

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS DATE: 7/16/15

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

112



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 August 6, 2015

**SUBJECT:** Consent to Sublease between FW Aviation LLC and the State of California for California Highway Patrol Facility at Jacqueline Cochran Regional Airport, District 4, [\$0], CEQA Exempt

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt for California Environmental Quality Act (CEQA) pursuant to State CEQA Guideline Section 15301 and Section 15061 (b)(3);
2. Approve and consent to sublease of 3,779 square feet of office space together with 8,128 square feet of hangar space and related parking located within Jacqueline Cochran Regional Airport, Thermal California (Subleased Property), as more specifically set forth in the attached Lease Agreement between FW Aviation LLC as Lessor (Sublessor) and State of California as Lessee (Sublessee) dated March 7, 2011(Sublease);
3. Authorize the Chairman of the Board of Supervisors to sign the attached Consent to Sublease; and

(Continued)

*Robert Field*

Robert Field  
 Assistant County Executive  
 Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	<input checked="" type="checkbox"/>

**SOURCE OF FUNDS:** N/A  
 Budget Adjustment: No  
 For Fiscal Year: 2015/16

**C.E.O. RECOMMENDATION:** APPROVE  
 BY: Rohini Dasika  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: \_\_\_\_\_ District: 4 Agenda Number: \_\_\_\_\_

3-16

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

Economic Development Agency

**FORM 11:** Consent to Sublease between FW Aviation LLC and the State of California for California Highway Patrol Facility at Jacqueline Cochran Regional Airport, District 4, [\$0], CEQA Exempt

**DATE:** August 6, 2015

**PAGE:** 2 of 2

## **RECOMMENDED MOTION:** (Continued)

4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents necessary to implement the Sublease subject to approval by County Counsel.

## **BACKGROUND:**

### **Summary**

The County of Riverside as Lessor (County) and F.W. Aviation, LLC (Lessee) entered into a Lease Jacqueline Cochran Regional Airport dated February 15, 2011 (Master Lease) for 4.21 acres of vacant land at the Jacqueline Cochran Regional Airport (Leased Premises) for a term of 30 years. Pursuant to Section 1 of the Lease, the Lease is contingent upon completion of a fully executed sublease between FW Aviation LLC and the State of California, for a California Highway Patrol Aviation Facility at the Leased Premises. On April 4, 2011 a Lease between FW Aviation LLC as Lessor (Sublessor) and the State of California as Lessee (Sublessee) was fully executed providing for a 10 year term on 3,779 square feet of office space together with 8,128 square feet of hangar space and related parking (Sublease). The facility for the State of California Highway Patrol has been completed and received a certificate of occupancy. If approved by the Board, the Sublease will be subject to the Master Lease. The proposed Consent to Sublease is attached.

Pursuant to the California Environmental Quality Act (CEQA), the proposed Consent to Sublease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and State CEQA Guidelines 15061(b) (3), General Rule or “Common Sense” Exemption. The proposed project, the consent to sublease a portion of the Leased Premises, relates to the subletting of existing facilities and no expansion of an existing use will occur. In addition, there is no possibility that the proposed project will have a significant effect on the environment. County Aviation Division staff recommends that the Board of Supervisors approve the proposed Consent to Sublease. County Counsel has reviewed and approved the Consent to Sublease as to legal form.

### **Impact on Citizens and Businesses**

This facility provides essential public services by California Highway Patrol Aviation Division to the surrounding community.

## **ATTACHMENTS:**

Lease Agreement FW Aviation to State of California  
Consent to Sublease

## CONSENT TO SUBLEASE

(Jacqueline Cochran Regional Airport)

The County of Riverside, a political subdivision of the State of California ("County"), hereby consents to that certain sublease for 3,779 square feet of office space together with 8,128 square feet of hangar space and related parking dated March 7, 2011, by and between FW Aviation, LLC as Lessor (Sublessor) and The State of California by and through the Department of General Services Real Estate Division as Lessee (Sublessee), a copy of which is attached hereto as Exhibit "A" ("Sublease"). The Sublease pertains to real property located within Jacqueline Cochran Regional Airport in Thermal, California, as more particularly depicted and described on Exhibit "A" to the Sublease.

The Sublease is subject to that certain Lease Jacqueline Cochran Regional Airport ("Lease") dated on or about February 15, 2011 by and between the County (as lessor) and FW Aviation, LLC (as Lessee), relating to the lease of approximately 4.21 acres of land at Jacqueline Cochran Regional Airport, as more fully described in Exhibit "A" to the Lease.

Consent hereof by the County to the Sublease shall not relieve or release FW Aviation, LLC from their duty to comply with any and all obligations, covenants and conditions required under the Lease.

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the County has caused its duly authorized representative to execute this Consent to Sublease as of the date set forth below.

Date: \_\_\_\_\_

COUNTY OF RIVERSIDE, a political  
Subdivision of the State of California

By: \_\_\_\_\_

Marion Ashley, Chairman  
Board of Supervisors

ATTEST:  
KECIA IHEM-HARPER  
Clerk of the Board

APPROVED AS TO FORM  
Gregory P. Priamos, County Counsel

By: \_\_\_\_\_  
Deputy

By:  \_\_\_\_\_  
Jhaila R. Brown  
Deputy County Counsel

EXHIBIT A

SUBLEASE  
(behind this page)

STANDARD LEASE FORM

<u>LEASE COVERING PREMISES LOCATED AT</u> Thermal Municipal Airport Liberator Lane Thermal, California 92274
<u>LESSOR'S FED. TAX ID., NO. OR SOCIAL SECURITY NO.</u> 26-2099478
<u>TENANT AGENCY</u> California Highway Patrol

File No.: 6190-001

Project No.: 131274

Preamble

THIS LEASE, made and entered into this 7th day of March 2011 by and between

FW AVIATION, LLC  
A CALIFORNIA LIMITED LIABILITY COMPANY

hereinafter called the Lessor, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of General Services, hereinafter called the State;

WITNESSETH

Description

1. The Lessor hereby leases unto the State and the State hereby hires from the Lessor those certain premises with appurtenances situated in the City of Thermal, County of Riverside, State of California, and more particularly described as follows:

Approximately 3,779 net usable square feet of office space on the ground floor of the building and approximately 8,128 net usable square feet of aircraft and helicopter hanger space located at Thermal Municipal Airport as outlined in red on the attached Exhibit "A" plan, together with specifications marked Exhibit "B" and Lessor compliance procedures marked Exhibit "C", said Exhibits "A" and "B" and "C", Project No. 131274 dated June 15, 2008, hereby being incorporated into this lease, and including nine (9) exclusive unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities. The State shall have access to and use of the leased premises 24 hours per day, seven (7) days per week with no exceptions.

Term

2. The term of this lease shall commence on February 1, 2012, and shall end on January 31, 2022, with such rights of termination as may be hereinafter expressly set forth.

Early Termination

3. The State may terminate this lease at any time effective on or after January 31, 2016, by giving written notice to the Lessor at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Rent

4. Rental payments shall be paid by the State, from legally available funds in arrears on the last day of each month during said term as follows:

TWENTY-TWO THOUSAND ONE HUNDRED FIFTY AND 00/100 DOLLARS  
(\$22,150.00) from February 1, 2012, through January 31, 2013; then

TWENTY-TWO THOUSAND SEVEN HUNDRED THREE AND 75/100 DOLLARS  
(\$22,703.75) from February 1, 2013, through January 31, 2014; then

TWENTY-THREE THOUSAND TWO HUNDRED SEVENTY-ONE AND 34/100 DOLLARS  
(\$23,271.34) from February 1, 2014, through January 31, 2015; then

TWENTY-THREE THOUSAND EIGHT HUNDRED FIFTY-THREE AND 12/100 DOLLARS  
(\$23,853.12) from February 1, 2015, through January 31, 2016; then

TWENTY-FOUR THOUSAND FOUR HUNDRED FORTY-NINE AND 45/100 DOLLARS  
(\$24,449.45) from February 1, 2016, through January 31, 2017; then

TWENTY-FIVE THOUSAND ONE HUNDRED EIGHTY-TWO AND 93/100 DOLLARS  
(\$25,182.93) from February 1, 2017, through January 31, 2018; then

TWENTY-FIVE THOUSAND NINE HUNDRED THIRTY-EIGHT AND 42/100 DOLLARS  
(\$25,938.42) from February 1, 2018, through January 31, 2019; then

TWENTY-SIX THOUSAND SEVEN HUNDRED SIXTEEN AND 57/100 DOLLARS  
(\$26,716.57) from February 1, 2019, through January 31, 2020; then

TWENTY-SEVEN THOUSAND FIVE HUNDRED EIGHTEEN AND 07/100 DOLLARS  
(\$27,518.07) from February 1, 2020, through January 31, 2021; then

TWENTY-EIGHT THOUSAND THREE HUNDRED FORTY-THREE AND 61/100 DOLLARS  
(\$28,343.61) from February 1, 2021, through January 31, 2022; and thereafter

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month. Rental shall be paid to Lessor at the address specified in Paragraph 5 or to such other address as the Lessor may designate by a notice in writing. If the premises are not complete pursuant to Paragraph 6 by the date shown in Paragraph 2, it is understood and agreed by and between the parties that, at the State's sole option, the dates shown in Paragraphs 2 and 3 and the dates and dollar amounts shown in Paragraph 4 may be adjusted to the first of the month following the State's acceptance of the completed premises, such acceptance shall not unreasonably be withheld. If the State exercises this option, it is agreed the State will complete unilaterally an amendment to the lease to revise the herein above stated dates. Any accrued rents for the period of time prior to the unilaterally adjusted commencement date will be paid in accordance with Paragraph 8. Additionally, it is understood and agreed between the parties that, at the State's option, the dates shown in the "CPI Escalator Operating Expenses" paragraph, if incorporated herein, shall be adjusted to reflect the time delay between lease commencement and the first of the month following the actual acceptance date. In the event this lease agreement contains a provision granting the State an Option to Purchase the premises, it is further agreed herein by the parties that, notwithstanding the provision of the Option to Purchase paragraph herein, the effective dates and corresponding purchase option prices of said Option to Purchase shall be adjusted consistent with any adjustment to the lease commencement date. Said "adjusted" purchase option dates shall be established consistent herewith and incorporated into said lease with a unilateral amendment by the State.

