

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 2/3/16

Departmental Concurrence

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

737



FROM: Economic Development Agency

SUBMITTAL DATE:
 February 18, 2016

SUBJECT: Approve First Amendment to Lease between the County of Riverside and Custom Builders LLC, at Hemet Ryan Airport, District 3, [\$0]; CEQA Exempt

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and Section 15061(b)(3);
2. Approve the attached First Amendment to Lease at Hemet-Ryan Airport, including attachments, between the County of Riverside, as lessor, and Custom Builders LLC, as lessee (First Amendment);

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

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 3.20 of 9/28/04; 3.13 of District:3
 11/25/08

Agenda Number:

3-7

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

Economic Development Agency

FORM 11: Approve First Amendment to Lease between County of Riverside and Custom Builders LLC, at Hemet Ryan Airport, No Further CEQA Action Required; District 3, [\$0]

DATE: February 18, 2016

PAGE: 2 of 3

RECOMMENDED MOTION:

(Continued)

3. Authorize the Chairman of the Board of Supervisors to sign the attached First Amendment; and
4. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the attached First Amendment, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel.

BACKGROUND:

Summary

The County of Riverside, as lessor, (County) and James Walter Garvin and Judith Marie Garvin Family Trust dated September 25, 1996, as lessee, (Garvin Trust), entered into a Lease (Hemet-Ryan Airport) dated September 28, 2004 (Lease), relating to the lease of approximately 3.5 acres of land located at the Hemet-Ryan Airport (Leased Premises) to be used for conducting light manufacturing, industrial and commercial business (Project). The Lease term commenced on or about October 1, 2004 and terminates 30 years thereafter. Custom Builders, LLC, a California limited liability company (Lessee) assumed the rights and obligations of the Garvin Trust under the Lease pursuant to that certain Assignment Agreement between the Garvin Trust and Lessee dated on or about October 8, 2008 and approved by the County of Riverside Board of Supervisors on November 25, 2008.

Lessee has been financially unable to develop a 1.80 acre portion of the 3.5 acre Leased Premises and desires to relinquish and reconvey that 1.80 acre portion of the Leased Premises back to the County and reduce the size of the Leased Premises. In connection with the reduction in acreage of the Leased Premises, Lessee also desires to reduce the amount of rent payable under the Lease to County so that Lessee pays rent on the remaining 1.70 acres only. The aforementioned changes are set forth in the proposed First Amendment to Lease (Hemet-Ryan Airport) attached. The proposed First Amendment to Lease will not extend the existing term of the Lease or amend any of the uses. The portion of the Leased Premises returned to the County under the amendment will be available for development by new investors under new leases which will be brought before the Board in separate actions. The proposed First Amendment will allow Lessee to better maintain the existing improvements due to a reduction in expenses.

Pursuant to the California Environmental Quality Act (CEQA), the First Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and State CEQA Guidelines 15061(b)(3), General Rule or “Common Sense” Exemption. The proposed project, the First Amendment, is an amendment to an existing Lease that reduces the acreage of the Leased Premises, reduces the rent as a result of such land reduction, and non-substantive related modifications, to ensure the financial viability of the existing Lease and facilities and no expansion of an existing use will occur. In addition, it can be seen with certainty that there is no possibility that the First Amendment may have a significant effect on the environment since the impacts will be financial, and actually result in a reduction of the number of acres Lessee is permitted to occupy.

County Counsel has reviewed and approved the attached First Amendment, including all exhibits. Staff recommends that the Board approve the First Amendment, including all exhibits.

Impact on Citizens and Businesses

(Commences on Page 3)

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

Economic Development Agency

FORM 11: Approve First Amendment to Lease between County of Riverside and Custom Builders LLC, at Hemet Ryan Airport, No Further CEQA Action Required; District 3, [\$0]

DATE: February 18, 2016

PAGE: 3 of 3

Impact on Citizens and Businesses

The portion of the Leased Premises returned to the County under the First Amendment will be available for development by new investors benefiting the surrounding community and the Hemet-Ryan Airport.

ATTACHMENTS:

First Amendment to Lease

Assignment of Lease between Garvin Trust and Custom Builders, LLC

Lease Agreement between the County of Riverside and the Garvin Trust

1 FIRST AMENDMENT TO LEASE
2 HEMET-RYAN AIRPORT
(Hemet-Ryan Airport)

3 This FIRST AMENDMENT to Lease ("Amendment") is made and entered into on this _____
4 day of _____, 2016, by and between the County of Riverside, a political subdivision of
5 the state of California ("Lessor") and Custom Builders, LLC, a California limited liability
6 company ("Lessee"), with reference to the following:

7 RECITALS
8

9 WHEREAS, Lessor and James Walter Garvin and Judith Marie Garvin Family Trust
10 dated September 25, 1996 ("Garvin Trust"), entered into that certain Lease (Hemet-Ryan
11 Airport) dated September 28, 2004 ("Lease"), wherein, among other things, Lessee agreed to
12 lease from Lessor, approximately 3.5 acres of land located at the Hemet-Ryan Airport;
13 ("Leased Premises");

14 WHEREAS, Lessee assumed the rights and obligations of the Garvin Trust under the
15 Lease pursuant to that certain Assignment Agreement between the Garvin Trust and Lessee
16 dated on or about October 8, 2008 and approved by the County of Riverside Board of
17 Supervisors on November 25, 2008;

18 WHEREAS, Lessee has been financially unable to develop a 1.80 acre portion of the
19 3.5 acre Leased Premises and desires to relinquish and reconvey that 1.80 acre portion of the
20 Leased Premises to the Lessor and reduce the size of the Leased Premises;

21 WHEREAS, in connection with the reduction in acreage of the Leased Premises,
22 Lessee also desires to reduce the amount of rent payable under the Lease to Lessor to reflect
23 the reduced acreage of the Leased Premises, such that Lessee pays rent on the remaining
24 1.70 acres only; and
25
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28

1
2 WHEREAS, Lessor and Lessee now desire to amend the Lease to reflect a reduction in
3 the size of the Leasehold Premises, a reduction in Lease rent and other modifications related
4 to the Lease, as more specifically set forth below.

5
6 NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which
7 is hereby acknowledged, the parties hereto agree that the Lease shall be modified as follows:

8
9 1. Description of Leased Premises. Section 2 of the Lease titled, "Description,"
10 is hereby deleted in its entirety and replaced with the following:

11 2. Description. The premises leased hereby ("Leased Premises") are located within
12 the Hemet-Ryan Airport, County of Riverside, CA consisting of a 1.70 acre portion
13 of APN 456-050-017 as legally described in the Legal Description and outlined on
14 the Site Map attached hereto as Exhibit A and incorporated herein by this
15 reference. The premises are improved with four single story metal multi-tenant
16 industrial buildings totaling approximately 26,000 square feet commonly known as
17 3821, 3827, 2825 and 3829 Industrial Avenue, Hemet, CA"

18
19 2. Amended Legal Description and Site Map. The Legal Description and Site
20 Map attached to the Lease as Exhibit "A" are hereby deleted in their entirety and replaced with
21 the Amended Legal Description and Site Map attached hereto as Attachment No "1" and
22 incorporated herein by this reference.

