

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



FROM: Economic Development Agency

SUBMITTAL DATE:
September 24, 2015

SUBJECT: Approve the Fixed Base Operation and Maintenance Ground Lease Agreement Between the County of Riverside and Desert Jet Center LLC at Jacqueline Cochran Regional Airport; for a 35-Year Term with 1 5-Year Option to Extend; No Further CEQA Action Required; District 4, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that nothing further is required pursuant to the California Environmental Quality Act (CEQA) as all potentially significant effects of the project have been adequately analyzed in the prior Mitigated Negative Declaration (MND) (SCH No. 2004081118) for the Jacqueline Cochran Regional Airport Master Plan;
2. Approve the attached Jacqueline Cochran Regional Airport Fixed Base Operation and Maintenance Ground Lease Agreement, including all exhibits, between the County of Riverside, as lessor, and Desert Jet Center LLC, a California limited liability company, as lessee, for a term of 35 years with one 5-year option to extend (FBO Ground Lease);

(Continued)

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	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 2015/16-2050/55	

C.E.O. RECOMMENDATION:

APPROVE

BY:
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

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS
DATE: 9/24/15
Departmental Concurrence

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

Economic Development Agency

FORM 11: Approve the Fixed Base Operation and Maintenance Ground Lease Agreement Between the County of Riverside and Desert Jet Center LLC at Jacqueline Cochran Regional Airport; for a 35-Year Term with 1 5-Year Option to Extend; No Further CEQA Action Required; District 4, [\$0]

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RECOMMENDED MOTION: (Continued)

3. Authorize the Chairman of the Board of Supervisors to execute the attached FBO Ground Lease;
4. Authorize the Assistant County Executive Officer/EDA, or designee, to (i) exercise the renewal option, provided Desert Jet Center LLC, satisfies all the requirements set forth in the FBO Ground Lease, and (ii) sign an amendment to the FBO Ground Lease memorializing such renewal option, subject to County Counsel approval; and
5. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the FBO Ground Lease, including, but not limited to, signing subsequent necessary and relevant documents, including, but not limited to an Estoppel Certificate and Memorandum of Lease, subject to County Counsel approval.

BACKGROUND:

Summary

The County of Riverside (County) desires to enter into a ground lease with Desert Jet Center LLC, a California limited liability company (Lessee), for the development and operation of a fixed base operation (FBO) on approximately 4.4 acres of vacant airport property located at Jacqueline Cochran Regional Airport (Leased Premises). The location of the proposed Leased Premises is depicted on the Site Map attached hereto. Pursuant to the Federal Aviation Administration Compliance Manual Order 5190.6B and paragraph 22 of the Airport Sponsor Grant Assurances relating to economic nondiscrimination, the County, as an airport sponsor, is required to make available suitable areas to those willing and qualified to offer aeronautical services to the public such as charter, aircraft storage (hangar), and aircraft maintenance services. Lessee proposes to offer such services to the public. The terms of the lease are set forth in the attached proposed Jacqueline Cochran Regional Airport Fixed Base Operation and Maintenance Ground Lease Agreement to be entered into between the County, as lessor, and Desert Jet Center LLC, as lessee (FBO Ground Lease). To off-set the County's costs in formalizing the proposed FBO Ground Lease, Lessee shall pay to the County a non-refundable \$2500 fee. The proposed FBO Ground Lease will have a 35-year term with 1 option to renew for an additional 5-years, provided certain conditions are satisfied and Lessee is not in default under the lease.

Lease Summary

The general provisions of the proposed FBO Ground Lease are as follows:

- Lessee shall be required, among other things, to construct, in three phases, an office, hangar, and maintenance facility for a fixed base operation on the Leased Premises. Lessee will be required to complete the main facility within the 1st year of the lease term. Lessee has already completed its due diligence. Provided all applicable laws, rules and regulations set forth in the proposed FBO Ground Lease are adhered to, including, but not limited to the FBO Minimum Standards, Lessee will have the right to use the Leased Premises for all allowable uses associated with a fixed base operator, including the right to sell fuel, provide aircraft servicing and charter services.
- The initial term of the proposed FBO Ground Lease is 35 years, with one 5-year option to renew, provided Lessee has satisfied its development obligations and is not in default under the lease, as more specifically set forth therein.

(Continued)

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

Economic Development Agency

FORM 11: Approve the Fixed Base Operation and Maintenance Ground Lease Agreement Between the County of Riverside and Desert Jet Center LLC at Jacqueline Cochran Regional Airport; for a 35-Year Term with 1 5-Year Option to Extend; No Further CEQA Action Required; District 4, [\$0]

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Lease Summary (Continued)

- The base rent is \$1,272 per acre for a total monthly rent of \$5,596. Lessee will be charged half the base rent for the entire Leased Premises for the first 6 months of the initial term during the first phase of construction, which amounts to \$636 per acre. After the expiration of the aforementioned 6 month period, the reduced base rent will return to the full base rent of \$1,272 per acre. The base rent is subject to annual increase based on consumer price index (CPI) adjustments and every 5th year the base rent is subject to an appraisal to allow for an increase to market rate.
- In addition to the base rent, Lessee shall pay to the County a fuel flowage fee of 12% of the total net price of all aviation and automotive fuel lubricants received on the Leased Premises by Lessee.

California Environmental Quality Act (CEQA) Findings

The project consists of the ground lease of approximately 4.4 acres of airport property, and the construction thereon of an office, hangar and maintenance facility for a fixed base operation (Project). The environmental impacts of the Project were already evaluated under CEQA pursuant to the Jacqueline Cochran Regional Airport Master Plan and certified Mitigated Negative Declaration (MND) (SCH No. 2004081118). The Project will not result in any new significant environmental effects, substantially increase the severity of the prior environmental effects, alter or include additional mitigation measures, or result in any other changes that may impact the prior significance determinations identified in the previously certified MND. The proposed FBO Ground Lease and the development and operation of the fixed based operation contemplated therein was already covered by the Master Plan and associated MND. A Notice of Determination to this effect will be filed with the County Clerk upon Project approval.

County Counsel has reviewed and approved the attached FBO Ground Lease, including all exhibits. Staff recommends that the Board approve the FBO Ground Lease, including all exhibits.

Impact on Citizens and Businesses

The Lessee's business will bring FAA certified Part 145 jet repair services, and jet maintenance inspections to Jacqueline Cochran Regional Airport. In addition the business will offer aircraft charter, management, fuel services and aircraft sales.

ATTACHMENTS

- Jacqueline Cochran Regional Airport Fixed Base Operation and Maintenance Ground Lease Agreement, including exhibits
- Site Map

1 **WHEREAS**, in addition to providing fixed based operator services, Lessee
2 desires to cause the provision of maintenance services such as Federal Aviation
3 Administration (FAA) Part 135 and 145 aircraft services, charter, management,
4 acquisition and sales services through Lessee's various affiliates that will occupy the
5 leased premises through subleases (subject to the approval requirements set forth
6 herein); and

7 **WHEREAS**, Lessor desires to lease to Lessee a portion of the Airport property
8 for the development of a full service Fixed Base Operation, hereinafter referred to
9 herein as an "FBO," and the construction on a designated portion of the Airport of
10 necessary facilities and improvements for conducting the business and operation of a
11 Full Service FBO, which will provide aircraft servicing, ownership management,
12 aviation fuel sales, maintenance and aircraft storage, as more specifically set forth
13 below.

14 **NOW THEREFORE**, in consideration of the payments to be made
15 hereunder and the covenants and agreements contained herein, Lessor hereby leases
16 to Lessee and Lessee hereby leases from Lessor the real property described below
17 upon the following terms and conditions.

18 **1. Lease Consideration.** In order to off-set Lessor's costs to process this
19 Lease; Lessee hereby agrees to pay to Lessor a non-refundable amount ("Lease
20 Consideration") of Two Thousand Five Hundred Dollars and no/100 (\$2,500.00). Said
21 non-refundable Lease Consideration is due and payable on or before Lessee executes
22 this Lease and shall remain the property of Lessor upon termination of this Lease.

23 **2. Property Description.** The property leased herein is located within the
24 Jacqueline Cochran Regional Airport, County of Riverside, State of California and
25 consists of approximately 4.4 acres of vacant land, depicted in Exhibit "A-1" attached
26

1 hereto and incorporated herein by this reference ("Leased Premises"). Lessee
2 acknowledges and agrees that Lessee has no fee title interest in or to the Airport.

3 **3. Survey and Description.** Within sixty (60) days of the Effective Date,
4 Lessee will supply Lessor with a survey and a legal description (collectively herein
5 referred to as "Survey and Description") of the Leased Premises, prepared by a
6 registered civil engineer at Lessee's expense, showing the exact number of acres
7 comprising the Leased Premises. Upon Lessor approval of the Survey and Description,
8 this Lease shall be administratively amended by the Assist County Executive
9 Officer/EDA without the need to go to the Board of Supervisors for approval to include
10 the Survey and Description as Exhibits A-2 and A-3 to this Lease. A legal description
11 and depiction based on said survey will be incorporated in and become a part of this
12 Lease as Exhibits "A-2" and "A-3." The size of the Leased Premises and the base rent
13 shall be adjusted to reflect the actual dimensions set forth in the Survey and
14 Description. The monthly base rent, as established in paragraph 5 below, will be
15 adjusted by multiplying the number of acres times One Thousand Two Hundred and
16 Seventy-Two Dollars (\$1,272.00) ("Base Rent Rate").

17 Failure to submit said Survey and Description within sixty (60) days of the
18 Effective Date will constitute a breach by Lessee and the Lease shall be subject to the
19 termination provisions set forth in Section 17 herein.

20 **4. Term.** This Lease shall commence the first day of the month following the
21 Effective Date (Commencement Date) and shall terminate thirty-five (35) years
22 thereafter ("Lease Term").

23 (a) Option to Extend: Lessee shall have the option to extend the
24 Lease for an additional period of five (5) years ("Option") subject to the following (1)
25 Lessee is not in breach of any terms and/or provisions of this Lease, (2) Lessor,
26 through its Assistant County Executive Officer (CEO) or designee, approves in writing

1 of such exercise of the Option, and (3) Lessee delivers to Lessor written notice of its
2 desire to exercise the Option no earlier than twelve (12) months before and no less
3 than sixty (60) days before the expiration of the Lease Term. The exercise of the
4 Option and the subsequent extension of the term shall be evidenced by a Lessor
5 approved amendment to this Lease.

6 **5. Use.** The Leased Premises shall be used for the following purposes and
7 no other without the prior written consent of Lessor. Should Lessee desire to use the
8 Leased Premises in a manner not authorized under the Lease, Lessee shall provide to
9 Lessor a detailed description of the desired use, service and/or operation for Lessor's
10 prior review and approval, in Lessor's sole and absolute discretion. Lessee shall
11 provide the services of a "Full Service FBO" in accordance with the Minimum
12 Standards for Fixed base Operators Riverside County Airports, as amended from time
13 to time, a copy of which is attached hereto as Exhibit C and incorporated herein by this
14 reference. In addition to the services Listed in Exhibit C, all of the uses listed in
15 Section 5(a) and 5(b) below are also permitted uses within the Leased Premises;
16 provided however, provision of all such services and permitted uses by a sublessee
17 shall require Lessor approval pursuant to Section 27 below. The Lessor's approval of
18 any change in the use of the Leased Premises may, at Lessor's sole election, place
19 additional specific requirements on Lessee including, but not limited to, the types,
20 limits, and conditions of insurance provided under this Lease.

21 (a) Permitted Uses:

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

25 (ii) Agreed to flight operations, including, but not limited to, flight
26 instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-testing

1 of aircraft following repair or modification. With regard to charter and air taxi
2 operations, Lessee shall submit to Lessor a complete description of the operations and
3 scope of services provided, and Lessor shall establish insurance coverages and limits
4 for these operations to be obtained by Lessee prior to commencement of such
5 operations. Coverages and limits established for charter and air taxi will be in addition
6 to the coverages required herein.

7 (iii) Maintenance, repair, and overhaul of all types of aircraft,
8 aircraft engines, airframes, automatic flight systems, instruments, radio and other
9 electronic equipment, propellers, and all other aircraft components.

10 (iv) Painting and upholstering of aircraft, subject to the provisions
11 and limitations in Sections 7(g) and 23 of this Lease.

12 (v) Servicing of aircraft and any other service usually associated
13 with aircraft servicing operations.

14 (vi) Providing aircraft storage inside hangar buildings and tie
15 downs.

16 (vii) Providing ground school instruction associated with flight
17 training.

18 (viii) Financing, Leasing, renting, and insuring of aircraft.

19 (b) Additional Permitted Uses:

20 (1) Construction of facilities, including administrative office and
21 terminal building, storage hangar(s), maintenance hangar(s) and associated
22 improvements that provide servicing, fueling, maintenance and storage for aircraft.

23 (2) Construction of building (or buildings) for the storage of
24 aircraft, including all infrastructure, temporary facilities and off-site improvements.

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1 (3) Leasing or renting of automobiles, and storing and sale of
2 automotive fuel and lubricants for use only in connection with Lessee's equipment and
3 rental of automobiles.