Notices

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and either: 1) deposited in the United States Mail, certified and postage prepaid; or 2) sent via an alternate commercial overnight delivery service (i.e. FedEx or similar) with receiver's signature required; and addressed as follows:

To the Lessor: FW Aviation, LLC  
3150 E. La Palma Avenue, Suite A  
Anaheim, CA 92806  
Phone No. (714) 630-9674  
FAX No. (714) 414-0281

To the State: DEPARTMENT OF GENERAL SERVICES, Phone No. (916) 375-4172  
REAL ESTATE SERVICES DIVISION FAX No. (916) 375-4173  
LEASE MANAGEMENT C 6190-001  
707 THIRD STREET, SUITE 5-305  
WEST SACRAMENTO, CA 95605

ALL NOTICES AND CORRESPONDENCE MUST REFERENCE  
TENANT AGENCY AND PREMISES ADDRESS

Rental warrants shall be made payable to: FW Aviation, LLC

and mailed to: 3150 E. La Palma Avenue, Suite A  
Anaheim, CA 92806

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

Completion and Compliance with Plans and Specifications

6. Lessor agrees that, prior to February 1, 2012, and at Lessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the leased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of two (2) sheets titled, "Office Quarters, Project No. 131274" dated June 15, 2008, and in accordance with Exhibit "B", consisting of seventy (70) pages, titled, "Outline Specifications, Project No. 131274" dated June 15, 2008, and Exhibit "C" consisting of nineteen (19) pages titled, "State Fire Marshal, CBC-ADA Access Compliance & Sustainable Measure Procedures Project No. 131274" dated June 15, 2008 which Exhibits "A" and "B" and "C" are by this reference incorporated herein.

Notice of Completion and Access to Premises during Construction

7. Lessor shall notify the State in writing by certified mail of the date the leased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be a condition precedent to the accrual of rental hereunder, except however, that if the State occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

Following execution of this lease, and not more than sixty days (60) prior to completion of construction and occupancy under this lease, State or its contractors or other representatives shall have the right to enter the premises for the purpose of installing certain equipment such as, but not limited to, modular system furniture, and electrical and telecommunications cabling and equipment.

State agrees to indemnify and hold Lessor harmless from and against any claims, damages, or other injury suffered by Lessor as a result of the work to be performed pursuant to this right to enter the premises prior to State's acceptance and occupancy of the premises. Lessor agrees to indemnify and hold State and its agents, contractors or other representatives harmless from and against any claims, damages, injury or other harm suffered by reason of the negligence or other wrongful act of Lessor or any of Lessor's agents, contractors, or other representatives.



In no event shall the exercise of this right of entry be construed so as to cause an acceleration of the occupancy date of this lease or the obligation of the State to pay rent.

Lessor and State shall each make all reasonable efforts to ensure that the respective construction and installation work is scheduled in such a manner so as to not interfere with or delay the other.

In the event that one or the other party causes a delay in the other party's work, such injured party shall be compensated in the following manner:

Delays caused by the Lessor:

Credit the State a compensating day of delay in the occupancy date and corresponding day of delay in payment of rent.

Delays caused by the State:

Credit the Lessor a compensating day of payment of rent from the actual date of occupancy.

Compensation will be in one day increments.

The parties agree that this shall be the sole remedy for delay, in that the calculation of damages in any other manner is too uncertain and not susceptible of accurate determination.

**Early Occupancy**

8. Lessor agrees that if the leased premises are ready for occupancy prior to the completion date specified above in Paragraph 6, State may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy by the State shall be at the rate of \$22,150.00 per month, and shall be prorated on a daily basis for any partial month.

**Time limit and  
Prior Tenancy**

9. No rental shall accrue under this lease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the leased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the leased premises are not completed and ready for occupancy by the State on or before February 29, 2012, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this lease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State; or by
- B. The acts of God which Lessor could not reasonably have foreseen or guarded against; or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Lessor, and which cannot be reasonably overcome; or by
- D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.

In the event that the State elects to occupy premises before the work on the premises specified in Exhibit A, B, and C is fully completed, the State will provide the Lessor with a punch list of work remaining to be completed (referenced as the State's "Punch List"). Lessor agrees that Lessor shall complete the remaining work no later than 14 calendar days from the date of receipt of said Punch List. If said Punch List is not completed within the specified 14-day period, Lessor agrees that, beginning on the first day after said 14-day period following occupancy of premises by the State, rent may at the State's sole option be reduced to \$15,505.00 which is seventy percent (70%) of the base rent specified in paragraph 4 herein (excluding any amortization payments) until such time that the Punch List work is completed in full and that such completion of work is inspected and accepted by the State. The portion of the rent specified for amortization of tenant improvements, if any shall continue to be paid in full without interruption.

It is understood and agreed that the rent reduction specified above does not relieve Lessor of its obligation to complete said work and the State shall maintain all other remedies specified in the Lease.

It is understood by all parties hereto that it shall be the Lessor's responsibility to remove any prior tenant.

Conformity to Exhibits

10. Occupancy of the leased premises by the State shall not relieve Lessor in any respect from full compliance at all times with aforesaid Exhibits "A" and "B" and "C". It is further understood and agreed that any installation not in conformity with said Exhibits "A" and "B" and "C" shall be immediately corrected by the Lessor at Lessor's sole cost and expense. In the event Lessor shall, after notice in writing from the State requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, fail, refuse or neglect to remedy such condition, State may terminate this lease without further obligation, or as to such specified condition, at its option and in addition to any other remedy the State may have, withhold rent due and bring the leased premises into conformity with said Exhibits at its own cost including State's Administrative costs, if any, and deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

Asbestos

11. Lessor hereby warrants and guarantees that the space leased to the State will be operated and maintained free of hazard from Asbestos Containing Materials (ACM) and agrees to the conditions for survey, testing, and abatement of ACM described in Exhibit "B" as applicable. Lessor specifically agrees that, in the event the State elects to exercise its rights under the provisions of Paragraph 16 of this lease, any costs related to abatement or hazard from asbestos shall be the Lessor's responsibility as described in the aforementioned Exhibit "B."

Parking

12. Lessor, at Lessor's sole cost and expense, shall clearly mark the parking spaces described hereinabove as assigned to the State of California. Said parking spaces will be arranged and maintained so as to provide unobstructed access to each parking space at any time. In addition to any assigned parking spaces, State and its invitees shall have equal access to common spaces provided to all tenants on a first-come, first-served basis.

Services, Utilities, and Supplies

13. Lessor, at Lessor's sole cost and expense, during the term of this lease shall furnish the following services, utilities, and supplies to the area leased by the State, and also to the "common" building areas (if any) such as lobbies, elevators, stairways, corridors, etc., which State shares with other tenants, if any:

- A. Sewer, trash disposal, and water service, including both hot and cold water to the lavatories ~~except lavatories in Employment Development Department public toilet rooms in lobby areas which need only cold water.~~
- B. Elevator ~~(if any) service.~~ Hanger doors.
- C. Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning, and electrical or gas service as needed for State's operations.
- D. ~~Janitorial services sufficient to maintain the interior in a clean well-maintained condition; that is, to eliminate all visible dust, dirt, litter, grime, stains, smears, finger marks, etc., to the greatest practical degree possible, by performing at least the following:~~

~~Daily:~~

- ~~(1) Empty and clean all trash containers, and dispose of all trash and rubbish.~~
- ~~(2) Clean and maintain in a sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls, and urinals.~~
- ~~(3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins). Furnish and replenish paper towel supply in all areas of the leased space.~~
- ~~(4) Sweep or dust mop all hard surface floors, and carpet sweep all carpeted areas, including stairways and halls. Offices with hard surface floors in the public lobby area shall be damp mopped daily.~~
- ~~(5) Remove finger marks and smudges from all glass entrance doors.~~
- ~~(6) Specifically check, and if action is needed, then:~~
  - ~~a. Dust the tops of all furniture, counters, cabinets, and window sills (which are free of interfering objects).~~
  - ~~b. Remove spots and/or spills from the carpets, floors, and stairways.~~

~~As needed, but not less frequently than:~~

~~Twice Weekly: Vacuum all carpets.~~

*Weekly:*

- ~~(1) Damp mop all hard surface floors.~~
- ~~(2) Dust all window blinds.~~
- ~~(3) Treat stainless steel fountains and sinks to eliminate stains and mineral deposits.~~
- ~~(4) Spot clean the walls.~~

*Quarterly:*

- ~~(1) Strip all hard surface floors and apply a new coat of floor finish; buff as necessary to produce a uniformly shining appearance.~~
- ~~(2) Treat carpets for static electricity control (if not integrated in the fabric).~~

~~*Semi-annually:* Wash all windows, window blinds, light fixtures, walls, and painted surfaces.~~

*Annually:*

- ~~(1) Steam clean carpets to remove all stains and spots.~~
- ~~(2) Clean window coverings.~~

In the event of failure by the Lessor to furnish any of the above services or supplies in a satisfactory manner, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and  
Maintenance**

14. A. During the lease term, the Lessor shall maintain the leased premises in good repair and tenable condition, so as to minimize breakdowns and loss of the State's use of the premises caused by deferred or inadequate maintenance, including, but not limited to:

- (1) Generally maintaining the leased premises in good, vermin-free, operating condition and appearance.
  - (2) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.
  - (3) Furnishing preventative maintenance, including, but not limited to, manufacturer's recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
  - (4) Furnishing ongoing maintenance and prompt repair of any and all special equipment and systems referenced in Exhibits A and B including but not limited to, security and access control systems, fire suppression systems, special HVAC systems for computer rooms, and UPS systems.
  - (5) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
  - (6) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.
  - (7) Annual testing and maintenance of all fire extinguishers in or adjacent to the leased premises.
  - (8) Repairing and replacing as necessary intrabuilding network cable and inside wire cable used for voice and data transmission.
  - (9) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
  - (10) On a weekly basis, sweeping parking areas and sidewalks, maintaining landscaped areas, including sprinklers, drainage, etc., in a growing, litter-free, weed free, and neatly mowed and/or trimmed condition.
  - (11) Repairing and replacing floor covering as necessary. Lessor, at Lessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
  - (12) Keeping all walkways, parking lots, entrances, and auxiliary areas free of snow, water, oil spills, debris, or other materials which may be hazardous to users of the building.
- B. Lessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.