23
24 3. Rent.
25 Section 5 (a) of the Lease is hereby deleted in its entirety and replaced with the
26 following:

27 "(a) Commencing upon the first day of June, 2015, Lessee shall pay to Lessor as
28 base rent for the use and occupancy of the Leased Premises, monthly rent of One

1 Thousand Six-Hundred Fifteen Dollars and 24/100 (\$1,615.24)("Rent") subject to
2 provisions for increases in the Lease including, but not limited to Sections 5(b) and
3 5(c) herein. Said Rent is due and payable in advance on the first of each month.
4 The rent is delinquent if not paid by the 15th of the month. If the rent becomes
5 delinquent, Lessee will be charged a late fee equivalent to ten percent (10%) of the
6 delinquent rental amount, exclusive of late fees, for each month that the rent is
7 delinquent. The monthly rent is hereby adjusted to reflect the reduction in the size of
8 the Leased Premises from 3.5 acres to 1.70 acres. "

9 4. Notice of Default; Opportunity to Cure. Section 16(d) of the Lease is hereby
10 deleted in its entirety and replaced with the following:

11 "(d) In the event Lessee fails or refuses to perform, keep or observe any of Lessee's
12 duties or obligations hereunder; provided, however that Lessee shall have ten (10) days in
13 which to cure a monetary breach by Lessee under this Lease and thirty (30) days to cure a
14 non-monetary breach or default by Lessee, after written notice thereof has been served on
15 Lessee by County pursuant to Section 36 herein."

16 5. Miscellaneous

17 a. Further Cooperation. The parties agree to execute such other
18 instruments, agreements and amendments to documents as may be necessary or
19 appropriate to effectuate the Lease as amended by this Amendment.

20 b. Interpretation. This Amendment, when combined with the Lease,
21 sets forth and contains the entire understanding and agreement of the parties hereto
22 and correctly sets forth the rights, duties and obligations of each to the other as of this
23 date.

24 c. Waivers; Amendments. All waivers of the provisions of this
25 Amendment and all amendments hereto must be in writing and signed by the
26 appropriate authorities of Lessor and Lessee.

27 d. Attachments. Each of the attachments and exhibits attached
28 hereto are incorporated herein by this reference.

1 e. Effectiveness of Lease. Except as modified and amended by this
2 Amendment all other terms and conditions of the Lease remain unmodified and in full
3 force and effect.

4 f. Counterparts. This Amendment may be signed by the different
5 parties hereto in counterparts, each of which shall be an original but all of which
6 together shall constitute one and the same agreement.

7 g. Effective Date. The effective date of this Amendment is the date
8 the parties execute this Amendment. If the parties execute this Amendment on more
9 than one date, then the last date this Amendment is executed by a party shall be the
10 Effective Date.

11 h. Construction of Amendment: The parties hereto negotiated this
12 Amendment at arm's length and with advice of their respective attorneys, and no
13 provisions contained herein shall be construed against Lessor solely because it
14 prepared this Amendment in its executed form.


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1 WHEREFORE, Lessor and Lessee hereto have executed this Amendment as of the dates set
2 forth below.

3
4 LESSOR:
5 COUNTY OF RIVERSIDE, a political
6 subdivision of the State of California

LESSEE:
CUSTOM BUILDERS, a California
limited liability company

7 By: _____
8 John J. Benoit, Chairman
9 Board of Supervisors

By: 
George Cordero
President


Date: 8/19/15

10 Date: _____

11
12 ATTEST:
13 KECIA HARPER-IHEM
14 Clerk of the Board

15 By: _____
16 Deputy

17
18 APPROVED AS TO FORM:
19 GREGORY P. PRIAMOS, County Counsel

20 By: 
21 Shaila R. Brown,
22 Deputy County Counsel

Attachment No 1

Exhibit A

Amended Legal Description

(Behind this page)

**Amended Legal Description
of Leased Premises**

LEGAL DESCRIPTION.....SOUTHERLY PORTION OF PARCEL "D"
OF PARCEL 2 OF RECORD OF SURVEY, BOOK 53/ PAGE 15

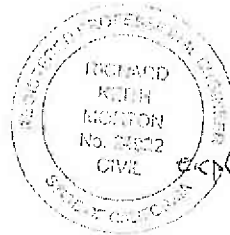
That real property located in the City of Hemet, County of Riverside,
State of California, described as follows:

That portion of Parcel "D" as noted in Inst. No. 187389, xxxxxxxx
and also being a portion of Parcel 2 of Record of Survey Book 53/ Page 15,
in the SW ¼ of Section 17, T5S/R1W, SBM., and more particularly
described as follows:

COMMENCING at the SW corner of said Parcel 2,
Thence, S 89° 47' 30" E a distance of 763.00';
Thence, N 00° 01' 00" W a distance of 49.00' to the POINT OF BEGINNING;
Thence, continuing N 00° 01' 00" W a distance of 300.00',
Thence, N 59° 28' 50" W a distance of 153.59' along a line that bears radially
to a circular curve of 338.00' radius that is concave to the NW and also being a
point on the SE'ly R/W of Industrial Ave.;
Thence, along said SE'ly R/W of Industrial Ave. and along said curve an arc
distance of 31.33' thru an arc angle of 5° 18' 40", to the beginning of a tangent;
Thence, N 25° 12' 30" a distance of 13.07';
Thence, S 59° 28' 50" E a distance of 130.12';
Thence, N 89° 47' 30" E a distance of 193.01';
Thence, S 00° 01' 00" E a distance of 351.44';
Thence, S 89° 47' 30" W a distance of 193.01' to the POINT OF BEGINNING.

Containing 1.70 acres

portion of APN 456-050-017



EX-120 12/31/15

Richard K. Morton

6/22/2015

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

316



FROM: Economic Development Agency

SUBMITTAL DATE:
October 28, 2008

SUBJECT: Assignment of Non-Aviation Ground Lease at Hemet-Ryan Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Consent to the Assignment of Lease dated September 12, 2008, between James Walter Garvin and Judith Marie Garvin Family Trust, Assignor, to Custom Builders LLC, as Assignee, of the Lease dated September 8, 2004, between the County of Riverside, as Lessor, and James Walter Garvin and Judith Marie Garvin Family Trust dated September 25, 1996, as Lessee;
2. Authorize the Chairman of the Board to sign the Consent to Assignment; and
3. Authorize the Assistant County Executive Officer/EDA or designee to sign any additional documents required by the Assignment.