4 The Leased Premises shall not be used for any purpose other than
5 the uses described in this Section 5 without first obtaining the written consent of Lessor

6 **6. Rent.** Lessee shall pay to Lessor as initial base rent for the use and
7 occupancy of the Leased Premises monthly rent equal to Five Thousand Five-Hundred
8 Ninety-Six Dollars and 80/100 (\$5,596.80) ("Initial Base Rent"). The Initial Base Rent
9 shall be adjusted at the completion of the Survey and Description provided for in
10 Section 3 above, by multiplying the number of acres determined by the survey times
11 One Thousand Two-Hundred Seventy-Two Dollars (\$1,272.00) which shall equal the
12 new Base Rent ("Base Rent"). Said Base Rent is due and payable in advance on the
13 first of each month. The Base Rent shall be considered delinquent, if not paid by the
14 10th of the month.

15 (a) Late Fee. If the monthly rent becomes delinquent, Lessee will be
16 charged a late fee equivalent to ten percent (10%) of the delinquent rental amount,
17 exclusive of late fees, for each month that rent is delinquent.

18 (b) Construction Period Rent. During construction of the Leased
19 Premises, for a period not to exceed six (6) months from the Effective Date
20 ("Construction Period"), the monthly rent shall be equal to one-half of the Initial Base
21 Rent for the whole Leased Premises subject to adjustment per Description and Survey
22 in Section 2. At completion of the initial six month lease period, whichever comes first,
23 the Initial Base Rent shall revert to the full Base Rent, including all Base Rent
24 adjustments as contemplated and required in this Section 6 and Section 3.

25 (c) Base Rent Adjustment Mark to Market Value. Beginning July 1,
26 2020 and every fifth (5th) year thereafter, the Base Rent shall be adjusted to one-twelfth

1 (1/12) of eight percent (8%) of the then-current fair market value of the Leased
2 Premises. Said fair market value shall be for the land and shall not include the value of
3 the structures placed on the Leased Premises. In no event will application of this
4 paragraph result in a monthly rental amount lower than the highest previous monthly
5 rental amount.

6 A property appraisal for the purpose of establishing the adjusted Base
7 Rent is to be performed by an independent certified appraiser, knowledgeable in
8 aviation appraising and in good standing with the American Institute of Real Estate
9 Appraisers. The appraiser is to be procured and paid for by Lessor. Once established,
10 said rent shall be adjusted annually in the manner set forth in Section 6(d) below.
11 Lessee acknowledges and agrees that failure to pay such adjusted Base Rent amount
12 shall constitute a default hereunder.

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

20 (e) Fuel Flowage Fee. Lessee shall pay to Lessor a fuel flowage fee
21 as additional rent in an amount established by the Board of Supervisors for the County
22 of Riverside ("Board") through a County of Riverside ("County") Resolution, a County
23 Ordinance or such other action as the Board may decide from time to time. The fuel
24 flowage fee, the calculation of the fuel flowage fee, the time of payment and the
25 method used to collect and report the amount of fuel transacted by Lessee shall be
26 subject to periodic review and adjustment by the Board of Supervisors to reflect

1 conditions then existing and the financial needs of the Lessor's airports system. The
2 Lessor may implement any such adjustments in the fuel flowage fee at any time. Such
3 new or adjusted fuel flowage fees shall be effective upon adoption by the County Board
4 of Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be
5 pre-conditioned upon amendment of any existing Lease. As of the date of this Lease
6 fuel flowage fees have been established according to County Resolution No. 2008-362,
7 attached hereto as Exhibit "H" and incorporated by this reference herein, as may be
8 amended from time to time. The current fuel flowage fee (which was effective as of
9 May 1, 2012 and is still in effect) is assessed at the rate of \$0.12 per gallon of fuel sold.
10 The fee is subject to a timely payment discount of \$0.02 per gallon applied to payments
11 received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%)
12 shall be assessed to all payments received after the due date (30 days of invoice date)
13 and to any unpaid balance, exclusive of late fees.

14 (f) Fuel System Compliance. Lessee's fuel system must comply with
15 the Lessors requirements and specifications. The system must have a meter
16 according to Lessors specifications, which allow Lessor to monitor and record fuel
17 sales on a monthly basis. The metering device must be certified on an annual basis by
18 Riverside County Agricultural Department, Weights and Measures Division or other
19 such service designated by Lessor in Lessor's discretion. Annual inspection is at the
20 expense of Lessee.

21 **7. Additional Obligations of Lessee.** Lessee shall, during the term of
22 this Lease and any extensions thereof perform and/or adhere to the following
23 obligations:

24 (a) Observe and obey, and compel its employees, agents, invitees,
25 sublessees, and those doing business with it to observe and obey, all such rules and
26 regulations of Lessor which are now in effect or which may hereafter be promulgated,

1 provided that such rules and regulations may not unduly interfere or conflict with the
2 rights and privileges granted to Lessee in this Lease or any later amendments;

3 (b) Employ and maintain on the Leased Premises sufficient personnel
4 who are trained, skilled, insured and if applicable certified in order to competently
5 perform the tasks related to the services being offered;

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

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

14 (e) Operate the Leased Premises and the facilities thereon in a
15 progressive and efficient manner;

16 (f) Provide ground maintenance services for the interior, exterior,
17 common areas and grounds of the Leased Premises at Lessee's own expense;

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

25 (h) Observe the Taxiway Object Free Area, the Airport Layout Plan,
26 and Aircraft Parking lines to allow the passage of taxiing aircraft. From the centerline

1 of the taxiway the boundary for the Taxiway Object Free Area boundary is one hundred
2 ten (110) feet;

3 (i) Maintain the Leased Premises, approaches thereto, and
4 improvements now or hereafter located thereon, in good, safe and sanitary order,
5 condition, and repair. Throughout the Term of this Lease, Lessee shall, at Lessee's sole
6 cost and expense, maintain or cause to be maintained the Leased Premises and the
7 improvements now or hereafter located on the Leased Premises in good and clean
8 condition and repair, free of debris, and in compliance with (i) all Governmental
9 Restrictions (defined below), and (ii) all applicable rules, orders, and regulations of any
10 insurance company insuring all or any part of the Leased Premises or the improvements
11 thereon or both, and Lessee shall make or cause to be made whatever repairs and
12 replacements are required by such enactments or provisions or future enactments or
13 provisions. The term "Governmental Restrictions" used herein shall mean and include
14 any and all laws, statutes, official policies, ordinances, codes, formal decrees, rulings,
15 regulations, writs, injunctions, orders, rules, conditions of approval or authorizations of
16 any governmental entity, agency or political subdivision, now in force or hereafter
17 adopted, which are applicable to the Leased Premises or the use thereof as of the date
18 such term is being applied. If Lessee fails to perform Lessee's obligations under this
19 Section 7 (i), Lessor shall have the right to enter upon the Leased Premises after 10
20 days prior written notice to Lessee (except in the event of an emergency, in which case
21 no notice shall be required), perform such maintenance and repair obligations on
22 Lessee's behalf, and Lessee shall be fully responsible for and shall promptly pay to
23 Lessor an amount equal to 115% of all costs thereof. Lessee acknowledges and agrees
24 that failure to pay the aforementioned costs shall constitute a default under this Lease.
25 Lessor shall have no obligation to maintain the Leased Premises pursuant to Section 30
26 below;

1 (j) Lessee shall be required to provide and sell to the general public
2 fuel services and lubricants for both piston and jet aircrafts as part of the services
3 provided to customers pursuant to this Lease. Fuel shall be dispensed from a licensed
4 and permitted fuel truck or directly from a licensed or permitted fuel tank; and

5 (k) On every January 1 and July 1 during the Term of this Lease,
6 Lessee shall provide an Aircraft and Sublease Status Report, substantially conforming
7 in form and substance to the Sublease Status Report attached hereto as Exhibit "F"
8 and incorporated herein by this reference and, for all subleases and aircraft being
9 stored on the Leased Premises. The report shall be supplied in a form and electronic
10 format acceptable to Lessor and contain at least the following information: name of the
11 sublessee (Lessee's "tenants"), the beginning and ending date of the term of the
12 sublease, the size of the subleased land, the size of the subleased space, the aircraft
13 storage hangar number/address, the Aircraft Registration Number, the name of the
14 owner of the aircraft, the type of aircraft and indicate whether or not an aircraft is
15 "based" at the airport (aircraft that spend at least three months of the year at this airport
16 are to be identified in the report as "based aircraft"); and certification of compliance with
17 the insurance requirements set forth in Sections 23 and 24 herein. The requirements
18 set forth in this Section 7 (k) in no way limit Lessee's obligations to obtain County
19 approval prior to any sublease or assignment pursuant to Section 27 of this Lease.

19 **8. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, all
20 necessary permits and licenses as it may be required to obtain regarding the
21 construction, operation, maintenance, and termination or abandonment of activities
22 upon the Leased Premises, and Lessee shall pay for all fees and taxes levied or
23 required by any authorized public entity. This Lease may create a possessory interest
24 subject to property taxation and Lessee may be subject to the payment of property
25 taxes levied on such interest. Due to the length of the initial Lease Term combined with
26 the Option to extend Lessee may be subject to a documentary transfer tax. Lessee

1 acknowledges, understands and agrees that Lessee is solely responsible for the timely
2 payment and satisfaction of all taxes incurred as a result of this Lease.

3 **9. Development of Improvements** Lessee, at its sole cost and expense,
4 shall construct, or cause to be constructed, within the time periods set forth herein or
5 as provided by Lessor, the following improvements, which include, but are not limited
6 to aircraft storage hangars, terminal buildings, facilities necessary for conducting the
7 business of a Full Service FBO such as a hangars, associated landscaping, vehicular
8 parking and other incidental improvements, all in accordance with Lessor
9 requirements, as more specifically described in the Scope of Work attached hereto as
10 Exhibit I and incorporated herein by this reference(collectively the "Improvements"). All
11 Improvements shall conform to the Minimum Standards for Fixed Based Operators
12 Riverside County Airports attached hereto as Exhibit "C" and incorporated herein by
13 this reference and shall also conform to a Lessor approved site plan showing the
14 location and dimensions of all planned Improvements. Lessee acknowledges and
15 agrees that any and all improvements, alterations, and installation of fixtures located on
16 the Leased Premises shall be subject to County Ordinance Nos. 348 and 457, as well
17 as other applicable County ordinances, and that Lessee shall fully comply with such
18 ordinances prior to the commencement of any construction in connection therewith.

19 (a) Phases. Without limiting Lessee's obligation to develop the Improvements as
20 required herein, Lessee shall develop the Improvements on the Leased Premises in
21 three (3) phases identified herein as "Phase I", Phase II" and "Phase III", subject to the
22 approval of Lessor, provided that all construction for Phase I shall be completed within
23 twelve (12) months of the Effective Date of this Lease, Phase II shall be completed
24 within sixty (60) months of the Effective Date of this Lease, and Phase III shall be
25 completed at a time mutually approved by Lessor and Lessee to be decided after
26 completion of Phase II, but in no event no later than 20 years from the Effective Date.

1 The general scope of Phase I shall include; an approximate 7,000 square foot office
2 building finished in a professional and workman like manner to include multiple
3 demised general offices and restrooms to accommodate Lessee's sales, dispatch and
4 daily operations; an approximate 22,500 square foot hangar building with
5 approximately 2,700 square feet of maintenance shop designed and approved to
6 provide for servicing of aircraft; a fuel station to serve both Lessee's and Lessee's
7 customers; sufficient parking to accommodate both employee and customer parking;
8 site development including but not limited to landscape, hardscape, security fencing,
9 lighting, utility connections and additional site development as required for permits and
10 construction approvals. Phase II shall provide at a minimum for the construction of an
11 additional 10,000 square feet of hangar space. Phase III shall include at a minimum an
12 approximate 11,000 square feet of additional hangar space and or offices per a
13 mutually approved plan.

14 (b) Site Plan. Within thirty (30) days of the Effective Date of this Lease,
15 Lessee shall submit to Lessor a development site plan ("Site Plan") showing the
16 location and dimensions of all planned improvements. The design shall be satisfactory
17 to and approved by the County of Riverside Economic Development Agency, Aviation
18 Division, prior to Lessee's application to County for building permits. With Lessor's
19 written approval, which shall not be unreasonably withheld, the Site Plan may be
20 revised by Lessee from time to time during the Initial Term of the Lease. The Site Plan
21 shall be incorporated into this Lease and attached hereto as Exhibit "G".

22 (c) Full Construction Plans. Within three (3) months of approval of the
23 Site Plan by County of Riverside Economic Development Agency, Aviation Division,
24 Lessee shall submit a full set of construction plans to the County to obtain building
25 permits. Construction of Phase I shall commence within sixty (60) days following
26 issuance of the requisite permits by the County. Plans for all improvements are to be

1 submitted to Lessor for approval prior to start of any construction. Lessee shall submit
2 construction plans for Phase II within forty-eight (48) months of Effective Date and
3 Lessee shall submit construction plans for Phase III within two hundred twenty-eight
4 (228) months of Effective Date.

5 (d) Performance Bonds. Lessee shall obtain performance, material, and
6 labor payment bonds in the amounts required by law and determined by Lessor, and
7 shall furnish Lessor with copies thereof prior to the commencement of any construction
8 both on and off-site.

9 (e) Development Costs. All improvements are to be completed at
10 Lessee's sole cost, including but not limited to all on site buildings and infrastructure,
11 taxiway(s), as well as required off-site improvements associated with the development
12 as depicted on the Site Plan and subsequent amendments, if any. Lessee shall pay for
13 construction of any required utility extensions and hookups (including all related fees
14 and charges) and any access road improvements. Lessee shall pay all fees, permits
15 and taxes related to the development. Lessee shall independently verify availability of
16 all services required for their use and development.

