

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

927



FROM: Economic Development Agency

SUBMITTAL DATE:
May 23, 2012

SUBJECT: French Valley Airport - Memorandum of Lease, Recognition Agreement, Ground Lease Estoppel Certificate and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Memorandum of Lease, Recognition Agreement, Ground Lease Estoppel Certificate, and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing between the County of Riverside and Copperhead, LLC;
2. Authorize the Chairman of the Board to sign the Memorandum of Lease, Recognition Agreement and Ground Lease Estoppel Certificate; and

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD AGENDA: No

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

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: June 5, 2012
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

3.18

Prev. Agn. Ref.: 3.35 of 2/29/00; 3.17 of 6/27/06; 3.34 of 2/27/07; 3.34 of 7/11/0; 3.22 of 5/24/117

District: 3/3

Agenda

FORM APPROVED COUNTY COUNSEL
By: AMNIET SAHAR
DATE: June 5/15/12
Departmental Concurrence

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

Economic Development Agency

French Valley Airport - Memorandum of Lease, Recognition Agreement, Ground Lease Estoppel Certificate, and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing

May 23, 2012

Page 2

RECOMMENDED MOTION: (Continued)

3. Authorize the Assistant County Executive Officer/EDA, or his designee, to execute any additional documents required by the Memorandum of Lease, Recognition Agreement, Ground Lease Estoppel Certificate and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing.

BACKGROUND:

The County of Riverside as Lessor, entered into a Master Lease with R. W. Martin, Inc., a California corporation as Lessee, on February 11, 2000, approved by the Board of Supervisors of the County of Riverside and executed February 29, 2000, for five acres of land at French Valley Airport. The lease was subsequently amended by a First Amendment and assigned to Copperhead, LLC, on June 27, 2006. On March 31, 2006, Copperhead, LLC, granted a non-exclusive license to use the building on the leasehold. On July 31, 2007, the Board of Supervisors, approved and executed the same set of documents as being contemplated in this action. That approval enabled lessee to obtain private financing to facilitate the construction of new hangars.

On May 24, 2011, the Board of Supervisors approved a Second Amendment to Lease increasing the Leased Premises by approximately 2.59 acres and giving Lessee an additional ten year extension to the lease term, extending the termination date to February 28, 2050, a total of fifty years from the execution date of the original lease.

Lessee now desires to refinance said private financing to take advantage of favorable lending terms. The lender, California Bank and Trust, as a condition of refinancing, requires the Consent of the Lessor (County), in order to enter into the financing agreement, including the execution of a Leasehold Deed of Trust, a Ground Lease Estoppel Certificate, a Recognition Agreement and a Memorandum of Lease, to facilitate the refinancing.

The proposed action is in conformance with the County Lease Agreement and subsequent amendments. County Counsel has reviewed and approved the attached documents as to legal form.

RF:LB:CC:CW:VP:mm 11401

S:\EDCOM\AIRPORTS\FRENCH VALLEY\Copperhead-RW\Martin\Recog Agmt, Estoppel & Leasehold Deed of Trust
5.2.2012\Copperhead - F11 5 9 12 FINAL vp.doc

Recording requested by

When recorded mail to

Copperhead LLC
PO Box 370
Fallbrook, CA 92028
Attn: Mr. John A. Zublin

Space above this line for recorder's use

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("Memorandum"), dated for reference purposes only 14 February, 2012, between COUNTY OF RIVERSIDE, whose address is Economic Development Agency, 3525 14th Street, Riverside, California 92501, Attention: Executive Director ("Landlord"), and COPPERHEAD LLC, a California limited liability company, whose address is PO Box 370, Fallbrook, California 92028, Attention: Mr. John A. Zublin ("Tenant").

WITNESSETH:

Landlord and Tenant are delivering this Memorandum to summarize and memorialize that certain Ground Lease executed by Tenant's predecessor in interest, R.W. MARTIN, INC., a California corporation ("Martin"), on February 11, 2000, approved by the Board of Supervisors of the County of Riverside ("Board") and executed by Landlord on February 29, 2000, as amended by that certain First Amendment to Lease executed by Martin on March 23, 2006, approved by the Board on June 14, 2006, and executed by Ground Lessor on June 27, 2006, and further amended by that certain Second Amendment to Lease executed by Tenant on April 25, 2011, and approved by the board on May 24, 2011 ("Ground Lease"). The leasehold estate under the Ground Lease has been assigned to Tenant by that certain Assignment executed by Martin as assignor and Tenant as assignee on March 31, 2006 ("Assignment"). The Assignment has been consented to by Landlord pursuant to that certain Consent of Assignment approved by the Board on June 14, 2006, and executed by Landlord on June 27, 2006:

1. **Premises.** Subject to the terms and conditions of the Ground Lease, which is incorporated herein by reference, Landlord has leased and demised, and does hereby lease and demise, to Tenant, and Tenant has leased and hired, and does hereby lease and hire, from Landlord, that certain real property located in the County of Riverside, State of California, more particularly described in Exhibit A, consisting of approximately 217,800 square feet - 5.00 acres of land, together with an additional 2.59 acres of land, legally described in the following Exhibits: approximately 0.45 acres of land, being legally described in Exhibit A1 - Lot A; approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot B; approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot C; and approximately 0.92 acres

of land, being legally described in Exhibit A2 – Lot D, attached hereto and incorporated by reference herein. Said property is referred to as the "Leased Premises." The Leased Premises shall consist only of the land, not of any tenant-constructed improvements or structures.

2. **Term.** Subject to the terms and conditions of the Ground Lease, the term of the Ground Lease is fifty (50) years, commencing on March 1, 2000, and terminating on February 28, 2050.

3. **Acknowledgment by Tenant and Landlord.** Landlord and Tenant acknowledge and agree that this Memorandum is being recorded in lieu of recording the Lease and in accordance with Section 39 of the Ground Lease, and is solely for the purpose of giving constructive notice of the Lease.

4. **Conflicting Provisions.** In the event that any conflict exists between the terms and conditions of this Memorandum and the terms and provisions of the Ground Lease, the terms and conditions of the Ground Lease shall be deemed controlling in all respects.

5. **Effect of Memorandum.** This Memorandum is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Ground Lease.

6. **Counterparts.** This Memorandum may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum on the date(s) set forth by their respective signatures.

Landlord:

COUNTY OF RIVERSIDE

Date: JUN - 5 2012

By: 

Chairman, Board of Supervisors
John F. Tavaglione

ATTEST:

FORM APPROVED:

Kecia Harper-Ihem, Clerk of the Board

Pamela J. Walls, County Counsel

By: 

Deputy

By: 

Annie T. Sahhar, Deputy

Tenant:

COPPERHEAD LLC, a California
limited liability company

Date: 15 FEBRUARY 2012

By: 

John A. Zublin, Manager

ACKNOWLEDGMENT

State of California
County of San Diego)

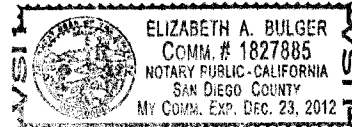
On February 15, 2012 before me, Elizabeth A. Bulger, Notary Public
(insert name and title of the officer)

personally appeared John A. Zublin
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 *Elizabeth A. Bulger* (Seal)



State of California)
) ss.
County of _____)

On _____, before me, _____, 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.

Notary Public (Seal)

State of California)
) ss.
County of _____)

On _____, before me, _____, 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.

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foregoing paragraph is true and correct.

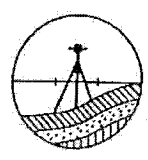
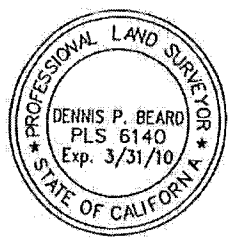
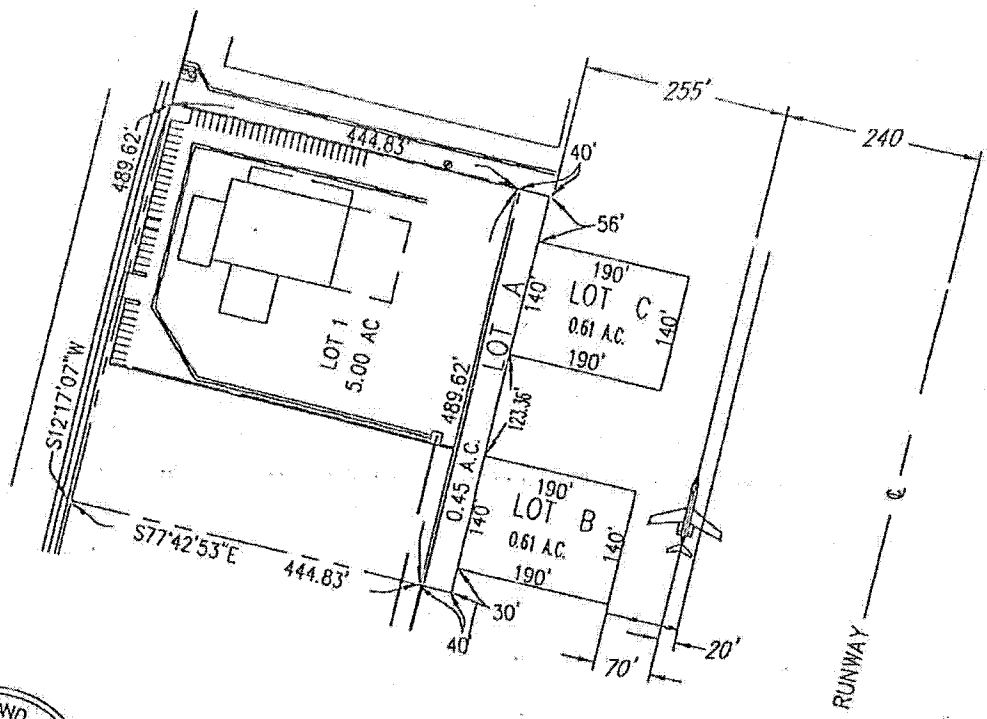
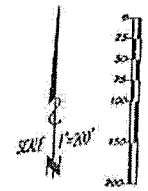
WITNESS my hand and official seal.

Notary Public (Seal)

EXHIBIT A EXISTING PARCEL

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR

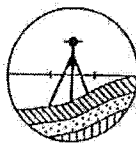
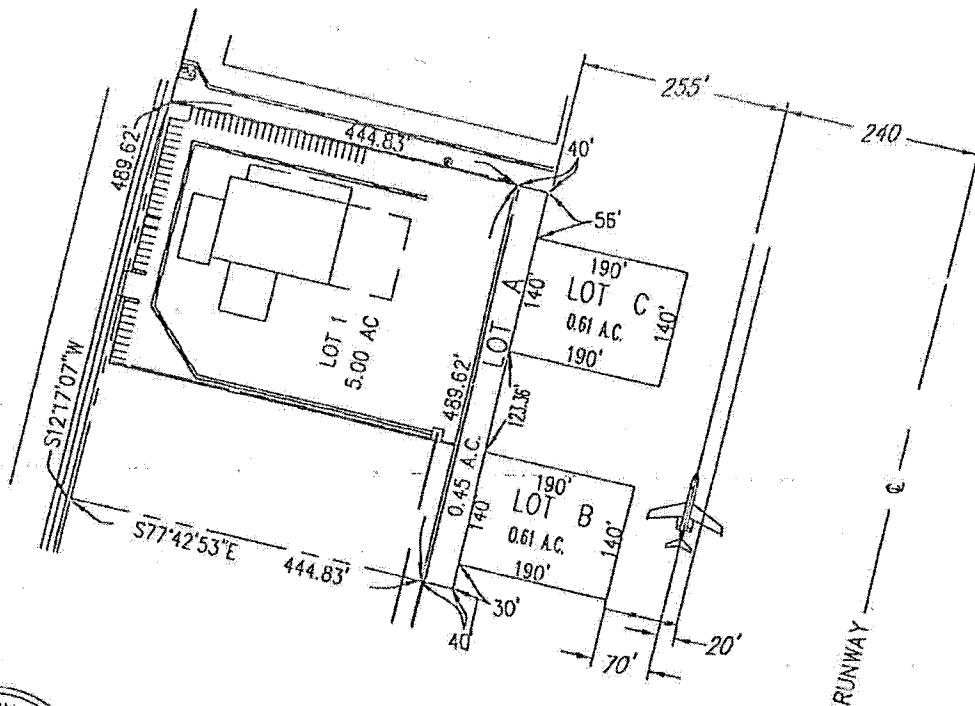
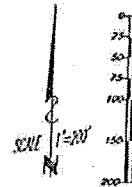


PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.
1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT A

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR

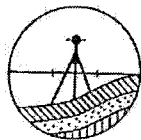
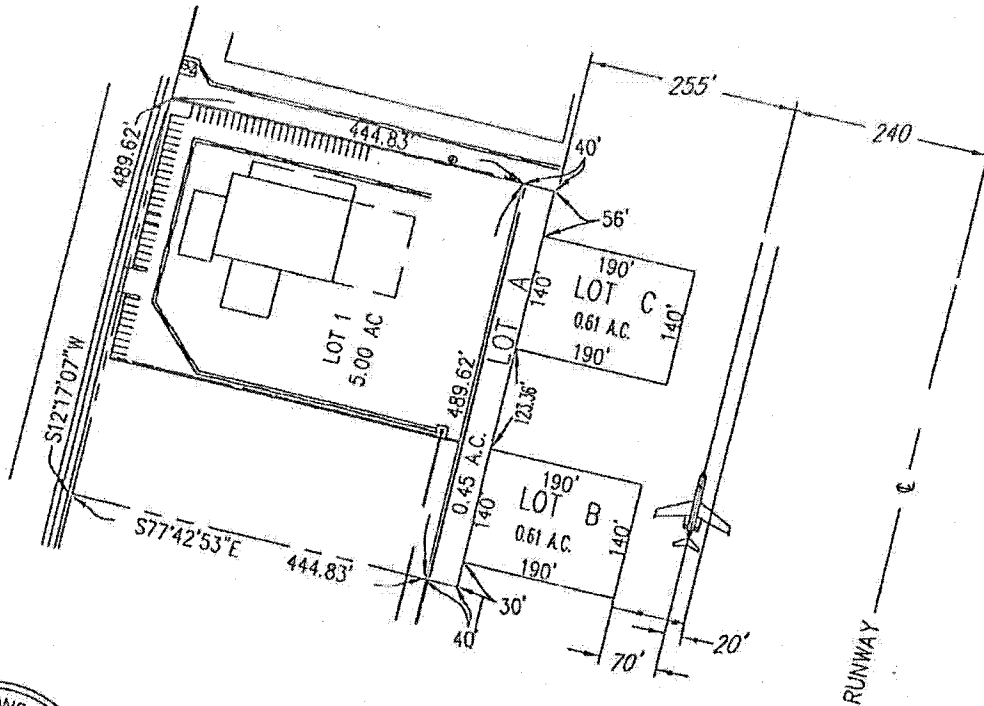
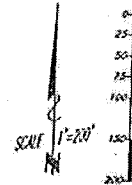


PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.
1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT B

FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



PLANS PREPARED UNDER SUPERVISION OF

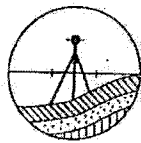
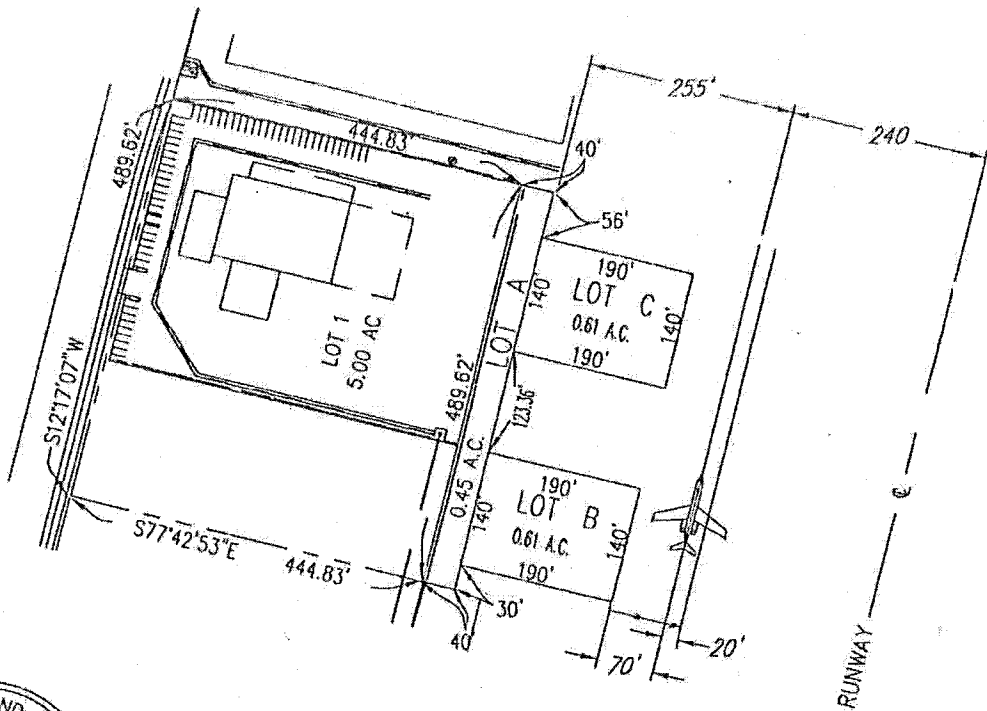
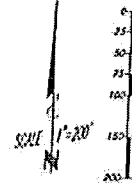
B&B Engineering, Inc.

1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT C

FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



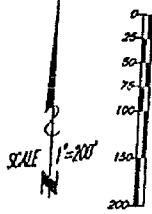
PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.