BACKGROUND: The Economic Development Agency is in receipt of an Assignment of Lease dated September 12, 2008, between James Walter Garvin and Judith Marie Garvin Family Trust, Assignor, to Custom Builders LLC, as Assignee, of the Lease dated September 8, 2004, between the County of Riverside, as Lessor, and James Walter Garvin and Judith Marie Garvin Family Trust dated September 25, 1996, as Lessee, for 3.5 acres of land at Hemet-Ryan Airport commonly known as 3821 through 3827, Industrial Avenue.
(continued on page 2)

RZ:DL:CC:DS:HO
S:\EDCOM\AIRPORTS\HMETRYAN\Hemet-Ryan INDUSTRIAL\Garvin Family Trust\Cordero Lease Assignment\Gavin 3.5 acre F11 ASSGN 10.28.08.doc

Robin Zimpfer
Robin Zimpfer
Assistant County Executive Officer/EDA

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: N/A

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

C.E.O. RECOMMENDATION: APPROVE
BY: *Jennifer L. Sargent*
Jennifer L. Sargent
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Wilson, and Ashley
Nays: None
Absent: None
Date: November 25, 2008
xc: ✓ EDA/Aviation

Nancy Romero
Clerk of the Board
By: *C. J. [Signature]*
Deputy

Prev. Agn. Ref.: 5/18/04 3.12; 6/8/04 3.16; District: 3rd
Sep 28, 2004, 3.2
Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.13
Form 11 (Rev 06/2003)

FORM APPROVED COUNTY COUNSEL
BY: *Gordon V. Woo* 11/4/08
DATE: 11/4/08
Departmental Concurrence
GORDON V. WOO
Policy Policy
Consent Consent
Dept Recomm.: Per Exec. Ofc.:

BACKGROUND (continued):

Assignee plans to construct a 39,000-square-foot facility for the restoration and showcasing of classic automobiles, motorcycles and off-road vehicles. Assignee estimates the development will create between 50 and 60 new jobs for the area as well as vocational training opportunities for local high school students. A restaurant is included in the development plan.

The Economic Development Agency recommends that the Board of Supervisors consent to the Assignment of Lease. County Counsel has reviewed the Assignment of Lease and Consent and approved the consent as to form.



CONSENT TO ASSIGNMENT

The County of Riverside (Lessor) hereby consents to the foregoing Assignment dated September 12, 2008, between James Walter Garvin and Judith Marie Garvin Family Trust dated September 25, 1996, as Assignor, and Custom Builders LLC, as Assignee, and without however, waiving the restrictions contained in said Lease dated September 28, 2004, for approximately 3.5 acres of land at Hemet-Ryan Airport and commonly known as 3821 through 3827 Industrial Avenue, Hemet, California, with respect to any future assignments thereunder, and without releasing the Assignor under said lease from any obligations that are not performed by Custom Builders LLC, and otherwise accepts the Assignee, Custom Builders LLC, as Lessee under said Lease to all intents and purposes as though Assignee was the original Lessee thereunder.

Date: NOV 25 2008

COUNTY OF RIVERSIDE

By: *Roy Wilson*
Chairman, Board of Supervisors
ROY WILSON

ATTEST:
NANCY ROMERO, Clerk of the Board

FORM APPROVED
JOE S. RANK, County Counsel

By: *Nancy Romero*
Deputy

By: *Gordon V. Woo 11/4/08*
Deputy

ASSIGNMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, James Walter Garvin and Judith Marie Garvin Family Trust ("Lessee"), hereby transfers and assigns to Custom Builders LLC, all rights, title and interest of the undersigned under that certain Lease between the County of Riverside and Lessee, dated September 28, 2004, pertaining to the premises described as 3.5 acres (152,460 sf) of land, improved with four single story metal multi-tenant industrial buildings totaling approximately 26,000 square feet at the Hemet-Ryan Airport, County of Riverside, State of California, said Lease is attached as Exhibit "A". The execution of this Assignment and the transfer of all rights, title and interest herein are contingent upon the acceptance and approval by the Riverside County Board of Supervisors.

Dated: 9/12/08

James Walter Garvin and Judith Marie Garvin
Family Trust

By: Judith M. Garvin, Trustee
Judith M. Garvin, Trustee

ACCEPTANCE AND AGREEMENT

The undersigned, Custom Builders LLC, named in the foregoing Assignment, hereby accepts said Assignment and hereby agrees to keep, perform and be bound by all of the terms, covenants and conditions in said Lease on the part of the Lessee therein to be kept and performed to all intents and purposes as though the undersigned Assignee was the original Lessee there under.

Dated: 10/8/08

Custom Builders LLC

By: Ignacio Cordero
Ignacio Cordero, Chairman

By: George Cordero
George Cordero, President

1 LEASE

2 HEMET-RYAN AIRPORT

3
4 The County of Riverside, herein called County, leases to James Walter Garvin and
5 Judith Marie Garvin Family Trust dated September 25, 1996, herein called Lessee, the
6 property described below under the following terms and conditions:

7 1. Recitals.

8 (a) County owns a parcel of land totaling approximately 1.54 acres at the
9 Hemet-Ryan Airport, Hemet, California improved with a single story, metal industrial
10 building of approximately 22,500 square feet, commonly known as 3875 Industrial
11 Avenue. The parcel is currently leased to Lessee. The Lease is referred to herein as
12 the "1984 Lease," and described as follows: a lease for 1.54 acres of land dated May 1,
13 1984 between the County of Riverside and Robert P. Miller, assigned to Marie I.
14 Bennett on January 1989 and amended on January 3, 1989 (First Amendment) and
15 assigned on May 1993 to Inland Empire Sales and Marketing and amended on June
16 29, 1993 (Second Amendment) and amended on December 12, 1995 (Third
17 Amendment) and assigned to Edmond Equipment West on May 18, 2004; and

18 (b) County and Lessee desire to execute a new lease to replace the
19 1984 Lease in its entirety such that County and Lessee are relieved of all duties and
20 obligations under the 1984 Lease; and

21 (c) Upon execution of the new lease and its subsequent approval by
the County Board of Supervisors, the 1984 Lease shall become null and void and of no
further effect; provided however that until the new lease is fully executed and approved
by the Board of Supervisors, the 1984 Lease shall remain in full force and effect.

2. Description. The premises leased hereby are located within the Hemet-
Ryan Airport, City of Hemet, State of California and consist of approximately 1.54 acres
improved land, being described in Exhibit "A" attached hereto and incorporated by
reference herein. Said property is hereafter referred to as the "Leased Premises".

1 County and Lessee herein acknowledge that Lessee has no fee title
2 interest in or to the Leased Premises.

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

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

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

16 4. Use.

