

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



554

FROM: Economic Development Agency

SUBMITTAL DATE:
September 13, 2016

SUBJECT: Consent to Sub-Lease between John and Betty Obradovich and DSDG Enterprizes, LLC, and Bill of Sale between Debra A. Elefant, trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 and DSDG Enterprizes, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; District 4 [\$0]

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 15601(b)(3);
2. Approve and consent to the sublease of real property located within Jacqueline Cochran Regional Airport in Thermal, California (Subleased Property), as more specifically set forth in the attached Sub-Lease with Sale of Aviation Hangar dated February 18, 2016 between John Obradovich and Betty Obradovich (as sublessor) and DSDG Enterprizes, LLC, a Texas limited liability company (as sublessee) (Sublease);

(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

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FOR APPROVED COUNTY COUNSEL
 BY: *Ramin Watts* 8/16/16
 RAMIN L. WATTS-BAZAN

Departmental Concurrence

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

Prev. Agn. Ref.: 3.11 of 6/3/03; 3.17 of 9/14/04; 3.5 of 5/16/16; 3.23 of 9/12/06; 3.16 of 3/17/09

District: 4

Agenda Number:

3-13

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

Economic Development Agency

FORM 11: Consent to Sub-Lease between John and Betty Obradovich and DSDG Enterprizes, LLC, and Bill of Sale between Debra A. Elefant, trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 and DSDG Enterprizes, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; District 4 [\$0]

DATE: September 13, 2016

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RECOMMENDED MOTION: (Continued)

3. Approve and consent to the sale of Building E, Hangar No. 6, currently owned by Debra A. Elefant, trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 and DSDG Enterprizes, LLC – Jacqueline Cochran Regional Airport, located on the Subleased Property within Jacqueline Cochran Regional Airport in Thermal, California, as more specifically set forth in the attached Bill of Sale Coupled with Sub-Lease dated February 18, 2016 between Debra A. Elefant, trustee for the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 (as seller) and DSDG Enterprizes, LLC, a Texas limited liability company (as buyer) (Bill of Sale);
4. Authorize the Chairman of the Board of Supervisors to sign the attached Consent to Sublease and Consent to Bill of Sale; and
5. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents necessary to implement the Sublease and Bill of Sale, subject to approval by County Counsel.

BACKGROUND:

Summary

The County of Riverside (County), as lessor, and John Obradovich and Betty Obradovich (collectively, Obradovich), as lessee, entered into that certain Lease Desert Resorts Regional Airport dated June 3, 2003, as amended by that certain First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, by that certain Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and that certain Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, Lease). The Lease relates to 9.45 acres of real property located at the Jacqueline Cochran Regional Airport, as legally described in Exhibit A to the Lease (Leased Premises). Pursuant to section 24 of the Lease, Obradovich cannot sublease any rights, duties or obligations under the Lease without the written consent of the county. Obradovich desires to sublease a portion of the Leased Premises upon which an airport hangar, identified as Building E, Hangar No. 6 is located (Subleased Premises) to DSDG Enterprizes, LLC (DSDG) as more specifically set forth in the Sub-Lease with Sale of Aviation Hangar dated February 18, 2016, attached hereto as Attachment B (Sublease). If approved by the Board, the Sublease will be subject to the Lease. Debra A. Elefant, trustee for the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 (collectively, Elefant) were the prior Board approved sublessees for the Subleased Premises and their rights have been terminated pursuant to the Lease Cancellation Agreement attached hereto as Attachment E.

In connection with the Sublease, DSDG, (as buyer) and Elefant, (as seller) entered into that certain Bill of Sale Coupled with Sub-Lease dated February 18, 2016, relating to the sale of the airport hangar identified as Building E, Hangar No. 6 (Bill of Sale), the effectiveness of which is subject to the consent and approval by the County. A copy of the Bill of Sale is attached hereto as Attachment D. DSDG will not change the existing use of the Subleased Premises. The Bill of Sale and the Sublease will not impact or modify the terms of the Lease.

(Continued)

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

Economic Development Agency

FORM 11: Consent to Sub-Lease between John and Betty Obradovich and DSDG Enterprizes, LLC, and Bill of Sale between Debra A. Elefant, trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 and DSDG Enterprizes, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; District 4 [\$0]

DATE: September 13, 2016

PAGE: 3 of 3

BACKGROUND:

Summary

(Continued)

Pursuant to the California Environmental Quality Act (CEQA), the Sublease and Bill of Sale were 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 Sublease and sale of the existing hangar, is the subletting of property involving existing 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 proposed project may have a significant effect on the environment since it is merely a continuation of existing use, and would not lead to any direct or reasonably foreseeable indirect physical environmental impact.

County Counsel has reviewed and approved the Consent to Sublease and the Consent to Bill of Sale as to form. Staff recommends that the Board of Supervisors approve the attached proposed Consent to Sublease and Consent to Bill of Sale.

Impact on Citizens and Businesses

The Sublease and Bill of Sale will assist in the County’s effort to increase airport operations which in turn provides increased patron activities for local businesses.

SUPPLEMENTAL:

Additional Fiscal Information

There is no net county cost and no budget adjustment required.

ATTACHMENTS:

- Attachment A – Consent to Sublease
- Attachment B – Sub-Lease
- Attachment C – Consent to Bill of Sale
- Attachment D – Bill of Sale
- Attachment E – Lease Cancellation Agreement
- Attachment F – Master Ground Lease

CONSENT TO SUBLEASE

(Behind this page)

CONSENT TO SUBLEASE

(Jacqueline Cochran Regional Airport)

The County of Riverside, a political subdivision of the State of California ("County"), hereby consents to that certain Sub-Lease with Sale of Aviation Hangar dated February 18, 2016, by and between John Obradovich and Betty Obradovich, husband and wife, (as sublessor) and DSDG Enterprizes, LLC, a Texas limited liability company (as sublessee), a copy of which is attached hereto as Exhibit "A" ("Sublease"). The Sublease pertains to real property located within Jacqueline Cochran Regional Airport in Thermal, California, as more particularly depicted and described on Exhibit "B" to the Sublease.

The Sublease is subject to that certain Lease Desert Resorts Regional Airport dated on or about June 3, 2003 by and between the County (as lessor) and John Obradovich and Betty Obradovich (as lessee), as amended by that certain First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, that certain Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and that certain Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, "Lease") relating to the lease of approximately 9.45 acres of vacant land, located at the Jacqueline Cochran Regional Airport (formerly known as the Desert Resorts Regional Airport), as more fully described in Exhibit "A" to the Lease.

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

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

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

Date: _____

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

By: _____

John J. Benoit, Chairman
Board of Supervisors

ATTEST:
KECIA IHEM-HARPER
Clerk of the Board

By: _____

Deputy

APPROVED AS TO FORM
Gregory P. Priamos, County Counsel

By: *Jhaila R. Brown*

Jhaila R. Brown
Deputy County Counsel

EXHIBIT A

SUBLEASE
(behind this page)

SUB-LEASE WITH SALE OF AVIATION HANGAR

John Obradovich and Betty Obradovich, herein called Sub-Lessor, hereby sub-leases to DSDG Enterprizes, LLC herein called Sub-Lessee, the property described below, upon the following items and conditions.

1. RECITALS

- (a) Sub-Lessor leases from the County of Riverside, approximately 9.45 acres of land at the Jacqueline Cochran Regional Airport, community of Thermal, in the County of Riverside, State of California.
- (b) This and other sub-leases entered into by Sub-Lessor are intended to be compatible with, and be subject to the terms and conditions of that certain Lease (Jacqueline Cochran Regional Airport) between the County of Riverside as Lessor (hereinafter, the "County"), and John Obradovich and Betty Obradovich, as Lessee, dated April 24, 2003 and executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, and which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Said lease and amendments thereto are hereinafter referred to as the "Master Lease", a copy of which is attached hereto and incorporated herein by this reference as EXHIBIT A. The Parties acknowledge and agree that in the event of any conflict between the terms and conditions of the Master Lease and this sub-lease, the terms and conditions of the Master Lease shall be controlling on all issues.

2. DESCRIPTION

- (a) The premises sub-leased hereby are located within Jacqueline Cochran Regional Airport, Thermal, California generally, and within the area Leased Premises from County by Sub-Lessor consisting of nine (nine) acres and as more particularly shown on EXHIBIT B attached hereto and by this reference made a part hereof (the "Sub-Lease Premises"). The Sub-Lease Premises consists of land only. Improvements shall be the sole responsibility of Sub-Lessee as more particularly described herein.
- (b) The portion of the nine acres being sub-leased is that portion of land occupied in Building E Hangar #06 as depicted in EXHIBIT B. In addition to the forgoing during the term of this lease Sublessor grants to Sublessee the right to ingress and ingress over that portion of the leasehold premises of the Sublessor held under the Master Lease and a license to use the taxiway areas designated by Sublessor.

3. USE

The Sub-Lease Premises are hereby sub-leased for the purpose of a personal aircraft hangar to be used for the storage of aircraft and aircraft related supplies only. Sub-Lessee hereby acknowledges and agrees that no commercial business shall be conducted on the Sub-Lease Premises.

4. TERM

The term of this sub-lease shall commence on _____, and shall continue thereafter for a term that is co-terminus with the Lessor's occupancy rights under the Master Lease, including any extensions thereof, and subject to any provisions of the Master Lease that may be applicable and take precedence.

5. RENT

- (a) Sub-Lessee shall pay to Sub-Lessor the sum of \$162.00 (\$0.03 per square foot), payable in advance, on the 1st day of each month.
- (b) The monthly rent shall be subject to adjustment as of the dates and in the amounts as described in Section 5, paragraphs (d) and (e) of the Master Lease. In no event shall any adjustment be a negative adjustment.
- (c) The monthly rent is due and payable on or before the first of the appropriate month during the term of this lease agreement and shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent, lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

6. ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the term of this sub-lease:

- (a) Observe and comply with all rules, regulations, and laws that govern and are in effect;
- (b) Maintain the Sub-Lease Premises and related equipment in a clean, orderly, neat and safe condition;
- (c) Make provisions and pay for all utilities, including trash disposal, incurred in connection with the Sub-Lease Premises.

7. SUB-LESSOR'S RESERVED RIGHTS

Sub-Lessor and County, and their duly authorized agents, shall have the right to enter the Sub-Lease Premises for inspections, repairs, or for any other reasonable cause upon the giving to Sub-Lessee reasonable advance notice during customary (daylight) working hours. This limitation on the right of entry shall not apply in the case of emergency when time may be a factor in saving life and/or property.

8. IMPROVEMENTS, REPAIRS AND SIGNS

Sub-Lessee shall not make any improvements, repairs or modifications or install any signs without prior written approval of Sub-Lessor and the County.

9. INSURANCE

Sub-Lessee shall, during the term of this sub-lease, procure and maintain the following described insurance coverage and limits as indicated.

- (a) Comprehensive General Liability Insurance coverage that shall protect Sub-Lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise, from Sub-Lessee's use of the Sub-Lease Premises or the performance of its' obligations hereunder, whether such use or performance be by Sub-Lessee, by any subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name John Obradovich and Betty Obradovich and the County of Riverside as additional insured with respect to this Sub-lease Agreement and the obligations of Sub-Lessee hereunder. Such insurance shall provide for limits of not less than \$3,000,000.00 per occurrence.
- (b) Furnish Sub-Lessor and the County with Certificates of Insurance showing that such insurance is in full force and effect, and that John Obradovich and Betty Obradovich and the County of Riverside are names as additional insureds. Further, said certificates shall contain the covenant of the insurance carrier that thirty (30) days advance written notice will be given to John Obradovich and Betty Obradovich and the County of Riverside prior to cancellation or reduction in coverage of such insurance.
- (c) Sub-Lessee shall carry Hull and Liability Insurance for any aircraft stored in or on the premises. Hull Insurance shall be for the full replacement value of all aircraft stored by Sub-Lessee in the Leased Premises and the contents therein. Policy will be endorsed to include John Obradovich and Betty Obradovich and Riverside County, their Directors, Officers, employees, agents and representatives.