- C. Except in emergency situations, the Lessor shall give not less than 48 hour prior notice to State tenants, when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.
- D. In case Lessor, after notice in writing from the State requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply with such notice, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may terminate this lease without further obligation or at its option, perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may withhold rent due and deduct the amount thereof, including necessary costs incurred by the State required for the administration of such maintenance and repairs, from the rent that may then be or thereafter become due hereunder.

**Painting**

15. In addition to any painting completed prior to the commencement of this lease, and touch-up painting required after initial occupancy upon receipt of written request from the State, Lessor agrees at Lessor's sole cost and expense to repaint all painted surfaces ( interior and  exterior) of the leased premises in accordance with the attached Exhibits "A" and "B". In no event shall Lessor be required to repaint more than once during the first sixty (60) month period of this lease after the painting completed prior to the commencement date, and once during any succeeding sixty (60) month period. Lessor shall, within forty-five (45) days from the giving of any such notice, arrange for and complete the painting. Colors are to be approved by the State. Lessor, at Lessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repainting, and provide drop cloths, and covers as necessary.

**Change Orders and Alterations**

16. The State shall have the right during the existence of this lease to make change orders and alterations; attach fixtures; and erect additions, structures, or signs in or upon the leased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this lease or any extension hereof shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this lease or any renewal or extension hereof, or within a reasonable time thereafter.

In the event alterations, fixtures, additions, structures, or signs in or upon the leased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed by the Lessor in accordance with plans and specifications provided by State. Lessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Lessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Lessor and any general contractor combined. Within forty-five (45) days after receiving Lessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a complete detailed accounting of all costs for each trade, State agrees to either reimburse Lessor by a single total payment for the cost of such work; or, with Lessor's prior written approval, State will amortize the cost of the requested work over the remaining term of this lease by increasing the monthly rent by an amount to include principal and interest on the unpaid balance. The interest rate may not exceed the prime rate (the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation's 30 largest banks) as of the date of the State's written authorization to proceed.

In the event State terminates this lease on or after the end of the firm term, but before the expiration date of the lease, State agrees to pay to Lessor the portion of the principal balance which is unamortized as of the effective date of termination. Said payment shall be a single payment to be made within forty-five (45) days after the effective date of the termination.

**Assignment and Subletting**

17. The State shall not assign this lease without prior written consent of the Lessor, which shall not be unreasonably withheld, but shall in any event have the right to sublet the leased premises.

**Quiet Possession**

18. The Lessor agrees that the State, while keeping and performing the covenants herein contained, shall at all times during the existence of this lease, peaceably and quietly have, hold, and enjoy the leased premises without suit, trouble, or hindrance from the Lessor or any person claiming under Lessor.

**Inspection**

19. The Lessor reserves the right to enter and inspect the leased premises at reasonable times, and to render services and make any necessary repairs to the premises.

**Destruction**

20. If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render ten percent (10%) or less of the floor space of the leased premises unusable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to State of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option may terminate this lease or, upon notice to Lessor, may maintain occupancy and elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and State.

In the event of any such destruction other than total, where the State has not terminated the lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten percent (10%), the State shall have the option to terminate this lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and State.

In the event the State remains in possession of said premises though partially damaged, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the leased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

It is understood and agreed that the State or its agent has the right to enter its destroyed or partially destroyed leased facilities no matter what the condition. At the State's request, the Lessor shall immediately identify an appropriate route through the building to access the State leased space. If the Lessor cannot identify an appropriate access route, it is agreed that the State may use any and all means of access at its discretion in order to enter its leased space.

**Subrogation  
Waived**

21. To the extent authorized by any fire and extended coverage insurance policy issued to Lessor on the herein leased premises, Lessor hereby waives the subrogation rights of the insurer, and releases the State from liability for any loss or damage covered by said insurance.

**Prevailing Wage  
Provision**

- 22. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:
  - A. Lessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
  - B. The Lessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Lessor will post at the job site. All prevailing wage rates shall be obtained by the Lessor/contractor from:

Department of Industrial Relations  
 Division of Labor Statistics and Research  
 455 Golden Gate Avenue, 8<sup>th</sup> Floor  
 San Francisco, California 94102  
 Phone: (415) 703-4774  
 Fax: (415) 703-4771

For further information on prevailing wage: [http://www.dir.ca.gov/dlsr/statistics\\_research.html](http://www.dir.ca.gov/dlsr/statistics_research.html)

- C. Lessor/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.
- D. Lessor/contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with the Labor Code.

E. Prior to commencement of work, Lessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

**Fair Employment Practices**

23. During the performance of this lease, the Lessor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Lessor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Lessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5), and the regulations or standards adopted by the awarding State agency to implement such article.

**DVBE Participation**

24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and California Certified Small Business (SB) and we encourage the Lessor to utilize DVBE and Certified SB to fulfill its lease obligation under this lease.

**Service Companies**

25. Within fifteen (15) days after occupancy of the leased premises by the State, Lessor shall provide the State with the name, address, and telephone number of an agency or person convenient to the State as a local source of service regarding the Lessor's responsibilities under this lease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

**Service Credit**

26. Lessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Lessor in accordance with Paragraph 13 hereof. In the event the State vacates the premises prior to the end of the term of this lease, or, if after notice in writing from the State, all or any part of such services, utilities, or supplies for any reason are not used by the State, then, in such event, the monthly rental as to each month or portion thereof as to which such services, utilities, or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities, or supplies during the six-month period immediately preceding the first month in which such services, utilities, or supplies are not used.

**Holding Over**

27. In the event the State remains in possession of the premises after the expiration of the lease term, or any extension or renewal thereof, this lease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable. If the last rental amount shown in Paragraph 4 included the amortization of a capital sum expended by Lessor for certain alterations and improvements, as described in a separate paragraph herein, and the capital sum has been fully amortized, the holdover rent shall be reduced by the amount of the monthly amortization. If the State fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

**Surrender of Possession**

28. Upon termination or expiration of this lease, the State will peacefully surrender to the Lessor the leased premises in as good order and condition as when received, except for reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which State has no control or for which Lessor is responsible pursuant to this lease. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event State elects to remove any such improvements or fixtures and such removal causes damages or injury to the leased premises, and then only to the extent of any such damage or injury.

**Time of Essence, Binding upon Successors**

29. Time is of the essence of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns to the respective parties hereto. All of the parties hereto shall be jointly and severally liable hereunder.

No Oral Agreements

30. It is mutually understood and agreed that no alterations or variations of the terms of this lease shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

Service Contracts Wages and Benefits

31. All janitorial and housekeeping services, custodians, food services workers, laundry workers, window cleaners and security guards provided by Lessor pursuant to the provisions of this lease, shall be in full compliance with the requirements of Government Code (GC) 19134 if applicable, including but not limited to the following:

- a) Lessor agrees that service contract agreements for such services will provide employee wages and benefits that are valued at eighty-five (85%) of the State Employer cost of providing comparable wages and benefits to state employees performing similar duties. For these purposes, benefits includes health, dental, and vision benefits and it also includes retirement benefits, holiday pay, sick pay and vacation pay.
- b) Lessor shall ensure that each contractor and subcontractor providing such services is provided a copy of the applicable regulations for GC 19134.
- c) Lessor agrees to certify on a quarterly basis that all contracts executed by Lessor are in compliance with GC 19134.
- d) Lessor agrees to include in the service contract agreements the applicable reporting, audit and termination for breach provisions as described in the applicable regulations for GC 19134.

Indemnification

32. The State agrees to indemnify and hold harmless the Lessor and the Master Lessor to the extent authorized by Government Code Section 14662.5 and agrees to repair or pay for any damage proximately caused by reason of the State's use of said premises during the term of this lease, except to the extent that any such damages or expenses suffered by Lessor or Master Lessor are the result of Lessor's or Master Lessor's negligent or wrongful acts or the acts of any persons acting under or on behalf of the Lessor or Master Lessor and/or where the State is found to have no liability by reason of any immunity arising by statute or common law in connection with the fulfillment of the State's constitutional and statutory public responsibilities.

Lessor and Master Lessor agrees to indemnify and hold harmless the State in the event of any claim, demand, cause of action, judgments, obligations, or liabilities, and all reasonable expenses which State may suffer as direct and proximate result of the negligence or other wrongful act or violation of law by the Lessor or Master Lessor, their employees, or any person or persons acting under the direct control and authority of the Lessor or Master Lessor or their employees, in connection with the State's occupancy of said premises under and during the term of this lease except to the extent that any such damages or expenses suffered by State are the result of State's sole negligence.

Insurance

33. Master Lessor and Lessor understand and agree to the following:

The State of California has elected to be insured for its motor vehicle and general liability exposures through a self insurance program. The State Attorney General administers the general liability program through an annual appropriation from the General Fund. The Office of Risk and Insurance Management administers the motor vehicle liability program.

Under this form of insurance, the State and its employees (as defined in §810.2 Government Code) are insured for any tort liability that may develop through carrying out official activities, including State official operations on non-State owned property. Should any claims arise by reason of such operations or under an official contract or license agreement, they should be referred to the Attorney General, State of California, Tort Liability Section, 1300 "I" Street, 11th Floor, Sacramento, California 95814. Claims arising from operations of a State-owned vehicle should be forwarded to the Office of Risk and Insurance Management, Auto Self-Insurance, 1325 "J" Street, Suite 1800, Sacramento, California 95814.

The State of California has entered into a Master Agreement with the State Compensation Insurance Fund to administer workers' compensation benefits for all State employees, as required by the Labor Code.

The State of California and the California Highway Patrol shall require each of its sublessees and contractors to meet the agreed upon insurance requirements imposed by the Master Lease. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with any of State's or California Highway Patrol's sublessees or contractors.

Purpose and Use

34. The leased premises shall be used by the State of California and California Highway Patrol and each of their assignees during the term of this Lease for the purpose of general office use and aircraft and helicopter operations, storage and maintenance and repair related to California Highway Patrol air operations. No other use shall be permitted without obtaining the written consent of Master Lessor, which shall not be unreasonably withheld. Nonetheless, in no event shall any use other than aeronautical uses be permitted at the Airport.