1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A2 - LOT D

S121707"W

SKY CANYON DR



495'

FRENCH VALLEY AIRPORT

RUNWAY

ULTIMATE AIRCRAFT
PARKING APRON

LEASE EXTENSION

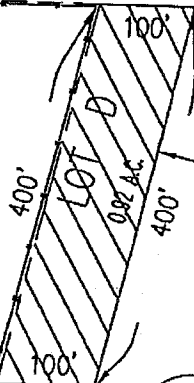
COPPERHEAD, LLC

37260 SKY CANYON DR

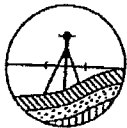
C-BOREL RD-(ABANDONED)-AND-SECTION-LINE

OMH 60'

S89°53'17"E



395'



PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.
1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

Recording Requested By:

When Recorded Mail To:

CALIFORNIA BANK & TRUST
11622 El Camino Real, Suite 200
San Diego, California 92130
Attention: Real Estate Loan Department

(ABOVE SPACE FOR RECORDER'S USE)

RECOGNITION AGREEMENT

THIS RECOGNITION AGREEMENT ("Agreement"), dated as of _____, 2012, is among CALIFORNIA BANK & TRUST, a California banking corporation ("Bank"), COPPERHEAD LLC, a California limited liability company ("Borrower", also referred to as "Ground Lessee"), and COUNTY OF RIVERSIDE ("Ground Lessor"), with reference to the following:

RECITALS:

A. Ground Lessor and Ground Lessee's predecessor in interest, R. W. MARTIN, INC., a California corporation ("Martin"), entered into that certain Lease executed by Martin on February 11, 2000, approved by the Board of Supervisors of the County of Riverside ("Board") and executed by Ground Lessor on February 29, 2000, as amended by that certain First Amendment to Lease executed by Martin on March 23, 2006, approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006, and by that certain Second Amendment to Lease signed by Ground Lessee on April 25, 2011 and by Ground Lessor on May 24, 2011 (as amended, "Ground Lease"), a memorandum of which is recorded in the Official Records of Riverside County, which relates to certain real property located in the County of Riverside, State of California, as more particularly described on Exhibit A attached hereto ("Property"). The leasehold estate under the Ground Lease has been assigned to Ground Lessee by that certain Assignment executed by Martin as assignor and Ground Lessee as assignee on March 31, 2006 ("Assignment"). The Assignment has been consented to by Ground Lessor pursuant to that certain Consent of Assignment approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006.

B. Bank has agreed to make a loan ("Loan") to Borrower in the amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000), which Loan will be secured, in part, by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust") in favor of Bank as beneficiary, encumbering Ground Lessee's leasehold estate in the Property arising under the Ground Lease, which will be recorded in the Official Records of Riverside County, California concurrently with the recordation of this Agreement.

C. Bank is concerned that it would lose the Deed of Trust should the Ground Lease be terminated while the Loan is outstanding, either consensually by agreement between Ground Lessor and Ground Lessee or unilaterally by Ground Lessor upon the default of Ground Lessee under the Ground Lease. To address Bank's concerns, the parties wish to provide that while the Deed of Trust is outstanding, there will be no consensual termination of the Ground Lease without Bank's consent, which will not be unreasonably withheld or delayed, and that with respect to any default by Ground Lessee, Bank shall have certain notice and cure rights as set forth below.

D. Ground Lessor wishes to evidence its prior written consent to the Loan and recordation of the Deed of Trust on the Property. Ground Lessor and Bank also desire to establish certain rights, safeguards, obligations and priorities with regard to their respective interests by means of this Agreement.

TERMS OF THE AGREEMENT

IN CONSIDERATION of the mutual covenants of the parties and other good and valuable consideration, Bank and Ground Lessor agree as follows:

1. Ground Lessor Recognition of Bank. Ground Lessor consents to Ground Lessee's encumbrance of its leasehold estate under the Ground Lease by the Deed of Trust, recognizes Bank as the beneficiary thereof, and agrees to afford Bank all of the rights set forth in the Ground Lease and in this Agreement. In the event that Bank or any other person acquires Ground Lessee's interest in the Property pursuant to the exercise of any remedy provided for in the Deed of Trust, or by conveyance in lieu of foreclosure, the Ground Lease shall not be terminated or affected by the foreclosure, conveyance or sale in any such proceeding, and Ground Lessor shall recognize the purchaser or transferee as the new tenant under the Ground Lease, with all the rights and obligations of Ground Lessee thereunder. Except as expressly stated herein to the contrary, this section shall not limit nor impair Ground Lessor's rights under the Ground Lease.

2. Notice of Breach Under Ground Lease. Notwithstanding anything to the contrary set forth in the Ground Lease, Ground Lessor agrees that while the Loan is outstanding, Ground Lessor will not exercise any of its termination remedies unless and until (i) Ground Lessor has delivered to Bank a written notice, describing with reasonable specificity each breach claimed by Ground Lessor to exist, and (ii) the breach has not been cured within the same period after delivery of the written notice as would be available to Ground Lessee pursuant to the Ground Lease.

3. No Consensual Termination. Ground Lessor and Ground Lessee agree that while the Loan is outstanding, they will not terminate or materially amend the Ground Lease without the prior written consent of Bank, which will not be unreasonably withheld or delayed. This section does not apply to a termination by reason of an Event of Default under the Ground Lease as to which Bank has been afforded the notice and opportunity to cure as set forth above.

4. No Fee Mortgages. Ground Lessor represents and warrants that there is no current mortgage or deed of trust encumbering Ground Lessor's fee interest in the Property, and, pursuant to restrictions under its Grant Assurances with the Federal Aviation Administration as it relates to the fee interest in the Property, that it will not impose any such mortgage or deed of trust.

5. Bank's Security Interest in Personal Property and Fixtures. Ground Lessor acknowledges that pursuant to the Deed of Trust, Ground Lessee is granting Bank a security interest in certain of Ground Lessee's tangible and intangible personal property and fixtures ("Collateral"). Ground Lessor consents to such grant of security interests. Ground Lessor and Bank agree that Bank's security interest does not impair any rights, if any, which Ground Lessor may have in the Collateral upon a termination of the Ground Lease.

6. Bank's Right to Insurance Proceeds. Notwithstanding anything to the contrary contained in the Ground Lease, the parties agree that Bank shall be entitled to all insurance proceeds as set forth in Section 4.7 of the Deed of Trust. Notwithstanding Section 4.8(ii) of the Deed of Trust, Bank shall make the insurance proceeds available to repair or reconstruct the Property and shall govern the disbursements of the insurance proceeds as set forth in Section 4.8 of the Deed of Trust.

7. Other Provisions.

(a) All notices, requests and demands to be made hereunder to the parties hereto shall be in writing (at the addresses set forth below) and shall be given by any of the following means: (i)

personal service; (ii) electronic communication, whether by telegram or telecopying (if confirmed in writing sent by certified first class mail, return receipt requested); or (iii) certified first class mail, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (i) or clause (ii) hereof shall be deemed received upon such personal service or upon delivery by electronic means, and if sent pursuant to clause (iii) shall be deemed received three (3) days following deposit in the mail.

To Bank: California Bank & Trust
11622 El Camino Real, Suite 200
San Diego, California 92130
Attention: Real Estate Loan Department

To Ground Lessor: County of Riverside
Economic Development Agency
3403 10th Street, Suite 300
Riverside, California 92501
Attention: Executive Director

To Ground Lessee: Copperhead LLC
P.O. Box 370
Fallbrook, California 92028
Attention: Mr. John A. Zublin

(b) This Agreement shall be binding upon and shall inure to the benefit of the successors, assignees and transferees of the parties hereto whether by license, sale, gift, operation of law or otherwise.

(c) This Agreement shall be construed in accordance with the laws of the State of California. None of the parties shall have the right to rely upon any representation or warranty not expressly set forth herein. No provision of this Agreement may be amended or added to except by an agreement in writing signed by each of the parties hereto.

(d) This Agreement shall be construed as a whole and in accordance with its fair meaning and intent, which is to ensure that Bank has the right to protect its rights under the Deed of Trust. This Agreement shall be liberally construed to effect that meaning and intent.

(e) Time is of the essence of each and every one of the provisions herein contained.

(f) Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(h) This Agreement contains the entire agreement between the parties relating to the subject matter hereof. Any oral representations or modifications concerning this instrument shall be of no force or effect. Any subsequent modification must be in writing signed by the party to be charged.

(i) No provision of this Agreement shall be construed or interpreted against any party because that party, or its legal representative, drafted the provision. Captions and organizations are for convenience and shall not be used in construing meaning.


(j) This Agreement may be executed in counterparts each of which shall be deemed an original and all of which shall constitute one and the same Agreement with the same effect as if all parties had signed the same signature page. Any signature page of this Agreement may be detached from any other counterpart of this Agreement and reattached to any other counterpart of this Agreement, identical in form hereto but having attached to it one or more additional signature pages.

(k) A reconveyance of the Deed of Trust shall automatically, without necessity of any other action by the parties, terminate and extinguish this Agreement. Notwithstanding the foregoing, if requested by any party hereto (following a reconveyance of the Deed of Trust), the other parties shall promptly execute a written agreement, in recordable form, sufficient to establish that this Agreement has been fully terminated and extinguished.

To indicate their agreement to the above, the parties or their authorized representatives or officers have signed this document.

Bank:

CALIFORNIA BANK & TRUST, a California banking corporation

By 
Its VP Manager

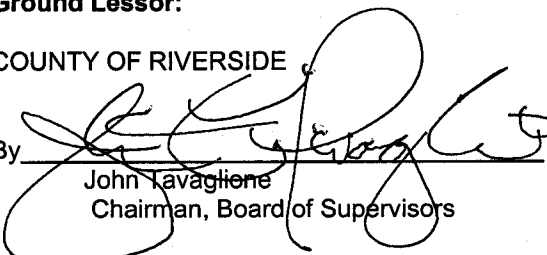
Ground Lessee:

COPPERHEAD LLC, a California limited liability company

By 
John A. Zublin, Manager

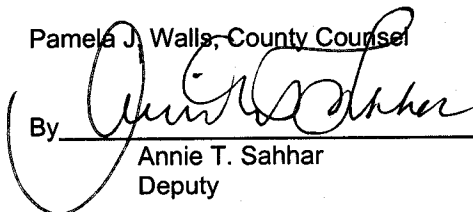
Ground Lessor:

COUNTY OF RIVERSIDE

By 
John Lavagione
Chairman, Board of Supervisors

FORM APPROVED:

Pamela J. Walls, County Counsel

By 
Annie T. Sahhar
Deputy

ATTEST:


Kécia Harper-Ihem
Clerk of the Board

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) ss.

On MAY 2, 2012, before me, SYLVIA MARTIN, NOTARY PUBLIC (here
insert name and title of the officer), personally appeared JOHN ZUBIN

JOHN ZUBIN 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 *Sylvia Martin*



STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) ss.

On MAY 2, 2012, before me, SYLVIA MARTIN, NOTARY PUBLIC (here
insert name and title of the officer), personally appeared RANDY FERREN

RANDY FERREN 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 *Sylvia Martin*

(Seal)



STATE OF CALIFORNIA)
) ss.
 COUNTY OF _____)

On _____, before me, _____ (here insert name and title of the officer), 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 _____ (Seal)

STATE OF CALIFORNIA)
) ss.
 COUNTY OF _____)

On _____, before me, _____ (here insert name and title of the officer), 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 _____ (Seal)

EXHIBIT A

Legal Description of the Property

The land referred to herein is situated in the State of California, County of Riverside, and described as follows:

PARCEL 1:

The Northerly 489.62 feet as measured along the Westerly and Easterly lines of that portion of land, being a portion of Section 7, Township 7 South, Range 2 West, San Bernardino Base and Meridian, more particularly described as follows:

COMMENCING at the Southwest corner of said Section 7 as shown by Record of Survey filed in Book 57, Page(s) 81 of Record(s) of Survey of said County;

Hereafter, the following courses are described to follow the courses as described by Exhibit A-1 of the lease agreement dated November 14, 1995 between the County of Riverside and Valley Airport Associates, a California limited liability company, and later transferred and assigned to Domenigoni Family Trust on August 7, 1996;

Thence South 89°53'17" East along the Southerly line of said Section 7 as shown by said Record of Survey, a distance of 999.66 feet;

Thence leaving said section line North 12°17'07" East, a distance of 4,439.85 feet;

Thence at a right angle South 77°42'53" East, a distance of 32.00 feet, to the Southwesterly corner of Parcel 2 described, by Exhibit A-1 of said lease agreement, and the POINT OF BEGINNING;

Thence continuing South 77°42'53" East along the Southerly line of said Parcel 2, a distance of 444.83 feet;

Thence leaving the Southerly line of said parcel (also leaving the boundary described by said lease agreement), and at a right angle South 12°17'07" West, a distance of 1,239.18 feet;

Thence at a right angle North 77°42'53" West, a distance of 444.83 feet;

Thence at a right angle North 12°17'07" East, a distance of 1,239.18 feet, to the POINT OF BEGINNING.

PARCEL 2:

Lots A, B, C and D as shown in the Exhibits A-1 and A-2 of the Memorandum of Lease dated _____, 2012 by and between the County of Riverside, as Landlord, and Copperhead LLC, a California limited liability company, as Tenant, recorded _____, 2012 as Instrument No. 2012-_____ of Official Records.

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

California Bank & Trust
11622 El Camino Real, Suite 200
San Diego, California 92130
Attention: Real Estate Loan Department

Space Above For Recorder's Use

**LEASEHOLD DEED OF TRUST,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING
[Leasehold Estate]**

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of May 2, 2012, by and among COPPERHEAD LLC, a California limited liability company ("Trustor"), whose place of business is 37260 Sky Canyon Drive, Hangar 20, Murrieta, California 92563; STEWART TITLE OF CALIFORNIA, INC. ("Trustee"); and CALIFORNIA BANK & TRUST, a California banking corporation ("Beneficiary"), whose place of business is 11622 El Camino Real, Suite 200, San Diego, California 92130.

**ARTICLE 1
GRANT IN TRUST AND SECURED OBLIGATIONS**

1.1 **Grant in Trust.** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustor hereby irrevocably and unconditionally grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all estate, right, title and interest in the leasehold which Trustor now has or may later acquire in and to the following property (all or any part of which, or interest therein, as the context may require, may be referred to herein as the "Property"):

(a) A leasehold estate in that certain real property, addressed at 37260 Sky Canyon Drive, Hangar 20, Murrieta, California, more particularly described on Exhibit A attached hereto ("Land", which term as used in this Deed of Trust refers solely to the right, title and interest in the leasehold which Trustor now has or may later acquire in the specified real property, it being understood and agreed that the term as used herein does not and shall not be construed to refer to any right, title or interest of the fee owner of such real property, which fee interest is not affected hereby);

(b) Any and all buildings, structures and improvements now or hereafter erected on the Land ("Improvements"), and Trustor's right, title and interest in and to all other improvements that may now or hereafter be constructed upon the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery and other articles attached to said buildings and improvements;

(c) All right, title and interest of Trustor relating to the Land and Improvements arising under that certain Lease executed by Trustor's predecessor in interest, R. W. MARTIN, INC., a California corporation ("R. W. Martin"), on February 11, 2000, approved by the Board of Supervisors of the County of Riverside ("Board") and executed by Ground Lessor on February 29, 2000, as amended by that certain First Amendment to Lease executed by R. W. Martin on March 23, 2006, approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006, a memorandum of which was recorded in the Official Records of Riverside County on August 7, 2007 as Instrument No. 2007-0508364, as subsequently amended by that certain Second Amendment to Lease signed by Ground Lessee on April 25, 2011 and by Ground Lessor on May 24, 2011 (as amended, "Ground Lease"), as the same may be further amended from time to

time. The leasehold estate under the Ground Lease has been assigned to Trustor by that certain Assignment executed by R. W. Martin as assignor and Trustor as assignee on March 31, 2006 ("Assignment"). The Assignment has been consented to by Ground Lessor pursuant to that certain Consent of Assignment approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006;

(d) All right, title and interest of Trustor in and to all leases, subleases, subtenancies, licenses, occupancy agreements and concessions covering the Land or the Improvements or any portion thereof or space therein now or hereafter existing, and all right, title and interest of Trustor under the same, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature ("Leases");

(e) All rents, issues, profits, royalties, revenues, income and other proceeds and benefits derived from the Land or the Improvements;

(f) Any and all building permits, land use entitlements, development rights, sewer capacity, map approvals, trip generation rights, density allocations and other rights or approvals relating to or authorizing the development of the Land;

(g) All right, title and interest of Trustor in and to all options to purchase or lease the Land or any portion or interest of or in the Land, and any greater estate in the Land owned or hereafter acquired;

(h) Any and all interests, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Land;

(i) Any and all easements, parking rights, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same;

(j) All right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right of way of any street, open or proposed, adjoining the Land, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Land;

(k) All right, title and interest of Trustor in and to all tangible personal property owned by Trustor now or at any time hereafter located on or at the Land or the Improvements and primarily used in connection therewith, including, but not limited to, all building materials, goods, machinery, tools, insurance proceeds, equipment (including fire sprinklers and alarm systems, door bell, telephone, air conditioning, heating, refrigerating, electronic monitoring, entertainment, recreational, window or structural cleaning rigs, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage, and all other equipment of every kind), indoor and outdoor furniture (including beds tables, chairs, planters, desks, sofas, counters, planters, shelves, lockers and cabinets), plumbing fixtures (including pipes, bathtubs, showers, sinks and faucets), wall beds, wall safes, furnishings, appliances (including ice boxes, refrigerators, fans, heaters, stoves, water heaters, dishwashers, trash compactors, ovens of all types, washing machines, dryers, other kitchen and laundry equipment, and incinerators), linens, washing machines and dryers, bar and restaurant equipment, furniture and supplies (including tables, chairs, cutlery, glassware, china, linens, and cleaning supplies), inventory, rugs, carpets and other floor coverings, draperies and drapery rods and brackets, mirrors and mantles, awnings, window shades, Venetian blinds, curtains, lamps, chandeliers and other lighting fixtures, maintenance and other supplies, and trees, shrubs and other landscaping and lawn care and landscaping vehicles and equipment, but not including any interest of Trustor in any aircraft;

(l) All intangible property and rights relating to the Land or Improvements or the operation thereof, including, without limitation, all service marks, trademarks, trade names, advertising campaigns and marketing or promotional materials;

(m) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all

utility deposits), contract rights (including any and all guaranties and warranties relating to the construction of the Improvements, and the manufacture and installation of fixtures and other personal property, Trustor's rights under listing agreements with licensed real estate brokers and Trustor's rights as seller under executory purchase and sale agreements and related escrow instructions), development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally;

(n) All books and records pertaining to the Land, the Improvements, and all of the other Property, including computer-readable media and any computer hardware or software necessary to access and process such media;

(o) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other Property into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; and

(p) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the foregoing.