Sub-Lessee may elect to self-insure or un-insure the Hull portion of the coverage required herein; however, if Sub-Lessee elects not to acquire insurance to cover the Hull, Sub-Lessee agrees to hold John Obradovich and Betty Obradovich and the County of Riverside harmless, and not make any claim against John Obradovich or Betty Obradovich or the County of Riverside for loss or damage to the Hull of any aircraft of the contents therein for any reason whatsoever, regardless of any negligence by John Obradovich or Betty Obradovich or the County of Riverside that may have contributed to said loss or damage.

10. TERMINATION BY SUB-LESSOR

Sub-Lessor shall have the right to terminate this Sub-Lease;

- (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sub-Lessee as a debtor and, as a result, Sub-Lessee is unable or unwilling to fully and timely fulfill Sub-Lessee's rent obligations consistent with the requirements of Paragraph 5 herein.
- (b) In the event that Sub-Lessee makes a general assignment, or Sub-Lessee's interest hereunder is assigned involuntarily or by operation of law for the benefit of creditors.
- (c) In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Sub-lease Agreement.

- (d) In the event of the abandonment of, or the discontinuance of the use of the Sub-Lease Premises by Sub-Lessee.
- (e) In the event Sub-Lessee fails to perform, keep or observe any of its duties or obligations hereunder, provided, however that Sub-Lessee shall have thirty (30) days in which to correct its breach or default after receiving written notice served on it by Sub-Lessor.
- (f) In the event that the Sub-Lease Premises are rendered unfit for Sub-Lessee's continued use and cannot be restored to habitability within a reasonable time.

11. TERMINATION BY SUB-LESSEE

Sub-Lessee shall have the right to terminate this Sub-Lease:

- (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sub-Lessor as a debtor and, as a result, Sub-Lessor is unable or unwilling to perform its' duties under this Sub-lease Agreement.
- (b) In the event that Sub-Lessor makes a general assignment for the benefit of creditors.
- (c) In the event of any act which operates to deprive Sub-Lessor of the ability to perform its' duties under this Sub-lease Agreement.
- (d) In the event of the abandonment of, or the discontinuance of, the use of the area leased pursuant to the Master Lease.
- (e) In the event Sub-Lessor fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessor shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Sub-Lessee.
- (f) In the event that the Sub-Lease Premises are rendered unfit for Sub-Lessee's use and cannot be restored within a reasonable time.

12. HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and the County of Riverside, their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessor, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (Sub-Lessee's employees included) or any other element of damage of any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the Sub-Lease Premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor, County, its officers, agents, employee and independent contractors in any legal action based on any alleged acts or omissions.

13. ASSIGNMENT

Sub-Lessee cannot assign, sublet, mortgage, hypothecate, or otherwise transfer in any manner any of its rights, duties and obligations hereunder to any person or entity without the express written consent of Sub-Lessor and County being first obtained which consent shall not be unreasonably withheld.

14. BINDING ON SUCCESSORS

Sub-Lessee, its' heirs, assigns and successor(s) in interest shall be bound by all the terms and conditions contained in this Sub-lease Agreement, and all of the parties hereto shall be jointly and severally liable hereunder.

15. EMPLOYEES AND AGENTS OF THE SUB-LESSEE

It is understood that all persons hired or engaged by Sub-Lessee shall be considered to be employees or agents of Sub-Lessee and not of Sub-Lessor or County.

16. COMPLIANCE WITH LAW

Sub-Lessee shall observe all statutes, rules, regulations, ordinances, and orders relating to the use of the Sub-lease Premises enacted or promulgated by the County, the State of California, the United States of America and the agencies thereof.

17. WAIVER OF PERFORMANCE

No waiver by Sub-Lessor at any time of any of the terms and conditions of this Sub-lease Agreement shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms and conditions contained herein or of the strict and timely performance of such terms and conditions.

18. SEVERABILITY

The invalidity of any provision in this Sub-lease Agreement as determined by a court of competent jurisdiction shall in no way effect the validity of any other provisions hereof.

19. NOTICES

Any notices required or to be served by either party upon the other shall be addressed to the respective parties as set forth below:

For Sub-Lessor **John and Betty Obradovich**
 84-401 Cabazon Center Dr.
 Indio, CA 92201

For Sub-Lessee **DSDG Enterprizes, LLC**
 79580 Via Sin Cuidado
 La Quinta, CA 92253

or to such other addresses as may from time-to-time be designated in writing by the respective parties.

20. VENUE

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

21. TAXES

Sub-Lessee shall timely pay all fees and taxes levied or required by any authorized public entity relating to the Sub-Lease Premises. Sub-Lessee recognizes and understands that this Sub-lease Agreement will create a possessory interest subject to property taxation and that Sub-Lessee will be subject to the payment of property taxes levied on such interest.

22. TOXIC MATERIALS

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

23. FREE FROM LIENS

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

24. ATTORNEY FEES AND COSTS

In the event of litigation arising out of this Sub-lease Agreement, the prevailing party is entitled to recover its' actual attorney fees and costs incurred, whether the matter is arbitrated, settled, or tried to a judge and/or jury.

25. MASTER LEASE / SURVIVAL OF SUB-LEASE

(a) Sub-Lessee acknowledges and agrees that it shall be bound, and shall otherwise be subject to all of the terms and conditions contained in the Master Lease except as otherwise permitted by the provisions of the Master Lease. (A complete copy of the Master Lease is attached hereto and made part hereof as ADDENDUM A.)

(b) In the event the Master Lease is terminated, Sub-Lessee agrees to keep, observe and perform all of the terms and conditions of the Master Lease on the part of the Sub-Lessor to be kept, observed and performed as relates to the Sub-Lease Premises, and Sub-Lessee's right to possession shall remain in effect as provided in the Master Lease to all intents and purposes as though Sub-Lessee was the original Lessee there under; provided, however, that such assumption and agreement shall pertain only to the Sub-Lease Premises and not to the entire leased premises under the Master Lease, and Sub-Lessee, among other things, shall make rental payments to the County in an amount equal to such payments which Sub-Lessee is required to pay Sub-Lessor under this sub-lease.

26. CONSENT BY COUNTY

The parties hereto understand and agree that this Sub-Lease shall not be enforceable by either unless and until consent has been obtained from County in writing.

27. SIGNED IN COUNTERPART

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

CONSENT BY COUNTY

The parties hereto understand and agree that this Sub-Lease shall not be enforceable by either unless and until consent has been obtained from County in writing.

IN WITNESS WHEREOF, this Sublease is executed on 2-18-2016.

SUB-LESSOR:

John Obradovich and Betty Obradovich
Husband and Wife

By:  Date: 3/29/16
By:  Date: 3/29/16

SUB-LESSEE:

DSDG Enterprizes, LLC

By: David R. Sidor
David R. Sidor, Member

Date: 2-18-2016

By: Daniel B. Greco
Daniel B. Greco, Member

Date: FEB 18-2016

Consent

The COUNTY of Riverside hereby consents to the foregoing Sub-Lease.

By: _____ Date: _____
John J. Benoit, Chairman
Board of Supervisors

ATTEST:

KECIA HARPER-IHEM, Clerk of the Board

By: _____ Date: _____

(Seal)

APPROVED AS TO FORM:

GREGORY P. PRIMOS, County Counsel

By: _____ Date: _____
County Counsel

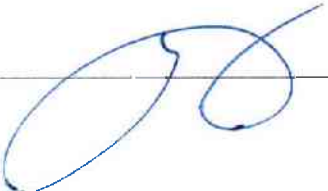
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside } SS:

On MARCH 29, 2016 before me, K. LARBY
a Notary Public, personally appeared John Obradovich and Betty Obradovich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



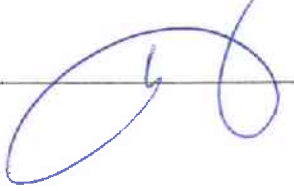
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside } SS:

On February 18, 2016 before me, K. Larby
a Notary Public, personally appeared David R. Sidor who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

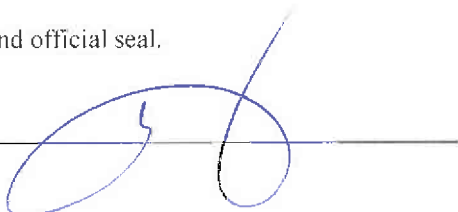
STATE OF CALIFORNIA }
COUNTY OF Riverside } ss:

On February 18, 2016 before me, K. Larby,
a Notary Public, personally appeared Daniel B. Greco who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF Riverside } ss:

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

CONSENT TO BILL OF SALE

(Behind this page)

CONSENT TO BILL OF SALE

The County of Riverside, a political subdivision of the State of California ("County") hereby consents to the attached Bill of Sale Coupled with Sub-Lease, dated February 18, 2016 by and between Debra A. Elefant, trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000 (as "Seller"), and DSDG Enterprizes, LLC, a Texas limited liability company (as "Buyer") ("Bill of Sale") relating to the sale of the aircraft storage hangar known as Building "E" Hangar "6", located at Jacqueline Cochran Regional Airport, Thermal, California. A copy of the Bill of Sale is attached hereto as Exhibit "A."

By consenting to the Bill of Sale Coupled with Sub-Lease, the County neither undertakes nor assumes nor will have any responsibility or duty to DSDG Enterprizes, LLC or to any third party to review, inspect, supervise, pass judgment upon or inform DSDG Enterprizes, LLC or any third party of any matter in connection with the subject aircraft storage hangar, whether regarding the quality, adequacy or suitability of the subject hangar for DSDG Enterprizes, LLC's proposed use or otherwise. DSDG Enterprizes, LLC and all third parties shall rely upon its or their own judgment regarding such matters. The County makes no representations, express or implied, with respect to the legality, fitness, or desirability of the subject aircraft storage hangar for DSDG Enterprizes, LLC's intended use.

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

Date: _____

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

By: _____

John J. Benoit, Chairman
Board of Supervisors


APPROVED AS TO FORM
Gregory P. Priamos, County Counsel


ATTEST:
KECIA IHEM-HARPER
Clerk of the Board

By: *Jhalla R. Brown*
Jhalla R. Brown
Deputy County Counsel

By: _____
Deputy

DSDG Enterprizes, LLC hereby acknowledges and consents to the terms set forth in this Consent to Bill of Sale.

By: 
David R. Sidor, Member
DSDG Enterprizes, LLC

By: 
Daniel B. Greco, Member
DSDG Enterprizes, LLC

Dated: 5-11-16

EXHIBIT A
BILL OF SALE
(behind this page)

EXHIBIT A

BILL OF SALE COUPLED WITH SUB-LEASE

Steven M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000 hereinafter called the "Seller," hereby sells to **DSDG Enterprizes, LLC, a Texas limited liability company** hereinafter called the "Buyer," and said Buyer hereby purchases from Seller the property described below, upon the following terms and conditions:

1. **RECITALS.** The Seller owns concrete floor structure and steel building labeled as **Bldg E, 06** at Jacqueline Cochran Regional Airport, (formerly Desert Regional Resorts Airport) Thermal, California, Riverside County, as described on the attached **Exhibit "1"** also described as **Bldg E, Hangar # 06**, the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of **\$175,000.00**.

2. **THIS BILL OF SALE IS SUBJECT TO MASTER LEASE AND COUPLED WITH SUB-LEASE.** This Bill of Sale is subject to that certain Master Lease executed by the County of Riverside and John and Betty Obradovich, dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, and which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Furthermore, Seller hereby incorporates in this instrument by reference the terms and conditions of that certain "Sub-Lease" executed by the parties hereto on _____. This Bill of Sale shall be enforceable only on the condition that the parties have entered into the aforesaid Sub-Lease.

3. **WARRANTY OF TITLE.** Seller does hereby, for the benefit of Buyer, covenant and agree to warrant and defend title to the aforesaid personal property hereby conveyed, against the just and lawful claims and demands of all persons whomsoever, and Seller further covenants that the aforesaid real property is not subject to liens of any type, including but not limited to liens for unpaid taxes, nor is said personal property subject to a security agreement or financing statement.