After completion of the leased premises as described in this Lease and Exhibits A, B and C hereto, prior to constructing any additional permanent structures (i.e., those not contemplated under this Lease and Exhibits A, B and C attached hereto) on the Premises, State or Lessor shall submit the plans to the Master Lessor for review and comment. The State of California is not subject to the plan, design and permit requirements of local governments and Master Lessor's review and comment will be limited to ensuring that the proposed permanent structural improvements are consistent with all requirements of the Federal Aviation Administration ("FAA") and the California Department of Transportation, Division of Aeronautics ("Caltrans"). Master Lessor shall not unreasonably withhold its approval of the construction of any additional permanent structures beyond those improvements contemplated in this Lease and Exhibits A, B and C upon the Premises. If additional improvements beyond those contemplated in this Lease and Exhibits A, B and C are authorized by Master Lessor then such improvements upon the Premises must be consistent with all requirements of the FAA and Caltrans, and Master Lessor will be responsible for obtaining any determinations or approvals pursuant to State and Federal requirements.

Sublease

35. "It is understood and agreed that this document is a sublease entered into with the consent of the Master Lessor, the County of Riverside, and that in every instance wherein the word "Lessor" or "Lessee" appear hereinabove, they are intended to mean "sublessor" and "sublessee" respectively.

Subject To Terms Of Master Lease

36. This lease is subject to the terms and conditions of the Master Ground Lease agreement dated January 10, 2011, by and between FW Aviation, LLC (Lessor) and the County of Riverside (Master Lessor) and all addenda thereto. State and California Highway Patrol acknowledge receipt of said original lease.

Broker Commission

37. The State hereby designates CB Richard Ellis, Inc., as its exclusive real estate consultant in connection with this transaction. Lessor agrees to pay CB Richard Ellis, Inc., a real estate brokerage commission in the amount of Forty-Eight thousand twenty-four and 43/100 DOLLARS (\$48,024.43). Said commission is to be paid one-half upon lease execution and one-half upon occupancy. Should Lessor fail to pay said commission when due and owing, Lessor agrees that the State shall have the right to pay said commission and deduct said moneys from any rental sums due Lessor.

Payment and Performance Bonds

38. Lessor shall provide, or require its general contractor to provide, a payment bond and a performance bond in the favor of the State, in the full amount of the cost of the work to be performed to construct the improvements, guaranteeing the completion of the improvements and the payment to subcontractors and workers.

Financing Contingency Waiver

39. The State of California has expended substantial funds, time and effort in selecting the site upon which the improvements are to be constructed. Therefore, it is specifically agreed that this lease shall not be subject to or contingent upon Lessor obtaining any bank or lender financing in order for Lessor to commence the construction drawings, secure the required construction permits and all required pre-construction approvals (including, but not limited to, State Fire Marshal and Division of the State Architect approval of Lessor's construction drawings) or for the Lessor to fully complete all required construction of the leased premises prior to the State taking occupancy.

It is specifically agreed that (1) Lessor shall start construction of the leased premises on or before September 1, 2011, and (2) Lessor shall complete the leased premises and make said premises ready for occupancy by the State on or before February 1, 2012.

In the event of Lessor's failure to achieve any of the respective completion dates described in the aforementioned items (1) or (2), the State may at its option and in addition to any other remedies it may have at law or equity, including but not limited to, (i) obtain a new developer/Lessor in which event Lessor shall assign all its rights in the project, including any designs and permits, free of all liens and encumbrances, assign the ground lease to the State's designee, in exchange for the payment of the value of any improvements constructed to date based on actual expenditures, paid by Lessor, or (ii) terminate this lease and be relieved of any further obligations hereunder providing that a fair and reasonable allowance shall be added to said time for completion for the following delays:



- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State, or by
- B. The acts of God which Lessor could not reasonably have foreseen or guarded against, or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Lessor, and which cannot be reasonably overcome, or by
- D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.

Provided that as a condition to the claim for the above referenced delays, the Lessor shall give the State prompt written notice, with full details following the occurrence of the cause relied upon.

Essential Services  
Act Certification

40. The State reserves the right to reduce the rent to \$15,505.00 which is seventy percent (70%) of the base rent specified in paragraph 4 herein for failure to achieve ESA certification from the California Division of the State Architect within twelve (12) months of occupancy.

California Green  
Building Code

41. Lessor agrees that the leased premises shall be constructed pursuant to both the 2007 CBC (California Building Code) and the new 2010 CGBC (California Green Building Code) requirements, which took affect on January 1, 2011.


IN WITNESS WHEREOF, this lease has been executed by the parties hereto as of the date first above written.


STATE OF CALIFORNIA  
Approval Recommended

LESSOR

DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION  
PROFESSIONAL SERVICES BRANCH

FW AVIATION, LLC

By   
KERRY B. ZADEL, Real Estate Officer  
Real Estate Leasing and Planning Section


By   
FRANK SATOR, Managing Member

Date 3/31/11

Date 3-23-2011

Approved

DIRECTOR OF THE DEPARTMENT  
OF GENERAL SERVICES

By   
REBECCA A. DONNACHIE, Leasing Manager  
Real Estate Leasing and Planning Section

Date 4/4/11

1 LEASE

2 JACQUELINE COCHRAN REGIONAL AIRPORT

3  
4 The COUNTY OF RIVERSIDE, a political subdivision of the state of California, herein called  
5 County, leases to FW Aviation, LLC, a California limited Liability Company, herein called  
6 Lessee, the property described below under the following terms and conditions:

7 1. Recitals.

8 (a) County owns four and 21/100 acres (4.21 acres) of vacant land at the  
9 Jacqueline Cochran Regional Airport, County of Riverside, State of California.

10 (b) County desires to lease said property to lessee for the development of an  
11 aviation operations facility and aircraft storage hangars.

12 (c) Lessee desires to lease said property from the County for the development  
13 of aircraft storage hangars.

14 (d) The lease between FW Aviation, LLC, and the County of Riverside is  
15 contingent upon completion of a fully executed sublease between FW Aviation, LLC, and the  
16 State of California, with respect to the construction and operation of the California Highway  
17 Patrol Aviation Facility, located at the Jacqueline Cochran Regional Airport, Thermal, California  
18 within six (6) months of execution of this Lease by the County.

19 2. Description. The premises leased hereby are located within the Jacqueline  
20 Cochran Regional Airport, County of Riverside, State of California, and consists of  
21 approximately four and 21/100 (4.21) acres of vacant land, being preliminarily described in  
22 Exhibit "A" attached hereto and incorporated by this reference herein. Said property is  
23 hereafter referred to as the "Leased Premises." County and Lessee herein acknowledge that  
24 Lessee has no fee title interest in or to the Leased Premises.

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

27 (a) Any holding over by the Lessee after the expiration of this Lease shall be  
28 on a day-to-day basis strictly, and continuing tenancy rights shall not accrue to the Lessee.

1 (b) With respect to the Leased Premises, subject to the provisions of  
2 paragraphs 5, 8, 11(c), 16, 17 and 18 hereof and provided that Lessee at the time of exercising  
3 the option is in full compliance with the terms of this Lease, Lessee shall have the option to  
4 extend the term of this Lease for an additional period of ten (10) years. Lessee shall notify  
5 County in writing of its intention to exercise the option to extend not more than twelve (12)  
6 months or less than six (6) from the expiration date of the initial term.

7 4. Use. The Leased Premises shall be used for the following purposes and no  
8 other without the written permission of County. All of the uses listed under paragraph 4(a)  
9 below are permitted uses within the Leased Premises. Lessee intends to initially use the  
10 Leased Premises for those uses listed in paragraph 4(b) below. Lessee shall notify County in  
11 writing and provide a detailed description of any additional use and scope of operation. Lessee  
12 shall receive County's written approval of any proposed additional use prior to commencing  
13 said use. Uses beyond those initially approved by County may require additional parking,  
14 additional building improvements, such as floor drains, oil water separators, or additional  
15 insurance coverages and increased limits of liability.

16 (a) Permitted Uses:

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

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

27 ///

1 (3) Maintenance, repair, and overhaul of all types of aircraft, aircraft  
2 engines, airframes, automatic flight systems, instruments, radio and other electronic  
3 equipment, propellers, and all other aircraft components.

4 (4) Painting and upholstering of aircraft.

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

6 (6) Providing aircraft storage inside hangar buildings.

7 (7) Pilot-Crew overnight rest rooms or common areas will be  
8 permitted in non-hangar structures or attached to hangar facilities with appropriate occupancy  
9 designations and area separations as required by applicable building codes. These facilities  
10 must be permitted and approved by the County and comply with all applicable County planning  
11 and building and safety ordinances. A certificate of occupancy must be approved and provided  
12 by Riverside County Facilities Management (FM), for the facility to be used. County reserves  
13 the right to approve or deny such facilities with respect to applicable FAA and County  
14 Regulations.

15 (b) Initial Uses: Aviation operations facility and Aircraft storage hangars

16 The Leased Premises shall not be used for any purpose other than those uses  
17 described in paragraph 4 (a) (1 through 7) without first obtaining the written consent of County,  
18 which consent shall not be unreasonably withheld. The County's approval of any change in the  
19 Use of the Leased Premises may, at County's sole election, place additional reasonable  
20 specific requirements on Lessee including, but not limited to, the types, limits, and conditions of  
21 insurance provided under this Lease.

22 5. Rent. Commencing upon the earlier of issuance of a grading permit to Lessee  
23 by County or 12 months from Lease execution by both parties. Lessee shall pay to County a  
24 monthly Base Rent for the use and occupancy of the Leased Premises pursuant to the  
25 schedule set forth in this Section 5. This amount of rent shall be determined by multiplying  
26 the total number of acres (Total Acres) times the per acre amount.

27 Said rent is due and payable in advance on the first of each month. The rent  
28 shall be considered delinquent, if not paid by the 15<sup>th</sup> of the month. If the monthly rent

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

3 Rent shall be adjusted by multiplying the Total Acres times the rent per acre as  
4 shown in the following table:

5 July 1, 2010 - June 30, 2011 \$(479.74 per acre) x 4.21 Total Acres = \$2,019.70

6 July 1, 2011 – June 30, 2012 (\$522.74 per acre) x 4.21 Total Acres = \$2,200.74

7 July 1, 2012 – June 30, 2013 (\$569.76 per acre) x 4.21 Total Acres = \$2,398.69

8 July 1, 2013 – June 30, 2014 (\$620.91 per acre) x 4.21 Total Acres = \$2,614.03

9 July 1, 2014 – June 30, 2015 (\$676.67 per acre) x 4.21 Total Acres = \$2,848.78

10  
11 (a) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth (5th)  
12 year thereafter, the monthly Base Rent shall be adjusted to one-twelfth (1/12) of eight percent  
13 (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value  
14 shall be for the Land only and shall not include the value of the Improvements or other  
15 structures placed on the Leased Premises by Lessee. In no event will application of this  
16 paragraph result in a monthly Base Rent amount for the Land which is lower than the highest  
17 previous monthly Base Rent for the Land.