17 (f) Utility Services. It is understood by the parties hereto that utility
18 services are available in the general vicinity of the Leased Premises, but in order for
19 the on-site improvements required herein to be fully usable and operational, Lessee, at
20 its sole expense, shall extend and/or connect, or cause to be extended and/or
21 connected, such utility service facilities that may be required or desired by Lessee in
22 the use, operation, and maintenance of such on-site improvements. Lessee shall pay
23 all related fees and charges related to such utility extensions and hookups. In addition
24 to connection fees, Lessee shall be responsible for payment of the use of such utilities.
25 Lessee shall be responsible for all connection costs and fees associated with any
26 improvements beyond those listed in this paragraph, including, but not limited to, water,

1 sewer, electricity, telephone, and gas service and internet. Scope and installation of all
2 utilities shall be submitted to Lessor on construction plans and shall be approved by
3 Lessor prior to connection.

4 During the Term of this Lease, including any extensions thereto, Lessee
5 shall pay, or cause to be paid, and shall indemnify, defend and hold Lessor and the
6 property of Lessor harmless from all charges for water, sewage, gas, heat, air
7 conditioning, light, power, steam, telephone service and all other services and utilities
8 used, rendered or supplied to, on or in the Leased Premises during the Term, including
9 any extensions.

10 Lessor shall not be required to furnish to Lessee or any other
11 occupant of the Leased Premises during the Term of this Lease, including any
12 extensions thereto, any water, sewage, gas, heat, air conditioning, light, power, steam,
13 telephone, or any other utilities, equipment, labor, materials or services of any kind
14 whatsoever.

15 (g) Airport Sewer. Lessee shall pay a sewer connection fee and a
16 monthly sewer service fee to Lessor. The amount of the fees shall be according to the
17 fee schedule in effect at the time of Lease execution. The monthly sewer service fee
18 will be adjusted from time to time and be based upon Lessor's sewer service payments
19 to the Coachella Valley Water District and Lessor's cost of repairing, maintaining, and
20 administering the airport's sewer system.

21 (h) Improvement Alterations. Any improvements, alterations, and
22 installation of fixtures to be undertaken by Lessee shall have the prior written approval
23 of the Lessor after Lessee has submitted to Lessor proposed plot and building plans,
24 and specifications therefor, in writing. In addition, Lessee understands and agrees that
25 such improvements, alterations, and installation of fixtures may be subject to County
26 Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that

1 Lessee shall fully comply with such ordinances prior to the commencement of any
2 construction in connection therewith.

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

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

25 **10. Real Property Reversion.** During the term of this Lease, all
26 improvements, alterations, and fixtures constructed by the Lessee on the Leased

1 Premises shall be owned by Lessee until the Lease is terminated, legally relinquished,
2 abandoned or upon the expiration of Lease including any hold-over period. Upon
3 termination, relinquishment, abandonment or upon the expiration of the Lease
4 (including any hold-over period), legal title to all improvements constructed by the
5 Lessee shall cease to exist, and all interest associated therewith shall revert to the
6 Lessor free and clear of any and all rights to possession and all claims to or against
7 them by Lessee or any third person or entity. At the expiration or earlier termination of
8 this Lease, Lessee shall also surrender to Lessor possession of the Leased Premises
9 and all improvements constructed thereon free and clear of all liens, encumbrances
10 and mortgages. Lessee shall have the full and exclusive use and enjoyment of such
11 improvements, alterations, and fixtures during the Term of this Lease. At or prior to the
12 expiration of this Lease, Lessee shall remove, at its expense, such trade fixtures (not
13 including buildings and improvements affixed to the land), and restore the Leased
14 Premises to their original shape and condition in good, safe and sanitary condition,
15 subject to ordinary wear and tear. In the event Lessee does not remove such trade
16 fixtures, they shall become the property of the Lessor for no further consideration of
17 any kind, and Lessee acknowledges and agrees that Lessor shall have the right to
18 charge Lessee for removal of any trade fixtures that so remain by Lessee upon the
19 expiration or early termination of the Lease. At Lessor's request Lessee shall execute
20 and deliver to Lessor assignments of leases and a quitclaim deed, both in
21 commercially reasonable form and as prepared by Lessor. By the quitclaim deed
22 Lessee shall quitclaim any right, title or interest which Lessee may have or claim to
23 have in the Improvements.

24 **11. Compliance with Law.** Lessee shall, at its sole cost and expense,
25 comply with all of the requirements of all governmental agencies now in force, or which
26 may hereafter be in force, pertaining to the Leased Premises, and any improvements

1 hereafter constructed or maintained thereon, and Lessee shall faithfully observe all
2 laws and ordinances including but not limited to the California Environmental Quality
3 Act (CEQA and the National Environmental Protection Act (NEPA), now or hereafter in
4 force in the use of the Leased Premises. Lessee shall also comply with all applicable
5 federal, state and local laws and regulations and County ordinances. In the event
6 there is a conflict between the various laws or regulations that may apply, Lessee shall
7 comply with the more restrictive law or regulation.

8 **12. Lessor's Reserved Rights.**

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

1 however, in the event such right must be exercised by reason of emergency, then
2 Lessor shall give Lessee such notice in writing as is reasonable under the existing
3 circumstances.

4 (b) Lessor reserves the right to further develop or improve the aircraft
5 operating area, including the heavy ramp of Jacqueline Cochran Regional Airport as it
6 deems appropriate. Lessor reserves the right to take any action it considers necessary
7 to protect the aerial approaches of the Jacqueline Cochran Regional Airport against
8 obstruction, together with the right to prevent the Lessee from erecting or permitting to
9 be erected, any building or other structure on the Jacqueline Cochran Regional Airport,
10 which in the reasonable opinion of Lessor, would limit usefulness of the Jacqueline
11 Cochran Regional Airport or constitute a hazard to aircraft.

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

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

1 (e) This Lease is subject to the provisions set forth in Exhibit "B"
2 (Federally Required Lease Provisions), attached hereto and incorporated herein by this
3 reference.

4 **13. Inspection of Premises.** Lessor, through its duly authorized agents,
5 shall have, upon twenty-four hours' notice, during normal business hours, the right to
6 enter the Leased Premises for the purpose of inspecting, monitoring and evaluating the
7 obligations of Lessee hereunder and for the purpose of doing any and all things which
8 it is obligated and has a right to do under this provided that the inspection does not
9 unreasonably interfere with Lessee's business.

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

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

23 **16. Discrimination or Segregation**

24 (a) Lessee shall not discriminate in Lessee's recruiting, hiring,
25 promotion, demotion or termination practice on the basis of race, religious creed, color,
26 national origin, ancestry, sex, age, physical handicap, medical condition, or marital

1 status with respect to its use of the Leased Premises hereunder, and Lessee shall
2 comply with the provisions of the California Fair Employment and Housing Act
3 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P. L.
4 88-352), and all amendments thereto, Executive Order No. 11246 (30 Federal Register
5 12319), as amended, and all Administrative Rules and Regulations issued pursuant to
6 said acts and orders with respect to its use of the Leased Premises.

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

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

1 **17. Termination by Lessor.** Lessor shall have the right to terminate this

2 Lease in its entirety, in the event any of the following occur:

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

5 (b) In the event that Lessee sells, transfers, conveys or assigns its
6 interest in the Leased Premises (or any portion thereof) or in this Lease, or there is a
7 change in control of Lessee without Lessor approval pursuant to Section 27 below, or
8 Lessee's interest hereunder is assigned involuntarily or by operation of law for the
9 benefit of creditors;

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

11 (d) In the event that the Lessee fails to submit the Survey and
12 Description of the Leased Premises within sixty (60) days of the Effective Date of this
13 Lease as more particularly set forth in Section 3 herein;

14 (e) In the event that Lessee fails to submit the Site Plan to Lessor
15 within thirty (30) days of the Effective Date of this Lease as more particularly set for in
16 Section 9(c) herein;

17 (f) In the event Lessee fails, or refuses, to meet its rental obligations,
18 or any of its obligations hereunder, or as otherwise provided by law;

19 (g) With respect to the undeveloped phases, as provided for in
20 paragraph 9(a), if Lessee fails to complete construction of any or all phases of the
21 development within the required time;

22 (h) Failure of Lessee to maintain insurance coverage required herein
23 and to provide evidence of coverage to the Lessor;

24 (i) Failure of the Lessee to require all tiers of sublessees and/or
25 contractors to indemnify the Lessor and to have appropriate insurance coverages
26 and/or failure by Lessee to monitor each sublessee and/or contractor for current and

1 correct Certificates of Insurance and required endorsements throughout the term of this
2 lease;

3 (j) Lessee (or any successor in interest) assigns or attempts to
4 assign the Leased Premises or any of Lessee's rights in and to the Leased Premises
5 or any portion thereof or interest therein, or the Lease or any portion hereof, except as
6 permitted by this Lease;

7 (k) There is substantial change in the ownership of Lessee, or with
8 respect to the identity of the parties in control of Lessee, or the degree thereof contrary to
9 the provisions of Section 27 hereof;

10 (l) Lessee fails to submit any of the plans, drawings and related
11 documents required by this Lease by the respective dates provided in this Lease;

12 (m) There is any other material default by Lessee under the terms of
13 this lease which is not cured within the time provided herein;

14 (n) Lessee fails to commence construction of the improvements as
15 required by this Lease and such breach is not cured within the time provided in Section 9
16 of this Lease, provided that Lessee shall not have obtained an extension or
17 postponement in writing from Lessor to which Lessee may be entitled pursuant to
18 Section 9 hereof; or

19 (o) Lessee abandons or substantially suspends construction of the
20 improvements and such breach is not cured within the time provided in Section 9 of this
21 Lease, provided Lessee has not obtained an extension or postponement to which Lessee
22 may be entitled to pursuant to Section 9 hereof.

23 **18. Termination by Lessee.** Lessee shall have the right to terminate this
24 Lease in the event any of the following occur:

25 (a) Lessor fails to perform, keep or observe any of its duties or
26 obligations hereunder; provided, however, that Lessor shall have thirty (30) days in

1 which to correct its breach or default after written notice thereof has been served on it
2 by Lessee; further provided, however, that in the event such breach or default is not
3 corrected, Lessee may elect to terminate this Lease in its entirety or as to any portion
4 of the Leased Premises affected thereby, and such election shall be given by an
5 additional thirty (30) day written notice to Lessor;

6 (b) Lessee is unable to obtain financing within 120 days of the Effective
7 Date to finance development of the improvements required in this Lease; or

8 (c) In the event Lessor leases the Leased Premises to the United States
9 Government for military use during a time of war or national emergency pursuant to
10 Section 12c herein for a period longer than nine (9) months.

11 **19. Holdover.** If Lessee fails to immediately surrender the Leased Premises
12 or any portion thereof at the expiration or termination of the Lease Term, then Lessee
13 shall pay Base Rent (on a per-month basis, without reduction for any partial month) at
14 a rate equal to 150% of the Base Rent applicable during the last calendar month of the
15 Lease Term. Unless otherwise agreed to in writing by the Parties, any such holdover
16 shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy
17 from month-to-month. Lessor's acceptance of such rent shall not adversely affect
18 Lessor's other rights and remedies under the Lease, including Lessors right to evict
19 Lessee and to recover all damages. In no event shall any holdover be deemed a
20 permitted extension or renewal of the Lease Term, and nothing contained in this Lease
21 shall be construed to constitute Lessor's consent to any holdover or give Lessee any
22 right with respect to such holdover.

23 **20. Default.**

24 (a) Failure or delay by either party to perform any term or provision of
25 this Lease constitutes a default under this Lease. The party who fails or delays must
26

1 commence to cure, correct or remedy such failure or delay and shall complete such
2 cure, correction or remedy with reasonable diligence.

3 (b) The injured party shall give written notice of default to the party in
4 default ("Notice of Default") pursuant to Section 41 below, specifying the default
5 complained of by the injured party. Failure or delay in giving such notice shall not
6 constitute a waiver of any default, nor shall it change the time of default. Except as
7 otherwise expressly provided in this Lease, any failures or delays by either party in
8 asserting any of its rights and remedies as to any default shall not operate as a waiver
9 of any default or of any such rights or remedies. Delays by either party in asserting
10 any of its rights and remedies shall not deprive either party of its right to institute and
11 maintain any actions or proceeding which it may deem necessary to protect, assert or
12 enforce any such rights or remedies.

13 (c) Except as otherwise provided herein, if a monetary event of default
14 occurs, prior to exercising any remedies hereunder, the injured party shall give the
15 party in default written notice of such default. The party in default shall have a period
16 of seven (7) calendar days after such notice is received or deemed received within
17 which to cure the default prior to exercise of remedies by the injured party.

18 (d) If non-monetary event of default occurs, prior to exercising any
19 remedies hereunder, the injured party shall give the party in default notice of such
20 default. If the default is reasonably capable of being cured within thirty (30) calendar
21 days after such notice is received or deemed received, the party in default shall have
22 such period to effect a cure prior to exercise of remedies by the injured party. If the
23 default is such that it is not reasonably capable of being cured within thirty (30) days
24 after such notice is received, and the party in default (1) initiates corrective action
25 within said period, and (2) diligently, continually, and in good faith works to effect a
26 cure as soon as possible, then the party in default shall have such additional time as is

1 reasonably necessary to cure the default prior to exercise of any remedies by the
2 injured party, but in no event no more than forty-five (45) days from receipt of such
3 notice of default from the injured party.