4. **REVERSION OF PROPERTY TO SELLER.** The aforesaid Sub-Lease, with which this Bill of Sale is coupled provides for a sub-lease period of approximately 30 years with a 10-year option, during which time the Buyer hereto, subject to certain conditions precedent, may sell, rent, assign, convey, hypothecate, or encumber the personal property subject to is instrument, provided further, that upon the expiration of said Sub-Lease or 30 years with a 10-year option lease period, whichever shall first occur, the personal property subject to this Bill of Sale shall revert to the Seller hereunder, or to Seller's assignee, or to the County of Riverside, which reversion shall be governed by the terms and conditions of the aforesaid Master Lease and all of the aforesaid amendments thereto and the terms and conditions of the aforementioned Sub-Lease between Sub-Lessor and Sub-Lessee. Provided further that in accordance with the aforesaid Sub-Lease, Buyer hereunder shall not sell, rent, assign, hypothecate or encumber the personal property subject to this instrument except upon the express written consent of the county of Riverside and Seller or his assignee hereunder, which consent shall not be unreasonably withheld.

5. **TAX CLAUSE.** During the aforementioned period of possession of Buyer of the personal property, Buyer shall be solely responsible for the payment of the personal property and/or possessory interest taxes and all other taxes levied upon the specific structure by the County of Riverside and/or all other lawfully constituted taxing authorities, and said responsibility shall include real property taxes which may be assessed to Seller, to Seller's successor, or to Buyer in connection with the subject property.

Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with the laws of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

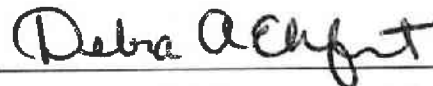
Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement. The parties hereby agree to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law and are giving up any rights to have the dispute litigated in a court or jury trial, as well as judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. Your agreement to this arbitration provision is voluntary.

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

IN WITNESS WHEREOF, this Bill of Sale is executed on February 18, 2016 .

SIGNED IN COUNTERPART

SELLER:



By: Debra A. Elephant, trustee of the 2000

Revocable Trust UDT 4/26/2000

BUYER:

DSDG Enterprizes, LLC a Texas limited liability company

David R. Sidor, Member

Daniel B. Greco, Member

Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with the laws of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement. The parties hereby agree to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law and are giving up any rights to have the dispute litigated in a court or jury trial, as well as judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. Your agreement to this arbitration provision is voluntary.

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

IN WITNESS WHEREOF, this Bill of Sale is executed on Feb 18-2016.

SELLER:

Debra A. Elefant, trustee of the 2000
Revocable Trust UDT 4/26/2000

BUYER:

DSDG Enterprizes, LLC a Texas limited liability company



David R. Sidor, Member



Daniel B. Greco, Member

LESSEE:

John Obradovich

John Obradovich

Betty Obradovich

Betty Obradovich

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF _____

On _____ before me, _____
a Notary Public, personally appeared Steven M. Elefant who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF Contra-Costa

On MARCH 18, 2014 before me, Carlos Via
a Notary Public, personally appeared Debra A. Elefant who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____



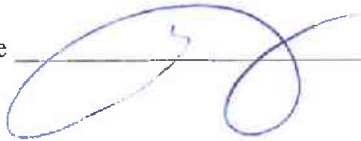
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On February 18, 2016 before me, K. Larby,
a Notary Public, personally appeared Dayid R. Sidor who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____




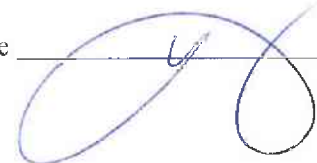
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On February 18, 2016 before me, K. Larby,
a Notary Public, personally appeared Daniel B. Greco who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____




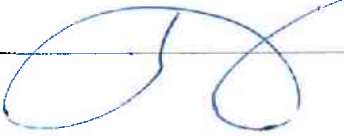
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On MARCH 29, 2016 before me, K. Larby
a Notary Public, personally appeared John Obradovich and Betty Obradovich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____




A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On _____ before me, _____
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside _____

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Description 1-A

THAT PORTION OF THE FOLLOWING DESCRIBED LAND WHICH IS INCLUDED WITHIN THE LEASED PREMISES AS SET OUT IN THE SUBLEASE WITH SALE OF AVIATION HANGER EXECUTED BY JOHN OBRADOVICH AND BETTY OBRADOVICH, AS SUBLESSOR AND STEVEN M. ELEFANT AND DEBRA A. ELEFANT, TRUSTEES OF THE 2000 REVOCABLE TRUST UDT 4/26/2000, AS SUBLESSEE, RECORDED JANUARY 26, 2007 AS INSTRUMENT NO. 2007-0063691, OFFICIAL RECORDS.

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENUE 56 (AIRPORT BOULEVARD), SAID POINT BEING THE NORTHEAST CORNER OF SAID SECTION 20;

THENCE SOUTH $00^{\circ} 00' 12''$ EAST, A DISTANCE OF 1,967.78 FEET TO THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENGER BOULEVARD;

THENCE NORTH $89^{\circ} 58' 40''$ WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 462.70 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE CONTINUING NORTH $89^{\circ} 59' 40''$ WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 668.58 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND LIBERATOR LANE;

THENCE SOUTH ALONG THE CENTERLINE OF LIBERATOR LANE, A DISTANCE OF 658.00 FEET;

THENCE EAST, A DISTANCE OF 178.00 FEET;

THENCE SOUTH, A DISTANCE OF 85.00 FEET;

THENCE EAST, A DISTANCE OF 80.00 FEET;

THENCE SOUTH, A DISTANCE OF 185.00 FEET;

THENCE EAST, A DISTANCE OF 150.00 FEET;

THENCE NORTH, A DISTANCE OF 285.00 FEET;

THENCE EAST, A DISTANCE OF 260.58 FEET TO THE CENTERLINE OF WARHAWK WAY;

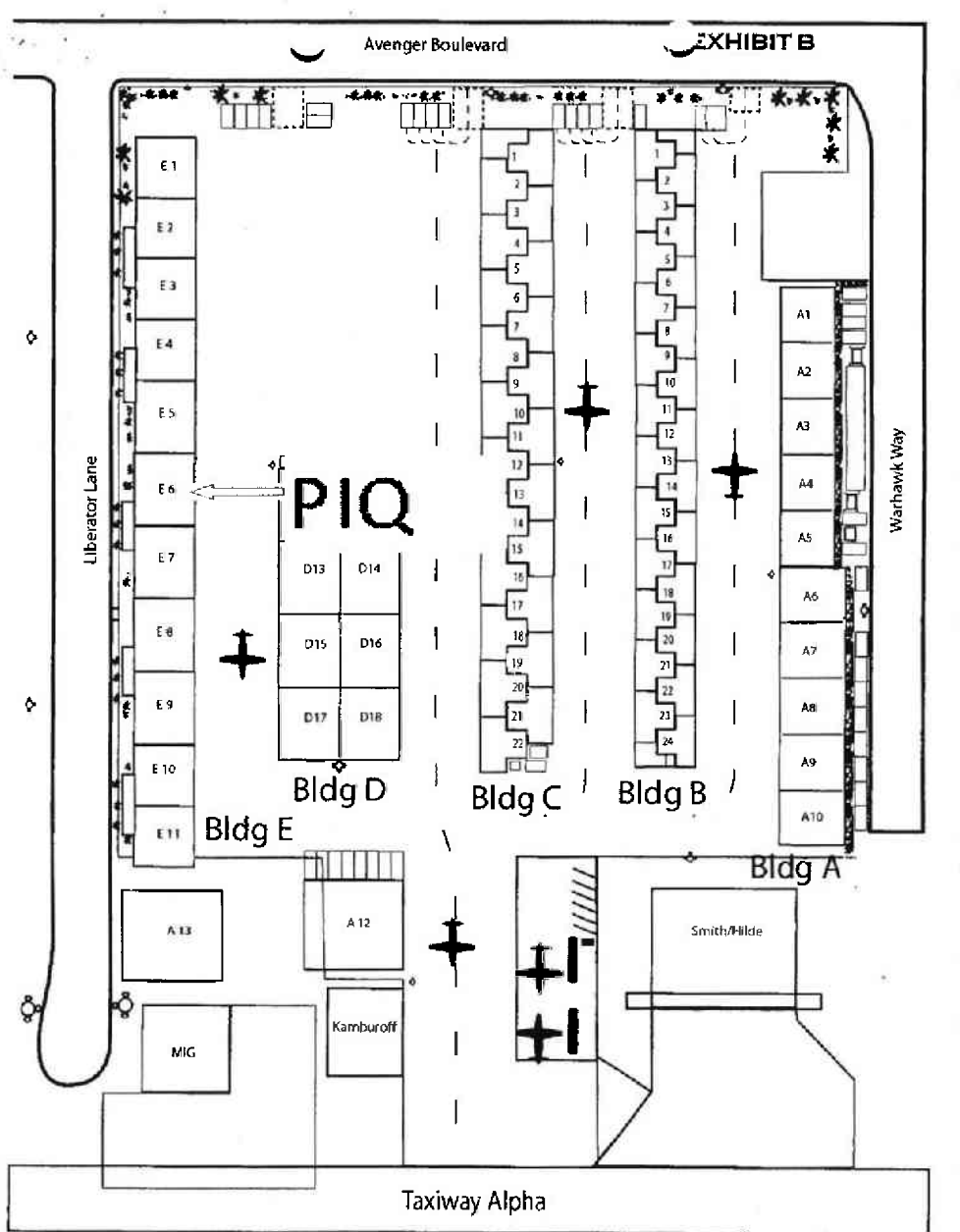
THENCE NORTH $00^{\circ} 00' 20''$ WEST A DISTANCE OF 643.00 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 30.00 FEET.

ALSO EXCEPTING THEREFROM THE WESTERLY 30.00 FEET.

ALSO EXCEPTING THEREFROM THE EXISTING COUNTY MAINTENANCE AREA LOCATED AT THE NORTHEASTERLY CORNER OF THE SUBJECT PROPERTY.

APN(s): PORTION OF 759-040-013-1



This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

CERTIFICATION OF TRUST

OF THE

2000 STEVEN M. ELEFANT AND DEBRA A. ELEFANT REVOCABLE TRUST

TO WHOM IT MAY CONCERN:

I, Debra A. Elefant, as trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust, certify as follows:

1. On April 26, 2000, Steven M. Elefant and Debra A. Elefant, as settlors, signed a Declaration of Trust that established a revocable living trust known as the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust (the "Trust").

2. This Certification is a true and correct representation of the terms of the Trust.

3. Under the terms of the Trust, Steven M. Elefant and Debra A. Elefant were the designated cotrustees of the Trust.

4. Steven M. Elefant is currently incapacitated, as defined in Section 8.6 of the Trust, as attested to by two Certifications of Incapacity, copies of which are attached hereto as Exhibit A, that conclude that Steven M. Elefant is currently incapable of managing his own financial resources.

5. Section 7.2 of the Trust provides that, if while both settlors are acting as cotrustees either settlor becomes incapacitated, the other settlor thereafter shall be sole trustee, with full power to continue the trust administration.

6. Upon Steven M. Elefant's incapacity, Debra A. Elefant became the sole trustee duly appointed and acting under and by terms of the Trust, and Debra A. Elefant agreed to serve in that capacity.

7. The currently acting trustee of the Trust is Debra A. Elefant, whose address is 4033 Tilden Lane, Lafayette, California 94549. This Certification of Trust is being signed by all currently acting trustees of the Trust.

8. The Trust has not been revoked, modified, or amended in any manner that would cause the representations contained herein to be incorrect.

9. The Trust is revocable. The persons holding the power to revoke the Trust are Steven M. Elefant and Debra A. Elefant.

10. Title to trust assets of the Trust should be taken in substantially the following form:

Debra A. Elefant, as trustee of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust.

11. United States Treasury Regulations Sections 1.671-4, 1.6012-3(a)(9), and 301.6109-1(a)(2) provide that either settlor's Social Security Number may be used in lieu of a separate taxpayer identification number for the trust. The Taxpayer Identification Number of this Trust is the social security number of either settlor.

12. Under Article 7 of this Trust, the trustee has all of the powers given to trustees under California law (see Probate Code sections 16200 and following), plus the relevant powers listed on Exhibit B, attached hereto.