18 The aviation fair market value for the Land will be established by a property appraisal  
19 performed by an independent appraiser, knowledgeable and experienced in the valuation of  
20 aviation property within the southern California Counties of Riverside, San Bernardino, San  
21 Diego and Los Angeles. The appraiser shall be certified by, and be, in good standing with the  
22 Appraisal Institute of Chicago IL with a current designation of "MAI" and the appraisal shall be  
23 conducted in strict compliance with the Uniform Standards of Professional Appraisal Practice  
24 ("USPAP").

25  
26 No less than two hundred and forty (240) days prior to the rent adjustment date,  
27 County will notify by US Mail, potentially affected Lessees of its intent to issue a Request for  
28 Qualifications and Proposal ("RFQP") and submit a copy of the Draft RFQP form it intends to

1 use. It will be the responsibility of the Lessees to establish amongst themselves a process for  
2 forming a committee to comment on the Draft RFQP and to select up to two-fifths (2/5) of the  
3 appraisers that will be invited to respond to the RFQP. In the event a majority of Lessees  
4 participating in the selection process are unable to form a committee, comment on the Draft  
5 RFQP, select the designated number of appraisers or give the County written notice thereof  
6 within two hundred ten (210) days prior to the rent adjustment date, then County will select all  
7 of the appraisers to which the RFQP is sent. No less than one hundred and eight (180) days  
8 prior to the rent adjustment date, County will give reasonable consideration to the comments  
9 received from the Lessee's Committee and shall issue a Final RFQP to a minimum of five (5)  
10 appraisers meeting the foregoing qualifications. Upon receipt of the responses to the RFQP,  
11 the County shall offer the responses to the Lessee's Committee for viewing and comment for a  
12 period of fourteen (14) days, and after reasonable consideration of the comments made,  
13 County shall select the appraiser pursuant to the County's established guidelines. The cost of  
14 the appraisal and related processes shall be borne by the County. The cost, if any, of forming  
15 and operating the Lessee's Committee shall be borne by the Lessee Committee members  
16

17  
18 (b) Consumer Price Index - Beginning July 1, 2016, and at each July 1 thereafter,  
19 except for dates coinciding with the appraisals conducted every fifth year as referenced in 6(a)  
20 above, the rent shall be adjusted by the percentage change in the Consumer Price Index, All  
21 Urban Consumers, Los Angeles-Riverside-Orange County Area for the twelve month period  
22 ending three months before the month of rent adjustment under this paragraph. In no event will  
23 application of this paragraph result in a monthly rental amount lower than the highest previous  
24 monthly rental amount.

25  
26 (c) Fuel Flowage Fee: Lessee shall pay to County a fuel flowage fee in an  
27 amount established by the Board of Supervisors for the County of Riverside (the "Board")  
28 through a County Resolution, a County Ordinance or such other action as the Board may

1 decide from time to time. The fuel flowage fee, the calculation of the fuel flowage fee, the time  
2 of payment and the method used to collect and report the amount of fuel transacted by Lessee  
3 shall be subject to periodic review and adjustment by the Board of Supervisors to reflect  
4 conditions then existing and the financial needs of the County's airports system. The County  
5 may implement any such adjustments in the fuel flowage fee at any time. Such new or  
6 adjusted fuel flowage fees shall be effective upon adoption by the County Board of  
7 Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be pre-  
8 conditioned upon amendment of any existing Lease.

9  
10 As of the date of this Lease fuel flowage fees have been established according  
11 to County Resolution No. 2008-362, attached hereto as Exhibit E and incorporated by this  
12 reference herein. The current fuel flowage fee is assessed at the rate of \$0.12 per gallon of  
13 fuel sold. The fee is subject to a timely payment discount of \$0.02 per gallon applied to  
14 payments received within twenty (20) days of the date of invoice. A late fee of ten per cent  
15 (10%) shall be assessed to all payments received after the due date (30 days of invoice date)  
16 and to any unpaid balance, exclusive of late fees.

17  
18 Lessee reserves the right of selecting its own fuel and lubricant suppliers.  
19 Lessee's agreement with any such suppliers shall contain a provision therein obligating such  
20 suppliers to submit a duplicate invoice to County for any fuel and lubricant deliveries made to  
21 Lessee within thirty (30) days following each such delivery. Such invoice shall indicate the type  
22 of delivered products, the date of delivery, the delivered quantity, the per-unit cost, the total  
23 extended cost, and the invoice number. Lessee shall submit such invoices, together with  
24 payment of the fuel flowage fee, to County within thirty (30) days of delivery.

25 6. Additional Obligations of Lessee. Lessee shall, during the term of this  
26 Lease and any extensions thereof (Some of the following obligations will only apply when and if  
27  
28



1 Lessee, or a Sublessee, operates as a Full Service Fixed Base Operator and will be indicated  
2 as such by including the words "if applicable");

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

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

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

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

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

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

1 (g) If applicable, provide for transient aircraft parking guidance, positioning  
2 of wheel chocks and tie-downs, fireguard for engine starts (upon request from aircraft  
3 operators), and baggage handling on a routine and reasonable basis;

4 (h) If applicable, provide aircraft recovery and removal services within the  
5 airport air operating area, and have available and provide, as needed, standardized ground  
6 service equipment for aircraft weighing eighty-thousand (80,000) pounds or less gross weight  
7 upon request of the aircraft owners or County (standardized ground service equipment shall  
8 include, but not be limited to, wheel chocks, tie-down ropes or chains, aircraft jacks, tow bars,  
9 auxiliary power units, and aircraft tugs);

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

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

21 (k) If applicable, provide aviation fuel and lubricants for both piston and jet  
22 engine aircraft for sale to the general public, unless Lessee is precluded from providing such  
23 fuel and lubricants due to causes beyond its control relating to its suppliers' fuel shortages,  
24 work stoppages (excluding Lessee's employment force), acts of God, acts of war, civil  
25 disorders or other similar acts;

26 (l) Observe the Taxiway Object Free Area adjacent to their leasehold to  
27 allow the passage of taxiing aircraft; the Taxiway Object Free Area boundary for Taxiway A is  
28 seventy-five (75) feet from the centerline of the taxiway; and

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

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

13 8. On-Site Improvements

14 (a) Lessee, at its expense, shall construct, or cause to be constructed,  
15 improvements described in the site plan showing the location and dimensions of all planned  
16 improvements, Exhibit A-2, attached hereto and by this reference incorporated herein.  
17 Improvements include a 12,000 square foot California Highway Patrol Aviation Facility.  
18 Improvements shall conform to the Minimum Standards for Fixed Based Operators Riverside  
19 County Airports, Exhibit C, attached hereto and by this reference incorporated herein.

20 Within thirty (30) days of lease execution by all parties, Lessee shall submit a  
21 site plan prepared by a registered civil engineer to the Economic Development Agency  
22 showing the location and dimensions of all planned improvements. Within ninety (90) days of  
23 approval of the site plan by the Economic Development Agency, Lessee shall submit a full set  
24 of construction plans to the County to obtain building permits. Construction of said  
25 improvements shall commence within sixty (60) days following issuance of the requisite permits  
26 by the County

27 The site may be developed in phases, with a maximum of four (4) phases,  
28 subject to the approval of the Economic Development Agency, provided that all construction is

1 completed within five (5) years of Lease commencement. In the event Lessee fails to complete  
2 all phases of the development in the time allotted, except for delays caused by Force Majeure  
3 or attributable to the negligence, willful misconduct or bad faith of County, the undeveloped  
4 phases of the leasehold will revert to the County as provided for in paragraph 16(f) and this  
5 Lease will be amended accordingly to reflect the reduced acreage and monthly Base Rent.

6 In the event of a Force Majeure delay or delays caused by the negligence, willful  
7 misconduct or bad faith of County the five (5) year completion period identified herein will be  
8 tolled as provided for below.

9 "Force Majeure" means fires, explosions, strikes being conducted on an  
10 industry-wide basis and that are not limited to Lessee's Development, unusually adverse  
11 weather conditions, war, hostilities, invasion, riot, civil insurrection, civil war, terrorist acts,  
12 ionising radiation, contamination by radioactivity on the Leased Premises from any nuclear fuel,  
13 radioactive toxic explosive or nuclear explosive, epidemics, quarantine, plague, and any other  
14 event beyond the reasonable control of Lessee (other than bad weather generally, insufficiency  
15 of funds, or changes in the economic or business climate).

16 "Force Majeure Delay" means a delay due to Force Majeure that, in each case,  
17 (i) materially adversely affects the performance by Lessee of its obligations hereunder, (ii) is  
18 not reasonably foreseeable and is beyond Lessee's reasonable control, (iii) despite the  
19 exercise of reasonable diligence, cannot be prevented, avoided or removed by Lessee and is  
20 not attributable to the negligence, willful misconduct or bad faith of Lessee, and (iv) is not the  
21 result of the failure of Lessee to perform any of its obligations under this Lease.  
22 Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have occurred  
23 unless Lessee has notified County of such occurrence of Force Majeure within fifteen (15) days  
24 after such occurrence and has provided County with the details of such event and the length of  
25 the anticipated delay within an additional fifteen (15) days thereafter. During the occurrence  
26 and continuance of a Force Majeure Delay, Lessee shall be excused from performance of its  
27 obligations under this Lease to the extent the Force Majeure prevents Lessee from performing  
28 such obligations.

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

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

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

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

25 ///

26 ///

27 9. Off-Site Improvements

28

1 (a) County shall provide the following off-site improvements to serve the  
2 site: (1) water, (2) sewer, and (3) a paved access road. Connections to said off-site  
3 improvements shall be the sole cost and responsibility of Lessee as described in paragraph  
4 9(c). Additionally, Lessee shall be responsible for any improvements beyond those listed in  
5 this paragraph, including, but not limited to, electricity, telephone, and gas service.