17 (a) The Leased Premises is leased hereby for the purposes of
18 conducting a light manufacturing/industrial/commercial business as permitted in the City
19 of Hemet Zoning Ordinance applicable to the property.

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

23 5. Rent.

24 (a) Commencing upon the first day of the month after Lease execution
25 by both parties hereto, Lessee shall pay to Lessor as base rent for the use and
26 occupancy of the Leased Premises, monthly rent equal according to the following
27 schedule:

28 7/1/04 \$274.00 per month
7/1/05 \$324.00 per month

1	7/1/06	\$374.00 per month
2	7/1/07	\$425.00 per month
3	7/1/08	\$475.00 per month
4	7/1/09	\$525.00 per month
5	7/1/10	Adjust rent to Fair Market Value per 5(b) below

6 Said rent is due and payable in advance on the first of each month. The rent is
7 delinquent if not paid by the 15th of the month. If the monthly rent becomes delinquent,
8 Lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent
9 rental amount, exclusive of late fees, for each month that rent is delinquent

10 (b) Beginning July 1, 2010, and every fifth (5th) year thereafter, the
11 basic monthly rent shall be adjusted to be one-twelfth (1/12) of eight percent (8%) of the
12 appraised fair market value. A property appraisal for this purpose is to be performed by
13 an independent certified appraiser, in good standing with the American Institute of Real
14 Estate Appraisers, and to be procured by the County. Once established, said rent shall
15 be adjusted annually in the manner set forth in Paragraph 5(c) below. In no event will
16 application of this paragraph result in a monthly rental amount lower than the most
17 previous monthly rental amount.

18 (c) Consumer Price Index (CPI). Beginning July 1, 2011 and at each
19 July 1st thereafter, except for dates coinciding with the appraisals conducted every fifth
20 year as referenced in 5(b) above. The rent shall be adjusted by the percentage change,
21 in the CPI, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the
22 twelve-month period ending three months before the month of rent adjustment under
23 this paragraph. In no event will application of this paragraph result in a monthly rental
24 amount lower than the most previous monthly rental amount.

25 6. Additional Obligations of Lessee. Lessee shall, during the term of this
26 Lease and any extensions thereof, observe and obey, and compel its employees,
27 agents, invitees and those doing business with it to observe and obey all such rules and
28 regulations of County 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 amendment or any later amendments.

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

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

16 8. On-Site Improvements.

17 (a) All improvements are to be designed and constructed at Lessee's
18 sole cost. Lessee to pay for construction of any required utility extensions and hookups
19 and any access road improvements. All improvement plans are to be submitted to
20 County for approval prior to start of any construction.

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

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

12 9. Off-Site Improvements

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

19 (b) It is understood by the parties hereto that utility services are
20 available in the general vicinity of the leased premises, but in order for the on-site
21 improvements required in Paragraph 8 herein to be fully usable and operational,
22 Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or
23 connected, to such utility service all facilities that may be required or desired by Lessee
24 in the use, operation and maintenance of such on-site improvements. After such
25 extensions and/or connections have been made, Lessee shall be responsible for
26 payment of the use of such utility services including, without limitation, all electricity,
27 gas, telephone and water.

28 (c) Lessee shall obtain, or cause to be obtained performance, material
and labor, and payment bonds in the amounts required by law and determined by

1 County and shall furnish County with copies thereof prior to the commencement of such
2 off-site improvements.

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

8 11. County's Reserved Rights.

9 (a) The leased premises are accepted by Lessee subject to any and all
10 existing easements or other encumbrances, and County 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 County 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 premises
18 as County may elect; provided, however, that no right of the County provided for in this
19 paragraph shall be so executed as to interfere unreasonably with Lessee's use
20 hereunder, or impair the security of any secured creditor of Lessee. County shall cause
21 the surface of the leased premises to be restored to its original condition (as they
22 existed prior to any such entry) upon the completion of any construction by County or its
23 agents. In the event such construction renders any portion of the leased premises
24 unusable, the rent shall abate pro rata as to such unusable portion during the period of
25 such construction.

26 Any right of County set forth in this paragraph shall not be exercised unless a
27 prior written notice of thirty (30) days is given to Lessee; provided, however, in the event
28 such right must be exercised by reason of emergency, then County shall give Lessee
such notice in writing as is reasonable under the existing circumstances.

1 (b) County reserves the right to further develop or improve the aircraft
2 operating area of Hemet-Ryan Airport, as it deems appropriate. County reserves the
3 right to take any action it considers necessary to protect the aerial approaches of the
4 Hemet-Ryan Airport against obstruction, together with the right to prevent Lessee from
5 erecting or permitting to be erected, any building or other structure on the Hemet-Ryan
6 Airport, which in the opinion of county, would limit the usefulness of the Hemet-Ryan
7 Airport or constitute a hazard to aircraft.

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

16 (d) Notwithstanding any provisions herein, this lease shall be
17 subordinate to the provisions of any existing or future agreement between County and
18 the United States, relative to the operation or maintenance of Hemet-Ryan Airport, the
19 terms and execution of which have been or may be required as a condition precedent to
20 the expenditure or reimbursement to County of Federal funds for the development of
21 said airport.

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

25 12. Inspection of Premises. County, through its duly authorized agents, shall
26 have, at any time during normal business hours, the right to enter the leased premises
27 for the purpose of inspecting, monitoring and evaluating the obligations of Lessee
28 hereunder and for the purpose of doing any and all things which it is obligated and has
a right to do under this lease.

1 13. Quiet Enjoyment. Lessee shall have, hold and quietly enjoy the use of the
2 leased premises so long as lessee shall fully and faithfully perform the terms and
3 conditions that the lessee is required to do under this lease.

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

12 15. Discrimination or Segregation.

13 (a) Lessee shall not discriminate in Lessee's recruiting, hiring,
14 promotion, demotion or termination practice on the basis of race, religious creed, color,
15 national origin, ancestry, sex, age, physical handicap, medical condition or marital
16 status with respect to its use of the leased premises hereunder, and Lessee shall
17 comply with the provisions of the California Fair Employment and Housing Act
18 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L.
19 88-352), and all amendments thereto, Executive Order No. 11246 (30 Federal Register
20 12319), as amended, and all Administrative Rules and Regulations issued pursuant to
21 said Acts and orders with respect to its use of the leased premises.

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

1 (c) Lessee assures that it will undertake an affirmative action program
2 as required by 49 CFR, Part 21, to insure that no person shall on the grounds of race,
3 creed, color, national origin, or sex be excluded from participating in any employment
4 activities covered in 49 CFR, Part 21, with respect to its use of the leased premises.
5 Lessee further assures that no person shall be excluded on these grounds from
6 participating in or receiving services or benefits of any program or activity covered
7 herein with respect to its use of the leased premises. Lessee further assures that it will
8 require that its subcontractors and independent contractors provide assurance to
9 Lessee that they similarly will undertake affirmative action programs and that they will
10 require assurances from their subcontractors and independent contractors, as required
11 by 49 CFR, Part 21, to the same effect with respect to their use of the leased premises.