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

17 **22. Hold Harmless/Indemnification.** Lessee shall indemnify and hold
18 harmless the County of Riverside, its Agencies, Districts, Special Districts and
19 Departments, their respective directors, officers, Board of Supervisors, elected and
20 appointed officials, employees, agents and representatives (the "Indemnified Parties")
21 from any liability whatsoever, including but not limited to, property damage, bodily
22 injury, or death, based or asserted upon any services of Lessee, its officers,
23 employees, subcontractors, agents or representatives arising out of or in any way
24 relating to this Lease and Lessee shall defend at its sole expense and pay all costs and
25 fees, including but not limited to, attorney fees, cost of investigation, defense and
26

1 settlements or awards, on behalf of the Indemnified Parties in any claim or action
2 based upon such liability.

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

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

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

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

19 Lessee shall require each sub-lessee and/or contractor of every tier to indemnify
20 the County of Riverside relating to any claim(s) arising from their sub-lease and/or
21 contract.

22 **23. Insurance.** Lessee shall procure and maintain or cause to be
23 maintained, at its sole cost and expense, the following insurance coverages during the
24 term of this Lease. These requirements, with the approval of the Lessor's Risk
25 Manager, may be modified to reflect the activities associated with the Lessee provided
26 that any changes are reasonable in nature and consistent with industry standards. The

1 procurement and maintenance of the insurance required below will not diminish or limit
2 Lessee's obligation to indemnify or hold the Lessor harmless. Lessee agrees to have in
3 place insurance coverage as it is required and applicable. This Section shall not be
4 construed to require Lessee to have all insurance required under this provision, in
5 place from the Commencement Date.

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

14 (b) Airport General Liability. Lessee shall maintain Airport General
15 Liability Insurance coverage including, but not limited to, premises/operations liability,
16 contractual liability, products and completed operations liability, independent
17 contractors, personal and advertising injury liability covering all claims or lawsuits of
18 any nature whatsoever which may arise from or out of Lessee's performance under the
19 terms of the Lease. Policy shall name all the County of Riverside its Agencies,
20 Districts, Special Districts, and Departments, their respective directors, officers, Board
21 of Supervisors, employees, elected or appointed officials, agents or representatives as
22 Additional Insureds. Policy's limit of liability shall not be less than \$25,000,000 per
23 occurrence combined single limit and in the annual aggregate as applicable. The
24 policy shall be endorsed to provide Hangar Keeper's Legal Liability Insurance (Ground
25 and In-Flight) providing coverage for aircraft in the care, custody or control of the
26

1 Lessee. Policy shall include coverage for the Named Insured's use of unlicensed
2 vehicles on Airport Premises.

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

11 (d) Aircraft Hull and Liability Insurance.

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

19 2) Aircraft Liability - Lessee shall provide Aircraft Liability
20 insurance for all owned and non-owned aircraft operated by the Lessee in an amount
21 not less than \$25,000,000 combined single limit per occurrence for bodily injury,
22 including death and property damage and coverage shall include, but is not limited to,
23 products/completed operations and contractual liability. Lessee shall provide Aircraft
24 Liability insurance for all owned and non-owned single engine piston aircraft operated
25 by the Lessee in an amount not less than \$1,000,000 combined single limit per
26 occurrence for bodily injury, including death and property damage and coverage shall

1 include, but is not limited to, products/completed operations and contractual liability.
2 The aforementioned policies shall be endorsed to name all The County of Riverside, its
3 Agencies, Districts, Special Districts, and Departments, its respective directors,
4 officers, Board of Supervisors, employees, elected or appointed officials, agents or
5 representative as Additional Insureds.

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

12 Lessee shall also maintain site-specific Pollution Liability Insurance,
13 covering both sudden and gradual pollution, with limits of not less than \$2,000,000
14 each pollution condition and \$2,000,000 annual aggregate covering third party claims
15 for bodily injury, property damage and first and third party cleanup expense, for
16 pollution conditions occurring or discovered on-site whether in the soil, water or air,
17 which arise out of Lessee's activities at the Airport. The insurance shall include
18 coverage for loss arising out of the handling of fuel, including the transportation of fuel
19 and refueling of aircraft on-site, arising out of any storage tanks and associated piping,
20 and arising out of the operation, parking and maintenance of aircraft, vehicles on the
21 premises and operations that include any other hazardous materials, waste, and/or
22 work. The policy shall name Lessor as additional insured, and shall not contain" an
23 insured v. insured" exclusion. The policy shall not contain a deductible or self-insured
24 retention higher than \$25,000.

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

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

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

1 respective directors, officers, Board of Supervisors, employees, elected or appointed
2 officials, agents or representatives.

3 (g) General Insurance Provisions – All Lines:

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

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

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

1 executed original Certificate of Insurance and original copies of endorsements or, if
2 requested, certified original policies, including all endorsements and attachments
3 thereto evidencing coverages set forth herein and the insurance required herein is in
4 full force and effect. Lessee shall not commence operations until the Lessor has been
5 furnished original Certificate(s) of Insurance and certified original copies of
6 endorsements or, if requested, policies of insurance including all endorsements and
7 any and all other attachments as required in this Section. An individual authorized by
8 the insurance carrier to do so on its behalf shall sign the endorsements for each policy
9 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
12 covenant and shall be construed as primary insurance, and the Lessor's insurance
13 and/or deductibles and/or self-insured retentions or self-insured programs shall not be
14 construed as contributory.

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

1 Beginning July 1, 2020, and every fifth year thereafter during the
2 term of this Lease, or any extension thereof, Lessor reserves the right to adjust the
3 monetary limits of insurance coverage as required in Section 23.

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

6 **24. Insurance for Fuel Suppliers.** During the Lease Term Lessee shall also
7 require suppliers of fuel to procure, maintain, show evidence and comply with all
8 requirements of insurance as follows:

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

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

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

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

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

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

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

12 **25. Insurance for Sublessees and Contractors.** Lessee shall require each
13 of its sublessees and contractors to meet all insurance requirements imposed by this
14 Lease. These requirements, with the approval of the Lessor's Risk Manager, may be
15 modified to reflect the activities associated with the sublessee or contractor. On every
16 sublease or contract the Lessee shall have the sublessee or contractor name the
17 Lessee and the Lessor by endorsement as an additional insured and/or have the
18 sublessee or contractor provide an endorsement waiving subrogation in favor of the

19 Lessee and the Lessor on every sublessee's or contractor's insurance policy, as
20 applicable. Certificates and endorsements evidencing compliance with this section will
21 be provided to the Lessor prior to the sublessee taking occupancy.

22 **26. Acceptance of Premises.** Prior to the commencement of the Lease
23 Term, Lessee, at Lessee's sole expense, shall have investigated and approved the
24 physical condition of, and the condition of title with respect to, the Leased Premises.
25 Lessor has provided to Lessee without any representation or warranty all information in
26

1 Lessor's possession or control regarding the condition of the Leased Premises,
2 including information concerning hazardous substances and seismic faulting.

3 Lessor makes no representation or warranty, expressed or implied, regarding
4 any conditions of the Leased Premises. Lessee acknowledges and agrees that Lessor
5 makes no representation or warranty, express or implied, written or oral, with respect to
6 the condition of the Leased Premises, or its fitness, or availability for any particular use.

7 Lessor makes no representations, express or implied, with respect to the
8 legality, fitness, or desirability of the Leased Premises for Lessee's intended use. If
9 Lessee desires to do so, Lessee shall have the right to conduct its own investigation, to
10 its satisfaction, with respect to any matters affecting lessee's ability to use the Leased
11 Premises for Lessee's intended use. Lessee represents that it has inspected the Lease
12 Premises and acknowledges and agrees that the Leased Premises shall be delivered
13 from Lessor to Lessee in an "as is" physical condition, with no warranty, express or
14 implied by Lessor as to the presence of hazardous substances, or the condition of the
15 soil, its geology or the presence of known or unknown faults, and fully assumes any
16 and all risk associated with the use thereof. Lessor shall not be liable to Lessee, its
17 officers, agents, employees, subcontractors or independent contractors for any bodily
18 injury, personal injury or property damage suffered by them or others which may result
19 from hidden, latent or other dangerous conditions in, on upon or within the Leased
20 Premises. If the condition of the Leased Premises is not in all respects entirely
21 suitable for the use or uses to which such Leased Premises will be put, then it is the
22 sole responsibility and obligation of Lessee to place the Leased Premises in all
23 respects in a condition entirely suitable for the development thereof, solely at Lessee's
24 expense. Effective at the commencement of the Lease Term, Lessee waives, releases
25 and discharges Lessor, its Agencies, Districts, Special Districts and Departments, their
26 respective directors, officers, Board of Supervisors, Board of Commissioners, elected

1 and appointed officials, employees, agents, representatives and attorneys, from any
2 and all present and future claims, demands, suits, legal and administrative
3 proceedings, and from all liability for damages, losses, costs, liabilities, fees and
4 expenses (including without limitation, attorneys' fees) arising out of in any way
5 connected with the Lessor's or Lessee's use, maintenance, ownership or operation of
6 the Leased Premises, any hazardous substances on the Leased Premises, or the
7 existence of hazardous substances contamination in any state on the Leased
8 Premises, however the hazardous substances came to be placed there. Lessee
9 acknowledges that it is aware of and familiar with the provisions of Section 1542 of the
10 California Civil Code which provides as follows:

11 "A general release does not extend to claims which the creditor does not know
12 or suspect to exist in his or her favor at the time of executing the release, which if
13 known by him or her must have materially affected his or her settlement with the
14 debtor."

15 To the extent of the release set forth in this Section 26, Lessee hereby
16 waives and relinquishes all rights and benefits which it may have under Section 1542
17 of California Civil Code.

18 Lessee Initials 

19 **27. Assignment and Subletting.**

20 (a) Lessee represents and agrees that its undertakings pursuant to this Lease
21 are for the purpose of providing fixed based operation and maintenance services, and
22 not for speculation in land holding. Lessee further recognizes that the qualifications and
23 identity of Lessee are of particular concern to Lessor in light of the following: (1) the
24 importance of the development of the Leased Premises to the community; and (2) the
25 fact that a change in ownership or control of Lessee or any other act or transaction
26 involving or resulting in a significant change in ownership or control of Lessee, is for
practical purposes a transfer or disposition of the property then owned by Lessee.

1 Lessee further recognizes that it is because of such qualifications and identity that the
2 Lessor is entering into the Lease with Lessee. Therefore, no voluntary or involuntary
3 successor in interest of Lessee, or a sublessee, shall acquire any rights or powers
4 under this Lease except as expressly permitted herein.

5 (b) Lessee shall not assign or attempt to assign all or any part of this Lease or
6 any right or interest herein, nor make any total or partial sale, transfer, conveyance or
7 assignment of the whole or any part of the Lessee's interest in the Leased Premises or
8 the Improvements thereon, or sublet, mortgage, hypothecate or otherwise transfer in
9 any manner any of its rights, duties or obligations hereunder to any person or entity
10 without the prior written consent of Lessor being first obtained. This prohibition shall not
11 be deemed to prevent the granting of easements or permits to facilitate the
12 development of the Leased Premises. Lessee shall submit all documents pertaining to
13 any such transaction referenced in the foregoing paragraph to Lessor for approval prior
14 to entering into such agreements. Lessee shall submit executed subleases and all
15 required certificates of insurance and endorsements to insurance policies, as required
16 herein, to Lessor for approval prior to sublessees occupying the subleased premises.

17 (c) For the reasons cited above, Lessee represents and agrees for itself and
18 any successor in interest that without the prior written approval of the Lessor, there shall
19 be no significant change in the ownership of Lessee or in the relative proportions
20 thereof, or with respect to the identity of the parties in control of Lessee or the degree
21 thereof, by any method or means.

22 (d) Any sublease, assignment or transfer of this Agreement or any interest
23 herein, or significant change in ownership of Lessee, shall require the written approval
24 of the Lessor. Lessee shall promptly notify the Lessor of any proposed subleases, and
25 all changes whatsoever in the identity of the parties in control of Lessee or the degree
26 thereof, of which it or any of its officers have been notified or otherwise have knowledge
or information. This Lease may be terminated by the Lessor if there is any significant
change (voluntary or involuntary) in membership, management or control, of Lessee
(other than such changes occasioned by the death or incapacity of any individual), or

1 non-Lessor approved subleases. In the event of the death or incapacity of any
2 individual who controls Lessee or the managing member of Lessee, any resulting
3 change in the management of the Improvements or the control of the day-to-day
4 operations of the Leased Premises and the Improvements shall be subject to the
5 approval of the Assistant CEO/EDA or designee, which shall not be unreasonably
6 withheld.

7 (e) Assignments or transfers approved by the Lessor shall be evidenced by
8 the Lessee's, and assignee's execution of an assignment and assumption agreement
9 approved as to form and substance by Lessor. Subleases approved by the Lessor shall
10 be evidenced by subleases approved as to form and substance by Lessor.

11 (f) No such sublease, sale, transfer, conveyance or assignment of this Lease
12 or Lessee's interest in the Leased Premises (or any portion thereof), or approval by the
13 Lessor of any such sublease, sale, transfer, conveyance or assignment, shall be
14 deemed to relieve Lessee or any other party from any obligations under this Lease.

15 (g) The restrictions on assignment, transfer and subleasing contained in this
16 Section 27 shall be binding on any successors, or heirs of Lessee. The provisions of
17 this Section 27 shall apply to each successive assignment and transfer in the same
18 manner as initially applicable to Lessee under the terms set forth herein.

