michael D. Winkler
Title: Manager

By: _____
Dennis Jensen, Trustee

By: _____
Roya Jensen, Trustee

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.


ASSIGNOR:

MW Properties, LLC

By: _____
Name:
Title:

ASSIGNEE:

Dennis Jensen and Roya Jensen, Trustees,
The Jensen Family Trust, Dated April 27,
2001

By:  , TRUSTEE
Dennis Jensen, Trustee

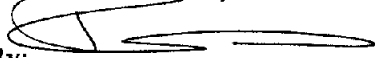
By:  , TRUSTEE
Roya Jensen, Trustee

Exhibit A

Sublease

REQUEST FOR CONSENT TO SUBLEASE

Reference is made to that certain Lease effective January 13, 2004, by and between the County of Riverside, ("County"), as Lessor, and La Quinta FBO Two LLC, a Limited Liability Company dba: Million Air La Quinta (MALQ), as Lessee, pertaining to an approximately a 7.96 acre portion of the Jacqueline Cochrane Regional Airport ("Airport").

MALQ hereby request the County's consent to Sublease by MALQ, as Sublessor, to MW Properties, LLC, as Sublessee, to that certain portion of the Premise, identified as Unit #C-23, as outlined on Exhibit "A" to said Sublease, under the terms and conditions of said proposed Sublease, a copy of which is attached hereto and made a part hereof.

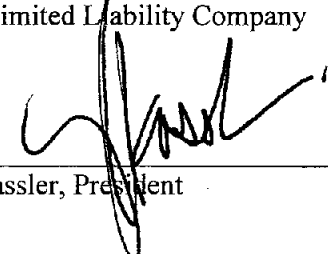
The address of the proposed Sublessee is:

MW Properties, LLC
P.O. Box 12566
Reno, NV 89510

The nature and character of the proposed Sublessee's business is as set forth in the proposed Sublease.

This request is made on May 19, 2005

La Quinta FBO Two, LLC
A Delaware Limited Liability Company

By: 
Yvonne Kassler, President

CONSENT TO SUBLEASE

THE UNDERSIGNED ^{GN} ~~PERSON~~ HEREBY CONSENT TO THE ABOVE-REFERENCED SUBLEASE

Executed this 12th day of July, 2005.

COUNTY OF RIVERSIDE

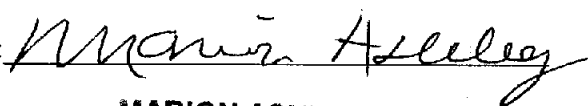
By: 
MARION ASHLEY

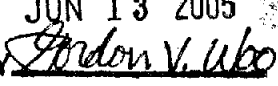
Exhibit A -

CHAIRMAN, BOARD OF SUPERVISORS

FORM APPROVED
COUNTY COUNSEL

ATTEST:
NANCY ROMERO, Clerk

By: 
DEPUTY

JUN 13 2005
BY: 

JUL 12 2005 3.29

ORIGINAL

SUBLEASE

This Sublease is made effective April 13, 2005 ("Commencement Date"), by and between La Quinta FBO Two, LLC, a Delaware limited liability company, ("FBO") DBA: Million Air La Quinta or ("Sublessor"), and MW Properties, LLC, ("Sublessee").

RECITALS

1. Sublessor is the tenant under a Lease effective December of 2003 (the "Lease" or "Master Lease"), by and between La Quinta FBO Two, LLC, a Delaware limited liability company DBA: Million Air La Quinta as Lessee and the County of Riverside ("County"), as Lessor covering an approximate 18.44 acre portion of the Jacqueline Cochrane Regional Airport. A copy of the Master Lease is attached hereto as **Exhibit "A"** and made a part hereof. (The Master Lease covers an area larger than 18.44 acres. The percentage of the rent due under the Master Lease relating to the 7.96 acre project is equal to 43.2 % of total rent under the Master Lease.)

2. Sublessor intends to sublease to Sublessee a portion of the premises covered by the Master Lease and has obtained or will obtain permission from the County to sublease to Sublessee. The hangar number applicable to such portion is **C-23** (the "Premises"). Sublessee intends to sublease such portion from Sublessor.

AGREEMENT

1.0 Premises. Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, upon the terms and conditions hereinafter set forth, the Premises, identified by the hangar number above, located at the Airport, including the real property described in **Exhibit "B"** said Premises being a portion of the premises currently leased to Sublessor under the Master Lease, to include the right to use certain portions of the Common Area as identified on **Exhibit "B"** as hereinafter further provided. "Common Area" is defined as any portion of the property referred to in Paragraph 3.2.

2.0 Term. This Sublease shall commence on the first day of the month following execution by all parties thereto, and shall terminate in accordance with the Master Lease. If the Sublessor exercises the option to extend the Master Lease as provided in Paragraph 3 of the Master Lease, then the Sublessee shall have the option to extend this sublease for a period of 10 years to coincide with the term of the Master Lease.

3.0 Use. The principal authorized use of the Premises is private, personal hangar facility and office use, and uses related thereto or associated with such private, personal occasional non-aviation related uses as may be approved by Sublessor in its sole and absolute discretion and by the County, all as set forth in Paragraph 4 of the Master Lease; as may be further restricted elsewhere in this Sublease and by the Rules and Regulations incorporated

herein by reference ("Rules and Regulations"), all as set forth below.

3.1 Authorized Use. Sublessee is authorized to use the Premises for activities attendant to its private and personal hanger operation as may be approved by Sublessor and by the County, and in accordance with the provisions of the Master Lease and this Sublease, and not in conflict with the Sublease.

3.2 Non-Exclusive Use. Sublessor grants to Sublessee, its employees, officers, patrons, and guests jointly in common with others entitled to the use thereof including Sublessor, a non-exclusive license to use the roadways and other Common Areas on the Airport, including use of the landing area and the right of aircraft ingress and egress between the Premises and landing area, to include those areas immediately contiguous to the Premises, as further depicted on **Exhibit "B"**.

4.0 Rent and Charges.

4.01 Initial Rent. Beginning on the Commencement Date, Sublessee shall pay initial rent of \$100.00 (one-hundred Dollars) per month to be paid monthly to the Sublessor at the office of Sublessor without reduction, abatement, deduction, offset or any prior demand therefor in advance of the first day of each month of the term hereof and subject to adjustment, which shall equal one twenty-five (1/25) of the amount due from Sublessor to County under the Master Lease relating to the 6 acre project area only. Payments will be made to the office of the Sublessor at 56850 Higgins Drive Thermal, CA 92274.

4.02. Non-Aviation Related Use License. If Sublessee desires or, wishes to obtain a license from the County authorizing a non-aviation related use. Any such non-aviation use must first be approved by Sublessor prior to Sublessee making application to the County for such non-aviation related use.

4.03. Annual Adjustment. The rent shall be adjusted commencing on the July 1st following the Commencement Date, and each year thereafter during the term, including any extension thereof, as provided in Section 5 of the Master Lease.

5.0 Utilities. Sublessee shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services used on or for the subleased Premises, including a pro rata share of the Common Area utilities, if any.

5.01 Common Area Payments. Sublessee shall pay on a one twenty-five (1/25) pro rata basis, all charges for all maintenance, landscaping, sweeping, to include security, common area insurance, management, and other Common Area costs to keep the Common Area in pristine condition on/or for the subleased Premises, including around the exterior of the Premises Sublessee's estimated portion of all utilities, common area sweeping, landscaping charges and other common area charges billed by Sublessor to maintain the Common Area ("Common Area Charges") are one hundred dollars (\$100.00). Said amount shall be subject to annual adjustment

on January 1st of each year following the Commencement Date.

6.0 Late Payments. If Sublessee shall fail to pay when due, any rent, amounts or charges payable by Sublessee under this Sublease or the Master Lease, then:

6.01 Interest on Past Due Obligations. Such unpaid amount shall bear interest, including common area payments, from the due date to the date of payment at the lesser of one percent (1%) per month or the maximum rate allowed under the applicable usury law.

6.02 Late Charges. Sublessee shall pay to Sublessor an additional sum of ten percent (10%) of any amount which remains due and unpaid 20 days after the due date. Sublessee acknowledges that late payment by Sublessee to Sublessor will cause Sublessor to incur costs not contemplated by this Sublease, including but not limited to, processing and accounting charges, and late charges which may be imposed upon Sublessor, and that the exact amount of such costs is extremely difficult and impracticable to fix. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublessor will incur by reason of late payment by Sublessee.

7.0 Use Conditions.

7.01 Non-Exclusive Use. To the extent granted to Sublessor in the Master Lease, Sublessor grants to Sublessee, its employees, officers, patrons and guests jointly and in common with others entitled to the use thereof, a non-exclusive license to use the roadways, and other common areas of the Airport, including the use of the landing area.

7.02 Compliance with Rules, Regulations, Ordinance, Codes and Law. Sublessee shall at Sublessee's sole cost and expense at all times during the term of this Sublease or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, codes and laws which have been or may be promulgated by Sublessor, the County, and the Rules and Regulations attached hereto, or other jurisdictions that relate to the Premises and the use of the facilities of the Airport including, all fire regulations, safety regulations, noise control regulations and security regulations. Such rules, regulations, ordinances, codes, Rules and Regulations and laws are hereby made a part of this Sublease and Sublessee's failure to keep and observe the rules and regulations shall constitute a breach of the terms of this Sublease in like manner as if the same were contained herein. Sublessor and the County reserve the right to amend or supplement the rules, regulations, ordinances, codes and laws and to adopt additional rules, regulations, ordinances, codes and laws applicable to the Premises, to Sublessee's use of the Premises, and the use of the facilities of the Airport. Sublessor shall have no obligation to Sublessee as a result of the violation of any such rules by any other person. Sublessee shall at all times obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County and any other governmental entity having jurisdiction, as the same may from time to time be amended during the term of this Sublease.

7.03 Security. Sublessee will acquaint itself with the County's security plan and all Federal Aviation Administration and other security requirements and shall at all times fully abide by the same. If Sublessor or the County is fined for any breach of security as a result of Sublessee's negligence or failure to abide by applicable security requirements, Sublessee shall reimburse Sublessor or the County, as appropriate, for such fine immediately upon demand. Sublessee shall similarly be responsible for the negligence or non-compliance of any of its assignees, subtenants or their licensees, invitees or guests.

7.04 Other Use Restrictions. Sublessee shall not commit or suffer to be committed any waste or any public or private nuisance or any other act or thing which may disturb the quiet enjoyment of any other person or organization at the Airport or upon the Premises or Common Area. Sublessee's method of lighting the Premises and its installation of all exterior light fixtures shall be subject to Sublessor's sole and absolute discretion. Sublessee shall maintain access control to the Premises in conformance with Federal Airport Security regulations, the security plan of the County and other federal and County directives and regulations that may be issued. All motor vehicles parked or operated upon the Premises or Common Area by Sublessee, its officers, employees, guests, patrons, and invitees shall be parked or operated in accordance with the County's and Sublessor's traffic and parking regulations, ordinances and other directives. Sublessee shall at all times maintain the Premises of Sublessee, as well as Common Areas used by Sublessee, in a clean condition, free from any garbage, trash, litter, oil, grease, or any other solvents or any debris not related to the use of the Premises. Any items applicable to the maintenance and support of aircraft, automobiles or related uses to Sublessee's business or office shall not be stored on the exterior of said Premises and shall not be visible from the exterior of the Premises. All maintenance of aircraft shall be at all times for the private, personal use of Sublessee and shall not be for profit, or public use, or sale.

8.0 Maintenance of Premises.

8.01 Delivery. Sublessor agrees to deliver the Premises in working order and Sublessee agrees to accept the Premises in the delivered condition without further additions, modifications or improvements by the Sublessor. Sublessee agrees that Sublessor has made no warranties or representations of any kind respecting the condition of the Premises or utilities located thereon or the use to which the Premises may be put.

8.02 Maintenance Costs. Sublessee at its sole cost and expense shall at all times maintain the Premises and all buildings, structures and improvements thereon in a good state of repair and in a safe, clean, neat and sanitary condition. In the event Sublessee fails to make any repairs required to be made by Sublessee in accordance with the terms of this Sublease, Sublessor shall notify Sublessee of such failure, if within thirty (30) days of such notice, Sublessee has failed to make such repairs, Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Should Sublessor opt to make said

repairs, Sublessor shall have the right to charge Sublessee, as additional rent due hereunder upon demand, all costs of Sublessor for making such repairs on a pro rata basis. If Sublessee fails to pay all costs to Sublessor for making repairs, Sublessor shall have the right to lien the property for said costs, to include costs of any suit together with reasonable attorneys fees. Sublessor shall have no liability to Sublessee for any damage, inconvenience or interference with the use of the Premises by Sublessee as a result of the making of any repairs made by Sublessor and the rent shall not be abated by reason thereof.

9.0 Delivery of Possession And Completion of Sublessor's Work. Sublessor shall use its good faith efforts to substantially complete the work required to be completed by Sublessor for delivery of the Premises to Sublessee, as described in **Exhibit "C"** to this Sublease (the "Sublessor's Work"). If possession of the Premises (including, without limitation, substantial completion of the Sublessor's Work) is not delivered to Sublessee on or before July 1, 2005 (the "Commencement Date"), either party may thereafter terminate this Sublease by giving written notice to the other party before such possession is delivered (except that such date shall be extended to the extent the delay in possession is caused or contributed by Sublessee, or by force majeure or "Act of God" as set forth in **Exhibit "C"**). Sublessor shall not be liable for any damage caused by any delay in delivery of possession, and, except to the extent this Sublease is terminated in accordance with the preceding sentence, the delay will not affect the validity of this Sublease. Except for any items set forth on a "punch-list" of excepted items delivered to Sublessor on or before the Rent Start Date, Sublessee shall be deemed to have (i) acknowledged that Sublessor's Work has been substantially completed, (ii) accepted the Premises in its then as-is condition with no right to require Sublessor to perform any additional work therein, except for latent defects as to which Sublessor is given written notice within 90 days after Sublessee's knowledge of their existence and except as set forth on the punch list, and (iii) waived any express or implied warranties regarding the condition of the Premises, including any implied warranties of fitness for a particular purpose or merchantability. Following the Rent Start Date, Sublessor and Sublessee shall execute a letter agreement confirming the Rent Start Date and Sublessee's acceptance of the Premises.

10.0 Alterations and Improvements. Sublessee shall not install, make, or suffer to be made, any alterations or improvements to the interior or exterior of the Premises or any part thereof without the prior written consent of Sublessor, such consent shall not be unreasonably withheld or delayed. If in accordance with good construction practices, applicable governmental requirements, the special conditions, plans and specifications approved by Sublessor. Sublessee shall comply with all construction, and labor regulations of Sublessor, and the County and shall provide reasonable insurance coverage required by Sublessor and the County, or other means of surety, to the reasonable satisfaction of Sublessor and the County shall be provided to ensure that, in the event that the Sublessee defaults and is unable to complete construction, there will be funds provided to return the Premises to the original condition and to satisfy any liens for labor and materials that may be brought for work on the Premises. All alterations or improvements performed by Sublessee shall be carried out by licensed contractors and said alterations and improvements shall be carried out in accordance with all applicable laws and regulations.

Sublessee shall at Sublessee's sole cost and expense obtain all necessary permits, licenses and authorizations in connection with the construction. Sublessee's work shall be subject to the general inspection of Sublessor and the County. Sublessee shall provide proof satisfactory to Sublessor and the County that Sublessee's contractor will (a) provide warranties for not less than one year against defects in workmanship, materials, and equipment; (b) carry or cause to be carried worker's compensation insurance covering all of the contractor's and its subcontractor's employees; and (c) carry public liability and property damage insurance which names Sublessor as an additional insured and required thirty (30) days prior written notice to Sublessor before any change in or cancellation of coverage becomes effective. The policy or policies shall contain liability limits of not less than One Million Dollars (\$1,000,000) single limit coverage. All improvements, additions to or alterations of the Premises except movable furniture and trade fixtures shall at the termination of this Sublease remain attached to and become part of the Premises and be surrendered to Sublessor, in good condition, reasonable use and wear excepted, or at the option of Sublessor shall be removed by Sublessee and the Premises restored to the same condition which existed prior to the installation of any alterations, additions or improvements. Sublessor shall have the right to post a notice of non-responsibility for liens arising out of any work performed, materials furnished and obligations incurred by Sublessee. Sublessee agrees to advise Sublessor and the County in writing at least ten (10) business days in advance of the date upon which alterations will commence in order to permit Sublessor or County to post such a notice. Sublessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Sublessee. Sublessee shall indemnify, defend and hold Sublessor and County harmless against any claim, demand, liability or expense on account of claims for work done or materials supplied for Sublessee or person claiming under it.

11.0 Damage or Destruction. If the improvements to the Premises are damaged or destroyed during the term hereof, Sublessee may repair or rebuild said improvements to the condition immediately prior to the date of damage or destruction, within sixty (60) days after the occurrence of the event causing the damage or destruction. This Sublease shall continue and Sublessee shall diligently complete the repair or rebuilding of said improvements. Sublessee shall apply any insurance proceeds received as a result of damage to the improvements to the repair or replacement of said improvements.

12.0 Condemnation.

12.01 Total Taking. If all the Premises are taken or condemned for a public or quasi-public use, this Sublease shall terminate as of the date of condemnation and Sublessee shall thereupon be released from any liability thereafter occurring hereunder.

12.02 Partial Taking. If any part of the Premises are taken or condemned for a public or a quasi-public use by an entity and there is such a major change in the character of the property as to prevent Sublessee from using the Premises in substantially the same manner as theretofore used then in such event Sublessee may terminate this Sublease as of the date of condemnation by

giving written notice to Sublessor within fifteen (15) days after the date of condemnation. If any part of the Premises are taken or condemned for a public or quasi-public use and either party does not have the power to terminate this Sublease as hereinabove set forth, then this Sublease shall continue in full force and effect except that as to the part so taken this Sublease shall terminate as of the date of condemnation and the annual rent payable hereunder shall be adjusted so that Sublessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the remaining part after condemnation bears to the value of the Premises at the date of condemnation. In the event that the parties are unable to agree upon an appropriate rate of rent, the rent shall be established by such arbitrators as may be agreed upon by the parties, or if there is no such agreement then by arbitration conducted pursuant to the then existing rules of the American Arbitration Association.

13.0 Assignments and Subleases.

13.01 Generally. No portion of the Premises or of Sublessee's interest in this Sublease may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, transfer, without the express written approval of the Sublessor. Sublessor has the right to grant or withhold its consent as provided in Section 13.05 below. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Sublease. If Sublessee is a partnership or limited liability company any cumulative transfer of more than twenty percent (20%) of the partnership or limited liability company interests shall require Sublessor's consent. If Sublessee is a corporation, any change in the ownership of a controlling interest of the voting stock of the corporation shall require Sublessor's consent.

13.02 Sublessee Affiliate. Sublessee may assign this Sublease or sublease the Premises without Sublessor's consent, to any corporation which controls, is controlled by or is under common control with Sublessee, or to any corporation resulting from the merger of or consolidation with Sublessee ("Sublessee's Affiliate"). In such case, any Sublessee's Affiliate shall assume in writing all of Sublessee's obligations under this Sublease.

13.03 No Release of Sublessee. No transfer permitted by this Article Thirteen, whether with or without Sublessor's consent, shall release Sublessee or change Sublessee's primary liability to pay the rent and to perform all other obligations of Sublessee under this Sublease. Sublessor's acceptance of rent from any other person is not a waiver of any provision of this Article Thirteen. Consent to one transfer is not a consent to any subsequent transfer. If Sublessee's transferee defaults under this Sublease, Sublessor may proceed directly against Sublessee without pursuing remedies against the transferee. Sublessor may consent to subsequent assignments or modifications of this Sublease by Sublessee's transferee, without notifying Sublessee or obtaining its consent. Such action shall not relieve Sublessee's liability under this Sublease.

13.04 First Offer to Sublessor. At all times during the term of this Sublease, prior to making any transfer of Sublessee's interest other than as provided in Paragraph 13.01 or 13.02,

any proposed transfer of the Sublease and the Premises shall first be offered to Sublessor, who shall have three (3) days to accept or reject any offer to sublease or purchase the Sublease and/or Premises. Sublessee shall provide a copy of any offer to purchase the Sublease or Premises immediately upon receipt by Sublessee.

13.05 Sublessor's Consent. Sublessee's request for consent to any transfer described in Section 13.01 shall set forth in writing the details of the proposed transfer, including the name, business of the prospective transferee, financial details of the proposed transfer (e.g., the term of and the rent and security deposit payable under any proposed assignment or sublease), and any other information Sublessor deems relevant. Sublessor shall have the right to withhold consent, or to grant consent, in its sole and absolute discretion based on the following factors: (i) the business of the proposed assignee or Sublessee (ii) and the proposed use of the Premises; and (ii) Sublessee's compliance with all of its obligations under the Sublease. Sublessor's consent to any such transfer shall not be unreasonably withheld.

13.06 No Merger. No merger shall result from Sublessee's sublease of the Premises under this Article Thirteen, Sublessee's surrender of this Sublease or the termination of this Sublease in any other manner. In any such event, Sublessor may terminate any or all subleases or succeed to the interest of Sublessee as Sublessor under any or all subleases.

