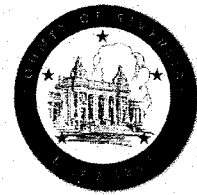


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

448



FROM: Economic Development Agency

SUBMITTAL DATE:

June 21, 2012

SUBJECT: Lease/Sublease between County of Riverside and French Valley Aviation, Inc. – French Valley Airport

RECOMMENDED MOTION: That the Board of Supervisors ratify the Lease and Sublease between the County of Riverside and the Lessee/Sublessee, French Valley Aviation, Inc., and authorize the Chairman to execute the Lease and Sublease.

BACKGROUND: The County has entered into a Lease with French Valley Aviation, Inc. for the Fixed Base Operator (FBO) hangar facility at French Valley Airport, consisting of approximately 2.94 acres of improved aircraft ramp space and 20 tie-down spaces, along with a 12,000 gallon Jet A ground fuel storage tank and a self-service fueling station on Leased Premises. County has also entered into a Sublease with French Valley Aviation, Inc., consisting of approximately .56 acres of unimproved land, a 16,185 square foot hangar building, landscaping and automobile parking.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD 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

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone and Benoit
Nays: None
Absent: Ashley
Date: July 3, 2012
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

Prev. Agn. Ref.:

District: 3/3

Agenda Number:

3.14

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: ANNIE T. SAHAR
DATE: 6/21/12
Departmental Concurrence

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

BACKGROUND (Continued):

Pursuant to an Assignment Agreement dated September 16, 2008, French Valley Aviation, Inc., is the Assignee of a Lease/Sublease dated April 23, 1996, between the County and American Valet Air, Inc., which was amended by a First Amendment to Lease/Sublease dated September 15, 1998, and further amended by a Second Amendment to Lease/Sublease dated July 10, 2001, and a Third Amendment to Lease/Sublease dated June 3, 2004, for the leased premises. The original Lease expired on February 28, 2011, and the original Sublease expired on April 22, 2011. French Valley Aviation, Inc. has continued to rent the Leased Premises on a day-to-day basis. The county and French Valley Aviation, Inc. acknowledge that a portion of the total rents and penalties owed by French Valley Aviation from the expired Lease/Sublease are past due and owing. The total amount outstanding is \$72,911.98, \$40,000 of which was paid with the signing of this Lease/Sublease. The remaining \$32,911.98 shall be made in monthly payments pursuant to the terms in Section 7 of this Lease/Sublease.

Lessee/Sublessee shall also be responsible for management of county tie-downs for a management fee of 25% of rents collected, pursuant to Section 7(o) of the Lease and Section 8(p) of Sublease.

LEASE/SUBLEASE SUMMARY:

Term: The Lease/Sublease commences April 1, 2012, and terminates on March 31, 2017; any holding over is on a day-to-day basis strictly and continuing tenancy rights shall not accrue. Lease/Sublease does not offer any options to extend and must be renegotiated at lease expiration.

Size: Lease - Approximately 2.94 acres improved aircraft ramp space; 20 aircraft tie-down spaces; 12,000 gallon Jet A tank; and self-service tank.

Sublease - Approximately .56 acres of unimproved land; a 16,185 square foot hangar building; landscaping; and automobile parking.

Rent: Base rent for Lease/Sublease combined is \$8,608.33 per month, with a CPI increase due effective July 1, 2012. Rent for Fuel Farm pad is separate at \$600 per month with a CPI increase due effective July 1, 2012. Both are subject to yearly CPI adjustments during the course of the Lease/Sublease. Additionally, Fuel Flowage shall be paid in accordance with Board Resolution No. 2008-362. Current fuel flowage fee is \$0.12 per gallon of fuel sold with a \$0.02 per gallon discount applied to payments received within twenty days of the date of invoice.

Repayment of past due rent and penalties – total owed is \$72,911.98:

Initial payment of \$40,000 paid at lease signing. Remaining amortized rental adjustment shall be paid as follows: Fifty-nine payments of \$548.54 and One payment of \$548.12 for a total of \$32,911.98. Repayment shall begin on commencement date of Lease/Sublease.

SUBLEASE FRENCH VALLEY AIRPORT

The COUNTY OF RIVERSIDE, a political subdivision of the State of California (herein called County), subleases to FRENCH VALLEY AVIATION, INC., a California corporation (herein called Sublessee), the property described below under the following terms and conditions:

1. Recitals.

(a) County owns and operates the French Valley Airport. County relies upon fixed based operators to provide aeronautical and aviation oriented services to the general public. The use, convenience and safety of the public require that the services be provided by competent, trained and licensed personnel, using proper tools and equipment and operating in sanitary, convenient spaces.

(b) The provisions herein are intended, and are to be construed, to assure a consistently high level of service responsive to the public needs.

(c) A Lease between County and Sublessee for approximately 2.94 acres of improved ramp space situated immediately adjacent to the Subleased Premises hereunder is to be entered into at the same time this Sublease is executed by the parties hereto, which Lease is attached hereto as Exhibit "A" and by this reference made a part hereof.

(d) That Portion of the premises shown on Exhibit "B" of the Lease is essential to the contemplated uses of this Sublease, and concomitantly, the ability to provide services responsive to public needs in connection therewith. Any default under the Lease shall be considered a default under this Sublease. Any termination of the Lease shall, without further action by the parties hereto, terminate this Sublease.

(e) Sublessee is the Assignee of that certain Lease dated April 23, 1996, and that certain Sublease dated April 23, 1996, between the County of Riverside and American Valet Air, Inc., as Lessee and Sublessee, as amended by First Amendment to Lease/Sublease dated September 15, 1998, Second Amendment to Lease/Sublease dated July 10, 2001, and Third Amendment to Lease/Sublease dated June 3, 2004, the Lease consisting of 2.94 acres of improved ramp and 20 tiedown spaces and the Sublease consisting of 16,185 square feet of aircraft hangar/office space and .56 acres of land at the French Valley Airport in the County of Riverside, State of California. Said Lease expired on February 28, 2011, and said Sublease expired on April 22, 2011, and Sublessee has continued to rent the Leased Premises on a day-

to-day basis. Said day-to-day rental shall terminate upon the execution of this Lease and Sublease.

(f) All parties acknowledge that a portion of the total rents and penalties owed, pursuant to the terms set forth in the Lease and Sublease mentioned in Section 1(e) above, remain outstanding. The total amount outstanding is an undisputed seventy-two thousand, nine hundred eleven dollars and ninety-eight cents (\$72,911.98). Lessee agrees to the initial payment ("Initial Payment") of forty thousand dollars (\$40,000.00). The Initial Payment is to be applied to the amount outstanding with the remaining balance to be made in monthly payments pursuant to the terms set forth in Section 7 et al. The terms of this Lease and accompanying Sublease mentioned in Section 1(c) are subject to the Initial Payment delivered to Lessor no later than May 1, 2012.

2. Title. The Subleased Premises are the subject of various agreements between County, COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit public benefit corporation ("Corporation"), SANWA BANK CALIFORNIA, a California state banking corporation ("Bank") and FIRST INTERSTATE BANK OF CALIFORNIA, a California state banking corporation ("Trustee"). These agreements include, but are not limited to, a Ground Lease dated as of November 1, 1985, as amended by the First Amendment to Ground Lease dated as of September 1, 1987, and the Second Amendment to Ground Lease dated as of November 1, 1995, ("Ground Lease"), a Sublease and Option to Purchase dated as of November 1, 1985, as amended by the First Amendment to Sublease and Option to Purchase dated as of June 19, 1986, and the Second Amendment to Sublease and Option to Purchase dated as of September 1, 1987, and the Third Amendment to Sublease and Option to Purchase dated as of November 1, 1995 ("1985 Sublease"), Sublease Agreement dated as of August 1, 1986, and Sublease and Option to Purchase dated as of August 1, 1986 ("1986 Sublease") (collectively "Financing Agreements"). Fee title to the Subleased Premises is held by County and leased to Corporation pursuant to the Ground Lease. Pursuant to the 1985 and 1986 Subleases, County Subleased the Subleased Premises back from Corporation. The transaction described in this Sublease is specifically permitted by the Financing Agreements; provided, however, that the rights and obligations of the parties under this Sublease are subject and subordinate in all respects to the terms and provision of the 1985 and 1986 Subleases, including, without limitation, all rights and remedies granted to the Trustee or the Bank upon an event of default under the 1985 or 1986 Sublease.

3. Description. The premises Subleased hereby, herein after the Subleased Premises, consist of approximately .56 acres of unimproved land, a 16,185 square foot hangar

building, landscaping and automobile parking thereon, within the French Valley Airport, which airport is located at 37600 Sky Canyon Rd., Murrieta, California, 92563, as more particularly shown on Exhibit B, Exhibit B-1 and Exhibit B-2, attached hereto and by this reference made a part of this Sublease.

4. Term. This Sublease shall commence on April 1, 2012, and terminate on March 31, 2017, a term of five (5). Any holding over by the Sublessee after the expiration of this Sublease shall be on a day-to-day basis strictly, and continuing tenancy rights shall not accrue to the Sublessee.

5. Non Exclusive Right. It is understood and agreed that nothing herein contained will be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958. (49 U.S.C. 1349a).

6. Use. Sublease shall perform the services of a "Full Service Fixed Base Operator" in accordance with the Minimum Standards for Fixed Base Operators Riverside County Airports, attached hereto and incorporated herein by this reference as Exhibit "C" The Subleased Premises may be used for the following purposes and no other without the written consent of County:

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

(b) Agreed to flight operations, including, but not limited to, flight instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-testing of aircraft following repair or modification. With regard to charter and air taxi operations, Sublessee will submit to County a complete description of the operations and scope of services provided and County will establish insurance coverages and limits for these operations to be obtained by Sublessee prior to commencement of operations. Coverages and the limits of insurance established for charter and air taxi will be in addition to the insurance coverages required herein.

(c) Building, maintenance, repair and overhaul of all types of aircraft, aircraft engines, airframes, automatic flight systems, instruments, radio and other electronic equipment, propellers and all other aircraft components.

(d) Painting and upholstering of aircraft.

(e) Financing, leasing, renting and insuring of aircraft.

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

(g) Providing aircraft storage inside hangar buildings and on outside tie-down areas.

(h) Providing ground school instruction associated with flight training.

The Subleased Premises shall not be used for any purpose other than those described above without first obtaining the written consent of County, which consent shall not be unreasonably withheld. The County's approval of any change in the Use of the Subleased Premises may, at County's sole election, place additional specific requirements on Sublease including, but not limited to, the types, limits of liability and conditions of insurance provided under this Sublease.

7. Rent and Fuel Flowage Fee.

(a) Base Rent: Sublessee shall pay to County as Base Rent for the use and occupancy of the Subleased Premises and the Leased Premises a combined monthly rent equal to eight thousand, six hundred eight dollars and thirty-three cents (\$8,608.33).

Said Base Rent and the additional rents described in 7(b) (1) – (2) below, are due and payable in advance on the first of each month of the term of the Sublease. The rents shall be considered delinquent, if not paid by the 15th of the month. If the rents become delinquent, Sublessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

In the event of damage or destruction to all or any part of the Subleased Premises, or the improvements thereon, the rental payments shall be reduced pro rata during the period the Subleased Premises or the improvements thereon are unfit for normal use; provided, however, that such damage or destruction was not the result of and/or related to any negligence or intentional acts by Sublessee, its officers, agents, employees, independent contractors, subcontractors or invitees.

(b) Fuel Farm Rent - Monthly rent in an amount equal to six hundred (\$600.00) dollars for one above ground fuel-storage tank pad, capable of accommodating a 12,000-gallon aboveground fuel-storage tank.

(c) Fuel Flowage Fee: Sublessee shall pay to County a fuel flowage fee in an amount established by the Board of Supervisors for the County of Riverside (the "Board") through a County Resolution, a County Ordinance or such other action as the Board may

decide from time to time. The fuel flowage fee, the calculation of the fuel flowage fee, the time of payment and the method used to collect and report the amount of fuel transacted by Sublessee shall be subject to periodic review and adjustment by the Board of Supervisors to reflect conditions then existing and the financial needs of the County's airports system. The County may implement any such adjustments in the fuel flowage fee at any time. Such new or adjusted fuel flowage fees shall be effective upon adoption by the County Board of Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned upon amendment of any existing Sublease. As of the date of this Sublease fuel flowage fees have been established according to County Resolution No. 2008-362, attached hereto as Exhibit "E" and incorporated by this reference herein. The current fuel flowage fee (which was effective as of July 1, 2008) is assessed at the rate of \$0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of \$0.02 per gallon applied to payments received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%) shall be assessed to all payments received after the due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

(d) Past Due Rent: In addition to the Base Rent required herein, Lessee shall pay to County:

(1) Amortized Rental Adjustment – In consideration of Section 1, paragraphs (e)-(f) Lessee shall pay the remaining amount owed on the expired Lease/Sublease, in fifty-nine (59) monthly payments at \$five hundred, forty-eight dollars and fifty-four cents (\$548.54) per month and five hundred, forty-eight dollars and twelve cents (\$548.12) on the sixtieth (60th) month for a total of thirty-two thousand, nine hundred eleven dollars and ninety-eight cents (\$32,911.98). Payments shall begin on the commencement date of this Lease as stated in Section 3 above.

(e) Rental Adjustments:

(1) Consumer Price Index - Beginning July 1, 2012, and at each July 1st thereafter, the Base Rent shall be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area, for the twelve-month period ending three months before the month of rent adjustment under this Section. In no event, will application of this Section result in a monthly rental amount lower than the highest previous monthly rental amount.

(2) Fuel Farm Rent Adjustments: Beginning July 1, 2012 and every year thereafter the fuel farm rental amount for the aboveground fuel-storage tank pad will be adjusted to the then current rate being charged for above ground fuel storage pads and every

year thereafter annually by change in the Consumer Price Index as provided for in 7 (d)(1) above. In no event, will application of this Section result in a monthly rental amount lower than the highest previous monthly rental amount.

8. Additional Obligations of Sublessee. Sublessee shall, during the term of this Sublease and any extensions thereof:

(a) Provide the services required of a Full Service Fixed Base Operator as set forth in Section 6(a)-(h) above and in accordance with Exhibit "C", Minimum Standards for Fixed Base Operators Riverside County Airports. Sublessee shall provide, at a minimum, aircraft maintenance and repair; fueling of both jet and piston aircraft; flight instruction; 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 80,000 lbs (service and delivery 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); and a pilots' lounge and restrooms.

(b) Observe and obey, and compel its employees, agents, invitees, Sublessees, and those doing business with it to observe and obey, all such rules and regulations of County which are now in effect or which may hereafter be promulgated, provided that such rules and regulations may not unduly interfere or conflict with the rights and privileges granted to Sublessee in this Sublease or any later amendments;

(c) Employ and maintain on the Subleased Premises sufficient personnel who are trained and skilled in order to competently perform the tasks related to the services being offered;

(d) Provide copies of sublease agreements for tenant(s) providing any of the services listed in Section 5 (a-h);

(e) Operate the Subleased Premises and perform services for the use and benefit of the general public without discrimination on the grounds of race, religion, color or national origin or in any manner prohibited by Part 15 of the Federal Aviation Administration Regulations;

(f) Operate the Subleased Premises and the facilities thereon in a progressive and efficient manner, charging fair and reasonable prices for each unit or service, said prices being competitive with prices charged by other fixed based operators at French Airport and other County airports, and, upon request from County, Sublessee shall furnish

County with a schedule of all prices for each unit or service offered for sale or Sublease to the general public;

(g) Provide janitorial services for interior, exterior, and grounds at Sublessee's own expense;

(h) Not engage in the painting of aircraft (other than small 'spot painting' jobs in connection with repairs) within any buildings, unless or until it has established therein a regular paint shop which is adequately enclosed and vented, and has been inspected and approved, in writing, by representatives of the Federal Aviation Administration and County's Fire and Building and Safety Departments, meet all other local, state and federal laws and regulations, and all applicable permits have been obtained. Under no circumstances is painting permitted without the express, written approval of County;

(i) Maintain a comfortable clean sanitary restroom facilities for both men and women; such restroom facilities shall be properly and continuously supplied with soap, towels, toilet tissue and any other supplies required by state, federal or local laws and ordinances;

(j) Observe the Taxiway Object Free Area and the ALP Aircraft Parking Line adjacent to the leasehold to allow the passage of taxiing aircraft. From the centerline of the taxiway A the boundary for the Taxiway Object Free Area boundary is fifty (50) feet, and for the ALP Aircraft Parking Line the boundary is sixty (60) feet;

(k) Maintain the Subleased Premises, approaches thereto, and improvements now or hereafter located thereon, in good, safe and sanitary order, condition, and repair, and upon any termination of this Sublease, Sublessee agrees to surrender said Subleased Premises and improvements thereon in such good, safe and sanitary condition, reasonable use and wear thereof and damages by fire, acts of God, war, civil insurrection, or by the elements excepted; and

(l) On every January 1 and July 1 during the term of this Sublease, Sublessee shall provide an Aircraft and Sublease Status Report, Exhibit "F" attached hereto and by reference herein, for all Subleases (Sublessee's "tenants") and aircraft being stored on the Subleased Premises. The report shall be supplied in a form and electronic format acceptable to County and contain at least the following information: Name of the Sublessee, the beginning and ending date of the term of the Sublease, the size of the Subleased land, the size of the Subleased space, the aircraft storage hangar number/address, the Aircraft Registration Number, the name of the owner of the aircraft, the type of aircraft and indicate whether or not an aircraft is "based" at the airport (aircraft that spend at least three months of

the year at this airport are to be identified in the report as "based aircraft"); and certification of compliance with the insurance requirements set forth in Section 23.