19 **28. Right to Encumber/Right to Cure.**

20 (a) Lessee's Right to Encumber. Notwithstanding provisions of
21 Section 27 herein, Lessor does hereby consent to and agree that Lessee may
22 encumber or assign, or both, for the benefit of a senior lender ("Encumbrancer"), this
23 Lease, the leasehold estate and the improvements thereon (not including Lessor's fee
24 title interest in the Airport property) by a deed of trust, mortgage or other security-type
25 instrument, herein called "trust deed" to assure the payment of a promissory note
26 evidencing a construction loan for development of the improvements required herein by
Lessee if the Encumbrancer is an established bank, government lender, Small

1 Business Administration, savings and loan association or insurance company, and the
2 prior written consent of Lessor shall not be required:

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

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

14 Any Encumbrancer described in Section 27(a)(2) above which is the transferee
15 under the provisions of Section 27(a)(1) above shall be liable to perform the obligations
16 and duties of Lessee under this Lease only so long as such transferee holds title to the
17 leasehold, and shall execute any documentation required by Lessor to memorialize
18 transfer and assumption of such Lease obligations.

19 Any subsequent transfer of this leasehold hereunder, except as provided
20 for in Section 27(a)(2) above, shall not be made without the prior written consent of
21 Lessor, in Lessor's sole discretion, and shall be subject to the conditions relating
22 hereto as set forth in Section 27 herein. Lessee shall give Lessor prior notice of any
23 such trust deed and shall accompany such notice with a conformed copy of the trust
24 deed and note secured thereby.

25 (b) Right of Encumbrancer to Cure. Lessor, upon providing Lessee
26 with any Notice of Default under this Lease, shall, at the same time, use good faith

1 efforts to provide a copy of such notice to every Encumbrancer who has given written
2 notice to Lessor of its desire to receive such default notices. From and after such
3 notice has been delivered to an Encumbrancer by Lessor, such Encumbrancer shall
4 have the same period for remedying the breach complained of as the cure period
5 provided to Lessee pursuant to Section 20, plus the additional cure period provided
6 Encumbrancers as specified in paragraph (c) below. Lessor shall accept performance
7 by or at the instigation of such Encumbrancer as if the same had been done by
8 Lessee.

9 **(c) Encumbrancer Cure Rights.** Notwithstanding anything to the
10 contrary contained in this Lease, Lessor shall not terminate this Lease due to an
11 uncured default of Lessee unless, following expiration of Lessee's applicable cure
12 period, Lessor first provides each Encumbrancer that has provided Lessor with written
13 a written request to receive notification of Lessee defaults, not less than thirty (30)
14 days' notice of its intent to terminate if Lessee's default can be cured by the payment of
15 money (a "Monetary Default"), and not less than ninety (90) days' notice of its intent to
16 terminate if Lessee's Default is of another type (a "Non-monetary Default"), and an
17 Encumbrancer fails to cure such Monetary Default within thirty (30) days after receipt of
18 such notice or an Encumbrancer fails to cure or, an Encumbrancer fails to cure such
19 Non-monetary Default within ninety (90) days after receipt of such notice. If such Non-
20 monetary Default cannot reasonably be cured by such Encumbrancer within said
21 ninety (90) day period (or is such that possession of the Leased Premises is necessary
22 for Encumbrancer to obtain possession and to remedy the Default), the date for
23 termination shall be extended for such period of time as may be reasonably required to
24 remedy such Default, but in no event no longer than one hundred and twenty (120)
25 calendar days after the date of the initial notice to terminate the Lease delivered to
26 Encumbrancer if, (a) Encumbrancer shall have fully cured any default in the payment of

1 any monetary obligations of Lessee under this Lease within thirty (30) days after its
2 receipt of notice of Lessor's intent to terminate, and shall continue to pay on time such
3 monetary obligations as and when the same are due under the Lease, and (b)
4 Encumbrancer continues its good faith and diligent efforts to remedy such Non-
5 monetary Default (including its acquisition of possession of the Leased Premises if
6 necessary to the cure of such Default). In no event shall the Lessor be precluded from
7 exercising remedies if its right become or are about to become materially jeopardized
8 by any failure to cure a default or the default is not cured within ninety (90) calendar
9 days after Lessor delivers to Encumbrancer the first notice of intent to terminate the
10 Lease.

11 Nothing in this Section 28 shall be construed to require an Encumbrancer
12 to continue any foreclosure proceeding it may have commenced against Lessee after
13 all defaults have been cured by Encumbrancer or Lessee, and if such Defaults shall be
14 cured and the Encumbrancer shall discontinue such foreclosure proceedings, this
15 Lease shall continue in full force and effect as if Lessee had not defaulted under this
16 Lease. Subject to Section 29 below, Encumbrancer shall have right to hazard
17 insurance proceeds resulting from damage to improvements up to and including the
18 balance due Lender or any Loan to Lessee secured by the Leased Premises.

19 **29. Damage or Destruction.**

20 (a) In the event any of the improvements are damaged by an insured
21 casualty, Lessee shall promptly remove the debris resulting from such event, and within
22 a reasonable time thereafter shall apply insurance proceeds to the repair or restoration
23 of the improvements so damaged to their condition immediately prior to such casualty,
24 such repair or restoration to be performed in accordance with all provisions of this
25 Lease.
26

1 (b) In the event any of the Improvements are damaged by an
2 uninsured casualty, or the insurance proceeds are insufficient to repair or restore the
3 Improvements to their condition prior to the casualty, Lessee shall promptly remove the
4 debris resulting from such event, and within a reasonable time thereafter shall either (i)
5 repair or restore the improvements so damaged to the extent economically feasible,
6 such repair or restoration to be performed in accordance with all provisions of this
7 Lease, or (ii) erect other Improvements in such location, provided all provisions of this
8 Lease are complied with to the extent economically feasible, or (iii) if the damage occurs
9 during the last 5 years of the Lease, demolish the damaged portion of such
10 improvements, restore any remaining improvements to an architectural whole, remove
11 all rubbish, and pave or plant grass and otherwise restore the area to a neat, orderly,
12 sanitary and attractive condition. Lessor shall have the option to choose among the
13 aforesaid alternatives, subject to rights of permitted Encumbrancers secured by the
14 Lease but Lessee shall be obligated to perform one of such alternatives. Lessee shall
15 give notice to Lessor within a reasonable time of which alternative it elects.

16 Except as expressly provided in this Lease, no deprivation,
17 impairment, or limitation of use resulting from any damage or destruction or event or
18 work contemplated by this Section 29 shall entitle Lessee to any offset, abatement, or
19 reduction in Rent, nor to any termination or extension of the Term hereof.

20 **30. Lessor's Nonresponsibility.**

21 Notwithstanding any language to the contrary herein, during the Term of this
22 Lease, including any extensions, Lessor shall not be required to maintain or make any
23 repairs or replacements of any nature or description whatsoever to the Leased
24 Premises or the Improvements thereon.

25 **31. Estoppel Certificate.** Each party shall, at any time during the term of the
26 Lease, within ten (10) days of written Notice (or as soon as reasonably possible) from

1 the other party, execute and deliver a statement in writing certifying that this Lease is
2 unmodified and in full force and effect, or if modified, stating the nature of such
3 modification. The statement shall include other details requested by the other party as
4 to the date to which rent and other charges have been paid, and the knowledge of the
5 other party concerning any uncured defaults with respect to obligations under this
6 Lease and the nature of such defaults, if they are claimed. Any such statement may be
7 relied upon conclusively by any prospective purchaser, Encumbrancer, or Sublessee of
8 the Demised Premises, the building or any portion thereof.

9 **32. Toxic Materials.**

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

1 in Section 25316 of the California Health and Safety Code; and in the regulations
2 adopted in publications promulgated pursuant to said laws now and in the future.

3 **33. National Pollution Discharge Elimination System (NPDES) Permit.**

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

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

26

1 Lessee shall not encumber Lessor's fee estate in the Airport property with any
2 mortgage. Lessee shall not place, or allow to be placed, against the Airport property or
3 any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by
4 this Lease. In addition, Lessee shall remove, or shall have removed, any levy or
5 attachment made on title to the leasehold estate created by this Lease and/or the
6 Airport property (or any portion thereof), or shall assure the satisfaction thereof within a
7 reasonable time but in any event prior to a sale thereunder. Under no circumstances
8 whatsoever shall the Lessee allow any security instruments to be recorded against the
9 Lessor's fee interest in the Airport property.

10 **35. Employees and Agents of Lessee.** It is understood and agreed that all
11 persons hired or engaged by Lessee shall be considered to be employees or agents of
12 Lessee and not of Lessor. It is expressly understood and agreed that Lessee (including
13 its employees, agents and subcontractors) shall in no event be entitled to any benefits
14 to which Lessor employees are entitled, including but not limited to overtime, any
15 retirement benefits, worker's compensation benefits, and injury leave or other leave
16 benefits. There shall be no employer-employee relationship between the parties, and
17 Lessee shall hold Lessor harmless from any and all claims that may be made against
18 Lessor based upon any contention by a third party that an employer-employee
19 relationship exists by reason of this Lease.

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

23 **37. Waiver of Performance.** Any waiver by Lessor of any breach of any one
24 or more of the terms of this Lease shall not be construed to be a waiver of any
25 subsequent or other breach of the same or of any other term of this Lease. Failure on
26 the part of Lessor to require exact, full and complete compliance with any terms of this

1 Lease shall not be construed as in any manner changing the terms or preventing
2 Lessor from enforcement of the terms of this Lease.

3 **38. Severability.** In the event any provision of this Lease is held by a court
4 of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions
5 will never the less continue in full force without being impaired or invalidated in any
6 way.

7 **39. Jurisdiction and Venue.** This Lease is construed under the laws of the
8 state of California. The Parties agree to the jurisdiction and venue of the Superior
9 Court in the County of Riverside, state of California. Any action at law or in equity
10 brought by either of the parties hereto for the purpose of enforcing a right or rights
11 provided for by this Lease shall be tried in a Court of competent jurisdiction in the
12 County of Riverside, State of California, and the parties hereby waive all provisions of
13 law providing for a change of venue in such proceedings to any other County.

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

20 **41. Notices.** Any notices required or desired to be served by either party
21 upon the other shall be addressed to the respective parties as set forth below:

<u>COUNTY</u>	<u>LESSEE</u>
23 County of Riverside, EDA 24 Aviation Division 25 3403 10 th Street, Suite 400 26 Riverside, CA 92501 Attn: EDA – Aviation Division	Desert Jet Center LLC 56850 Higgins Drive Thermal, CA 92274 Attn: Denise Wilson

1 or to such other addresses as from time to time shall be designated by the respective
2 parties. A change of notification address is required in writing and must be delivered to
3 the other party.

4 Formal notices, demands and communications between Lessor and Lessee
5 shall be sufficiently given if dispatched by registered or certified mail, postage prepaid,
6 return receipt requested, to the principal offices of the Lessor and Lessee, as
7 designated in this Section 41. Any notice that is transmitted by electronic facsimile
8 transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its
9 transmission; any notice that is personally delivered (including by means of
10 professional messenger service, courier service such as United Parcel Service or
11 Federal Express, or by U.S. Postal Service), shall be deemed received the day after
12 the documented date of delivery; and any notice that is sent by registered or certified
13 mail, postage prepaid, return receipt required shall be deemed received on the second
14 day of delivery.

15 Lessor shall use good faith efforts to deliver copies of any notices of default
16 delivered to Lessee to the Encumbrancer, at such addresses for receipt of notice as
17 shall be provided to the Lessor in writing.

18 **42. Paragraph Headings.** The paragraph headings herein are for the
19 convenience of the parties only, and shall not be deemed to govern, limit, modify or in
20 any manner affect the scope, meaning or intent of the provisions or language of this
21 Lease.

22 **43. County's Representative.** Lessor hereby appoints the Assistant County
23 Executive Officer/EDA or his designee as its authorized representative to administer
24 this Lease.

25 **44. No Partnership.** Nothing contained in this Lease shall be deemed or
26 construed to create a lending partnership, other partnership, joint venture, or any other

1 relationship between the parties hereto other than lessor and lessee according to the
2 provisions contained herein, or cause Lessor to be responsible in any way for the debts
3 or obligations of Lessee, or any other party.

4 **45. Non-liability of Lessor Officials and Employees.** No member,
5 official, employee or consultant of Lessor shall be personally liable to the Lessee, or
6 any successor in interest, in the event of any default or breach by the Lessor or for any
7 amount which may become due to the Lessee or to its successor, or on any obligations
8 under the terms of this Lease.

9 **46. Acknowledgment of Lease Memorandum by County.** Upon the
10 Commencement Date, if requested in writing by Lessee, the parties shall execute and
11 thereafter record with the County Recorder of the County of Riverside, a Memorandum
12 of Lease, conforming in form and substance to Exhibit G, attached hereto and
13 incorporated herein by this reference, giving notice of the existence of the Lease and
14 the Term hereof.

15 **47. Agent for Service of Process; Lessee Authority to Enter into Lease.**

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

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

4 (b) Lessee is a limited partnership or corporation duly formed and in good
5 standing under the laws of the State of California, has full legal right, power, and
6 authority to enter into this Lease and to carry out and consummate all transactions
7 contemplated by this Lease, and by appropriate action has duly authorized the
8 execution and delivery of this Lease. Further, Lessee will take those actions required
9 to remain in good standing under the laws of the state of California during the term of
10 this Lease.

11 **48. FAA Consent to Lease.** Lessee acknowledges that Jacqueline Cochran
12 Regional Airport was transferred to the Lessor by the Federal Government and, as
13 such, may require FAA consent to the Lease. If so required, the Federal government's
14 approval shall be considered a condition precedent under this Lease.