12 16. Termination by County. County shall have the right to terminate this lease
13 forthwith:

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

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

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

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

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

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

28 (h) Failure of the Lessee to require all tiers of sublessees and/or
contractors to indemnify the County and to have appropriate insurance coverages;

1 and/or failure by Lessee to monitor each sublessee and/or contractor for current and
2 correct Certificates of Insurance and required endorsements throughout the term of this
3 lease.

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

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

25 19. Insurance. Lessee shall procure and maintain or cause to be maintained,
26 at its sole cost and expense, the following insurance coverages during the term of this
27 Lease. These requirements may be modified to reflect the activities associated with the
28 Lessee. The procurement and maintenance of the insurance required below will not
diminish or limit Lessee's obligation to indemnify or hold the County harmless.

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

9 (b) Commercial General Liability. Commercial General Liability
10 insurance coverage, including but not limited to, premises liability, contractual liability,
11 products and completed operations, contingent liability, personal and advertising injury
12 and, if liquor is sold, liquor law liability covering claims which may arise from or out of
13 Lessee's performance of its obligations hereunder. Policy shall name the County of
14 Riverside, Specials Districts, Directors, Officers, Board of Supervisors, elected officials,
15 employees, agents and representatives as Additional Insureds. Policy's limit of liability
16 shall not be less than \$3,000,000 per occurrence combined single limit. If such
17 insurance contains a general aggregate limit, it shall apply separately to this agreement
18 or be no less than two (2) times the occurrence limit. Such insurance will include
19 Medical Payments for a limit of \$5,000 and Fire Legal Liability for a limit of \$300,000.

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

28 (d) Products Liability Insurance. If Lessee Provides maintenance
and repair services under the terms of this Lease, Lessee shall provide Products

1 Liability Insurance including completed operations not otherwise covered by the
2 Commercial General Liability policy with a limit of not less than \$2,000,000 any one
3 occurrence combined single limit and in the annual aggregate.

4 (e) All Risk Property Insurance:

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

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

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

1 Agencies, Districts, Special Districts and Departments of the County of Riverside, their
2 respective directors, officers, Board of Supervisors, employees, elected or appointed
3 officials, agents or representatives.

4 (f) General Insurance Provisions - All lines:

5 (1) Any insurance carrier providing insurance coverage hereunder
6 shall be admitted to the State of California unless waived, in writing, by the County Risk
7 Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A: 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 shall
10 have the prior written consent from the County Risk Manager. Failure of the Lessee's
11 carriers to declare deductibles or self-insured retentions to the County shall waive any
12 obligation of the County, as additional insured, to honor said deductibles or self-insured
13 retentions in the event of Lessee's insolvency. Upon notification of deductibles or self-
14 insured retentions unacceptable to the County and at the election of the County's Risk
15 Manager, Lessee's carriers shall either: 1) reduce or eliminate such deductibles or self-
16 insured retentions as respects this Lease with the County, or 2) procure a bond which
17 guarantees payment of losses and related investigations, claims administration, and
18 defense costs and expenses.

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

1 effective date, another properly executed original Certificate of Insurance and original
2 copies of endorsements or, if requested, certified original policies, including all
3 endorsements and attachments thereto evidencing coverages set forth herein and the
4 insurance required herein is in full force and effect. Lessee shall not commence
5 operations until the County of Riverside has been furnished original Certificate(s) of
6 Insurance and certified original copies of endorsements or, if requested, policies of
7 insurance including all endorsements and any and all other attachments as required in
8 this Section. The original endorsements for each policy and the Certificate of Insurance
9 shall be signed by an individual authorized by the insurance carrier to do so on its
10 behalf.

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

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

25 Beginning July 1, 2005, and every fifth year thereafter during the term of
26 this Lease or any extension thereof, County reserves the right to adjust the monetary
27 limits of insurance coverage as required in paragraph 20.

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

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

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

26 With respect to any action or claim subject to indemnification herein by Lessee,
27 Lessee shall, at their sole cost, have the right to use counsel of their own choice and
28 shall have the right to adjust, settle, or compromise any such action or claim without the
prior consent of County provided, however, that any such adjustment, settlement or

1 compromise in no manner whatsoever limits or circumscribes Lessee 's indemnification
2 to County as set forth herein. Lessee's obligation to defend, indemnify and hold
3 harmless County shall be subject to County having given Lessee written notice within a
4 reasonable period of time of the claim or of the commencement of the related action, as
5 the case may be, and information and reasonable assistance, at Lessee's expense, for
6 the defense or settlement thereof. Lessee's obligation hereunder shall be satisfied
7 when Lessee has provided to County the appropriate form of dismissal relieving County
8 from any liability for the action or claim involved.

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

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

16 22. Assignment. Lessee cannot assign, sublet, mortgage, hypothecate or
17 otherwise transfer in any manner any of its rights, duties or obligations hereunder to any
18 person or entity without the written consent of County being first obtained, which
19 consent shall not be unreasonably withheld. In the event of any transfer as provided in
20 this Paragraph, Lessee expressly understands and agrees that it shall remain liable with
21 respect to any and all of the obligations and duties contained in this Lease.

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

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1 23. Right to Encumber/Right to Cure.

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

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

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

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

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

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

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

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

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

21 24. SBA Loan. Lessee plans to obtain financing in connection with the
22 acquisition of the improvements to the Leased Premises and for the on-site
23 improvements described in paragraph 8 above. Said financing will be secured by the
24 Lease and the underlying "Leasehold Estate." Lessee may pledge the Leasehold
25 Estate and the Lease. The provisions of this paragraph are intended to modify and
26 supplement the provisions of Paragraph 23 Right Encumber/Right to Cure above only
27 with regard to obtaining an SBA Loan.

28 a. Consent to Encumbrance. It is acknowledged and County hereby gives
its consent to the encumbrance and pledging of the Lease and the Leasehold Estate to

1 the CDC Small Business Finance Corp., which entity assigns its rights to the United
2 States Small Business Administration. This loan, which is an SBA 504 loan, will be
3 junior and subordinate to one or more senior encumbrances, as is required pursuant to
4 the SBA 504 loan program.

5 b. Notice to and Service on Lienholder. County shall mail to Lienholder, a
6 duplicate copy of notices that County may from time to time give to or serve on Lessee
7 pursuant to or relating to any default or amendment to this Lease. Lessee shall at all
8 time keep County informed in writing of the name and mailing address of Lienholder and
9 any changes in Lienholder's mailing address. Any notices or other communications
10 permitted by this or any other section of this Lease or by law to be served on or given to
11 Lienholder by County shall be given in the manner prescribed in the Lease addressed to
12 Lienholder at the last mailing address for Lienholder furnished in writing to County by
13 Lessee or Lienholder.