(m) This Sublease is subject to the Minimum Standards for Fixed Based Operators Riverside County Airports, Exhibit "C", as amended from time to time, attached hereto and by reference incorporated herein.

(n) Provide services to the general public seven (7) days per week during the term of this Lease on a minimum hourly basis each day from 8:00 A.M., local time, to 5:00 P.M., local time. Lessee shall not make any changes relative to such minimum hourly schedule unless approval is first obtained from County in writing.

(o) Maintenance.

(1) Sublessee shall maintain the Subleased Premises and the improvements thereon in a neat, safe, orderly and attractive condition during the term of this Sublease, and Sublessee shall provide for the sanitary handling and disposal of all refuse accumulated as a result of Sublessee's use of the Subleased Premises and the improvements thereon. In addition, the exterior and interior improvements of the Subleased Premises shall be maintained by Sublessee in good working condition and repair during the term of this Sublease.

(2) In the event of damage or destruction of all or any part of the improvements within or upon the Subleased Premises rendering said Subleased Premises unusable, for the purposes set forth in Section 4 herein, in whole or in part, Sublessee shall repair such damage or destruction using due diligence and without unreasonable delay. Time is of the essence in the repair of such damage or destruction of all or any part of the improvements.

(p) Provide tie-down management for County owned tie-down spaces, as outlined in the County Tie-Down Services Agreement, herein referred to as Exhibit "H".

9. Permits, Licenses and Taxes. Sublessee shall secure, at its expense, all necessary permits and licenses as it may be required to obtain regarding the construction, operation, maintenance, and termination or abandonment of activities upon the Subleased Premises, and Sublessee shall pay for all fees and taxes levied or required by any authorized public entity. Sublessee recognizes and understands that this Sublease may create a possessory interest subject to property taxation and that Sublease may be subject to the payment of property taxes levied on such interest.

10. On-Site Improvements: County has improved the Subleased Premises with a 16,185 square foot hangar building, landscaping and automobile parking. The improvements

referenced above shall remain the property of County, but Lessee shall have the full and exclusive use and enjoyment of such improvements during the term of this Sublease.

(a) Sublessee shall not undertake any improvements or alterations to the Subleased Premises without County's written approval.

(b) All improvements are to be completed at Lessee's sole cost. Sublessee shall pay for construction of any required utility extensions and hookups (including all related fees and charges) and any access road improvements. Plans for all improvements are to be submitted to County for approval prior to start of any construction.

(c) Any improvements, alterations, and installation of fixtures to be undertaken by Sublessee shall have the prior written approval of the County after Lessee has submitted to County the proposed site plans, building plans and specifications therefore in writing. In addition, Sublessee understands and agrees that such improvements, alterations, and installation of fixtures may be subject to County Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall fully comply with such ordinances prior to the commencement of any construction in connection therewith.

(d) All improvements, alterations, and fixtures shall remain or become, as the case may be, the property of County, with the exception of trade fixtures as that term is used in Section 1019 of the Civil Code; provided, however, that Sublessee shall have the full and exclusive use and enjoyment of such improvements, alterations, and fixtures during the term of this Sublease. At or prior to the expiration of this Sublease, Sublessee shall remove, at its expense, such trade fixtures and restore said Subleased Premises to their original shape and condition as nearly as practicable. In the event Sublessee does not so remove such trade fixtures, they shall become the property of the County for no further consideration of any kind, and Sublessee shall execute any documents that may be required or necessitated conveying its interest in such improvements, alterations, and fixtures to County.

11. Utilities. It is understood by the parties hereto that utility services, including but not limited to, electrical, gas, water and sewer, are available, and otherwise connected to the FBO facility. It is further understood that Sublessee shall be responsible for the maintenance and payment for the use of these facilities.

12. Compliance with Law. Sublessee shall, at its sole cost and expense, comply with all of the requirements of all governmental agencies now in force, or which may hereafter be in force, pertaining to the Subleased Premises, and any improvements hereafter constructed or maintained thereon, and Sublessee shall faithfully observe all laws and ordinances now or hereafter in force in the use of the Subleased Premises.

13. County's Reserved Rights.

(a) The Subleased Premises are accepted by Sublessee subject to any and all existing easements or other encumbrances, and County shall have the right to enter upon the Subleased Premises and to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary, or convenient to use in connection therewith, over, in, upon, through, across and along the Subleased Premises or any part thereof. County also reserves the right to grant franchises, easements, rights of way and permits in, over and upon, along or across any and all portions of said Subleased Premises as County may elect; provided, however, that no right of the County provided for in this Section shall be executed so as to interfere unreasonably with Sublessee's use hereunder, or impair the security of any secured creditor of Sublessee. County shall cause the surface of the Subleased Premises to be restored to its original condition (as they existed prior to any such entry) upon the completion of any construction by County or its agents. In the event such construction renders any portion of the Subleased Premises unusable, the rent shall abate pro rata as to such unusable portion during the period of such construction. Any right of County set forth in this Section shall not be exercised unless a prior written notice of thirty (30) days is given to Sublessee; provided, however, in the event such right must be exercised by reason of emergency, then County shall give Sublessee such notice in writing as is reasonable under the existing circumstances.

(b) County reserves the right to further develop or improve the aircraft operating area of French Valley Airport as it deems appropriate. County reserves the right to take any action it considers necessary to protect the aerial approaches of the French Valley Airport against obstruction, together with the right to prevent the Sublessee from erecting or permitting to be erected, any building or other structure on the French Valley Airport, which in the reasonable opinion of County, would limit usefulness of the French Valley Airport or constitute a hazard to aircraft.

(c) During the time of war or national emergency, County shall have the right to Sublease the landing area of the French Valley Airport, or any part thereof, to the United States Government for military use and, if such Sublease is executed, the provisions of this Sublease insofar as they are inconsistent with the provisions of such Sublease to the Government, shall be suspended. In that event, a just and proportionate part of the rent

hereunder shall be abated, and the period of such closure shall be added to the term of this Sublease, or any extensions thereof, so as to extend and postpone the expiration thereof unless Sublessee otherwise elects to terminate this Sublease.

(d) Notwithstanding any provisions herein, this Sublease shall be subordinate to the provisions of any existing or future agreement between County and the United States, relative to the operation or maintenance of the French Valley Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to County of Federal funds for the development of said airport.

(e) This Sublease is subject to the provisions set forth in Exhibit "G" (Federally Required Sublease Provisions), attached hereto and by this reference made a part of this Sublease.

14. Taxiways. Sublessee grants a non exclusive easement on any and all taxiways included in its Subleased property to the County for the public's ingress and egress to ramps and runways for the specific purposes of landing, take-off, and taxiing of tenants' or invitee's aircraft. All such uses shall be in accordance with the laws of the United States of America and the State of California, and the rules and regulations promulgated by their authority with respect to aviation and navigation, and in accordance with all reasonable rules and regulations, applicable ordinances of County.

15. Inspection of Premises. County, through its duly authorized agents, shall have, upon reasonable notice, during normal business hours, the right to enter the Subleased Premises for the purpose of inspecting, monitoring and evaluating the obligations of Sublessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this provided that the inspection does not unreasonably interfere with Sublessee's business.

16. Quiet Enjoyment. Sublessee shall have, hold, and quietly enjoy the use of the Subleased Premises so long as Sublessee shall fully and faithfully perform the terms and conditions that the Sublessee is required to do under this Sublease.

17. Compliance with Government Regulations. Sublessee shall, at Sublessee's sole cost and expense, comply with the requirements of all local, state, and federal statutes, regulations, rules, ordinances, and orders now in force or which may be hereafter in force, pertaining to the Subleased Premises. The final judgment, decree, or order of any Court of competent jurisdiction, or the admission of Sublessee in any action or proceedings against Sublessee, whether Sublessee be a party thereto or not, that Sublessee has violated any such

statutes, regulations, rules, ordinances, or orders in the use of the Subleased Premises, shall be conclusive of that fact as between County and Sublessee.

18. Discrimination or Segregation

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

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

(c) Sublessee assures that it will undertake an affirmative action program as required by 49 CFR, Part 21, to insure 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 49 CFR, Part 21, with respect to its use of the Subleased Premises. Sublessee further assures that no person shall be excluded on these grounds from participating in or receiving services or benefits of any program or activity covered herein with respect to its use of the Subleased Premises. Sublessee further assures that it will require that its subcontractors and independent contractors provide assurance to Sublessee that they similarly will undertake affirmative action programs and that they will require assurances from their subcontractors and independent contractors, as required by 49 CFR, Part 21, to the same effect with respect to their use of the Subleased Premises.

19. Termination by County. County shall have the right to terminate this Sublease forthwith:

(a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sublessee as debtors.

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

(c) In the event of abandonment of the Subleased Premises by Sublessee.

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

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

(f) Failure of Sublessee to maintain insurance coverage required herein and to provide evidence of coverage to the County.

(g) Failure of the Sublessee to require all tiers of Sublessees and/or contractors to indemnify the County and to have appropriate insurance coverages and/or failure by Sublessee to monitor each Sublessee and/or contractor for current and correct Certificates of Insurance and required endorsements throughout the term of this Sublease.

(h) This Sublease shall terminate forthwith, without requiring any further action on the part of either party to this Lease, in the event the Lease referred to in Section 1(c) is terminated for any reason.

20. Termination by Sublessee. Sublessee shall have the right to terminate this Sublease in the event County fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that County shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Sublessee; further provided, however, that in the event such breach or default is not corrected, Sublessee may elect to terminate this Sublease in its entirety or as to any portion of the premises affected thereby, and such election shall be given by an additional thirty (30) day written notice to County.

21. Eminent Domain. If any portion of the Subleased Premises shall be taken by eminent domain and a portion thereof remains which is usable by Sublessee, in its discretion, for the purposes set forth in Section 6 herein, this Sublease shall, as to the part taken, terminate as of the date title shall vest in the condemnor, or the date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part taken; provided, however, in such event County reserves the right to terminate this Sublease as of the date when title to the part taken vests in the condemnor or as of such date of prejudgment possession. If all of the

Subleased Premises are taken by eminent domain, or such part be taken so that the Subleased Premises are rendered unusable for the purposes set forth in Section 6 herein, this Sublease shall terminate. If a part or all of the Subleased Premises be so taken, all compensation awarded upon such taking shall be apportioned between County and Sublessee according to law.

22. Hold Harmless/Indemnification. Sublessee shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (the "Indemnified Parties") from any liability whatsoever, including but not limited to, property damage, bodily injury, or death, based or asserted upon any services of Sublessee, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement and Sublessee shall defend at its sole expense and pay all costs and fees, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the Indemnified Parties in any claim or action based upon such liability.

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

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

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

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

Sublessee shall require each Sublessee and/or contractor of every tier to indemnify the County of Riverside as respects any claims arising from their sub-Sublease and/or contract.

23. Insurance. Sublessee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Lease. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with the Lessee provided that any changes are reasonable in nature and consistent with industry standards. The procurement and maintenance of the insurance required below will not diminish or limit Sublessee's obligation to indemnify or hold the County harmless. Sublessee agrees to have in place insurance coverage as it is required and applicable. This Section shall not be construed to require Lessee to have all insurance required under this provision, in place from the date of commencement of this Sublease.

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

(b) Airport General Liability. Sublessee shall maintain Airport General Liability Insurance coverage including, but not limited to, premises/operations liability, contractual liability, products and completed operations liability, independent contractor's, personal and advertising injury liability covering all claims or lawsuits of any nature whatsoever which may arise from or out of Sublessee's performance under the terms of the lease agreement. Policy shall name all the County of Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than \$10,000,000 per occurrence combined single limit and in the annual aggregate as applicable. The policy shall be endorsed to provide Hangar Keeper's Legal Liability Insurance (Ground and In-Flight) providing coverage for aircraft in the care, custody or control of the Sublessee. Policy shall include coverage for the Named Insured's use of unlicensed vehicles on Airport Premises. The foregoing policy limits of liability are subject to adjustment by County as provided for in Section 6 above.

(c) Vehicle Liability. Sublessee shall maintain liability insurance for all owned, non-owned, or hired vehicles used in the performance of this Lease in an amount not less than \$1,000,000 per occurrence combined single limit. The policy shall be endorsed to name all the County of Riverside, its Agencies, Districts, Special Districts, and Departments,

their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives. This coverage may be included in the Airport General Liability policy.

(d) Aircraft Hull and Liability Insurance.

1) Aircraft Hull - Sublessee agrees to indemnify and hold harmless the County from any and all losses, claims, or damage to any aircraft owned by Lessee and all losses, claims, or damage to any aircraft where Lessee has agreed under contract to be responsible for any physical damage to the aircraft. Sublessee hereby agrees that this indemnification and hold harmless includes, but is not limited to, losses, claims or damage to any of Lessee's aircraft caused directly or indirectly by the County.

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

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

Sublessee shall also maintain site-specific Pollution Liability Insurance, covering both sudden and gradual pollution, with limits of not less than \$2,000,000 each pollution condition and \$2,000,000 annual aggregate covering third party claims for bodily injury, property damage and first and third party cleanup expense, for pollution conditions occurring or discovered on-site whether in the soil, water or air, which arise out of Sublessee's activities at the Airport. The insurance shall include coverage for loss arising out of the handling of fuel, including the transportation of fuel and refueling of aircraft on-site, arising out of any storage tanks and associated piping, and arising out of the operation, parking and maintenance of aircraft, vehicles on the premises and operations that include any other hazardous materials, waste, and/or work. The policy shall name County as additional insured, and shall not contain

an "insured v. insured" exclusion. The policy shall not contain a deductible or self-insured retention higher than \$500,000.

(f) All Risk Property Insurance:

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

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

(3) Course of Construction Insurance. During the full term of construction of any planned improvements, Sublessee shall purchase and maintain or cause to be maintained All Risk Builder's Risk insurance (Completed Value Form) including earthquake and flood for the entire project, if applicable, including coverage for materials and supplies located on and offsite but to be part of, or used in the construction of, the completed Project. Policy shall also include as insured property, scaffolding, falsework, and temporary buildings located on the project site, and the cost of demolition and debris removal. If the contractor or others insure scaffolding, falsework and temporary buildings separately, evidence of such separate coverage shall be provided to County prior to the start of the work. The Course of Construction coverage limit of insurance shall equal or exceed the highest values exposed to loss at any one time during the project term. Policy shall waive subrogation in favor of 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.

(g) General Insurance Provisions – All Lines:

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

(2) Insurance deductibles or self-insured retentions must be declared by the Lessee's insurance carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. Upon notification of deductibles or self insured retentions unacceptable to the County, and at the election of the County's Risk Manager, Sublessee's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects this Lease with the County; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(3) Cause Sublessee's insurance carrier(s) to furnish the County of Riverside with 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 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 modification of coverage or cancellation of such insurance. In the event of a material modification of coverage or cancellation of such insurance, this Sublease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or, if requested, certified original policies, including all endorsements and attachments thereto 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 and certified original copies of endorsements or, if requested, policies of insurance including all endorsements and any and all other attachments 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.

(5) The County of Riverside's Reserved Rights - Insurance. If during the term of this Sublease 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 Sublease 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 Sublessee agrees to notify the County of any plan or change of plan for the Sublessee’s operations and such notification shall occur prior to implementing any such change.

Beginning July 1, 2012, and every fifth year thereafter during the term of this Sublease or any extension thereof, County reserves the right to adjust the monetary limits of insurance coverage as required in Section 23.

(6) Sublessee 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.