Notwithstanding anything herein to the contrary, by acceptance of this Deed of Trust Beneficiary acknowledges and agrees that the fee interest of the County of Riverside in the real property described in Section 1.1(a) above is not liened, encumbered or otherwise affected by any of the grants made by Trustor herein.

1.2 **Secured Obligations.** Trustor makes the foregoing grant, conveyance, transfer and assignment in trust, and makes the assignment of rents set forth in Article 2 and grants the security interest set forth in Article 3, for the purpose of securing the following obligations (collectively, "Secured Obligations"), in any order of priority as Beneficiary may choose:

(a) Payment of indebtedness in the total principal amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000), with interest thereon, evidenced by that certain promissory note of even date herewith, signed by Trustor, which has been delivered to and is payable to the order of Beneficiary, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof and substitutions therefor ("Note");

(b) Performance of all obligations of Trustor under that certain Loan Agreement of even date herewith between Beneficiary as "Bank" and Trustor as "Borrower" ("Loan Agreement");

(c) Payment and performance of all obligations of Trustor under this Deed of Trust;

(d) Payment of all sums advanced by Beneficiary to protect the Property as permitted herein, with interest thereon at the rate per annum in effect from time to time under the Note;

(e) Payment of all other sums, with interest thereon, which may hereafter be loaned to Trustor or its successors or assigns by Beneficiary, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and

(f) Payment and performance of all modifications, amendments, extensions and renewals, however evidenced, of any of the Secured Obligations.

This Deed of Trust, the Note, the Loan Agreement and any other instrument (other than a guaranty) given to evidence or further secure the payment and performance of any of the Secured Obligations may sometimes hereafter be referred to collectively as the "Loan Documents". All initially capitalized terms not otherwise defined herein shall have the same meanings as in the Loan Agreement.

ARTICLE 2 ASSIGNMENT OF RENTS

2.1 **Assignment of Rents.** Trustor hereby irrevocably, absolutely, presently and unconditionally assigns and transfers to Beneficiary all the rents, royalties, issues, profits, revenue, income and proceeds of the Property, whether now due, past due or to become due, including all prepaid rents, security deposits and lease early termination payments (collectively, the "Rents"), and hereby gives to and confers upon Beneficiary the right, power and authority to collect the Rents. This assignment of the Rents is intended to be an absolute assignment from Trustor to Beneficiary and not an assignment for security or the granting of a security interest therein. Trustor shall on demand execute such further assignments to Beneficiary of leases or subleases or rents as Beneficiary may require from time to time.

2.2 **Grant of License.** Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 6.1, shall exist and be continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

2.3 **Collection of Rents.** Subject to the License granted to Trustor under Section 2.2, Beneficiary has the right, power and authority to collect any and all Rents. Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

- (a) Demand, receive and enforce payment of any and all Rents; or
- (b) Give receipts, releases and satisfactions for any and all Rents; or
- (c) Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property as permitted under Article 6. Beneficiary may choose to collect the Rents, in its sole, absolute and unfettered discretion, either with or without taking possession of the Property.

2.4 **Application of Rents Collected.** Beneficiary shall apply all Rents collected by it first, to pay any costs and expenses of operation of the Property or collection of the Rents that may be incurred by Beneficiary, Trustee or any receiver; and thereafter, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose. Beneficiary shall have no liability for any funds it does not actually receive.

2.5 **No Loss or Waiver of Remedies.** If an Event of Default occurs while Beneficiary is in possession of all or part of the Property or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law and in equity, including the right to exercise the power of sale granted under Section 1.1 and Subsection 6.2(d).

2.6 **Beneficiary Not Responsible.** Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land and Improvements, Beneficiary is not and shall not be deemed to be:

- (a) A "mortgagee in possession" for any purpose; or

- (b) Responsible for performing any of the obligations of the lessor under any lease; or
- (c) Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

**ARTICLE 3
GRANT OF SECURITY INTEREST**

3.1 **Creation of Security Interest.** Trustor as debtor hereby grants Beneficiary as secured party a security interest in all of the Property described in Section 1.1 which under applicable law is personal property (collectively, "Personal Property"), to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California UNIFORM COMMERCIAL CODE, covering all such Personal Property. If an Event of Default occurs, Beneficiary shall have all the rights, powers and remedies of a secured party under the California UNIFORM COMMERCIAL CODE. All of the rights, powers and remedies of Beneficiary under this Article shall be in addition to all rights, powers and remedies given to Beneficiary by any statute or rule of law, other provision of this Deed of Trust or any other of the Loan Documents or other agreement, shall be cumulative and may be exercised successively or concurrently without impairing or in any way affecting Beneficiary's security interest in the Personal Property.

3.2 **Financing Statements.** Trustor shall execute one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's security interest in any Property. Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. In case Trustor fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact to execute any such documents on its behalf. In addition, Trustor authorizes Beneficiary to authenticate, sign and/or file any such financing statements or amendments without the need for further signature or authentication by Trustor.

3.3 **Fixture Filing.** This Deed of Trust constitutes a financing statement filed as a fixture filing pursuant to the California UNIFORM COMMERCIAL CODE, as amended or recodified from time to time, covering any Property which is now or may later become fixtures attached to the Land or the Improvements. This filing is to be recorded in the real estate records of the county where the Property is located. In that connection, the following information is provided:

Name of Debtor:	Trustor
Address of Debtor:	See page 1 hereof
Debtor's State of Organization:	California
Debtor's Organizational Number:	CA 200534210189
Name of Secured Party:	Beneficiary
Address of Secured Party:	See page 1 hereof

**ARTICLE 4
RIGHTS AND DUTIES OF THE PARTIES**

4.1 **Representations and Warranties of Trustor.** Trustor represents, warrants and covenants that, except as previously disclosed to Beneficiary in a writing making reference to this warranty:

- (a) Trustor lawfully possesses and holds a leasehold estate in the Land pursuant to the Ground Lease as of the date this Deed of Trust is recorded;

(b) Trustor has or will have good title to all Property other than the Land and Improvements;

(c) Subject to the requirements of the Ground Lease, Trustor has the full and unlimited power, right and authority to encumber its leasehold estate and assign the Rents;

(d) Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents, limited only by the provisions of the Ground Lease;

(e) This Deed of Trust creates a first and prior lien on Trustor's leasehold estate in the Land, under the Ground Lease;

(f) The Property includes all property and rights which may be reasonably necessary or desirable to promote the present and any reasonably future beneficial use and enjoyment of the Land and Improvements, limited only by the provisions of the Ground Lease;

(g) Trustor owns the Personal Property, and any other Property which under applicable law is personal property, free and clear of any security agreements, reservations of title or conditional sales contracts, and there is no financing statement affecting such Personal Property on file in any public office; and

(h) Trustor's place of business, or its chief executive office if it has more than one place of business, is located at the address specified above.

4.2 **Payment and Performance of Secured Obligations.** Trustor shall pay when due the principal of and the interest on the indebtedness evidenced by the Note, charges, fees and all other sums as provided in the Loan Documents, and the principal of and interest on any future advances secured by this Deed of Trust. Trustor shall promptly perform each other Secured Obligation in accordance with its terms.

4.3 **Maintenance, Repair, Alterations.** Trustor shall keep the Property in good condition and repair, and shall not remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or regulations) any of the Improvements; shall complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Land and promptly restore in like manner any Improvements which may be damaged or destroyed, and shall pay when due all claims for labor performed and materials furnished therefor; shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Property, or any part thereof, or requiring any alterations or improvements; shall not commit or permit any waste or deterioration of the Property; shall keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; shall comply with the provisions of applicable lease(s), if this Deed of Trust encumbers a leasehold(s); shall not commit, suffer or permit any act to be done in or upon the Property in violation of any law, ordinance or regulation.

4.4 **Management of the Property.** If at any time the Property is managed other than by Trustor or by an entity controlled by Trustor, Beneficiary shall have the right reasonably to approve the selection of such management, and Trustor shall submit the proposed management contract, and such other information about the manager as Beneficiary reasonably requests, to Beneficiary for its review at least twenty (20) days prior to Trustor's signing and entering into the management contract. If at any time when the Property is being managed other than by Trustor or an entity controlled by Trustor, Beneficiary reasonably determines that the management is not satisfactory for the protection of the Property, Beneficiary shall have the right to require Trustor to change such management so as to be reasonably satisfactory to Beneficiary.

4.5 **Required Insurance.** Trustor shall at all times provide, maintain and keep in force the policies of insurance required in the Loan Agreement.

4.6 **Delivery of Policies; Payment of Premiums.** Trustor shall furnish Beneficiary with an original, or a copy certified by an authorized agent of the insurer, of all policies of required insurance, and an

original certificate of insurance of all such policies, setting forth the coverage as to the Property, the limits of liability as to the Property, the name of the carrier, the policy number and the expiration date. Trustor may provide any of the required insurance through blanket policies carried by Trustor and covering more than one location, upon satisfying Beneficiary that such blanket policies meet all the requirements hereof. At least twenty (20) days prior to the expiration of each such policy, Trustor shall furnish Beneficiary with evidence satisfactory to Beneficiary of the payment of premium and the re-issuance of a policy continuing insurance in force as required by this Deed of Trust. All such policies shall contain a provision that such policies will not be canceled or materially amended, which terms shall include any reduction in the scope or limits of coverage, without at least thirty (30) days prior written notice to Beneficiary. In the event Trustor fails to provide, maintain, keep in force or deliver and furnish to Beneficiary the policies of insurance required by this Deed of Trust, then such failure shall be a default hereunder and Beneficiary may procure such insurance or single-interest insurance for such risks covering Beneficiary's interest, and Trustor will pay all premiums thereon promptly upon demand by Beneficiary, and until such payment is made by Trustor the amount of all such premiums, together with interest thereon at the rate per annum in effect from time to time under the Note, shall be secured by this Deed of Trust. At the request of Beneficiary, Trustor shall deposit with Beneficiary, in monthly installments, an amount equal to one-twelfth (1/12th) of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust; provided, however, that Beneficiary shall make no such request for monthly deposits unless and until such time (if ever) as an Event of Default (as defined in Section 6.1 below) has occurred, whereupon Beneficiary shall at any and all times thereafter have the right to require such monthly deposits by Trustor, whether or not the Event of Default has been cured. Trustor further agrees, upon Beneficiary's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and providing Trustor has deposited sufficient funds with Beneficiary pursuant to this Section, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary shall notify Trustor and Trustor shall immediately deposit an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section. Beneficiary may commingle said reserve with its own funds and Trustor shall be entitled to no interest thereon.

4.7 Damages and Insurance and Condemnation Proceeds.

(a) Trustor hereby absolutely and irrevocably assigns to Beneficiary, and authorizes the payor to pay to Beneficiary, the following claims, causes of action, awards, payments and rights to payment: (i) all awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it; and (ii) all other awards, claims and causes of action, arising out of any warranty affecting all or any part of the Property, or for damage or injury to or decrease in value of all or part of the Property or any interest in it; and (iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Property; and (iv) all interest which may accrue on any of the foregoing.

(b) Trustor shall immediately notify Beneficiary in writing if: (i) any damage occurs or any injury or loss is sustained in any amount to all or part of the Property, or any action or proceeding relating to any such damage, injury or loss is commenced; or (ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property. If Beneficiary chooses to do so, it may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property, and it may make any compromise or settlement of the action or proceeding. Beneficiary, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Property, and may join Trustor in adjusting any loss covered by insurance.

(c) All proceeds of these assigned claims, other property and rights which Trustor may receive or be entitled to shall be paid to Beneficiary. In each instance, Beneficiary shall apply those proceeds first toward reimbursement of all of Beneficiary's costs and expenses of recovering the proceeds, including attorneys' fees.

4.8 Use of Proceeds by Trustor.

(a) If, in any instance, each and all of the following conditions are satisfied in Beneficiary's reasonable judgment, Beneficiary shall permit Trustor to use the balance of the proceeds assigned under the preceding Section ("Net Claims Proceeds") to pay costs of repairing or reconstructing the Property in the manner described below:

(i) The plans and specifications, cost breakdown, construction contract, construction schedule, contractor and payment and performance bonds for the work of repair or reconstruction must all be reasonably acceptable to Beneficiary.

(ii) Beneficiary must receive evidence satisfactory to it that after repair or reconstruction, the outstanding balance of all Secured Obligations will not exceed seventy-five percent (75%) of the value of the Property.

(iii) The Net Claims Proceeds must be sufficient in Beneficiary's determination to pay for the total cost of repair or reconstruction, including all associated development costs and interest projected to be payable on the Secured Obligations until the repair or reconstruction is complete; or Trustor must provide its own funds in an amount equal to the difference between the Net Claims Proceeds and a reasonable estimate, made by Trustor and found acceptable by Beneficiary, of the total cost of repair or reconstruction.

(iv) No Event of Default shall have occurred and be continuing.

(b) If the foregoing conditions are met, Beneficiary shall hold the Net Claims Proceeds in an interest-bearing account and shall disburse them to Trustor to pay costs of repair or reconstruction, on such terms and subject to such conditions as are reasonably established by Beneficiary to govern disbursement of funds, including without limitation providing evidence of costs, percentage completion of repair or reconstruction, application of payments and satisfaction of mechanic's liens. However, if Beneficiary finds that one or more of the foregoing conditions are not satisfied, it shall apply the Net Claims Proceeds to pay or prepay (without premium) some or all of the Secured Obligations in such order and proportions as it in its sole, absolute and unfettered discretion may choose.

(c) Trustor hereby specifically, unconditionally and irrevocably waives all rights of a property owner granted under California CODE OF CIVIL PROCEDURE Section 1265.225(a), which provides for allocation of condemnation proceeds between a property owner and a lienholder, and any other law or successor statute of similar import.

(d) Nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Property as provided in Section 4.3 hereof or restoring all damage or destruction to the Improvements, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

4.9 Assignment of Insurance Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Trustor in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of and pass to the successor in interest of Trustor, or the purchaser or grantee of the Property.

4.10 Indemnification; Subrogation; Waiver of Offset.

(a) If Beneficiary is made a party defendant to any litigation concerning this Deed of Trust or the Property or any part thereof or interest therein, or the occupancy thereof by Trustor, then Trustor shall

indemnify, defend and hold Beneficiary harmless from all liability by reason of said litigation, including reasonable attorneys' fees and expenses incurred by Beneficiary in any such litigation, whether or not any such litigation is prosecuted to judgment. If Beneficiary commences an action against Trustor to enforce any of the terms hereof or because of the breach by Trustor of any of the terms hereof, or for the recovery of any sum secured hereby, Trustor shall pay to Beneficiary reasonable attorneys' fees and expenses, and the right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Trustor breaches any term of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect its rights hereunder and, in the event of such employment following any breach by Trustor, Trustor shall pay Beneficiary reasonable attorneys' fees and expenses incurred by Beneficiary, whether or not an action is actually commenced against Trustor by reason of breach. Notwithstanding the foregoing, if an action is actually commenced by either party and such action proceeds to final judgment in favor of Trustor, then (i) Trustor shall have no obligation to pay Beneficiary's attorneys' fees and expenses, and (ii) Beneficiary shall pay Trustor reasonable attorneys' fees and expenses incurred by Trustor in connection with such action.

(b) Trustor waives any and all right to claim or recover against Beneficiary, its officers, employees, agents and representatives, for loss of or damage to Trustor, the Property, Trustor's other property or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

(c) All sums payable by Trustor hereunder shall be paid without notice (except as expressly provided herein), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of, or any condemnation or similar taking of, the Property or any part thereof; (ii) any restriction or prevention of or interference with any use of the Property or any part thereof; (iii) any title defect or encumbrance or any eviction from the Land or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary or Trustor, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary or Trustor, or by any court, in any such proceeding; (v) any claim which Trustor has or might have against Beneficiary; (vi) any default or failure on the part of Beneficiary to perform or comply with any of the terms hereof or of any other agreement with Trustor, or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Trustor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Trustor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Trustor.

4.11 Taxes and Impositions.

(a) Trustor shall pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including, without limitation, non-governmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Property, which are assessed or imposed upon the Property, or become due and payable, and which create, may create or appear to create a lien upon the Property, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Trustor may pay the same, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Property in lieu of or in addition to the Impositions payable by Trustor pursuant to the preceding Subsection, or (ii) a license fee, tax or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes,

assessments or fees shall be deemed to be included within the term "Impositions" as defined herein, and Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions or, at the option of Beneficiary, all obligations secured hereby, together with all accrued interest thereon, shall immediately become due and payable. Anything to the contrary herein notwithstanding, Trustor shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Beneficiary or on the obligations secured hereby.

(c) Subject to the provisions of Subsection (d) below, Trustor covenants to furnish Beneficiary, within thirty (30) days after the date upon which any such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority, or other proof satisfactory to Beneficiary, evidencing the payments thereof.