13. This Certification is intended to serve as a "Certification of Trust" under California Probate Code Section 18100.5 as amended. Its purpose is to declare the existence of the Trust, the identity and powers of the trustee, the manner of taking title to assets, and to summarize some of the more important provisions of the Trust so that the trustee can deal with third parties, such as financial institutions, stock transfer agents, brokerage houses, title companies, insurance companies, and others, without disclosing the entire Trust, which is a private and confidential document.

14. All third parties dealing with the trustee may rely on this Certification as a true statement of the provisions of the Trust described as of the date this Certification is presented to such third party (regardless of the date of execution of this Certification), unless the third party has actual knowledge that the representations contained herein are incorrect. The trustee is expressly authorized to sue a third party who fails to rely on this Certification and demand damages, including punitive damages, on trustor's behalf for such non-reliance.

15. This certification is made in accordance with California Probate Code Section 18100.5 as amended, a copy of which is attached to this instrument. Any transaction entered into by a person acting in reliance on this certification shall be enforceable against the trust assets. **PROBATE CODE SECTION 18100.5(H) PROVIDES THAT ANY PERSON WHO REFUSES TO ACCEPT THIS CERTIFICATION IN LIEU OF THE ORIGINAL TRUST DOCUMENT WILL BE LIABLE FOR DAMAGES, INCLUDING ATTORNEYS' FEES, INCURRED AS A RESULT OF THAT REFUSAL, IF THE COURT DETERMINES THAT THE PERSON ACTED IN BAD FAITH IN REQUESTING THE TRUST DOCUMENT.**

16. I hereby certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Walnut Creek, California on January 22, 2016.



Debra A. Elefant, Trustee of the
2000 Steven M, Elefant and Debra A. Elefant
Revocable Trust, under Declaration of Trust
dated April 26, 2000

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Contra Costa

On January 22, 2016, before me, Teresa Duarte, a Notary Public, personally appeared DEBRA A. ELEFANT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,

Signature Teresa Duarte (Seal)



TEXT OF CALIFORNIA PROBATE CODE SECTION 18100.5
(effective January 1, 2005)

Section 18100.5. Certification of Trust

(a) The trustee may present a certification of trust to any person in lieu of providing a copy of the trust instrument to establish the existence or terms of the trust. A certification of trust may be executed by the trustee voluntarily or at the request of the person with whom the trustee is dealing.

(b) The certification of trust may confirm the following facts or contain the following information:

- (1) The existence of the trust and date of execution of the trust instrument.
- (2) The identity of the settlor or settlors and the currently acting trustee or trustees of the trust.
- (3) The powers of the trustee.
- (4) The revocability or irrevocability of the trust and the identity of any person holding any power to revoke the trust.
- (5) When there are multiple trustees, the signature authority of the trustees, indicating whether all, or less than all, of the currently acting trustees are required to sign in order to exercise various powers of the trustee.
- (6) The trust identification number, whether a social security number or an employer identification number.
- (7) The manner in which title to trust assets should be taken.
- (8) The legal description of any interest in real property held in the trust.

(c) The certification shall contain a statement that the trust has not been revoked, modified, or amended in any manner which would cause the representations contained in the certification of trust to be incorrect and shall contain a statement that it is being signed by all of the currently acting trustees of the trust. The certification shall be in the form of an acknowledged declaration signed by all currently acting trustees of the trust. The certification signed by the currently acting trustee may be recorded in the office of the county recorder in the county where all or a portion of the real property is located.

(d) The certification of trust may, but is not required to, include excerpts from the original trust documents, any amendments thereto, and any other documents evidencing or pertaining to the succession of successor trustees. The certification of trust shall not be required to contain the dispositive provisions of the trust which set forth the distribution of the trust estate.

(e) A person whose interest is, or may be, affected by the certification of trust may require that the trustee offering or recording the certification of trust provide copies of those excerpts from the original trust documents, any amendments thereto, and any other documents which designate, evidence, or pertain to the succession of the trustee or confer upon the trustee the power to act in the pending transaction, or both. Nothing in this section is intended to require or

imply an obligation to provide the dispositive provisions of the trust or the entire trust and amendments thereto.

(f) A person who acts in reliance upon a certification of trust without actual knowledge that the representations contained therein are incorrect is not liable to any person for so acting. A person who does not have actual knowledge that the facts contained in the certification of trust are incorrect may assume without inquiry the existence of the facts contained in the certification of trust. Actual knowledge shall not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the person relying upon the trust certification. Any transaction, and any lien created thereby, entered into by the trustee and a person acting in reliance upon a certification of trust shall be enforceable against the trust assets. However, if the person has actual knowledge that the trustee is acting outside the scope of the trust, then the transaction is not enforceable against the trust assets. Nothing contained herein shall limit the rights of the beneficiaries of the trust against the trustee.

(g) A person's failure to demand a certification of trust does not affect the protection provided that person by Section 18100, and no inference as to whether that person has acted in good faith may be drawn from the failure to demand a certification of trust. Nothing in this section is intended to create an implication that a person is liable for acting in reliance upon a certification of trust under circumstances where the requirements of this section are not satisfied.

(h) Except when requested by a beneficiary or in the context of litigation concerning a trust and subject to the provisions of subdivision (e), any person making a demand for the trust documents in addition to a certification of trust to prove facts set forth in the certification of trust acceptable to the third party shall be liable for damages, including attorney's fees, incurred as a result of the refusal to accept the certification of trust in lieu of the requested documents if the court determines that the person acted in bad faith in requesting the trust documents.

(i) Any person may record a certification of trust that relates to an interest in real property in the office of the county recorder in any county in which all or a portion of the real property is located. The county recorder shall impose any fee prescribed by law for recording that document sufficient to cover all costs incurred by the county in recording the document. The recorded certification of trust shall be a public record of the real property involved. This subdivision does not create a requirement to record a certification of trust in conjunction with the recordation of a transfer of title of real property involving a trust.

Certification of Incapacity of

Steven M. Elefant


WHEREAS, Steven M. Elefant is experiencing a medical condition that is adversely affecting his ability to manage his own affairs; and

WHEREAS, I am a physician licensed by the state of California who has examined Steven M. Elefant;

WHEREAS, I have examined and provided my opinion of Steven M. Elefant's mental capacity as outlined in my letter attached hereto as Exhibit A.

NOW THEREFORE, I hereby certify under penalty of perjury under the laws of the State of California that, in my professional medical opinion, Steven M. Elefant does not have the sufficient understanding or ability to make or communicate decisions about his property, financial or business affairs, or resist fraud or undue influence.

Executed at Lafayette, California on 12/29, 2015.


John Linfoot, MD

Diabetes and Endocrine Institute

978 Second Street, Suite 200

Lafayette, CA 94549

November 19, 2015

RE: Steven Elefant / DOB 05-21-1958

To whom it may concern:

Steven Elefant has been a patient of mine for over twenty years. In the last two years I have noticed a marked change in his behavior and appearance. At my suggestion he had a MRI on 05/06/2015. Due to the results of the MRI I referred him to see a neurologist. The neurologist treated him initially for depression and suggested he also seek out other medical reasons for his severe fatigue.

I referred him to Dr. Yarem Yeghiazarians for a cardiac workup. Steven was initially seen on 08/14/2015. Steven had an echo cardiogram (08/25/2015) carotid ultrasound (08/25/2015) and angioqram (09/01/2015) at UCSF and all were within range. At this time it was discussed that the next step would be a referral to Neurology at UCSF.

On October 7, 2015 Dr. Yarem Yeghiazarians sent a request for referral to the Memory and Aging Clinic at UCSF, based on Steven's observed symptoms and behavior.

Steven was seen at the UCSF Memory and Aging Center on November 13, 2015 for an evaluation that consisted of medical examination, neurologic examination and cognitive testing. Steven was evaluated by Dr. Joanna Hellmuth, MD, MHS, a Clinical Instructor and Behavioral Neurology Fellow at the UCSF Memory and Aging Center.

After evaluating him, Dr. Hellmuth concluded that "Mr. Elefant has shown cognitive and behavioral abnormalities, an impairment in judgment, and has been diagnosed with neurodegenerative disease that results in progressive cognitive dysfunction. This condition causes the dependence on others for assistance with complex tasks of everyday living such as financial management. At this time it is appropriate for his selected successor or durable power of attorney to assume responsibility for his financial transactions, property and business affairs, and healthcare decisions."

Based on my previous observations and the report submitted by Dr. Joanna Hellmuth at UCSF I am in full agreement with her assessment. I agree that he is not competent to make complex decisions on his behalf and it is necessary for his durable power of attorney to assume responsibility for his financial transactions, property and business affairs, and healthcare decisions.

Please contact me if you need any additional information.

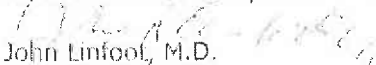

John Linfool, M.D.
Diabetes and Endocrine Institute
978 Second Street, Suite 200
Lafayette, CA 94549
(925) 962-6988
(925) 962-6987 fax

Exhibit A

Certification of Incapacity of

Steven M. Elefant

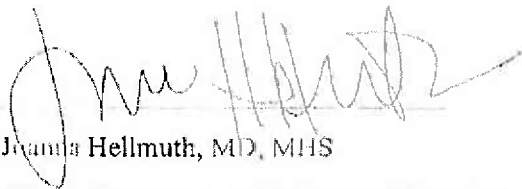
WHEREAS, Steven M. Elefant is experiencing a medical condition that is adversely affecting his ability to manage his own affairs; and

WHEREAS, I am a physician licensed by the state of California who has examined Steven M. Elefant;

WHEREAS, I have examined and provided my opinion of Steven M. Elefant's mental capacity as outlined in my letter attached hereto as Exhibit A.

NOW THEREFORE, I hereby certify under penalty of perjury under the laws of the State of California that, in my professional medical opinion, Steven M. Elefant does not have the sufficient understanding or ability to make or communicate decisions about his property, financial or business affairs, or resist fraud or undue influence.

Executed at San Francisco, California on December 24, 2015.



Daniela Hellmuth, MD, MHS

Clinical Instructor and Behavioral Neurology Fellow

University of California, San Francisco

Memory and Aging Center



University of California
San Francisco

Department of Neurology

Alzheimer's Disease Research
Center (ARC)

California Alzheimer's Disease
Center (CADAC)

Memory and Aging MC 1207
675 Nelson Rising Lane
Suite 190
San Francisco, CA 94158

tel: 415 476 8080
fax: 415 476 4800

www.ucsf.edu
memory.ucsf.edu
memory.ucsf.edu/blog
youtube.com/UCSFMemory
fb.com/UCSFMemory
twitter.com/UCSFmac
facebook.com/UCSFMemory
AnxiAging

November 17, 2015

Re: Steven Elefant
DOB: 05/21/1958

To Whom It May Concern:

Mr. Steven Elefant was seen at the UCSF Memory & Aging Center on November 13, 2015 for an evaluation that consisted of medical examination, neurologic examination and cognitive testing. Mr. Elefant has shown cognitive and behavioral abnormalities, an impairment in judgment, and has been diagnosed with a neurodegenerative disease that results in progressive cognitive dysfunction. This condition causes the dependence on others for assistance with complex tasks of every day living such as financial management. At this time it is appropriate for his selected successor or durable power of attorney to assume responsibility for his financial transactions, property and business affairs, and healthcare decisions.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Joanna Hellmuth, MD, MHS
Clinical Instructor and Behavioral Neurology Fellow
University of California, San Francisco
Memory and Aging Center
675 Nelson Rising Lane, Suite 190
San Francisco, California 94158
Telephone: 415/514-2384
Fax: 415/353-8292

Exhibit A

7.11. General Powers of Trustee. To carry out the purposes of the trusts created under this instrument, and subject to any limitations stated elsewhere in this instrument, the trustee shall have all of the following powers, in addition to all of the powers now or hereafter conferred on trustees by law:

- (a) With or without court authorization, sell (for cash or on deferred payments, and with or without security), convey, exchange, partition, and divide trust property; grant options for the sale or exchange of trust property for any purpose, whether the contract is to be performed or the option is to be exercised within or beyond the term of the trust; and lease trust property for any purpose, for terms within or extending beyond the expiration of the trust, regardless of whether the leased property is commercial or residential and regardless of the number of units leased.
- (b) Engage in any transactions with the personal representative of the estate of either settlor that are in the best interest of any trusts created in this instrument.
- (c) Manage, control, improve, and maintain all real and personal trust property.