14.0 Default.

14.01 Event of Default. Each of the following events shall be an event of default hereunder by Sublessee and a breach of this Sublease: (a) the failure by Sublessee to pay Sublessor any rent or other charges due under this Sublease as and when the same become due; (b) the failure by Sublessee to perform or observe any other agreements, terms, covenants or conditions, or Rules and Regulations attached hereto and made a part hereof, as such Rules and Regulations may be amended from time to time by Sublessor; (c) the filing by or against Sublessee in any court pursuant to any statute of the United States or of any state of a petition in bankruptcy or insolvency or for reorganization or arrangement or for the appointment of a receiver or trustee of all or any portion of Sublessee's property if within thirty (30) days after the commencement of any such proceedings against Sublessee or after such assignment for the benefit of creditors such petition shall not have been dismissed or such assignment shall not have been revoked; (d) the transfer of Sublessee's interest in this Sublease to any person, firm or corporation whether voluntarily or by operation of law except in the manner expressly permitted in this Sublease; or (e) vacating or abandoning the Premises by Sublessee at any time during the term hereof.

14.02 Sublessor's Remedies. In the event of default as described in section 14.01, Sublessor shall notify Sublessee in writing that Sublessee is in default, and Sublessee will then have a cure period of thirty (30) days from date of notice from Sublessor to cure such an event. Sublessor shall have the following remedies if Sublessee fails to correct default. The remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by

law. Sublessor can continue this Sublease in full force and effect. Sublessor can enter the Premises and relet them or any part of them to third parties for Sublessee's account. No act by Sublessor in reletting the Premises allowed by this section shall terminate this Sublease. In the event of Sublessee's default and Sublessor's reentering of the Premises Sublessee agrees to pay Sublessor as an additional item of damages, the cost of repairs, alterations, redecorating, Sublease commissions and Sublessor's other expenses incurred in reletting the Premises to a new tenant.

14.03 Sublessor's Default. In the event Sublessor fails to keep its Master Lease current with the County, to include failure to make any payments of rent to County as and when due, and Sublessee has been making payments directly to Sublessor, Sublessee shall have the right, after giving Sublessor thirty (30) days notice to cure, to make the payments, directly to County. If Sublessor does not cure within the applicable time period, Sublessee shall have the right to enter into a direct Lease with County.

14.04 Attorneys Fees. In the event of any action at law or in equity between Sublessor and Sublessee arising out of or concerning this Sublease or any right or obligation derived therefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party reasonable attorneys fees and costs incurred therein by the prevailing party.

15.0 Indemnity and Insurance

15.01 Waiver. This Sublease is made upon the express condition that Sublessee hereby waives all claims against Sublessor for damages to property or for injuries or death to any person or persons from any cause.

15.02 Indemnity. Sublessee hereby agrees to and shall indemnify and defend Sublessor and the County of Riverside against and hold Sublessor and the County of Riverside harmless from any and all claims, demands, actions, damages, liability and expense in connection with or for loss of or damage to property or injury or death to any person from any cause whatsoever while in, upon, or about the Premises or any such claims, demands or the like, arising from or out of any occurrence in, upon or at the Premises from or in connection with the occupancy or use by Sublessee of the Premises or any part thereof or from or in connection with the business conducted by Sublessee in the Premises or occasioned wholly or in part by any act or omission of Sublessee, its agents, contractors, employees, licensees or concessionaires.

15.03 Insurance Coverage. During the term of this Sublease including any extension or renewal thereof, Sublessee at its cost shall at all times maintain in full force and effect comprehensive public liability insurance and property damage insurance (each more particularly described below) upon the Premises and upon all aircraft, and automobiles operated by Sublessee at the Airport.

15.03. Hangar keeper's Liability (Ground Coverage). Should Sublessee's operations include care or custody of aircraft stored on the Premises, Sublessee shall maintain Hangar keeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft however, in no event shall the limit of liability be less than \$1,000,000 for which said custody is assumed while on the ground.

15.03.02 Hangar keeper's Liability (Flight Coverage). Should Sublessee's operations include care, custody or custody of aircraft stored on the Premises that will be flight tested or used in commercial flight operations, Sublessee shall maintain Hangar keeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft however, in no event shall the limit of liability be less than \$1,000,000 for which said custody is assumed while on the ground.

15.03.03 Aircraft Liability. Sublessee, and Sublessee's affiliates, sublessees, and licensees, shall maintain aircraft liability insurance which shall provide combined single limit for bodily injury and property damage for all aircraft owned, leased or operated by any of them from the Premises with minimum limits of One Million Dollars (\$1,000,000). Proof of insurance will be required to show Sublessor to be named as an additional insured.

15.03.04 Fire Insurance. Sublessee shall maintain fire insurance covering the Premises and all improvements, including protection against perils included within the classification standard fire and extended coverage together with insurance against vandalism and malicious mischief; in an amount sufficient to fully cover the replacement cost of all improvements.

15.04 Other Insurance Requirements. Sublessee, and Sublessee's affiliates, sublessees, and licensees, shall maintain any additional and applicable insurance coverage as required by the County. All policies shall name Sublessor, and the County as an additional insured. Insurance shall be with a company or companies satisfactory to Sublessor and the County in the amounts of not less than that specified herein or in minimum amounts as may be subsequently adjusted by Sublessor or the County in the exercise of their commercial business judgment and consistent with airport industry practice for similar kinds of activities. Sublessee shall at all times during the term of this Sublease, including any extension or renewal hereof, provide Sublessor and the County with a certificate from the insurance carrier or carriers insuring Sublessee as set forth therein. Insurance policies shall not be subject to cancellation except after notice to Sublessor and the County by registered mail at least thirty (30) days prior to such cancellation. Where policies have normal expirations during the term of this Sublease or any extension thereof written evidence of renewal shall be furnished to Sublessor and the County thirty (30) days prior to such expiration.

15.05 Waiver of Subrogation. The parties release each other and their respective authorized representatives from any claims for damage to any person or to the Premises and to the fixtures, personal property, Sublessee improvements and alterations by Sublessor or Sublessee in or on the Premises that are caused by or result from risks insured against under any

insurance policy carried by either party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged the other party is relieved of the obligation to obtain a waiver of subrogation right with respect to the particular insurance involved.

16.0 Hazardous Substances. The provisions of this section, which govern Sublessee's, obligations with regard to hazardous substances, as defined below, shall survive termination of this Sublease.

16.01 Responsibility for and Definition of Hazardous Substances. Sublessee agrees to indemnify, defend, protect and hold Sublessor free and harmless from and against any and all claims, liability, loss, damage, actions or causes of action, costs and expenses (including attorney's fees) arising from or in connection with the presence of any Hazardous Substances other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date. Furthermore, Sublessee shall, at Sublessee's sole cost and expense, be responsible for the receiving, use, storage, handling, transportation, generation, spillage, migration, discharge, release, and disposition of all hazardous waste, toxic substances, or related materials including, without limitation, gasoline, oil, grease, battery acid, diesel fuel, flammable, combustible, explosive, corrosive, caustic, carcinogenic or radioactive matter, or any other Hazardous Substances to the extent any such are used, stored, brought onto, located on or shipped from within the Premises in connection with Sublessee's occupancy and use thereof, in accordance with all applicable rules, regulations, orders, ordinances, statutes, codes and laws. For purposes of this Sublease, "Hazardous Substances" shall include, but not be limited to petroleum or petroleum related materials and/or substances defined as "hazardous substances", hazardous materials", "hazardous waste" or "toxic substances" in any federal, state or local laws or regulations adopted or publications promulgated pursuant to said laws (hereinafter collectively referred to as the "Laws"). Sublessee shall at Sublessee's sole cost and expense, comply fully with all requirements of the Laws applicable to Sublessee's use of the Premises and obligations contained herein.

16.02 Cleanup of Hazardous Substances. In the event of a release, leak, spill, or threatened or actual contamination or deterioration of the Premises or groundwater by a Hazardous Substance, other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date, whether the result of an act or omission of Sublessee or its agents, employees, contractors, licensees, or invitees or any other third parties, Sublessee shall, immediately notify Sublessor, the County, and all appropriate health, safety and environmental regulatory agencies. Sublessee hereby covenants and agrees to implement and complete, at its sole cost and expense, and to the satisfaction of Sublessor and the County, all investigation and remediation measures required by such agency or agencies. If Sublessee fails to

take such action, Sublessor may, but shall not be obligated, to, take such action. In such event, all costs incurred by Sublessor or the County with respect to such cleanup activities shall be for the account of Sublessee and Sublessee shall promptly make reimbursement therefore. Sublessee shall not take any remedial action in response to the presence of any Hazardous Substances in any way connected with the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying the Sublessor and the County of Sublessee's intention to do so and affording Sublessor and the County ample opportunity to appear, intervene or otherwise appropriately assess and protect its interest and respect thereto.

16.03 Hazardous Substances from Subtenants or Assignees. As between Sublessor and Sublessee, Sublessee shall bear responsibility for the presence of any Hazardous Substances as a result of a subtenant's or assignee's activities, whether before, during or after construction, in or around any part of the Premises or the soil, groundwater or soil vapor on or under the Premises. Upon demand by Sublessor, Sublessee shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against Sublessor or the County, whether alone or together with Sublessee or any other person, all at Sublessee's own cost and by counsel to be approved by Sublessor. In the alternative, Sublessor or the County may elect to conduct its own defense at the expense of Sublessee.

16.04 Compliance Regarding Hazardous Substances. Sublessee shall comply and cause all occupants of the Premises to comply with all statutes, codes, regulations, rules, ordinances, orders and other laws governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises, Sublessee's use of the Premises or of the facilities of the Airport. Sublessee acknowledges that the presence of Hazardous Substances may permanently and materially impair the value and use of the Premises.

16.05 Notice Regarding Hazardous Substances. Sublessee shall promptly notify Sublessor and the County if Sublessee knows, suspects or believes that there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the Premises, or that Sublessee or the Premises may be subject to any threatened or pending investigation by any governmental agency under any statute, code, regulation, rule, ordinance, order or other law pertaining to any Hazardous Substance.

16.06 Site Visits, Observations and Testing. Sublessor, the County, and their agents and representatives shall have the right from time to time to enter and visit the Premises to make observations of the Premises, take and remove soil or groundwater samples, and conduct tests. Sublessor is under no duty, however, to visit or observe the Premises or to conduct tests. No site visit, observation or testing by Sublessor shall result in a waiver of any default of Sublessee or impose any liability on Sublessor. In no event shall any site visit, observation or testing by Sublessor be a representation that Hazardous Substances are or are not present in, on or under the

Premises or that there has been compliance with any statute, code, regulation, rule, ordinance, order or other law pertaining to Hazardous Substances. Neither Sublessee nor any other party is entitled to rely on any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. In each instance, Sublessor shall give Sublessee reasonable notice before entering the Premises.

17.0 Sublessee Rights and Obligations. Sublessor grants to Sublessee all rights and benefits with respect to the Premises that are granted to Sublessor under the terms of the Master Lease. Sublessee assumes and agrees to perform all obligations and duties with respect to the Premises that have been assumed by Sublessor in the Master Lease. Sublessee shall have the right at any time to take any action required to be taken, but not timely taken, by Sublessor, which may be necessary to prevent or cure a default under the terms of the Master Lease. To the extent that the County fails or refuses to perform its obligations under the Master Lease with respect to the leased Premises, Sublessor shall perform such obligations. Further, Sublessor agrees not to modify or surrender the Master Lease as it relates to this Sublease and the Premises, without the prior consent of Sublessee, and any modification or surrender made without such consent shall be null and void and shall have no effect on the rights of Sublessee under this Sublease.

18.0 Notices. Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

Sublessor

La Quinta FBO Two, LLC
DBA: Million Air La Quinta
56850 Higgins Drive
Thermal, CA 92274

Sublessee

MW Properties, LLC
P.O. Box 12566
Reno, NV 89510

19.0 Taxes. In the event a possessory interest tax or property tax is levied by the appropriate County or State taxing authority, Sublessee shall be solely responsible for payment of Sublessee's pro rata share of such tax.

20.0 Protection of Lenders.

20.01 Subordination. Sublessor shall have the right to subordinate this Sublease to any deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Sublessee shall cooperate with Sublessor and any lender which is acquiring a security interest in the Premises or the Sublease. Sublessee shall execute such further documents

and assurances as such lender may require, provided that Sublessee's obligations under this Sublease shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Sublessee shall not be deprived of its rights under this Sublease. Sublessee's right to quiet possession of the Premises during the Sublease Term shall not be disturbed if Sublessee pays the rent and performs all of Sublessee's obligations under this Sublease and is not otherwise in default. If any beneficiary or mortgagee elects to have this Sublease prior to the lien of its deed of trust or mortgage and gives written notice thereof to Sublessee, this Sublease shall be deemed prior to such deed of trust or mortgage whether this Sublease is dated prior or subsequent to the date of said deed of trust or mortgage or the date of recording itself.

20.02 Attornment. If Sublessor's interest in the Premises is acquired by any beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Sublessee shall attorn to the transferee of or successor to Sublessor's interest in the Premises and recognize such transferee or successor as Sublessor under this Sublease. Sublessee waives the protection of any statute or rule of law which gives or purports to give Sublessee any right to terminate this Sublease or surrender possession of the Premises upon the transfer of Sublessor's interest.

20.03 Signing of Documents. Sublessee shall sign and deliver any instrument or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Sublessee has ten (10) days to do so after written request.

20.04 Estoppel Certificates.

20.04.01 Unless Sublessee has entered into a direct lease with the County, upon Sublessor's written request, Sublessee shall execute, acknowledge and deliver to Sublessor a written statement certifying: (i) that none of the terms or provisions of this Sublease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Sublease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Sublessor is not in default under this Sublease (or, if Sublessor is claimed to be in default, stating why); and (v) such other representations or information with respect to Sublessee.

20.04.02 If Sublessee does not deliver such statement to Sublessor within ten (10) days, Sublessor, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Sublease have not been changed except as otherwise represented by Sublessor, (ii) that this Sublease has not been canceled or terminated except as otherwise represented by Sublessor; (iii) that not more than one year's Base Rent or other charges have been paid in advance, and (iv) that Sublessor is not in default under the Sublease. In such event, Sublessee shall be estopped from denying the truth of such facts.

21.0 Time. Time is of the essence.

22.0 Entire Agreement. This Sublease contains all agreements between Sublessor and Sublessee with respect to any matter mentioned herein. This Sublease may be modified only by a writing signed by the parties in interest at the time of the modification.

23.0 Applicable Law. This Sublease shall be governed by the laws of the State of California.

24.0 No Waiver. Sublessor's waiver of any provision of this Sublease shall not be deemed a waiver of any other provision hereof, or of any subsequent breach by Sublessee of the same or any other provision. Sublessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Sublessor's consent to, or approval of, any subsequent act by Sublessee.

25.0 Partial Invalidity. The invalidity or unenforceability of any provision of this Sublease or the application thereof to any person or circumstances shall in no way affect the validity of any other provision or its application to any other person or circumstances.

26.0 Interpretation. The captions of the Sections of this Sublease are to assist the parties in reading this Sublease and are not a part of the terms or provisions of this Sublease. Whenever required by the context of this Sublease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Sublessee, the term "Sublessee" shall include Sublessee's agents, employees, contractors, invitees, successors or others using the Premises with Sublessee's expressed or implied permission.

27.0 Corporate Authority; Partnership Authority. If Sublessee is a corporation, each person signing this Sublease on behalf of Sublessee represents and warrants that he or she has full authority to do so and that this Sublease binds the corporation. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a certified copy of a resolution of Sublessee's Board of Directors authorizing the execution of this Sublease or other evidence of such authority reasonably acceptable to Sublessor. If Sublessee is a partnership or limited liability company, each person or entity signing this Sublease for Sublessee represents and warrants that he or it is a general partner of the partnership or Manager of the limited liability company, that he or she has full authority to sign for the partnership and that this Sublease binds the partnership and all general partners of the partnership. Sublessee shall give written notice to Sublessor of any general partner's or manager's withdrawal or addition. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a copy of Sublessee's recorded statement of partnership, certificate of limited partnership or Articles of Organization.

28.0 Joint and Several Liability. All parties signing this Lease as Sublessee shall be jointly and severally liable for all obligations of Sublessee.

29.0 Force Majeure. If Sublessor cannot perform any of its obligations due to events beyond Sublessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Sublessor's control include, but are not limited to, acts of God, war, terrorism, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

30.0 Execution of Lease. This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

31.0 Negotiated Agreement. The parties hereby acknowledge, agree and understand that this Sublease and its wording have been arrived at through a process of negotiation between the parties in which each party participated to the fullest extent desired by that party and that neither party is to be deemed the party who prepared this Lease or the party who caused any uncertainty to exist within the meaning of California Civil Code Section 1654.

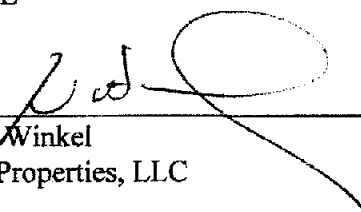
In witness whereof, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

La Quinta FBO Two, LLC,
a Delaware limited liability company
DBA: Million Air La Quinta

By  _____

LESSEE

By  _____

Mike Winkel
MW Properties, LLC

EXHIBIT A

(Attach Master Lease)

EXHIBIT B

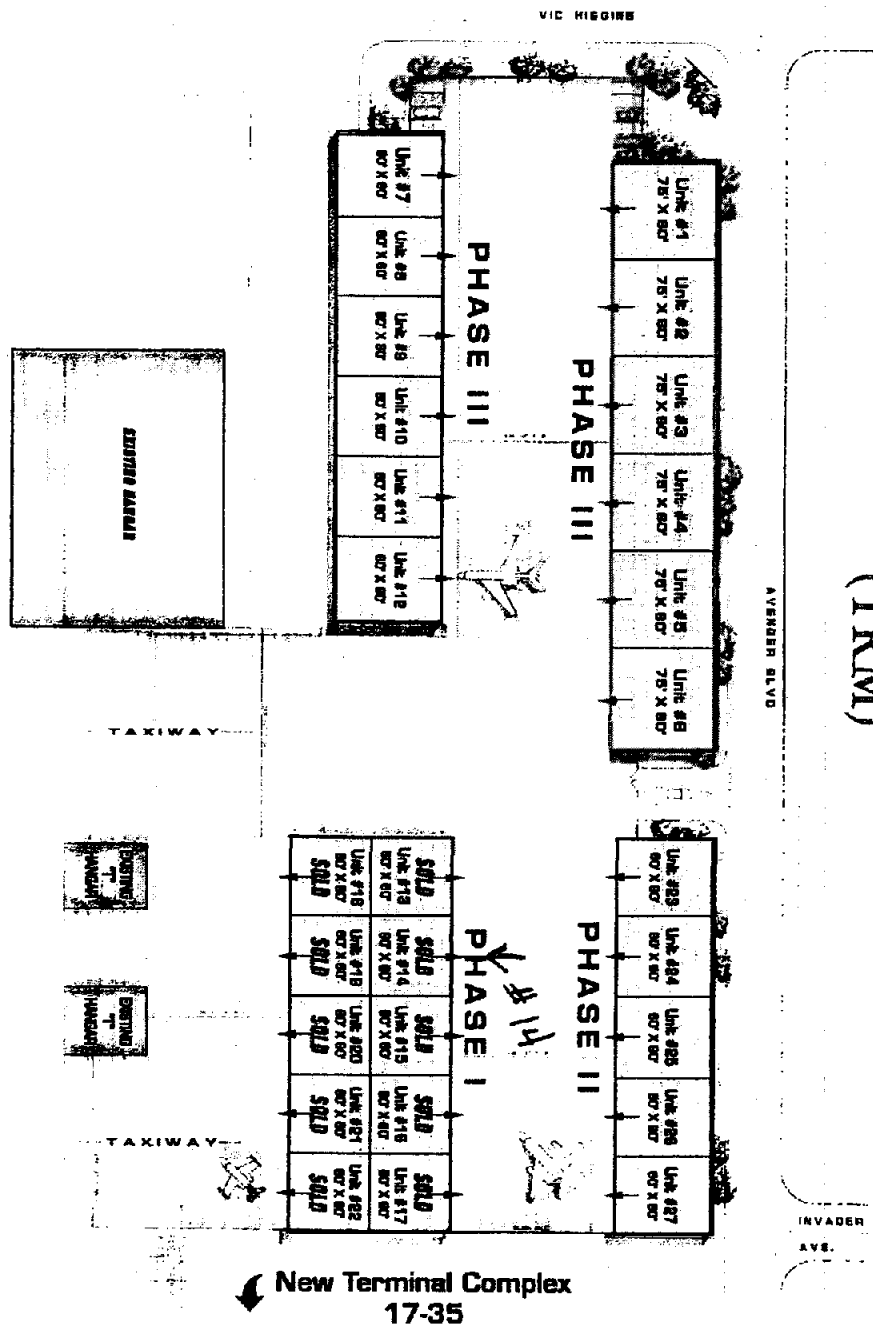
(Attach Site Plan depicting Premises and Common Area)

MILLION AIR LA QUINTA LA QUINTA JET CENTER (TRM)

Features.....

- Steel Doors
 - Fully Insulated
 - All White Interiors
 - Metal Liner Panel (No Drywall)
 - Fire Sprinklers
 - Private Gated Entrance
 - 200 Amp Electrical Panels
 - Plumbed For Water, Sewer, Phone
 - Door Height up to 28'
 - Adjacent To The New Million Air Terminal Facility
 - Accommodates Up To Gulfstream IV
 - 40 Year Ground Lease
- Options.....**
- Epoxy Floors
 - Offices, Crew Quarters, Restrooms
 - Custom Size Available to 20,000 Sq. Ft.
- Programs Available.....**
- Purchase
 - Lease
 - Management

For Information Call
Eric Affeldt or Sheryl Evans
(760) 399-1855



JACQUELINE COCHRAN REGIONAL AIRPORT

Custom Hangar Sites For
Larger Aircraft Also Available

EXHIBIT "C"

EXHIBIT C

DESCRIPTION OF SUBLESSOR'S WORK, AND SUBLESSEE'S PAYMENT THEREFOR

I. SUBLESSOR'S WORK.

Sublessor agrees to construct for Sublessee the Premises as set forth herein ("Sublessor's Work"). Sublessor has had prepared, at its sole cost and expense, plans and specifications, structural, energy, accessibility, fire and life safety calculations (if required) and Title 245 calculations (the "Plans") for the site work and improvements comprising the Premises. Sublessor's Work shall be completed in accordance with the Plans and Specifications already approved by Sublessee dated March 25, 2005, prepared by Pacific Commercial Construction. Sublessor's Work shall be completed in accordance with all applicable governing codes, in a good and workmanlike manner, utilizing first quality new materials.