(d) Trustor shall have the right before any delinquency occurs to contest or object to the amount or validity of any such Imposition by appropriate legal proceedings, but this shall not be deemed or construed as in any way relieving, modifying or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in this Section, unless Trustor has given prior written notice to Beneficiary of Trustor's intent to so contest or object to an Imposition, and unless, at Beneficiary's sole option, Trustor either (i) furnishes a good and sufficient bond as requested by and satisfactory to Beneficiary, or (ii) provides a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(e) At the request of Beneficiary, Trustor shall pay to Beneficiary, on the day monthly installments of principal and/or interest are payable under the Note, until the Note is paid in full, an amount equal to one-twelfth (1/12th) of the annual Impositions reasonably estimated by Beneficiary as necessary to pay the installment of taxes next due on the Property; provided, however, that Beneficiary shall make no such request for monthly deposits unless and until such time (if ever) as an Event of Default (as defined in Section 6.1 below) has occurred, whereupon Beneficiary shall at any and all times thereafter have the right to require such monthly deposits by Trustor, whether or not the Event of Default has been cured. In such event, Trustor further agrees to cause all bills, statements or other documents relating to Impositions to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and providing Trustor has deposited sufficient funds with Beneficiary pursuant to this Section, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary shall notify Trustor and Trustor shall immediately deposit an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section. Beneficiary shall not be obliged to pay or allow any interest on any sums held by Beneficiary pending disbursement or application hereunder, and Beneficiary may impound or reserve for future payment of Impositions such portion of such payments as Beneficiary may in its reasonable discretion deem proper, applying the balance to the principal of or interest on the Secured Obligations. If Trustor fails to deposit with Beneficiary (exclusive of that portion of said payments which has been applied by Beneficiary on the principal of or interest on the indebtedness secured by the Loan Documents) sums sufficient to fully pay such Impositions at least thirty (30) days before delinquency thereof, Beneficiary may, at Beneficiary's election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Beneficiary as herein elsewhere provided, or, at the option of Beneficiary, the latter may, without making any advance whatever, apply any sums held by it upon any obligation of Trustor secured hereby. If any default occurs or exists on the part of Trustor in the payment or performance of any of Trustor's obligations under the terms of the Loan Documents, Beneficiary may, at any time and at Beneficiary's option, apply any sums or amounts in its hands received pursuant hereto, or as rents or income of the Property or otherwise, upon any indebtedness or obligation of Trustor secured hereby in such manner and order as Beneficiary may elect. The receipt, use or application of any such sums paid by Trustor to Beneficiary hereunder shall not be construed to affect the maturity of any indebtedness secured by this Deed of Trust or any of the rights or powers of Beneficiary or Trustee under the terms of the Loan Documents or any of the obligations of Trustor under any of the Loan Documents.

(f) Trustor covenants and agrees to use its best efforts to prevent the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Property as a single lien.

4.12 **Utilities.** Trustor shall pay when due all utility charges which are incurred by Trustor for the benefit of the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all other assessments or charges of a similar nature, whether public or private, affecting the Property or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

4.13 **Actions Affecting Property.** Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and Trustor shall pay all costs and expenses, including cost of evidence of title and attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

4.14 **Ground Lease.** Trustor agrees not to amend, change, terminate or modify the Ground Lease or any interest therein without the prior written consent of Beneficiary. Consent to one amendment, change, agreement or modification shall not be deemed to be a waiver of the right to require consent to other, future or successive amendments, changes, agreements or modifications. Trustor agrees to perform all obligations and agreements under the Ground Lease and shall not take any action or omit to take any action which would effect or permit the termination of the Ground Lease. Trustor agrees to promptly notify Beneficiary in writing with respect to any default or alleged default by any party thereto and to deliver to Beneficiary copies of all notices, demands, complaints or other communications received or given by Trustor with respect to any such default or alleged default. Beneficiary shall have the option to cure any such default and to perform any or all of Trustor's obligations thereunder. All sums expended by Beneficiary in curing any such default shall be secured hereby and shall be immediately due and payable without demand or notice and shall bear interest from the date of expenditure at the Default Rate (defined in the Note).

4.15 **Actions by Trustee and/or Beneficiary to Preserve Property.** If Trustor fails to make any payment or to do any act as and in the manner provided in any of the Loan Documents, Beneficiary and/or Trustee, each in its own absolute and unfettered discretion, without obligation so to do and without notice to or demand upon Trustor except as expressly provided for herein, and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers), Beneficiary and/or Trustee shall have and are hereby given the right, but not the obligation, (i) to enter upon and take possession of the Property; (ii) to make additions, alterations, repairs and improvements to the Property which they or either of them may reasonably consider necessary or proper to keep the Property in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect or appears to affect the security of this Deed of Trust or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and attorneys' fees.

4.16 **Survival of Warranties.** Trustor shall fully and faithfully satisfy and perform the obligations of Trustor contained in any of the Loan Documents. All representations, warranties and covenants of Trustor contained therein or incorporated by reference shall survive the close of escrow and funding of the loan evidenced by the Note, and shall remain continuing obligations, warranties and representations of Trustor during any time when any portion of the obligations secured by this Deed of Trust remain outstanding.

4.17 **Additional Security.** In the event Beneficiary at any time holds additional security for any of the obligations secured hereby, Beneficiary may after an Event of Default (as defined in Section 6.1 below) enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder.

4.18 **Appointment of Successor Trustee.** Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the County in which the Property is located, and by otherwise complying with the provisions of the applicable law of the State of California, substitute a successor or successors to the Trustee named herein or acting hereunder.

4.19 **Successors and Assigns.** This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "**Beneficiary**" shall mean the owner and holder of the Note, whether or not named as Beneficiary herein.

4.20 **Inspections.** Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Documents.

4.21 **Liens.** If any claim of lien is recorded which affects the Property, Trustor shall, within twenty (20) days after such recording or service, (i) pay and discharge the same, (ii) effect the release thereof by recording or delivering to Beneficiary a surety bond in form and amount satisfactory to Beneficiary, or (iii) provide Beneficiary with other assurance which Beneficiary, in its sole discretion, deems to be satisfactory for the payment of such lien and for the full and continuous protection of Beneficiary from the effect thereof. If Trustor fails to remove any lien on the Property, and fails to provide satisfactory security in lieu of removal of such lien as provided in (ii) above, Beneficiary may pay such lien, or may contest the validity thereof, paying all costs and expenses of contesting the same, including attorneys' fees, and Trustor shall reimburse Beneficiary on demand for all payments made and costs and expenses incurred by Beneficiary in doing so.

4.22 **Trustee's Powers.** Trustee may, at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Property, (i) reconvey any part of the Property, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

4.23 **Beneficiary's Powers.** Beneficiary, without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Land not then or theretofore released as security for the full amount of all unpaid obligations, may from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option, any parcel, portion or all of the Property, (v) take or release any other additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto, or (vii) advance additional funds to protect the security hereof and pay or discharge the obligations of Trustor hereunder or under the Loan Documents, and all amounts so advanced, with interest thereon at the rate per annum in effect from time to time under the Note, shall be secured hereby.

4.24 **Financial Statements.** Trustor shall cause to be delivered to Beneficiary, at the times and in the formats prescribed in the Loan Agreement, the financial statements described in the Paragraph of the Loan Agreement captioned "Additional Financial Information". In addition, Trustor shall each year deliver to Beneficiary an annual operating statement for the Property, showing all income received from each tenant and expenses of the Property during the preceding fiscal year, together with a rent roll as of the end of each such fiscal year on such forms as may be prescribed from time to time by Beneficiary which, among other things, shall include the name of each tenant, a description of its leased premises (including square footage, suite number, designation according to rental plan, etc.), the monthly rent paid and the expiration date of each such tenant's lease, certified as to accuracy by Trustor. Unless specified to the contrary in the Loan Agreement, the financial statements and the operating statement shall be prepared in accordance with generally accepted accounting principles, in form reasonably acceptable to Beneficiary, and shall be certified as to accuracy by Trustor. Beneficiary shall have the right from time to time to cause Trustor's books of account and records to

be audited by a certified public accountant chosen by Beneficiary, in order to determine the accuracy of statements delivered to Beneficiary pursuant to this Section. Unless such an audit determines the statement(s) being examined to be materially inaccurate in any respect, then the cost of such audit shall be borne by Beneficiary; otherwise, the cost of such audit shall be borne by Trustor.

4.25 **Trade Names.** At the request of Beneficiary, Trustor shall execute a certificate in form satisfactory to Beneficiary listing the trade names under which Trustor operates or intends to operate the Property, and representing and warranting that Trustor does business under no other trade names with respect to the Property. Trustor shall immediately notify Beneficiary in writing of any change in said trade names and will, upon request of Beneficiary, execute any additional financing statements and other certificates revised to reflect the change in trade name.

4.26 **Reconveyance by Trustee.** Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto".

4.27 **Leasing.** All leases of the Land, the Improvements or any portion thereof shall be upon terms and with tenants approved by Beneficiary in writing prior to Trustor's signing any such lease. Copies of all new leases which affect any portion of the Land or Improvements, together with a statement on Beneficiary's prescribed form signed by the tenant, shall be promptly furnished to Beneficiary. Without Beneficiary's prior written consent, and except to the extent otherwise provided in the paragraph of the Loan Agreement captioned "Approval of Leases", Trustor shall not:

- (a) Accept any deposit or prepayment of rent for any rental period exceeding one (1) month;
- (b) Grant any material lease concessions, except as the same are expressly set forth in the lease and approved in advance by Beneficiary; or
- (c) Amend or allow premature termination of any existing lease to the Land or Improvements or any portion of either.

4.28 **Change in Composition of Trustor.** Without the prior written consent of Beneficiary, Trustor shall abstain from, and shall not cause or permit, to the extent it may do so, any change or transfer of interest in Trustor described in the Paragraph of the Loan Agreement captioned "Change in Borrower".

ARTICLE 5 ACCELERATION OF MATURITY

5.1 **Acceleration on Sale.**

(a) Trustor understands that in making the loan evidenced by the Note, Beneficiary is relying to a material extent upon the business expertise and net worth of Trustor and upon the continuing interest which Trustor has in the Property. Accordingly, except as expressly provided to the contrary herein or in the Loan Agreement, in the event that Trustor, without the prior written consent of Beneficiary, directly or indirectly, voluntarily or involuntarily, sells, assigns, transfers, disposes of or agrees to sell, assign, transfer or dispose of all or any portion of or any interest in the Land or the Improvements (other than a lease in the ordinary course of Trustor's business), or in the event that any partner of Trustor (at any tier) sells, assigns, transfers or disposes of any such partner's interest in Trustor, then the same shall be deemed to increase the risk of Beneficiary, and Beneficiary may then, or at any time thereafter, declare the entire indebtedness secured hereby immediately due and payable, and may exercise all rights and remedies provided herein.

(b) For purposes of this Section, and except for transfers expressly authorized herein or in the Loan Agreement, (i) the terms "sell" and "transfer" shall include, in addition to the common and ordinary meaning of those terms and without limiting their generality, transfers made to subsidiary or affiliated entities, transfers made to a reconstituted partnership, transfers by any partnership (at any tier) to the individual partners or vice versa, transfers by any corporation (at any tier) to its shareholders or vice versa, any corporate merger or consolidation, and any "change in ownership" as that term is used from time to time in California real property taxation law; and (ii) the term "transferee" shall mean purchaser, assignee, grantee or subsequent owner of all or any part of the Land or of any interest in Trustor. Beneficiary's options pursuant to Section 5.1(a) may be exercised at any time after the occurrence of any such event, and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of Beneficiary's option. Beneficiary's approval of any sale, assignment, transfer, pledge or disposition or failure to exercise said option with respect thereto shall not be construed as a waiver of the provisions hereof with regard to any subsequent transaction.

(c) Beneficiary may condition its consent to a sale or transfer upon the fulfillment of certain requirements, including, but not limited to, the following (collectively, "Conditions of Transfer"): (i) that the proposed transferee meet Beneficiary's then-existing credit and other standards with respect to similar loans; (ii) that the transferee specifically assume personal liability for the outstanding balance of the indebtedness secured hereby and the obligations to be performed under the obligation and this Deed of Trust; (iii) that an assumption fee be paid to Beneficiary at the time of the transfer; (iv) that the interest rate payable under the obligation be increased; (v) that a new policy of beneficiary's title insurance be obtained; (vi) that new financing statements be filed; (vii) that the proposed transferee agree to restrictions on further transfers; and (viii) that endorsements to existing policies or new insurance policies be obtained. Beneficiary shall in no event be obligated to consent to any transfer of less than the entire Property (other than a lease in the ordinary course of Trustor's business), or to any transfer in any form, including, but not limited to, a sale and leaseback, which has the effect of creating additional expenses to or charges against the Property.

5.2 **Acceleration on Insolvency of Trustor.** In the event (i) Trustor fails to pay its debts generally as they come due or files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or (ii) an involuntary petition is filed against Trustor under any bankruptcy or similar statute and such petition is not set aside or withdrawn or is still in effect within ten (10) days from the date of such filing (or such longer period as is reasonably necessary, provided Trustor promptly commences, and diligently and continuously pursues thereafter, its efforts to have the petition set aside or withdrawn); or (iii) a custodian, receiver or trustee (or other similar official) is appointed to take possession, custody or control of any of the properties of Trustor; or (iv) the Property becomes subject to the jurisdiction of a Federal Bankruptcy Court or successor to that court, or any similar state court; or (v) Trustor makes an assignment for the benefit of Trustor's creditors; or (vi) any portion of Trustor's assets is attached, executed upon or judicially seized in any manner, and such seizure is not discharged within thirty (30) days, then Beneficiary at its option and to the extent permitted by applicable law may, without prior notice, declare all sums secured by this Deed of Trust, irrespective of their stated due date(s), immediately due and payable and may exercise all rights and remedies provided in this Deed of Trust.

ARTICLE 6 DEFAULT; REMEDIES

6.1 **Events of Default.** Trustor will be in default under this Deed of Trust upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default"; any one singly, an "Event of Default"):

(a) Trustor fails to pay any money as required under this Deed of Trust and does not cure that failure within five (5) days after written notice from Beneficiary or Trustee; or

(b) Trustor fails to perform any obligation arising under this Deed of Trust other than one to pay money, and does not cure that failure within five (5) days after written notice from Beneficiary or Trustee (or such longer period as is reasonably determined by Beneficiary to be necessary for completion of the cure, so long as Trustor begins promptly and thereafter diligently continues to cure the failure); or

(c) Trustor, as lessee under the Ground Lease, fails to perform its obligations thereunder within the notice and cure periods specified therein; or

(d) The surrender, abandonment, termination (other than upon expiration of the term thereof), rescission or subordination of the Ground Lease; or

(e) A default occurs under any of the Secured Obligations and is not cured within the applicable cure period, if any.

6.2 **Acceleration Upon Default; Additional Remedies.** At any time after any Event of Default, Beneficiary may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter, Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection (including attorneys' fees) upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon the occurrence of any Event of Default, including the right to exercise the power of sale.

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, and/or specifically enforce any of the covenants hereof.

(c) Exercise any or all of the remedies available to a secured party under the California UNIFORM COMMERCIAL CODE, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Trustor and all others claiming under Trustor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor with respect to the Personal Property or any part thereof; provided, however, Beneficiary shall not obtain control of the Personal Property until such time as Beneficiary is eligible or is within ten (10) days of becoming eligible to record a Notice of Sale pursuant to Section 6.3 and applicable law. In the event Beneficiary demands or attempts to take possession of the Personal Property in the exercise of any rights under any of the Loan Documents, Trustor promises and agrees to promptly turn over and deliver complete possession thereof to Beneficiary.

(ii) Without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Personal Property, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and, in exercising any such powers or authority, pay all expenses incurred in connection therewith;

(iii) Require Trustor to assemble the Personal Property or any portion thereof at a place designated by Beneficiary and reasonably convenient to both parties, and promptly to deliver such Personal Property to Beneficiary, or an agent or representative designated by it. Beneficiary and

its agents and representatives shall have the right to enter upon any or all of Trustor's premises and property to exercise Beneficiary's rights hereunder;

(iv) Sell, lease or otherwise dispose of the Personal Property at public sale, with or without having the Personal Property at the place of sale, and upon such terms and in such manner as Beneficiary may determine. Beneficiary may be a purchaser at any such sale.

Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary shall give Trustor at least ten (10) days prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof. Such notice may be mailed to Trustor at the address set forth at the beginning of this Deed of Trust.

(d) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Property to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of the County in which the Property is located.

6.3 **Foreclosure by Power of Sale.** If Beneficiary elects to foreclose by exercise of power of sale under Subsection 6.2(d), Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Property at the time and place of sale fixed by it in said Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale first to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate per annum in effect from time to time under the Note, then to payment of all other Secured Obligations, and the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may postpone the sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

(d) The power of sale under this Deed of Trust shall not be exhausted by any one or more sales (or attempts to sell) as to all or any portion of the Property remaining unsold, but shall continue unimpaired until all of the Property has been sold by exercise of the power of sale herein contained and all indebtedness of Trustor to Beneficiary under the Deed of Trust, the Note or other Loan Documents has been paid in full.

6.4 **Appointment of Receiver.** If an Event of Default has occurred and is continuing, Beneficiary as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Property or the interest of Trustor therein, shall have the right to apply to any court having

jurisdiction to appoint a receiver or receivers of the Property, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided in Section 6.2(a) above, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Property unless such receivership is sooner terminated.

6.5 **Remedies Not Exclusive.** Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any of the Secured Obligations and to exercise all rights and powers under this Deed of Trust or under any Loan Document or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the Secured Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Documents to Trustee or Beneficiary, or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary, and either of them may pursue inconsistent remedies.

6.6 **Request for Notice.** In accordance with California CIVIL CODE Section 2924b, Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address appearing at the beginning of this Deed of Trust.

6.7 **Environmental Provision.** Without limiting any of the remedies provided in this Deed of Trust or the other Loan Documents, Trustor acknowledges and agrees that the provisions of the Article of the Loan Agreement captioned "Hazardous Substances", the separate Unsecured Environmental Indemnity delivered by Trustor and Section 4.3 of this Deed of Trust, all constitute environmental provisions (as defined in California CODE OF CIVIL PROCEDURE Section 736(f)(2)) made by Trustor relating to the real property security ("**Environmental Provisions**"), and that Trustor's failure to comply with the Environmental Provisions is a breach of contract such that Beneficiary shall have the remedies provided under California CODE OF CIVIL PROCEDURE Section 736 ("**Section 736**") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of California CODE OF CIVIL PROCEDURE Section 726(a) nor shall it constitute a money judgment for a deficiency or a deficiency judgment within the meaning of California CODE OF CIVIL PROCEDURE Section 580a, 580b, 580d or 726(b). Other than the remedy provided under Section 736, all remedies provided for by the Loan Documents are separate and distinct causes of action that are not abrogated, modified, limited or otherwise affected by the remedies provided under California CODE OF CIVIL PROCEDURE Section 736(a).