15 **49. Entire Lease.** This Lease, including any attachments, exhibits or
16 addendums constitutes the entire agreement of the Parties with respect to its subject
17 matter and is intended by the parties hereto as a final expression of their
18 understanding with respect to the subject matter hereof and as a complete and
19 exclusive statement of the terms and conditions thereof and supersedes any and all
20 prior and contemporaneous leases, agreements and understandings, oral or written, in
21 connection therewith. This Lease may only be changed or modified by a written
22 amendment signed by authorized representatives of both Parties.

23 **50. Construction of Lease.** The Parties hereto negotiated this Lease at
24 arm's length and with the advice of their respective attorneys, and no provisions
25 contained herein shall be construed against County solely because it prepared this
26 Lease in its executed form.

1 **51. Effective Date.** The effective date ("Effective Date") of this Lease is the
2 date this Lease is executed by the Chairman of the County of Riverside Board of
3 Supervisors.

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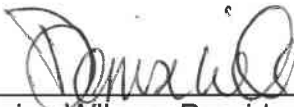
6 //

7 IN WITNESS WHEREOF, the parties have executed this Lease as of the dates set
8 forth below.

9
10 LESSOR:
11 COUNTY OF RIVERSIDE, a
12 Political Subdivision of the State of
13 California

LESSEE:
Desert Jet Center LLC
a California limited liability company

14 By: _____
15 Marion Ashley, Chairman
16 Board of Supervisors

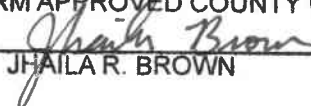
By:  _____
Denise Wilson, President

17 Date: _____

Date: 9/16/2015

18
19 ATTEST:
20 Kecia Harper-Ihem
21 Clerk of the Board

22
23 By: _____
24 Deputy

25
26 FORM APPROVED COUNTY COUNSEL
BY:  _____ DATE 9-23-15
JHAILA R. BROWN

1 Attachments:

- 2 1. Exhibit A-1: Preliminary Property Identification
3 2. Exhibit A-2 and A-3: Legal Description and Exhibit (provided by Lessee)
4 3. Exhibit B: Federally Required Lease Provisions
5 4. Exhibit C: Minimum Standards
6 5. Exhibit D: Storm Water Pollution Prevention Plan
7 6. Exhibit E: Phasing Schedule (provided by Lessee)
8 7. Exhibit F: Sublease Status Report
9 8. Exhibit G: Sample Memorandum of Lease
10 9. Exhibit H: Fuel Flowage
11 10. Exhibit I: Scope of Work

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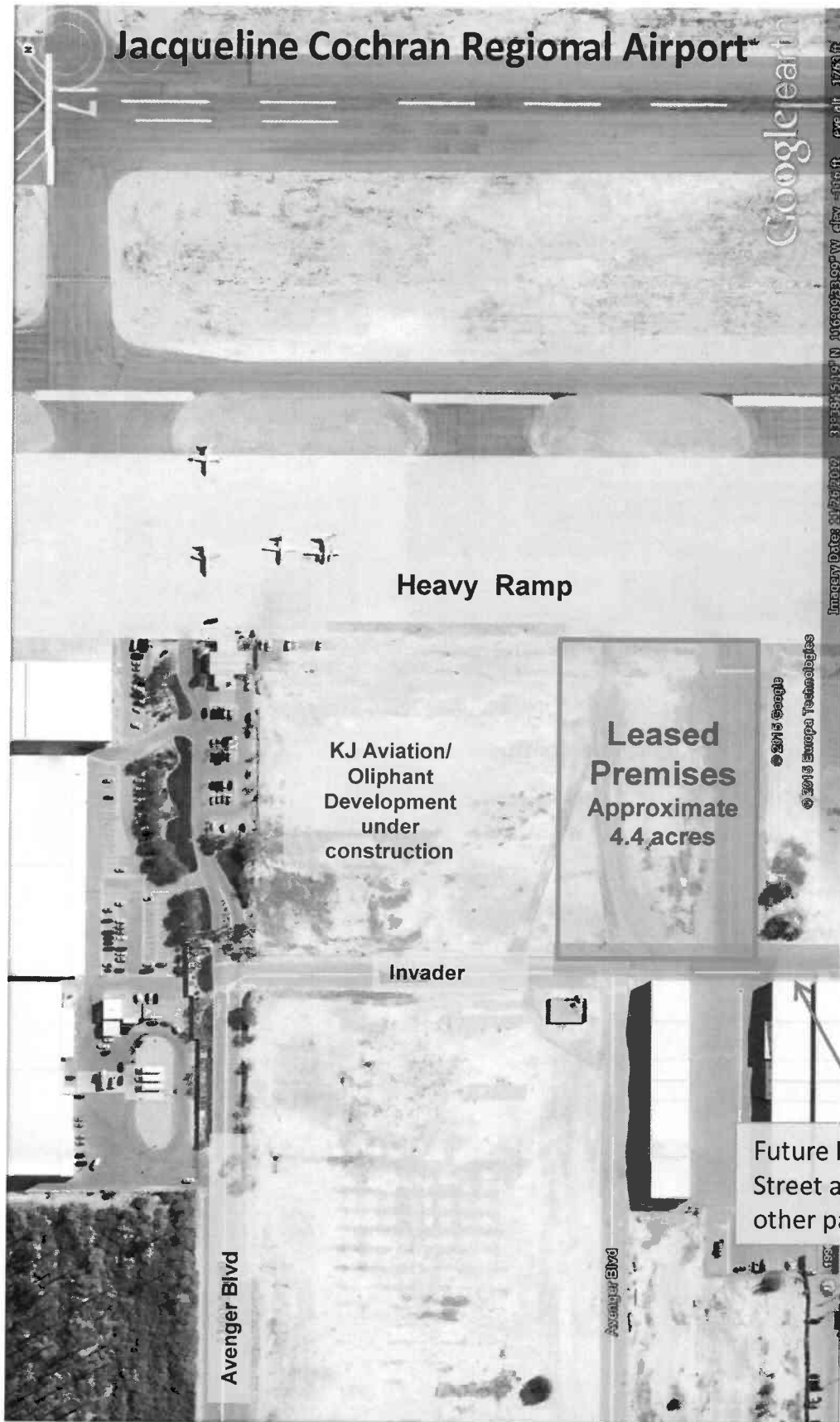
**Exhibit A-1
Airport
Preliminary Property Identification**

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit A -1 Airport
Preliminary Property Identification

Exhibit A - 1



**Exhibit A-2
Legal Description**

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit A -2
Legal Description

**Exhibit A-3
Survey**

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit A-3- Survey

Exhibit B

Federally Required Lease Provisions

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit B - Federally Required Lease Provisions

FEDERALLY REQUIRED LEASE PROVISIONS

1. The Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease agreement for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. That in the event of breach of any of the above nondiscrimination covenants, the County of Riverside, herein called the County, shall have the right to terminate the lease agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. The Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such noncompliance, the County shall have the right to terminate this lease agreement and the estate thereby created without liability therefore or, at the election of the County or the United States, either or both said Governments shall have the right to judicially enforce these Provisions.
6. The Lessee agrees that it shall insert the above five provisions in any sublease agreement by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises herein leased.
7. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Par 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.
8. The County reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.
9. The County reserves the right, but shall not be obligated to the Lessee, to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.
10. This lease agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation, or maintenance of the airport.
11. There is hereby reserved to the County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on the Jacqueline Cochran Regional Airport.

12. The Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
13. The Lessee, by accepting this lease agreement, expressly agrees for itself, its successors and assigns that it will neither erect nor permit the erection of any structure or object, nor permit the growth of any tree, on land leased hereunder with a height that exceeds the height limitation formula specified in Part 77 of the Federal Aviation Regulations without first obtaining the approval of the DOT and the County, which approval can be sought by submitting FAA Form 7460-1 (copy attached). In the event that the aforesaid covenants are breached, the County reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee.
14. The Lessee, by accepting this lease agreement, agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner, which might interfere with the landing and taking off of aircraft from Jacqueline Cochran Regional Airport or otherwise constitute a hazard. In the event that the aforesaid covenant is breached, the County reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the Lessee.
15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 USC 1349a)
16. This lease agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of said airport or the exclusive or non-exclusive use of the airport by the United States during time of war or national emergency.

**Exhibit C
Minimum Standards**

Jacqueline Cochran Regional Airport
Limited Fixed Base Operation
Lease Agreement

Following this page

Exhibit C - Minimum Standards

**Minimum Standards
for
Fixed Base Operators**
Riverside County Airports



**County of Riverside
Economic Development Agency**
3403 10th St., Suite 500
Riverside, CA 92501
(951) 955-9719
(951) 955-6686

Adopted January 30, 2001



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I. INTRODUCTION

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

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

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

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

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

II. DEFINITIONS

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

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

AIRPORT - Includes the following five (5) airports owned by Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran Regional, French Valley, and Hemet-Ryan, and its environs, such as, the property, buildings, facilities, and improvements within the exterior boundaries of each airport as it now exists or as it may hereafter be extended, enlarged, or modified.

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

ALP - Airport Layout Plan

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

CEQA - California Environment Quality Act

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

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

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

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

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

FUEL - FAA authorized aviation fuel, including jet fuel

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

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

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

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

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

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

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

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

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

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

B. Airport Layout

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

C. Signs

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

D. Building Design, Construction, and/or Alterations

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

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

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

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

E. Inspections

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

F. Flying Clubs

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

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

G. Waiver from Minimum Standards

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

H. Civil Rights

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

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

I. Insurance

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

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

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

J. Lot Size

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

K. Outdoor Storage

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

L. Maintenance

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

IV. SCOPE OF SERVICES

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

Table A - FULL SERVICE FBO

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

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

Table B - AIRCRAFT MAINTENANCE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
	200 SF	Office storage room
Automobile parking	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
CERTIFICATION:		
Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43	
PERSONNEL:		
Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations
HOURS OF OPERATION:		
Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours
EQUIPMENT:		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
INSURANCE:		
Refer to Appendix A		

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

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

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

Table D - FLIGHT INSTRUCTION

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 500 SF (not necessarily contiguous)		
Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	
<u>PERSONNEL:</u>		
Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	
<u>EQUIPMENT:</u>		
Aircraft	One (1) single-engine aircraft	Available for flight training
<u>INSURANCE:</u>		
Refer to Appendix A		

Table E - AIRCRAFT SALES AND LEASING

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 150 SF		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 500 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer	
Aircraft available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate	
<u>PERSONNEL:</u>		
Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment at least 40 hrs/week	
<u>EQUIPMENT:</u>		
	Minimum equipment required shall be determined during lease negotiations.	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table F - AIRCRAFT STORAGE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
PERSONNEL:		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)
HOURS OF OPERATION:		
Minimum via phone contact	5 days/week, 8 hrs/day	
INSURANCE:		
Refer to Appendix A		
ADDITIONAL GUIDELINES:		
The County and Full Service FBOs shall possess the right to provide and operate the public aircraft storage areas unless circumstances warrant otherwise. No business activities shall be operated from storage areas.		

Table G - AGRICULTURAL APPLICATION

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

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

Table G - AGRICULTURAL APPLICATION (continued)

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

Table H - OTHER AERONAUTICAL ACTIVITIES

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

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

Exhibit D
Storm Water Pollution Prevention Plan

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit D – Storm Water Pollution Prevention Plan

Airport California Monitoring Group

Stormwater Pollution Prevention Plan

Jacqueline Cochran Airport
56 850 Higgins Street
Thermal, Ca. 92274

WDID Number: 733I006138

Preparation Date: June 2015

1.0 FACILITY INFORMATION

WDID #	733I006138
Address	56 850 Higgins Street Thermal Ca. 92274
Latitude/longitude (needed for SMARTS)	33° 38' 18" N 116° 9' 33" W
SIC Code	4581
Description of Airport-Related Industrial Activity [40 CFR § 122.26(b)(14)(viii) Transportation facilities classified as Standard Industrial Classifications 40, 41, 42 (except 4221-25), 43, 44, 45, and 5171 which have vehicle maintenance shops, equipment cleaning operations, or airport deicing operations. Only those portions of the facility that are either involved in vehicle maintenance (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations, airport deicing operations, or which are otherwise identified under paragraphs (b)(14) (i)-(vii) or (ix)-(xi) of this section are associated with industrial activity.] For more information, click here	Airport Operations Area (AOA): Generally, all of the regulated "industrial" stormwater activities at the airport occur within the AOA; however, not all of the AOA is necessarily part of the "industrial" areas or is required to be permitted by the CA IGP. Site Map (attachment #1) identifies the industrial areas subject to permitting within the AOA.
Hours of Operation¹	6am to 4:30pm
Description of neighboring operations/properties	North - open South - open East - open West - open
Compliance Group Member	Member of Airport California Monitoring Group

Legally Responsible Person (LRP)

Name	Title	Contact Number
Daryl Shippy	Airports Manager	951-538-5046

Duly Authorized Representative(s)

Name	Title	Contact Number
Dave English	Maintenance Supvrsr.	951-712-5995
Vicki Powszok	Airport Facilities Specialist	951-538-9629

¹ The time periods when the facility is staffed to conduct any function related to industrial activity, but excluding time periods where only routine maintenance, emergency response, security, and/or janitorial services are performed.