Sublessor's Work shall include, but not be limited to, the following:

- A. Building slab with one 4" sewer line stubbed into the hangar and one sewer clean-out on the outside of hangar;
 - B. One concrete apron;
 - C. Stubbed utilities to the building including 3 phase electric (Sublessor will provide the disconnect), gas, water, phone and cable lines pulled to the exterior of the Building;
 - D. A basic hangar building with either one roll door or one electric bi-fold door;
 - E. Each hangar will be insulated with builder-approved, quarter-inch low E insulation with foil/white backing. White side will be exposed;
 - F. Windows will be from Window Master and will conform to the same criteria of material and color as selected for each hangar by Sublessor. Refer to specific window and door schedule for each basic hangar; and
 - G. One pergola including a small patio slab (size specific per base plan).
- In the event of a conflict between the above-referenced items and the Plans and Specification, provisions of this **Exhibit "C"** shall control.

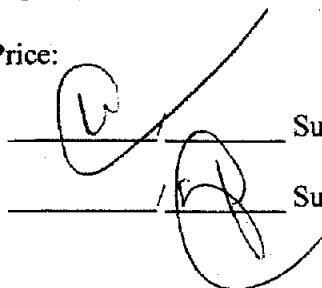
In addition to the Sublessor's Work performed pursuant to the Plans, Sublessor will install

and/or construct various improvements and/or upgrade ("Add-on") as may be requested by Sublessee and approved by Sublessor. Add-ons selected by Sublessee include those items set forth in **Exhibit C-1** attached hereto, for which Sublessee agrees to pay Sublessor the referenced expense therefor in advance of Sublessor beginning construction.

II. SUBLESSEE'S PAYMENT FOR CONSTRUCTION OF IMPROVEMENTS.

In consideration for Sublessor undertaking to construct the hangar building pursuant to the Plans, Sublessee agrees to pay to Sublessor, in addition to any rent or additional rent due under the Sublease between them, the following:

Initial Deposit (includes 10% deposit given with Letter of Reservation)	\$58,500
Interim Deposit at 50% Completion:	\$ 58,500
Interim at Substantial Completion	\$ 58,500
Balance On Issuance of Certificate of Occupancy:	\$ 58,500
Total Price:	\$ 234,000



Sublessee's Initials

Sublessor's Initials

The initial deposit is due upon execution of the Sublease by the parties and will be credited toward the Price to be paid by Sublessee as set forth above. The interim deposits shall be paid by Sublessee to Sublessor when Sublessor notifies Sublessee the Premises are 50% competed and upon Substantial Completion. The closing balance shall be due upon issuance of the Certificate of Occupancy. Upon the making of the final payment for construction of improvements, Sublessor will deliver the premises to Sublessee.

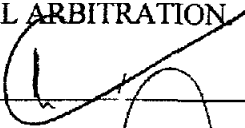
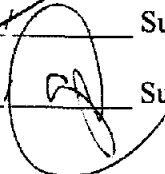
EACH DEPOSIT SHALL BE NONREFUNDABLE TO SUBLESSEE WHEN PAID TO SUBLESSOR, IN CONSIDERATION FOR SUBLESSOR INCURRING EXPENSE OF CONSTRUCTION OF THE RESPECTIVE IMPROVEMENT, EXCEPT UPON A BREACH BY SUBLESSOR OF THIS SUBLEASE WHICH RESULTS IN AN EARLY TERMINATION OF THIS SUBLEASE. IN THIS LATER EVENT, A PRORATED AMOUNT OF THESE DEPOSITS WOULD BE REFUNDABLE TO SUBLESSEE (SUBJECT TO WHATEVER OTHER OFFSETS MAY EXIST), BASED UPON A FRACTION, THE NUMERATOR OF WHICH SHALL BE THE AMOUNT OF TIME ELAPSED UNDER THE TERM OF THE SUBLEASE AT THE TIME OF TERMINATION, AND THE DENOMINATOR OF WHICH SHALL BE THE TERM OF THE SUBLEASE PURSUANT TO SECTION 3.1 THEREOF.

the United States of America, riots, insurrection, war, civil commotion, inability to obtain labor or materials, or the discovery of hazardous substances in the underlying ground requiring remediation that would interfere with construction of the improvements pursuant to the Plans, and/or any other cause (except financial) beyond its reasonable control, then the time for Sublessor's performance hereunder, and under Paragraph 9 of the Sublease, shall be extended one day for each day's prevention, delay, or stoppage by reason of such event of force majeure.

VI. ARBITRATION OF DISPUTES.

Sublessee and Sublessor agree that any dispute or claim in law or equity between them arising out of Sublessor's construction of improvements pursuant to this **Exhibit "C"** shall be decided by neutral, binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The parties to an arbitration may agree in writing to use different rules and/or arbitrator(s). In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION OF DISPUTES" OR THE RULES AND PROCEDURES ANNOUNCED BY AAA. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, YOUR AGREEMENT TO THIS ARBITRATION PROVISIONS IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION

 Sublessee's Initials
 Sublessor's Initials

VII. INTERPRETATION.

This **Exhibit "C"** is made a part of the Sublease to which it is attached, and the rights of Sublessor and Sublessee hereunder shall be determined in accordance with and pursuant to the terms of the Sublease, which are incorporated herein. Notwithstanding the preceding sentence, in the event any term or terms of this **Exhibit "C"** are contrary to any provision of the Sublease, the provisions of this **Exhibit "C"** will control.

DATED: 4/19/05

SUBLESSOR:

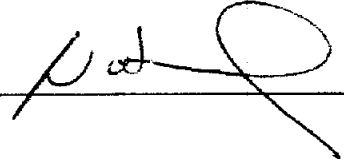
LA QUINTA FBO TWO, LLC,
a Delaware limited liability company
DBA: Million Air La Quinta

By: 

Yvonne Kassler
Its: President

DATED: 4/18/05

SUBLEESSEE:

By: 

Mike Winkel
Its: Owner
MW Properties, LLC

EXHIBIT C-1

ADD-ONS

Standard Unisex bathroom.

Credit of \$5,000 to be used for the purchase of Jet-A fuel at Million Air La Quinta.

Exhibit B

Master Lease

Master Lease Agreement

between

La Quinta FBO II, LLC

and the

**County of Riverside
California**

1 LEASE

2 DESERT RESORTS REGIONAL AIRPORT

3 The COUNTY OF RIVERSIDE, herein called County, leases to La Quinta FBO Two,
4 LLC, a Delaware Limited Liability Company, herein called Lessee, the property
5 described below under the following terms and conditions:

6 1. Recitals.

7 (a) County owns approximately seventeen and one half acres (17.5
8 acres) of land and buildings at the Desert Resorts Regional Airport, County of
9 Riverside, California. The land is improved with a terminal office building and
10 maintenance hangar of approximately 36,000 square feet, an office building of 2,500
11 square feet, commonly known as the flight services building, a fueling station, and two
12 aircraft storage buildings of totaling approximately 25,000 square feet.

13 (b) Lessee has three leases at Desert Resorts Regional Airport, a
14 lease for ten (10) acres which expires on May 31, 2011, a lease for six (6) acres which
15 expires on March 31, 2032 and a lease for one and one-half (1.5) acres which expires
16 March 31, 2022.

17 (c) County desires to combine these three existing leases into one
18 lease.

19 (d) Lessee desires to combine these Leases and is in the process of
20 planning and obtaining building permits for the construction of executive aircraft storage
21 hangars on the six acres Leasehold which will be offered for sale or lease and operated
22 in conjunction with Lessee's existing Full Service Fixed Base Operation.

23 2. Description. The premises leased hereby, are located within the Desert
24 Resorts Regional Airport, County of Riverside, California and consist of approximately
25 seventeen and one-half (17.5) acres, being more fully described in Exhibit A, attached
26 hereto and incorporated herein by this reference. Said property is hereafter referred to
27 as the "Leased Premises."
28

1 3. Term. This lease shall commence the first day of the month following
2 execution by all parties thereto and terminate thirty years (30 years) thereafter, for a
3 term of thirty years (30 years).

4 (a) Any holding over by the Lessee after the expiration of this lease
5 shall be on a day-to-day basis strictly; and continuing tenancy rights shall not accrue to
6 the Lessee.

7 (b) Lessee shall have the option to extend the term of this Lease on
8 the same terms and conditions for an additional period of ten (10) years commencing at
9 the end of the initial term, subject to the provisions of paragraphs 5, 8 12(c), 17 and 18
10 hereof, and provided that Lessee, at the time of exercising the option, is in full
11 compliance with the terms of this lease. Lessee shall notify County in writing of its
12 intention to exercise the option to extend not more than thirty-six (36) months prior to,
13 nor less than six (6) months from, the expiration date of the initial term. Should Lessee
14 fail to remain in compliance with the terms and conditions of this lease during the
15 period after exercising the option and prior to the end of the initial term, the option to
16 extend will become void.

17 4. Use.

18 (a) The Leased Premises is leased hereby for the following purposes
19 subject to the Minimum Standards for Fixed Base Operators Riverside County Airports,
20 Exhibit C, attached hereto and incorporated by this reference herein:

21 (1) Sale, retail or wholesale or both, of new and used aircraft,
22 aircraft parts and accessories, including instruments and engines and electronic
23 devices, aircraft fuels and lubricants, airman's navigational and personal supplies and
24 accessories,

25 (2) All flight operations, including, but not limited to, flight
26 training, demonstration of aircraft for sale, charter and air taxi, and flight testing of
27 aircraft following manufacturing or major modification or both,

28 ///

1 (3) Building, maintenance, repairs, overhaul and modification of
2 all types of aircraft, aircraft engines, airframes, automatic flight systems, instruments,
3 radio and other electronic equipment, propellers and all other aircraft components;

4 (4) Painting and upholstering of aircraft;

5 (5) Financing, leasing, renting and insuring of aircraft;

6 (6) Servicing of aircraft for the purpose of fueling, supplying
7 engine oil and other necessary lubricants and aircraft fluids, checking tire pressures,
8 providing starting units and battery boosters and any other service usually associated
9 with aircraft servicing operations,

10 (7) Providing aircraft storage inside hangar buildings and on
11 outside tie-down areas,

12 (8) Providing ground school instruction associated with flight
13 training,

14 (9) Leasing or renting of automobiles, and storing and sale of
15 automotive fuel and lubricants for use only in connection with Lessee's equipment and
16 rental automobiles; and

17 (10) Providing a restaurant or café for the purpose of providing
18 meals and beverages to the general public.

19 (b) The Leased Premises shall not be used for any purpose other
20 than in paragraph 4 (a) without first obtaining the written consent of County, which
21 consent shall not be unreasonably withheld.

22 5. Rent.

23 (a) Commencing upon lease execution, Lessee shall pay to Lessor as
24 base rent for the use and occupancy of the Leased Premises, monthly rent equal to
25 seven thousand seven hundred and fifteen dollars (\$7,715.00). Said rent is due and
26 payable in advance on the first of each month. The rent shall be considered
27 delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent,
28

1 lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent
2 rental amount, exclusive of late fees, for each month that rent is delinquent.

3 (b) In addition to the basic rent required herein, Lessee shall pay to
4 the County a fuel flowage fee in an amount equal to five percent (5%) of the total net
5 price paid by Lessee for all aviation and automotive fuel and lubricants received on the
6 Leased Premises by Lessee. The term "total net price" shall mean the net price per
7 unit of such fuel and lubricants, excluding taxes imposed thereon by any government or
8 agency thereof, multiplied by the total number of units of such fuel and lubricants
9 received. Lessee reserves the right of selecting its own fuel and lubricant suppliers,
10 and Lessee's agreement with any such suppliers will contain a provision therein
11 obligating such suppliers upon written request by County to submit a duplicate invoice
12 for any fuel and lubricant deliveries made to Lessee within thirty (30) days following
13 each such delivery. Such invoice shall indicate the type of products delivered, the date
14 of delivery, the quantity delivered, the per-unit cost and the total extended cost, and the
15 invoice number. In the event County does not request such suppliers to submit
16 invoices to County, Lessee shall be obligated to submit such invoices and payments to
17 County, or both if applicable. In the event the supplier fails, or refuses, to properly and
18 timely submit any invoices to County, Lessee, upon County's written request, shall
19 make a separate accounting of such fuel and lubricant deliveries or submit payment to
20 County in connection therewith, or both. Notwithstanding provisions of this Paragraph
21 5 (b) upon written request from County, Lessee shall make a separate accounting of
22 such fuel and lubricant deliveries.

23 (c) Beginning July 1, 2005, and every fifth (5th) year thereafter, the
24 basic monthly rent shall be one-twelfth (1/12) of eight percent (8%) of the appraised fair
25 market value of the Leased Premises. The appraised fair market value of the land and
26 shall not include the value of the improvements placed on the premises. A property
27 appraisal for this purpose is to be performed by an independent certified appraiser,
28 procured by the County, knowledgeable in aviation appraising and in good standing

1 with the American Institute of Real Estate Appraisers. Once established, said rent shall
2 be adjusted annually in the manner set forth in Paragraph 5(d) below. In no event will
3 application of this paragraph result in a monthly rental amount lower than the most
4 recent previous monthly rental amount.

5 (d) Consumer Price Index. Beginning July 1, 2004 and at each July
6 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year
7 as referenced in 5(c) above, the rent shall be adjusted by the percentage change, in
8 the CPI, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the
9 twelve month period ending three months before the month of rent adjustment under
10 this paragraph. In no event will application of this paragraph result in a monthly rental
11 amount lower than the most recent previous monthly rental amount.

12 6. Additional Obligations of Lessee. Lessee shall, during the term of this
13 Lease and any extensions thereof:

14 a) Observe and obey, and compel its employees, agents, invitees
15 and those doing business with it to observe and obey all such rules and regulations of
16 County which are now in effect or which may hereafter be promulgated; provided that
17 such rules and regulations may not unduly interfere or conflict with the rights and
18 privileges granted to Lessee in this amendment or any later amendments.

19 b) Employ and maintain on the Leased Premises sufficient personnel
20 who are trained and skilled in order to competently perform the tasks related to the
21 services being offered.

22 c) Operate the Leased Premises and perform services for the use
23 and benefit of the general public without discrimination on the grounds of race, religion,
24 color or national origin or in any manner prohibited by Part 15 of the Federal Aviation
25 Administration Regulations.

26 d) Provide services to the general public seven (7) days per week
27 during the term of this lease on a minimum hourly basis each day from 8:00 A.M., local
28

1 time, to 5:00 P.M., local time. Lessee shall not make any changes relative to such
2 minimum hourly schedule unless approval is first obtained from County in writing.

3 e) Operate the Leased Premises and the facilities thereon in a
4 progressive and efficient manner, charging fair and reasonable prices for each unit or
5 service, said prices being competitive with prices charged by other fixed based
6 operators in the Southern California Area. Upon request from County, Lessee shall
7 furnish County with a schedule of all prices for each unit or service offered for sale or
8 lease to the general public.

9 f) Provide janitorial services at its own expense.

10 g) Provide for transient aircraft parking guidance, positioning of wheel
11 chocks and tie-downs, fireguard for engine starts (upon request from aircraft operators)
12 and baggage handling on a routine and reasonable basis.

13 h) Have available and provide, as needed, standardized ground
14 service equipment for aircraft weighing twelve thousand five hundred (12,500) pounds
15 or less gross weight. Service equipment shall include, but not be limited to, wheel
16 chocks, tie-down ropes or chains, aircraft jacks, tow bars, auxiliary power units and
17 aircraft tugs on a routine and reasonable basis.

18 i) Not engage in the painting of aircraft (other than small "spot
19 painting" jobs in connection with repairs) within any buildings unless, or until, it has
20 established therein a regular paint shop which is adequately enclosed and vented, and
21 has been inspected and approved, in writing, by representatives of the Federal Aviation
22 Administration and County's Fire and Building and Safety Departments, and all
23 applicable permits have been obtained.

24 j) Maintain a comfortable, well furnished pilot's lounge and clean,
25 sanitary restroom facilities for both men and women. Such restroom facilities shall be
26 properly and continuously supplied with soap, towels toilet tissue and any other
27 supplies required by state, federal or local laws and ordinances.
28

1 k) Provide aviation fuel and lubricants for both piston and jet engine
2 aircraft for sale to the general public, unless Lessee is precluded from providing such
3 fuel and lubricants due to causes beyond its control relating to its suppliers' fuel
4 shortages, work stoppages (excluding Lessee's employment force), acts of God, acts
5 of war, civil disorders or other similar acts.

6 l) Observe the Taxiway Object Free Area adjacent to their leasehold
7 to allow the passage of taxiing aircraft. The Taxiway Object Free Area boundary for
8 Taxiway A is seventy-five (75) feet from the centerline of the taxiway.

9 m) Adhere to the provisions set forth in the Minimum Standards for
10 Fixed Base Operators Riverside County, EXHIBIT C.

11 7. Permits, Licenses and Taxes. Lessee shall secure at its expense, all
12 necessary permits and licenses as it may be required to obtain, and Lessee shall pay
13 for all fees and taxes levied or required by any authorized public entity. Lessee
14 recognizes and understands that this lease may create a possessory interest subject to
15 property taxation and that Lessee may be subject to the payment of property taxes
16 levied on such interest.

17 8. On-Site Improvements.

18 (a) Lessee, at its expense, shall construct, or cause to be constructed
19 the following improvements: Lessee has submitted a development plan to the
20 Economic Development Agency (EDA), and EDA has approved said plan, for the
21 development of executive hangars on six acres of the Leased Premises. The plan calls
22 for the development of the site in three phases: Phase I approximately 39,000 square
23 feet; Phase II approximately 36,000 square feet; and Phase III approximately 41,400
24 square feet.

25 By no later than October 1, 2003 Lessee shall submit construction
26 drawings to County for plan check and building permits. Construction of said
27 improvements shall commence within one (1) month following issuance of the requisite
28 permits by County. The site may be developed in phases subject to the approval of the

1 Economic Development Agency, provided that all construction is completed prior to
2 May 31, 2008.

3 In the event Lessee fails to complete all phases of the development in the
4 time allotted, either party shall have the option of reducing the size of the leasehold by
5 the amount of land in any phase in which development activity has not commenced.
6 For the purpose of this agreement, development activity shall mean activity that will
7 result in the start of construction of the buildings approved for that phase and the
8 completion of those buildings within a reasonable time.

9 Said option shall be exercised by notifying the other party in writing
10 between June 1, 2008 and to June 30, 2008. Upon delivery of such notice the
11 undeveloped phase(s) of the leasehold so identified (the "Returned Phase(s)") will
12 revert to the County and this Lease will be amended accordingly to reflect the reduced
13 acreage and rent. Any such amendment shall include easements satisfactory to
14 County through Lessee's initial phases providing access to future development of the
15 Returned Phase(s) and to Taxiway A from the Returned Phase(s) (the "Taxiway
16 Easement").

17 Lessee shall obtain performance, material and labor payment bonds in
18 the amounts required by law and determined by County and shall furnish County with
19 copies thereof, prior to the commencement of such construction.

20 (b) All improvements are to be at Lessee's sole cost. Lessee is to pay
21 for construction of any required utility extensions and hookups and any access road
22 improvements. All improvements are to be submitted to County for approval prior to
23 the start of any construction.

24 (c) Any improvements, alterations and installation of fixtures, to be
25 undertaken by Lessee, shall have the prior written approval of the Economic
26 Development Agency after Lessee has submitted to County proposed plot and building
27 plans, and specifications therefore, in writing. In addition, Lessee understands and
28 agrees that such improvements, alterations and installation of fixtures may be subject

1 to County Ordinance Nos. 348 and 457, as well as other applicable County ordinances,
2 and that Lessee shall fully comply with such ordinances prior to the commencement of
3 any construction in connection therewith.

4 (d) After Lease expiration or termination, all improvements, alterations
5 and fixtures, shall remain or become as the case may be, the property of County with
6 the exception of trade fixtures as that term is used in Section 1019 of the Civil Code;
7 provided, however, that Lessee shall have the full and exclusive use and enjoyment of
8 such improvements, alterations and fixtures during the term of this lease. At or prior to
9 the expiration of this lease, Lessee shall remove, at its expense, such trade fixtures
10 and restore said Leased Premises to their original shape and condition as nearly as
11 practicable. In the event Lessee does not so remove such trade fixtures, they shall
12 become the property of the County for no further consideration of any kind and Lessee
13 shall execute any documents that may be required or necessitated conveying its
14 interest in such improvements, alterations and fixtures to County.

15 (e) No later than thirty days (30 days) following completion of any
16 facilities constructed pursuant to this Lease agreement, Lessee shall submit two (2)
17 sets of record (as-built) drawings to the county representative designated in Paragraph
18 37 hereof.

19 9. Off-Site Improvements

20 (a) County and Lessee herein acknowledge that Lessee has no fee
21 title interest in or to the Leased Premises.