14 c. No Modification Without Lienholder's Consent. Lessee and County
15 hereby expressly stipulate and agree that, without the prior written consent of all
16 approved Lienholders, they will not (1) modify the Lease, as amended, in any way, and
17 (2) cancel, terminate or avoid this Lease, except as provided under the Lease.

18 d. Rights of Lienholder. A Lienholder shall have the right at any time
19 during the term of the Lease and the existence of such encumbrance to:

20 1) Substitute Performance by Lienholder. Do any act or thing
21 required of Lessee under the Lease, and any such act or thing done and performed by
22 Lienholder shall be as effective to prevent a forfeiture of Lessee's rights under the
23 Lease as if done by Lessee.

24 2) Foreclosure of Deed of Trust. Realize on the security afforded
25 by the Leasehold Estate by exercising foreclosure proceedings or power of sale or other
26 remedy afforded in law or in equity or by the Deed of Trust and to:

27 (a) Transfer, convey or assign the title of Lessee to the
28 Leasehold Estate created by the Lease to any purchaser at any foreclosure sale,
whether the foreclosure sale be conducted pursuant to court order or pursuant to a

1 power of sale contained in the Deed of Trust; and

2 (b) Acquire and succeed to the interest of Lessee under the
3 Lease by virtue of any foreclosure sale, whether the foreclosure sale is conducted
4 pursuant to a court order or pursuant to a power of sale contained in the Deed of Trust.

5 e. Assignment and Sublease. Lienholder and Lienholder's successors
6 shall, upon becoming owner of the Leasehold Estate, have the right to assign and
7 sublease subject Leasehold Estate with the consent of County, which consent shall not
8 be unreasonably withheld.

9 f. Assignment on Foreclosure. Provided that (1) the Lienholder gives
10 written notice of transfer to County setting forth the name and address of the transferee
11 as well as the effective date of the transfer, and (2) the transferee assumes the
12 obligations of this Lease (including the provisions pertaining to payment of rent and
13 permitted uses), the written consent of County shall not be required for a transfer of
14 Lessee's interest under the Lease to:

15 1) A purchaser at a foreclosure sale of the encumbrance
16 whether the foreclosure sale be conducted pursuant to court order or pursuant to a
17 power of sale in the Deed of Trust.

18 2) If (a) a Lienholder acquires Lessee's interest under this
19 Lease at a foreclosure sale or by an assignment under this Lease in lieu of foreclosure,
20 and (b) such Lienholder desires to assign Lessee's interest under the Lease to a third
21 party assignee, then the following shall apply:

22 a) Except as provided in the immediately succeeding
23 paragraph, the proposed assignment to the third party assignee shall be subject to the
24 terms and conditions of the Lease.

25 b) Notwithstanding the provisions of the Lease to the
26 contrary, such Lienholder shall be obligated to perform Lessee's obligations under the
27 Lease only during the time commencing on the date such Lienholder acquires Lessee's
28 interest under this Lease until the date such Lienholder assigns Lessee's interest under
the Lease to a third party assignee (i.e., which Lienholder shall be relieved of all

1 obligations under this Lease which accrue after the date of such assignment).

2 g. New Lease to Lienholder. Notwithstanding any other provision of this
3 Lease to the contrary, if the Lease terminates because of the insolvency or bankruptcy
4 of Lessee or because of any event of default by Lessee, County will execute a new
5 lease for the Premises to the Lienholder under a Deed of Trust incurred by Lessee,
6 provided:

7 1) Written Request. A written request for the new lease is
8 served on County by Lienholder within ninety (90) days after the effective date of
9 termination of this Lease;

10 2) Same Terms. The new lease (1) is for a term ending on the
11 same date the Term of the Lease would have ended had not this Lease been
12 terminated, (2) provides for the payment of rent at the same rate that would have been
13 payable under the Lease during the remaining Term of the Lease had the Lease not
14 been terminated, and (3) contains the same terms, covenants, conditions and
15 provisions as are contained in the Lease; and

16 3) Cure Existing Defaults. Lienholder, on execution of the new
17 lease by County, shall pay any and all sums that would at the time of the execution of
18 the new lease be due under this Lease but for its termination and shall otherwise fully
19 remedy or agree in writing to remedy any other defaults or breaches of this Lease
20 committed by Lessee that can be remedied;

21 h. Non-Liability of Lienholder for Hazardous Waste Contamination.
22 Lienholder shall have no liability for any costs arising out of hazardous waste
23 contamination in or about the Premises which arose or began to arise prior in time to
24 the date on which Lienholder comes into possession of the Premises or becomes the
25 owner of the Leasehold Estate. Notwithstanding any indemnification obligation of the
26 Lessee under the Lease, Lienholder shall have no such indemnity obligation for
27 hazardous waste contamination, as defined in its broadest sense, which arose or began
28 to arise prior in time to possession of the Premises by Lienholder and/or lienholder
becomes the owner of the Leasehold Estate.

1 i. No Merger of Leasehold and Fee Estates. Should Lessee incur a Deed
2 of Trust, then there shall thereafter, during the existence of the Deed of Trust, be no
3 merger without the consent of the Lienholder of the Leasehold Estate created by the
4 Lease and the fee estate in the Premises merely because both estates have been
5 acquired or become vested in the same person or entity.

6 j. Amendments. The County shall make certain modifications to the
7 Lease that will reasonably accommodate the Lienholder so long as the amendments do
8 not materially change the County's rights or remedies or jeopardize the economics of
9 the transaction.

10 k. Lienholder as Assignee of Lease. No Lienholder shall be liable to
11 County as an assignee of this Lease unless and until such time as Lienholder acquires
12 all rights of Lessee under this Lease through foreclosure or other proceedings in the
13 nature of foreclosure or as a result of some other action or remedy provided by law or
14 the instrument creating the encumbrance.

15 l. Lienholder as Including Subsequent Security Holders. The term
16 "Lienholder" shall mean and refer to the persons and/or entities that are named in any
17 Deed of Trust as well as all subsequent assignees and holders of the security interest
18 created by such Deed(s) of Trust. County agrees that by acceptance of the Deed(s) of
19 Trust or other encumbrance of the Lease, Lienholder has not become liable under the
20 terms of the Lease. Lessee and Lessor agrees that Lienholder shall be so liable only if
21 Lienholder acquires ownership of the Leasehold Estate, and then only for such period of
22 time as Lienholder holds such leasehold interest. Lessor further agrees that Lienholder's
23 liability shall be limited to Lienholder's interest in the Premises, notwithstanding any
24 assumption of the Lease or entering into a new lease by Lienholder.