24. Insurance for Fuel Suppliers. Sublessee shall also require suppliers of fuel to procure, maintain, show evidence and comply with all requirements of insurance as follows:

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

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

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

name the Sublessee, County of Riverside, Special Districts, their respective Directors, Officers, Board of Supervisors, elected officials, employees, agents, or representatives as Additional Insureds.

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

(e) General Insurance Provisions – All lines: Sublessee shall cause Supplier's insurance carrier(s) to furnish the Lessee and the County of Riverside with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. 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 Lessee and the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, the Supplier's Agreement shall terminate forthwith, unless the Sublessee and the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect.

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

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

25. Insurance for Sublessees and Contractors. Sublessee 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 Sublessee shall have the Sublessee or Contractor name the Sublessee 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 or Contractor's insurance policy, as applicable. Certificates and endorsements evidencing compliance with this Section will be provided to the County prior to the Sublessee taking occupancy.

26. Acceptance of Subleased Premises. Sublessee represents that it has inspected the Subleased Premises, accepts the "as is" condition thereof, and fully assumes any and all risks associated to the use thereof. County shall not be liable to Sublessee, its officers, agents, employees, subcontractors or independent contractors for any bodily injury, personal injury or property damage suffered by them or others which may result from hidden, latent or other dangerous conditions in, on, upon or within the Subleased Premises.

27. Assignment and Subletting. Sublessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be at the sole discretion of County.

Sublessee shall submit all documents pertaining to any such transaction referenced in the foregoing Section to County for approval prior to entering into such agreements. Sublessee will submit executed Subleases and all required certificates of insurance and endorsements to insurance policies, as specified in Sections 23, 24 and 25 of this Sublease, to County for approval prior to Sublessees occupying the Subleased premises.

In the event of any such transfer, as provided in this Section 27, Sublessee expressly understands and agrees that it shall remain liable with respect to any and all obligations and duties contained in this Sublease.

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

29. Toxic Materials. County to the best of its ability has no actual knowledge of the Subleased Premises ever having been used as a waste dump, nor of the past or present existence of any above or below ground storage tanks on the Subleased Premises, nor of the current existence on the Premises of asbestos, transformers containing PCB's or any hazardous, toxic or infectious substance whose nature and/or quantity of existence, use, manufacture or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare.

County shall be responsible for the removal and remediation of any contamination and/or hazardous materials that may be found to have existed on the site prior to the execution of the Sublease between Sublessee and County date April 23, 1996. During the removal and remediation of any such contamination or hazardous materials, rent shall abate pro rata as to the period of time taken to remove and remediate the area of contamination and for any additional portion of the Premises that cannot be developed because of cleanup activities.

During the term of this Sublease and any extensions thereof, Sublessee shall not violate any federal, state, or local law, or ordinance or regulation relating to industrial hygiene or to the environmental condition on, under or about the Subleased Premises including, but not limited to, soil, air, and groundwater conditions. Further, Sublessee, its successors, assigns and Sublessee shall not use, generate, manufacture, produce, store or dispose of on, under, or about the Subleased Premises or transport to or from the Subleased Premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Sublease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws now and in the future.

30. National Pollution Discharge Elimination System (NPDES) Permit. Sublessee acknowledges, understands and agrees that it shall comply with California State Water Resources Control Board general permit requirements now and in the future relating to storm water discharges associated with activities such as aircraft rehabilitation, mechanical repairs,

fueling, lubrication, cleaning, painting and deicing. Sublessee further acknowledges, understands and agrees that it shall participate as a co-permittee under said general permit, participate in the French Valley Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D", attached hereto and by this reference made a part of this Sublease, including with out limitation, the Best Management Practices, Best Available Technology Economically Achievable, and Best Convention Pollutant Control Technology.

31. Free from Liens. Sublessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Sublessee, in, upon, or about the Subleased Premises, and which may be secured by a mechanics, materialmen's or other lien against the Subleased Premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Sublessee desire to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or is so stayed, and said stay thereafter expires, then and in such event, Sublessee shall forthwith pay and discharge said judgment.

32. Tax Exemption: Sublessee acknowledges that the improvements referred to in Section 10 herein are financed by tax exempt certificates of participation. In order to protect the tax exempt status of the County financing, Sublessee shall not have the power or right to use, or to assign, sublet or permit the use of the Subleased Premises to any person or entity if the assignment, subletting or use would cause any portion of the interest on the County's certificates or participation to be subject to federal income taxes or State of California personal income taxes. Sublessee and County acknowledge and agree that any such assignment, subletting or use shall be void.

33. Employees and Agents of Sublessee. It is understood and agreed that all persons hired or engaged by Sublessee shall be considered to be employees or agents of Sublessee and not of County.

34. Binding on Successors. Sublessee, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this Sublease, and all of the parties thereto shall be jointly and severally liable hereunder.

35. Waiver of Performance. No waiver by County at any time of any of the terms and conditions of this Sublease shall be deemed or construed as a waiver at any time

thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

36. Severability. The invalidity of any provision in this Sublease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

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

38. Attorney's Fees. In the event of any litigation or arbitration between Sublessee and County to enforce any of the provisions of this Sublease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award rendered in such litigation or arbitration.

39. Notices. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below. All notices herein which are to be given or which may be given by either party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows, or to such other addresses as from time to time shall be designated by the respective parties:

<u>COUNTY</u>	<u>LESSEE</u>
County of Riverside	French Valley Aviation
3404 10 th Street, Suite 500	37680 Sky Canyon Road, #601
Riverside, CA 92501	Murrieta, CA 92563
Attn: Assistant County Executive	Attn: Joseph A. Diorio, President
Officer/EDA	

Nothing herein contained shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other as hereinabove provided.

40. Section Headings. The section headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Sublease.

41. County's Representative. County hereby appoints the Assistant County Executive Officer/EDA or his designee as its authorized representative to administer this Sublease.

42. Acknowledgment of Sublease by County. Upon execution of this Sublease by the parties hereto, County shall acknowledge this Sublease in such a manner that it will be acceptable by the County Recorder for recordation purposes, and thereafter, Sublessee shall cause this Sublease to be recorded in the Office of County Recorder of Riverside County forthwith and furnish County with a conformed copy thereof.

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

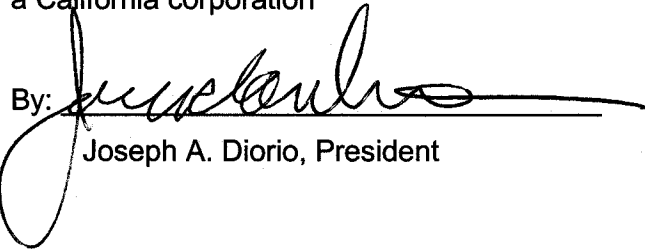
44. FAA Consent to Sublease. Sublessee acknowledges that French Valley Airport was transferred to the County by the Federal Government and, as such, may require FAA consent to the Sublease. If so required, the Federal government's approval shall be considered a condition precedent under this Sublease.

45. Entire Sublease. This Sublease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous Subleases, agreements and understandings, oral or written, in connection therewith. This Sublease may be changed or modified only upon the written consent of the parties hereto.

46. Construction of Sublease. The parties hereto negotiated this Sublease at arms length and with the advice of their respective attorneys, and no provisions contained herein shall be construed against County solely because it prepared this Sublease in its executed form.

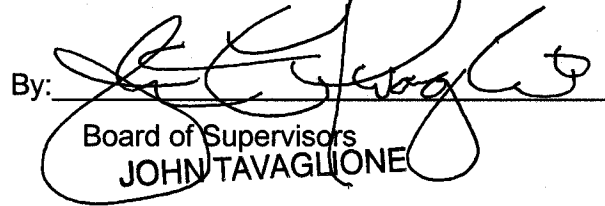
Dated: _____

French Valley Aviation, Inc.
a California corporation

By: 
Joseph A. Diorio, President

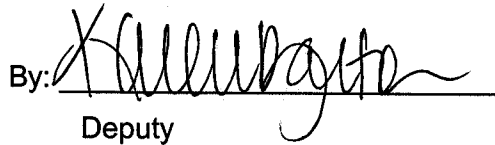
Dated: JUL 03 2012

COUNTY OF RIVERSIDE
A political subdivision of the State of California

By: 
Board of Supervisors
JOHN TAVAGLIONE

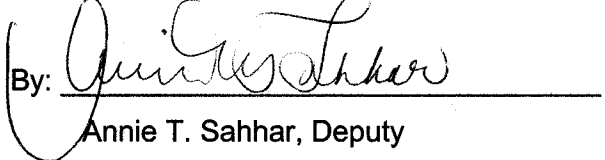
ATTEST:

KECIA HARPER-IHEM, Clerk of the Board

By: 
Deputy

FORM APPROVED:

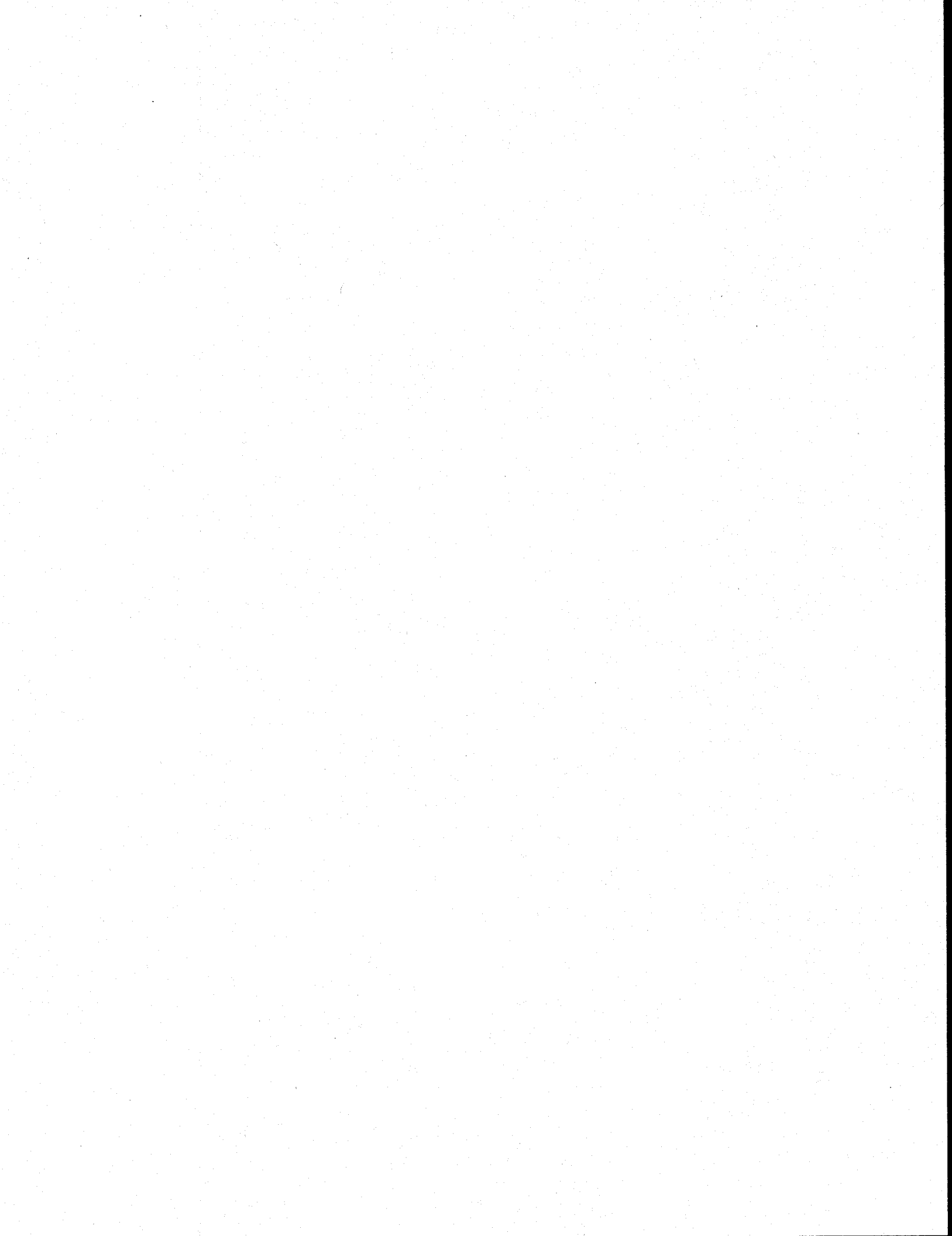
PAMELA J. WALLS, County Counsel

By: 
Annie T. Sahhar, Deputy

(SEAL)

Attachments:

- Exhibit A – Lease
- Exhibit B – Property Description
- Exhibit B-1 - Legal Description FBO Building
- Exhibit B-2 – Legal Description FBO Parking

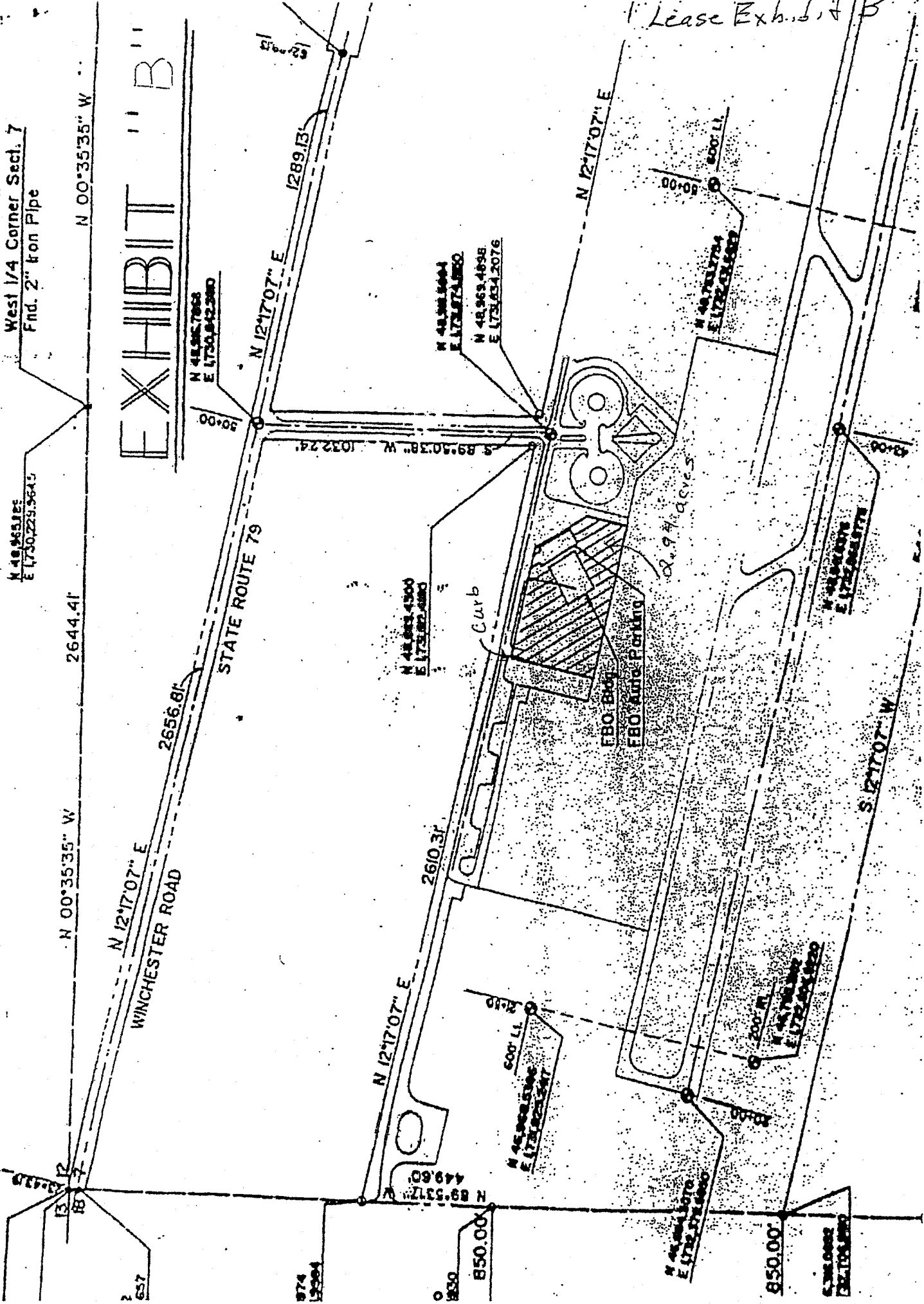


FBO Lease

West 1/4 Corner Sect. 7
Fnd. 2" Iron Pipe

EXHIBIT "B"

Lease Exhibit B



N 00°35'35" W

N 12°17'07" E

2656.81'

STATE ROUTE 79

N 12°17'07" E

1289.13'

N 12°17'07" E

2610.31'

N 12°17'07" E

500' LI

N 48°36'51"E
E 1730.842.3880

S 12°17'07" W

N 48°36'51"E
E 1730.223.5645

N 48°36'51"E
E 1730.223.5645

2644.41'

N 48°36'51"E
E 1730.842.3880

S 89°40'38" W 1032.24'

N 48°36'51"E
E 1730.842.3880

Curb

FBO Bldg
FBO Auto Parking

2.97 acres

N 48°36'51"E
E 1730.842.3880

N 48°36'51"E
E 1730.842.3880

N 48°36'51"E
E 1730.842.3880

500' LI

200' LI

N 48°36'51"E
E 1730.842.3880

N 48°36'51"E
E 1730.842.3880

500' LI

N 48°36'51"E
E 1730.842.3880

974
17364

930
850.00'

974
17364

930
850.00'

974
17364

930
850.00'

LEGAL DESCRIPTION

F.B.O. Building

A parcel for a Fixed Base Building over that portion of Section 7, Township 7 South, Range 2 West, San Bernardino Meridian, Riverside County, California, more particularly described as follows:

Commencing at the Northwest corner of said Section 7, said corner being a 3/4" I.P. with tag L.S. 3968;

thence, S 00°35'35" E (Basis of Bearings being the West line of Section 7, T7S, R2W, SBM per the Record of Survey filed in Book 57 of Records of Survey at Page 81, Records of Riverside County being N 00°35'5" W) along said West line a distance of 2644.42 feet to the West quarter corner of said Section 7;

thence, continuing S 00°35'35" E along said West line a distance of 2644.41 feet to the Southwest corner of said Section 7;

thence, S 89°53'17" E along the South line of said Section 7 a distance of 999.66 feet to a point;

thence, departing said South line N 12°17'07" E a distance of 1003.73 feet to a point;

thence, S 77°42'53" E a distance of 82.00 feet to a point;

thence, N 12°17'07" E a distance of 353.68 feet to a point;

thence, S 77°42'53" E a distance of 54.90 feet to a point, said point being the POINT OF BEGINNING;

thence, S 32°42'53" E a distance of 144.00 feet to a point;

thence, N 57°17'07" E a distance of 108.00 feet to a point;

thence, N 32°42'53" W a distance of 144.00 feet to a point;

thence, S 57°17'07" W a distance of 108.00 feet to the POINT OF BEGINNING, said parcel containing 15,552 square feet, or 0.357 acres, more or less.