- (d) Subdivide or develop land; make or obtain the vacation of plats and adjust boundaries, or adjust differences in valuation on exchange or partition by giving or receiving consideration; and dedicate land or easements to public use with or without consideration.
- (e) Make ordinary or extraordinary repairs or alterations in buildings or other trust property, demolish any improvements, raze existing party walls or buildings, and erect new party walls or buildings, as the trustee deems advisable.
- (f) Employ and discharge agents and employees, including but not limited to attorneys, accountants, investment and other advisers, custodians of assets, property managers, real estate agents and brokers, and appraisers, to advise and assist the trustee in the management of any trusts created under this trust instrument, and compensate them from the trust property.
- (g) With respect to securities held in trust, exercise all the rights, powers, and privileges of an owner, including, but not limited to, the power to vote, give proxies, and pay assessments and other sums deemed by the trustee necessary for the protection of the trust property; participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, and liquidations, and, in connection therewith, deposit securities with and transfer title to any protective or other committee under such terms as the trustee deems advisable; exercise or sell stock subscription or conversion rights; and accept and retain as investments of the trust any securities or other property received through the exercise of any of the foregoing powers.
- (h) Hold securities or other trust property in the trustee's own name or in the name of a nominee, with or without disclosure of the trust, or in unregistered form, so that title may pass by delivery.
- (i) Deposit securities in a securities depository that is either licensed or exempt from licensing.
- (j) Borrow money for any trust purpose from any person or entity, including one acting as trustee hereunder, on such terms and conditions as the trustee deems advisable, and obligate the trust for repayment; encumber any trust property by mortgage, deed of trust, pledge, or otherwise, whether for terms within or extending beyond the term of the trust, as the trustee deems advisable, to secure repayment of any such loan; replace, renew, and extend any such loan or encumbrance; and pay loans or other obligations of the trust deemed advisable by the trustee.
- (k) Procure and carry, at the expense of the trust, insurance in such forms and in such amounts as the trustee deems advisable to protect the trust property against damage or loss, and to protect the trustee against liability with respect to third persons.
- (l) Enforce any obligation owing to the trust, including any obligation secured by a deed of trust, mortgage, or pledge held as trust property, and purchase any property subject to a security instrument held as trust property at any sale under the instrument.
- (m) Extend the time for payment of any note or other obligation held as an asset of, and owing to, the trust, including accrued or future interest, and extend the time for repayment beyond the term of the trust.

- (n) Pay or contest any claim against the trust; release or prosecute any claim in favor of the trust; or, in lieu of payment, contest, release, or prosecution, adjust, compromise, or settle any such claim, in whole or in part, and with or without consideration.
- (o) At trust expense, prosecute or defend actions, claims, or proceedings of whatever kind for the protection of the trust property and of the trustee in the performance of the trustee's duties, and employ and compensate attorneys, advisers, and other agents as the trustee deems advisable.

7.12. Power to Retain Trust Property. The trustee shall have the power to retain property received into the trust at its inception or later added to the trust, as long as the trustee considers that retention in the best interests of the trust or in furtherance of the goals of the settlors in creating the trust, as determined from this trust instrument, but subject to the standards of the prudent investor rule as set forth in the California Uniform Prudent Investor Act, as amended from time to time.

7.13. Trustee's Power to Invest Property. Subject to the standards of the prudent investor rule as stated in the California Uniform Prudent Investor Act, as amended from time to time, the trustee shall have the power to invest and manage the trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust.

7.14. Power Over Unproductive Property. The trustee shall have the power to retain or acquire unproductive or underproductive property; provided, however, that as to any assets of the Survivor's Trust, the surviving settlor shall have the right, by delivery of a written instrument to the trustee, to require the trustee to make unproductive property productive, within a reasonable time following receipt of the request.

7.15. Power to Operate Business. The trustee shall have the power to hold and operate any business or enterprise that is or becomes trust property, on such terms and for such a time as the trustee, in the trustee's discretion, deems advisable; to purchase, acquire, invest in, or otherwise participate in, any business or other enterprise on behalf of the trust; or to sell, dissolve, liquidate, or terminate any such business. The trustee shall also have the power to incorporate, reorganize, or

otherwise change the form of a business or enterprise that is part of the trust, through merger or consolidation of two or more enterprises or otherwise, and to participate in that business or enterprise as a sole proprietor, as a general or limited partner, as a shareholder, or in any other capacity. Any operation, sale, purchase, acquisition, investment in, or dissolution or liquidation of a business interest, in good faith, shall be at the risk of the trust, and without liability on the part of the trustee for any resulting losses. The trustee shall also have the power to contribute capital or loan money to the business or enterprise on such terms and conditions as the trustee deems advisable.

7.16. Power to Operate Farm or Ranch. The trustee shall have the power to continue to hold, operate, sell, purchase, acquire, invest in, or liquidate any farming or ranch property, or any interest in farming or ranching property, whether organized as a sole proprietorship, general or limited partnership, corporation, or otherwise, on such terms and for such time as the trustee, in the trustee's discretion, deems advisable. Any such operation, sale, purchase, acquisition, investment, or liquidation, in good faith, shall be at the risk of the trust and without liability on the part of the trustee for any resulting losses. The trustee shall have all powers necessary or appropriate to carry out the management of such farming and ranching property. The trustee shall also have the power to incorporate any farming or ranching property, or any interest therein, and to hold the stock as a trust asset; to borrow money for any purpose related to the operation, or the acquisition or disposition, of any such farming or ranching interests; and to employ agents in the management and operation of that property. The net profits and losses from the farming and ranching operations conducted by the trust shall be computed in accordance with recognized methods of accounting for comparable activities. The net profits from these activities shall become trust income. The net losses from these activities shall not reduce other trust income for the fiscal or

calendar year during which they occur, but shall be carried into subsequent fiscal or calendar years and reduce the net profits of the business for those years.

7.17. Power to Self-Deal. The trustee, acting as an individual or as a trustee of another trust not created by this trust instrument, shall have the power to perform the following acts with respect to the property of any trust under this trust instrument: purchase property from or sell property to the trust at fair market value; exchange property for trust property of equal value; lease property from or to the trust at fair rental value; borrow funds from or lend or advance funds to the trust, with interest at then-prevailing rates, and give or receive security for the loans in any commercially reasonable form; and receive from any business in which the trust has an interest a reasonable salary and reimbursement of expenses while performing duties as a trustee.

7.18. Powers Regarding Subchapter S Stock. If at any time the trust estate includes shares of stock in any corporations that have elected to be governed by the provisions of Subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code (IRC Section 1361 et seq., or any successor sections), then notwithstanding any other provision of this instrument, the trustee shall at all times manage those shares, and administer the trust estate, in a manner that will maintain the S corporation status. To satisfy this obligation, but without limiting the discretion of the trustee to take any action to protect the S corporation status, the trustee shall act as follows:

- (a) Allocation or Distribution to Permitted Shareholders. The trustee shall allocate or distribute shares of S corporation stock only to those trusts or those beneficiaries that are permitted to be shareholders of an S corporation.
- (b) Qualified Subchapter S Trust Provisions. If shares of S corporation stock are allocated to any trust created under this instrument and that trust does not otherwise qualify as a permitted shareholder under Internal Revenue Code Section 1361, or any successor section, then notwithstanding any other provision of this instrument, that trust (or any portion of that trust containing S corporation stock) shall be administered so as to ensure that it is a Qualified Subchapter S Trust (QSST), an Electing Small Business Trust (ESBT), or some other form of trust that qualifies as a permitted shareholder under Internal Revenue Code Section 1361, or any successor section. The S corporation stock

in each such trust shall be held in separate share trusts (within the meaning of Internal Revenue Code Section 663(c), or any successor section) for each beneficiary; and all other property in each trust shall be held in a separate trust, which shall continue to be administered in accordance with the terms of this instrument. With respect to the separate share trusts holding S corporation stock, the trustee shall make distributions of income and principal, and otherwise administer the trusts, to ensure that those trusts do not become ineligible shareholders of an S corporation. To the extent that the terms of this instrument are inconsistent with those separate share trusts qualifying as permitted shareholders of an S corporation, those terms shall be disregarded.

- (c) Other Trustee Administrative Powers. The trustee shall have the power (1) to enter into agreements with other shareholders or with the corporation relating to transfers of S corporation stock or the management of the S corporation; and (2) to allocate amounts received, and the tax on undistributed income, between income and principal. During the administration of a trust holding S corporation stock, the trustee may allocate tax deductions and credits arising from ownership of S corporation stock between income and principal. In making those allocations, the trustee shall consider that the beneficiary is to have the enjoyment of the property at least equal to that ordinarily associated with an income interest.
- (d) Beneficiary Agreement. The trustee shall not distribute any S corporation stock to any beneficiary unless, prior to that distribution, the beneficiary enters into a written agreement with the S corporation stating the following: (1) that the beneficiary will consent to any election to qualify the corporation as an S corporation; (2) that the beneficiary will not interfere with the S corporation maintaining its S corporation status; (3) that the beneficiary will not transfer the S corporation stock to any transferee who does not agree to execute a similar consent; (4) that the beneficiary will not transfer the stock in a manner that will cause a termination of S corporation status under Then applicable federal and state tax law and regulations; and (5) that the beneficiary will join in any attempt to obtain a waiver from the Internal Revenue Service of a terminating event on the grounds of inadvertence if S corporation status is inadvertently terminated and the S corporation or any shareholder desires that S corporation status should continue.
- (e) Certificate to Bear Legend. If the trustee receives any shares of S corporation stock whose stock certificates bear a legend stating that the transfer, pledge, assignment, hypothecation, or other disposition of the stock is subject to the terms set forth in the preceding subsection, then the stock certificates shall also bear that legend when the trustee distributes those shares of S corporation stock to a beneficiary.
- (f) No Disqualification of Marital Deduction. Any grant of power or discretion to the trustee under this section shall be void to the extent that that grant would cause the estate of the deceased settlor to lose all or part of the federal estate tax marital deduction, and in the event of an irreconcilable conflict between qualification of a trust as a permitted shareholder of an S corporation and qualification of that trust for the federal estate tax marital deduction, all of the

S corporation's stock otherwise passing to that trust shall be distributed outright to the surviving settlor.

7.19. Retention of Family Residence. The trustee shall retain, in any trust or trusts created by this trust instrument, any interest in real property used by the settlors as their principal residence at the time of the deceased settlor's death ("the family residence"), and shall deal with the family residence in accordance with the following terms and conditions:

- (a) During his or her lifetime, the surviving settlor shall have the right to occupy the family residence (or any substitute residence or residential property purchased as provided in this section of the trust instrument) free of any rent.
- (b) The trustee shall pay as much of the mortgage or trust deed payments, property taxes, assessments, insurance, maintenance, and ordinary repairs on the family residence (or any substitute residence or residential property purchased as provided in this section of the trust instrument) as corresponds to the trust's proportionate interest in the same. The trustee shall make those payments out of income or principal of the trust or trusts in accordance with the principles applicable to the charging of payments under California law, but in no event shall payment be made in a manner that disqualifies any part of the trust, that would otherwise so qualify, for the federal estate tax marital deduction.
- (c) The surviving settlor, at his or her option, shall have the right to advise the trustee in writing that he or she no longer wishes to occupy the family residence and to direct the trustee to sell it, or any interest therein. In deciding on the terms and conditions relating to any sale, the trustee shall take into account all relevant factors, including, but not limited to, the intent of the settlors that no sale be made in a "forced sale" situation (other than at the direction of the surviving settlor) or at a time when, because of high mortgage rates or otherwise, the residential real estate market is depressed. In selling the family residence, the trustee may dispose of it on such terms as the trustee deems desirable, including an installment sale or any other desirable method of disposing of the family residence, provided that if the sale is for consideration other than cash, the purchaser's obligation shall be secured by a first deed of trust. In the event of a sale, the surviving settlor may direct the trustee in writing to apply the proceeds of the sale to the purchase of a substitute residence or residential property, of comparable or lesser value, to be selected by the surviving settlor, or to reinvest the proceeds in any manner that he or she may direct, provided that any such investments satisfy normal fiduciary standards of prudence and safety, and to use the income from reinvestment to pay the rental or lease payments on another residence or residential property, to be selected by the surviving settlor. Any net trust accounting income from any such investments, in excess of the trust share of the rental costs and any other expenses of trust administration, shall be added to the other trust income and

distributed in accordance with the relevant provisions of the trust or trusts as set forth in Article Six of this trust instrument.