22 (b) County shall provide the following off-site improvements to serve
23 the site: (1) water, (2) sewer, and (3) a paved access road. Connections to these off-
24 site improvements shall be the sole cost and responsibility of Lessee as described in
25 paragraph 9(c). Additionally, Lessee shall be responsible for any improvements
26 beyond those listed in this paragraph, including, but not limited to, electricity, telephone
27 and gas service.

28

1 (c) It is understood by the parties hereto that utility services are
2 available in the general vicinity of the Leased Premises, but in order for the on-site
3 improvements required in Paragraph 8 herein to be fully usable and operational,
4 Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or
5 connected, to such utility service facilities that may be required or desired by Lessee in
6 the use, operation and maintenance of such on-site improvements. After such
7 extensions and/or connections have been made, Lessee shall be responsible for
8 payment of the use of such utility services, without limitation, all electricity, gas,
9 telephone and water.

10 (d) Lessee shall obtain, or cause to be obtained performance, material
11 and labor, and payment bonds in the amounts required by law and determined by
12 County and shall furnish County with copies thereof prior to the commencement of
13 such off-site improvements.

14 10. Additional Obligations of Lessee. Lessee shall maintain the Leased
15 Premises, approaches thereto, and improvements now or hereafter located thereon, in
16 good and sanitary order, condition, and repair, and upon any termination of this Lease,
17 Lessee agrees to surrender said Leased Premises and improvements thereon in such
18 condition, reasonable use and wear thereof and damages by fire, acts of God, war, civil
19 insurrection, or by the elements excepted.

20 11. Compliance with Law. Lessee shall, at its sole cost and expense,
21 comply with all of the requirements of all governmental agencies now in force, or which
22 may hereafter be in force, pertaining to the Leased Premises, and any improvements
23 hereafter constructed or maintained thereon, and Lessee shall faithfully observe all
24 ordinances now or hereafter in force in the use of the Leased Premises.

25 12. County's Reserved Rights.

26 (a) The Leased Premises are accepted by Lessee subject to any and
27 all existing easements or other encumbrances, and County shall have the right to enter
28 upon the Leased Premises and to install, lay, construct, maintain, repair and operate

1 such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections,
2 water, oil and gas pipelines, and telephone and telegraph power lines and such other
3 facilities and appurtenances necessary or convenient to use in connection therewith,
4 over, in, upon, through, across and along the Leased Premises or any part thereof.
5 County also reserves the right to grant franchises, easements, rights of way and
6 permits in, over and upon, along or across any and all portions of said Leased
7 Premises as County may elect; provided, however, that no right of the County provided
8 for in this paragraph shall be so executed as to interfere unreasonably with Lessee's
9 use hereunder, or impair the security of any secured creditor of Lessee. County shall
10 cause the surface of the Leased Premises to be restored to its original condition (as
11 they existed prior to any such entry) upon the completion of any construction by County
12 or its agents. In the event such construction renders any portion of the Leased
13 Premises unusable, the rent shall abate pro rata as to such unusable portion during the
14 period of such construction. Any right of County set forth in this paragraph shall not be
15 exercised unless a prior written notice of thirty (30) days is given to Lessee; provided,
16 however, in the event such right must be exercised by reason of emergency, then
17 County shall give Lessee such notice in writing as is reasonable under the existing
18 circumstances.

19 (b) County reserves the right to further develop or improve the aircraft
20 operating area of Desert Resorts Regional Airport as it deems appropriate. County
21 reserves the right to take any action it considers necessary to protect the aerial
22 approaches of the Desert Resorts Regional Airport against obstruction, together with
23 the right to prevent Lessee from erecting or permitting to be erected, any building or
24 other structure on the Desert Resorts Regional Airport, which in the opinion of County,
25 would limit the usefulness of the Desert Resorts Regional Airport or constitute a hazard
26 to aircraft.

27 (c) During the time of war or national emergency, County shall have
28 the right to lease the landing area of the Desert Resorts Regional Airport, or any part

1 thereof, to the United States Government for military use and, if such lease is executed,
2 the provisions of this lease insofar as they are inconsistent with the provisions of such
3 lease to the Government, shall be suspended. In that event, a just and proportionate
4 part of the rent hereunder shall be abated, and the period of such closure shall be
5 added to the term of this lease, or any extensions thereof, so as to extend and
6 postpone the expiration thereof unless Lessee otherwise elects to terminate this Lease.

7 (d) Notwithstanding any provisions herein, this Lease shall be
8 subordinate to the provisions of any existing or future agreement between County and
9 the United States, relative to the operation or maintenance of the Desert Resorts
10 Regional Airport, the terms and execution of which have been or may be required as a
11 condition precedent to the expenditure or reimbursement to County of Federal funds for
12 the development of said airport.

13 (e) This Lease is subject to the provisions set forth in Exhibit B
14 (Federally Required Lease Provisions), attached hereto and by this reference made a
15 part of this Lease.

16 13. Inspection of Premises. County, through its duly authorized agents, shall
17 have, at any time during normal business hours, the right to enter the Leased Premises
18 for the purpose of inspecting, monitoring and evaluating the obligations of Lessee
19 hereunder and for the purpose of doing any and all things which it is obligated and has
20 a right to do under this Lease.

21 14. Quiet Enjoyment. Lessee shall have, hold and quietly enjoy the use of
22 the Leased Premises so long as lessee shall fully and faithfully perform the terms and
23 conditions that the lessee is required to do under this Lease.

24 15. Compliance with Government Regulations. Lessee shall, at Lessee's
25 sole cost and expense, comply with the requirements of all local, state and federal
26 statutes, regulations, rules, ordinances and orders now in force or which may be
27 hereafter in force, pertaining to the Leased Premises. The final judgment, decree or
28 order of any Court of competent jurisdiction, or the admission of Lessee in any action or

1 proceedings against Lessee, whether Lessee be a party thereto or not, that Lessee has
2 violated any such statutes, regulations, rules, ordinances, or orders, in the use of the
3 Leased Premises, shall be conclusive of that fact as between County and Lessee.

4 16. Discrimination or Segregation.

5 (a) Lessee shall not discriminate in Lessee's recruiting, hiring,
6 promotion, demotion or termination practice on the basis of race, religious creed, color,
7 national origin, ancestry, sex, age, physical handicap, medical condition or marital
8 status with respect to its use of the Leased Premises hereunder, and Lessee shall
9 comply with the provisions of the California Fair Employment and Housing Act
10 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L.
11 88-352), and all amendments thereto, Executive Order No. 11246 (30 Federal Register
12 12319), as amended, and all Administrative Rules and Regulations issued pursuant to
13 said Acts and orders with respect to its use of the Leased Premises.

14 (b) Lessee shall not discriminate against or cause the segregation of
15 any person or group of persons on account of race, religious creed, color, national
16 origin, ancestry, sex, age, physical handicap, medical condition or marital status, in the
17 occupancy, use, tenure or enjoyment of the Leased Premises, nor shall Lessee, or any
18 person claiming under or through Lessee, establish or permit any such practice or
19 practices of discrimination or segregation with reference to the selection, location,
20 number, use or occupancy of any persons within the Leased Premises.

21 (c) Lessee assures that it will undertake an affirmative action program
22 as required by 49 CFR, Part 21, to insure that no person shall on the grounds of race,
23 creed, color, national origin, or sex be excluded from participating in any employment
24 activities covered in 49 CFR, Part 21, with respect to its use of the Leased Premises.
25 Lessee further assures that no person shall be excluded on these grounds from
26 participating in or receiving services or benefits of any program or activity covered
27 herein with respect to its use of the Leased Premises. Lessee further assures that it
28 will require that its subcontractors and independent contractors provide assurance to

1 Lessee that they similarly will undertake affirmative action programs and that they will
2 require assurances from their subcontractors and independent contractors, as required
3 by 49 CFR, Part 21, to the same effect with respect to their use of the Leased
4 Premises.

5 17. Termination by County. County shall have the right to terminate this
6 lease forthwith:

7 (a) In the event a petition is filed for voluntary bankruptcy or a petition
8 for involuntary bankruptcy is filed and not dismissed within ninety days (90 days), for
9 the adjudication of Lessee as debtors.

10 (b) In the event that Lessee makes a general assignment, or Lessee's
11 interest hereunder is assigned involuntarily or by operation of law, for the benefit of
12 creditors.

13 (c) In the event of abandonment of the Leased Premises by Lessee.

14 (d) In the event Lessee fails or refuses to perform, keep or observe
15 any of Lessee's duties or obligations hereunder; provided, however, that Lessee shall
16 have thirty (30) days in which to correct Lessee's breach or default after written notice
17 thereof has been served on Lessee by County.

18 (e) In the event Lessee fails, or refuses, to meet its rental obligations,
19 or any of its other obligations, hereunder or as otherwise provided by law.

20 (f) In the event Lessee fails to procure and maintain insurance
21 coverage required herein and fails to provide evidence of coverage to County.

22 18. Termination by Lessee.

23 (a) Lessee shall have the right to terminate this lease in the event
24 County fails to perform, keep or observe any of its duties or obligations hereunder;
25 provided, however, that County shall have thirty (30) days in which to correct its breach
26 or default after written notice thereof has been served on it by Lessee; provided,
27 further, however, that in the event such breach or default is not corrected, Lessee may
28 elect to terminate this lease in its entirety or as to any portion of the premises affected

1 thereby, and such election shall be given by an additional thirty (30) day written notice
2 to County.

3 19. Eminent Domain. If any portion of the Leased Premises shall be taken by
4 eminent domain and a portion thereof remains which is usable by Lessee for the
5 purposes set forth in Paragraph 4 herein, this lease shall, as to the part taken,
6 terminate as of the date title shall vest in the condemnor, or the date prejudgment
7 possession is obtained through a court of competent jurisdiction, whichever is earlier,
8 and the rent payable hereunder shall abate pro rata as to the part taken; provided,
9 however, in such event County reserves the right to terminate this lease as of the date
10 when title to the part taken vests in the condemnor or as of such date of prejudgment
11 possession. If all of the Leased Premises are taken by eminent domain, or such part
12 be taken so that the Leased Premises are rendered unusable for the purposes set forth
13 in Paragraph 4 herein, this lease shall terminate. If a part or all of the Leased Premises
14 be so taken, all compensation awarded upon such taking shall be apportioned between
15 County and lessee according to law.

16 20. Insurance. Lessee shall procure and maintain or cause to be maintained,
17 at its sole cost and expense, the following insurance coverages during the term of this
18 Lease. The procurement and maintenance of the insurance required below will not
19 diminish or limit Lessee's obligation to indemnify or hold the County harmless.

20 (a) Workers Compensation. Workers Compensation Insurance
21 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
22 Employers' Liability (Coverage B) including Occupational Disease with limits not less
23 than \$1,000,000 per person per accident. Policy shall be endorsed, if applicable, to
24 provide a Borrowed Servant/Alternate Employer Endorsement and Waiver of
25 Subrogation in favor of all Agencies, Districts, Special Districts, and Departments of the
26 County of Riverside, their respective directors, officers, Board of Supervisors,
27 employees, elected or appointed officials, agents or representatives.
28

1 (b) Airport Commercial General Liability. Airport Commercial General
2 Liability Insurance coverage including, but not limited to, premises liability, contractual
3 liability, products and completed operations, contingent liability, non-owned hull liability
4 if applicable, personal and advertising injury and, if liquor is sold, liquor law liability
5 covering claims which may arise from or out of Lessee's performance of its obligations
6 hereunder. Policy shall name all Agencies, Districts, Special Districts, and
7 Departments of the County of Riverside, their respective directors, officers, Board of
8 Supervisors, employees, elected or appointed officials, agents or representatives as
9 Additional Insureds. Policy's limit of liability shall not be less than \$3,000,000 per
10 occurrence combined single limit. If such Insurance contains a general aggregate limit,
11 it shall apply separately to this agreement or be no less than two (2) times the
12 occurrence limit. Such insurance will include Medical Payments for a limit of \$5,000
13 and Fire Legal Liability for a limit of \$300,000.

14 (c) Vehicle Liability. If Lessee's vehicles or mobile equipment are
15 used in the performance of the obligations under this Lease, then Lessee shall maintain
16 liability insurance for all owned, non-owned or hired vehicles so used in an amount not
17 less than \$1,000,000 per occurrence combined single limit. Policy shall name all
18 Agencies, Districts, Special Districts, and Departments of the County of Riverside, their
19 respective directors, officers, Board of Supervisors, employees, elected or appointed
20 officials, agents or representatives as Additional Insureds. This coverage may be
21 included in the Airport Commercial General Liability policy.

22 (d) Aircraft Hull and Liability Insurance. Aircraft hull coverage for
23 the full replacement value of all aircraft owned or operated by the Lessee in the Leased
24 Premises and the contents thereof. Policy will be endorsed to include all Agencies,
25 Districts, Special Districts, and Departments of the County of Riverside, their respective
26 directors, officers, Board of Supervisors, employees, elected or appointed officials,
27 agents or representatives as Additional Insureds. Lessee may elect to self-insure or
28 un-insure the hull portion of the coverage required herein; however, if Lessee elects not

1 to acquire commercial insurance for the hull, Lessee agrees to hold the County of
2 Riverside harmless and not make any claim against the County of Riverside for loss or
3 damage to the hull of his aircraft for any reason whatsoever regardless of any
4 negligence of the County that may have contributed to said loss or damage.

5 Aircraft Liability Coverage and commercial general liability
6 insurance including, but not limited to, premises liability and contractual liability with a
7 limit of liability for bodily injury (including death) and property damage of at least
8 \$1,000,000, with a per seat limit of not less than \$100,000. Coverage will apply to all
9 owned aircraft and all non-owned or hired aircraft operated by the Lessee. Policy will
10 be endorsed to include the all Agencies, Districts, Special Districts, and Departments of
11 the County of Riverside, their respective directors, officers, Board of Supervisors,
12 employees, elected or appointed officials, agents or representatives as Additional
13 Insureds.

14 (e) Products Liability Insurance. If Lessee provides maintenance and
15 repair services under the terms of this Lease, Lessee shall provide Products Liability
16 Insurance including completed operations not otherwise covered by the Airport
17 Commercial General Liability policy with a limit of not less than \$1,000,000 any one
18 occurrence combined single limit and in the annual aggregate.

19 (f) Hangars Keepers Liability Insurance (Ground Coverage). If
20 applicable, Lessee shall provide Hangar Keepers Liability Insurance providing
21 coverage for aircraft in the care, custody or control of the Lessee with a limit equal to
22 the replacement value of all such aircraft hulls while on the ground; however, in no
23 event, shall the limit of liability be less than \$1,000,000.

24 (g) Hangars Keepers Liability Insurance (Flight Coverage). If
25 applicable, Lessee shall provide Hangar Keepers Liability Insurance providing
26 coverage for aircraft in the care, custody or control of the Lessee with a limit equal to
27 the replacement value of the highest valued hull that may be flight tested by the
28 Lessee; however, in no event, shall the limit of liability be less than \$1,000,000.

1 (h) Pollution Liability Insurance. If Lessee provides aircraft fueling
2 service, they shall provide Pollution Liability Insurance covering gradual, sudden and
3 accidental pollution including first party clean up with a limit of no less than \$1,000,000.

4 (i) Property (Physical Damage):

5 (1) All-Risk real and personal insurance coverage, including
6 earthquake and flood if applicable, for the full replacement cost value of building,
7 structures, fixtures, equipment, improvements/alterations and systems on the premises
8 for property that the Lessee owns or is contractually responsible for. Policy shall
9 include Business Interruption, Extra Expense, and Expediting Expense to cover the
10 actual loss of business income sustained during the restoration period. Policy shall
11 name the County of Riverside as a Loss Payee and provide a Waiver of Subrogation in
12 favor of the County of Riverside.

13 (2) Boiler & Machinery insurance coverage on a full
14 replacement cost value basis. Policy shall provide Business Interruption, Extra
15 Expense, and Expediting Expense coverage as well as coverage for off-premises
16 power failure. Policy shall name the County of Riverside as a Loss Payee and contain
17 a Waiver of Subrogation in favor of the County of Riverside.

18 (j) General Insurance Provisions – All Lines:

19 (1) Any insurance carrier providing insurance coverage
20 hereunder shall be admitted to the State of California unless waived, in writing, by the
21 County Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A:
22 VIII (A:8).

23 (2) Insurance deductibles or self-insured retentions must be
24 declared by the Lessee's insurance carrier(s), and such deductibles and retentions
25 shall have the prior written consent from the County Risk Manager. Failure of the
26 Lessee's carriers to declare deductibles or self-insured retentions to the County shall
27 waive any obligation of the County, as an additional insured, to honor said deductibles
28 or self insured retentions in the event of Lessee's insolvency. Upon notification of

1 deductibles or self insured retentions unacceptable to the County, and at the election of
2 the County's Risk Manager, Lessee's carriers shall either: 1) reduce or eliminate such
3 deductibles or self-insured retentions as respects this Lease with the County; or 2)
4 procure a bond which guarantees payment of losses and related investigations, claims
5 administration, and defense costs and expenses.

6 (3) Cause Lessee's insurance carrier(s) to furnish the County of
7 Riverside with either 1) a properly executed original Certificate(s) of Insurance and
8 certified original copies of Endorsements effecting coverage as required herein; or 2) if
9 requested to do so in writing in the County Risk Manager, provide original Certified
10 copies of policies including all Endorsements and all attachments thereto, showing
11 such insurance is in full force and effect. Further, said Certificate(s) and policies of
12 insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days
13 written notice shall be given to the County of Riverside prior to any material
14 modification, cancellation, expiration or reduction in coverage of such insurance. In the
15 event of a material modification, cancellation, expiration, or reduction in coverage, this
16 Lease shall terminate forthwith, unless the County of Riverside receives, prior to such
17 effective date, another properly executed original Certificate of Insurance and original
18 copies of endorsements or, if requested, certified original policies, including all
19 endorsements and attachments thereto evidencing coverages set forth herein and the
20 insurance required herein is in full force and effect.

21 Lessee shall not commence operations until the County of
22 Riverside has been furnished original Certificate(s) of Insurance and certified original
23 copies of endorsements or, if requested, policies of insurance including all
24 endorsements and any and all other attachments as required in this Section. An
25 individual authorized by the insurance carrier to do so on its behalf shall sign the
26 original endorsements for each policy and the Certificate of Insurance.

27 4) It is understood and agreed to by the parties hereto and the
28 insurance company(s), that the Certificate(s) of Insurance and policies shall so

1 covenant and shall be construed as primary insurance, and the County's insurance
2 and/or deductibles and/or self-insured retentions or self-insured programs shall not be
3 construed as contributory.

4 (k) Course of Construction Insurance. During construction of the
5 planned improvements, Lessee shall purchase and maintain or cause to be maintained
6 All Risk Builder's Risk insurance (Completed Value Form) including earthquake and
7 flood for the entire Project, and shall include coverage for materials and supplies
8 located offsite but earmarked for the Project. Policy shall also include as insured
9 property scaffolding, falsework, and temporary buildings located on the Project site,
10 and the cost of demolition and debris removal. Policy shall name all Agencies,
11 Districts, Special Districts, and Departments of the County of Riverside, their respective
12 directors, officers, Board of Supervisors, employees, elected or appointed officials,
13 agents or representatives as Additional Insureds, and provide a Waiver of Subrogation
14 in favor of the County.

15 (l) The County of Riverside's Reserved Rights - Insurance. If during
16 the term of this Lease or any extension thereof, there is a material change in the scope
17 of services or performance of work; or, there is a material change in the scope of
18 services or performance of work, the County of Riverside reserves the right to adjust
19 the types of insurance required under this Lease and the monetary limits of liability for
20 the insurance coverages currently required herein, if, in the Assistant County Executive
21 Officer – Economic Development Agency's reasonable judgment, upon advice of the
22 County Risk Manager, the amount or type of insurance carried by the Lessee has
23 become inadequate. The Lessee agrees to notify the County of any plan or change of
24 plan for the Lessee's operations and such notification shall occur prior to implementing
25 any such change.

26 (m) Insurance for Sub-Lessees. Lessee shall require each of its
27 Sub-Lessees to meet all insurance requirements imposed by the Lessee. These
28

1 requirements, with the approval of the County's Risk Manager, may be modified to
2 reflect the activities associated with the Sub-Lessee.

3 (n) Insurance for Fuel Suppliers. Lessee shall also require suppliers of
4 fuel to procure, maintain, show evidence and comply will all requirements of insurance
5 as follows:

6 (1) Workers' Compensation. Workers' Compensation Insurance
7 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
8 Employers' Liability (Coverage B) including Occupational Disease with limits not less
9 than \$1,000,000 per person per accident. Policy shall be endorsed, if applicable, to
10 provide a Borrowed Servant/Alternate Employer Endorsement and Waiver Of
11 Subrogation in favor of the Lessee and the County of Riverside, Special Districts,
12 Directors, Officers, Board of Supervisors, elected officials, employee, agents and
13 representatives.

14 (2) Commercial General Liability. Commercial General Liability
15 insurance coverage, including but not limited to, premises liability, contractual liability,
16 products and completed operations, personal and advertising injury covering claims
17 which may arise from or out of Supplier's performance of its obligations hereunder.
18 Policy shall name the Lessee, County of Riverside, Special Districts, their respective
19 Directors, Officers, Board of Supervisors, elected officials, employees, agents or
20 representatives as Additional Insureds. Policy's limit of liability shall not be less than
21 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
22 aggregate limit, it shall apply separately to this agreement or be no less than two (2)
23 times the occurrence limit.

24 (3) Vehicle Liability. Supplier shall maintain liability insurance
25 for all owned, non-owned or hired vehicles so used in an amount not less than
26 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
27 aggregate limit, it shall apply separately to this agreement or be no less than two (2)
28

1 times the occurrence limit. Policy shall name the Lessee and all Agencies, Districts,
2 Special Districts, and Departments of the County of Riverside, their respective
3 directors, officers, Board of Supervisors, employees, elected or appointed officials,
4 agents or representatives as Additional Insureds.