LEGAL DESCRIPTION

F.B.O. Auto Parking

A parcel for a Fixed Base Operator Auto Parking area over that portion of Section 7, Township 7 South, Range 2 West, San Bernardino Meridian, Riverside County, California, more particularly described as follows:

Commencing at the Northwest corner of said Section 7, said corner being a 3/4" I.P. with tag L.S. 3968;

thence, S 00°35'35" E (Basis of Bearings being the West line of Section 7, T7S, R2W, SBM per the Record of Survey filed in Book 57 of Records of Survey at Page 81, Records of Riverside County being N 00°35'5" W) along said West line a distance of 2644.42 feet to the West quarter corner of said Section 7;

thence, continuing S 00°35'35" E along said West line a distance of 2644.41 feet to the Southwest corner of said Section 7;

thence, S 89°53'17" E along the South line of said Section 7 a distance of 999.66 feet to a point;

thence, departing said South line N 12°17'07" E a distance of 1883.73 feet to a point;

thence, S 77°42'53" E a distance of 82.00 feet to a point;

thence, N 12°17'07" E a distance of 341.20 feet to a point, said point being the POINT OF BEGINNING;

thence, N 57°17'07" E a distance of 26.65 feet to a point;

thence, S 32°42'53" E a distance of 18.00 feet to a point;

thence, N 57°17'07" E a distance of 150.00 feet to a point;

thence, S 32°42'53" W a distance of 60.00 feet to a point;

thence, S 57°17'07" W a distance of 120.00 feet to a point;

thence, S 32°42'53" E a distance of 18.00 feet to a point;

thence, S 57°17'07" W a distance of 32.65 feet to a point;

thence, S 12°17'07" W a distance of 33.94 feet to the POINT OF

BEGINNING, said parcel containing 8811.52 square feet, or 0.2023 acres, more or less.

EXHIBIT B2



EXHIBIT A

LEASE FRENCH VALLEY AIRPORT

The COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein called County), leases to FRENCH VALLEY AVIATION, INC., a California corporation, (herein called Lessee), the property described below under the following terms and conditions:

1. Recitals.

(a) County owns and operates the French Valley Airport. County relies upon fixed based operators to provide aeronautical and aviation oriented services to the general public. The use, convenience and safety of the public require that the services be provided by competent, trained and licensed personnel, using proper tools and equipment and operating in sanitary, convenient spaces.

(b) The provisions herein are intended, and are to be construed, to assure a consistently high level of service responsive to the public needs.

(c) A Sublease between County and Lessee for a parcel of land and improvements thereon, situated immediately adjacent to the Leased Premises hereunder is to be entered into at the same time this Lease is executed by the parties hereto, which Sublease is attached hereto as Exhibit "A" and by this reference made a part hereof.

(d) The premises subject to said Sublease are essential to the contemplated uses of this Lease, and concomitantly, the ability to provide services responsive to public needs in connection therewith. Any default under the Sublease shall be considered a default under this Lease. Any termination of the Sublease shall, without further action, terminate this Lease.

(e) Lessee is the Assignee of that certain Lease dated April 23, 1996, and that certain Sublease dated April 23, 1996, between the County of Riverside and American Valet Air, Inc., as Lessee and Sublessee, as amended by First Amendment to Lease/Sublease dated September 15, 1998, Second Amendment to Lease/Sublease dated July 10, 2001, and Third Amendment to Lease/Sublease dated June 3, 2004, the Lease consisting of 2.94 acres of improved ramp and 20 tiedown spaces and the Sublease consisting of 16,185 square feet of aircraft hangar/office space and .5593 acres of land at the French Valley Airport in the City Murrieta, County of Riverside, State of California. Said Lease expired on February 28, 2011, and said Sublease expired on April 22, 2011, and Sublessee has continued to rent the Leased

Premises on a day-to-day basis. Said day-to-day rental shall terminate upon the execution of this Lease and Sublease.

(f) All parties acknowledge that a portion of the total rents and penalties owed, pursuant to the terms set forth in the Lease and Sublease mentioned in Section 1(e) above, remain outstanding. The total amount outstanding is an undisputed seventy two thousand, nine hundred eleven dollars and ninety-eight cents (\$72,911.98). Lessee agrees to the initial payment ("Initial Payment") of forty thousand dollars (\$40,000.00). The Initial Payment is to be applied to the amount outstanding with the remaining balance to be made in monthly payments pursuant to the terms set forth in Section 6 et al. The terms of this Lease and accompanying Sublease mentioned in paragraph 1(c) are subject to the Initial Payment delivered to Lessor no later than May 1, 2012.

2. Description. The premises leased hereby consist of approximately 2.94 acres of improved aircraft ramp space and 20-tiedown spaces within the French Valley Airport, which airport is located at 37600 Sky Canyon Drive County of Riverside California, as more particularly shown on Exhibit "B", attached hereto and by this reference made a part of this Lease. Said property is hereafter referred to as the "Leased Premises." County and Lessee herein acknowledge that Lessee has no fee title interest in or to the Leased Premises.

In addition to the 2.94 acres above, the Leased Premises shall include land on which Lessee has constructed, at Lessee's sole cost and expense, a 12,000 gallon Jet A above ground fuel storage tank, hereinafter "AGFST", within the French Valley Airport Fuel Farm measuring approximately forty-five (45) feet by fourteen (14) feet, as described in Exhibit "B", attached hereto and by this reference made a part hereof.

Lessee has also installed at its sole cost and expense a self-service fueling station on the Leased Premises, identified on Exhibit "B" by the letters "SSFS". Both the above ground fuel storage tank and the self-service fueling station are trade fixtures and may be removed from the Leased Premises by Lessee at the end of the Lease term.

3. Term. This Lease shall commence on April 1, 2012, and terminate on March 31, 2017, a term of five (5) years. Any holding over by the Lessee after the expiration of this Lease shall be on a day-to-day basis strictly, and continuing tenancy rights shall not accrue to the Lessee.

4. Non Exclusive Right. It is understood and agreed that nothing herein contained will be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

5. Use. Lessee shall perform the services of a "Full Service Fixed Base Operator" in accordance with the Minimum Standards for Fixed Base Operators Riverside County Airports, attached hereto and incorporated herein by this reference as Exhibit "C". The Leased Premises may be used for the following purposes and no other without the written consent of County.

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

(b) Agreed to flight operations, including, but not limited to, flight instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-testing of aircraft following repair or modification. With regard to charter and air taxi operations, Lessee will submit to County a complete description of the operations and scope of services provided and County will establish insurance coverages and limits for these operations to be obtained by Lessee prior to commencement of operations. Coverages and the limits of insurance established for charter and air taxi will be in addition to the insurance coverages required herein.

(c) Building, maintenance, repair and overhaul of all types of aircraft, aircraft engines, airframes, automatic flight systems, instruments, radio and other electronic equipment, propellers and all other aircraft components.

(d) Painting and upholstering of aircraft.

(e) Financing, leasing, renting and insuring of aircraft.

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

(g) Providing aircraft storage inside hangar buildings and on outside tie-down areas.

(h) Providing ground school instruction associated with flight training.

The Leased Premises shall not be used for any purpose other than those described above without first obtaining the written consent of County, which consent shall not be unreasonably withheld. The County's approval of any change in the Use of the Leased Premises may, at County's sole election, place additional specific requirements on Lessee including, but not limited to, the types, limits of liability and conditions of insurance provided under this Lease.

6. Rent and Fuel Flowage Fee.

(a) Base Rent: Lessee shall pay to County as Base Rent for the use and occupancy of the Leased Premises and the Subleased Premises a combined monthly rent equal to eight thousand, six hundred eight dollars and thirty-three cents (\$8,608.33).

Said Base Rent and the additional rents described in 6(b) (1) – (2) below, are due and payable in advance on the first of each month of the term of the Lease. The rents shall be considered delinquent, if not paid by the 15th of the month. If the rents become delinquent, Lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

(b) Fuel Farm Rent - Monthly rent in an amount equal to six hundred (\$600.00) dollars for one above ground fuel-storage tank pad, capable of accommodating a 12,000-gallon aboveground fuel-storage tank.

(c) Fuel Flowage Fee: Lessee shall pay to County a fuel flowage fee in an amount established by the Board of Supervisors for the County of Riverside (the "Board") through a County Resolution, a County Ordinance or such other action as the Board may decide from time to time. The fuel flowage fee, the calculation of the fuel flowage fee, the time of payment and the method used to collect and report the amount of fuel transacted by Lessee shall be subject to periodic review and adjustment by the Board of Supervisors to reflect conditions then existing and the financial needs of the County's airports system. The County may implement any such adjustments in the fuel flowage fee at any time. Such new or adjusted fuel flowage fees shall be effective upon adoption by the County Board of Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned upon amendment of any existing Lease. As of the date of this Lease fuel flowage fees have been established according to County Resolution No. 2008-362, attached hereto as Exhibit "E" and incorporated by this reference herein. The current fuel flowage fee (which was effective as of July 1, 2008) is assessed at the rate of \$0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of \$0.02 per gallon applied to payments received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%) shall be assessed to all payments received after the due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

(d) Past Due Rent: In addition to the Base Rent required herein, Lessee shall pay to County:

(1) Amortized Rental Adjustment – In consideration of paragraphs 1(e)-(f) Lessee shall pay the remaining amount owed on the expired Lease/Sublease in fifty-

nine (59) monthly payments at five hundred, forty-eight dollars and fifty-four cents (\$548.54) per month and five hundred, forty-eight dollars and twelve cents (\$548.12) on the sixtieth (60th) month, for a total of thirty-two thousand, nine hundred eleven dollars and ninety-eight cents (\$32,911.98). Payments shall begin on the commencement date of this Lease as stated in paragraph 3 above.

(e) Rental Adjustments:

(1) Consumer Price Index - Beginning July 1, 2012, and at each July 1st thereafter, the Base Rent shall be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area, for the twelve-month period ending three months before the month of rent adjustment under this paragraph. In no event, will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

(2) Fuel Farm Rent Adjustments: Beginning July 1, 2012 and every year thereafter the fuel farm rental amount for the aboveground fuel-storage tank pad will be adjusted annually by change in the Consumer Price Index as provided for in 6(d)(1) above.

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

(a) Provide the services required of a Full Service Fixed Base Operator as set forth in Exhibit "C", and as amended from time to time, attached hereto and by reference incorporated herein. Lessee shall provide, at a minimum, aircraft maintenance and repair; fueling of both jet and piston aircraft; flight instruction; 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 80,000 lbs (service and delivery 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); and a pilots' lounge and restrooms.

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

(c) Employ and maintain on the Leased Premises sufficient personnel who are trained and skilled in order to competently perform the tasks related to the services being offered;

(d) Provide copies of sublease agreements for tenant(s) providing any of the services listed in Section 5 (a-h);

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

(f) Operate the Leased Premises and the facilities thereon in a progressive and efficient manner, charging fair and reasonable prices for each unit or service, said prices being competitive with prices charged by other fixed based operators at French Valley Airport and other County airports, and, upon request from County, Lessee shall furnish County with a schedule of all prices for each unit or service offered for sale or lease to the general public;

(g) Provide janitorial services for interior, exterior, and grounds at Lessee's own expense;

(h) Not engage in the painting of aircraft (other than small 'spot painting' jobs in connection with repairs) within any buildings, unless or until it has established therein a regular paint shop which is adequately enclosed and vented, and has been inspected and approved, in writing, by representatives of the Federal Aviation Administration and County's Fire and Building and Safety Departments, meet all other local, state and federal laws and regulations, and all applicable permits have been obtained. Under no circumstances is painting permitted without the express, written approval of County;

(i) Maintain a comfortable clean sanitary restroom facilities for both men and women; such restroom facilities shall be properly and continuously supplied with soap, towels, toilet tissue and any other supplies required by state, federal or local laws and ordinances;

(j) Observe the Taxiway Object Free Area and the ALP Aircraft Parking Line adjacent to the leasehold to allow the passage of taxiing aircraft. From the centerline of the taxiway A the boundary for the Taxiway Object Free Area boundary is fifty (50) feet, and for the ALP Aircraft Parking Line the boundary is sixty (60) feet; and

(k) Maintain the Leased Premises, approaches thereto, and improvements now or hereafter located thereon, in good, safe and sanitary order, condition, and repair, and upon any termination of this Lease, Lessee agrees to surrender said Leased Premises and improvements thereon in such good, safe and sanitary condition, reasonable use and wear thereof and damages by fire, acts of God, war, civil insurrection, or by the elements excepted; and

(l) On every January 1 and July 1 during the term of this Lease, Lessee shall provide an Aircraft and Sublease Status Report, Exhibit "F" attached hereto and by reference herein, for all subleases and aircraft being stored on the Leased Premises. The report shall be supplied in a form and electronic format acceptable to County and contain at least the following information: Name of the Sublessee (Sublessee's "tenants"), the beginning and ending date of the term of the Sublease, the size of the subleased land, the size of the subleased space, the aircraft storage hangar number/address, the Aircraft Registration Number, the name of the owner of the aircraft, the type of aircraft and indicate whether or not an aircraft is "based" at the airport (aircraft that spend at least three months of the year at this airport are to be identified in the report as "based aircraft"); and certification of compliance with the insurance requirements set forth in Sections 21 and 22 herein.

(m) This Lease is subject to the Minimum Standards for Fixed Based Operators Riverside County Airports, Exhibit "C".

(n) Provide services to the general public seven (7) days per week during the term of this Lease on a minimum hourly basis each day from 8:00 A.M., local time, to 5:00 P.M., local time. Lessee shall not make any changes relative to such minimum hourly schedule unless approval is first obtained from County in writing.

(o) Provide tie-down management for County owned tie-down spaces, as outlined in the County Tie-Down Services Agreement, herein referred to as Exhibit "H".

8. Permits, Licenses and Taxes. Lessee shall secure, at its expense, all necessary permits and licenses as it may be required to obtain regarding the construction, operation, maintenance, and termination or abandonment of activities upon the Leased Premises, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.

9. On-Site Improvements

(a) Lessee shall not undertake any improvements or alterations to the Leased Premises without County's written approval.