ARTICLE 7 MISCELLANEOUS

7.1 **Governing Law.** This Deed of Trust shall be governed by the laws of the State of California. In the event that any provision or clause of any of the Loan Documents conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of the Loan Documents are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

7.2 **Trustor Waiver of Rights.** Trustor waives (i) the benefit of all laws now existing or that hereafter may be enacted providing for any appraisal before sale of any portion of the Property; (ii) any

applicable statute of limitations; and (iii) the benefit of all laws that may hereafter be enacted in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a period of redemption from any sale made in collecting said debt. To the full extent Trustor may do so, Trustor agrees that Trustor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Trustor, for Trustor, Trustor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Trustor, Trustor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Trustor expressly waives and relinquishes any and all rights and remedies which Trustor may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties.

7.3 **Usury.** If the limits on interest imposed by Article XV of the California Constitution are judicially determined to be applicable to the Note or any other amount secured hereby by the non-appealable order or judgment of a court with competent jurisdiction, then the total liability for the payments deemed to be interest shall not exceed the maximum interest allowed by Article XV of the California Constitution.

7.4 **Statements of Trustor.** Trustor, within ten (10) days after being given notice by mail, shall furnish to Beneficiary a written statement confirming the unpaid principal of and interest on the Note and any other amounts secured by this Deed of Trust, and stating whether any offset or defense exists against such principal and interest.

7.5 **Notices.** All notices and demands under this Deed of Trust shall be in writing, and shall be deemed served upon delivery, or if mailed, upon the first to occur of receipt thereof or three (3) days after deposit thereof in the United States Postal Service, certified mail, postage prepaid, addressed to the address of Beneficiary or Trustor appearing at the beginning of this Deed of Trust. Notices of change of address may be given in the same manner.

7.6 **Acceptance by Trustee.** Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

7.7 **Captions.** The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

7.8 **Invalidity of Certain Provisions.** If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Property, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or not fully secured by the lien of this Deed of Trust. If any provision of the Loan Documents shall be deemed void or unenforceable, it shall not affect the validity of the remaining provisions thereof which shall be considered severable.

7.9 **Subrogation.** To the extent that proceeds of the Note or advances under this Deed of Trust are used to pay any outstanding lien, charge or prior encumbrance against the Property, such proceeds or advances have been or will be advanced by Beneficiary at Trustor's request and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

7.10 **No Merger.** If both the lessor's and lessee's estates under any lease or any portion thereof which constitutes a part of the Property shall at any time become vested in one owner, this Deed of Trust and

the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Property pursuant to the provisions hereof, any leases or subleases then existing and created by Trustor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

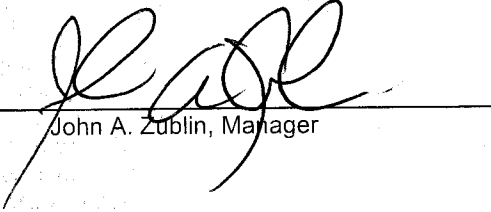
7.11 **Non-Waiver.** The acceptance by Beneficiary of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment when due of all other sums hereby secured or to declare a default as herein provided. The acceptance by Beneficiary of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon the condition that it shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due, and Trustor's failure to pay said entire sum then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid, and Beneficiary or Trustee shall be at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Beneficiary thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon them, or either of them, upon the occurrence of a default, and the right to proceed with a sale under any notice of default, and election to sell, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such notice. Consent by Beneficiary to any transaction or action of Trustor which is subject to consent or approval of Beneficiary hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive transactions or actions. At any time and from time to time, without liability therefor and without notice, and without releasing or otherwise affecting the liability of any person for payment of any indebtedness hereby secured: (i) Beneficiary at its sole, absolute and unfettered discretion may extend the time for, or release any person now or hereafter liable for, payment of any or all such indebtedness, or accept or release additional security therefor, or subordinate the lien or charge hereof; or (ii) Trustee, upon written request of Beneficiary and presentation of the Note and any additional note(s) and this Deed of Trust for endorsement, may reconvey any part of said Land, consent to the making of any map or plat thereof, join in granting any easement thereof, or join in any such agreement of extension or subordination.

IN WITNESS WHEREOF, Trustor has signed and delivered this Deed of Trust as of the date first above written.

Trustor:

COPPERHEAD LLC, a California limited liability company

By


John A. Zublin, Manager

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On MAY 2, 2012, before me, SYLVIA MARTIN, NOTARY PUBLIC (hereinset name and title of the officer), personally appeared JOHN ZUBCIN

, 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 

(Seal)



EXHIBIT A

Legal Description

The land referred to herein is situated in the State of California, County of Riverside, and described as follows:

PARCEL 1:

The Northerly 489.62 feet as measured along the Westerly and Easterly lines of that portion of land, being a portion of Section 7, Township 7 South, Range 2 West, San Bernardino Base and Meridian, more particularly described as follows:

COMMENCING at the Southwest corner of said Section 7 as shown by Record of Survey filed in Book 57, Page(s) 81 of Record(s) of Survey of said County;

Hereafter, the following courses are described to follow the courses as described by Exhibit A-1 of the lease agreement dated November 14, 1995 between the County of Riverside and Valley Airport Associates, a California limited liability company, and later transferred and assigned to Domenigoni Family Trust on August 7, 1996;

Thence South 89°53'17" East along the Southerly line of said Section 7 as shown by said Record of Survey, a distance of 999.66 feet;

Thence leaving said section line North 12°17'07" East, a distance of 4,439.85 feet;

Thence at a right angle South 77°42'53" East, a distance of 32.00 feet, to the Southwesterly corner of Parcel 2 described, by Exhibit A-1 of said lease agreement, and the POINT OF BEGINNING;

Thence continuing South 77°42'53" East along the Southerly line of said Parcel 2, a distance of 444.83 feet;

Thence leaving the Southerly line of said parcel (also leaving the boundary described by said lease agreement), and at a right angle South 12°17'07" West, a distance of 1,239.18 feet;

Thence at a right angle North 77°42'53" West, a distance of 444.83 feet;

Thence at a right angle North 12°17'07" East, a distance of 1,239.18 feet, to the POINT OF BEGINNING.

PARCEL 2:

Lots A, B, C and D as shown in the Exhibits A-1 and A-2 of the Memorandum of Lease dated _____, 2012 by and between the County of Riverside, as Landlord, and Copperhead LLC, a California limited liability company, as Tenant, recorded _____, 2012 as Instrument No. 2012-_____ of Official Records.

GROUND LEASE ESTOPPEL CERTIFICATE

THIS GROUND LEASE ESTOPPEL CERTIFICATE ("Certificate") is made as of _____, 2012, by COPPERHEAD LLC, a California limited liability company ("Borrower", also referred to as "Ground Lessee"), and COUNTY OF RIVERSIDE ("Ground Lessor"), for the benefit of CALIFORNIA BANK & TRUST, a California banking corporation, whose address is 11622 El Camino Real, Suite 200, San Diego, California 92130 ("Bank").

RECITALS:

A. Ground Lessor and Ground Lessee's predecessor in interest, R. W. MARTIN, INC., a California corporation ("Martin"), entered into that certain Lease executed by Martin on February 11, 2000, approved by the Board of Supervisors of the County of Riverside ("Board") and executed by Ground Lessor on February 29, 2000, as amended by that certain First Amendment to Lease executed by Martin on March 23, 2006, approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006, and by that certain Second Amendment to Lease signed by Ground Lessee on April 25, 2011 and by Ground Lessor on May 24, 2011 (as amended, "Ground Lease"), a memorandum of which is recorded in the Official Records of Riverside County, which relates to certain real property located in the County of Riverside, State of California, as more particularly described on Exhibit A attached hereto ("Property"). The leasehold estate under the Ground Lease has been assigned to Ground Lessee by that certain Assignment executed by Martin as assignor, and by Ground Lessee as assignee, on March 31, 2006 ("Assignment"). The Assignment has been consented to by Ground Lessor pursuant to that certain Consent of Assignment approved by the Board on June 14, 2006 and executed by Ground Lessor on June 27, 2006.

B. Bank has agreed to make a loan ("Loan") to Borrower in the amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000), which Loan will be secured, in part, by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing in favor of Bank as beneficiary, encumbering Ground Lessee's leasehold estate in the Property arising under the Ground Lease, which will be recorded in the Official Records of Riverside County, California ("Deed of Trust").

C. For the reliance of Bank, Ground Lessee and Ground Lessor wish to state as follows with respect to certain matters:

CERTIFICATE:

Ground Lessee and Ground Lessor hereby state as follows:

1. Attached hereto is a complete, true and correct copy of the Ground Lease (including all exhibits, riders, addenda and amendments, if any). There are no modifications, amendments, supplements or understandings, oral or written, amending, supplementing or changing the terms of the Lease other than as attached hereto.

2. The term of the Ground Lease commenced on March 1, 2000 and will terminate on March 1, 2050. Ground Lessee has two (2) extension options to extend the lease, the first option for a period of ten (10) years and the second option for a period of (5) years beyond the first option term.

3. The rent under the Ground Lease has been paid to and including _____ 2012. No rent has been prepaid for more than one (1) month. The current rent payment under the Ground Lease is \$ _____ per month. The monthly rent payments are subject to adjustment only as set forth in Paragraphs 5(b) and 5(e) of the Ground Lease.

4. The Ground Lease is in full force and effect, neither Ground Lessor nor Ground Lessee is in default of any of its provisions, and no event has occurred that would, with the lapse of time and/or the

giving of notice, constitute a default under the Ground Lease. Ground Lessee has not exercised its rights to terminate the Ground Lease pursuant to Paragraph 18 of the Ground Lease.

5. Ground Lessee has received all required consents from the relevant authorities, including, but not limited to, the Federal Aviation Administration, to the Ground Lease pursuant to Paragraph 41 of the Ground Lease.

6. Ground Lessee has obtained Ground Lessor's prior written consent to the entry into the Assignment. Ground Lessor has not exercised its rights to terminate the Ground Lease pursuant to Paragraph 17(b) of the Ground Lease.

7. Ground Lessee has obtained Ground Lessor's prior written consent to assign, sublet or otherwise transfer in any manner portions of the Property pursuant to Paragraph 24 of the Ground Lease.

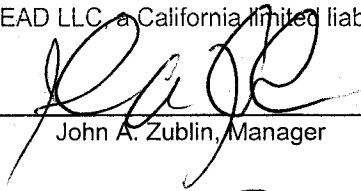
8. The Ground Lease does not contain any outstanding options or rights of first refusal to purchase or lease the Property or any part thereof.

9. Ground Lessee and Ground Lessor acknowledge that Bank shall make the Loan in reliance upon the statements of Ground Lessee and Ground Lessor as set forth above.

Ground Lessee:

COPPERHEAD LLC, a California limited liability company

By


John A. Zublin, Manager

Ground Lessor:

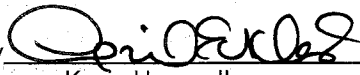
COUNTY OF RIVERSIDE

By


John Favaglione
Chairman, Board of Supervisors

ATTEST:

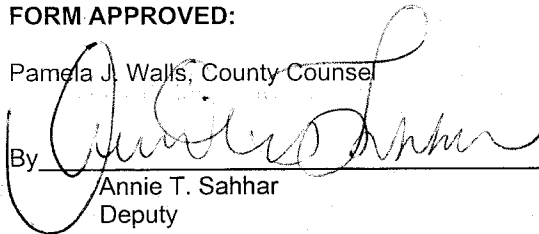
By


Kecia Harper-Ihem
Clerk of the Board

FORM APPROVED:

Pamela J. Walls, County Counsel

By


Annie T. Sahhar
Deputy

ATTACHMENT TO GROUND LEASE ESTOPPEL CERTIFICATE

Copy of Ground Lease (and all amendments thereto)

[Attached]

EXHIBIT A

The Land

The land referred to herein is situated in the State of California, County of Riverside, and described as follows:

PARCEL 1:

The Northerly 489.62 feet as measured along the Westerly and Easterly lines of that portion of land, being a portion of Section 7, Township 7 South, Range 2 West, San Bernardino Base and Meridian, more particularly described as follows:

COMMENCING at the Southwest corner of said Section 7 as shown by Record of Survey filed in Book 57, Page(s) 81 of Record(s) of Survey of said County;

Hereafter, the following courses are described to follow the courses as described by Exhibit A-1 of the lease agreement dated November 14, 1995 between the County of Riverside and Valley Airport Associates, a California limited liability company, and later transferred and assigned to Domenigoni Family Trust on August 7, 1996;

Thence South 89°53'17" East along the Southerly line of said Section 7 as shown by said Record of Survey, a distance of 999.66 feet;

Thence leaving said section line North 12°17'07" East, a distance of 4,439.85 feet;

Thence at a right angle South 77°42'53" East, a distance of 32.00 feet, to the Southwesterly corner of Parcel 2 described, by Exhibit A-1 of said lease agreement, and the POINT OF BEGINNING;

Thence continuing South 77°42'53" East along the Southerly line of said Parcel 2, a distance of 444.83 feet;

Thence leaving the Southerly line of said parcel (also leaving the boundary described by said lease agreement), and at a right angle South 12°17'07" West, a distance of 1,239.18 feet;

Thence at a right angle North 77°42'53" West, a distance of 444.83 feet;

Thence at a right angle North 12°17'07" East, a distance of 1,239.18 feet, to the POINT OF BEGINNING.

PARCEL 2:

Lots A, B, C and D as shown in the Exhibits A-1 and A-2 of the Memorandum of Lease dated _____, 2012 by and between the County of Riverside, as Landlord, and Copperhead LLC, a California limited liability company, as Tenant, recorded _____, 2012 as Instrument No. 2012-_____ of Official Records.

**SECOND AMENDMENT TO LEASE
French Valley Airport**

This Second Amendment to Lease ("Amendment") is entered into by and between the COUNTY OF RIVERSIDE, (hereinafter "County") and COPPERHEAD, LLC., a limited liability company, (hereinafter "Lessee"), with reference to the following:

RECITALS

- A. WHEREAS, County and Lessee are parties to that certain lease (hereinafter "Lease") dated February 29, 2000; amended by First Amendment of Lease, approved by the Board of Supervisors of the County of Riverside on June 27, 2006 and Assignment of Lease approved by the Board of Supervisors of the County of Riverside on March 31, 2006 assigning Ground lease to COPPERHEAD, LLC, a limited liability company, for five (5) acres of land at French Valley Airport;
- B. WHEREAS, the County and Lessee now desire to amend Leased Premises in accordance with the terms and conditions of this Amendment to include approximately 0.45 acres of land, being legally described in Exhibit A1 - Lot A; and include approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot B; and include approximately 0.61 acres of land, being legally described in Exhibit A1 - Lot C; and approximately 0.92 acres of land, being legally described as Exhibit A2 - Lot D;
- C. WHEREAS, the County and Lessee desire to extend the lease term an additional ten (10) years, extending the termination date to February 28, 2050, a total of fifty (50) years from the execution date of the original lease.

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

- A. Paragraph 2 of the Lease is amended by deleting and substituting in its entirety the following new paragraph 2 as follows:

Description. On the Effective Date of the Lease, the premises leased hereby are located within the French Valley Airport, County of Riverside, California and consist of approximately 217,800 square feet, 5.0 acres of land. Effective with upon the execution of this Amendment, which is the date approved by the Board of Supervisors, the premises will include an additional 2.59 acres of land, all being legally described in the following Exhibits: 5.0 acres of land being legally described in Exhibit A; approximately 0.45 acres of land, being legally described in Exhibit A1 - Lot A; approximately 0.61 acres of land, being legally described in

Exhibit A1 – Lot B; approximately 0.61 acres of land, being legally described in Exhibit A1 – Lot C; and approximately 0.92 acres of land, being legally described in Exhibit A2 – Lot D, attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Demised Premises" or the "Leased Premises." The Demised Premises shall consist only of the land, not of any lessee-constructed improvements or structures.

B. Paragraph 3 Term of the Lease shall be modified as to the first sentence only, as follows:

3. Term. This Lease, shall commence the first day of March, 2000 and terminate Forty (40) years thereafter, the term of Forty (40) years.

All other subparagraphs remain unchanged.

C. Paragraph 4 of the Lease shall be modified by adding a new subsection (a) (5) as follows:

5. Use.

(a)

(5) Except for the five (5) acre parcel referenced in Exhibit A of the original lease and the .45 acres of land referenced as Exhibit A1 – Lot A in this Lease Amendment, the additional Leased Premises referenced in Exhibit A1 – Lots B and C shall be used for aircraft ramp storage, provided taxiway/runway between lots B and C shall accommodate aircraft with wingspans of up to 110 feet to the Leased Premises five (5) acre parcel without restriction. In addition, Leased Premises referenced in Exhibit A2 – Lot D shall be used for storage of aircraft parts, materials, and equipment used for lessee's and/or lessee's tenants' operations, excluding engines or any other part that uses oil or any other substance that could potentially leak out onto the Leased Premises. In addition, Exhibit A2 – Lot D shall be fenced with an 8 foot chain link fence and screening to present a professional image.

All other subparagraphs remain unchanged.

D. Paragraph 5 of the Lease shall be modified by adding a new subsection 5(f) as follows:

5. Rent

(f) Rent on the additional parcels referenced in Exhibit A1 – Lots A, B, and C and Exhibit A2 – Lot D shall be \$578.57 per acre. Beginning in July 1, 2012 and at each 12 month anniversary thereafter, the rent shall be increased by two and one-half (2 1/2) percent. The two and one-half (2 1/2) percent annual

increase shall not occur during the year in which the basic annual rent is re-established as described in paragraph 5 (b).