5 (4) Pollution Liability Insurance. The Supplier shall provide
6 Pollution Liability Insurance covering gradual, sudden and accidental pollution including
7 first party clean up with a limit of no less than \$5,000,000.

8 (5) General Insurance Provisions - All lines. Lessee shall
9 cause Supplier's insurance carrier(s) to furnish the Lessor and the County of Riverside
10 with a properly executed original Certificate(s) of Insurance and certified original copies
11 of Endorsements effecting coverage as required herein. Further, said Certificate(s) and
12 policies of insurance shall contain the covenant of the insurance carrier(s) that thirty
13 (30) days written notice shall be given to the Lessee and the County of Riverside prior
14 to any material modification, cancellation, expiration or reduction in coverage of such
15 insurance. In the event of a material modification, cancellation, expiration, or reduction
16 in coverage, the Supplier's Agreement shall terminate forthwith, unless the Lessee and
17 the County of Riverside receives, prior to such effective date, another properly
18 executed original Certificate of Insurance and original copies of endorsements or
19 certified original policies, including all endorsements and attachments thereto
20 evidencing coverages set forth herein and the insurance required herein is in full force
21 and effect.

22 Supplier shall not commence operations until the County of
23 Riverside has been furnished original Certificate (s) of Insurance and certified original
24 copies of endorsements or policies of insurance including all endorsements and any
25 and all other attachments as required in this Section. An individual authorized by the
26 insurance carrier to do so on its behalf shall sign the original endorsements for each
27 policy and the Certificate of Insurance.
28

1 The Supplier's insurance company(s) shall agree and the
2 Certificate(s) of Insurance and policies shall so covenant that coverage provided by
3 them shall be construed as primary insurance, and the Lessee's and the County's
4 insurance and/or deductibles and/or self-insured retentions or self-insured programs
5 shall not be construed as contributory.

6 21. Indemnifications and Hold Harmless.

7 (a) Lessee represents that it has inspected the leased premises
8 accepts the condition thereof and fully assumes any and all risks associated to the use
9 thereof. County shall not be liable to Lessee, its officers, agents, employees,
10 subcontractors or independent contractors for any personal injury or property damage
11 suffered by them which may result from hidden, latent or other dangerous conditions in,
12 on, upon or within the leased premises; provided, however, that such dangerous
13 conditions are not caused by the sole negligence of County, its officers, agents or
14 employees.

15 (b) Lessee shall indemnify and hold harmless all Agencies, Districts,
16 Special Districts and Departments of the County of Riverside, its respective directors,
17 officers, Board of Supervisors, elected and appointed officials, employees, agents and
18 representatives from any liability whatsoever, based or asserted upon any acts, actions
19 or services of Lessee, its officers, employees, subcontractors, agents or
20 representatives arising out of or in any way relating to this Agreement, including but not
21 limited to property damage, bodily injury, or death or any other element of any kind or
22 nature whatsoever and resulting from any reason whatsoever arising from the
23 performance of Lessee, its officers, agents, employees, subcontractors, agents or
24 representatives from this Agreement. Lessee shall defend at its sole expense, all costs
25 and fees including but not limited to attorney fees, cost of investigation, defense and
26 settlements or awards of all Agencies, Districts, Special Districts and Departments of
27 the County of Riverside, their respective directors, officers, Board of Supervisors,
28

1 elected and appointed officials, employees, agents and representatives in any claim or
2 action based upon such alleged acts or omissions.

3 With respect to any action or claim subject to indemnification
4 herein by Lessee, Lessee shall, at its sole cost, have the right to use counsel of their
5 own choice and shall have the right to adjust, settle, or compromise any such action or
6 claim without the prior consent of County provided, however, that any such adjustment,
7 settlement or compromise in no manner whatsoever limits or circumscribes Lessee's
8 indemnification to County as set forth herein. Lessee's obligation to defend, indemnify
9 and hold harmless County shall be subject to County having given Lessee written
10 notice within a reasonable period of time of the claim or of the commencement of the
11 related action, as the case may be, and information and reasonable assistance, at
12 Lessee's expense, for the defense or settlement thereof. Lessee's obligation
13 hereunder shall be satisfied when Lessee has provided to County the appropriate form
14 of dismissal relieving County from any liability for the action or claim involved.
15

16 (c) County shall indemnify and hold Lessee, its officers, agents,
17 employees, members and affiliates and independent contractors free and harmless
18 from any liability whatsoever, based or asserted upon any act or omission of County, its
19 elected officials, officers, agents, employees, subcontractors and independent
20 contractors, for property damage, bodily injury, or death or any other element of
21 damage of any kind or nature, relating to or in anyway connected with or arising from
22 its use and responsibilities in connection therewith of the leased premises or the
23 condition thereof, and County shall defend, at its expense, including without limitation
24 attorney fees, expert fees and investigation expenses, Lessee, its agents, employees,
25 and independent contractors in any legal action based upon such alleged acts or
26 omissions. The obligation to indemnify and hold Lessee free and harmless herein shall
27 survive until any and all claims, actions and causes of action with respect to any and all
28

1 such alleged acts or omissions are fully and finally barred by the applicable statute of
2 limitations.

3 (d) The specified insurance limits required in Paragraph 20 herein
4 shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County
5 free and harmless herein.

6 22. Assignment. Lessee cannot assign, sublet, mortgage, hypothecate or
7 otherwise transfer in any manner any of its rights, duties or obligations hereunder to
8 any person or entity without the written consent of County being first obtained, which
9 consent shall not be unreasonably withheld. In the event of any transfer as provided in
10 this paragraph, Lessee expressly understands and agrees that, unless otherwise
11 released by the County, it shall remain liable with respect to any and all of the
12 obligations and duties contained in this lease. Such release shall not to be
13 unreasonably withheld.

14 23. Right to Encumber/Right to Cure.

15 (a) Lessee Right to Encumber. Notwithstanding provisions of
16 Paragraph 22 herein, County does hereby consent to and agree that Lessee may
17 encumber or assign, or both, for the benefit of a lender, herein called Encumbrancer,
18 this lease, the leasehold estate and the improvements thereof by a deed of trust,
19 mortgage or other security-type instrument, herein called trust deed, to assure the
20 payment of the promissory note of Lessee if the Encumbrancer is an established bank,
21 savings and loan association or insurance company, and the prior written consent of
22 County shall not be required:

23 (1) To a transfer of this lease at foreclosure under the trust
24 deed, judicial foreclosure, or an assignment in lieu of foreclosure; or

25 (2) To any subsequent transfer by the Encumbrancer if the
26 Encumbrancer is an established bank, savings and loan association, insurance
27 company or other commercial finance company with a minimum credit rating of A by
28 Standard and Poor's, Moody's or similar institutional rating service and is the purchaser

1 at such foreclosure sale, or is the assignee under an assignment in lieu of foreclosure;
2 provided, however, that in either such event the Encumbrancer forthwith gives notice to
3 County in writing of any such transfer, setting forth the name and address of the
4 transferee, the effective date of such transfer, and the express agreement of the
5 transferee assuming and agreeing to perform all of the obligations under this lease,
6 together with a copy of the document by which such transfer was made.

7 Any Encumbrancer described in Paragraph 23(a)(2) above that is the transferee
8 under the provisions of Paragraph 23(a)(1) above shall be liable to perform the
9 obligations and duties of Lessee under this lease only so long as such transferee holds
10 title to the leasehold.

11 Any subsequent transfer of this leasehold hereunder, except as provided for in
12 Paragraph 23(a)(2) above, shall not be made without the prior written consent of
13 County and shall be subject to the conditions relating hereto as set forth in Paragraph
14 22 herein.

15 Lessee shall give County prior notice of any such trust deed, and shall
16 accompany such notice with a true copy of the trust deed and note secured thereby.

17 (b) Right of Encumbrancer to Cure. County agrees that it will not
18 terminate this lease because of any default or breach hereunder on the part of Lessee
19 if the Encumbrancer under the trust deed, within ninety (90) days after service of
20 written notice on the Encumbrancer by County of its intention to terminate this lease for
21 such default or breach shall:

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

26 (2) If such default or breach is not so curable, cause the trustee
27 under the trust deed to commence and thereafter diligently to pursue to completion
28 steps and proceedings for judicial foreclosure, the exercise of the power of sale under

1 and pursuant to the trust deed in the manner provided by law, or accept from Lessee
2 an assignment in lieu of foreclosure, and keep and perform all of the covenants and
3 conditions of this lease requiring the payment or expenditure, of money by Lessee(s)
4 until such time as said leasehold shall be sold upon foreclosure pursuant to the trust
5 deed, be released or reconveyed thereunder, be sold upon judicial foreclosure or be
6 transferred by deed in lieu of foreclosure.

7 24. Estoppel Certificate. Each party shall, at any time during the term of
8 the Lease, within ten (10) days of written Notice (or as soon as reasonably possible)
9 from the other party, execute and deliver a statement in writing certifying that this
10 Lease is unmodified and in full force and effect, or if modified, stating the nature of such
11 modification. The statement shall include other details requested by the other party as
12 to the date to which rent and other charges have been paid, and the knowledge of the
13 other party concerning any uncured defaults with respect to obligations under this
14 Lease and the nature of such defaults, if they are claimed. Any prospective purchaser,
15 Encumbrancer, or Sublessee of the Demised Premises, the building or any portion
16 thereof, may rely upon any such statement conclusively.

17 25. Toxic Materials. During the term of this lease and any, extensions thereof,
18 Lessee shall not violate any federal, state or local law, or ordinance or regulation,
19 relating to industrial hygiene or to the environmental condition on, under or about the
20 Leased Premises including, but not limited to, soil air and groundwater conditions.
21 Further, Lessee, its successors, assigns and Sublessees, shall not use, generate,
22 manufacture, produce, store or dispose of on, under or about the Leased Premises or
23 transport to or from the Leased Premises any flammable explosives, asbestos,
24 radioactive materials, hazardous wastes, toxic substances or related injurious
25 materials, whether injurious by themselves or in combination with other materials
26 (collectively, "hazardous materials"). For the purpose of this lease, hazardous
27 materials shall include, but not be limited to, substances defined as "hazardous
28 substances," "hazardous materials," or "toxic substances" in the Comprehensive

1 Environmental Response, Compensation and Liability Act of 1980, as amended, 42
2 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.
3 Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C.
4 Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section
5 25117 of the California Health and Safety Code or as "hazardous substances" in
6 Section 25316 of the California Health and Safety Code; and in the regulations adopted
7 in publications promulgated pursuant to said laws.

8 26. National Pollution Discharge Elimination System (NPDES) Permit.

9 Lessee acknowledges, understands and agrees that it shall comply with California
10 State Water Resources Control Board general permit requirements relating to storm
11 water discharges associated with activities such as aircraft rehabilitation, mechanical
12 repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further
13 acknowledges, understands and agrees that it shall participate as a co-permittee under
14 said general permit, participate in the Desert Resorts Regional Airport Storm Water
15 Pollution Prevention Plan (SWPPP) as noted in Exhibit D attached hereto and by this
16 reference made a part of this Lease, including without limitation, the Best Management
17 Practices, Best Available Technology Economically Achievable, and Best Conventional
18 Pollutant Control Technology."

19 27. Free from Liens. Lessee shall pay, when due, all sums of money that
20 may become due for any labor, services, material, supplies, or equipment, alleged to
21 have been furnished or to be furnished to Lessee, in, upon, or about the Leased
22 Premises, and which may be secured by a mechanics, materialmen's or other lien
23 against the Leased Premises or County's Interest therein, and will cause each such lien
24 to be fully discharged and released at the time the performance of any obligation
25 secured by such lien matures or becomes due; provided, however, that if Lessee desire
26 to contest any such lien, it may do so, but notwithstanding any such contest, if such,
27 lien shall be reduced to final judgment, and such judgment or such process as may be
28 issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay

1 thereafter expires, then and in such event, Lessee shall forthwith pay and discharge
2 said judgment.

3 28. Employees and Agents of Lessee. It is understood and agreed that all
4 persons hired or engaged by Lessee shall be considered to be employees or agents of
5 Lessee and not of County.

6 29. Binding on Successors. Lessee, its assigns and successors in interest,
7 shall be bound by all the terms and conditions contained in this lease, and all of the
8 parties thereto shall be jointly and severally liable hereunder.

9 30. Right of First Refusal. Providing Lessee faithfully performs all of the
10 conditions and covenants contained herein, and is not in default of the Lease at the
11 date of expiration, and further providing Lessor offers the Leased Premises for lease at
12 any time during the twelve (12) months subsequent to said expiration, Lessee, its
13 successor, or assigns shall have the first right of refusal to enter into a new lease
14 agreement with Lessor under the final terms being offered by Lessor to any prospective
15 lessee. Issuance of a Request for Proposals or Bid or similar issuance does not
16 constitute an offering of lease terms. Lessor shall provide Lessee written notice by
17 United States mail, that the Leased Premises are available for lease and the terms of
18 said lease, and Lessee shall have thirty (30) days from the postmark of said notice to
19 give written notice of acceptance of the proposed lease under the terms and conditions
20 contained in said notice. Should Lessee fail to notify Lessor of acceptance of said
21 lease agreement within the thirty (30) days set forth herein, Lessee shall be deemed to
22 have rejected said offer to lease, and Lessor shall be released from any further
23 obligation hereunder.

24 31. Waiver of Performance. No waiver by County at any time of any of the
25 terms and conditions of this lease shall be deemed or construed as a waiver at any
26 time thereafter of the same or of any other terms or conditions contained herein or of
27 the strict and timely performance of such terms and conditions.
28

1 32. Severability. The invalidity of any provision in this lease as determined by
2 a court of competent jurisdiction shall in no way affect the validity of any other provision
3 hereof.

4 33. Venue. Any action at law or in equity brought by either of the parties
5 hereto for the purpose of enforcing a right or rights provided for by this lease shall be
6 tried in a Court of competent jurisdiction in the County of Riverside, State of California,
7 and the parties hereby waive all provisions of law providing for a change of venue in
8 such proceedings to any other County.

9 34. Attorneys' Fees. In the event of any litigation or arbitration between
10 Lessee and County to enforce any of the provisions of this lease or any right of either
11 party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the
12 successful party all costs and expenses, including reasonable attorneys' fees, incurred
13 therein by the successful party, all of which shall be included in and as a part of the
14 judgment or award rendered in such litigation or arbitration.

15 35. Notices. Any notices required or desired to be served by either party
16 upon the other shall be addressed to the respective parties as set forth below:

17 <u>COUNTY</u>	17 <u>LESSEE</u>
18 County of Riverside	18 La Quinta FBO Two, LLC
19 Economic Development Agency	19 145 South Gene Autry Trail
20 3525 14 th Street	20 Palm Springs, CA 92262
21 Riverside, CA 92501	21 Attn: President
22 Attn: Executive Director	

22 or to such other addresses as from time to time shall be designated by the respective
23 parties.

24 36. Paragraph Headings. The paragraph headings herein are for the
25 convenience of the parties only, and shall not be deemed to govern, limit, modify or in
26 any manner affect the scope, meaning or intent of the provisions or language of this
27 lease.

28 ///

1
2 37. County's Representative. County hereby appoints the Assistant
3 County Executive Officer/EDA or his designee as its authorized representative to
4 administer this lease.

5 38. Acknowledgment of Lease by County. Upon execution of this lease by
6 the parties hereto, this lease shall be acknowledged by County in such a manner that it
7 will be acceptable by the County Recorder for recordation purposes, and thereafter,
8 Lessee shall cause this lease to be recorded in the office of the County Recorder of
9 Riverside County forthwith and furnish County with a conformed copy thereof.

10 39. Agent for Service of Process. It is expressly understood and agreed
11 that in the event Lessee is not a resident of the State of California or it is an association
12 or partnership without a member or partner resident of the State of California, or it is a
13 foreign corporation, then in any such event, Lessee shall file with County's clerk, upon
14 its execution hereof, a designation of a natural person residing in the State of
15 California, giving his or her name, residence and business addresses, as its agent for
16 the purpose of service of process in any court action arising out of or based upon this
17 lease, and the delivery to such agent of a copy of any process in any such action shall
18 constitute valid service upon Lessee. It is further expressly understood and agreed that
19 if for any reason service of such process upon such agent is not feasible, then in such
20 event Lessee may be personally served with such process out of this County and that
21 such service shall constitute valid service upon Lessee. It is further expressly
22 understood and agreed that Lessee is amenable to the process so served, submits to
23 the jurisdiction of the Court so obtained and waives any and all objections and protests
24 thereto.

25 40. FAA Consent to Lease. Lessee acknowledges that Desert Resorts
26 Regional Airport was transferred to the County by the Federal Government and, as
27 such, may require FAA consent to the Lease.

28 41. Entire Lease. This lease is intended by the parties hereto as a final
expression of their understanding with respect to the subject matter hereof and as a

1 complete and exclusive statement of the terms and conditions thereof and supersedes
2 any and all prior and contemporaneous leases, agreements and understandings, oral
3 or written, in connection therewith. This lease may be changed or modified only upon
4 the written consent of the parties hereto.

5 42. Construction of Lease. The parties hereto negotiated this lease at arms
6 length and with the advise of there respective attorneys, and no provisions contained
7 herein shall be construed against County solely because it prepared this lease in its
8 executed form.

9 Date: November 4, 2003

LA QUINTA FBO TWO, LLC,
a Delaware Limited Liability Company

By: [Signature]
Eric Affeldt, President

15 Date: JAN 13 2004

COUNTY OF RIVERSIDE

By: [Signature]
Chairman, Board of Supervisors
JOY WILSON

19 ATTEST:
20 NANCY ROMERO
21 Clerk of the Board
22 By: [Signature]
23 Deputy

FORM APPROVED:
WILLIAM C. KATZENSTEIN
County Counsel

By: [Signature] 12/10/03
Deputy

24 (SEAL)

- 25 Attachments:
26 1. Exhibit A - Legal Description
27 2. Exhibit B - Federally Required Lease Provisions
28 3. Exhibit C - Minimum Standards
4. Exhibit D - Storm Water Pollution Prevention Plan

F:\Shared\EDCOM\AIRPORTS\DRRA-Thermal\William Air La Quinta\LaQuintaFBOtwo consl isa nov 04 03.DOC

EXHIBIT "A"

LEGAL DESCRIPTION
 COUNTY OF RIVERSIDE - STATE OF CALIFORNIA
 MILLION AIR LEASE

PARCEL "A"

A PARCEL OF LAND LYING WITHIN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW1/4 NW1/4), THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER (NW1/4 SW1/4) OF SECTION 21, AND BEING A PART OF LOT 5 AND LOT 12 OF THE COACHELLA LAND AND WATER COMPANY'S SUBDIVISION OF SAID SECTION 21, FILED IN MAP BOOK 4, PAGE 53, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND ALSO LYING WITHIN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE1/4 NE1/4) AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER (NE1/4 SE1/4) OF SECTION 20, ALL IN TOWNSHIP 6 SOUTH, RANGE 8 EAST OF THE SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST OF THE SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SAID POINT BEING ON THE CENTERLINES OF AIRPORT BLVD. (56TH AVENUE) AND VIC HIGGINS DRIVE; THENCE S00°00'13"W ALONG THE WEST LINE OF THE NORTHWEST QUARTER (NW1/4) OF SAID SECTION 21 AND THE CENTERLINE OF SAID VIC HIGGINS DRIVE, A DISTANCE OF 2249.46 FEET; THENCE S89°58'13"E, A DISTANCE OF 33.00 FEET TO THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE, AND THE TRUE POINT OF BEGINNING;

THENCE N00°00'13"E ALONG THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE, A DISTANCE OF 257.56 FEET;

THENCE N45°01'36"E ALONG THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE, A DISTANCE OF 19.93 FEET TO THE SOUTHERLY LINE OF AVENGER BOULEVARD (BLVD.), SAID POINT BEING 33.00 FEET SOUTHERLY OF THE CENTERLINE OF SAID AVENGER BLVD., AS MEASURED AT RIGHT ANGLES THERETO;

THENCE N89°59'44"E ALONG THE SOUTHERLY LINE OF SAID AVENGER BLVD., A DISTANCE OF 884.11 FEET;

THENCE S00°01'29"W, A DISTANCE OF 861.87;

THENCE N89°49'37"W, A DISTANCE OF 1095.51 FEET;

THENCE N00°01'11"E, A DISTANCE OF 130.02 FEET;

THENCE S89°49'37"E, A DISTANCE OF 100.09 FEET;

THENCE N01°31'09"W, A DISTANCE OF 155.69 FEET;

THENCE N89°57'32"E, A DISTANCE OF 136.16 FEET TO THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE;

THENCE N00°01'11"E ALONG THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE A DISTANCE OF 301.38 FEET;

THENCE N89°58'13"W ALONG THE EASTERLY LINE OF SAID VIC HIGGINS DRIVE, A DISTANCE 34.61 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 0.18.44 ACRES (803,443 SQUARE FEET), MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT "B" WHICH IS MADE A PART HEREOF BY THIS REFERENCE HEREON.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS OF WAY AND EASEMENTS OF RECORD, IF ANY.