(b) All improvements are to be completed at Lessee's sole cost. Lessee shall pay for construction of any required utility extensions and hookups (including all related fees and charges) and any access road improvements. Plans for all improvements are to be submitted to County for approval prior to start of any construction.

(c) Any improvements, alterations, and installation of fixtures to be undertaken by Lessee shall have the prior written approval of the County after Lessee has submitted to County the proposed site plans, building plans and specifications therefore, in writing. In addition, Lessee understands and agrees that such improvements, alterations, and installation of fixtures may be subject to County Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall fully comply with such ordinances prior to the commencement of any construction in connection therewith.

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

10. Utilities: It is understood by the parties hereto that utility services, including but not limited to, electrical, gas, water and sewer, are available, and otherwise connected to the FBO facility. It is further understood that Sublessee shall be responsible for the maintenance and payment for the use of these facilities.

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

12. County's Reserved Rights.

(a) The Leased Premises are accepted by Lessee subject to any and all existing easements or other encumbrances, and County shall have the right to enter upon the Leased Premises and to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along the Leased Premises or any part thereof. County also reserves the right to

grant franchises, easements, rights of way and permits in, over and upon, along or across any and all portions of said Leased Premises as County may elect; provided, however, that no right of the County provided for in this paragraph shall be executed so as to interfere unreasonably with Lessee's use hereunder, or impair the security of any secured creditor of Lessee. County shall cause the surface of the Leased Premises to be restored to its original condition (as they existed prior to any such entry) upon the completion of any construction by County or its agents. In the event such construction renders any portion of the Leased Premises unusable, the rent shall abate pro rata as to such unusable portion during the period of such construction. Any right of County set forth in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is given to Lessee; provided, however, in the event such right must be exercised by reason of emergency, then County shall give Lessee such notice in writing as is reasonable under the existing circumstances.

(b) County reserves the right to further develop or improve the aircraft operating area of French Valley Airport as it deems appropriate. County reserves the right to take any action it considers necessary to protect the aerial approaches of the French Valley Airport against obstruction, together with the right to prevent the Lessee from erecting or permitting to be erected, any building or other structure on the French Valley Airport, which in the reasonable opinion of County, would limit usefulness of the French Valley Airport or constitute a hazard to aircraft.

(c) During the time of war or national emergency, County shall have the right to lease the landing area of the French Valley Airport, or any part thereof, to the United States Government for military use and, if such lease is executed, the provisions of this Lease insofar as they are inconsistent with the provisions of such lease to the Government, shall be suspended. In that event, a just and proportionate part of the rent hereunder shall be abated, and the period of such closure shall be added to the term of this Lease, or any extensions thereof, so as to extend and postpone the expiration thereof unless Lessee otherwise elects to terminate this Lease.

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

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

13. Taxiways. Lessee grants a non exclusive easement on any and all taxiways included in its leased property to the County for the public's ingress and egress to ramps and runways for the specific purposes of landing, take-off, and taxiing of tenants' or invitee's aircraft. All such uses shall be in accordance with the laws of the United States of America and the State of California, and the rules and regulations promulgated by their authority with respect to aviation and navigation, and in accordance with all reasonable rules and regulations, applicable ordinances of County.

14. Inspection of Premises. County, Corporation, Bank and/ or Trustee, through their duly authorized agents, shall have, upon reasonable notice, during normal business hours, the right to enter the Leased Premises for the purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this provided that the inspection does not unreasonably interfere with Lessee's business. As used in this Lease, the capitalized terms "Corporation", "Bank" and "Trustee" shall have the same meanings as defined in Section 2 of the companion Sublease (Exhibit A hereto).

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

16. Compliance with Government Regulations. Lessee shall, at Lessee's sole cost and expense, comply with the requirements of all local, state, and federal statutes, regulations, rules, ordinances, and orders now in force or which may be hereafter in force, pertaining to the Leased Premises. The final judgment, decree, or order of any Court of competent jurisdiction, or the admission of Lessee in any action or proceedings against Lessee, whether Lessee be a party thereto or not, that Lessee has violated any such statutes, regulations, rules, ordinances, or orders in the use of the Leased Premises, shall be conclusive of that fact as between County and Lessee.

17. Discrimination or Segregation

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

Regulations issued pursuant to said Acts and orders with respect to its use of the Leased Premises.

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

(c) Lessee assures that it will undertake an affirmative action program as required by 49 CFR, Part 21, to insure 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 49 CFR, Part 21, with respect to its use of the Leased Premises. Lessee further assures that no person shall be excluded on these grounds from participating in or receiving services or benefits of any program or activity covered herein with respect to its use of the Leased Premises. Lessee further assures that it will require that its subcontractors and independent contractors provide assurance to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their subcontractors and independent contractors, as required by 49 CFR, Part 21, to the same effect with respect to their use of the Leased Premises.

18. Termination by County. County shall have the right to terminate this Lease forthwith:

(a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Lessee as debtors.

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

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

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

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

(f) Failure of Lessee to maintain insurance coverage required herein and to provide evidence of coverage to the County.

(g) Failure of the Lessee to require all tiers of sublessees and/or contractors to indemnify the County and to have appropriate insurance coverages and/or failure by Lessee to monitor each sublessee and/or contractor for current and correct Certificates of Insurance and required endorsements throughout the term of this lease.

(h) This Lease shall terminate, without requiring any further action on the part of either party to this Lease, in the event the Sublease referred to in Section 1(c) is terminated for any reason.

19. Termination by Lessee. Lessee shall have the right to terminate this Lease in the event County fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that County shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Lessee; further provided, however, that in the event such breach or default is not corrected, Lessee may elect to terminate this Lease in its entirety or as to any portion of the premises affected thereby, and such election shall be given by an additional thirty (30) day written notice to County.

20. Eminent Domain. If any portion of the Leased Premises shall be taken by eminent domain and a portion thereof remains which is usable by Lessee, in its discretion, for the purposes set forth in Section 5 herein, this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor, or the date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part taken; provided, however, in such event County reserves the right to terminate this Lease as of the date when title to the part taken vests in the condemnor or as of such date of prejudgment possession. If all of the Leased Premises are taken by eminent domain, or such part be taken so that the Leased Premises are rendered unusable for the purposes set forth in Section 5 herein, this Lease shall terminate. If a part or all of the Leased Premises be so taken, all compensation awarded upon such taking shall be apportioned between County and Lessee according to law.

21. Hold Harmless/Indemnification. Lessee shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (the "Indemnified Parties") from any liability whatsoever, including but not limited to, property damage, bodily injury, or death, based or asserted upon any services of Lessee, its officers, employees, subcontractors, agents or representatives arising

out of or in any way relating to this Agreement and Lessee shall defend at its sole expense and pay all costs and fees, including but not limited to, attorney fees, cost of investigation, defense and settlements or awards, on behalf of the Indemnified Parties in any claim or action based upon such liability.

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

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

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

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

Lessee shall require each sublessee and/or contractor of every tier to indemnify the County of Riverside as respects any claims arising from their sub-lease and/or contract.

22. Insurance. Lessee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Lease. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with the Lessee provided that any changes are reasonable in nature and consistent with industry standards. The procurement and maintenance of the insurance required below will not diminish or limit Lessee's obligation to indemnify or hold the County harmless. Lessee agrees to have in place insurance coverage as it is required and applicable. This Section shall not be construed to require Lessee to have all insurance required under this provision, in place from the date of Commencement of this Lease.

(a) Workers Compensation. Lessee shall maintain statutory Workers' Compensation Insurance (Coverage A) as described by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with

limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to provide a Waiver of Subrogation in favor of the County of Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives.

(b) Airport General Liability. Lessee shall maintain Airport General Liability Insurance coverage including, but not limited to, premises/operations liability, contractual liability, products and completed operations liability, independent contractor's, personal and advertising injury liability covering all claims or lawsuits of any nature whatsoever which may arise from or out of Lessee's performance under the terms of the lease agreement. Policy shall name all the County of Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than \$10,000,000 per occurrence combined single limit and in the annual aggregate as applicable. The policy shall be endorsed to provide Hangar Keeper's Legal Liability Insurance (Ground and In-Flight) providing coverage for aircraft in the care, custody or control of the Lessee. Policy shall include coverage for the Named Insured's use of unlicensed vehicles on Airport Premises. The foregoing policy limits of liability are subject to adjustment by County as provided for in Section 5 above.

(c) Vehicle Liability. Lessee shall maintain liability insurance for all owned, non-owned, or hired vehicles used in the performance of this Lease in an amount not less than \$1,000,000 per occurrence combined single limit. The policy shall be endorsed to name all the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives. This coverage may be included in the Airport General Liability policy.

(d) Aircraft Hull and Liability Insurance.

(1) Aircraft Hull - Lessee agrees to indemnify and hold harmless the County from any and all losses, claims, or damage to any aircraft owned by Lessee and all losses, claims, or damage to any aircraft where Lessee has agreed under contract to be responsible for any physical damage to the aircraft. Lessee hereby agrees that this indemnification and hold harmless includes, but is not limited to, losses, claims or damage to any of Lessee's aircraft caused directly or indirectly by the County.

(2) Aircraft Liability - Lessee shall provide Aircraft Liability insurance for all owned and non-owned aircraft operated by the Lessee in an amount not less than

\$5,000,000 combined single limit per occurrence for bodily injury, including death and property damage and coverage shall include, but is not limited to, products/completed operations and contractual liability. The policy will be endorsed to name all The County of Riverside, its Agencies, Districts, Special Districts, and Departments, its respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representative as Additional Insureds.

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

Lessee shall also maintain site-specific Pollution Liability Insurance, covering both sudden and gradual pollution, with limits of not less than \$2,000,000 each pollution condition and \$2,000,000 annual aggregate covering third party claims for bodily injury, property damage and first and third party cleanup expense, for pollution conditions occurring or discovered on-site whether in the soil, water or air, which arise out of Lessee's activities at the Airport. The insurance shall include coverage for loss arising out of the handling of fuel, including the transportation of fuel and refueling of aircraft on-site, arising out of any storage tanks and associated piping, and arising out of the operation, parking and maintenance of aircraft, vehicles on the premises and operations that include any other hazardous materials, waste, and/or work. The policy shall name County as additional insured, and shall not contain an "insured v. insured" exclusion. The policy shall not contain a deductible or self-insured retention higher than \$500,000.

(f) All Risk Property Insurance:

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

(2) Boiler & Machinery insurance coverage on a full replacement cost value basis. Policy shall provide Business Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for off-premises power failure. Policy shall name the

County of Riverside as a Loss Payee and contain a Waiver of Subrogation in favor of the County of Riverside.

(3) **Course of Construction Insurance.** During the full term of construction of any planned improvements, Lessee shall purchase and maintain or cause to be maintained All Risk Builder's Risk insurance (Completed Value Form) including earthquake and flood for the entire Project, if applicable, including coverage for materials and supplies located on and offsite but to be part of, or used in the construction of, the completed Project. Policy shall also include as insured property, scaffolding, falsework, and temporary buildings located on the Project site, and the cost of demolition and debris removal. If the contractor or others insure scaffolding, falsework and temporary buildings separately, evidence of such separate coverage shall be provided to County prior to the start of the work. The Course of Construction coverage limit of insurance shall equal or exceed the highest values exposed to loss at any one time during the project term. Policy shall waive subrogation in favor of 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.

(g) General Insurance Provisions – All Lines:

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

(2) Insurance deductibles or self-insured retentions must be declared by the Lessee's insurance carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. Upon notification of deductibles or self insured retentions unacceptable to the County, and at the election of the County's Risk Manager, Lessee's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects this Lease with the County; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(3) Cause Lessee's insurance carrier(s) to furnish the County of Riverside with 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 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 modification of coverage or cancellation of such insurance. In the event of a material modification of coverage or cancellation of such insurance, this Lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or, if requested, certified original policies, including all endorsements and attachments thereto 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 and certified original copies of endorsements or, if requested, policies of insurance including all endorsements and any and all other attachments 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.

(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, 2012, 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 in Section 22.

(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.

23. Insurance for Fuel Suppliers. Lessee shall also require suppliers of fuel to procure, maintain, show evidence and comply with all requirements of insurance as follows:

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

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

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

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

(e) General Insurance Provisions – All lines: Lessee shall cause Supplier's insurance carrier(s) to furnish the Lessee and the County of Riverside with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. 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 Lessee and the County of Riverside prior to any material

modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, the Supplier's Agreement shall terminate forthwith, unless the Lessee and the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect.

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

The Supplier's insurance company(s) shall agree and the Certificate(s) of Insurance and policies 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.

24. 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 or Contractor's insurance policy, as applicable. Certificates and endorsements evidencing compliance with this section will be provided to the County prior to the Sublessee taking occupancy.

25. Acceptance of Leased Premises. Lessee represents that it has inspected the Leased Premises, accepts the "as is" condition thereof, and fully assumes any and all risks associated to the use thereof. County shall not be liable to Lessee, its officers, agents, employees, subcontractors or independent contractors for any bodily injury, personal injury or property damage suffered by them or others which may result from hidden, latent or other dangerous conditions in, on, upon or within the Leased Premises.

26. Assignment and Subletting. Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be at the sole discretion of County.

Lessee shall submit all documents pertaining to any such transaction referenced in the foregoing paragraph to County for approval prior to entering into such agreements. Lessee will submit executed subleases and all required certificates of insurance and endorsements to insurance policies, as specified in Sections 23, 24 and 25 of this Lease, to County for approval prior to sublessees occupying the subleased premises.

In the event of any transfer as provided in this Section, Lessee expressly understands and agrees that it shall remain liable with respect to any and all the obligations and duties contained in this Lease.

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

28. Toxic Materials. County to the best of its ability has no actual knowledge of the Premises ever having been used as a waste dump, nor of the past or present existence of any above or below ground storage tanks on the Premises (except for an underground fuel storage tank in the fuel farm where the above ground fuel storage tank referred to in Section 2 above is located), nor of the current existence on the Premises of asbestos, transformers containing PCB's or any hazardous, toxic or infectious substance whose nature and/or quantity of existence, use, manufacture or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare.

County shall be responsible for the removal and remediation of any contamination and/or hazardous materials that may be found to have existed on the site prior to the execution of the Lease between County and Lessee dated April 23, 1996. During the removal and remediation of any such contamination or hazardous materials, rent shall abate pro rata as to the period of time taken to remove and remediate the area of contamination and

for any additional portion of the Premises that cannot be developed because of cleanup activities.

During the term of this Lease and any extensions thereof, Lessee shall not violate any federal, state, or local law, or ordinance or regulation relating to industrial hygiene or to the environmental condition on, under or about the Leased Premises including, but not limited to, soil, air, and groundwater conditions. Further, Lessee, its successors, assigns and Lessee shall not use, generate, manufacture, produce, store or dispose of on, under, or about the Leased Premises or transport to or from the Leased Premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Lease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws now and in the future.

29. National Pollution Discharge Elimination System (NPDES) Permit. Lessee acknowledges, understands and agrees that it shall comply with California State Water Resources Control Board general permit requirements now and in the future relating to storm water discharges associated with activities such as aircraft rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further acknowledges, understands and agrees that it shall participate as a co-permittee under said general permit, participate in the French Valley Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D", including without limitation, the Best Management Practices, Best Available Technology Economically Achievable, and Best Convention Pollutant Control Technology.

30. Free from Liens. Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Lessee, in, upon, or about the Leased Premises, and which may be secured by a mechanics, materialmen's or other lien against the Leased Premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due;

provided, however, that if Lessee desire to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or is so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.

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

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

33. Waiver of Performance. No waiver by County at any time of any of the terms and conditions of this Lease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

34. Severability. The invalidity of any provision in this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

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

36. Attorney's Fees. In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful part to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award rendered in such litigation or arbitration.

37. Notices. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below. All notices herein which are to be given or which may be given by either party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows or to such other addresses as from time to time shall be designated by the respective parties:

COUNTY

County of Riverside
3404 10th St., Suite 500
Riverside, CA 92501
Attn: Assistant County Executive
Officer/EDA

LESSEE

French Valley Aviation, Inc.
37680 Sky Canyon Drive, #601
Murrieta, CA 92563
Attn: Joseph A. Diorio, President

Nothing herein contained shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other as hereinabove provided.

38. Section Headings. The section headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Lease.

39. County's Representative. County hereby appoints the Assistant County Executive Officer/EDA or designee as its authorized representative to administer this Lease.

40. Acknowledgment of Lease by County. Upon execution of this Lease by the parties hereto, County shall acknowledge this Lease in such a manner that it will be acceptable by the County Recorder for recordation purposes, and thereafter, Lessee shall cause this Lease to be recorded in the Office of County Recorder of Riverside County forthwith and furnish County with a conformed copy thereof.