E. Paragraph 21(b) shall be replaced and substituted therefor in its entirety with the following:

21. Insurance.

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

F. All other terms, conditions and provisions of the lease shall remain in full force and effect.

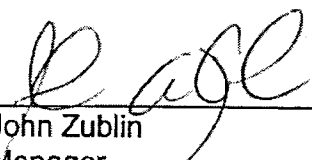
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WHEREFOR, the parties hereto have executed this Amendment as of the dates set forth below.

Dated: APRIL 25TH 2011

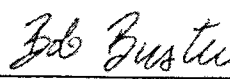
LESSEE:

COPPERHEAD, LLC

By: 
John Zublin
Manager

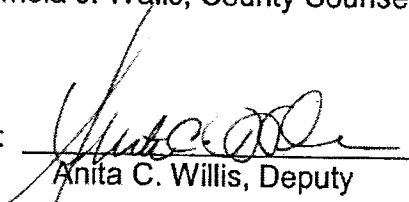
Dated: MAY 24 2011

COUNTY OF RIVERSIDE

By: 
Chairman of the Board of Supervisors
Bob Buster

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

By: 
Anita C. Willis, Deputy

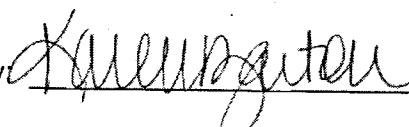
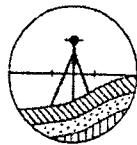
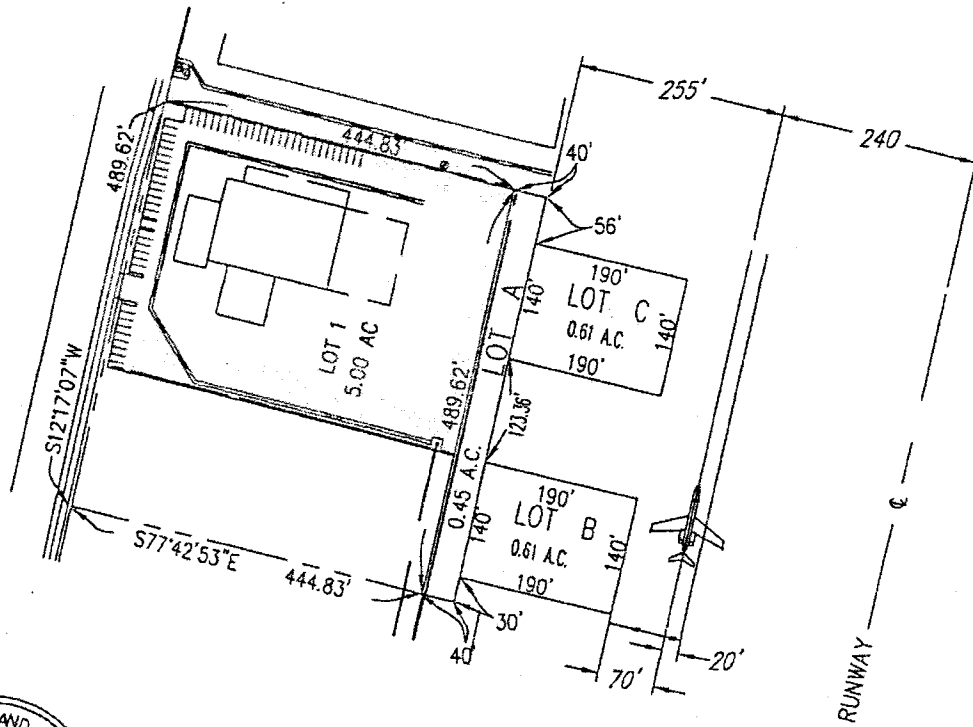
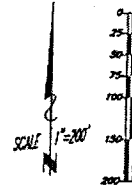
By:  DEPUTY

EXHIBIT A EXISTING PARCEL

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR

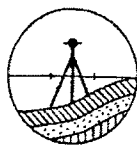
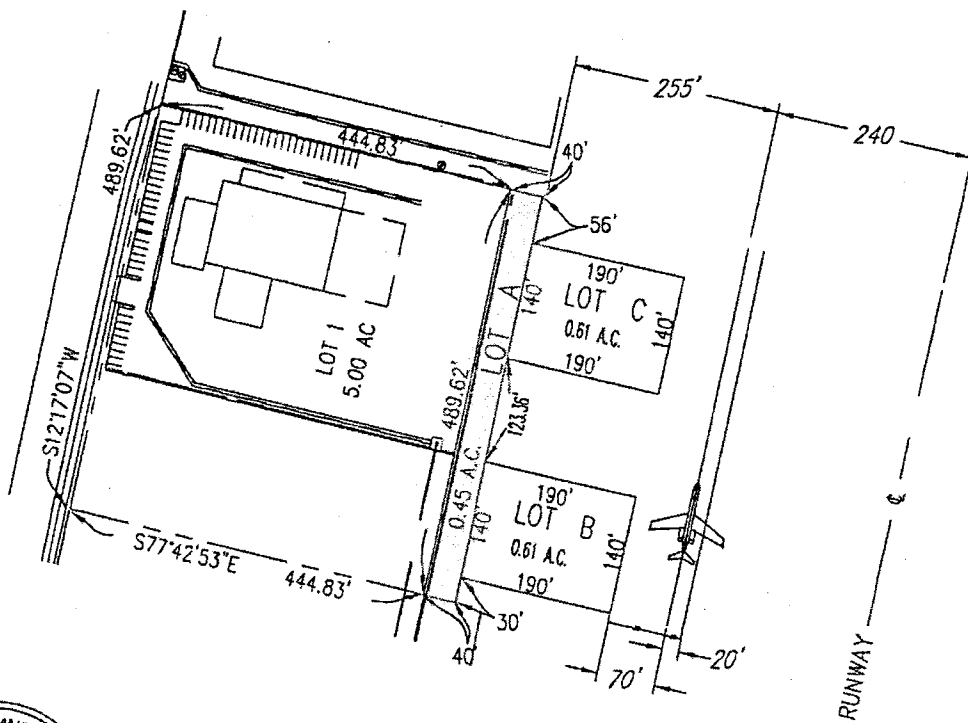
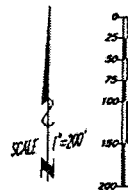


PLANS PREPARED UNDER SUPERVISION OF
B&B Engineering, Inc.
1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT A

FRENCH VALLEY AIRPORT
LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR

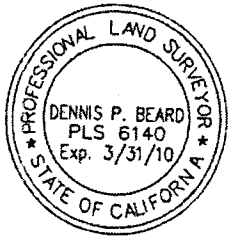
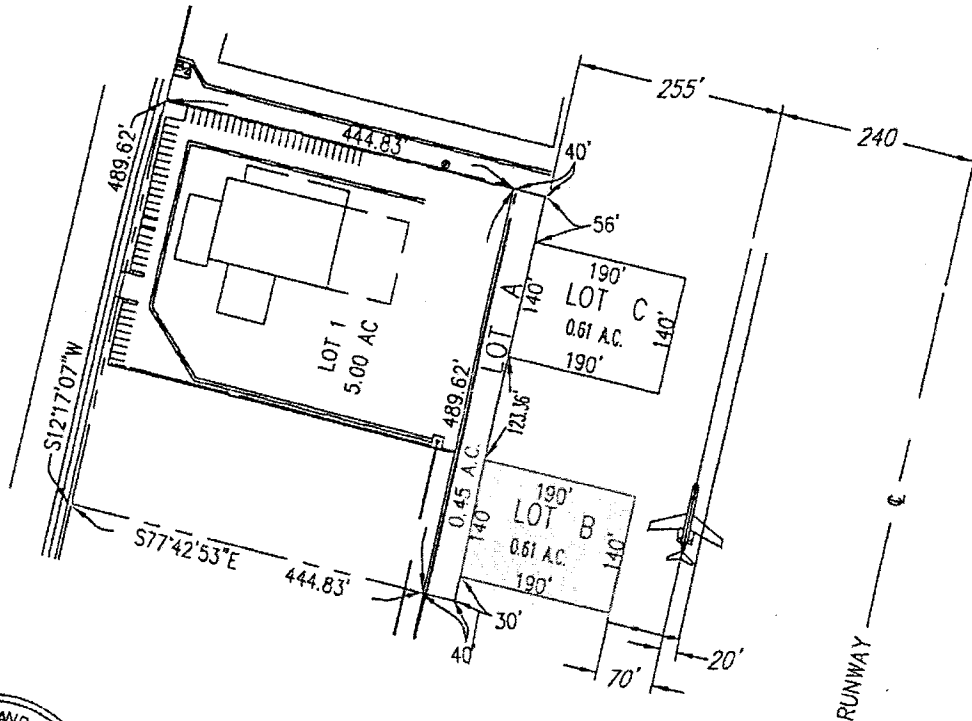
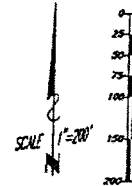


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1611-A SOUTH MELROSE DR. #285, VISTA, CA. 92083
(760) 945-3150

EXHIBIT A1 - LOT B

FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR

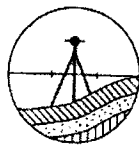
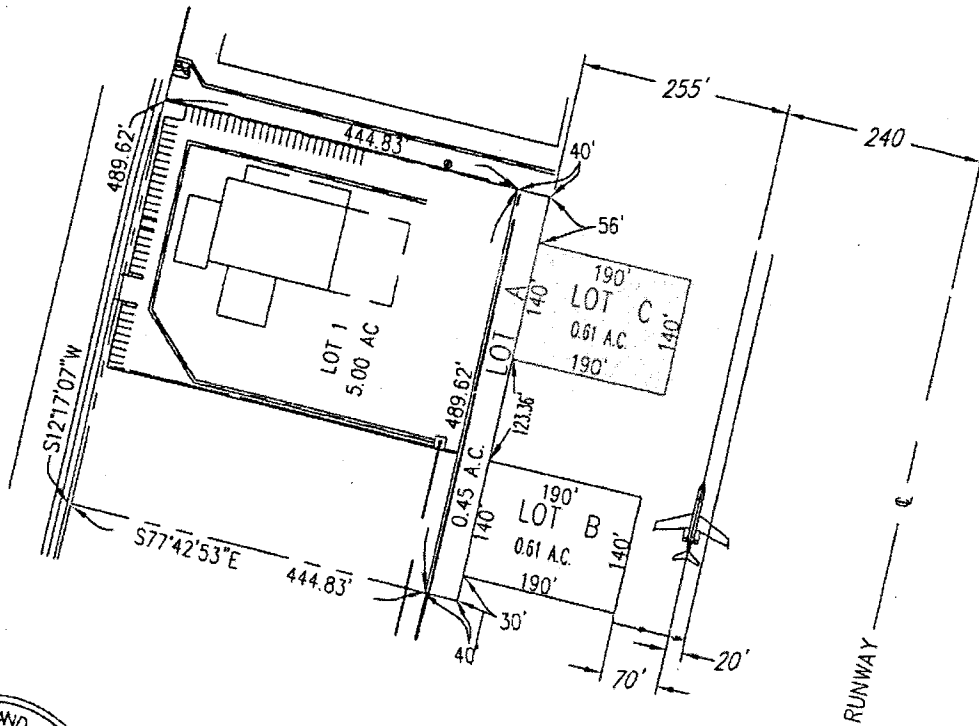
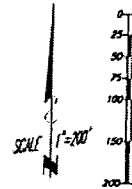


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EXHIBIT A1 - LOT C

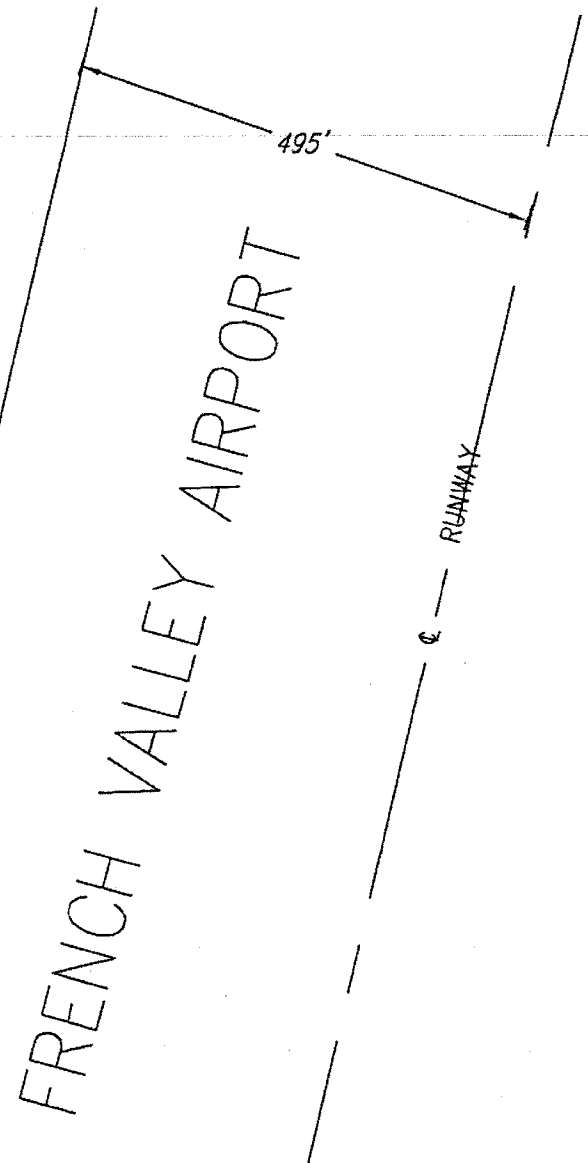
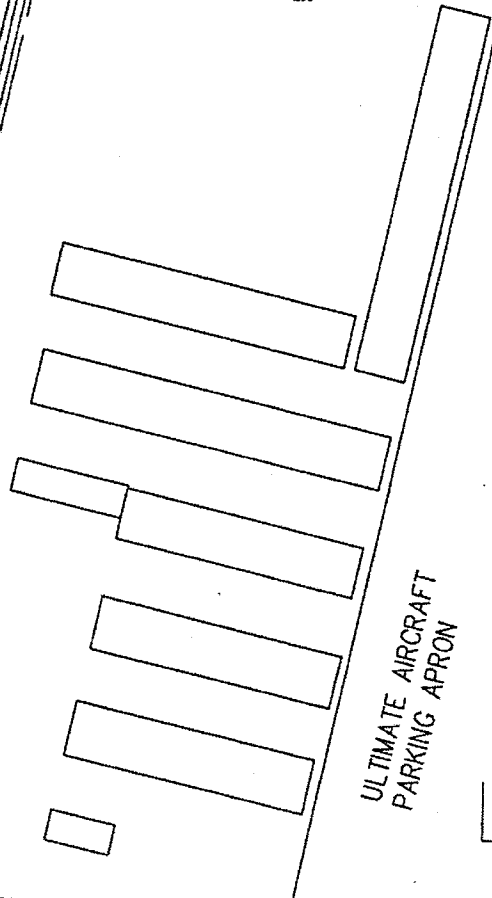
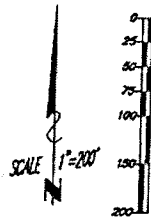
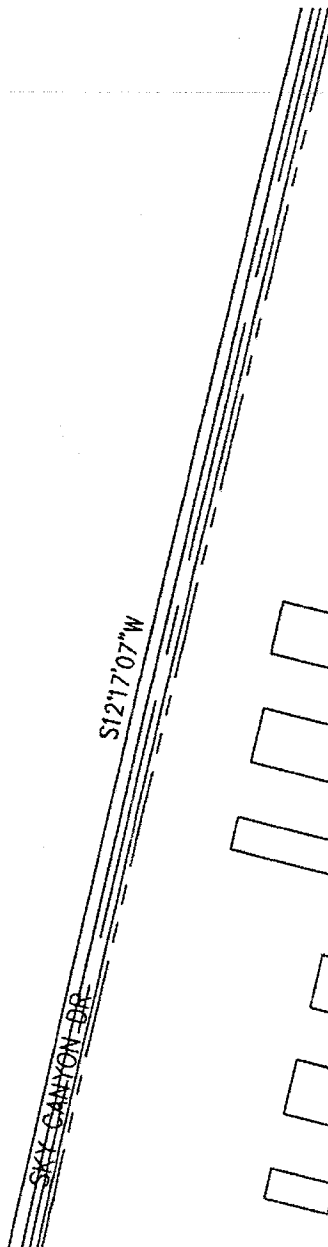
FRENCH VALLEY AIRPORT LEASE EXTENSION

COPPERHEAD, LLC.
37260 SKY CANYON DR



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B&B Engineering, Inc.
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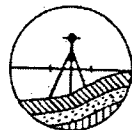
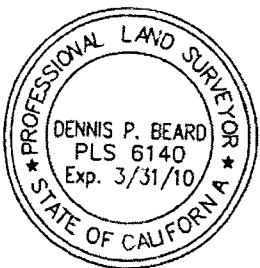
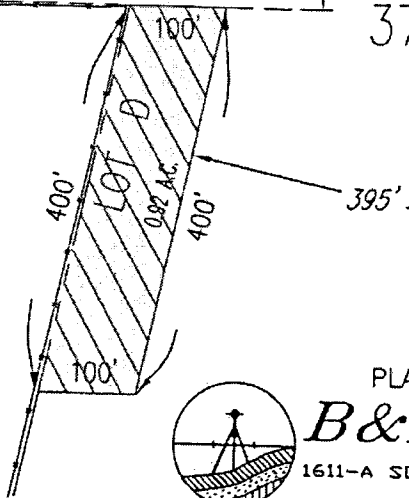
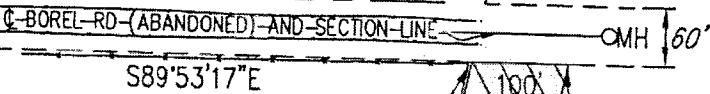
EXHIBIT A2 - LOT D



LEASE EXTENSION

COPPERHEAD, LLC

37260 SKY CANYON DR



PLANS PREPARED UNDER SUPERVISION OF
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(760) 945-3150

FIRST AMENDMENT TO LEASE
French Valley Airport

This First Amendment to Lease ("Amendment:") is entered into by and between the County of Riverside (hereinafter "County"), and R.W. Martin, Incorporated, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee are parties to that certain lease (hereinafter the "Lease") approved by the Board of Supervisors of the County of Riverside ("Board") on February 29, 2000, wherein Lessee agreed to lease from County, approximately 5 acres of property ("Leased Premises") located at the French Valley Airport; and

B. WHEREAS, the County and Lessee now desire to modify the Lease in accordance with the terms and provisions of this Amendment.