6 (b) Lessee shall pay a sewer connection fee for each sewer connection and  
7 a monthly sewer service fee to County. The amount of the fees shall be according to the fee  
8 schedule in effect at the time of Lease execution. The monthly sewer service fee will be  
9 adjusted from time to time and be based upon County's sewer service payments to the  
10 Coachella Valley Water District and County's cost of repairing, maintaining, and administering  
11 the airport's sewer system.

12 (c) It is understood by the parties hereto that utility services are available in  
13 the general vicinity of the Leased Premises, but in order for the on-site improvements required  
14 in Paragraph 8 herein to be fully usable and operational, Lessee, at its expense, shall extend  
15 and/or connect, or cause to be extended and/or connected, to such utility service facilities that  
16 may be required or desired by Lessee in the use, operation, and maintenance of such on-site  
17 improvements. Lessee shall pay all related fees and charges related to such utility extensions  
18 and hookups. After such extensions and/or connections have been made, Lessee shall be  
19 responsible for payment for the use of such utility services, without limitation, all electricity, gas,  
20 telephone and water.

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

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

1           11.    County's Reserved Rights.

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

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

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

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

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

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

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

24 14 Compliance with Government Regulations. Lessee shall, at Lessee's sole cost  
25 and expense, comply with the requirements of all local, state, and federal statutes, regulations,  
26 rules, ordinances, and orders now in force or which may be hereafter in force, pertaining to the  
27 Leased Premises. The final judgment, decree, or order of any Court of competent jurisdiction,  
28 or the admission of Lessee in any action or proceedings against Lessee, whether Lessee be a



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

4 15. Discrimination or Segregation

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

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

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

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

4 16. Termination by County. County shall have the right to terminate this Lease  
5 forthwith:

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

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

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

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

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

17 (f) With respect to any undeveloped phases, as provided for in paragraph  
18 8(a), if Lessee fails to complete construction of all phases of the development within five (5)  
19 years of lease commencement.

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

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

26 17. Termination by Lessee. This Lease is contingent upon the CHP/California  
27 Department of General Services entering into a sublease on a twelve thousand (12,000)  
28 square foot facility with Lessee.

1 Lessee shall have the right to terminate this Lease within six (6) months from Lease  
2 Execution if Lessee has not executed a Lease with CHP/California Department of General  
3 Services for said twelve thousand (12,000) square foot facility.

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

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

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

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

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

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

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

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

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

21 20. Insurance. Lessee shall procure and maintain or cause to be maintained, at  
22 its sole cost and expense, the following insurance coverages during the term of this Lease.  
23 These requirements, with the approval of the County's Risk Manager, may be modified to  
24 reflect the activities associated with the Lessee provided that any changes are reasonable in  
25 nature and consistent with industry standards. The procurement and maintenance of the  
26 insurance required below will not diminish or limit Lessee's obligation to indemnify or hold the  
27 County harmless. Lessee agrees to have in place insurance coverage as it is required and  
28

1 applicable. This Paragraph shall not be construed to require Lessee to have all insurance  
2 required under this provision, in place from the date of Commencement of this Lease.

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

10 (b) Airport General Liability. Lessee shall maintain Airport General  
11 Liability Insurance coverage including, but not limited to, premises/operations liability,  
12 contractual liability, products and completed operations liability, independent contractor's,  
13 personal and advertising injury liability covering all claims or lawsuits of any nature whatsoever  
14 which may arise from or out of Lessee's performance under the terms of the lease agreement.  
15 Policy shall name all the County of Riverside its Agencies, Districts, Special Districts, and  
16 Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
17 appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability  
18 shall not be less than \$10,000,000 per occurrence combined single limit and in the annual  
19 aggregate as applicable. The policy shall be endorsed to provide Hangar Keeper's Legal  
20 Liability Insurance (Ground and In-Flight) providing coverage for aircraft in the care, custody or  
21 control of the Lessee. Policy shall include coverage for the Named Insured's use of unlicensed  
22 vehicles on Airport Premises. The foregoing policy limits of liability are subject to adjustment  
23 by County as provided for in paragraph 4 above.

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

1 officials, agents, or representatives. This coverage may be included in the Airport General  
2 Liability policy. Proof of the foregoing coverage will be required before issuing vehicle gate  
3 cards.

4 (d) Aircraft Hull and Liability Insurance.

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

11 2) Aircraft Liability - Lessee shall provide Aircraft Liability insurance  
12 for all owned and non-owned aircraft operated by the Lessee in an amount not less than  
13 \$5,000,000 combined single limit per occurrence for bodily injury, including death and property  
14 damage and coverage shall include, but is not limited to, products/completed operations and  
15 contractual liability. The policy will be endorsed to name The County of Riverside, its  
16 Agencies, Districts, Special Districts, and Departments, its respective directors, officers, Board  
17 of Supervisors, employees, elected or appointed officials, agents or representative as  
18 Additional Insureds.

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

24 Lessee shall also maintain site-specific Pollution Liability Insurance, covering  
25 both sudden and gradual pollution, with limits of not less than \$2,000,000 each pollution  
26 condition and \$2,000,000 annual aggregate covering third party claims for bodily injury,  
27 property damage and first and third party cleanup expense, for pollution conditions occurring or  
28 discovered on-site whether in the soil, water or air, which arise out of Lessee's activities at the

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

8 (f) All Risk Property Insurance:

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

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

21 (3) Course of Construction Insurance. During the full term of  
22 construction of the planned improvements, Lessee shall purchase and maintain or cause to be  
23 maintained All Risk Builder's Risk insurance (Completed Value Form) including earthquake and  
24 flood for the entire Project, if applicable, including coverage for materials and supplies located  
25 on and offsite but to be part of, or used in the construction of, the completed Project. Policy  
26 shall also include as insured property, scaffolding, falsework, and temporary buildings located  
27 on the Project site, and the cost of demolition and debris removal. If the contractor or others  
28 insure scaffolding, falsework and temporary buildings separately, evidence of such separate

1 coverage shall be provided to County prior to the start of the work. The Course of Construction  
2 coverage limit of insurance shall equal or exceed the highest values exposed to loss at any  
3 one time during the project term. Policy shall waive subrogation in favor of all Agencies,  
4 Districts, Special Districts, and Departments of the County of Riverside, their respective  
5 directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or  
6 representatives

7 (g) General Insurance Provisions – All Lines:

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

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

19 (3) Cause Lessee's insurance carrier(s) to furnish the County of  
20 Riverside with either: 1) a properly executed original Certificate(s) of Insurance and certified  
21 original copies of Endorsements effecting coverage as required herein; or 2) if requested to do  
22 so in writing by the County Risk Manager, provide original Certified copies of policies including  
23 all Endorsements and all attachments thereto, showing such insurance is in full force and  
24 effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the  
25 insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside  
26 prior to any material modification of coverage or cancellation of such insurance. In the event of  
27 a material modification of coverage or cancellation of such insurance, this Lease shall  
28 terminate forthwith, unless the County of Riverside receives, prior to such effective date,



1 another properly executed original Certificate of Insurance and original copies of endorsements  
2 or, if requested, certified original policies, including all endorsements and attachments thereto  
3 evidencing coverages set forth herein and the insurance required herein is in full force and  
4 effect.

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

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

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

23 Beginning July 1, 2010, and every fifth year thereafter during the term of  
24 this Lease or any extension thereof, County reserves the right to adjust the monetary limits of  
25 insurance coverage as required in Paragraph 20.

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

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

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

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

21           (c) Vehicle Liability. Supplier shall maintain liability insurance for all owned,  
22 non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence  
23 combined single limit. If such insurance contains a general aggregate limit, it shall apply  
24 separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall  
25 name the Lessee, County of Riverside, Special Districts, their respective Directors, Officers,  
26 Board of Supervisors, elected officials, employees, agents, or representatives as Additional  
27 Insureds.  
28

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

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

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

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

27 22. Insurance for Sublessees and Contractors. Lessee shall require each of its  
28 Sublessees and Contractors to meet all insurance requirements imposed by this Lease. These

1 requirements, with the approval of the County's Risk Manager, may be modified to reflect the  
2 activities associated with the Sublessee or Contractor. On every sublease or contract the  
3 Lessee shall have the Sublessee or Contractor name the Lessee and the County by  
4 endorsement as an additional insured and/or have the Sublessee or Contractor provide an  
5 endorsement waiving subrogation in favor of the Lessee and the County on every Sublessee's  
6 or Contractor's insurance policy, as applicable. Certificates and endorsements evidencing  
7 compliance with this section will be provided to the County prior to the Sublessee taking  
8 occupancy.

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

15       24. Assignment and Subletting Lessee cannot assign, sublet, mortgage,  
16 hypothecate or otherwise transfer in any manner any of its rights, duties or obligations  
17 hereunder to any person or entity without the written consent of County being first obtained,  
18 which consent shall not be unreasonably withheld.

19       Lessee shall submit all documents pertaining to any such transaction referenced in the  
20 foregoing paragraph to County for approval prior to entering into such agreements. Lessee will  
21 submit executed subleases and all required certificates of insurance and endorsements to  
22 insurance policies, as specified in paragraphs 20, 21 and 22 of this Lease, to County for  
23 approval prior to sublessees occupying the subleased premises.

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

27       25. Right to Encumber/Right to Cure.

28

1 (a) Lessee's Right to Encumber. Notwithstanding provisions of Paragraph  
2 24 herein, County does hereby consent to and agree that Lessee may encumber or assign, or  
3 both, for the benefit of a lender, herein called Encumbrancer, this Lease, the leasehold estate  
4 and the improvements thereof by a deed of trust, mortgage or other security-type instrument,  
5 herein called trust deed, to assure the payment of the promissory note of Lessee if the  
6 Encumbrancer is an established bank, savings and loan association or insurance company,  
7 and the prior written consent of County shall not be required:

8 (1) To a transfer of this Lease at foreclosure under the trust deed,  
9 judicial foreclosure, or an assignment in lieu of foreclosure; or

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

18 Any Encumbrancer described in Paragraph 25(a)(2) above which is the transferee  
19 under the provisions of Paragraph 25(a)(1) above shall be liable to perform the obligations and  
20 duties of Lessee under this Lease only so long as such transferee holds title to the leasehold.

21 Any subsequent transfer of this leasehold hereunder, except as provided for in  
22 Paragraph 25(a)(2) above, shall not be made without the prior written consent of County and  
23 shall be subject to the conditions relating hereto as set forth in Paragraph 25 herein. Lessee  
24 shall give County prior notice of any such trust deed and shall accompany such notice with a  
25 true copy of the trust deed and note secured thereby.