41. Agent for Service of Process. It is expressly understood and agreed that, in the event Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessee shall file with County's clerk, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessee. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event Lessee may be personally served with such process out of this County and that such service shall constitute valid service upon Lessee. It is further expressly understood and agreed that Lessee is amenable to the process so served, submits

to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

42. FAA Consent to Lease. Lessee acknowledges that French Valley Airport was transferred to the County by the Federal Government and, as such, may require FAA consent to the Lease. If so required, the Federal government's approval shall be considered a condition precedent under this Lease.

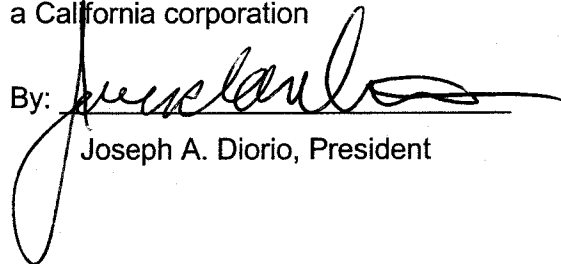
43. Entire Lease. This Lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the written consent of the parties hereto.

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44. Construction of Lease. The parties hereto negotiated this Lease at arms length and with the advice of their respective attorneys, and no provisions contained herein shall be construed against County solely because it prepared this Lease in its executed form.

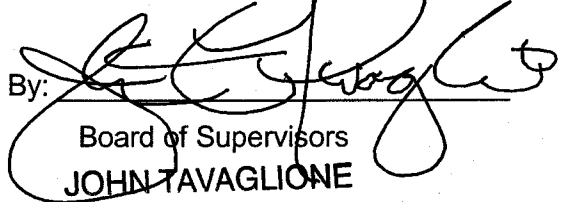
Dated: _____

French Valley Aviation, Inc.
a California corporation

By: 
Joseph A. Diorio, President

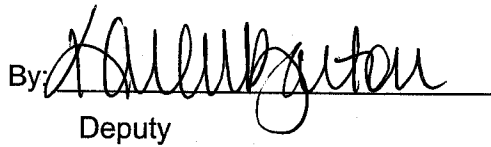
Dated: JUL 03 2012

COUNTY OF RIVERSIDE
A political subdivision of the State of California

By: 
Board of Supervisors
JOHN TAVAGLIONE

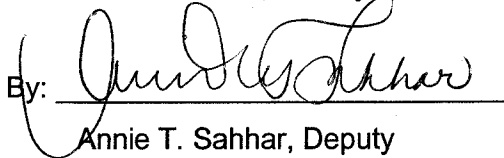
ATTEST:

KECIA HARPER-IHEM, Clerk of the Board

By: 
Deputy

FORM APPROVED:

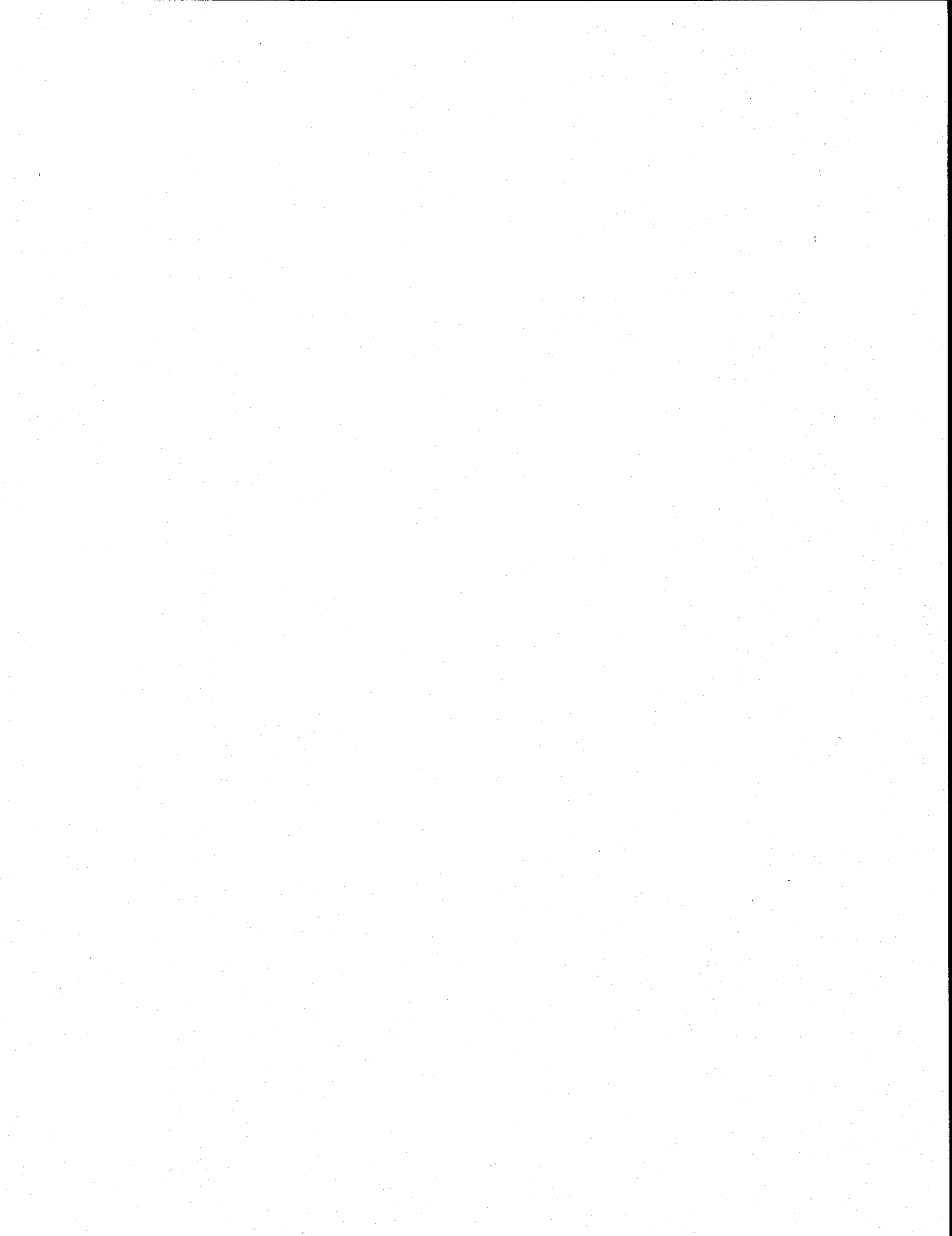
PAMELA J. WALLS, County Counsel

By: 
Annie T. Sahhar, Deputy

(SEAL)

Attachments:

- Exhibit A – Sublease
- Exhibit B – Property Description
- Exhibit B – Fuel Farm Above-ground Storage Tank Pad; Self Service Fuel Storage Tank
- Exhibit C – Minimum Standards
- Exhibit D – Storm Water Pollution Prevention Plan
- Exhibit E – County Resolution No. 2008-362 – Fuel Flowage Fees
- Exhibit F - Aircraft and Sublease Status Report
- Exhibit G - Federally Required Lease Provisions
- Exhibit H – County Tie-Down Management Agreement



FBO Lease

West 1/4 Corner Sect. 7
Fnd. 2" Iron Pipe

N 00°35'35" W

N 48°56'18"E
E 1700.225'5645

2644.41'

N 00°35'35" W

WINCHESTER ROAD
N 12°17'07" E

2656.81'

STATE ROUTE 79
N 12°17'07" E

N 12°17'07" E

1289.13'

N 12°17'07" E

2610.31'

ABOVE GROUND FUEL STORAGE TANK PAD
E 1700.00' E

LEASED PREMISES (cross hatched area)

N 12°17'07" E

SELF-SERVICE FUEL ISLAND

LEASED TEDDOWNS SPACES 76-95

S 12°17'07" W

EXHIBIT B

Lease Exhibit B

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Minimum Standards
for
Fixed Base Operators
Riverside County Airports



County of Riverside
Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501
(951) 955-9802
Fax: (951) 955-6686

Adopted January 30, 2001

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I. INTRODUCTION

Riverside County is the owner (sponsor) of the following five airports in Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran 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 five (5) airports owned by Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran 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, Jacqueline Cochran 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

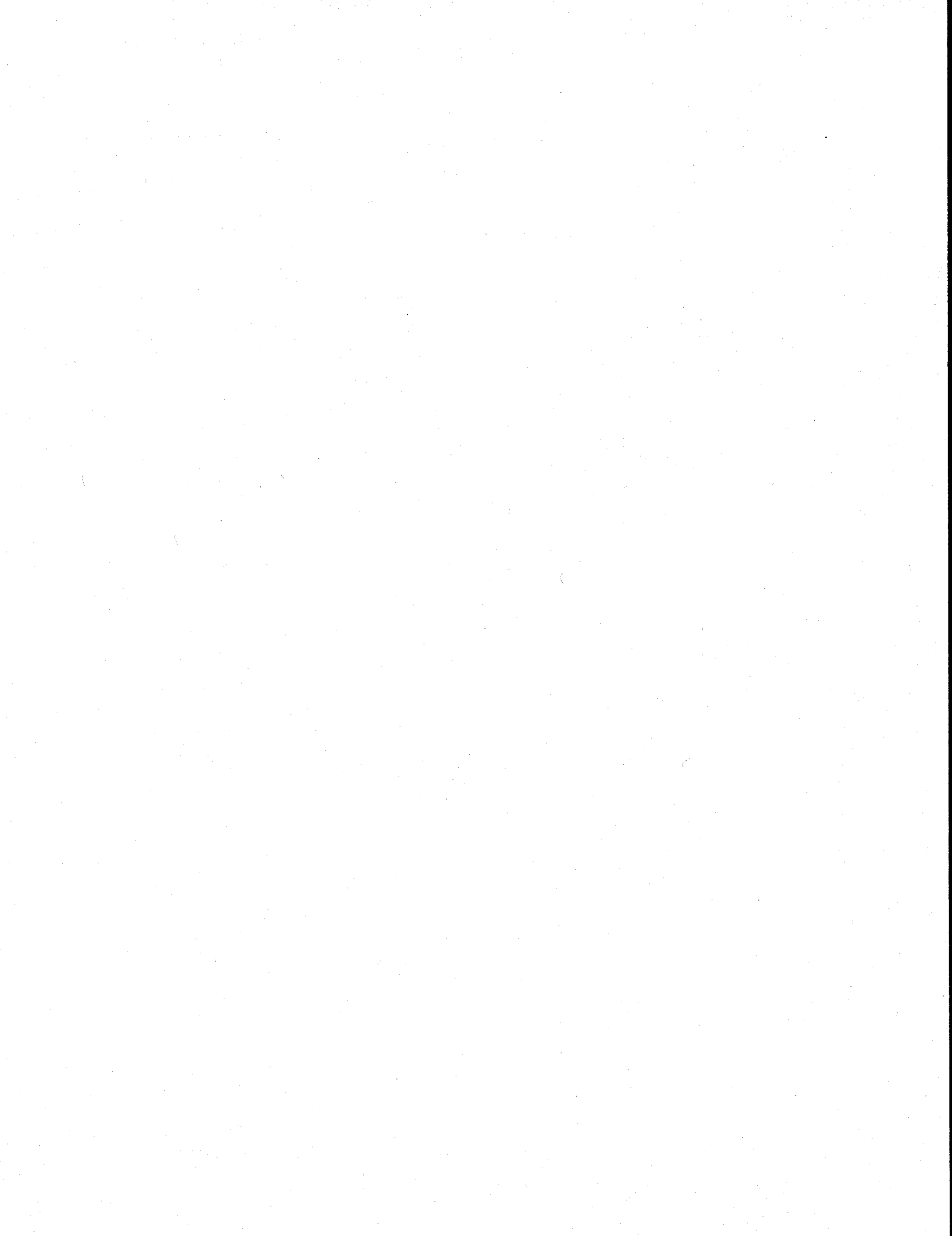
TLMA - Transportation and Land Management Agency

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, Jacqueline Cochran 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 JCRA (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>
LOT SIZE: 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 Ordinance 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	

INSURANCE:
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>
LOT SIZE: 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
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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
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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.

REQUIREMENT

MINIMUM STANDARD

PURPOSE / OTHER

LOT SIZE: 150 SF

Repair station	150 SF	
Automobile parking	One (1) space per 150 SF, with landscaping as required by Ord. 348	

CERTIFICATION:

Station	Authorized repair station and certified under FAR Part 145	
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PERSONNEL:

Staff	One (1) FAA certified repairman	
Certification & training	Proper certification and training	To comply with all applicable regulations

HOURS OF OPERATION:

Business Hours	Available for appointment for at least 40 hrs/week	
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EQUIPMENT:

Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.

INSURANCE:

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>
<u>LOT SIZE:</u> 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	
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EQUIPMENT:

Aircraft	One (1) single-engine aircraft	Available for flight training
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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 involve the sale of new aircraft through franchises or licensed dealerships (if required by local, county, or state authority) or distributorship (on either 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:</u> 150 SF		
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 500 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 available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate	
<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

CERTIFICATION:

Permits and certificates	Must be submitted to Assistant County Executive Officer / EDA or Designee prior to operations.	
Renewals	Furnished to EDA Assistant County Executive Officer/EDA 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

PERSONNEL:

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.	

HOURS OF OPERATION:

Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
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EQUIPMENT:

To be determined during lease negotiations.

INSURANCE:

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		
<ul style="list-style-type: none"> a. Comply with California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979. 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. 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). 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. 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. f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit. 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. h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following: <ul 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.

CERTIFICATION:

As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
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PERSONNEL:

Staff	Sufficient number during normal hours of operation	To comply with all applicable regulations
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	

HOURS OF OPERATION:

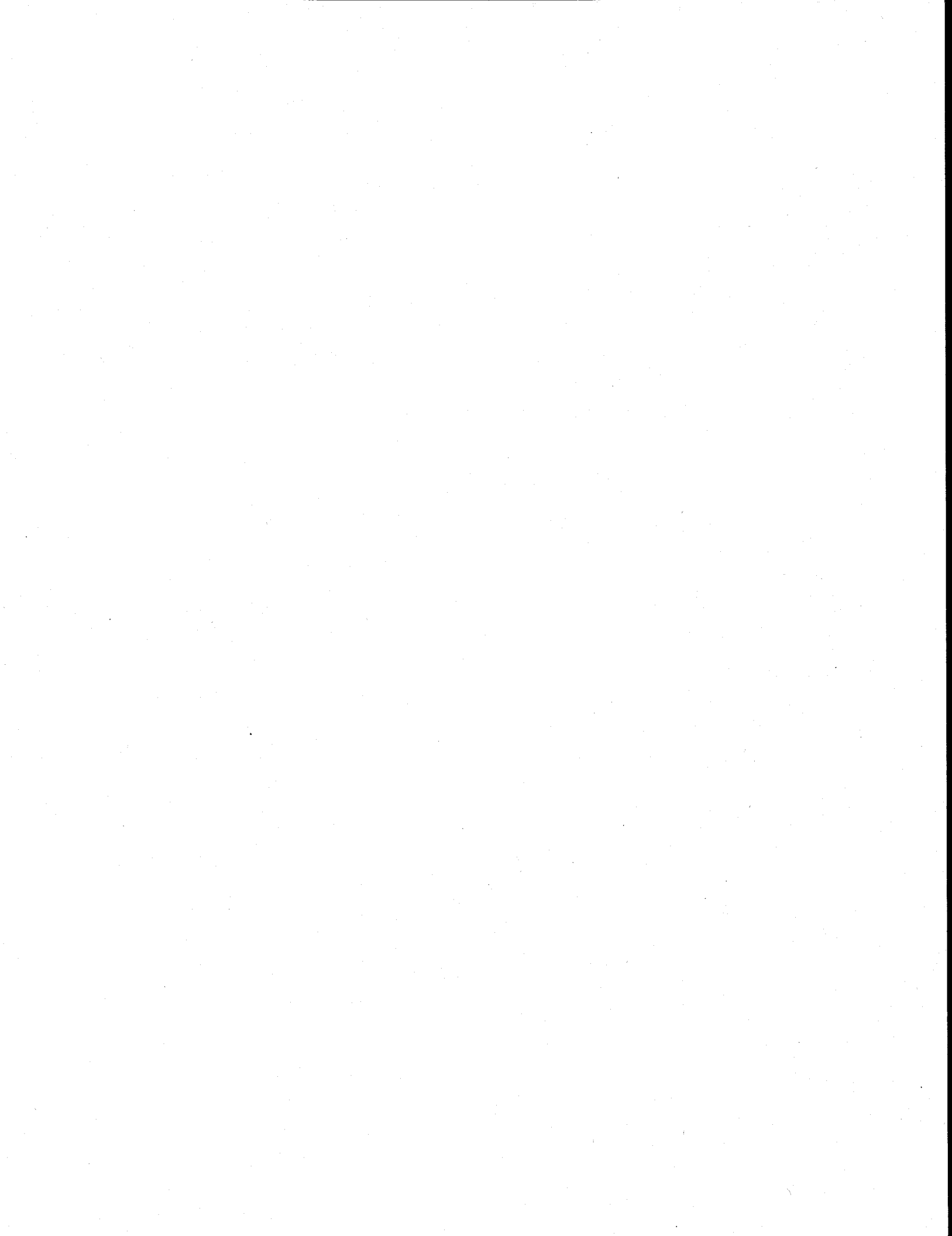
Services	To be determined during lease negotiations.	Minimum requirements would be: normal telephone contact five (5) days a week (M-F) eight (8) hours a day.
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EQUIPMENT:

To be determined during lease negotiations depending on the type of activity proposed.