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

1. Paragraph 3 of the Lease is amended to add the following new subparagraph (c):

"(c) Subject to the provisions of paragraphs 3(b), 5, 8, 12(c), 17 and 18 hereof, and provided that the Lessee previously exercised the option provided for in paragraph 3(b), and provided further that Lessee is in full compliance with the terms of this Lease, the Lessee shall have a second option to extend this Lease for a period of five (5) additional years beyond the first option term. Such option must be exercised in a writing delivered to the County prior to the expiration of the then current Lease term."
2. Paragraph 5 Rent, page 3, subparagraph (a) shall be modified by adding the following at the end of said paragraph 5(a):

"Commencing July 1, 2005 the Base Monthly Rent shall be \$5,082.00.

3. Paragraph 5 Rent, page 3, Subparagraph (b) shall be amended by changing the date to July 1, 2015.

4. The second sentence in Subparagraph (a) of Paragraph 8 is hereby amended as follows:

"The Lessee shall have the option to construct one (1) additional hangar (herein called "Hangar 2") of approximately fifteen thousand (15,000) square feet, construction of which is to be commenced within seven (7) years of the completion of Hangar 1."

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFOR, the parties hereto have executed this Amendment as of the dates set forth below.

Dated: 23 March 2006

LESSEE:

R.W. MARTIN, INCORPORATED

John A. Zublin
By: John A. Zublin
Its: President

Doretta J. Martin
By: Doretta J. Martin
Its: Secretary

Dated: JUN 27 2006

COUNTY OF RIVERSIDE

Bob Buster
By: Bob Buster
Chairman, Board of Supervisors

(SEAL)

APPROVED AS TO FORM:
Joe S. Rank, County Counsel

ATTEST:
Nancy Romero, Clerk of the Board

Arden V. Ubo 6/14/06
By: Arden V. Ubo
Deputy

[Signature]
By: [Signature]
Deputy

CONSENT TO ASSIGNMENT

The County of Riverside (Lessor) hereby consents to the foregoing Assignment and Acceptance and Agreement, without however, waiving the restrictions contained in said Lease dated February 29, 2000, described as 5.0 acres of land at the French Valley Airport with respect to any future assignments thereunder, and without releasing the Assignor under said lease from any obligations that are not performed by Copperhead, LLC, a California limited liability company, and otherwise accepts the Assignee, Copperhead, LLC, as Lessee under said Lease to all intents and purposes as though Assignee was the original Lessee thereunder.

Date: JUN 27 2006

COUNTY OF RIVERSIDE

By: Bob Buster
Chairman, Board of Supervisors
Bob Buster

FORM APPROVED:

JOE S. RANK, County Counsel

By: Gordon V. Albo 6/14/06
Deputy

ATTEST:
NANCY ROMERO, Clerk

By: [Signature]
DEPUTY

ASSIGNMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, R. W. Martin, Inc., a California corporation, hereby transfers and assigns to Copperhead, LLC, a California limited liability company, a wholly owned subsidiary of R.W. Martin, Inc., all rights, title and interest of the undersigned under that certain Lease dated February 29, 2000, Exhibit "A" attached hereto and as amended by First Amendment on _____, 2006, pertaining to the Leased Premises described as 5.0 acres land at French Valley Airport, Murrieta, California.

Dated: 31 March 2006

R.W. Martin, Incorporated
a California corporation

By: [Signature]
President

By: [Signature]
Secretary

ACCEPTANCE AND AGREEMENT

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

Dated: 31 March 2006

Copperhead, LLC,
a California limited liability company

By: [Signature]

By: N/A

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LEASE

FRENCH VALLEY AIRPORT

The COUNTY OF RIVERSIDE, herein called County, acting through COMARCO, Inc., its designated manager, leases to R.W. MARTIN, INCORPORATED, herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns approximately 217,800 square feet, 5.0 acres of vacant land at the French Valley Airport, County of Riverside, California.

(b) County desires to lease said property to Lessee for the construction of aircraft hangars and aviation related buildings.

(c) Lessee desires to lease said property from the County, for the construction of aircraft hangars and aviation related buildings to be operated in conjunction with the Lessee's proposed Limited Service Fixed Based Operation (FBO).

2. Description. The premises leased hereby are located within the French Valley Airport, County of Riverside, California and consist of approximately 217,800 square feet (5.0 acres) of vacant land, being legally described in Exhibit "A" attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Demised Premises" or the "Leased Premises." The Demised Premises shall consist only of the land, not of any Lessee-constructed improvements or structures.

3. Term. This Lease shall commence the first day of March, 2000 and terminate Thirty (30) years thereafter, term of Thirty (30) years.

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

(b) With respect to the Demised Premises and subject to the provisions of paragraphs 5, 8, 12(c), 17, and 18 hereof, and provided that the Lessee, at the time of exercising of the option, is in full compliance with the terms of this Lease, the Lessee shall have the option to extend this Lease for a period of ten (10) years. Said extension shall

EXHIBIT A

FEB 29 2000
3 . 3 5

1 be granted by the County only upon the Lessee's completion of Hangar 2, as described
2 in paragraph 8(a) hereof.

3 4. Use. The Demised Premises is leased hereby for the purpose of
4 constructing, operating, and maintaining the improvements listed in Paragraph 8 hereof,
5 which improvements are to be used for the activities listed in Paragraph 4(a) below as a
6 Limited Service FBO in compliance with the County's FBO Minimum Standards, which are
7 attached hereto as Exhibit "B". The Lessee shall obtain and maintain all required FAA
8 certifications applicable to these activities.

9 (a) The Demised Premises shall be used for the following purposes:

10 (1) Sale and/or leasing, retail or wholesale or both, of new and
11 used aircraft, aircraft storage, aircraft parts and accessories, including
12 instruments and engines and electronic devices, aircraft fuels and
13 lubricants, airman's navigational and personal supplies and
14 accessories;

15 (2) Building, maintenance, repairs, overhaul, and modification of
16 all types of aircraft, aircraft engines, airframes, automatic flight
17 systems, instruments, radio and other electronic equipment,
18 propellers, and all other aircraft components;

19 (3) Painting and upholstering of aircraft; and

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

24 (b) Lessee shall have taxiway/runway access for aircraft, subject to the
25 following allowances and restrictions:

26 (1) Taxiway/runway shall accommodate aircraft with wingspans of
27 up to 110 feet to the Demised Premises without restriction.

28 (2) Aircraft weighing 50,000 pounds or less shall have unrestricted

1 taxiway/runway access.

2 (3) Aircraft weighing between 50,001 pounds and 69,800 pounds
3 shall be restricted to 100 operations per year in the aggregate. Any
4 additional takeoffs and landings by such aircraft shall be subject to the
5 receipt of written permission from the County.

6 (4) Aircraft weighing more than 69,800 pounds shall not have
7 access to the taxiway/runway without prior written permission from the
8 County.

9 (c) The demised premises shall not be used for any purpose other than
10 those described in paragraph 4 (a) without first obtaining the written consent of County,
11 which consent shall not be unreasonably withheld.

12 5. Rent.

13 (a) Commencing upon lease execution, Lessee shall pay to Lessor as
14 base rent for the use and occupancy of the Demised Premises, monthly rent equal to one
15 thousand eight hundred seventy five Dollars (\$1,875.00) during the first twenty four (24)
16 months, and three thousand seven hundred fifty dollars (\$3,750.00) per month for the
17 period commencing upon the start of the twenty fifth (25th) month and continuing through
18 June 30, 2005. Said rent is due and payable in advance on the first of each month. As
19 long as the Management Agreement between COMARCO, Inc. and Riverside County is
20 in full force and effect, rent payments shall be made payable to COMARCO at 37552
21 Winchester Road, Murrieta, California 92563.

22 (b) Beginning on July 1, 2005, and every fifth (5th) year thereafter, the
23 basic monthly rent shall be one-twelfth (1/12) of eight percent (8%) of the appraised fair
24 market value of the demised premises as described in paragraph 2; the appraisal shall
25 reflect the value of the land only, exclusive of any improvements. A property appraisal for
26 this purpose is to be performed by an independent certified appraiser, selected in
27 accordance with Paragraph 5 (c) below; the appraisal is to be procured by the County.
28 Once established, said rent shall be adjusted annually in the manner set forth in Paragraph

1 5 (e) below.

2 (c) Not later than one hundred and twenty (120) days prior to the
3 commencement of the first day of each rental rate adjustment period as specified in
4 paragraph 5(b) of this Lease, the parties hereto shall select one appraiser who shall be a
5 member in good standing with the American Institute of Real Estate Appraisers, unless
6 otherwise mutually agreed upon, in writing, by the parties hereto. Within forty-five (45)
7 days after the selection of this appraiser, the appraiser shall prepare and submit an
8 appraisal, in writing, of the current "fair market value" of the Demised Premises to County
9 and Lessee. The term "fair market value" as used herein means the amount of money a
10 willing buyer would pay to a willing seller for the Demised Premises based on the current
11 use of the Demised Premises. The current fair market value established in such appraisal
12 shall be the basis for the adjustment of the monthly rent to be effective on the first day of
13 each rental rate adjustment period as specified in paragraph 5(b) of this Lease.

14 (d) In the event the parties hereto fail, for any reason, to select an appraiser
15 as provided, and within the time as required, in paragraph 5(c) above, the parties hereto
16 not later than ninety (90) days prior to the commencement of the first month of each sixty
17 (60) month period, shall each submit the names of two (2) appraisers, each a member in
18 good standing with the American Institute of Real Estate Appraisers, to an arbitrator
19 experienced in commercial leases and appraisals, to be selected by the Judicial Arbitration
20 and Mediation Service (JAMS) or the successor organization. The arbitrator shall then
21 select the appraiser who shall conduct the appraisal as specified in paragraph 5(c). The
22 decision of the arbitrator shall be final and binding upon all parties. The parties shall each
23 pay one half (1/2) the fees charged by the arbitrator and the arbitration service, and each
24 party shall be responsible for their own attorneys' fees.

25 (e) Beginning with the fourth (4th) anniversary of the execution of this
26 Lease and at each 12 month anniversary thereafter, the rent shall be increased by two and
27 one-half (2 1/2) percent. The flat two and one-half (2 1/2) percent annual increase shall not
28 occur over the course of the year during which the basic annual rent is re-established as

1 described in Paragraph 5(b) above.

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

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

9 (b) Employ and maintain on the leased premises sufficient
10 personnel who are trained and skilled in order to competently perform the tasks related to
11 the services being offered.

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

16 (d) Operate the leased premises and the facilities thereon in a
17 progressive and efficient manner, charging fair and reasonable prices for each unit or
18 service and, upon request from County, Lessee shall furnish County with a schedule of all
19 prices for each unit or service offered for sale or lease to the general public.

20 (e) Provide janitorial services at its own expense.

21 (f) Not engage in the painting of aircraft (other than small incidental
22 painting in connection with repairs, maintenance, and modifications) within any buildings
23 unless, or until, it has established therein a regular paint shop which is adequately
24 enclosed and vented, and has been inspected and approved, in writing, by representatives
25 of the Federal Aviation Administration and County's Fire and Building and Safety
26 Departments, and all applicable permits have been obtained.

27 (g) Maintain clean, sanitary restroom facilities for both men and
28 women, which restroom facilities shall be properly and continuously supplied with soap,

1 towels and toilet tissue.

2 7. Permits, Licenses and Taxes. Lessee shall secure at its expense, all
3 necessary permits and licenses as it may be required to obtain, and Lessee shall pay for
4 all fees and taxes levied or required by any authorized public entity. Lessee recognizes
5 and understands that this Lease may create a possessory interest subject to property
6 taxation and that Lessee may be subject to the payment of property taxes levied on such
7 interest.

8 8. On-Site Improvements.

9 (a) Lessee, at its expense, shall construct, or cause to be
10 constructed the following improvements: one (1) hangar (herein called "Hangar 1") of
11 approximately fifteen thousand (15,000) square feet, office space of approximately two
12 thousand five hundred (2,500) square feet, parking for approximately forty (40)
13 automobiles, approximately twenty-six thousand two hundred (26,200) square feet of ramp
14 space, and associated landscaping and improvements, all in accordance with County
15 requirements. The Lessee shall have the option to construct one (1) additional hangar
16 (herein called "Hangar 2") of approximately fifteen thousand (15,000) square feet,
17 construction of which is to be commenced within five (5) years of the completion of Hangar
18 1. Said improvements are shown on Exhibit "D", which is attached hereto and incorporated
19 herein by this reference. The Lessee, in the design of said improvements, shall take into
20 account the drainage flow patterns specified on the County's Drainage Area Map for the
21 French Valley Airport, as shown on Exhibit "E", which is attached hereto and incorporated
22 herein by this reference. Lessee may construct additional improvements and structures
23 upon the Demised Premises, provided that written consent therefor has been obtained
24 from the County, which consent shall not be unreasonably withheld.

25 (b) The Lessee expressly agrees for itself, its successors and
26 assigns that it will neither erect nor permit the erection of any structure or object, nor permit
27 the growth of any tree, on land leased hereunder that exceeds a height of seventy (70) feet
28 above ground level in the vicinity of proposed Hangar 1 or that exceeds a height of thirty-

1 eight (38) feet above ground level in the vicinity of proposed Hangar 2 without first
2 obtaining the approval of the Federal Aviation Administration (FAA) and the County, which
3 approval can be sought by submitting FAA Form 7460-1. In the event that the aforesaid
4 covenant is breached, the County reserves the right to enter upon the land leased
5 hereunder and to remove the offending structure or object and/or cut the offending tree,
6 all of which shall be at the expense of the Lessee.

7 (c) Within two (2) months of lease execution, Lessee shall submit
8 a plot plan to the Economic Development Agency showing the location and dimensions of
9 all planned improvements. Upon approval of the layout by the Economic Development
10 Agency, Lessee shall submit to the County for building permits. Construction of said
11 improvements shall commence within one (1) month following issuance of the requisite
12 permits by the County. The site may be developed in phases subject to the approval of
13 the Economic Development Agency. Lessee shall obtain performance, material, and labor
14 payment bonds in the amounts required by law and determined by County, and shall
15 furnish County with copies thereof prior to the commencement of such construction.

16 (d) All improvements are to be constructed and operated at
17 Lessee's sole cost. Lessee shall pay for construction of any required utility extensions and
18 hookups and any access road improvements. Lessee is to pay for all drainage
19 improvements required to comply with the French Valley Airport Master Drainage Plan.
20 All improvements are to be submitted to County for approval prior to start of any
21 construction. Any improvements and structures constructed by Lessee upon the Demised
22 Premises shall be and remain the property of Lessee until expiration of the Lease term or
23 Lease termination.

24 (e) Any improvements, alterations, and installation of fixtures to be
25 undertaken by Lessee shall have the prior written approval of the Economic Development
26 Agency after Lessee has submitted to County proposed plot and building plans, and
27 specifications therefor, in writing. In addition, Lessee understands and agrees that such
28 improvements, alterations, and installation of fixtures may be subject to County Ordinance

1 Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall
2 fully comply with such ordinances prior to the commencement of any construction in
3 connection therewith.

4 (f) No later than thirty (30) days following completion of Hangar 1
5 and Hangar 2, as well as completion of any other facilities constructed pursuant to this
6 Lease agreement, the Lessee shall submit two (2) sets of record (as-built) drawings to the
7 County representative designated in Paragraph 38 hereof.

8 (g) After expiration or termination of this Lease, all improvements,
9 alterations, and fixtures shall become the property of County, with the exception of trade
10 fixtures as that term is used in Section 1019 of the Civil Code; provided, however, that
11 Lessee shall have the full and exclusive use and enjoyment of such improvements,
12 alterations, and fixtures during the term of this Lease. At or prior to the expiration of this
13 Lease, Lessee shall remove, at its expense, such trade fixtures and restore said leased
14 premises to their original shape and condition as nearly as practicable. In the event that
15 Lessee does not so remove such trade fixtures, they shall become the property of the
16 County for no further consideration of any kind, and Lessee shall execute any documents
17 that may be required or necessitated conveying its interest in such improvements,
18 alterations, and fixtures to County.

19 9. Off-Site Improvements.

20 (a) County and Lessee herein acknowledge that Lessee has no fee
21 title interest in or to the Demised Premises.

22 (b) It is understood by the parties hereto that utility services are
23 available in the general vicinity of the leased premises, but in order for the on-site
24 improvements required in Paragraph 8 herein to be fully usable and operational, Lessee,
25 at its expense, shall extend and/or connect, or cause to be extended and/or connected,
26 to such utility service facilities that may be required or desired by Lessee in the use,
27 operation and maintenance of such on-site improvements. After such extensions and/or
28 connections have been made, Lessee shall be responsible for payment of the use of such

1 utility services including, without limitation, all electricity, gas, telephone and water service.
2 (c) Lessee shall obtain, or cause to be obtained, performance,
3 material and labor, and payment bonds in the amounts required by law and determined by
4 County, and shall furnish County with copies thereof prior to the commencement of such
5 off-site improvements.