26 (b) Right of Encumbrancer to Cure. County agrees that it will not terminate  
27 this Lease because of any default or breach hereunder on the part of Lessee if the  
28 Encumbrancer under the trust deed, within ninety (90) days after service of written notice on

1 the Encumbrancer by County of its intention to terminate this Lease for such default or breach  
2 shall:

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

7 (2) If such default of breach is not so curable, cause the trustee  
8 under the trust deed to commence and thereafter diligently to pursue to completion steps and  
9 proceedings for judicial foreclosure, the exercise of the power of sale under and pursuant to the  
10 trust deed in the manner provided by law, or accept from Lessee an assignment in lieu of  
11 foreclosure, and keep and perform all of the covenants and conditions of this Lease requiring  
12 the payment or expenditure of money by Lessee(s) until such time as said leasehold shall be  
13 sold upon foreclosure pursuant to the trust deed, be released or reconveyed thereunder, be  
14 sold upon judicial foreclosure or be transferred by deed in lieu of foreclosure.

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

24 27. Toxic Materials. County to the best of its ability has no actual knowledge of the  
25 Premises ever having been used as a waste dump, nor of the past or present existence of any  
26 above or below ground storage tanks on the Premises, nor of the current existence on the  
27 Premises of asbestos, transformers containing PCB's or any hazardous, toxic or infectious  
28 substance whose nature and/or quantity of existence, use, manufacture or effect, render it

1 subject to Federal, state or local regulation, investigation, remediation or removal as potentially  
2 injurious to public health or welfare.

3 County shall be responsible for the removal and remediation of any contamination  
4 and/or hazardous materials that may be found to have existed on the site prior to the execution  
5 of this Lease. During the removal and remediation of any such contamination or hazardous  
6 materials, rent shall abate pro rata as to the period of time taken to remove and remediate the  
7 area of contamination and for any additional portion of the Premises that cannot be developed  
8 because of cleanup activities.

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

26 28. National Pollution Discharge Elimination System (NPDES) Permit. Lessee  
27 acknowledges, understands and agrees that it shall comply with California State Water  
28 Resources Control Board general permit requirements now and in the future relating to storm

1 water discharges associated with activities such as aircraft rehabilitation, mechanical repairs.  
2 fueling, lubrication, cleaning, painting and deicing. Lessee further acknowledges, understands  
3 and agrees that it shall participate as a co-permittee under said general permit, participate in  
4 the Jacqueline Cochran Regional Airport Storm Water Pollution Prevention Plan (SWPPP) as  
5 noted in Exhibit "D", attached hereto and by this reference made a part of this Lease, including  
6 without limitation, the Best Management Practices, Best Available Technology Economically  
7 Achievable, and Best Convention Pollutant Control Technology.

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

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

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

25       32.     Right of First Refusal. Providing Lessee faithfully performs all of the conditions  
26 and covenants contained herein, and is not in default of the Lease at the date of expiration,  
27 and further providing County offers the Leased Premises for lease at any time during the  
28 twelve (12) months subsequent to said expiration, Lessee, its successor, or assigns shall have



1 the first right of refusal to enter into a new lease agreement with County under the final terms  
2 being offered by County to any prospective lessee. Issuance of a Request for Proposals or Bid  
3 or similar issuance does not constitute an offering of lease terms. County shall provide Lessee  
4 written notice by United States mail that the Leased Premises are available for lease and the  
5 terms of said lease, and Lessee shall have thirty (30) days from the postmark of said notice to  
6 give written notice of acceptance of the proposed lease under the terms and conditions  
7 contained in said notice. Should Lessee fail to notify County of acceptance of said lease  
8 agreement within the thirty (30) days set forth herein. Lessee shall be deemed to have rejected  
9 said offer to lease, and County shall be released from any further obligation hereunder.

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

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

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

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

27 ///

28

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

<u>COUNTY</u>	<u>LESSEE</u>
County of Riverside	FW Aviation, LLC
Economic Development Agency	c/o Frank Sator
3403 10 <sup>th</sup> Street	3150 E. La Palma Ave. Suite A
Suite 500	
Riverside, CA 92501	Anaheim, CA 92806
Attn: Colby Cataldi, Assistant Director/EDA Aviation	

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

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

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

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

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

1 County and that such service shall constitute valid service upon Lessee. It is further expressly  
2 understood and agreed that Lessee is amenable to the process so served, submits to the  
3 jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

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

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

14  
15  
16  
17  
18 (THE FOLLOWING INTENTIONALLY LEFT BLANK)

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

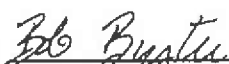
4  
5 Date: 2/9/2011

6 FW Aviation, LLC  
7 a California limited Liability Company

8 By:   
9 Frank Sator, Member

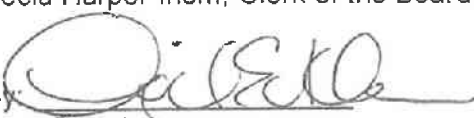
10 Date: FEB 15 2011

11 COUNTY OF RIVERSIDE

12 By:   
13 Bob Buster, Chairman  
14 Board of Supervisors

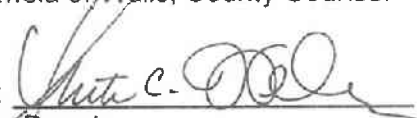
15  
16 ATTEST:

17 Kecia Harper-Ihem, Clerk of the Board

18 By:   
19 Deputy

20 APPROVED AS TO FORM:

21 Pamela J. Walls, County Counsel

22 By:   
23 Deputy

24 (SEAL)

25 Attachments:

- 26 1. Exhibit A – Legal Description  
27 2. Exhibit A-1 – Survey and legal Description to be supplied by Lessee  
28 3. Exhibit A-2 – Site Plan  
4. Exhibit B – Federally Required Lease Provisions  
5. Exhibit C – Minimum Standards  
6. Exhibit D – Storm Water Pollution Prevention Plan  
7. Exhibit E – County Resolution No. 2008-362

EXHIBIT "A"

PARCEL A

A PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 20, ALSO BEING THE CENTERLINE INTERSECTION OF TYLER STREET AND AIRPORT BOULEVARD;

THENCE SOUTH 00°00'24" WEST ALONG THE EAST LINE OF SAID SECTION 20 ALSO BEING THE CENTERLINE OF TYLER STREET A DISTANCE OF 1944.81 FEET TO THE INTERSECTION THEREOF WITH THE EASTERLY PROLONGATION OF THE NORTH LINE OF THAT CERTAIN PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 113 OF RECORDS OF SURVEYS AT PAGE 88, RECORDS OF SAID COUNTY;

THENCE NORTH 89°59'21" WEST ALONG SAID EASTERLY PROLONGATION OF THE NORTH LINE OF THAT SAID PARCEL OF LAND A DISTANCE OF 1385.43 FEET:

THENCE SOUTH 00°01'15" WEST A DISTANCE OF 28.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89°59'21" EAST ALONG A LINE PARALLEL WITH AND 28.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE OF THAT SAID PARCEL OF LAND A DISTANCE OF 99.50 FEET;

THENCE SOUTH 00°01'15" WEST A DISTANCE OF 837.67 FEET;

THENCE AT RIGHT ANGLE NORTH 89°58'45" WEST A DISTANCE OF 99.50 FEET TO A POINT BEARING SOUTH 00°01'15" EAST FROM THE TRUE POINT OF BEGINNING;

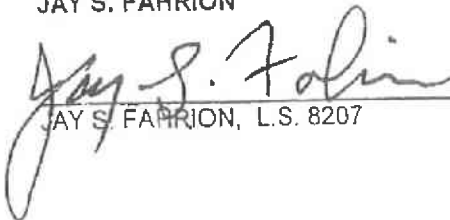
THENCE NORTH 00°01'15" EAST A DISTANCE OF 837.65 FEET TO THE TRUE POINT OF BEGINNING.

(CONTAINS 1.91 ACRES)

SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

JAY S. FAHRION

  
JAY S. FAHRION, L.S. 8207



DATE 11/21/07

EXHIBIT "A"

PARCEL B

A PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SAID SECTION 20, ALSO BEING THE CENTERLINE INTERSECTION OF TYLER STREET AND AIRPORT BOULEVARD;

THENCE SOUTH  $00^{\circ}00'24''$  WEST ALONG THE EAST LINE OF SAID SECTION 20 ALSO BEING THE CENTERLINE OF TYLER STREET A DISTANCE OF 1944.81 FEET TO THE INTERSECTION THEREOF WITH THE EASTERLY PROLONGATION OF THE NORTH LINE OF THAT CERTAIN PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 113 OF RECORDS OF SURVEYS AT PAGE 88, RECORDS OF SAID COUNTY;

THENCE NORTH  $89^{\circ}59'21''$  WEST ALONG SAID EASTERLY PROLONGATION OF THE NORTH LINE OF THAT SAID PARCEL OF LAND A DISTANCE OF 1385.43 FEET:

THENCE SOUTH  $00^{\circ}01'15''$  WEST A DISTANCE OF 28.00 FEET TO A LINE PARALLEL WITH AND 28.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE OF THAT SAID PARCEL OF LAND;

THENCE SOUTH  $89^{\circ}59'21''$  EAST ALONG SAID PARALLEL LINE A DISTANCE OF 207.25 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID PARALLEL LINE WITH AND 28.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE OF THAT SAID PARCEL OF LAND TO THE BEGINNING OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 15.00 FEET, AND A CENTRAL ANGLE OF  $90^{\circ}00'37''$ ;

THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 23.56 FEET;

THENCE SOUTH  $00^{\circ}01'15''$  WEST A DISTANCE OF 661.48 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 104.00 FEET, AND A CENTRAL ANGLE OF  $23^{\circ}18'10''$ ;

THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 42.30 FEET;

THENCE SOUTH  $23^{\circ}19'26''$  WEST A DISTANCE OF 49.23 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, CONCAVE EASTERLY, HAVING A RADIUS OF 48.00 FEET AND A CENTRAL ANGLE OF  $93^{\circ}40'20''$ ;

THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE LEFT FOR AN ARC DISTANCE OF 78.47 FEET;

THENCE SOUTH 00°01'15" WEST A DISTANCE OF 10.65 FEET;

THENCE AT RIGHT ANGLE NORTH 89°58'45" WEST A DISTANCE OF 122.75 FEET TO A POINT BEARING SOUTH 00°01'15" EAST FROM THE TRUE POINT OF BEGINNING;

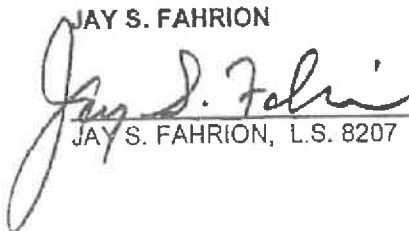
THENCE NORTH 00°01'15" EAST A DISTANCE OF 837.67 FEET TO THE TRUE POINT OF BEGINNING.