Mark A. Turner

FEDERALLY REQUIRED LEASE PROVISIONS

1. 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 lease agreement for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. 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: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) 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, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination 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.
3. That in the event of breach of any of the above nondiscrimination covenants, the County of Riverside, herein called the County, shall have the right to terminate the lease agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease 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.
4. The 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 or service; provided, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

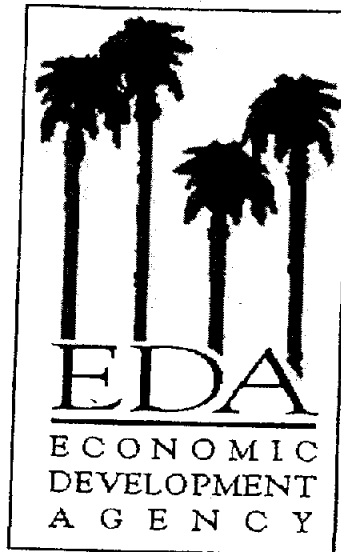
5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such noncompliance, the County shall have the right to terminate this lease agreement and the estate thereby created without liability therefore or, at the election of the County or the United States, either or both said Governments shall have the right to judicially enforce these Provisions.
6. The Lessee agrees that it shall insert the above five provisions in any sublease 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 leased.
7. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Par 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex 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 152, Subpart E, to the same effort.
8. The County 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.
9. The County 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.
10. This lease agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation, or maintenance of the airport.
11. There is hereby reserved to the County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein leased. 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 operating on the Desert Resorts Regional Airport.

12. The 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 leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
13. The Lessee, by accepting this lease agreement, expressly agrees for itself, its successors and assigns that it will neither erect nor permit the erection of any structure or object, nor permit the growth of any tree, on land leased hereunder with a height that exceeds the height limitation formula specified in Part 77 of the Federal Aviation Regulations without first obtaining the approval of the DOT and the County, which approval can be sought by submitting FAA Form 7460-1 (copy attached). In the event that the aforesaid covenants are breached, the County reserves the right to enter upon the land leased 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.
14. The Lessee, by accepting this lease agreement, agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner, which might interfere with the landing and taking off of aircraft from Desert Resorts Regional Airport or otherwise constitute a hazard. In the event that the aforesaid covenant is breached, the County reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the Lessee.
15. 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 USC 1349a)
16. This lease 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 use of the airport by the United States during time of war or national emergency.

Minimum Standards for Fixed Base Operators

Riverside County Airports

RIVERSIDE
C O U N T Y



**County of Riverside
Economic Development Agency**
5555 Arlington Avenue
Riverside CA 92504
Phone: (909) 351-0700
Fax: (909) 688-6873

Adopted January 30, 2001

EXHIBIT C

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DEFINITIONS	2
III.	AIRPORT RULES AND REGULATIONS	3
	A. Lease	3
	B. Airport Layout	4
	C. Signs	4
	D. Building Design, Construction, and/or Alterations	4
	E. Inspections	5
	F. Flying Clubs	5
	G. Waiver from Minimum Standards	5
	H. Civil Rights	5
	I. Insurance	6
	J. Lot Size	6
	K. Outdoor Storage	7
	L. Maintenance	7
IV.	SCOPE OF SERVICES	7
	A. Full Service FBO	8
	B. Aircraft Maintenance	9
	C. Radio and Avionics Repair Station & Sales	10
	D. Flight Instruction	11
	E. Aircraft Sales, Rental, and Leasing	12
	F. Aircraft Storage	13
	G. Agricultural Application	14
	H. Other Aeronautical Activities	16

I. INTRODUCTION

Riverside County is the owner (sponsor) of the following six airports in Riverside County: Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan. The Riverside County Economic Development Agency (EDA) is the county agency responsible for operation of the County's airports.

Minimum standards are established to promote and attract a professional level of aviation services to the County's airports while safeguarding the public's interest. The Minimum Standards provide a framework that strengthens the relationship between the Sponsor and the Fixed Base Operator (FBO). They offer information, advice and, where necessary, they provide strict regulation so that both the prospective and experienced FBO may have a firmer understanding of the many considerations which contribute to a safe, successful, and useful operation. The standards are intended to be the minimum requirements for those wanting to provide aeronautical services to the public at Riverside County airports. Operators are encouraged to exceed the minimum requirements.

FBOs are responsible for complying with the Minimum Standards and shall be familiar with revisions made to the Standards. All FBOs on the airports must comply with the standards herein as well as all applicable government regulations; however, leases executed prior to August 16, 1988, are exempt until lease renegotiations. The County's airports are subject to federal, state, and local rules and regulations. The County has adopted local rules and regulations to implement Federal Aviation Administration (FAA) requirements and to provide for safe and orderly operation on the airports. Local rules and regulations governing airport activities include, but are not limited to, applicable portions of the following:

1. Ordinance No. 576 - Rules and Regulations for Operation of County Airports
2. Fixed Base Operator Minimum Standards
3. County Airport Fueling Standards
4. Special Event Permit Policy
5. Airport Design Standards

Federal and state rules and regulations include, but are not limited to: FAA Grant Assurances; FAA Order 5190.6A - Airport Compliance Requirements; Federal Airport Regulations (FAR's); State Aeronautics Act (PUC § 21000); Government Code § 50470 - 50478; ADA Regulations; the California Environmental Quality Act (CEQA); and the National Environmental Policy Act (NEPA).

II. DEFINITIONS

AERONAUTICAL ACTIVITY - Any activity or service that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

AGREEMENT, LEASE, OR PERMIT - A contractual agreement between the EDA and an entity granting a concession or otherwise authorizing the conduct of certain activities which is in writing, executed by both parties, and enforceable by law.

AIRPORT - Includes the following six (6) airports owned by Riverside County: Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan, and its environs, such as, the property, buildings, facilities, and improvements within the exterior boundaries of each airport as it now exists or as it may hereafter be extended, enlarged, or modified.

AIRPORT SPONSOR - The designated entity or duly authorized representative, appointed by the Board of Supervisors, to manage the operation and development of Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan airports.

ALP - Airport Layout Plan

APPLICANT - A person, persons, firm, partnership, or corporation desiring to acquire the use of a portion of an airport, or to establish or use any facility on an airport for an aeronautical activity or special event and who shall apply in writing and in the manner or form prescribed for authorization to establish such activities.

CEQA - California Environment Quality Act

COUNTY - County of Riverside, the FAA authorized airport sponsor.

EDA - Riverside County Economic Development Agency, the County agency designated to oversee and manage the County airports.

EQUIPMENT - All machinery, together with the supplies, tools, and apparatus necessary for the safe and proper procedure of the activity being performed.

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

FIXED BASE OPERATOR (FBO) - Any person, firm, partnership, corporation, association, limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport Sponsor (the County) to provide specific aeronautical services at an Airport, under strict compliance with such agreement and pursuant to these and all applicable regulations and standards.

FUEL - FAA authorized aviation fuel, including jet fuel

FUEL FARM - Any portion of an Airport, authorized by the Airport Sponsor, as an area in which gasoline or any other type of fuel may be stored.

FULL SERVICE FBO - An FBO which provides certain essential aeronautical services (e.g. aircraft maintenance and repair, flight instruction, fueling of aircraft, transient aircraft parking guidance, positioning of wheel chocks and tie-downs, fireguard for engine starts, baggage handling, standardized ground service and recovery equipment, pilots' lounge, and restrooms), subject to restrictions agreed to during lease negotiations (see Table A below for complete guidelines).

LIMITED SERVICE FBO - An FBO which provides certain of the aeronautical services provided by a Full Service FBO, subject to restrictions imposed by leasehold size requirements and to restrictions agreed to during lease negotiations (see Tables B through H below for complete guidelines).

MINIMUM STANDARDS - The qualifications and criteria set forth herein as the minimum requirements to be met as a condition for an FBO to conduct an aeronautical activity on an EDA sponsored airport.

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

All revenue generating, commercial and/or business activities, at County operated airports are required to secure a lease approved by the County Board of Supervisors (the "Board") prior to commencement of any commercial activity.

Prospective lessees should begin the process by requesting a meeting with County staff. The purpose of the initial meeting is to introduce staff, show the available sites,

and answer any questions. At the conclusion of this meeting the prospective lessee will be asked to submit a Lease Application and proposal.

Upon receipt of a lease application and proposal, County staff will review the proposal and will provide a written response. Once an agreement has been reached on the deal points and development proposal, a lease will be prepared for execution by the lessee. The lease shall be executed in three counterparts and all three copies shall be returned to the County. The County will then schedule the lease for consideration at the next available Board of Supervisors' meeting. ***Please be advised that the County Board of Supervisors is the only entity that can make a binding lease commitment and development may not proceed until the Board has approved the lease.***

Exclusive rights for any aeronautical activity will not be issued at any County airport. This is to ensure that airport patrons are offered competitive market prices for services.

B. Airport Layout

All new leases and new airport development shall comply with the current FAA approved Airport Layout Plan (ALP) for each airport. In addition, Desert Resorts Regional, French Valley, and Hemet Ryan airports have adopted Airport Master Plans and all new development shall comply with those master plans. Lessee proposals that conflict with ALP's and Master Plans will not be approved.

C. Signs

All signs (commercial, traffic, services, advertising, etc.) must receive written approval from the Assistant County Executive Officer / EDA or Designee prior to their placement. The request for approval should include the size, location, and design of sign. All outdoor advertising shall comply with County Ordinance No. 348 and applicable federal and state laws. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA Western Pacific Region for review and determination, with a copy of the form sent to the Assistant County Executive Officer / EDA

D. Building Design, Construction, and/or Alterations

All design, construction, and/or alterations shall be in compliance with Airport Design Guidelines. The County reserves the right to review and approve all architectural design of all construction or alterations to be performed on County operated airports.

The County reserves the right to review and approve the design and construction methods of all development at the County operated airports. All buildings shall comply with local codes and regulations as to their construction. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA for their review

and assessment with a copy of the form submitted to the Assistant County Executive Officer / EDA.

The County reserves the right to require a Material and Performance Bonds or a Letter of Credit prior to the construction of any facility for the return of funds expended by the County in the event that the applicant defaults on any obligations.

E. Inspections

The County reserves the right to make periodic inspections of the leased premises during reasonable hours to ensure lease compliance and Lessee's adherence with all applicable regulations. County staff, County contractors, the FAA, and/or the State of California may conduct inspections, under this provision.

F. Flying Clubs

All flying clubs located at Riverside County operated airports shall be nonprofit organizations. All rights shall be equally shared between members. No member shall share in profits, earnings, salaries, or other forms of compensation. The Flying Club shall not be engaged in any type of commercial operation. A copy of the Flying Club's Charter and By-laws, or other comparable documents, must be filed with the Aviation Division. Flying clubs must submit annual financial reports and furnish the County with proof of insurance of the types listed on Appendix A.

A minimum of one (1) aircraft, properly certified, is required for a flying club. Flight instruction shall only be offered to club members. The instructor must be a club member or an instructor who is a lessee on the airport for the purpose of flight instruction.

G. Waiver from Minimum Standards

Any tenant or prospective tenant wishing to waive any minimum standard set forth in the approved Minimum Standards must submit a letter to the Assistant County Executive Officer / EDA expressing their hardship to conform with the Minimum Standards. The Assistant County Executive Officer / EDA has the discretion of approving or disapproving the waiver as it would apply to the future viability of the airport, subject to applicable provisions, which may be contained in the tenant's lease approved by the Board. Waivers may be granted on a temporary basis, and may be withdrawn or terminated at the Director's discretion.

H. Civil Rights

All individuals using the County operated airports must comply with all the provisions of the Federal Civil Rights Act of 1964. The tenant or prospective tenant shall ensure

there shall be no discrimination in the availability of any services or commodities based on race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition, or marital status.

I. Insurance

The FBO shall procure, maintain, and pay premiums during the term of the agreement for insurance of the types and the minimum limits set forth by the County for each aeronautical activity. The FBO shall obtain and maintain insurance (See Appendix A), which contains an endorsement that the "County of Riverside, including its elected officials, officers, employees, and agents" are named as additional insured. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the Assistant County Executive Officer / EDA and/or the County Risk Manager. Each insurance company shall have an A.M. BEST rating of not less than A:VIII (A:8).

Proof of insurance must be submitted to the Assistant County Executive Officer / EDA prior to commencement of operations and upon each insurance renewal. The FBO shall provide either 1) a properly executed original Certificate(s) of Insurance and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the Assistant County Executive Officer / EDA and/or County Risk Manager, provide original Certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Certificate(s) shall contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.

If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be less than two (2) times the occurrence limit. All insurance policies are subject to review by the County's Department of Risk Management. The Assistant County Executive Officer / EDA, upon the advice of the County Risk Manager, reserves the right to increase the limits, or require additional insurance coverage, beyond those set forth in these Minimum Standards, subject to applicable provisions of the tenant's lease.

J. Lot Size

Lot sizes may vary according to the type of operation. If available, aircraft tie-downs and hangar space, as well as automobile parking spaces, may be leased from the County to meet these minimum standards. The number of aircraft, hangar, or automobile parking spaces shall be determined during lease negotiations.

K. Outdoor Storage

No outside storage will be permitted except behind enclosed block walls, screened from public view, or as approved by the Assistant County Executive Officer / EDA.

L. Maintenance

Lessee shall be responsible for the adequate maintenance of leased property and in compliance with all applicable Federal, State, and Local health and safety regulations.

IV. SCOPE OF SERVICES

Each aeronautical activity has a separate scope of services. The services required of a Full-Service FBO include the Minimum Standards for all combinations of aeronautical activities. The cumulative effect of the Minimum Standards will not equate to any minimum standard greater than that applicable to the Full-Service FBO.

Table A - FULL SERVICE FBO

Each airport shall have a minimum of one (1) Full Service FBO. Mandatory Requirements: Full Service FBOs shall provide: aircraft maintenance & repair; flight instruction; fueling of aircraft; transient aircraft parking guidance; positioning of wheel chocks and tie-downs; fireguard for engine starts; baggage handling upon request; have available and provide standardized ground service equipment and recovery equipment for aircraft weighing up to 30,000 lbs at FVA, 40,000 lbs at HRA, and 80,000 lbs at DRRA (service and recovery equipment shall include, but not be limited to, wheel chocks, tie-down ropes or chains, aircraft jacks, tow bars, auxiliary power units, and aircraft tugs); pilots' lounge; and restrooms. Optional Requirements: In addition to the required services listed in the preceding sentence, Full Service FBOs may provide: aircraft sales or leasing (including financing), sales of aircraft parts and supplies, radio and avionics sales and repair, aircraft storage hangars and tie-downs, painting and upholstering of aircraft, leasing or renting of automobiles, and operating a restaurant or café.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 3 acres or 130,680 SF		
Hangar area	14,000 SF	For aircraft storage
Outside storage area	30,000 SF	For tie-down or apron parking
Building space	2,000 SF	For offices, pilots' lounge and briefing area, conference rooms, classrooms, and restrooms
Automobile parking	20 spaces, with landscaping as required by Ord. 348	For employees per shift and customer parking
Fuel farm	Refer to Fueling Standards	
Landscaping	To be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and/or other responsible agency as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
Staff	Adequate number	For safe and efficient operation of airport and aeronautical activities
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	7 days/week, 10 hrs/day	Or as demand may require
Fueling services	During business hours and emergency situations	One (1) hr response time during non-business hours
<u>EQUIPMENT:</u>		
Aeronautical operations	Refer to tables for equipment required for each activity	
FBOs providing aircraft fueling and servicing	Refer to Airport Fueling Standards	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table B - AIRCRAFT MAINTENANCE

An aircraft airframe, engine, and accessory maintenance and repair FBO shall provide one or a combination of airframe, engine, and accessory overhauls and repair services on aircraft up to and may include business jet aircraft and helicopters. This category shall include the sale of aircraft parts and accessories.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
	200 SF	Office storage room
Automobile parking	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building

CERTIFICATION:

Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43
---------	---

PERSONNEL:

Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations

HOURS OF OPERATION:

Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours

EQUIPMENT:

Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
---	---	--

INSURANCE:

Refer to Appendix A

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

A radio and avionics repair station FBO engages in the business of and provides a shop for the repair of aircraft avionics, instruments, and accessories for general aviation aircraft. This category also includes the sale of new or used aircraft avionics, instruments, and accessories.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 150 SF		
Repair station	150 SF	
Automobile parking	One (1) space per 150 SF, with landscaping as required by Ord. 348	
<u>CERTIFICATION:</u>		
Station	Authorized repair station and certified under FAR Part 145	
<u>PERSONNEL:</u>		
Staff	One (1) FAA certified repairman	
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	
<u>EQUIPMENT:</u>		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.		
<u>INSURANCE:</u>		
Refer to Appendix A		

Table D - FLIGHT INSTRUCTION

A flight instruction FBO engages in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
--------------------	-------------------------	------------------------

LOT SIZE: 500 SF (not necessarily contiguous)

Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	

PERSONNEL:

Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction

HOURS OF OPERATION:

Business Hours	Available for appointment for at least 40 hrs/week
----------------	--

EQUIPMENT:

Aircraft	One (1) single-engine aircraft	Available for flight training
----------	--------------------------------	-------------------------------

INSURANCE:

Refer to Appendix A

Table E - AIRCRAFT SALES AND LEASING

An aircraft sales and/or lease FBO engages in the sale and/or lease of aircraft to the public. New aircraft sales involves the sale of new aircraft through franchises or licensed dealerships (if required by local, county, or state authority) or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer. Aircraft sales FBOs may also engage in the sale of used aircraft. This can be accomplished through various methods, including matching potential purchasers with an aircraft (brokering), assisting a customer in the purchase or sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. A new aircraft sales and/or leasing FBO must show capability to support maintenance agreements for aircraft sold or leased. A used aircraft sales FBO may also provide such repair, services, and parts as may be necessary to support the operation of aircraft sold. Some requirements may not be appropriate to the sale of used aircraft because of each aircraft's unique operational history. An aircraft sales FBO may also finance aircraft purchases, subject to the applicable licensing requirements.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE: 150 SF</u>		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 50 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer Aircraft must hold FAA registration and current airworthiness certificate	
Aircraft available for sale and leasing		
<u>PERSONNEL:</u>		
Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment at least 40 hrs/week	
<u>EQUIPMENT:</u>		
	Minimum equipment required shall be determined during lease negotiations.	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table F - AIRCRAFT STORAGE

An aircraft storage FBO engages in the construction, rental, and maintenance of conventional hangars or multiple T-hangars.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 1 acre or 43,560 SF		
Storage area of the following or proportionate combination of:	<ol style="list-style-type: none"> 1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval 	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
<u>PERSONNEL:</u>		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)

HOURS OF OPERATION:

Minimum via phone contact	5 days/week, 8 hrs/day
---------------------------	------------------------

INSURANCE:

Refer to Appendix A

ADDITIONAL GUIDELINES:

The County and Full Service FBOs shall possess the right to provide and operate the public aircraft storage areas unless circumstances warrant otherwise. No business activities shall be operated from storage areas.

Table G - AGRICULTURAL APPLICATION

An agricultural application FBO engages in air transportation for hire for the purpose of providing the use of aircraft for agricultural operations such as, but not limited to, crop dusting, seeding, spraying, and bird chasing.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Apron, tie-down area	6,000 SF	Storage
Building space	400 SF	For offices, lobby, public phone, and restrooms
Chemical storage	400 SF	
Automobile parking	Minimum of five (5) parking spaces, with landscaping as required by Ord. 348	For number of employees per shift and average number customers
Landscaping	Specific plans to be determined during lease negotiations	Required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
Permits and certificates	Must be submitted to Assistant County Executive Officer / EDA or Designee prior to operations.	
Renewals	Furnished to EDA Executive Director or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615
<u>PERSONNEL:</u>		
Staff	Minimum number to be determined during lease negotiations.	
Certification & training	Personnel must be knowledgeable about the safe handling of poisons and agricultural chemicals and the proper disposal of substances intended to be used in operations.	
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
<u>EQUIPMENT:</u>		
To be determined during lease negotiations.		
<u>INSURANCE:</u>		
Refer to Appendix		

Table G - AGRICULTURAL APPLICATION (continued)

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
ADDITIONAL GUIDELINES: Storage and containment of Hazardous Materials		
<p>a. Comply with California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979.</p> <p>b. Comply with County Ordinance No. 546, Division VIII-Fire Protection Requirement Buildings; and Division XIV-Fire Protection Requirements relating to storage of flammable or combustible liquids used as motor fuel.</p> <p>c. Comply with the 1982 Uniform Fire Code Article 80-Hazardous Materials (section 80.107, 80.108, 80.109, and 80.111); and Article 86-Pesticides storage (all sections).</p> <p>d. Comply with all hazardous waste regulations which can be found in Title 22 of the California Administrative Code and the California Health and Safety Code.</p> <p>e. Submit a waste management plan addressing the items mentioned below with an explicit clause stating that the applicant shall be held responsible for the safe and proper cleanup of any hazardous waste spills.</p> <p>f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit.</p> <p>g. If hazardous wastes are treated and/or stored more than 90 days, or disposed or on-site, a hazardous waste facility must be obtained from the State Department of Health.</p> <p>h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following:</p> <ol style="list-style-type: none"> 1. Tanks and/or containers shall be of sound construction and compatible with waste stored (Title 22, California Administrative Code, Sections 66508, 67242, and 67247). 2. Tanks and/or containers shall be designed, constructed, maintained, and operated to minimize the possibility of fire, explosion, or any unplanned sudden, or non-sudden release of hazardous waste or any constituents to the soil, air, or surface waste which could threaten human health or the environment (Title 22, California Administrative Code, Sections 67241, 67243, 67244, 67257, and 67259). 3. Storage of on-site hazardous waste containers shall be in a structure that will prevent the contamination of the environment with hazardous waste. Design of the structure shall be submitted to the Assistant County Executive Officer / EDA or Designee and Hazardous Material Division prior to construction. 4. If hazardous wastes or materials are to be stored underground, applicant must comply with County Ordinance No. 617 by completing the reporting form and obtaining the proper permits. 5. Underground tanks shall be of proper design and construction with approved monitoring systems. Records shall be maintained concerning operations, inspections, and monitoring pursuant to County Ordinance No. 617. 6. The applicant must take steps to minimize the quantity, toxicity, or other hazards of the waste generated. Such steps shall be submitted in writing to Assistant County Executive Officer / EDA or Designee. 7. The facility shall be in compliance with all statutes, regulations, and ordinances pertaining to the management of hazardous waste. 8. Operator must submit a Letter of Credit or Performance Bond covering any clean-up or fines imposed caused by the actions or the operator. 		