- (d) On the death of the surviving settlor, the trust interest in either the family residence, any proceeds remaining from the sale of the family residence, or any substitute residence or residential property purchased by the trustee with any proceeds of sale of the family residence, shall be distributed in accordance with the applicable provisions of the trust or trusts in which the interest or interests are held, as set forth in Article Six of this trust instrument.

7.20. Power to Combine Trust Assets. Each trust created under this instrument shall constitute a separate trust and be administered accordingly; however, the assets of all of the trusts may be combined for bookkeeping purposes and held for the trust beneficiaries without physical division into separate trusts until time of distribution.

7.21. Early Termination of Trusts. The trustee shall have the power, in the trustee's discretion, to terminate any trust created under this trust instrument whenever the fair market value of the trust falls below forty thousand dollars (\$40,000), or becomes so small in relation to the costs of administration as to make continuing administration uneconomical. Continuing administration shall be uneconomical if the trustee determines that, with reference to the trust fee schedules then in effect for corporate fiduciaries in the area in which the trust is being administered, the trust would be subject to the minimum trust administration fees of those fiduciaries, regardless of the value of the trust. On termination, the trustee shall distribute the principal and any accrued or undistributed net income to the income beneficiaries in proportion to their shares of the income. If no fixed amount of income is payable to specific beneficiaries, the trustee shall distribute the principal and any accrued or undistributed net income in equal shares to those beneficiaries who would then be entitled to income payments from the trust.

7.22. Division or Distribution in Cash or Kind. In order to satisfy a pecuniary gift or to distribute or divide trust assets into shares or partial shares, the trustee may distribute or divide those assets in kind, or divide undivided interests in those assets, or sell all or any part of those

assets and distribute or divide the property in cash, in kind, or partly in cash and partly in kind. Property distributed to satisfy a pecuniary gift under this instrument shall be valued at its fair market value at the time of distribution. This section shall apply only to the extent that it does not conflict with the provisions in this instrument specifying allocation of assets involving the marital deduction share or with the provisions in this instrument specifying allocation of assets involving generation-skipping trusts.

7.23. Payments to Legally Incapacitated Persons. If at any time any trust beneficiary is a minor, or it appears to the trustee that any trust beneficiary is incapacitated, incompetent, or for any other reason not able to receive payments or make intelligent or responsible use of the payments, then the trustee, in lieu of making direct payments to the trust beneficiary, may make payments to the beneficiary's conservator or guardian; to the beneficiary's custodian under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of any state; to one or more suitable persons as the trustee deems proper, such as a relative of or a person residing with the beneficiary, to be used for the beneficiary's benefit; to any other person, firm, or agency for services rendered or to be rendered for the beneficiary's assistance or benefit; or to accounts in the beneficiary's name with financial institutions. The receipt of payments by any of the foregoing shall constitute a sufficient acquittance of the trustee for all purposes.

7.24. Written Notice to Trustee. Until the trustee receives written notice of any death or other event on which the right to payments from any trust may depend, the trustee shall incur no liability for disbursements made in good faith to persons whose interests may have been affected by that event.

7.25. Duty to Account. So long as the settlors, or either or them, are acting as trustee or cotrustee of this trust, the trustee shall have no duty to account. In all other circumstances, the

trustee shall render accounts at least annually, at the termination of a trust, and on a change of trustees, to the persons and in the manner required by law.

7.26. Cotrustee May Delegate Acts to Other Cotrustee. Any cotrustee may, from time to time, delegate to the other cotrustee routine acts of trust administration and may establish bank or other accounts for the trust that will honor the signature of one or of either cotrustee.

LEASE CANCELLATION AGREEMENT

(BEHIND THIS PAGE)

LEASE CANCELLATION AGREEMENT
JACQUELINE COCHRAN REGIONAL AIRPORT

WHEREAS, John Obradovich and Betty Obradovich, hereinafter Sublessor, and **Steven M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000** as entered into that certain Sublease dated **February 21, 2006**, attached hereto as Exhibit A, and by this reference incorporated herein, relating to land located at Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport), Riverside County, California; and

WHEREAS, Sublessor improved the land with a ~~3,000~~^{3,200 DAK} square foot aircraft storage hangar; and

WHEREAS, Sublessor sold the improvements to Sublessee; and

WHEREAS, Sublessee has subsequently sold the improvements to a third party

WHEREAS, Sublessor and Sublessee find it in their mutual best interests to cancel the Lease;

NOW, THEREFORE, the parties hereto for good and valuable consideration do mutually agree to cancel the Lease effective the date of execution of this agreement by all parties.

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

SIGNED IN COUNTERPART

Date: 3/18/16

SUBLESSEE

Debra A. Elefant

By: Debra A. Elefant, trustee of the 2000 Revocable Trust UDT 4/26/2000

Date: _____

SUBLESSOR

By: _____
John Obradovich

By: _____
Betty Obradovich

LEASE CANCELLATION AGREEMENT
JACQUELINE COCHRAN REGIONAL AIRPORT

WHEREAS, John Obradovich and Betty Obradovich, hereinafter Sublessor, and **Steven M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000** as entered into that certain Sublease dated **February 21, 2006**, attached hereto as Exhibit A, and by this reference incorporated herein, relating to land located at Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport), Riverside County, California, and ^{5,000}~~3,000~~

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WHEREAS, Sublessor sold the improvements to Sublessee; and

WHEREAS, Sublessee has subsequently sold the improvements to a third party

WHEREAS, Sublessor and Sublessee find it in their mutual best interests to cancel the Lease;

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SIGNED IN COUNTERPART

Date: _____

Date: _____

SUBLESSEE

By: **Debra A. Elefant, trustee of the 2000 Revocable Trust UDT 4/26/2000**

Date: 3/29/2016

SUBLESSOR

By: 
John Obradovich

By: 
Betty Obradovich

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF CONTRA COSTA

On MARCH 18, 2016 before me, CARLOS VIA

a Notary Public, personally appeared Steven M. Elefant and Debra A. Elefant who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF Riverside

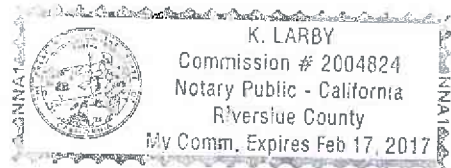
On MARCH 29, 2016 before me, K. Larby

a Notary Public, personally appeared John Obradovich and Betty Obradovich who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



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

805



FROM: Economic Development Agency

SUBMITTAL DATE:
April 5, 2006

SUBJECT: Aviation Subleases and Hangar Sales at Jacqueline Cochran Regional Airport, Fourth District

RECOMMENDED MOTION: That the Board of Supervisors:

1. Consent to the Subleases and Bills of Sale between John Obradovich and Betty Obradovich, as Sublessor, and 1) Evans Family Trust, dated October 7, 2005; 2) Steve M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000, dated February 21, 2005; 3) Roy L. Stephens, dated February 21, 2006; and, 4) Frank Welker, dated February 21, 2006, as Sublessees;
2. Authorize the Chairman to execute the Consents to Sublease and the Bills of Sale; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Subleases.

BACKGROUND: The Economic Development Agency has received Subleases and Bills of Sale between John Obradovich and Betty Obradovich, as Sublessor and Seller, and 1) Evans Family Trust, Sublessee and Buyer of hangar E5; 2) Steve M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000, Sublessee and Buyer of hangar E6; 3) Roy L. Stephens, Sublessee and Buyer of hangar E4; and, 4) Frank Welker, Sublessee and Buyer of hangar E9. The Subleases are under a nine-acre lease between County and Sublessor dated June 3, 2003, and Amended on September 14, 2004. (Continued)

Robin Zimpfer
Robin Zimpfer

Assistant County Executive Officer/EDA

RZ:JC:RF:HO
S:\EDCOM\AIRPORTSUCRA-Thermal\Obradovich\AIS F11 EEWS
060405.doc

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: NA

Positions To Be Deleted Per A-30
Requires 4/5 Vote

C.E.O. RECOMMENDATION:

APPROVE

FORM APPROVED
COUNTY COUNSEL

County Executive Office Signature

[Signature]

APR 28 2006

BY *[Signature]*

Policy Policy
Consent Consent
Dept Recomm: Per Exec. Ofc.:

Prev. Agn. Ref.: Jun 03, 2003 3.11; Sept 14, 2004 3.17

District: 4th

Agenda Number:

3 5

Form 11 - Aviation Subleases and Hangar Sales at Jacqueline Cochran Regional Airport, Fourth District
April 5, 2006
Page 2

(Continued)

Economic Development Agency staff recommends consent to the Subleases and Bills of Sale. County Counsel has reviewed the Subleases and Bills of Sale and has approved the Consents as to form.

SUB-LEASE WITH SALE OF AVIATION HANGAR

John Obradovich and Betty Obradovich, herein called Sub-Lessor, sub-leases to Steven M. Elefant and Debra A. Elefant, trustees of the 2000 Revocable Trust UDT 4/26/2000, herein called Sub-Lessee, the property described below, upon the following items and conditions.

RECITALS

Sub-Lessor leases from the County of Riverside, approximately nine (9) acres located at the Jacqueline Cochran Regional Airport, Thermal, in the County of Riverside, State of California.

This and other sub-leases entered into by the Sub-Lessor are intended to conform with, be compatible with, and be subject to the terms and conditions of the Master Lease dated May 3, 2003, executed June 3, 2003, and amended September 14, 2004, between the County of Riverside as Lessor, and John and Betty Obradovich, Husband and Wife, as Lessee which lease and amendments thereto shall be called the "Master Lease" and the County of Riverside shall be called the "County."

By separate document entitled, "Bill of Sale," a copy of which is attached hereto as **Exhibit "A,"** Sub-Lessor intends to convey, assign or transfer to Sub-Lessee its (Sub-Lessor's) interest in certain facilities and improvements it owns within the premises sub-leased hereunder.

DESCRIPTION

The premises sub-leased hereby are located within Desert Resorts Regional Airport generally, and within the area leased from County by Sub-Lessor consisting of nine (9) acres and as more particularly shown on **Exhibit "B,"** attached thereto and by this reference, made a part of this sub-lease. The portion of the nine acres being sub-leased is that portion of land occupied in **Building E Hangar # 6** as depicted in **Exhibit "B."** In addition to the forgoing during the term of this lease Sublessor grants to Sublessee the right to ingress and ingress over that portion of the leasehold premises of Sublessor held under the Master Lease and a license to use the taxiway areas as designated by Sublessor.

USE

The premises are sub-leased hereby for the purposes of aircraft storage.

TERM

The term of this sub-lease, subject to any provisions in the Master Lease that may be applicable and take precedence, shall be for a period equal to the portion of thirty (30) years remaining under the Master Lease and terminating on June 30, 2033. Sub-Lessor has an option to extend the term for an additional ten (10) years, as provided in the Master Lease. If the Sub-Lessor extends the lease with the County for the additional ten years, this Sub-Lease shall extend as well for the additional ten years. Nothing in this Sublease shall be interpreted to obligate or require the Sublessor to so extend the term of the Master Lease and Sublessor or its successors and assigns may or may not so extend the term of the Master Lease in its sole and absolute discretion

RENT

Sub-Lessee shall pay to Sub-Lessor the sum of \$ 77 per month, payable in advance, on the first day of each month.

EACH DOCUMENT TO WHICH THIS INSTRUMENT IS ATTACHED IS CERTIFIED TO BE A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL, ON FILE AND OF RECORD IN MY OFFICE.

Dated May 15, 2006

Nancy Romero
Clerk of the Board of Supervisors
County of Riverside, California

By [Signature]

MAY 16 2006 3:5

The monthly rent shall be subject to adjustment as of the dates and in the amounts as described in Section 5, paragraphs (d) and (e) of the Master Lease. In no event shall any adjustment be a negative adjustment.