Compliance Group Leaders

Name	Organization	Contact Number
Jeffrey Longsworth	Barnes & Thornburg LLP	202-408-6918
Matthew Lentz	GSI Environmental Inc	949-679-1070
Sarah Hoffman	Environmental Compliance Options	603-746-1059

Qualified Industrial Stormwater Practitioner (if necessary and applicable)

Name	Title	Contact Number

2.0 STORMWATER POLLUTION PREVENTION TEAM

Name	Title	Contact Number	Responsibilities/Duties
Daryl Shippy	Airports Manager	951-538-5046	LRP, Oversees implementation
Dave English	Maintenance Supvsr.	951-712-5995	Samples, Inspections, Annual Report
Vicki Powszok	Airports Facilities Specialist	951-538-9629	Data Entry, Inspections
Edgar Ocampo	Maintenance worker	951-538-5164	Inspections

NOTE: All team members are trained in all aspects of the SWPPP and can substitute for one another when the regularly assigned team member is temporarily unavailable (due to vacation, illness, out of town business, or other absence).

3.0 Site Maps

The Airport's Site Map(s): See Appendix 1-4

3.1 Site Stormwater Drainage

Airport Operations Area Description

Airport Industrial Activity Area is described on site map #1

General Drainage Discussion

Airport stormwater flow is described on site map #3 with stormwater running via ribbon gutters and underground drains to swales running to the south to three retention/settling basins with the outfall south of last basin. I have never seen stormwater fill up the basins and leave airport property

Off-Site Stormwater Run-On Discussion

N/A

3.2 Stormwater Industrial Discharge Points

Describe the industrial operations that occur in each of the Airport's stormwater drainage areas and final discharge locations. Similar information can be found at Site Map #3. If there are discharge locations at the Airport that are affected by run-on from surrounding areas or that are difficult or unsafe to sample, an alternative monitoring location can be selected. Any alternative locations selected should be noted in the table below and included on the site map.

Discharge Point ID	Description of Industrial Operations in Each Drainage Area and Sampling Location (include lat/long for each discharge point)	Designated for Sample Collection/ Analysis (Y/N)¹
Outfall #1	33° 36' 18" N 116° 9' 31" W	Y

1. If all industrial stormwater discharge locations are not designated for sample collection, the reason for the reduction must be justified.

Narrative Sample Reduction Justifications per Sections XI.C.3-5:

4.0 NARRATIVE ASSESSMENT OF POTENTIAL POLLUTANT SOURCES

The General Permit requires a pollutant source assessment to identify industrial materials used and industrial activities performed with the potential to contribute pollutants in stormwater discharges. As described in the General Permit, the assessment must include review of the following:

- The areas of the facility with likely sources of pollutants in industrial stormwater discharges and authorized non-stormwater discharges (NSWDs);
- The pollutants likely to be present in industrial stormwater discharges and authorized NSWDs;
- The approximate quantity, physical characteristics (e.g., liquid, powder, solid, etc.), and locations of each industrial material handled, produced, stored, recycled, or disposed;
- The degree to which the pollutants associated with those materials may be exposed to, and mobilized by contact with, stormwater;
- The direct and indirect pathways by which pollutants may be exposed to stormwater or authorized NSWDs;
- All sampling, visual observation, and inspection records;
- The effectiveness of existing BMPs to reduce or prevent pollutants in industrial stormwater discharges and authorized NSWDs;
- The estimated effectiveness of implementing, to the extent feasible, minimum BMPs to reduce or prevent pollutants in industrial stormwater discharges and authorized NSWDs; and,
- The identification of the industrial pollutants related to the receiving waters with 303(d) listed impairments (identified in Appendix 3 of the General Permit) or approved TMDLs that may be causing or contributing to an exceedance of a water quality standard in the receiving waters.

Based on this source assessment, the airport should consider which drainage areas might be “no exposure” areas, whether advanced BMPs are needed in any areas, and whether additional parameters should be added to monitoring plan.

4.1 LIST OF INDUSTRIAL MATERIALS

Operator	Material	Storage Location(s) (Reference Map)	Typical Quantity Stored*	Receiving Location(s) (Reference Map)	Shipping Location(s) (Reference Map)	Handling Location(s) (Reference Map)
Landmark Aviation Fuel Farm	Jet-A and Av Gas	Area 'B' on map #2	3 tanks holding 12,000 gallons ea.	Same as storage	Same as storage	Same as storage
Landmark Aviation Fuel Trucks	Jet A and Av-Gas	Mobile over entire Industrial activity area	4 trucks holding 1,000 gallons each	Area .B' on map #2	Entire industrial activity area	Entire industrial activity area
Signature Flight Support Fuel Farm	Jet A and Av-Gas	Area 'D' and 'F' on map#2	1- 600 gallon Av-Gas tank and 1 12,000 gallon Jet A tank	Same as storage	Same as storage	Same as storage
Signature Flight Support Fuel Trucks	Jet A and Av-Gas	Mobile over entire industrial activity area	3 trucks holding 1,000 gallons each	Areas 'D' and 'F' on map #2	Entire industrial activity area	Entire industrial activity area
Thermal Aviation Fuel Farm	Jet A and Av-Gas	Area 'G' on map #2	2 tanks holding 12,000 gallons each	Same as storage	Same as storage	Same as storage
Used oil collection site	Used motor oils	Area 'E' on map #2	300 gallons	Same as storage	Same as storage	Same as storage

*** IF STORED IN A TANK, PROVIDE THE TANK CAPACITY ALSO.**

4.2 Airport Operations Area: Industrial Activity

The Airport's (and tenant's) industrial processes and materials handling operations with the potential to generate pollutants exposed to stormwater are described below:

Process Description:	Landmark maintenance Hangar (Aircraft Maintenance)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Area 'A' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	Landmark Aviation
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	Small amounts of aviation fuel and oil
Describe Containment Structures and Capacity, if applicable.	Primarily work done indoors to prevent pollutants from contact with stormwater

Process Description:	Landmark Fuel Farm (Aircraft fuel storage)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Area 'B' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	Landmark Aviation
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	2- 12,000 gallon Jet A tanks 1- 12,000 gallon Av Gas tank
Describe Containment Structures and Capacity, if applicable.	Above ground fuel storage tanks with secondary containment

4.2 Airport Operations Area: Industrial Activity

The Airport's (and tenant's) industrial processes and materials handling operations with the potential to generate pollutants exposed to stormwater are described below:

Process Description:	Landmark Fuel trucks (mobile refueling of aircraft)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Entire industrial activity area
Responsible Party(ies): Airport Y N Specific Tenant(s):	Landmark Aviation
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	4 trucks containing 1,000 gallons each
Describe Containment Structures and Capacity, if applicable.	Aviation fuel trucks

Process Description:	Signature Maintenance Hangar (aircraft maintenance)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Area 'C' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	Signature Flight Support
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	Small amounts of aviation fuel and oils
Describe Containment Structures and Capacity, if applicable.	Primarily work done indoors to prevent pollutants from stormwater contact

4.2 Airport Operations Area: Industrial Activity

The Airport's (and tenant's) industrial processes and materials handling operations with the potential to generate pollutants exposed to stormwater are described below:

Process Description:	Signature Fuel Farm (storage of aviation fuel)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Area 'D' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	Signature Flight Support
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	1- 12,000 gallon Jet A tank 1- 2,000 gallon Av Gas tank 1- 500 gallon auto fuel tank 1- 500 diesel tank
Describe Containment Structures and Capacity, if applicable.	Above ground fuel tanks with secondary containment

Process Description:	Signature fuel trucks (mobile refueling of aircraft)
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	Entire industrial activity area
Responsible Party(ies): Airport Y N Specific Tenant(s):	Signature flight support
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	3 trucks holding 1,000 gallons each
Describe Containment Structures and Capacity, if applicable.	Aviation fuel trucks

4.2 Airport Operations Area: Industrial Activity

The Airport's (and tenant's) industrial processes and materials handling operations with the potential to generate pollutants exposed to stormwater are described below:

Process Description:	Waste oil collection site (tank to hold recycle engine oil)
Areas Where Activity is Conducted are Designated on Site Map ___ (Appendix ___)	Area 'E' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	County of Riverside
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	300 gallon tank for collection of used aircraft oils
Describe Containment Structures and Capacity, if applicable.	Above ground tank with secondary containment under a metal roof

Process Description:	Thermal Aviation Fuel Farm (aircraft fuel storage and dispensing)
Areas Where Activity is Conducted are Designated on Site Map ___ (Appendix ___)	Area 'G' on map #2
Responsible Party(ies): Airport Y N Specific Tenant(s):	Thermal Aviation
Type, Characteristics, and Quantity of Industrial Material Used or Resulting from the Process:	1- 12,000 gallon Jet A tank 1- 12,000 gallon Av Gas tank
Describe Containment Structures and Capacity, if applicable.	Above ground fuel tanks with secondary containment and under cover roof

4.3 Dust and Particulate Generating Activities

List any particular industrial activities with the potential to generate a significant amount of dust or particulate are described below (not dust or particulate matter originating outside the AOA).

Industrial Activity:	N/A
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	
Description of the Source and Characteristics of the Dust or Particulate:	
Associated Stormwater Discharge Locations:	

Industrial Activity:	N/A
Areas Where Activity is Conducted are Designated on Site Map (Appendix)	
Description of the Source and Characteristics of the Dust or Particulate:	
Associated Stormwater Discharge Locations:	

4.4 Erodible Surfaces

Areas of the Airport where soil erosion may occur as a result of industrial activity, stormwater discharges associated with industrial activity, or authorized non-stormwater discharges are described below.

Description of Area:	N/A
Designation on Site Map:	
Associated Stormwater Discharge Locations:	

Description of Area:	N/A
Designation on Site Map:	
Associated Stormwater Discharge Locations:	

4.5 Significant Spills and Leaks

Presented below is information on significant spills or leaks that have occurred at the Airport in the past 5 years; included are industrial materials that have spilled or leaked in significant quantities and have discharged from the facility's stormwater conveyance, toxic chemicals (listed in 40 CFR, Part 302) that have been discharged to stormwater as reported on US EPA Form R, oil and hazardous substances in excess of reportable quantities (see 40 CFR, Parts 110, 117, and 302), and industrial materials that have spilled or leaked in significant quantities and had the potential to discharge.

Check here if no such spills or leaks have occurred in the past 5 years: X 6-16-2015

Material Spilled & Date	Quantity Discharged from Site	Material Physical Characteristics	Location of Spill or Leak	Quantity Spilled or Leaked	Remaining Quantity w/ Discharge Potential	Preventative Measures

4.6 Non-Stormwater Discharges

Summarized below are descriptions of non-stormwater discharges that occur at the Airport and a determination if these non-stormwater discharges are authorized in accordance with Section IV of the General Permit.

1.

Description of Non-Stormwater Discharge and Source:	N/A
Frequency of Discharge:	
Approximate Quantity per Discharge:	
Associated Stormwater Discharge Location(s):	
Authorized by the General Permit?	Yes or No

2.

Description of Non-Stormwater Discharge and Source:	N/A
Frequency of Discharge:	
Approximate Quantity per Discharge:	
Associated Stormwater Discharge Location(s):	
Authorized by the General Permit?	Yes or No

[NOTE: If unauthorized non-stormwater discharges are reported here, you must record additional corrective action to eliminate them in the future.]

4.7 303(d) Listed Waters/Pollutants

Identify 303(d) listed receiving waters and pollutants causing the impairments:

303(d) Listed Water	Pollutants
	Waiting for further definition from the state at time of completion.

5.0 MINIMUM BMPS

Minimum BMPs categories include:

- Good Housekeeping
- Preventive Maintenance
- Spill and Leak Prevention and Response
- Material Handling and Waste Management
- Erosion and Sediment Controls
- Employee Training
- Quality Assurance and Record Keeping

5.1 Good Housekeeping BMPs

Good House-keeping Minimum BMPs	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person(s) Responsible	Actions performed in lieu of BMP
Observe and maintain industrial activity outdoor areas	Industrial activity operators are required to keep operation area clean and orderly	All industrial activity operation areas	As needed	As needed during operations	Industrial activity operator	N/A
Minimize or prevent material tracking	Spills are to be cleaned up as they occur to prevent tracking	All industrial activity operation areas	Absorbent material and other as needed equipment	As needed during operations	Industrial activity operator	N/A
Minimize dust generated	All industrial activities are conducted on concrete or asphalt to minimize dust generated	All industrial activity operation areas	N/A	N/A	N/A	N/A
Cleanup areas affected by rinse and wash water	N/A					

Good House-keeping Minimum BMPs	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person(s) Responsible	Actions performed in lieu of BMP
Cover stored industrial materials that can be readily mobilized by contact with Stormwater	Stored materials are in containment tanks	All industrial activity operation areas	Storage tanks	always	Industrial activity operator	N/A
Prevent disposal of rinse/wash waters	N/A					
Minimize flows of offsite stormwater and NSWDs into material handling areas	N/A					
Training and awareness for tenants and employees concerning good housekeeping practices	Industrial activity operators are required to train employees for proper use of equipment and good housekeeping practices	All industrial activity areas	N/A	Annually or upon new hires	Industrial activity operators	N/A

5.2 Preventative Maintenance

Preventive Maintenance Minimum BMPs	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person Responsible	Actions performed in lieu of BMP
Identify equipment and systems that may leak	Fuel storage tanks and fuel trucks	All industrial activity areas	As needed	N/A	Industrial activity operator	N/A
Observe the equipment and systems to detect leaks	Employees trained to observe equipment as they use it	Industrial activity operation areas	As needed	During operations	Industrial activity area operator	N/A
Establish a schedule for maintenance	Maintenance and repair to be performed as needed	Industrial activity operation areas	As needed	During operations	Industrial activity operator	N/A
Establish procedures for maintenance and repair	Employees trained for proper repair procedures	Area of operations	As needed	During operations	Industrial activity operator	N/A