25 m. Condemnation. In the event of any taking or condemnation of all or
26 any part of Leasehold Estate, and/or improvements thereon, all such compensation
27 and/or damages awarded and/or received therefore shall belong to Lessee. Provided,
28 all such compensation and proceeds shall first be applied to repay the Lienholder's
Loan and other Trust Deeds given by Lessee secured by the Leasehold Estate and with

1 a lien position senior to Lienholder's Loan.

2 n. Insurance Policy Provisions. Lienholder shall be named as an
3 additional insured under all insurance coverages of Lessee, as may be required
4 pursuant to the Deed of Trust and related documents. Any of Lessee's insurance
5 policies on the Leasehold Estate and/or any improvements thereon are cancelable only
6 upon prior written notice to the Lienholder. In case of a loss, and if Lessee rebuilds or
7 repairs the Premises or any portion thereof, all in accordance with the Lease, then the
8 proceeds of any such insurance shall be used for such rebuilding and/or repairing. If
9 repairs to and/or rebuilding of the Premises are not commenced within 60 days after
10 receipt of any insurance policy proceeds, then the same shall be paid to the Lienholder
11 and used toward the payment of the obligation (i.e., the Deed of Trust) in favor of
12 Lienholder. Lienholder shall not be obligated to rebuild improvements in the event the
13 insurance proceeds are insufficient.

14 o. Attornment and Non-Disturbance. Upon acquisition of the Lease by
15 Lienholder, Lienholder shall attorn to County as landlord under the Lease, which
16 attornment shall be effective and self-operative without the execution of any other
17 instrument on the part of any party hereto, immediately upon Lienholder's succeeding to
18 the interest of Lessee under the Lease. In the event that a Lender or successor of
19 County takes title to the Real Property, either as a result of foreclosure of the mortgage
20 or accepting a deed to the Real Property in lieu of foreclosure, sale or otherwise, or the
21 Real Property shall be purchased at such a foreclosure by a third party, and County's
22 successor or such other third party shall furnish Lessee reasonably satisfactory
23 evidence that it has acquired title to the Real Property, Lessee shall attorn to such third
24 party and recognize Lienholder as required under the Lease. Such successor to County
25 shall attorn to the Lease and shall not disturb the tenancy of Lessee or the Deed of
26 Trust, so long as there is no default under the Lease and then, only in accordance with
27 the Lease and this Amendment.

28 p. Estoppel Certificates by County. County hereby agrees to provide,
from time to time for a lienholder, an estoppel certificate in a commercially reasonable

1 form.

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

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

1 promulgated pursuant to said laws.

2 27. National Pollution Discharge Elimination System (NPDES) Permit. Lessee
3 acknowledges, understands and agrees that it shall comply with California State Water
4 Resources Control Board general permit requirements relating to storm water
5 discharges associated with Lessee's use of the Premises. Lessee further agrees that it
6 shall prepare a Storm Water Pollution Prevention Plan (SWPPP) as required by the City
7 of Hemet for the development of the Premises.

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

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

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

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

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

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

16 33. Severability. The invalidity of any provision in this lease as determined by
17 a court of competent jurisdiction shall in no way affect the validity of any other provision
18 hereof.

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

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

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

3
4 COUNTY

5 County of Riverside
6 Economic Development Agency
7 3525 14th Street
8 Riverside, CA 92501
9 Attn: Assistant County Executive Officer/EDA

LESSEE

 Edmond Equipment West
 3875 Industrial Avenue
 Hemet, CA 92545
 Attn: James Garvin

10 LIENHOLDER

11 (TO BE ADDED)

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

14 37. Paragraph Headings. The paragraph headings herein are for the
15 convenience of the parties only, and shall not be deemed to govern, limit, modify or in
16 any manner affect the scope, meaning or intent of the provisions or language of this
17 lease.

18 38. County's Representative. County hereby appoints the Economic
19 Development Agency Assistant County Executive Officer/EDA or his designee as its
20 authorized representative to administer this lease.

21 39. Acknowledgment of Lease by County. Upon execution of this lease by the
22 parties hereto, this lease shall be acknowledged by County in such a manner that it will
23 be acceptable by the County Recorder for recordation purposes, and thereafter, Lessee
24 shall cause this lease to be recorded in the office of the county Recorder of Riverside
25 County forthwith and furnish County with a conformed copy thereof.

26 40. Agent for Service of Process. It is expressly understood and agreed that
27 in the event Lessee is not a resident of the State of California or it is an association or
28 partnership without a member or partner resident of the State of California, or it is a
foreign corporation, then in any such event, Lessee shall file with County's clerk, upon

1 its execution hereof, a designation of a natural person residing in the State of California,
2 giving his or her name, residence and business addresses, as its agent for the purpose
3 of service of process in any court action arising out of or based upon this lease, and the
4 delivery to such agent of a copy of any process in any such action shall constitute valid
5 service upon Lessee. It is further expressly understood and agreed that if for any
6 reason service of such process upon such agent is not feasible, then in such event
7 Lessee may be personally served with such process out of this County and that such
8 service shall constitute valid service upon Lessee. It is further expressly understood
9 and agreed that Lessee is amenable to the process so served, submits to the
10 jurisdiction of the Court so obtained and waives any and all objections and protests
11 thereto.

12 41. FAA Consent to Lease. Lessee acknowledges that Hemet-Ryan Airport
13 was transferred to the County by the Federal Government and, as such, may require
14 FAA consent to the Lease.

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

21 //
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///
///

1 43. Construction of Lease. The parties hereto negotiated this lease at arms
2 length and with the advise of there respective attorneys, and no provisions contained
3 herein shall be construed against County solely because it prepared this lease in its
4 executed form.

5
6 Date: 09/07/2004

James Walter Garvin and Judith Marie Garvin
Family Trust dated September 25, 1996