INSURANCE:

Refer to Appendix A



STORM WATER POLLUTION PREVENTION PLAN

DOCUMENTATION

FRENCH VALLEY AIRPORT

AIRPORT RESEARCH AND DEVELOPMENT FOUNDATION

ARDF

SWPPP

DOCUMENTATION

W.D.I.D.#933s006139

LEASE COPY ONLY

S.W.P.P. MAY BE REVIEWED IN AIRPORTS MANAGERS OFFICE

EXHIBIT D

STORM WATER POLLUTION PREVENTION PLAN INTRODUCTION AND PURPOSE

The California airport group members have submitted their Notices of Intent (NOIs) 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 is not being achieved.

PLANNING AND ORGANIZATION POLLUTION PREVENTION PERSONNEL

POLLUTION PREVENTION COMMITTEE MEMBERS

Airport Manager: Daryl Shippy
Phone: (951) 955-9418

Designated Individuals

NAME: Dave English Phone: (951) 712-5995	TITLE : Airport Maintenance Supervisor
NAME: Joe Diorio Phone: (951) 677-2756	TITLE: Owner American Valet Air, F.B.O.
NAME: Jamie Gallagher Phone: (951) 696-0160	TITLE: Owner Air Mech
NAME: Leland Ayers Phone: (760) 431-7600	TITLE: Owner Aircraft Hangar Management
NAME: Copperhead LLC (R.W. Martin) Phone: (951) 600-0009	TITLE: Vice President John Zublin
NAME: Mike Amos Phone: (760) 723-0210	TITLE: Owner French Valley Hangars
NAME: Pamela Voit Phone: (951) 698-9874	TITLE: Manager, Sky Canyon Enterprises

SWPPP CERTIFICATION

The SWPPP certification must be signed in accordance with the provisions of Section C9 of the General Permit.

The regulations require the above defined person to certify the airport's Storm Water Pollution Prevention Plan.

This is to certify that Daryl Shippy Title: Airport Manager
Airport: French Valley

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted, is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature _____

Title _____

Date _____

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

Description of Significant Material Handling

Significant Materials Treated or Stored

- Significant Materials Stored:
- 1) 12,000 gallons Avgas (underground)
 - 2) 12,000 gallons Jet-A (underground)
 - 3) 12,000 gallon Avgas (above ground)
 - 4) Used motor oil

Significant Materials Disposed:

- 1) Fuel from underground tanks are used in aircraft. Underground and above ground tanks are regulated by Title 23 of the California Health and Safety Code, E.P.A. underground tank regulations, and Riverside County Ord.No. 617.
- 2) Used motor oil is recycled through a licensed contractor.

Significant Materials Spilled Or Leaked (in significant quantities to storm water after November 19, 1988): No significant spills have been reported.

Materials Management Practices:

- 1) All hazardous material spills must be reported to the airport manager, County Hazardous materials Div. Of County Health, and Riverside County Fire. Liquid absorbent materials are stored at the airport.
 - 2) Areas where materials are stored and or have the possibility to spill are inspected monthly, with spot inspections during the daily airport inspections.
 - 3) Insure material handlers have proper licenses and training.
-

Equipment Management Practices:

- 1) All equipment inspected monthly, i.e. fuel trucks, service equip. dispensers etc.
- 2) Preventive maintenance scheduled to prevent leaks.
- 3) Drip pans available to install under leaks.
- 4). Spill Kits installed on all fuel trucks.

Vehicle Management Practices:

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

Material Loading, Unloading, and Access Areas:

- 1) All personal are to have proper training or licensing.
- 2) Restrict material handling area to trained personnel only.
- 3) Inspect equipment monthly to insure proper working order and notify responsible party if faulty.

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

- 1) Oil water separators installed; floor drains in hangars and disposed of in the sanitary sewer system.
- 2) Oil and water separators installed at the aircraft wash areas, disposed of into the sanitary sewer system.
- 3) Monthly inspections of all aircraft tie downs, auto parking lots, streets and hangar areas.

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

- 1) Use of dirt roads is restricted to airport employees for inspections and emergency response to aircraft accidents.
- 2) Monthly inspections of all drains, ditches, flood control berms and outfalls to insure no dry weather signs of runoff water are present.

Airport Industrial Storm Water Treatment Facilities:

- 1) No facilities are now on the airport.

Methods of On-Site Disposal of Significant Materials:

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

- 1) Aviation fuels are stored in underground tanks or in fuel trucks.
- 2) Motor vehicle oils are stored inside buildings.
- 3) Used oils are stored in County Health approved above ground tanks.

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

- 1) All airport roads and parking lots are paved. Some maintenance roads and future development lots are dirt, but have restricted access.
- 2) There are no significant industrial processes on the airport.

Pollutant List

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 is a 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
10-99	Aviation fuels	Aircraft	none
	Coolants	Ground vehicles	no spill history
	oil	Aircraft and ground equip.	" " "

Airport Size (acres or square feet): 265 acres

Impervious Area: 48.25 acres

Percentage of Impervious Area ($[\text{Impervious Area} / \text{Total Area}] / 100$): 18.2%

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.

STORM WATER MANAGEMENT CONTROLS

This section of the SWPPP 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
- Periodic testing of 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 House keeping

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 tenants to inform them of problems that need correcting.
3. Vehicle and equipment washing to be done in designated areas only.
4. NO HANGARS, equipment storage, or maintenance buildings will be hosed out. All oil and solvents must be cleaned up using absorbent material or biodegradable solvents or soap.
5. Drip pans and 100 pounds of oil absorbent material stored at each F.B.O. site.
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 overflow.
7. The airport and each co-permittee will train personnel in the proper handling, identification and clean up practices. List of agencies to notify when a spill occurs.
8. The designated airport representative to inspect the airport monthly to include co-permittees leaseholds, notify responsible not in compliance with the storm water plan.
9. All non-paved roads to be restricted to only necessary traffic.
10. All vehicle fueling to take place on paved areas.

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

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: Dave English
Title: Airport Maintenance Supervisor
Phone: (951) 712-5995

Alternate: Daryl Shippy
Title: Airport Manager
Phone: (951) 955-9418

Storm Water Management Practices

1. Daily inspections of tie down areas to look for leaks.
2. Notices sent to tenants informing them of problems that need correcting.
3. Vehicle and equipment washing to be done on wash racks.
4. All hangars and equipment storage areas are to be mopped with soaps and oil and solvent spill absorbent material.
5. Drip pans and absorbent material available at all F.B.O.s.
6. Drums and tanks to have canopies and retention areas.

Sediment Control and Erosion Prevention

1. Seed embankments where applicable to prevent erosion.
2. Install hay bails, screens, to trap sediment in earthen ditches.
3. All construction projects to have a S.W.P.P.P.

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 subject 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

Inspections

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.

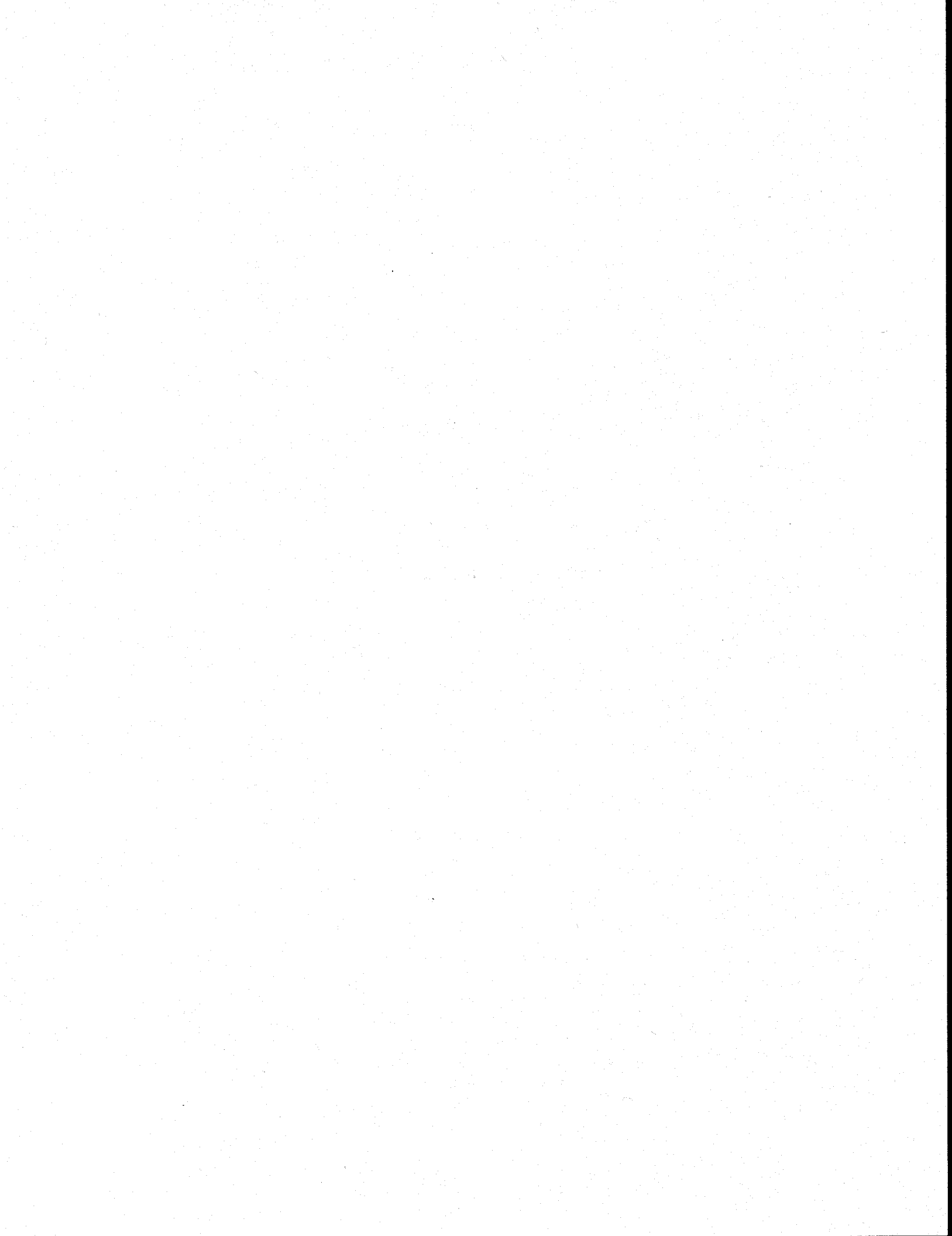


EXHIBIT E

Board of Supervisors

County of Riverside

RESOLUTION NO. 2008-362

ESTABLISHING FUEL FLOWAGE FEES AND REQUIREMENTS
FOR FUEL SELLERS AT COUNTY OWNED AIRPORTS

WHEREAS, the County has previously set fuel flowage fees for fuel sellers and self-fuelers (who are also lessees or sub-lessees on the airport who meet certain minimum requirements), at County owned airports as a percentage of the net delivered price, the current fee having been established at five percent (5%) of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee. The "total net price" shall mean the net price per unit of such fuel and lubricants, excluding taxes imposed thereon by any governmental agency. Said fuel flowage fees are due and payable within thirty (30) days of delivery. In some cases, these fuel flowage fees are subject to a late fee of ten percent of the delinquent amount.

WHEREAS, as a result of the current surge in fuel prices and the resultant negative economic impact on airport operations, as well as discussions with County Airport Lessees and fuel sellers, and a review of fuel flowage fees charged by other southern California airport operators, the County desires to change the method of calculating fuel flowage fees from a percentage basis to a fixed price per gallon basis, effective July 1, 2008.

WHEREAS, the new fuel flowage fee will continue to provide the County with reasonable revenue to support the maintenance and operation of the County airports, while providing relief to the airport Lessee/fuel seller.

WHEREAS, the adoption of the new fuel flowage fee calculation will require that the current leases and/or sub-leases for fuel sellers be amended to reflect the new fee at a subsequent date.

NOW, THEREFORE, BE IT RESOLVED that the fuel flowage fee at County owned airports shall be calculated as follows:

1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold effective July 1, 2008. Payments shall be due within thirty (30) days of the County's invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments

EXHIBIT E

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received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

2. Lessee/fuel seller's fuel systems must comply with the County Airport requirements and specifications. The systems must have a meter according to the County's specifications, which allow the County to monitor and record fuel sales on a monthly basis. Lessee/fuel seller shall, at its own expense, be responsible for obtaining and installing the meter. The meter or metering device must be certified on an annual basis by the Riverside County Agricultural Department, Weights and Measures Division, or other service designated by the County. Such annual certification shall be at the expense of lessee.

3. The County shall take readings from the meters of all fuel systems during the first week of each month. The County shall issue an invoice to Lessee based upon the number of gallons of fuel sold during the previous monthly period. The County reserves the right to audit records of Lessee's fuel sales and receipts. Lessee shall make all such records available for inspection upon three (5) days notice from County to Lessee.

4. Lessees shall have the option to continue to pay fuel flowage fees at the former rate of 5% per gallon for the duration of the current lease or sublease.

5. Fuel sellers, prior to being subject to the new fuel flowage fee calculation, shall be required to enter into amendments of their current leases and/or subleases to reflect the provisions of this resolution.

6. Lessees must at all times comply with applicable local, state and federal laws and regulations, including applicable airport regulations established pursuant to Riverside County Ordinance No. 576.2.

7. The County reserves the right to review this Resolution from time to time, and by Resolution, make any and all such revisions as it deems necessary and appropriate.