The monthly rent is due and payable on or before the first of the appropriate month during the term of this lease agreement and shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent, lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the terms of this sub-lease;

Observe and comply with all rules, regulations and laws which govern and are in effect adopted by Sublessor or the County of Riverside. Maintain premises and equipment in a clean, orderly, neat and safe condition.

Pay for all utilities, including trash disposal and a pro rata share of Sublessor's cost of maintaining and insuring the Project, as determined by Sublessor.

SUB-LESSOR'S RESERVED RIGHTS

Sub-Lessor and County, or either duly authorized agents, shall have the right to enter the sub-leased premises for inspections, repairs or for any other reasonable cause.

IMPROVEMENTS, REPAIRS & SIGNS

Sub-Lessee shall not make any improvements, repairs or modifications, paint the exterior of the hangar or install any signs without prior written approval of Sub-Lessor.

INSURANCE

Sub-Lessee shall, during the term of this sub-lease, procure and maintain the following described insurance coverage and limits as indicated.

a. Procure and maintain comprehensive General Liability Insurance coverage that shall protect Lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sublessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds with respect to this sublease and obligations of Sublessee hereunder. Such insurance shall provide for limits of not less than \$1,000,000, per occurrence.

b. Furnish Sublessor and the County of Riverside with Certificates of Insurance showing that such insurance is in full force and effect, and that additional insureds are named as required in (a) above. Further, said certificates shall contain the covenant of the insurance carrier that 30 days written notice will be given to the County of Riverside and Sublessor prior to cancellation or reduction in coverage of such insurance.

TERMINATION BY SUB-LESSOR

Sub-Lessor shall have the right to terminate this Sub-Lease.

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessee as a debtor.

In the event that Sub-Lessee makes a general assignment, or sub-lessee's interest hereunder is assigned involuntarily or by operation of law for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Sub-Lease.

In the event of the abandonment of, or the discontinuance of the use of, the sub-leased premises by Sub-Lessee.

In the event Sub-Lessee fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessee shall have 30 days in which to correct its breach or default after written notice hereof has been served on it by Sub-Lessor.

In the event that the lease premises are rendered unfit for Sub-Lessee's use and cannot be restored within a reasonable time.

TERMINATION BY SUB-LESSEE

Sub-Lessee shall have the right to terminate this Sub-Lease;

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessor as a debtor.

In the event that Sub-Lessor makes a general assignment for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this lease.

In the event of the abandonment of, or the discontinuance of, the use of the leased premises by Sub-Lessor.

In the event Sub-Lessor fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessor shall have 30 days in which to correct its breach or default after written notice hereof has been served on it by Sub-Lessee.

In the event that the leased premises are rendered unfit for Sub-Lessor's use and cannot be restored within a reasonable time.

HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and County, their officers, agents, employees and

independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessee, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (Sub-Lessee's employees included) or any other element of damage or any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the leased premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor, County, its officers, agents, employees and independent contractors in any legal action based on any alleged acts or omissions.

ASSIGNMENT

Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties and obligations hereunder to any person or entity without the written consent of Sub-Lessor and County being first obtained.

BINDING ON SUCCESSORS

Sub-Lessee, his heirs, assigns and successor in interest shall be bound by all the terms and conditions contained in this sub-lease, and all of the parties thereto shall be jointly and severely liable hereunder.

EMPLOYEES AND AGENTS OF SUB-LESSEE

It is understood that all persons hired or engaged by Sub-Lessee shall be considered to be employees or agents of Sub-Lessee and not of Sub-Lessor or County.

COMPLIANCE WITH LAW

Sub-Lessee shall observe all statutes, rules, regulations, ordinances, and orders relating to the use of the sub-leased premises enacted or promulgated by County, the State of California, the United States of America and the agencies thereof.

WAIVER OF PERFORMANCE

No waiver by Sub-Lessor at any time of any of the terms and conditions of his sub-lease shall be deemed or construed as a waiver at any time thereafter of the same or any other terms and conditions contained herein or of the strict and timely performance of such terms and conditions.

SEVERABILITY

The invalidity of any provision in this sub-lease as determined by a court of competent jurisdiction shall in no way effect the validity of any other provisions hereof.

NOTICES

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

SUB-LESSOR:

John and Betty Obradovich
84-401 Cabazon Center Drive
Indio, CA 92201

SUB-LESSEE:

Steven M. Elefant and Debra A. Elefant, Trustees
4033 Tilden Lane
Lafayette, CA 94549

or to such other addresses as from time to time shall be designated in writing by the respective parties

VENUE

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

TAXES

Sub-Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Sub-Lessee recognizes and understands that this Sub-Lease will create a possessory interest subject to property taxation and that Sub-Lessee will be subject to the payment of property taxes levied on such interest.

TOXIC MATERIALS

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

FREE FROM LIENS

Sub-Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Sub-Lessee, in, upon or about the sub-leased premises, and which may be secured by a mechanic's, materialmen's, or other lien against the sub-leased premises or County's interest therein, and will cause such lien to be fully discharged and released at the time the performance of any obligation secured by such lien natures or becomes due, provided, however, that if Sub-Lessee desires to contest any such lien provided that it either pays the lien or obtains a bond to allow release of said lien, and then it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so

stayed, and said stay thereafter expires, then and in such event, Sub-Lessee shall forthwith pay and discharge said judgment.

DISPUTES/DAMAGES

In the event it is necessary to enforce or interpret any provision herein contained, or to recover any rent due or to recover possession of the Premises for any default or breach of the Agreement, the matter shall be submitted to binding arbitration conducted by the American Arbitration Association ("AAA") who shall be selected by mutual agreement of the parties. The Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with, the law of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

Judgment upon the decision rendered by the Arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement.

You are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law, and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. You are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to Arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

MASTER LEASE/SURVIVAL OF SUB-LEASE

a. Sub-Lessee acknowledges and agrees that it shall be bound, and shall otherwise be subject to all of the terms and conditions contained in the Master Lease except as otherwise permitted by the provisions of Paragraph 29 of the Master Lease.

b. In the event the Master Lease is terminated, Sub-Lessee agrees to keep, observe and perform all of the terms and conditions of the Master Lease on the part of the Sub-Lessor to be kept, observed and performed, and Sub-Lessee's right to possession shall remain in effect as provided in Paragraph 29 of the Master Lease to all intents and purposes as though Sub-Lessee was the original Lessee thereunder; provided, however, that such assumption and agreement shall pertain only to the sub-leased premises and not to the entire leased premises under the Master Lease, and Sub-Lessee, among other things, shall make rental payments to County in an amount equal to such payments which Sub-Lessee is required to pay Sub-Lessor under this sub-lease.

CONSENT BY COUNTY

The parties hereto understand and agree that this Sub-Lease shall not be enforceable by either unless and until consent has been obtained from County in writing.

IN WITNESS WHEREOF, this Sublease is executed on February 21, 200⁶.

SUB-LESSOR:

[Signature]
John Obradovich

[Signature]
Betty Obradovich

SUB-LESSEE:

[Signature]
Steven M. Elefant, Trustee

[Signature]
Debra A. Elefant, Trustee

The COUNTY of Riverside hereby consents to the foregoing Sub-Lease.

LESSOR:

COUNTY OF RIVERSIDE

By: [Signature]
Chairman, Board of Supervisors

By: _____

Date: MAY 16 2006

ATTEST:

Nancy Romero,
Clerk of the Board

FORM APPROVED:

Joe S. Rank,
County Counsel

By: [Signature]
Deputy

By: [Signature] 4/28/06
Deputy

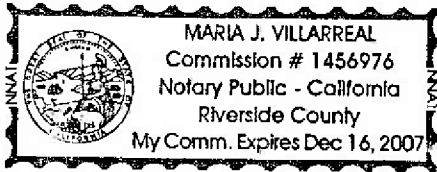
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On May 16, 2006, before me, Maria J. Villarreal, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Bob Buster
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Maria J. Villarreal
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

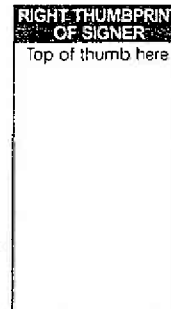
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



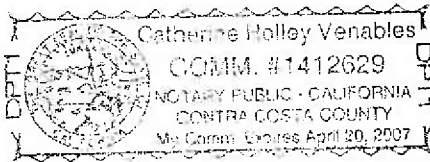
STATE OF CALIFORNIA)
Contra Costa) SS.
COUNTY OF RIVERSIDE)

On Jan 19, 2006, 2005, before me,

Catherine Holley Venables personally appeared
Steven M. Elefant
Debra A. Elefant.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Catherine Holley Venables
Notary Public

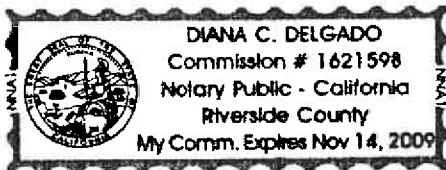
STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On Feb 21, 2006, 2005, before me,

Diana C. Delgado, Notary Public personally appeared
John Obradovich & Betty Obradovich

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Diana C. Delgado
Notary Public

BILL OF SALE COUPLED WITH SUB-LEASE

All Inside AV Storage, Inc. hereinafter called the "Seller," hereby sells to Steven M. Elefant and Debra A. Elefant, trustees of the 2000 Steven M. Elefant and Debra A. Elefant Revocable Trust UDT 4/26/2000, hereinafter called the "Buyer," and said Buyer hereby purchases from Seller the property described below, upon the following terms and conditions:

1. **RECITALS.** The Seller owns concrete floor structures and steel buildings labeled as Bldg. A, Bldg. B, Bldg. C, Bldg. D, and Bldg. E at Jacqueline Cochran Regional Airport, Thermal, California, Riverside County, as described on the attached **Exhibit "1"** also described as **Bldg. E, Hangar # 6**, the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of \$ 208,000.
2. **THIS BILL OF SALE IS SUBJECT TO MASTER LEASE AND COUPLED WITH SUB-LEASE.** This Bill of Sale is subject to that certain Master Lease executed by the County of Riverside and John and Betty Obradovich, dated May 3, 2003, executed June 3, 2002, and amended September 14, 2004, and which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Furthermore, Seller hereby incorporates in this instrument by reference the terms and conditions of that certain "Sub-Lease" executed by the parties hereto on February 21, 2006. This Bill of Sale shall be enforceable only on the condition that the parties have entered into the aforesaid Sub-Lease.
3. **WARRANTY OF TITLE.** Seller does hereby, for the benefit of Buyer, covenant and agree to warrant and defend title to the aforesaid personal property hereby conveyed, against the just and lawful claims and demands of all persons whomsoever, and Seller further covenants that the aforesaid real property is not subject to liens of any type, including but not limited to liens for unpaid taxes, nor is said personal property subject to a security agreement or financing statement.
4. **REVERSION OF PROPERTY TO SELLER.** The aforesaid Sub-Lease, with which this Bill of Sale is coupled provides for a sub-lease period of approximately 30 years with a 10-year option, during which time the Buyer hereto, subject to certain conditions precedent, may sell, rent, assign, convey, hypothecate, or encumber the personal property subject to is instrument, provided further, that upon the expiration of said Sub-Lease or 30 years with a 10-year option lease period, whichever shall first occur, the personal property subject to this Bill of Sale shall revert to the Seller hereunder, or to Seller's assignee, or to the County of Riverside, which reversion shall be governed by the terms and conditions of the aforesaid Master Lease and all of the aforesaid amendments thereto and the terms and conditions of the aforementioned Sub-Lease between Sub-Lessor and Sub-Lessee. Provided further that in accordance with the aforesaid Sub-Lease, Buyer hereunder shall not sell, rent, assign, hypothecate or encumber the personal property subject to this instrument except upon the express written consent of the county of Riverside and Seller or his assignee hereunder, which consent shall not be unreasonably withheld.
5. **TAX CLAUSE.** During the aforementioned period of possession of Buyer of the personal property, Buyer shall be solely responsible for the payment of the personal property and/or possessory interest taxes and all other taxes levied upon the specific structure by the County of Riverside and/or all other lawfully constituted taxing authorities, and said responsibility shall include real property taxes which may be assessed to Seller, to Seller's successor, or to Buyer in connection with the subject property.
6. **BUYER'S RIGHT TO TRANSFER PROPERTY AND SURVIVAL OF SUB-LEASE.**
 - a. **RIGHT TO TRANSFER.** Seller hereby consents to and agrees that Buyer may convey, assign, or transfer Buyer's interest in or to the subject personal property to one or more individuals; provided however, that such

conveyance, assignment, or transfer includes the aforementioned sub-lease and shall be subject to the prior written approval of the Seller, County of Riverside, and Sub-Lessor. Provided further, that Seller shall have the right of first refusal to purchase, lease, rent, or receive Buyer's interest in the subject property and the subleasehold estate of Buyer on the same terms as offered by Buyer to any other individual or entity. Seller's failure to exercise right of first refusal within sixty (60) days of written notice thereby by Buyer to Seller shall be deemed to be waiver of such right by Seller. Upon such waiver or rejection by Seller, and subject to the provisions contained in this Paragraph 6 (a) Buyer may proceed to convey, assign or transfer all of part of his/her interest in the subject property on the same terms and conditions offered to Seller; provided, however, that Buyer shall not, except with Seller's permission, convey, lease, rent or sell any portion of the premises to any commercial operations for the purpose of doing any business at Jacqueline Cochran Regional Airport (Thermal) other than if said sale is to the aforesaid Seller.