7
8 By: James W. Garvin
9 James W. Garvin, Trustee

By: Judith M. Garvin, Trustee
Judith M. Garvin, Trustee

10
11 Date: SEP 28 2004

COUNTY OF RIVERSIDE

12
13 By: Joseph Wilson
14 Chairman, Board of Supervisors

15
16 ATTEST:
17 NANCY ROMERO
18 Clerk of the Board

FORM APPROVED:
WILLIAM C. KATZENSTEIN
County Counsel

19 By: Cairne Daly
20 Deputy

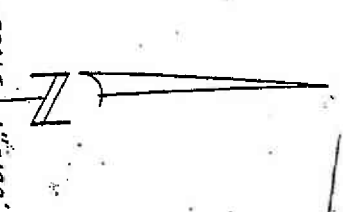
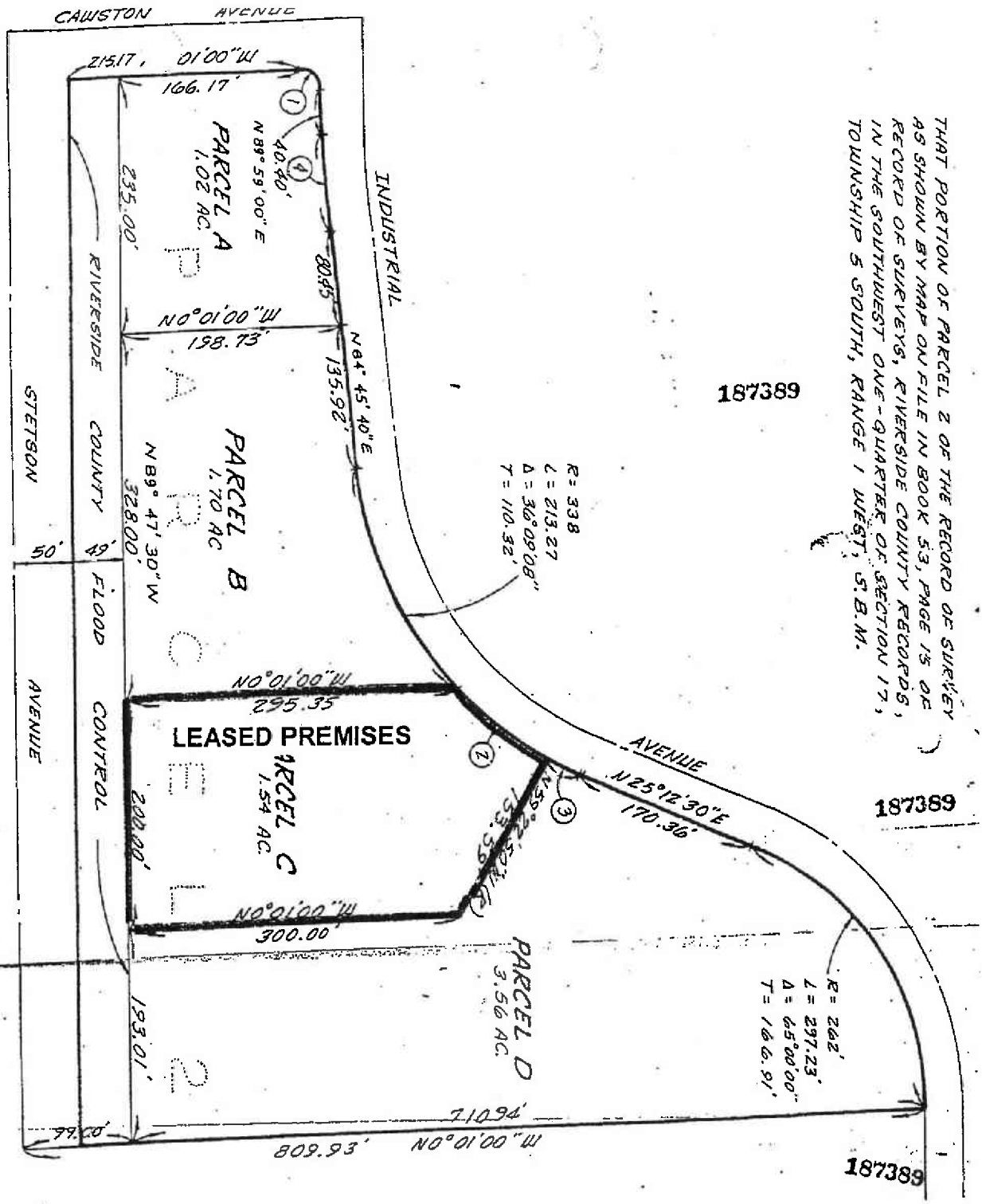
By: Gordon V. Woo 9/14/04
Deputy

21 (SEAL)

22
23 Attachments:

- 24 1. Exhibit A - Description
25 2. Exhibit B - Federally Required Lease Provisions
26 3. Exhibit C - Minimum Standards

THAT PORTION OF PARCEL 2 OF THE RECORD OF SURVEY AS SHOWN BY MAP ON FILE IN BOOK 53, PAGE 15 OF RECORD OF SURVEYS, RIVERSIDE COUNTY RECORDS, IN THE SOUTHWEST ONE-QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 1 WEST, S.B.M.



PLAT MAP

EXHIBIT A-1

APPROVED BY: *[Signature]*
Frank D. Johnson

PREPARED FOR: BOB MILLER

EXHIBIT A

FEDERALLY REQUIRED LEASE PROVISIONS

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

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

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

Minimum Standards for Fixed Base Operators

Riverside County Airports

RIVERSIDE
C O U N T Y



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

Adopted January 30, 2001

EXHIBIT C

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I. INTRODUCTION

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

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

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

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

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

II. DEFINITIONS

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

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

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

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

ALP - Airport Layout Plan

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

CEQA - California Environment Quality Act

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

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

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

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

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

FUEL - FAA authorized aviation fuel, including jet fuel

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

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

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

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

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

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

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

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

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

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

B. Airport Layout

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

C. Signs

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

D. Building Design, Construction, and/or Alterations

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

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

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

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

E. Inspections

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

F. Flying Clubs

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

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

G. Waiver from Minimum Standards

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

H. Civil Rights

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

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

I. Insurance

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

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

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

J. Lot Size

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

K. Outdoor Storage

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

L. Maintenance

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

IV. SCOPE OF SERVICES

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

Table A - FULL SERVICE FBO

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

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

Table B - AIRCRAFT MAINTENANCE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
Automobile parking	200 SF	Office storage room
Landscaping	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
<u>CERTIFICATION:</u>		
Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43	
<u>PERSONNEL:</u>		
Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours
<u>EQUIPMENT:</u>		
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
<u>INSURANCE:</u>		
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 involves the sale of new aircraft through franchises or licensed dealerships (if required by local, county, or state authority) or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer. Aircraft sales FBOs may also engage in the sale of used aircraft. This can be accomplished through various methods, including matching potential purchasers with an aircraft (brokering), assisting a customer in the purchase or sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. A new aircraft sales and/or leasing FBO must show capability to support maintenance agreements for aircraft sold or leased. A used aircraft sales FBO may also provide such repair, services, and parts as may be necessary to support the operation of aircraft sold. Some requirements may not be appropriate to the sale of used aircraft because of each aircraft's unique operational history. An aircraft sales FBO may also finance aircraft purchases, subject to the applicable licensing requirements.

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

HOURS OF OPERATION:

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

INSURANCE:

Refer to Appendix-A

ADDITIONAL GUIDELINES:

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

Table G - AGRICULTURAL APPLICATION

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

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

Table G - AGRICULTURAL APPLICATION (continued)

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

Table H - OTHER AERONAUTICAL ACTIVITIES

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

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