(CONTAINS 2.30 ACRES)

SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

JAY S. FAHRION

  
JAY S. FAHRION, L.S. 8207

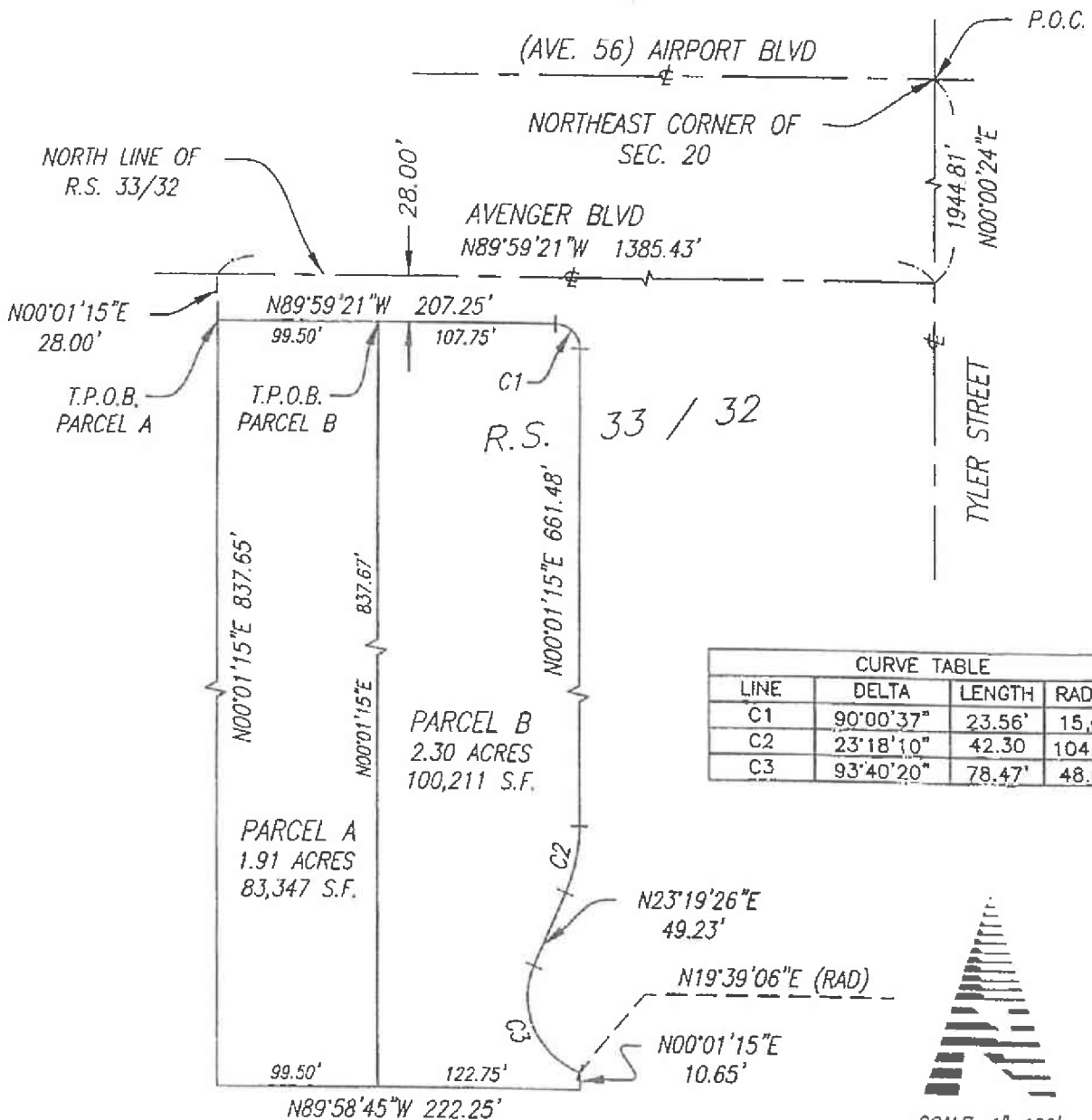


DATE

11/21/07

# EXHIBIT "B"

POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



- EXISTING BOUNDARY
- PROPOSED LOT LINE
- - - - - EXISTING CENTERLINE



THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY SUPERVISION, BASED ON RECORD INFORMATION.

*Jay S. Fahrion*  
 JAY S. FAHRION, L.S. 8270  
 LIC. EXP. 03/31/07



SCALE 1"=50'

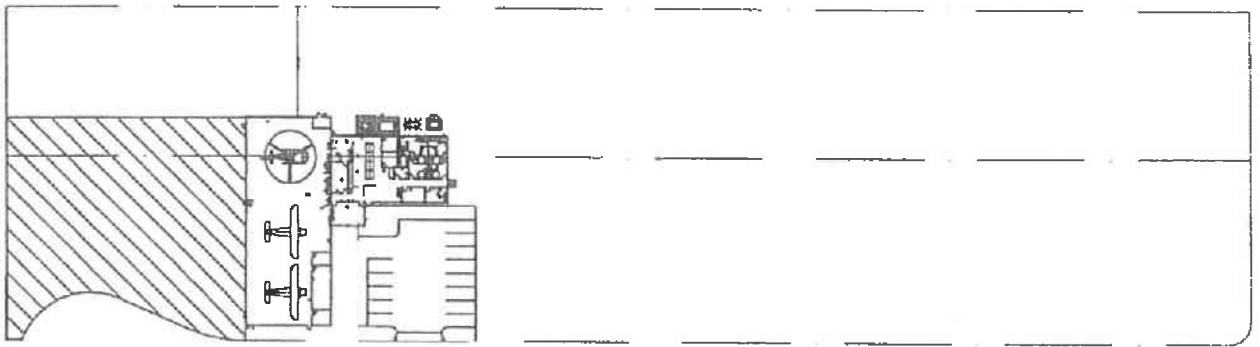
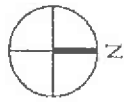
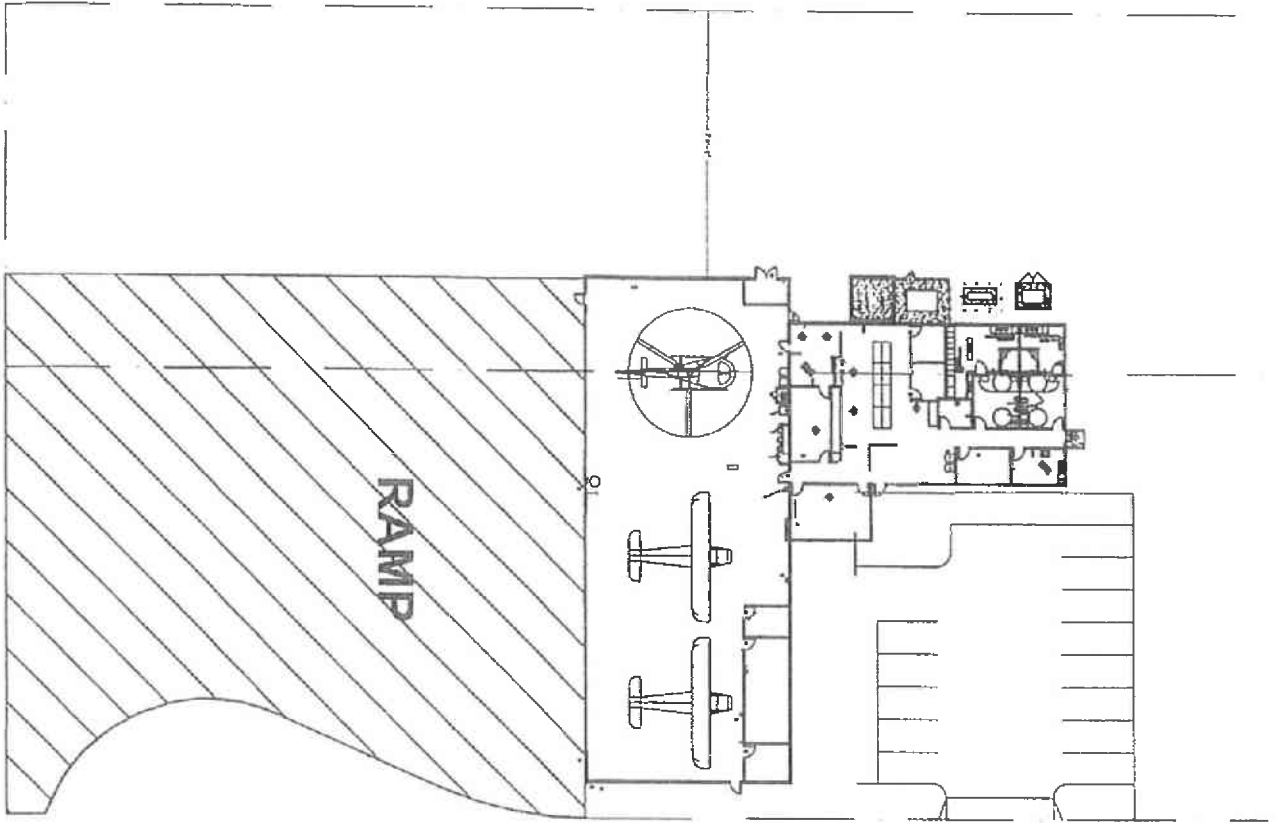


Exhibit A-2

SITE PLAN

Jacqueline Cochran Regional Airport

Thermal, Riverside County, CA

02/08/2011

FW Aviation

3150 E. La Palma Ave., Suite A  
Anaheim CA 92806  
714.630.6476 ph | 714.632.5009 fax