Table H - OTHER AERONAUTICAL ACTIVITIES

All aeronautical activities that were not included in previous sections are required to comply with these minimum standards. Activities include, but are not limited to, Air Tours, Air Charter, Banner Towing, Gliders, Ultra Lights, Parachuting, Airship Operations, and Ballooning.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Building space	400 SF	For offices, lobby area, and restrooms. Additional space may be required depending on the operation
Aircraft storage	To be determined during lease negotiations	Hangar or outside storage to accommodate the operational activities desired.
Automobile parking	Minimum of five (5) parking spaces or 810 SF, with landscaping as required by Ord. 348	For number of employees per shift and average number customers.
Landscaping	Specific plans to be determined during lease negotiations.	Required around vehicle parking, sidewalks, and buildings.
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
Staff	Sufficient number during normal hours of operation	
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Services	To be determined during lease negotiations.	Minimum requirements would be: normal telephone contact five (5) days a week (M-F) eight (8) hours a day.
<u>EQUIPMENT:</u>		
	To be determined during lease negotiations depending on the type of activity proposed.	
<u>INSURANCE:</u>		
Refer to Appendix A		

MINIMUM STANDARDS FOR FIXED BASE OPERATORS APPENDIX A - INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS (Page One of Two Pages)		Statutory Workers' Compensation Insurance including Employers' Liability including Occupational Disease with a limit of liability of	Airport Commercial General Liability Insurance including, but not limited to, premises liability, contractual liability, products and completed operations liability	Fire Legal Liability (Normally included with Airport Commercial General Liability) with a limit of not less than	Vehicle Liability Insurance covering all owned, non-owned or hired vehicles	Aircraft Hull and Liability Insurance for full replacement value of the hull and liability with a minimum limit of passenger per seat limit of \$100,000)	Products Liability Insurance including completed operations not otherwise included in the Commercial General Liability	(If applicable) Hangar Keepers Liability Insurance (Flight Coverage) with a limit of liability equal to the combined hull value of all aircraft in any one hangar and a minimum limit of	(If applicable) Hangar Keepers Liability Insurance (Ground Coverage) with a limit of liability equal to the combined hull value of all aircraft in any one hangar and a minimum limit of	Pollution Liability Insurance covering gradual, sudden and accidental pollution including first party clean-up with a minimum limit of
Full Service FBO	\$ 1,000,000	\$ 3,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Aircraft Maintenance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Radio and Avionics Repair Stations and Sales	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Flight Instruction	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Aircraft Sales, Rental and Leasing *	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Aircraft Storage	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Agricultural Application**	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other Aeronautical Activities ***	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Flying Clubs ****	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Special Events	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

* Airport Commercial General Liability Insurance must also include Contingent Liability and non-owned Hull Liability. If liquor is sold, Liquor Law Liability must be included.

** Include Agriculture Endorsement on Aircraft Hull and Liability Insurance policy and provide the County with a certified original copy of the endorsement.

*** The limits and coverage required may vary depending upon the activity involved.

**** Workers' Compensation is required if Flying Club has employees.

APPENIX A - INSURANCE REQUIREMENTS (Continued, Page 2 of 2)

Workers' Compensation

1. Policy shall be endorsed to include, if applicable, Borrowed Servant / Alternate Employer.
2. Policy shall be endorsed to "Waive Subrogation in favor of the County of Riverside"

All Policies (Other than Workers' Compensation)

1. Each policy shall be endorsed to name all Agencies, Districts, Special Districts and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.
2. If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be no less than two (2) times the occurrence limit.

All Policies (Including Workers' Compensation)

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the County Risk Manager.
2. Each insurance company shall have an A.M. BEST rating of not less than an; A.VIII (A:8)
3. Provide either 1) a properly executed original Certificate(s) of Insurance, and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the County Risk Manager, provide original Certified copies of policies including all endorsements and all attachment thereto, showing such insurance is in full force and effect.
4. Certificates to contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance.
5. Operations shall not commence until the County of Riverside has been furnished evidence of coverage as described in item 3.
6. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.
7. The EDA Director, upon the advise of the County Risk Manager, reserves the right to increase the limits or required additional insurance coverage beyond that set forth herein.

STORM WATER POLLUTION PREVENTION PLAN INTRODUCTION AND PURPOSE

The California airport group members have submitted their Notices of Intent (NOI) and are now in the compliance phase of the California General Permit. The General Permit requires airport discharges to: eliminate non-storm water discharges; develop and implement a storm water pollution prevention plan; and perform monitoring of discharges to the storm water drainage system.

The required Storm Water Pollution Prevention Plan (SWPPP) must emphasize the storm water Best Management Practices (BMPs) and be designed to comply with Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (BCT). The SWPPP has two major objectives: 1) to identify the source of pollutants that affect the quality of the industrial storm water discharge; and 2) to describe practices which may be implemented to reduce the pollutants in the industrial storm water discharge.

The SWPPP is to be certified and implemented by October 1, 1992. Although the SWPPP is not submitted to the Regional Board, it must be retained on file at the airport for the duration of the permit. The SWPPP must be available for Regional Board and public review. The Regional Board may notify airport representatives if the SWPPP does not meet the minimal requirements. Within 30 days of the notice, the airport must submit a time schedule in which the required changes will be made. Once the changes have been made, the airport will provide written certification to verify the completed change. The documentation should then be retained as part of the SWPPP.

The airport is responsible for amending the SWPPP whenever there is a change in construction, operation, or maintenance, which will affect the quality or quantity of the industrial storm water discharge. The SWPPP should also be amended if the objective of controlling pollutants in the storm water discharge as not being achieved.

EXHIBIT "D"

PLANNING AND ORGANIZATION

POLLUTION PREVENTION PERSONNEL

POLLUTION PREVENTION COMMITTEE MEMBERS

Airport Manager/Representative: Thomas Turner

DUTIES: Overall compliance; Inspection of airports.

Phone: (909) 351-0700 x 358 24-hour Phone: (909) 412-3049

Designated Individuals

Name: Captain Heally, C.D.F. Fire Title: _____

Phone: (760) 399-5303 24-hour Phone: 9-1-1

Duties: County fire compliance with permit.

Name: Eric Affeldt Title: Manager, Million Air La Quinta F.B.O.

Phone: (760) 399-1855 24-hour Phone: _____

Duties: F.B.O. compliance.

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

FACILITY DATA COLLECTION

The general permit requires that the following information be gathered in order to determine and evaluate pollution sources:

- Site map
- Topographic map
- Description of significant material handling
- List of pollutants with potential to be present
- Size of airport and percentage of impervious areas
- Spill history
- Summary of existing sampling data

Topographic Map

Description of Significant Material Handling

Significant Materials Treated or Stored

Significant Materials Stored:

1) Jet-A and Avgas stored in underground and above ground tanks.

2) Used motor oil

Significant Materials Disposed:

1) Fuel from underground tank is used in aircraft. Underground and aboveground tanks are regulated by title 23 of the California Health and Safety Code, EPA underground Tank Regulations, and riverside County Ordinance No. 617

2) Fertilizer and pesticides are controlled by EPA, State, and county regulations.

Fertilizers and Pesticides are disposed of off airport property.

3) Used motor oil is recycled through a licensed contractor.

Significant Materials Spilled Or Leaked (in significant quantities to storm water after November 19, 1988):

1) To our knowledge, no materials of significant quantity have been leaked or spilled on airport property.

2) Fuel spill in 1995, overfilled fuel trucks. Topsoil removed by airport staff and disposed of by operator. County Haz - Mat called.

3) Site clean up completed in Feb. 1998

Airport Industrial Storm Water Treatment Facilities:

1) No facilities are now on the airport.

Materials Management Practices:

- 1) All hazardous material spills must be reported to the airport manager, County Health and County Fire to insure immediate and proper cleanup and disposal. Liquid absorbent material is stored on site.
- 2) Areas where materials are stored and or have the possibility to spill are inspected monthly, with spot inspections during daily airport inspections
- 3) Insure material handlers have proper licenses and or training for each product being used.

Equipment Management Practices:

- 1) All equipment inspected monthly.
- 2) Routine maintenance to repair leaks and preventive maintenance scheduled to prevent leaks.
- 3) Drip pans installed under areas where leaks may occur.

Vehicle Management Practices:

- 1) Scheduled preventative maintenance.
- 2) Cleaning vehicles with biodegradable solvents and soaps, in designated areas only.
- 3) Routine daily inspections of vehicles.

Material Loading, Unloading, and Access Areas:

- 1) Insure all personnel are trained and or have proper license.
- 2) Restrict material-handling areas to trained personnel only.
- 3) Insect equipment monthly to insure it is in proper working order and notify the responsible party if not.

Existing Structural Controls (to reduce pollutants in storm water):

1) Monthly inspections of all aircraft tie downs, auto parking lots, streets and hangar areas.

2) Daily spot inspections done during routine airport safety inspections.

Existing Non-Structural Controls (to reduce pollutants in storm water):

1) Use of dirt roads restricted to airport employees for inspections and maintenance.

2) Monthly inspections of all drains, inlets, flood control berms for unauthorized water runoff.

Methods of On-Site Disposal of Significant Materials:

1) All hazardous materials are disposed of in State approved sites or recycled. No hazardous materials are disposed of on the airport.

Methods of On-Site Storage of Significant Materials:

1) Aviation fuels are stored in above ground and under ground tanks or in fuel trucks.

2) Motor vehicle oils are stored inside buildings.

3) All pesticides and fertilizers are stored in building or on covered concrete slabs.

Activities that Generate Significant Quantities of Dust or Particulates (unpaved access roads or emissions from industrial processes):

1) All main access roads and parking lots are paved. Some airport maintenance roads are dirt but rarely used.

2) There are no significant industrial processes on the airport.

3) Dirt roads are restricted to airport personnel only.

Pollutant Lists

The airport is required to list any pollutants that have a reasonable potential to be present in the storm water discharge in significant quantities. The definition of significant quantities varies depending on the material. In general, a significant quantity of material larger than that consumed within a normal day's operations or a quantity resulting in spills beyond the immediate clean-up capabilities of the individual charged with the use of the materials. For regulated substances, a significant quantity is a "reportable" quantity of those substances. An estimate of the annual quantities of these pollutants in the discharge is also required. List substances and quantities in the following table (Table 3-1) and retain a copy in the SWPPP documentation.

POLLUTANT LIST

TABLE 3-1

Date	Pollutant Present	Use	Quantity Estimate
10/1	Aviation Fuels	20,000 gal. annually	
10/1	Motor oils	300	
10/1	Anti Freeze	Ground vehicles	No significant
10/1	Engine oil	Aircraft and Ground vehicles	Spill history

Airport Size

Airport Size (acres or square feet): 2,363 Acres

Impervious Area (acres or Square Feet): 35.5 Acres

Percentage of Impervious Area (Impervious area/total area x 100): 1.5%

Significant Spills or Leaks:

Table 3-2 should be used to record the lists described above.

Summary of Sampling Data:

Record the sampling event(s) information on Table 3-3 and include only a one-page summary from the sampling data report package.

Airport Size

Airport Size (acres or square feet): 2,363 acres

Impervious Area (acres or Square Feet): 45. Acres Amendment-10-26- 50.75 acres

Percentage of Impervious Area (Impervious area/total area x 100): 2. % - 2.1%

Significant Spills or Leaks: Table 3-2 should be used to record the lists described above.

Summary of Sampling Data: Record the sampling event(s) information on Table 3-3 and include only a one-page summary from the sampling data report package.

SAMPLING EVENT RECORDS TABLE 3-3

Date Sampled	Outfall Sampled	Analysis Performed	Analysis Method	Sampling Team
Nov. 98	1			Tom Turner

STORM WATER MANAGEMENT CONTROLS

This section of the SWPP describes storm water management controls, which are appropriate for the identified potential pollutant sources at the facility

The regulations require the following descriptions and information to be included in the storm water management control portion of the SWPPP:

- Prevention Maintenance and Inspections
- Good Housekeeping
- Spill Prevention and Response
- Storm Water Management Practices
- Sediment and Erosion Prevention
- Employee training

Preventative Maintenance

The preventative maintenance program should include the following:

- Identification of the equipment and systems targeted for the PM program
- Periodic inspections of identified equipment and systems
- Appropriate adjustments, repair, or replacement of parts
- Record keeping documenting inspections and follow-up action

Documentation and retention of records is a critical element of a good preventative maintenance and inspection program. A tracking and follow-up procedure is recommended to ensure that an appropriate response to the inspection findings has been made. All inspection documentation and records must be maintained with the SWPPP for a period of 5 years, Table 4-1 should be used to record inspection and maintenance activities, and any corrective actions implemented.

Good Housekeeping

Written Protocol

The protocols should be developed to meet the site-specific requirements of the airport.

The protocols should cover:

- 1) Daily inspections of tie down areas to look for leaks and spills.
- 2) Notices sent to F.B.O.s and aircraft owners to correct any problems.
- 3) Vehicle and equipment washing to be done in designated areas only.
- 4) No hangars, equipment storage or maintenance facilities are allowed to be hosed out. All oil and fuel will be cleaned by using oil absorbent materials or biodegradable solvents or soaps, then disposed of properly.

- 5) Drip pans and 100 pounds of absorbent material stored at each F.B.O. site near fuel storage and maintenance areas.
- 6) Drums and tanks containing used oil are to store in a covered area with retention.
- 7) The County and each co-Permittees will train all personnel on the proper handling of hazardous materials. List of agency's to notify if a spill occurs.
- 8) The designated airport representative will inspect the airport monthly to include co-Permittees areas to insure compliance with the S.W.P.P.P.
- 9) All unpaved roads restricted to necessary traffic.
- 10) All vehicle fueling to take place on paved areas to simplify clean up if a spill occurs. Also keeps cost down.

A protocol document should be included with the SWPPP document; Table 4-3 can be used for this purpose. Spill Prevention and Response

Table 4-4 will be used to record the spill control and countermeasures established by the airport. Please add any additional documentation relating to spill prevention countermeasures and control to this document.

See Protocols and Management Practices

Emergency Response Coordinator

The designated person will be named below. This information should be kept on file as part of the SWPPP documentation.

Designated Individual:	<u>Tom Turner</u>	
Title:	<u>Airport Manager</u>	
Phone:	<u>(909) 351-0700 x 358</u>	24-hour Phone: <u>909-412-3049</u>
Alternate:	<u>Paul Hardin</u>	
Title:	<u>Airport Operation</u>	
Phone:	<u>(909) 358-5164 24-hour</u>	24 hour Phone: <u>909-416-8958</u>

Storm Water Management Practices

- 1) Daily inspections of tie down areas to look for leaks.
- 2) Notices sent to lessees, aircraft and equipment owners to inform them of problems that need correcting.
- 3) Vehicle and equipment washing be done in designated areas. All loose oil needs to be wiped from all surfaces before washing.
- 4) No hangars, equipment storage, or maintenance facilities will be hosed out with water. All oil and fuel leaks will be cleaned up with liquid absorbent materials or biodegradable solvents and soap, then disposed of properly.
- 5) Drip pans of 100lbs. of liquid absorbent material stored at the airport near fueling facilities and maintenance areas.
- 6) Drums and tanks containing used oil, solvents, and coolants checked weekly for material levels. All full containers to be closed and secured to prevent overfilling.
- 7) The County and each Co-Permittee will train personnel in the proper handling, identification, and clean-up practices (List of agencies to notify when a spill does occur, etc.).
- 8) The designated airport representative to inspect the airport monthly to include Co-Permittees' leaseholds and notify responsible parties not in compliance with storm water plan.
- 9) All non-paved roads to be restricted to only necessary traffic.
- 10) All vehicle fueling is to take place on concrete or asphalt to simplify clean up if a spill does occur.
- 11) All hazardous material spills must be reported to airport management, County Health, and County Fire Dept. to insure immediate and proper clean-up and disposal. Liquid absorbent material is stored at the airport.
- 12) All equipment inspected monthly.
- 13) Routine maintenance to repair leaks and preventive⁴ scheduled maintenance to prevent leaks.
- 14) Drip pans installed under areas where leaks may occur.
- 15) Scheduled preventive maintenance.

- 16) Cleaning vehicles with only biodegradable solvents and soaps, in designated areas only.
- 17) Routine daily inspections on vehicles.
- 19) Insure all personnel are trained and /or have proper licensing.
- 20) Restrict material handling areas to trained personnel only.
- 21) Inspect equipment monthly to insure it is working properly and that the responsible party is noticed so that repair can be made on faulty equipment.
- 22) Require catch basins to be designed into all future construction projects where applicable.
- 23) Rip-rap all applicable outfalls, embankments and drain ditches.
- 24) Keep Cracks in parking lots and tie downs filled with crack fillers.

SEDIMENT CONTROL AND EROSION PREVENTION

- 1) Seed embankments where applicable to prevent erosion.
- 2) Monitor Sediment in basins and ditches; test annually and clean.

AMENDMENT SHEET

DATE	PURPOSE OF CHANGE	PAGES AMENDED	SIGNATURE
3-11-93	ADDED RUNWAY & TAXIWAY	7.B - 14	
10-26-98	ADDED TAXIWAY "F"	7.B - 14	
10-26-98	INCREASE SIZE, RETENTION BASIN TO 11 ½ ACERS.		

EMPLOYEE TRAINING SCHEDULE

TABLE 4 - 5

Workshop Topic	Dates	Personnel Attending

EMPLOYEE TRAINING

Training should be recorded on Table 4 - 5.

NON-STORM WATER DISCHARGES

The California General Permit requires non-storm water discharges to be eliminated prior to the implementation of the SWPPP on October 1, 1992. The airports must certify that there are no non-storm water discharges present in the storm water drainage system. All airports in the group must certify and monitor outfalls for dry weather discharges.

The certification page, for non-storm water certification, is provided in the "Non-Storm Water Discharge Screening and Detection Manual." This page should be signed and a copy inserted into the SWPPP documentation. All forms filled out while surveying and evaluating outfalls should also be inserted into this section of the SWPPP document. A record of methods used, dates, and time conducted should be listed on the form.

For methods of detection and screening for non-storm water discharges, the SWPPP Committee should refer to the above referenced document for complete guidance.

If certification is not feasible, due to the inability to eliminate the non-storm water discharge because of the need for significant structural changes, the airport must notify the Regional Board prior to the October 1, 1992 deadline. This notification should include a summary of why the extension in eliminating non-storm water discharges is required and a schedule indicating when non-storm water discharges will be eliminated. The schedule is subjected to modification by the regional board. This is also required if the airport has applied for an NPDES permit for a non-storm water discharge and has not yet received approval. If the airport is unable to eliminate the non-storm water discharge, then a schedule for elimination of the discharge must be submitted to the Regional Board for approval. In no case will the Board allow for the elimination of non-storm water discharges to take longer than 3 years from the date of the NOI submittal.

COMPLIANCE

Inspection

An annual inspection of the airport will be conducted by the Regional Board to verify elements of the SWPPP are accurate and have been implemented. The inspection may yield comments, which require a response to comments by the board and are required to be retained as part of the SWPPP. As listed under Section 311 of the Clean Water Act this SWPPP is considered a report that shall be available to the public.

Amendments to the SWPPP are required to include the signature and title of the person responsible for preparation of the SWPPP and the date.

1 **FIRST AMENDMENT TO LEASE**
2 **Jacqueline Cochran Regional Airport**

3 This First Amendment to Lease ("Amendment:") is entered into by and between the
4 County of Riverside (hereinafter "County"), and La Quinta FBO Two, LLC, a Delaware Limited
5 Liability Company doing business as "Million Air La Quinta" (herein called "Lessee"), with
6 reference to the following:
7

8 **RECITALS**

9 A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the
10 "Lease") dated November 28, 2000, and assigned to La Quinta FBO Two LLC, a Delaware
11 Limited Liability Company, on June 14, 2002, wherein Lessee agreed to lease from County,
12 approximately twenty (20) acres of property ("Leased Premises") located at the Desert Resorts
13 Regional Airport, now known as the "Jacqueline Cochran Regional Airport"; and

14 B. WHEREAS, the County and Lessee now desire to modify the Lease in accordance
15 with the terms and provisions of this Amendment.

16 NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of
17 which is hereby acknowledged, the parties hereto agree that the Lease shall be modified as
18 follows:
19

20 1. The description of the Property as set forth on Exhibit "A" to the Lease is hereby
21 clarified such that the Property boundaries are shown on the survey attached hereto as
22 Exhibit "A" and incorporated herein by this reference.