b. **SURVIVAL OF SUB-LEASE.** Subject to the provision of the aforesaid Master Lease, Buyer's rights, including the right of possession and all other rights not in conflict with the terms and conditions of the aforesaid Lease and amendments thereto, and all of the Buyer's obligations and duties under the aforementioned Sub-Lease and the Master Lease and amendments thereto, shall remain in effect, notwithstanding a termination of the aforesaid Master Lease, or an assignment or a transfer of the Seller's rights, duties and obligations hereunder, prior to the expiration of the aforementioned Sub-Lease, provided that the Buyer (as Sub-Lessee under the aforementioned Sub-Lease) has fully and faithfully performed the terms and conditions that it is required to perform under the aforementioned Sub-Lease and Master Lease and amendments thereto, and it otherwise is not in default hereunder.

7. **NOTICES.** Any notices required or desired to be served by either party upon the other shall be addressed to the respective party as set forth below:

SELLER:

All Inside AV Storage, Inc.
84-401 Cabazon Center Drive
Indio, CA 92201

BUYER:

Steven M. Elefant and Debra A. Elefant Revocable Trust UDT
4/26/2000
4033 Tilden Lane
Lafayette, CA 94549

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

8. **TERMS.** The terms of this Bill of Sale shall be governed by and construed in accordance with the laws of the State of California and the parties hereto stipulate to the jurisdiction of the Riverside County Courts.

9. **DISPUTES/DAMAGES.** In the event it is necessary to enforce or interpret any provision herein contained, the matter shall be submitted to binding arbitration conducted by the American Arbitration Association ("AAA") who shall be selected by mutual agreement of the parties. The Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with the laws of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement. The parties hereby agree to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law and are giving up any rights to have the dispute litigated in a court or jury trial, as well as judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. Your agreement to this arbitration provision is voluntary.

IN WITNESS WHEREOF, this Bill of Sale is executed on February 21, 200⁶.

SELLER:

All Inside AV Storage, Inc.

X *John Obradovich*
John Obradovich, President

BUYER:

Steven M. Elefant Steven M. Elefant, Trustee
Steven M. Elefant Printed Name and Title

Debra A. Elefant Debra A. Elefant, Trustee
Debra A. Elefant Printed Name and Title

LESSEE:

X *John Obradovich*
John Obradovich

Betty Obradovich
Betty Obradovich

The COUNTY of Riverside hereby consents to the foregoing Bill of Sale.

LESSOR:

COUNTY OF RIVERSIDE

By: *Bob Buster* By: _____
Chairman, Board of Supervisors **BOB BUSTER**

Date: MAY 16 2006

ATTEST:

Nancy Romero,
Clerk of the Board

FORM APPROVED:

Joe S. Rank,
County Counsel

By: *Jana Sklemm*
Deputy

By: *Gordon V. Woo 4/28/06*
Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On May 16, 2006, before me, Maria J. Villarreal, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Bob Buster
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.



WITNESS my hand and official seal.

Maria J. Villarreal
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

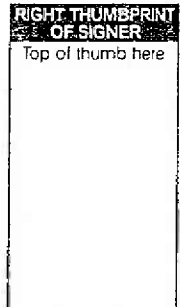
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

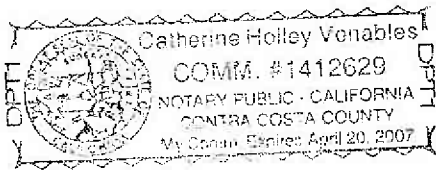


STATE OF CALIFORNIA)
Contra Costa) SS.
COUNTY OF RIVERSIDE)

On Jan 19, 2006, 2005, before me, Catherine Holley Venables,
personally appeared Steven M. Elefant &
Debra A. Elefant

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



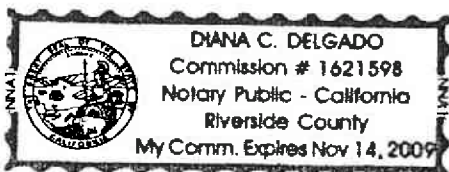
Catherine Holley Venables
Notary Public

STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On Feb 21, 2006, 2005, before me, Diana C. Delgado, Notary Public
personally appeared John Obradovich & Betty Obradovich

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Diana C. Delgado
Notary Public

DESCRIPTION 1-A

THAT PORTION OF THE FOLLOWING DESCRIBED LAND, WHICH IS INCLUDED WITHIN THE LEASED PRELISES AS SET OUT IN THE LEASE OR MEMORANDUM

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENUE 56 (AIRPORT BOULEVARD), SAID POINT BEING THE NORTHEAST CORNER OF SAID SECTION 20;

THENCE SOUTH $00^{\circ} 00' 12''$ EAST, A DISTANCE OF 1,967.78 FEET TO THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENGER BOULEVARD;

THENCE NORTH $89^{\circ} 58' 40''$ WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 462.70 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE CONTINUING NORTH $89^{\circ} 59' 40''$ WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 668.58 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND LIBERATOR LANE;

THENCE SOUTH ALONG THE CENTERLINE OF LIBERATOR LANE, A DISTANCE OF 658.00 FEET;

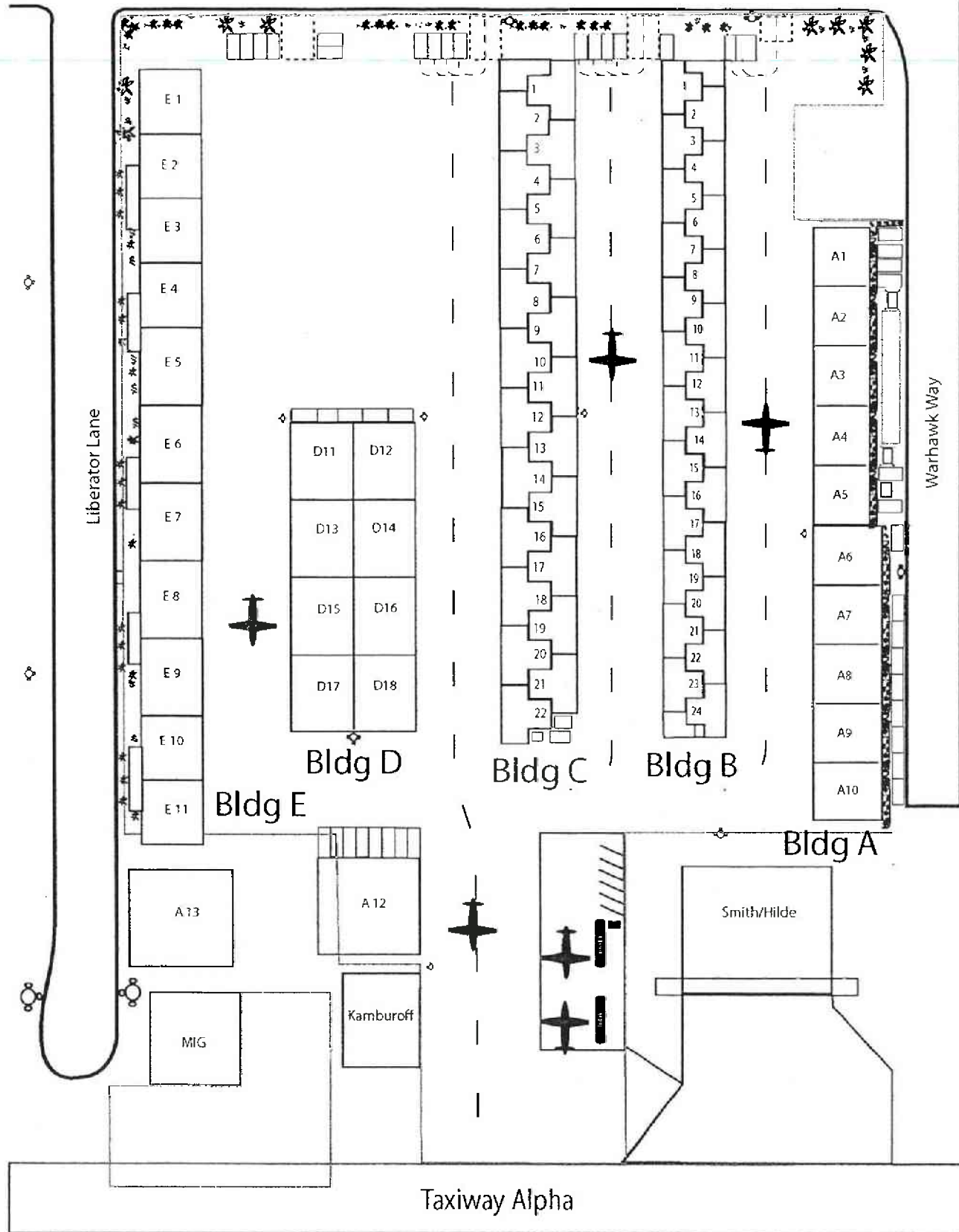
THENCE EAST, A DISTANCE OF 178.00 FEET;
THENCE SOUTH, A DISTANCE OF 85.00 FEET;
THENCE EAST, A DISTANCE OF 80.00 FEET;
THENCE SOUTH, A DISTANCE OF 185.00 FEET;
THENCE EAST, A DISTANCE OF 150.00 FEET;
THENCE NORTH, A DISTANCE OF 285.00 FEET;

THENCE EAST, A DISTANCE OF 260.58 FEET TO THE CENTERLINE OF WARHAWK WAY;

THENCE NORTH $00^{\circ} 00' 20''$ WEST, A DISTANCE OF 643.00 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 30.00 FEET.
ALSO EXCEPTING THEREFROM THE WESTERLY 30.00 FEET.

ALSO EXCEPTING THEREFROM THE EXISTING COUNTY MAINTENANCE AREA LOCATED AT THE NORTHEASTERLY CORNER OF THE SUBJECT PROPERTY.



Phase 1

24 Tee Hangars - 42x32' (1050)	=	25,200
2 Tee Ends	=	1,050
5 Mini Box Hangars - 46x45 (2070)	=	10,350
		<u>36,600 Sq Ft.</u>

Phase 3

5 Corp. Box Hangars - 60x50	=	15,000
5 Corp. Offices - 10x20	=	1,000
6 Corp. Box Hangars - 50x50	=	15,000
6 Corp. Offices - 10x25	=	1,500
2 Large Box Hangar - 78x75	=	11,700
		<u>44,200 Sq Ft.</u>

Phase 2

22 Tee Hangars - 46'x40' (1380)	=	30,360
5 Business Box Hangars - 46x55	=	12,650
8 Large Box Hangars - 60x50	=	24,000
		<u>67,010 Sq Ft.</u>

Jacqueline Cochran Regional Airport County of Riverside, Thermal, California	
Master Development 9 Acres All Inside AV Storage and Self Serve Fuel	
John & Betty Obradovich All Inside AV Storage, Inc. 84-401 Cabazon Center Drive Indio, CA 92201 (760) 399-5961, (760) 775-6808	10-29-04 Drawn by JO Sheet 1 of 1