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 7/18/08
NEAL R. KIPNIS DATE

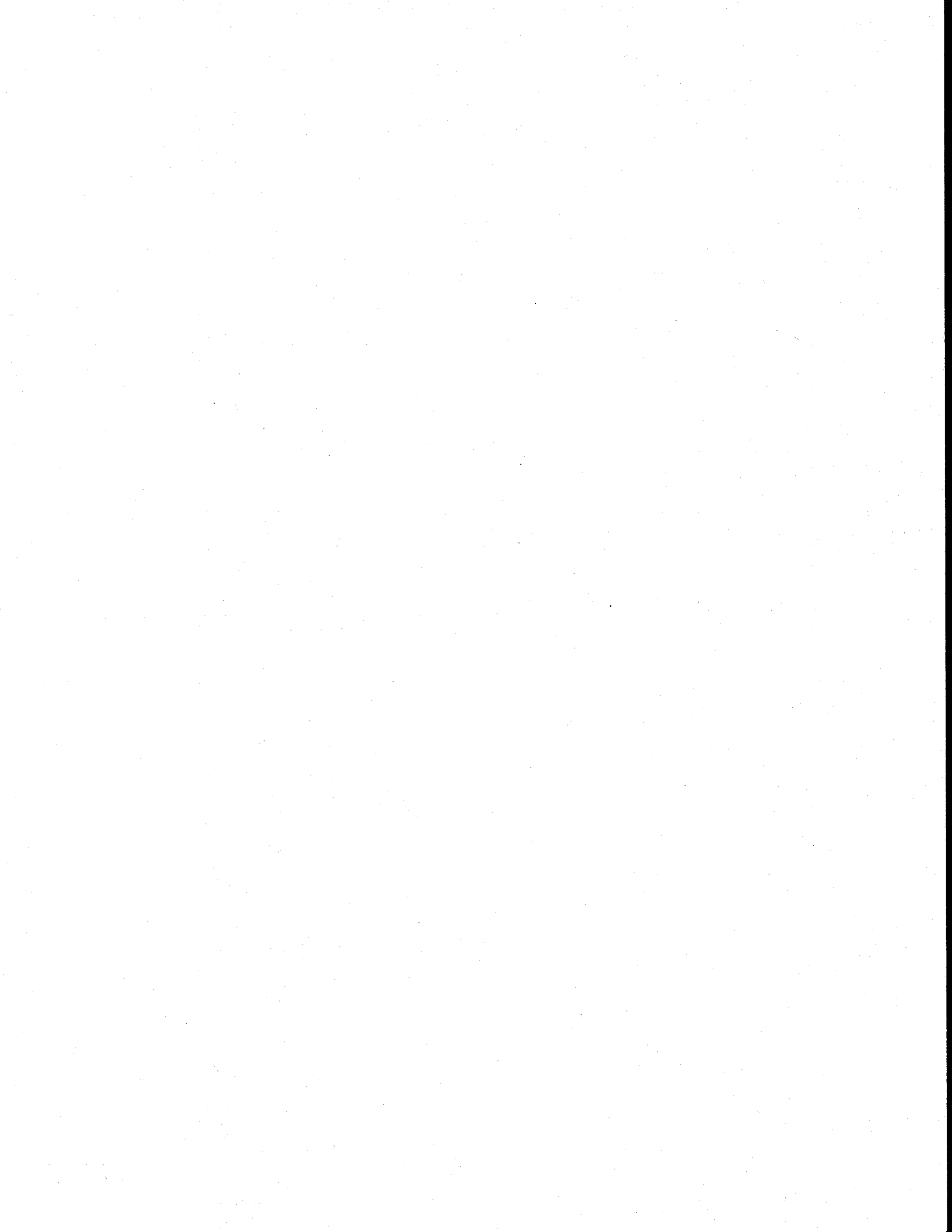


EXHIBIT F

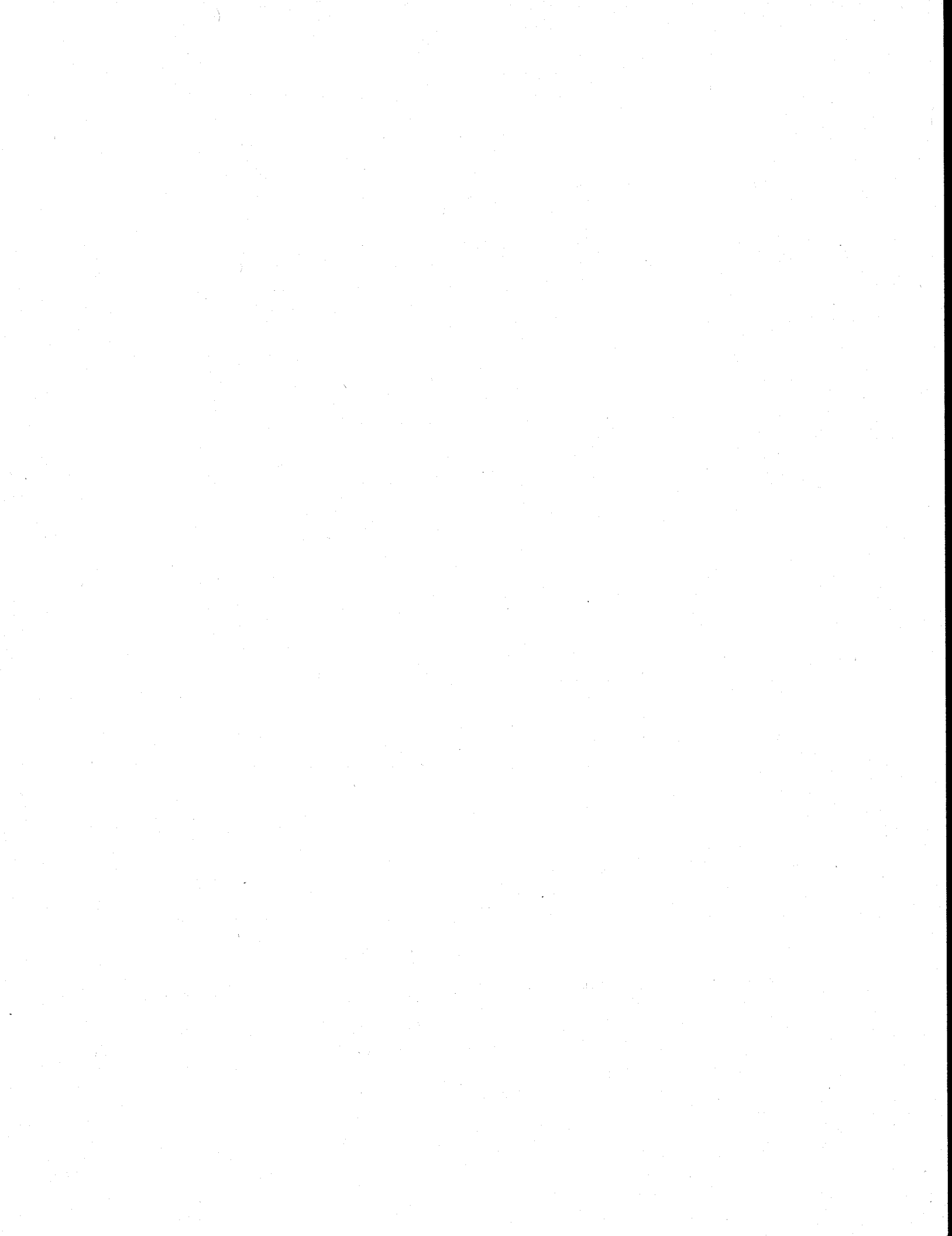
AIRCRAFT AND SUBLEASE STATUS REPORT

Date: _____

Sublease	Sublease Start Date	Sublease End Date	Land Area Subleased	Hangar Square Footage	Hangar #	N Number	Owner	Aircraft Type	Status (Based)

I certify that I have in my possession current Certificates of Insurance for each aircraft, sublessee and contractor required under Sections 7(k), 22, 23 and 26 of this Lease and that copies of these certificates have been sent to County. These certificates may be inspected by County upon 48 hours written notice by County.

By: _____ Date: _____
 Lessee Designated Representative



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 French Valley 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 French Valley 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 to 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.



EXHIBIT H

RIVERSIDE COUNTY SERVICES AGREEMENT FOR COUNTY AIRPORTS

This Agreement is made and entered into the 1st day of April, 2012 by and between the County of Riverside ("COUNTY") and French Valley Aviation, Inc. ("CONTRACTOR"). The parties agree as follows:

1. Documents Made Part of This Agreement: This Agreement is comprised of the following documents: This Agreement, Exhibits A, B and C.
2. Services To Be Provided: CONTRACTOR shall provide all the following services to COUNTY in connection with permitting, operation and maintenance of tie-down spaces at French Valley Airport, described in Exhibit A, attached hereto and incorporated by reference:
 - A. CONTRACTOR will answer all inquiries from prospective or existing Permittees on behalf of the COUNTY and refer in a timely fashion any unresolved issues to COUNTY.
 - B. CONTRACTOR will assign spaces, issue Permits, accept security deposits on behalf of the COUNTY and collect rents for tie-down spaces at French Valley Airport. CONTRACTOR will use the COUNTY's Tie-Down Use Permit form (attached hereto as Exhibit B) and in a timely manner, submit to the COUNTY executed Permits, along with required insurance certificates for the COUNTY'S approval and acceptance within 10 days of execution. All security deposits will be forwarded to the COUNTY along with the executed Permits.
 - C. CONTRACTOR will not allow occupancy of tie-down space until Permit is signed and certificate of insurance is submitted.
 - D. CONTRACTOR will forward collected-rents, less the established management fee, to the COUNTY by the 15th of each month along with an accurate listing of all new transactions, occupied spaces and delinquencies. The listing shall be in the format attached hereto (as Exhibit C). CONTRACTOR and COUNTY will mutually agree upon the format of the report.
 - E. CONTRACTOR will insure that spaces are ready for rental, with accurate numbering, chains and clips in place and free of debris.
 - F. CONTRACTOR will monitor tie-down spaces for safety and/or pollution issues and report any violations to COUNTY.
 - G. CONTRACTOR will maintain eighteen (18) spaces east and north of the Terminal Building (designated as spaces 96-114) as "transient" tie-down spaces. (attached hereto as Exhibit A)
 - H. CONTRACTOR will establish a rental schedule for approval, along with any future changes, by the COUNTY.
3. Compensation: In consideration of the services performed on the COUNTY's behalf, CONTRACTOR will retain twenty-five percent (25%) of all rentals collected in connection with the tie-down permits as a management fee, subject to this Agreement.
4. County Responsibilities: COUNTY responsibilities will be as follows:
 - A. COUNTY will supply CONTRACTOR with Tie-Down Permit forms and location of covered tie-down spaces (See Exhibit A).
 - B. COUNTY will approve all Tie-Down Permits.
 - C. COUNTY will retain custody of all security deposits and make refunds to Permittees when appropriate.
 - D. COUNTY will issue a notice of default to any Permittee who becomes more than thirty (30) days delinquent and in the event the default is not cured, initiate action to terminate the Permit.
5. County Representative: The following COUNTY representative shall be the contact for CONTRACTOR with regard to the services to be provided pursuant to this Agreement:

Name: Vicki Powszok Title: Aviation Facilities Specialist
6. Compliance with Laws; Licensing: CONTRACTOR shall comply with all applicable laws, rules and regulations related to performance of this Agreement, including but not limited to all applicable fair employment, civil rights, access, health and safety laws, rules and regulations. CONTRACTOR represents and warrants that it has all licenses, permits and qualifications as are legally or professionally required to perform the services stated in this Agreement. CONTRACTOR shall comply with all applicable COUNTY policies, procedures, rules and regulations.

EXHIBIT H

7. Termination:

- A. This Agreement may be terminated by COUNTY for any reason (with or without cause) upon giving thirty (30) days written notice to CONTRACTOR.
- B. COUNTY may terminate this Agreement immediately when any of the following occurs: (1) COUNTY determines that CONTRACTOR's activities are resulting in or may result in discredit to COUNTY; (2) CONTRACTOR has acted dishonestly; (3) CONTRACTOR is unwilling or unable for any reason to properly perform; or (4) CONTRACTOR has breached a material provision of this Agreement.
- C. After receipt of a notice of termination from COUNTY, CONTRACTOR shall: (1) stop all work under this Agreement on the date specified in the notice of termination; (2) deliver to COUNTY any equipment, materials, data, reports or other work which, if the Agreement had been continued, would have been required to be furnished to COUNTY by CONTRACTOR; and (3) take any additional actions which may be reasonably requested by COUNTY. Following termination, COUNTY shall make payment to CONTRACTOR for all services which have been properly rendered up to the date of termination. No other payments shall be due to CONTRACTOR upon termination. In the event of termination, COUNTY may proceed with the work in any manner it deems to be proper and in the best interest of COUNTY.
- D. This section shall not limit any other legal rights the COUNTY may have against CONTRACTOR.
- E. CONTRACTOR shall have the ability to terminate contract with thirty (30) days written notice to COUNTY, allowing COUNTY ample time to secure a replacement.

8. Independent Contractor:

- A. CONTRACTOR is acting as an independent contractor, and no relationship of employer-employee exists between CONTRACTOR (including its employees, agents or representatives) and COUNTY. CONTRACTOR assumes full and exclusive responsibility for its acts and the acts of its employees, agents and subcontractors related in any way to this Agreement. CONTRACTOR (including its employees, agents or representatives) shall not be entitled to any benefits payable to employees of COUNTY, including but not limited to workers' compensation, retirement, leave or other similar benefits. CONTRACTOR assumes full responsibility for payments of all federal, State and local taxes or other contributions imposed or required under social security, workers' compensation, income tax, disability, unemployment, retirement or similar laws or regulations, related to CONTRACTOR, its employees, agents or representatives. CONTRACTOR shall indemnify COUNTY against any and all claims that may be made against COUNTY based upon a contention by any person or entity that an employer-employee relationship exists by reason of this Agreement, including but not limited to any federal, State or other payments which COUNTY may be required to make related to such a claim. CONTRACTOR shall immediately reimburse COUNTY for any payments which COUNTY may be required to make related to any such claim.
- B. CONTRACTOR and its agents, servants, employees, subcontractors or other representatives shall not act and shall not in any manner be construed to be agents, officers, or employees of COUNTY; shall not in any manner incur or have the power to incur any debt, obligation or liability against or on behalf of COUNTY; and shall in no way represent themselves to be officers, employees or agents of COUNTY. COUNTY shall not in any way be liable for any debts, acts, obligations or other liabilities or actions of CONTRACTOR, its agents, servants, employees, subcontractors or other representatives.

9. Insurance: CONTRACTOR shall procure from Permittee original insurance certificates which evidence the following coverages provided for in the Permit. CONTRACTOR shall ensure that certificates are current and maintain a file at CONTRACTOR's office for COUNTY's review from time to time:

- (a) Workers Compensation: Limits shall not be less than \$1,000,000 per person per accident.
- (b) Airport Commercial General Liability: Limit of liability shall not be less than \$1,000,000 per occurrence combined single limit.
- (c) Vehicle Liability: Limits of liability shall not be less than \$500,000 per occurrence combined single limit.
- (d) Aircraft Hull and Liability Insurance: For the full replacement value of all aircraft stored by the Permittee in the Permitted Premises and the contents thereof.
- (d) General Insurance Provisions - All lines: Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by the County Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A: VIII (A: 8).
- (e) Failure to Procure Insurance: In the event Permittee fails to procure or maintain required insurance, County may, upon three (3) days notice to Permittee, procure or renew such insurance, pay and all premiums in connection therewith, and the cost of any such insurance premiums shall be treated as additional rent. If insurance is not immediately thereafter obtained by Permittee or payment is not

EXHIBIT H

immediately made to County for the premiums, County may elect to treat such failure as a material breach of this Permit by Permittee.

10. Indemnification: CONTRACTOR shall indemnify and hold harmless COUNTY, including its officers, employees and agents, from any and all liabilities, claims, debts, damages, demands, or actions of whatever kind or nature (including, but not by way of limitation, wrongful death, bodily injury, property damage, and legal representation and expenses) arising out of or in any manner connected with CONTRACTOR's performance related to this Agreement.

11. Right to Audit or Monitor; Records; Ownership of Documents:

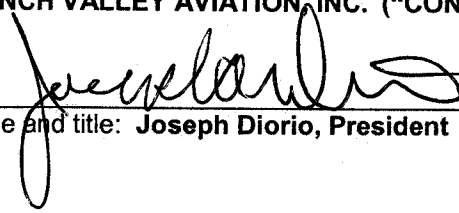
- A. COUNTY shall have the right to audit and monitor the activities or procedures of CONTRACTOR. CONTRACTOR shall maintain accurate records related to the activities performed by CONTRACTOR pursuant to this Agreement. COUNTY may at any time audit any of CONTRACTOR's records related to activities performed by CONTRACTOR pursuant to this Agreement.
- B. All documents, reports and materials prepared by CONTRACTOR pursuant to this Agreement shall become the property of the COUNTY. Upon termination of this Agreement or completion of services, CONTRACTOR shall furnish to COUNTY all documents, reports and materials (including any uncompleted reports or unfinished work).

12. Governing Law; Jurisdiction: This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court for the State of California located in Riverside County, California.

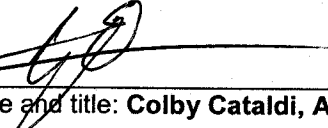
13. Miscellaneous:

- A. CONTRACTOR shall not subcontract with any third party for furnishing any of the services described in this Agreement without the prior written approval of COUNTY.
- B. CONTRACTOR shall not assign any interest in or part of this Agreement without the prior written consent of COUNTY.
- C. CONTRACTOR shall ensure that there shall be no discrimination against or segregation of any person, or group of persons, on account of disability, sex, marital status, race, religion, color, creed, national origin, or ancestry in performing the services specified in this Agreement.
- D. Any waiver by COUNTY of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent breach of the same or of any other term hereof. Failure on the part of COUNTY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms of this Agreement or estopping COUNTY from enforcement of such terms.
- E. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement will continue in full force without being impaired or invalidated in any way.
- F. This agreement is intended by the parties as the final, complete and exclusive statement of their understanding with respect to the subject matter of this Agreement, and supercedes any and all prior or contemporaneous oral or written understandings or statements. This Agreement may be changed or modified only pursuant to a written document signed by the authorized representatives of both parties.

FRENCH VALLEY AVIATION, INC. ("CONTRACTOR")

By:  Dated: 4-26-2012
Name and title: **Joseph Diorio, President**

COUNTY OF RIVERSIDE ("COUNTY")
A political subdivision of the State of California

By:  Dated: _____
Name and title: **Colby Cataldi, Assistant Director**