5.3 Spill and Leak Prevention and Response

Spill and Leak Prevention and Response Minimum BMPs	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person Responsible	Actions performed in lieu of BMP
Establish procedures and/or controls to minimize spills and leaks	Employees are trained in proper use of equipment to minimize risk of leak or spill	Operation areas	As needed	During operations	Industrial activity operator	N/A
Develop and implement spill and leak response procedures to prevent industrial materials from being discharge	Employees are trained to asses and respond to a spill as required	Operation areas	As needed	During operations	Industrial activity operator	N/A
Clean up spills and leaks promptly	Employees are trained to clean up spills as they occur	Operation areas	As needed	During operations	Industrial activity operator	N/A
Identify and describe needed spill and leak response equipment	Employees asses the spill and needed equipment to clean up	Operation areas	As needed	During operations	Industrial activity operator	N/A
Train appropriate spill prevention and response personnel	Industrial activity operator to train there personnel	Operation areas	As needed	During operations	Industrial activity operator	N/A

5.4 Material Handling and Waste Management BMPs

Materials Handling and Waste Management Minimum BMPs	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person(s) Responsible	Actions performed in lieu of BMP
Minimize handling of industrial materials or wastes that can mobilized by contact with stormwater	Materials are only handled as needed for efficient operation of industrial activity	Area of operations	As needed	During operations	Industrial activity operator	N/A
Contain non-solid industrial materials or wastes that can be transported or dispersed by the wind or contact with Stormwater	Materials are stored in sealed tanks to prevent contact with stormwater	Areas of operation	Containment tanks	always	Industrial activity operator	N/A
Cover industrial waste disposal and industrial material storage containers	N/A					
Divert run-on and stormwater away from stockpiled materials	N/A					
Clean spills that occur during handling	Employees are trained to clean up spills as they occur	Area of operations	Absorbent material and other equipment as needed	As needed	Industrial activity operator	N/A
Observe and clean outdoor material/waste handling equipment or containers	Employees trained in good housekeeping procedures	Industrial activity areas	As needed	As needed	Industrial activity operator	N/A

5.5 Erosion and Sediment Controls

Erosion and Sediment Control Minimum BMP	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person(s) Responsible	Actions performed in lieu of BMP
Implement effective wind erosion controls	<i>Industrial activities at this airport are performed on either concrete or asphalt and not impacted by wind erosion</i>	<i>Industrial activity areas</i>	N/A	N/A	N/A	N/A
Provide effective stabilization for inactive areas, finished slopes, and other areas prior to a forecasted storm event.	N/A					
Maintain effective perimeter controls and stabilize site entrances	N/A					
Divert run-on and stormwater generated from within the facility away from erodible materials	N/A					

Erosion and Sediment Control Minimum BMP	Site Specific BMP Description	Area(s) Implemented	Tools / Equipment	Frequency	Person(s) Responsible	Actions performed in lieu of BMP
Properly design sediment basins	All industrial activity area stormwater runoff is collected in a retention/settling area as depicted no airport stormwater flow map	Retention basin shown on map #3				

5.6 Employee Training Program

Employee Training Minimum BMPs	Site Specific BMP Description	Person(s) Responsible	Actions performed in lieu of BMP
Identify which personnel need to be trained	<ul style="list-style-type: none"> Personnel involved in the implementation of the stormwater program are provided training at least annually. This included those responsible for implementation and BMPs, visual observations and monitoring, and document updates. 	Maintenance manager	N/A
Train stormwater team members	Stormwater team members are trained in above training program	Maintenance manager	N/A
Prepare or acquire training manuals	N/A		
Provide a training schedule	<ul style="list-style-type: none"> Stormwater program training is provided at least annually. 		
Maintain training documentation	Documentation shall be kept with hardcopy of SWPPP on site	Maintenance manager	N/A

5.7 Quality Assurance and Recordkeeping BMPs

Quality Assurance and Record Keeping Minimum BMPs	Site Specific BMP Description	Person(s) Responsible	Actions performed in lieu of BMP
Develop and implement management procedures to ensure implementation of plans	Airport industrial activity operators will be given a list of required BMPs to be maintained with the operation of their activity and a signed acknowledgement that they received and understand the BMPs will be maintained with the SWPPP on site	Maintenance manager	N/A
Develop a method of tracking and recording program implementation	Signed acknowledgement of BMPs from industrial activity operator will be kept with the SWPPP on site	Maintenance manager	N/A
Maintain implementation records (i.e., BMP deployment records, employee training logs, spill occurrence and clean-up records)	Records to be maintained with SWPPP on site	Maintenance manager	N/A

6.0 ADVANCED BMPS

Advanced BMPs include Exposure Minimization, Stormwater Containment and Discharge Reduction, Treatment Control, and Other Advanced BMPs. Exposure minimization BMPs include storm resistant shelters to prevent the contact of stormwater with industrial activities and material. Stormwater Containment and Discharge Reduction BMPs include BMPs that divert, reuse, contain, or reduce the volume of stormwater runoff. Treatment control BMPs include one or more mechanical, chemical, biologic, physical, or any other treatment process technology and is sized to meet the treatment control design storm standard.

Advanced BMPs	Area(s) Implemented	Associated Industrial Activity / Material(s)	Inspection Frequency	Person(s) Responsible
Exposure Minimization BMPs				
Stormwater Containment and Discharge Reduction BMPs				
Retention Basin	South end of airport as shown on map #3	All airport stormwater	During outfall inspections	Maintenance manager
Treatment Control BMPs				
Other Advanced BMPs				

7.0 BMP SUMMARY TABLE

Industrial Activity/ Pollutant Source	Potential Pollutants	BMPs Implemented	Frequency
Aircraft fueling operations (fuel farms)	Aviation Fuels	Good housekeeping, absorbent materials on site, Employee training	During operations
Aircraft maintenance operations	Small fuel/oil spills	Good housekeeping, absorbent materials, employee training, work done indoors	During operations
Aircraft fueling operations	Aviation fuels	Good housekeeping, visual inspections, preventative maintenance, absorbent materials, employee training	During operations

Revised:

8.0 MONITORING IMPLEMENTATION PLAN (MIP)

8.1 MIP Team Members

See SWPPP Team at _page 4_.

8.2 Industrial Discharge Locations

See Sections 3.1 and 3.2 above.

8.2.1 Representative Sample Reduction

The General Permit (Section XI.C.4) allows the number of locations sampled in each drainage area to be reduced if the industrial activities, BMPs, and physical characteristics of the drainage area for each location to be sampled are substantially similar to one another. The justification for sample reduction included below must include the following:

- A description of the industrial activities that occur throughout the drainage area,
- A description of the BMPs implemented in the drainage area,
- A description of the physical characteristics of the drainage area, and
- A rationale that demonstrates the industrial activities and physical characteristics are substantially similar.

If the Representative Sample Reduction provision is not utilized at the airport, state "Not Applicable" in the first row of the table.

Representative Discharge Locations Selected for Reduction	Justification for Representative Sampling Reductions	Representative Discharge Location Selected for Sampling
N/A		

8.2.2 Qualified Combined Samples

The Discharger may authorize an analytical laboratory to combine samples of equal volume from as many as four (4) discharge locations if the industrial activities, BMPs, and physical characteristics (grade, surface materials, etc.) within each of the drainage areas are substantially similar to one another. The justification for combining samples must include the following:

- A description of the industrial activities that occur throughout the drainage areas,
- A description of the BMPs implemented in the drainage areas,
- A description of the physical characteristics of the drainage areas, and
- A rationale that demonstrates the industrial activities and physical characteristics of the drainage areas are substantially similar.

Discharge Location Samples to be Combined	Justification for Combining Samples for Analysis	Designation of Combined Sample
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Revised:

N/A		

8.3 Visual Observation Procedures

8.3.1 Monthly Visual Observations [FORM XX]

Monthly visual observations are required during daylight hours, under dry conditions, and during scheduled facility operating hours. Complete FORM XX (attached) each month for each outfall in Table 3.2.

8.3.2 Sampling Event Visual Observations [FORM YY]

Sampling event visual observations should be conducted at the same time sampling occurs at a discharge location. Complete FORM YY (attached) during each sample event at sampling event outfalls in Table 3.2.

8.3.4 Visual Observation Response Procedures

Responsive actions should be taken for any observation of significant pollutant exposure, BMP maintenance or other potential stormwater pollutant discharge issue identified. If new BMPs or other practices are employed or modified, they should be recorded in the appropriate place and on the Revision Sheet.

8.4 Field Equipment Calibration Procedures

The majority of the analytical testing should be performed by an analytical laboratory. To meet short hold time requirements, pH should be measured in the field. Field pH will be monitored using either:

- Wide range litmus pH paper or other equivalent pH test kits, or
- Calibrated portable instrument for pH, or
- Methods in accordance with 40 Code of Federal Regulations 136 for testing stormwater.

If a calibrated portable instrument for pH is used, field measurements should be conducted in accordance with the portable instrument accompanying manufacturer's instructions. It is recommended that an equipment calibration is performed 24 hours prior an announced rain event with a 50% greater probability of precipitation on the NOAA website.

8.5 Chain of Custody Record

The Chain of Custody Record is a document used to track the samples from collection through analysis. The Chain of Custody Record should be signed by the sampler and the person taking custody of the samples. An example chain of custody record is included in Appendix ___.

9.0 Annual Comprehensive Facility Compliance Evaluation

1. Complete Form ZZ (attached)

Revised:

10.0 STORMWATER POLLUTION PREVENTION PLAN CERTIFICATION

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

Signature: _____ Date: 6-17-2015

Printed Name: Daryl Shippy

Title: Airports Manager

NOTE: All reports, certification, or other information required by the General Permit or requested by the Regional Water Quality Control Board, the State Board, U.S. EPA, or local stormwater management agency shall be signed by the above signatory or by a duly authorized representative.

Exhibit E
Phasing Schedule (Provided by Lessee)

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit E – Phasing Schedule

Exhibit F
Aircraft and Sublease Status Report

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit F – Aircraft and Sublease Status Report

Exhibit G
Sample Form of Memorandum

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit G – Sample Form of Memorandum

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

[insert]

MEMORANDUM OF LEASE

1. Parties. This Memorandum of Lease is entered into by _____ (“Landlord”), and _____, a California limited partnership (“Tenant”). The Lease (as defined below) was executed by Landlord on _____. The “Commencement Date” of the Lease is the date _____.

2. Grant of Lease: Term. For good and valuable consideration received, Landlord leases to Tenant, and Tenant leases from Landlord, that certain real property (“Property”) located in the County of _____, State of California, described in Exhibit A attached hereto and incorporated herein by this reference, for a term (“Term”) commencing on the Commencement Date and ending on the _____ (_____th) anniversary of the Commencement Date. All of the terms, provisions and covenants of the Lease are incorporated in this Memorandum of Lease by reference as though written out at length herein, and the Lease and this Memorandum of Lease shall be deemed to constitute a single instrument or document.

3. Purpose of Memorandum of Lease. This Memorandum of Lease is prepared for recordation purposes only, and it in no way modifies the terms, conditions, provisions and covenants of the Lease. In the event of any inconsistency between the terms, conditions, provisions and covenants of this Memorandum of Lease and the Lease, the terms, conditions and covenants of the Lease shall prevail.

The parties hereto have executed this Memorandum of Lease on the dates specified immediately below their respective signatures.

“Tenant”

“Landlord”

Insert signature block

Insert signature block, with County Counsel signature block

Date: _____

Date: _____

EXHIBIT A
LEGAL DESCRIPTION

(to be added)

INSERT 2 SEPARATE ACKNOWLEDGMENTS FOR BOTH PARTIES

Exhibit H
County Resolution No. 2008-362 – Fuel Flowage Fees

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit H – County Resolution No. 2008-362 – Fuel Flowage Fees

2 RESOLUTION NO. 2008-362

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

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

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

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

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

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

- 25 1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold
26 effective July 1, 2008. Payments shall be due within thirty (30) days of the County's
27 invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments
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received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

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

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

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

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

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

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

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

**Exhibit I
Scope of Work**

Jacqueline Cochran Regional Airport
Fixed Base Operation
Lease Agreement

Following this page

Exhibit I –Scope of Work

1
2
3 EXHIBIT I
4 SCOPE OF WORK

5 Lessee's Development Obligations under the Lease shall be as follows:

6 Lessee shall construct and/or cause the construction on the Leased
7 Premises, at a minimum, of the following improvements, pursuant to a Lessor
8 approved Site Plan and phasing schedule as set forth in the Lease: an approximate
9 7,000 square foot office building finished in a professional and workman like manner to
10 include multiple demised general offices and restrooms to accommodate Lessee's
11 sales, dispatch and daily operations; an approximate 22,500 square foot hangar
12 building with approximately 2,700 square feet of maintenance shop designed and
13 approved to provide for servicing of aircraft; a fuel station to serve both Lessee's and
14 Lessee's customers; sufficient parking to accommodate both employee and customer
15 parking; site development including but not limited to landscape, hardscape, security
16 fencing, lighting, utility connections and additional site development as required for
17 permits and construction approvals; an additional 10,000 square feet of hangar space;
18 and an approximate 11,000 square feet of additional hangar space and/or offices per a
19 mutually approved site plan.
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