23 2. Paragraph 5 Rent, page 3, subparagraph (a) shall be modified by changing the
24 word "Lessor" in line 3 to "County" and adding the following at the end of said paragraph
25 5(a):

26 "The rent shall be considered delinquent, if not paid by the 15th of the month. If
27 the monthly rent becomes delinquent, Lessee will be charged a late fee equivalent to
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

The foregoing notwithstanding, commencing as of July 1, 2005 and continuing through June 30, 2015 Lessee shall pay to County for the use and occupancy of the Leased Premises monthly Base Rent according to the following schedule:

July 1, 2005-June 30, 2006	(\$351.27 per acre) X (20 acres) = \$7,025.40
July 1, 2006-June 30, 2007	(\$371.66 per acre) X (20 acres) = \$7,433.20
July 1, 2007-June 30, 2008	(\$393.24 per acre) X (20 acres) = \$7,864.80
July 1, 2008-June 30, 2009	(\$416.06 per acre) X (20 acres) = \$8,321.20
July 1, 2009-June 30, 2010	(\$440.21 per acre) X (20 acres) = \$8,804.20
July 1, 2010-June 30, 2011	(\$479.74 per acre) X (20 acres) = \$9,594.80
July 1, 2011-June 30, 2012	(\$522.74 per acre) X (20 acres) = \$10,454.80
July 1, 2012-June 30, 2013	(\$569.76 per acre) X (20 acres) = \$11,395.20
July 1, 2013-June 30, 2014	(\$620.91 per acre) X (20 acres) = \$12,418.20
July 1, 2014-June 30, 2015	(\$639.54 per acre) X (20 acres) = \$12,790.80

On July 1, 2015 and July 1 of every fifth (5th) year thereafter the monthly rent will be adjusted according to the provisions of new paragraph 5(d) as set forth in paragraph 3 of this Amendment."

3. Subparagraph 5 (d), page 4 of the Lease, shall be deleted in its entirety and replaced with the following subparagraph:

"5 (d) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth (5th) year thereafter, that portion of the monthly Base Rent for the Land shall be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value shall be for the Land only and shall not include the value of the Improvements or

1 other structures placed on the Leased Premises by Lessee. In no event will
2 application of this paragraph result in a monthly Base Rent amount for the Land
3 which is lower than the highest previous monthly Base Rent for the Land.

4 The aviation fair market value for the Land will be established by a
5 property appraisal performed by an independent appraiser, knowledgeable and
6 experienced in the valuation of aviation property within the southern California
7 Counties of Riverside, San Bernardino, San Diego and Los Angeles. The
8 appraiser shall be certified by, and be, in good standing with the Appraisal
9 Institute of Chicago IL with a current designation of "MAI" and the appraisal shall
10 be conducted in strict compliance with the Uniform Standards of Professional
11 Appraisal Practice ("USPAP").
12

13 No less than two hundred and forty (240) days prior to the rent
14 adjustment date, County will notify by US Mail, potentially affected Lessees of its
15 intent to issue a Request for Qualifications and Proposal ("RFQP") and submit a
16 copy of the Draft RFQP form it intends to use. It will be the responsibility of the
17 Lessees to establish amongst themselves a process for forming a committee to
18 comment on the Draft RFQP and to select up to two-fifths (2/5) of the appraisers
19 that will be invited to respond to the RFQP. In the event a majority of Lessees
20 participating in the selection process are unable to form a committee, comment
21 on the Draft RFQP, select the designated number of appraisers or give the
22 County written notice thereof within two hundred ten (210) days prior to the rent
23 adjustment date, then County will select all of the appraisers to which the RFQP
24 is sent. No less than one hundred and eight (180) days prior to the rent
25 adjustment date, County will give reasonable consideration to the comments
26 received from the Lessee's Committee and shall issue a Final RFQP to a
27 minimum of five (5) appraisers meeting the foregoing qualifications. Upon receipt
28

1 of the responses to the RFQP, the County shall offer the responses to the
2 Lessee's Committee for viewing and comment for a period of fourteen (14) days,
3 and after reasonable consideration of the comments made, County shall select
4 the appraiser pursuant to the County's established guidelines. The cost of the
5 appraisal and related processes shall be borne by the County. The cost, if any,
6 of forming and operating the Lessee's Committee shall be borne by the Lessee
7 Committee members.
8

9 Once established, the adjusted monthly Base Rent for the Land shall be
10 adjusted annually in the manner set forth in Paragraph 5 (e) below."

- 11 4. Subparagraph 5 (e), page 4, is hereby deleted in its entirety and replaced with the
12 following subparagraph:

13 "(e) Beginning July 1, 2016 and at each July 1st thereafter, except for dates
14 coinciding with the appraisals conducted every fifth year as referenced in
15 paragraph 5(d) above, the Base Rent shall be adjusted by the percentage
16 change, in the Consumer Price Index, All Urban Consumers, Los Angeles-
17 Riverside-Orange County Area for the twelve month period ending three months
18 before the month of rent adjustment under this paragraph. In no event will
19 application of this paragraph result in a monthly Base Rent amount lower than
20 the highest previous monthly Base Rent amount."
21

- 22 5. Paragraph 20 entitled "Indemnity" shall be deleted in its entirety and replaced with
23 the following language:

24 "20. Hold Harmless/Indemnification. Lessee shall indemnify, defend and hold
25 harmless the County, its Agencies, Districts, Special Districts and Departments, their
26 respective directors, officers, Board of Supervisors, elected and appointed officials,
27 employees, agents and representative (the "Indemnified Parties") from any liability
28 whatsoever, including but not limited to property damage, bodily injury, or death, based

1 or asserted upon any services of Lessee, its officers, employees, subcontractors, agents
2 or representatives arising out of or in any way relating to this Lease and Lessee shall
3 defend at its sole expense and pay all reasonable and documented costs and fees,
4 including but not limited to attorney fees, cost of investigation, defense and settlements
5 or awards, on behalf o the Indemnified Parties in any claim or action based upon such
6 liability.

7
8 With respect to any action or claim subject to indemnification herein by Lessee,
9 Lessee shall, at Lessee's sole cost, have the right to use counsel of their choice and
10 shall have the right to adjust, settle, or compromise any such action or claim without the
11 prior consent of County; provided, however that any such adjustment, settlement or
12 compromise in no manner whatsoever limits or circumscribes Lessee's indemnification
13 of the Indemnified parties as set forth herein.

14 Lessee's obligation hereunder shall be satisfied when Lessee has provided
15 County the appropriate form of dismissal relieving County from any liability for the action
16 or claim involved.

17
18 The specified insurance limits required in this Agreement shall in no way limit or
19 circumscribe Lessee's obligations to indemnify and hold harmless the Indemnified
20 Parties herein from third party claims.

21 In the event there is a conflict between this clause and California Civil Code
22 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such
23 interpretation shall not relieve the Lessee from indemnifying the Indemnified Parties to
24 the fullest extent allowed by law.

25 Lessee shall require each sub-lessee and/or contractor of every tier to indemnify
26 the County as respects any claims arising from their sublease and/or contract."

27
28 6. Paragraph 21 Insurance and subparagraphs I through XIII shall be deleted and
replaced with the following:

1 "21. Insurance. Lessee shall procure and maintain or cause to be
2 maintained, at it sole cost and expense, the following insurance coverages
3 during the term of this Lease. These requirements, with the approval of the
4 County's Risk Manager, may be modified to reflect the activities associated with
5 the Lessee provided that any changes are reasonable in nature and consistent
6 with industry standards. The procurement and maintenance of the insurance
7 required below will not diminish or limit Lessee's obligation to indemnify or hold
8 the County harmless. Lessee agrees to have in place insurance coverage prior
9 to entering onto the Leased Premises except where otherwise indicated.
10

11 (a) Workers Compensation. Lessee shall maintain statutory
12 Workers' Compensation Insurance (Coverage A) as described by the laws of the
13 State of California. Policy shall include Employers' Liability (Coverage B)
14 including Occupational Disease with limits not less that \$1,000,000 per person
15 per accident. Policy shall be endorsed to provide a Waiver of Subrogation in
16 favor of the County of Riverside its Agencies, Districts, Special Districts, and
17 Departments, their respective directors, officers, Board of Supervisors,
18 employees, elected or appointed officials, agents or representatives.
19

20 (b) Airport General Liability. Lessee shall maintain Airport
21 General Liability Insurance coverage including, but not limited to,
22 premises/operations liability, contractual liability, products and completed
23 operations liability, independent contractor's, personal and advertising injury
24 liability covering all claims or lawsuits of any nature whatsoever which may arise
25 from or out of Lessee's performance under the terms of the lease agreement.
26 Policy shall name all the County of Riverside its Agencies, Districts, Special
27 Districts, and Departments, their respective directors, officers, Board of
28 Supervisors, employees, elected or appointed officials, agents or

1 representatives as Additional Insureds. Policy's limit of liability shall not be less
2 than \$25,000,000 per occurrence combined single limit and in the annual
3 aggregate as applicable. The policy shall be endorsed to provide Hangar
4 Keeper's Legal Liability Insurance (Ground and In-Flight) providing coverage for
5 aircraft in the care, custody or control of the Lessee. Policy shall include
6 coverage for the Named Insured's use of unlicensed vehicles on Airport
7 Premises.

8
9 (c) Vehicle Liability. Lessee shall maintain liability insurance
10 for all owned, non-owned, or hired vehicles used in the performance of this
11 Lease in an amount not less than \$1,000,000 per occurrence combined single
12 limit. The policy shall be endorsed to name all the County of Riverside, its
13 Agencies, Districts, Special Districts, and Departments, their respective
14 directors, officers, Board of Supervisors, employees, elected or appointed
15 officials, agents, or representatives. This coverage may be included in the
16 Airport General Liability policy. Proof of the foregoing coverage will be required
17 before issuing vehicle gate cards.

18
19 (d) Aircraft Hull and Liability Insurance.

20 1) Aircraft Hull - Lessee agrees to indemnify and hold
21 harmless the County from any and all losses, claims, or damage to any aircraft
22 owned by Lessee and all losses, claims, or damage to any aircraft where
23 Lessee has agreed under contract to be responsible for any physical damage to
24 the aircraft. Lessee hereby agrees that this indemnification and hold harmless
25 includes, but is not limited to, losses, claims or damage to any of Lessee's
26 aircraft caused directly or indirectly by the County. For purposes of the previous
27
28

1 sentence, "Lessee's aircraft" shall include any aircraft owned, registered to or
2 leased by Lessee.

3 2) Aircraft Liability - Lessee shall provide Aircraft
4 Liability insurance for all owned and non-owned aircraft operated by the Lessee
5 in an amount not less than \$25,000,000 combined single limit per occurrence
6 for bodily injury, including death and property damage and coverage shall
7 include, but is not limited to, products/completed operations and contractual
8 liability. The policy will be endorsed to name all The County of Riverside, its
9 Agencies, Districts, Special Districts, and Departments, its respective directors,
10 officers, Board of Supervisors, employees, elected or appointed officials, agents
11 or representative as Additional Insureds.
12

13 (e) Pollution Liability Insurance. Lessee shall, during the
14 term of this lease, maintain or caused to be maintained Commercial Automobile
15 Liability Insurance including an MCS-90 Endorsement covering all vehicles used
16 to transport fuel to the Airport for Lessee's operations with limits of not less than
17 \$5,000,000 each accident. If Lessee subcontracts this operation, then Lessee
18 shall require the subcontractor to maintain this insurance.
19

20 Lessee shall also maintain site-specific Pollution Liability
21 Insurance, covering both sudden and unknown gradual pollution, with limits of
22 not less than \$2,000,000 each pollution condition and \$2,000,000 annual
23 aggregate covering third party claims for bodily injury, property damage and first
24 and third party cleanup expense, for pollution conditions occurring or discovered
25 on-site whether in the soil, water or air, which arise out of Lessee's activities at
26 the Airport. The insurance shall include coverage for loss arising out of the
27 handling of fuel, including the transportation of fuel and refueling of aircraft on-
28

1 site, arising out of any storage tanks and associated piping, and arising out of
2 the operation, parking and maintenance of aircraft, vehicles on the premises and
3 operations that include any other hazardous materials, waste, and/or work. The
4 policy shall name County as additional insured, and shall not contain" an insured
5 v. insured" exclusion. The policy shall not contain a deductible or self-insured
6 retention higher than \$500,000.

7
8 (f) All Risk Property Insurance:

9 (1) All-Risk real and personal insurance coverage, including
10 earthquake and flood if applicable, for the full replacement cost value of building,
11 structures, fixtures, equipment, improvements/alterations and systems on the
12 premises. Policy shall include Business Interruption, Extra Expense, and
13 Expediting Expense to cover the actual loss of business income sustained
14 during the restoration period. Policy shall name the County of Riverside as a
15 Loss Payee and provide a Waiver of Subrogation in favor of the County of
16 Riverside.

17
18 (2) Boiler & Machinery insurance coverage on a full
19 replacement cost value basis. Policy shall provide Business Interruption, Extra
20 Expense, and Expediting Expense coverage as well as coverage for off-
21 premises power failure. Policy shall name the County of Riverside as a Loss
22 Payee and contain a Waiver of Subrogation in favor of the County of Riverside.

23 (3) Course of Construction Insurance. During the full term of
24 construction of the planned improvements, Lessee shall purchase and maintain
25 or cause to be maintained All Risk Builder's Risk insurance (Completed Value
26 Form) including earthquake and flood for the entire Project, if applicable,
27 including coverage for materials and supplies located on and offsite but to be
28

1 part of, or used in the construction of, the completed Project. Policy shall also
2 include as insured property, scaffolding, falsework, and temporary buildings
3 located on the Project site, and the cost of demolition and debris removal. If the
4 contractor or others insure scaffolding, falsework and temporary buildings
5 separately, evidence of such separate coverage shall be provided to County
6 prior to the start of the work. The Course of Construction coverage limit of
7 insurance shall equal or exceed the highest values exposed to loss at any one
8 time during the project term. Policy shall waive subrogation in favor of all
9 Agencies, Districts, Special Districts, and Departments of the County of
10 Riverside, their respective directors, officers, Board of Supervisors, employees,
11 elected or appointed officials, agents or representatives.

12
13 (g) General Insurance Provisions – All Lines:

14 (1) Any insurance carrier providing insurance coverage
15 hereunder shall be admitted to the State of California unless waived, in writing,
16 by the County Risk Manager. Unless an exception is provided by the County
17 Risk Manager, Carrier(s) shall have an A.M. BEST rating of not less than an A:
18 VIII (A:8).

19
20 (2) Insurance deductibles or self-insured retentions shall not
21 exceed \$500,000.00 without the prior written consent of the County Risk
22 Manger. Upon notification of deductibles or self insured retentions unacceptable
23 to the County, and at the election of the County's Risk Manager, Lessee's
24 carriers shall either: 1) reduce or eliminate such deductibles or self-insured
25 retentions as respects this Lease with the County; or 2) procure a bond which
26 guarantees payment of losses and related investigations, claims administration,
27 and defense costs and expenses between the agreed deductibles herein and
28 any lower deductible.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(3) Lessee shall cause Lessee's insurance carrier(s) to furnish the County of Riverside with a properly executed original Certificate(s) of Insurance evidencing the coverage required herein. In the event Lessee fails to provide the County of Riverside with properly executed original Certificate(s) of Insurance as described above, then upon the request of the County Risk Manager, the County shall have the right to require copies of Lessee's original policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material reduction of coverage or cancellation of such insurance. In the event of a material reduction of coverage or cancellation of such insurance, this Lease shall terminate forthwith, unless the County of Riverside receives, prior to such termination date, another properly executed original Certificate of Insurance evidencing coverages set forth herein and the insurance required herein is in full force and effect.

Lessee shall not commence operations until the County of Riverside has been furnished original Certificate(s) of Insurance as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the endorsements for each policy and the Certificate of Insurance.

(4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(5) The County of Riverside's Reserved Rights -

Insurance. If during the term of this Lease or any extension thereof, there is a material change in the scope of services or performance of work the County of Riverside reserves the right to adjust the types of insurance required under this Lease and the monetary limits of liability for the insurance coverages currently required herein, if, in the Assistant County Executive Officer – Economic Development Agency's reasonable judgment, upon advice of the County Risk Manager, the amount or type of insurance carried by the Lessee has become inadequate. The Lessee agrees to notify the County of any plan or change of plan for the Lessee's operations and such notification shall occur prior to implementing any such change.

Beginning July 1, 2010, and every fifth year thereafter during the term of this Lease, or any extension thereof, County reserves the right to adjust the monetary limits of insurance coverage as required herein.

(6) Lessee shall notify County of any claim made by a third party or any incident or event that may give rise to a claim arising from this Lease.

(h) Insurance for Sublessees and Contractors. Lessee shall require each of its Sublessees and Contractors to meet all insurance requirements imposed by this Lease. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with the Sublessee or Contractor. On every sublease or contract the Lessee shall have the Sublessee or Contractor name the Lessee and the County by endorsement as an additional insured and/or have the Sublessee or Contractor provide an endorsement waiving subrogation in favor of the Lessee and the County on every Sublessee's

1 or Contractors Insurance policy, as applicable. Certificates evidencing compliance with this
2 section will be provided to the County prior to the Sublessee taking occupancy.

3
4 (i) Insurance for Fuel Suppliers. Lessee shall also require suppliers of
5 fuel to procure, maintain, show evidence and comply with all requirements of insurance as
6 follows prior to such suppliers entering onto the Leased Premises:

7 (a) Workers' Compensation. Workers' Compensation
8 Insurance (Coverage A) as prescribed by the laws of the State of California.
9 Policy shall include Employers' Liability (Coverage B) including Occupational
10 Disease with limits not less than \$1,000,000 per person per accident. Policy
11 shall be endorsed to provide a Waiver Of Subrogation in favor of The County of
12 Riverside, its Agencies, Districts, Special Districts, and Departments, their
13 respective directors, officers, Board of Supervisors, employees, elected or
14 appointed officials, agents or representatives.

15 (b) Commercial General Liability. Commercial General
16 Liability insurance coverage, including but not limited to, premises liability,
17 contractual liability, products and completed operations, personal and
18 advertising injury covering claims which may arise from or out of Supplier's
19 performance of its obligations hereunder. Policy shall name the Lessee, all the
20 County of Riverside, its Agencies, Districts, Special Districts, and Departments,
21 their respective Directors, Officers, Board of Supervisors, elected officials,
22 employees, agents or representatives as Additional Insureds. The policy's limit
23 of liability shall not be less than \$1,000,000 per occurrence combined single
24 limit. If such insurance contains a general aggregate limit, it shall apply
25 separately to this agreement or be no less than two (2) times the occurrence
26 limit.
27
28

1 (c) Vehicle Liability. Supplier shall maintain liability insurance
2 for all owned, non-owned or hired vehicles so used in an amount not less than
3 \$5,000,000 per occurrence combined single limit. If such insurance contains a
4 general aggregate limit, it shall apply separately to this agreement or be no less
5 than two (2) times the occurrence limit. Policy shall name the Lessee, County of
6 Riverside, Special Districts, their respective Directors, Officers, Board of
7 Supervisors, elected officials, employees, agents, or representatives as
8 Additional Insureds.

9 (d) Pollution Liability Insurance. Supplier shall, during the
10 term of this lease, maintain Commercial Automobile Liability Insurance including
11 an MCS-90 Endorsement covering all vehicles used to transport fuel to the
12 Airport for Lessee's operations with limits of not less than \$5,000,000 each
13 accident.

14 (e) General Insurance Provisions – All lines: Lessee shall
15 cause Supplier's insurance carrier(s) to furnish the Lessor and the County of
16 Riverside with a properly executed original Certificate(s) of Insurance effecting
17 coverage as required herein. Further, said Certificate(s) shall contain the
18 covenant of the insurance carrier(s) that thirty (30) days written notice shall be
19 given to the Lessee and the County of Riverside prior to any material
20 modification, cancellation, expiration or reduction in coverage of such insurance.
21 In the event of a material modification, cancellation, expiration, or reduction in
22 coverage, the Supplier's Agreement shall terminate forthwith, unless the Lessee
23 and the County of Riverside receives, prior to such effective date, another
24 properly executed original Certificate of Insurance evidencing coverages set
25 forth herein and the insurance required herein is in full force and effect.
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Supplier shall not commence operations until the County of Riverside has been furnished original Certificate(s) of Insurance as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the Certificate of Insurance.

The Supplier's insurance company(s) shall agree and the Certificate(s) of Insurance shall so covenant that coverage provided by them shall be construed as primary insurance, and the Lessee's and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory."

7. Except as specifically modified herein, all other provisions of the Lease shall remain in full force and effect as written in the Lease dated November 28, 2000, as though fully set forth herein. In the event of a conflict between the terms of the Lease and the terms of this Amendment, this Amendment shall control.

8. The parties hereto negotiated this Amendment at arms length and with the advice of their respective attorneys, and no provisions contained herein shall be construed nor presumptions raised against the County solely because it prepared this First Amendment in its executed form.

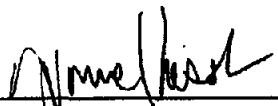
[BALANCE OF PAGE INTENTIONALLY LEFT BLANK.]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

WHEREFOR, the parties hereto have executed this Amendment as of the dates set forth below.

Dated: _____

LESSEE:
La Quinta FBO Two, LLC
a Delaware Limited Liability Company

By: 
Yvonne Kassler, President

Dated: FEB 07 2006

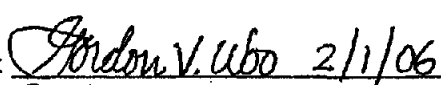
COUNTY OF RIVERSIDE

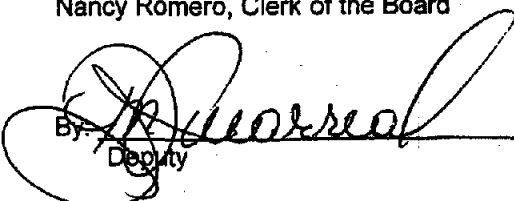
By: 
Chairman, Board of Supervisors
Bob Buster

(SEAL)

APPROVED AS TO FORM:
Joe S. Rank, County Counsel

ATTEST:
Nancy Romero, Clerk of the Board

By:  2/1/06
Deputy

By: 
Deputy

FEB 07 2006
3.12