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

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

17 12. County's Reserved Rights.
18 (a) The leased premises are accepted by Lessee subject to any
19 and all existing easements or other encumbrances, and County shall have the right to
20 enter upon the leased premises and to install, lay, construct, maintain, repair and operate
21 such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections,
22 water, oil and gas pipelines, and telephone and telegraph power lines and such other
23 facilities and appurtenances necessary or convenient to use in connection therewith, over,
24 in, upon, through, across and along the leased premises or any part thereof. County also
25 reserves the right to grant franchises, easements, rights of way and permits in, over and
26 upon, along or across any and all portions of said leased premises as County may elect;
27 provided, however, that no right of the County provided for in this paragraph shall be so
28 executed as to interfere unreasonably with Lessee's use hereunder, or impair the security

1 of any secured creditor of Lessee. County shall cause the surface of the leased premises
2 to be restored to its original condition (as they existed prior to any such entry) upon the
3 completion of any construction by County or its agents. In the event such construction
4 renders any portion of the leased premises unusable, the rent shall abate pro rata as to
5 such unusable portion during the period of such construction. Any right of County set forth
6 in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is
7 given to Lessee; provided, however, in the event such right must be exercised by reason
8 of emergency, then County shall give Lessee such notice in writing as is reasonable under
9 the existing circumstances.

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

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

25 (d) Notwithstanding any provisions herein, this Lease shall be
26 subordinate to the provisions of any existing or future agreement between County and the
27 United States, relative to the operation or maintenance of the French Valley Airport, the
28 terms and execution of which have been or may be required as a condition precedent to

1 the expenditure or reimbursement to County of Federal funds for the development of said
2 airport.

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

6 13. Inspection of Premises. County and COMARCO, through its duly
7 authorized agents, shall have, at any reasonable time during normal business hours, the
8 right to enter the leased premises for the purpose of inspecting, monitoring, and evaluating
9 the obligations of Lessee hereunder and for the purpose of doing any and all things which
10 it is obligated and has a right to do under this Lease.

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

14 15. Compliance with Government Regulations. Lessee shall, at Lessee's
15 sole cost and expense, comply with the requirements of all local, state, and federal
16 statutes, regulations, rules, ordinances, and orders now in force or which may be hereafter
17 in force, pertaining to the leased premises. The final judgment, decree, or order of any
18 Court of competent jurisdiction that Lessee has violated any such statutes, regulations,
19 rules, ordinances, or orders, in the use of the leased premises, shall be conclusive of that
20 fact as between County and Lessee.

21 16. Discrimination or Segregation.

22 (a) Lessee shall not discriminate in Lessee's recruiting, hiring,
23 promotion, demotion or termination practice on the basis of race, religious creed, color,
24 national origin, ancestry, sex, age, physical handicap, medical condition or marital status
25 with respect to its use of the leased premises hereunder, and Lessee shall comply with the
26 provisions of the California Fair Employment and Housing Act (Government Code Sections
27 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), and all amendments
28 thereto, Executive Order No. 11246 (30 Federal Register 12319), as amended, and all

1 Administrative Rules and Regulations issued pursuant to said Acts and orders with respect
2 to its use of the leased premises.

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

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

21 17. Termination by County. County shall have the right to terminate this
22 Lease forthwith:

23 (a) In the event a petition is filed for voluntary or involuntary
24 bankruptcy for the adjudication of Lessee as debtors that is not dismissed within one
25 hundred and twenty (120) days.

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

1 (c) In the event of abandonment of the leased premises by Lessee.

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

6 18. Termination by Lessee(s).

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

14 19. Eminent Domain. If any portion of the leased premises shall be taken
15 by eminent domain and a portion thereof remains which is usable by Lessee for the
16 purposes set forth in Paragraph 4 herein, this Lease shall, as to the part taken, terminate
17 as of the date title shall vest in the condemnor, or the date prejudgment possession is
18 obtained through a court of competent jurisdiction, whichever is earlier, and the rent
19 payable hereunder shall abate pro rata as to the part taken; provided, however, in such
20 event County reserves the right to terminate this Lease as of the date when title to the part
21 taken vests in the condemnor or as of such date of prejudgment possession. If all of the
22 leased premises are taken by eminent domain, or such part be taken so that the leased
23 premises are rendered unusable for the purposes set forth in Paragraph 4 herein, this
24 Lease shall terminate. If a part or all of the leased premises be so taken, all compensation
25 awarded upon such taking shall be apportioned between County and Lessee according to
26 law. If 40% or more of the Demised Premises shall be taken by eminent domain, Lessee
27 shall have the right to terminate this Lease.

28 20. Indemnity. The Lessee covenants to hold County and COMARCO

1 harmless from any and all loss, claims, or damages resulting from Lessee's violation of any
2 term, provision, covenant, or condition of this Lease, or the use, misuse, or neglect of said
3 Demised Premises, improvements, and appurtenances, and from all claims arising out of
4 any alleged defective or unsafe condition thereof, except with respect to any claims arising
5 out of the conduct of County and/or COMARCO. County and/or COMARCO shall not be
6 liable to Lessee, nor to any other person or entity, for any damage or injury occasioned by
7 any defect in the Demised Premises, its improvements, or appurtenances. Without limiting
8 or qualifying the foregoing, it is agreed that Lessee shall notify County and COMARCO
9 immediately in writing, of any damage or injury to the Demised Premises, its improvements,
10 or to any appurtenances, or to the sidewalk or curb abutting thereon, or as to any other
11 condition which may expose the Lessee or County to public liability. The use of the term
12 Lessee and County in this paragraph also includes their tenants, employees, agents,
13 representatives, and invitees.

14 21. Insurance. Lessee shall during the term of this Lease:

15 (a) Procure and maintain Workers' Compensation Insurance as
16 prescribed by the laws of the State of California, or any jurisdiction where the Lessee
17 operates and performs work required by this Lease agreement. Said policy shall include
18 Employer's Liability coverage with limits not less than \$1,000,000 each accident for bodily
19 injury, and \$1,000,000 each accident for bodily injury by disease, for all operations
20 performed in connection with this Lease agreement. Said policy shall be endorsed to
21 name the County and COMARCO as Additionally Insured, and provide a Waiver of
22 Subrogation in favor of the County and COMARCO for occurrences for which County and
23 COMARCO have no responsibility.

24 (b) Procure and maintain comprehensive Airport Premises Liability
25 insurance coverage that shall protect Lessee from claims for damages for personal injury,
26 including, but not limited to, accidental and wrongful death, as well as from claims for
27 property damage, which may arise from Lessee's use of the leased premises or the
28 performance of its obligations hereunder, whether such use or performance be by Lessee,

1 by any subcontractors, or by anyone employed directly or indirectly by either of them.
2 Policy limits shall not be less than \$2,000,000 per occurrence for premises liability,
3 products/completed operations, personal/advertising injury liability, contractual liability, fire
4 legal liability in an amount not less than \$50,000 each occurrence, and premise medical
5 payments in an amount not less than \$5,000 each person. Said policy shall be endorsed
6 to name the County and COMARCO as Additionally Insured, and provide a Waiver of
7 Subrogation in favor of the County and COMARCO for occurrences for which County and
8 COMARCO have no responsibility.

9 (c) Procure and maintain fire and extended coverage on the
10 improvements, alterations and fixtures to be constructed and installed upon the leased
11 premises in an amount not less than eighty percent (80%) of the actual value of such
12 improvements, alterations and fixtures. Such insurance shall name County and
13 COMARCO as an additional insured with respect to this Lease and the obligations of
14 Lessee hereunder. However, for improvements consisting of paving and improvements
15 incidental to aircraft or automobile parking purposes, no such extended coverage will be
16 required.

17 (d) Procure and maintain Environmental Impairment Liability
18 coverage of not less than \$1,000,000 per occurrence. Said policy shall be endorsed to
19 name the County and COMARCO as Additionally Insured, and provide a Waiver of
20 Subrogation in favor of the County and COMARCO for occurrences for which County and
21 COMARCO have no responsibility.

22 (e) Cause its insurance carrier(s) to furnish County and COMARCO
23 by direct mail with Certificate(s) of Insurance showing that such insurance is in full force
24 and effect, and County and COMARCO are named as additional insured with respect to
25 this Lease and the obligations of Lessee hereunder. Further, said Certificate(s) shall
26 contain the covenant of the insurance carrier(s) that ninety (90) days written notice shall
27 be given to County and COMARCO prior to modification, cancellation or reduction in
28 coverage of such insurance. In the event of any such modification, cancellation or

1 reduction in coverage and on the effective date there of this Lease shall terminate forthwith
2 unless County and COMARCO receives prior to such effective date another certificate from
3 an insurance carrier of Lessee's choice that the insurance required herein is in full force
4 and effect. Lessee shall not take possession or otherwise use the leased premises until
5 County and COMARCO has been furnished certificates of insurance as otherwise required
6 in this Paragraph 20. Failure of the Lessee to provide the required Certificate(s) of
7 Insurance shall not abate any rental payment obligations under this Lease.

8 22. County's Reserved Rights - Insurance. County reserves the right to
9 adjust the monetary limits of insurance coverage as required in Paragraph 20 herein every
10 5 years during the term of this Lease; provided, however, that any adjustment herein shall
11 not increase the monetary limits of insurance coverage for the preceding five (5) years in
12 excess of twenty-five percent (25%) thereof.

13 23. Hold Harmless.

14 (a) Lessee represents that it has inspected the demised premises,
15 accepts the condition thereof, and fully assumes any and all risks incidental to the use
16 thereof. County and COMARCO shall not be liable to Lessee, its officers, agents,
17 employees, subcontractors, or independent contractors for any personal injury or property
18 damage suffered by them which may result from hidden, latent, or other dangerous
19 conditions in, on, upon, or within the leased premises; provided, however, that such
20 dangerous conditions are not caused by the negligence of County, its elected officials,
21 officers, agents, or employees.

22 (b) Lessee shall indemnify and hold County and COMARCO, their
23 elected officials, officers, agents, employees, and independent contractors free and
24 harmless from any liability whatsoever, based or asserted upon any act or omission of
25 Lessee, its officers, agents, employees, subcontractors and independent contractors, for
26 property damage, bodily injury, death, or any other element of damage of any kind or
27 nature, relating to or in anyway connected with or arising from its use and responsibilities
28 in connection therewith of the leased premises or the condition thereof, and Lessee shall

1 defend, at its expense, including without limitation attorney fees, expert fees and
2 investigation expenses, County and COMARCO, its elected officials, officers, agents,
3 employees and independent contractors in any legal action based upon such alleged acts
4 or omissions. The obligation to indemnify and hold County and COMARCO free and
5 harmless herein shall survive until any and all claims, actions and causes of action with
6 respect to any and all such alleged acts or omissions are fully and finally barred by the
7 applicable statute of limitations.

8 (c) The specified insurance limits required in Paragraph 21 herein
9 shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County and
10 COMARCO free and harmless herein.

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

17 25. Right to Encumber/Right to Cure.

18 (a) Notwithstanding provisions of Paragraphs 23 and 24 herein,
19 County does hereby consent to and agree that Lessee may encumber or assign, or both,
20 for the benefit of a lender, herein called Encumbrancer, this Lease, the leasehold estate
21 and the improvements thereof by a deed of trust, mortgage, or other security-type
22 instrument, herein called trust deed, to assure the payment of the promissory note of
23 Lessee if the Encumbrancer is an established bank, savings and loan association,
24 insurance company, or owner(s) of Lessee, and the prior written consent of County shall
25 not be required:

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

1 (2) To any subsequent transfer by the Encumbrancer if the
2 Encumbrancer is an established bank, savings and loan
3 association, insurance company, or owner(s) of Lessee, and
4 is the purchaser at such foreclosure sale, or is the assignee
5 under an assignment in lieu of foreclosure; provided, however,
6 that in either such event the Encumbrancer forthwith gives
7 notice to county in writing of any such transfer, setting forth the
8 name and address of the transferee, the effective date of such
9 transfer, and the express agreement of the transferee
10 assuming and agreeing to perform all of the obligations under
11 this Lease, together with a copy of the document by which
12 such transfer was made. Any Encumbrancer described in
13 Paragraph 25 (a)(2) above which is the transferee under the
14 provisions of Paragraph 25(a)(1) above shall be liable to
15 perform the obligations and duties of Lessee under this Lease
16 only so long as such transferee holds title to the leasehold.
17 Any subsequent transfer of this leasehold hereunder, except
18 as provided for in Paragraph 25 (a) (2) above, shall not be
19 made without the prior written consent of County and shall be
20 subject to the conditions relating hereto as set forth in
21 Paragraph 24 herein. Lessee shall give County prior notice of
22 any such trust deed, and shall accompany such notice with a
23 true copy of the trust deed and note secured thereby.

24 (b) County agrees that it will not terminate this Lease because of
25 any default or breach hereunder on the part of Lessee if the Encumbrancer under the trust
26 deed, within ninety (90) days after service of written notice on the Encumbrancer by County
27 of its intention to terminate this Lease for such default or breach, shall:

28 (1) Cure such default or breach if the same can be cured by

1 the payment or expenditure of money provided to be paid
2 under the terms of this Lease; provided, however, that for the
3 purpose of the foregoing, the Encumbrancer shall not be
4 required to pay money to cure the bankruptcy or insolvency of
5 Lessee; or,

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

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

28 27. Toxic Materials. During the term of this Lease and any extensions

1 thereof, Lessee shall not violate any federal, state, local law, or ordinance or regulation
2 relating to industrial hygiene or to the environmental condition on, under, or about the
3 demised premises including, but not limited to, soil and groundwater conditions. Further,
4 Lessee, its successors, assigns, and sublessees, shall not use, generate, manufacture,
5 produce, store, or dispose of on, under, or about the demised premises or transport to or
6 from the leased premises any flammable explosives, asbestos, radioactive materials,
7 hazardous wastes, toxic substances, or related injurious materials, whether injurious by
8 themselves or in combination with other materials (collectively, "hazardous materials") in
9 a manner or for a purpose prohibited by law. For the purpose of this Lease, hazardous
10 materials shall include, but not be limited to, substances defined as "hazardous
11 substances," "hazardous materials," or "toxic substances" in the Comprehensive
12 Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.
13 Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section
14 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et
15 seq.; those substances defined as "hazardous wastes" in Section 25117 of the California
16 Health and Safety Code or as "hazardous substances" in Section 25316 of the California
17 Health and Safety Code; and in the regulations adopted in publications promulgated
18 pursuant to said laws.

19 28. National Pollution Discharge Elimination System (NPDES) Permit.

20 Lessee acknowledges, understands, and agrees that it shall comply with California State
21 Water Resources Control Board general permit requirements relating to storm water
22 discharges associated with activities such as aircraft rehabilitation, mechanical repairs,
23 fueling, lubrication, cleaning, painting, and deicing. Lessee further acknowledges,
24 understands, and agrees that it shall participate as a co-permittee under said general
25 permit, participate in the French Valley Airport Storm Water Pollution Prevention Plan
26 (SWPPP), Exhibit "F", which is attached hereto and incorporated herein by this reference,
27 including without limitation, the Best Management Practices, Best Available Technology
28 Economically Achievable, and Best Conventional Pollutant Control Technology.

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

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

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

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

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

25 34. Venue. Any action at law or in equity brought by either of the parties
26 hereto for the purpose of enforcing a right or rights provided for by this Lease shall be tried
27 in a Court of competent jurisdiction in the County of Riverside, State of California.

28 35. Attorneys' Fees. In the event of any litigation or arbitration between

1 Lessee and County to enforce any of the provisions of this Lease or any right of either
2 party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the
3 successful party all costs and expenses, including reasonable attorneys' fees, incurred
4 therein by the successful party, all of which shall be included in and as a part of the
5 judgment or award rendered in such litigation or arbitration.

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

8 COUNTY

9 County of Riverside
10 Economic Development Agency
11 3525 14th Street
12 Riverside, CA 92501
13 Attn: Executive Director

LESSEE

R.W. Martin, Incorporated
2186 Palomar Airport Road
Carlsbad, CA. 92008
Attn: President

12 COMARCO, Inc.
13 37552 Winchester Road
14 Murrieta, CA. 92463
15 Attn: Airport Manager

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

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

21 38. County's Representative. County hereby appoints COMARCO as its
22 authorized representative as long as the Management Agreement between said parties is
23 in full force and effect. The Executive Director of the County's Economic Development
24 Agency, or his or her designee, will act as County's authorized representative in the
25 absence of a Management Agreement. The Executive Director of the County's Economic
26 Development Agency, or his or her designee, is authorized to make representations on
27 behalf of the County in all matters concerning this Lease.

28 39. Acknowledgment of Lease by County. Upon execution of this Lease
by the parties hereto, this Lease shall be acknowledged by County in such a manner that

1 it will be acceptable by the County Recorder for recordation purposes, and thereafter,
2 Lessee shall cause a Memorandum of Lease to be recorded in the office of the county
3 Recorder of Riverside County forthwith and furnish County with a conformed copy thereof.

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

18 41. FAA Consent to Lease. Lessee acknowledges that French Valley
19 Airport was transferred to the County by the Federal Government and, as such, may
20 require FAA consent to the Lease.

21 42. Force Majeure. If either party hereto shall be delayed or prevented
22 from the performance of any act required hereunder by reason of acts of God, restrictive
23 governmental laws or regulations, or other cause without fault and beyond the control of
24 the party obligated (financial inability excepted), performance of such act shall be excused
25 for the period of the delay; and the period for the performance of any such act, including
26 rent payments in accordance with Paragraph 5, shall be extended for a period equivalent
27 to the period of such delay. However, nothing in this Clause shall excuse Lessee from the
28 prompt payment of any rental or other charge required of Lessee, except as may be

1 expressly provided elsewhere in this Lease.

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

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

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2 Date: FEB 29 2000

COUNTY OF RIVERSIDE

3
4 By: [Signature]
Chairman, Board of Supervisors
TOM MILLER

5 ATTEST:

6 GERALD A. MALONEY
7 Clerk of the Board

8 By: [Signature]
Deputy

9 (SEAL)

10 APPROVED AS TO FORM:

11 WILLIAM C. KATZENSTEIN, County Counsel
12 JOE S. RANK, Assistant County Counsel

13 By: [Signature]
Joe S. Rank, Assistant County Counsel

14
15 Date: Feb 11, 2000

R.W. MARTIN, INCORPORATED

16
17 By: [Signature]
President

18 By: [Signature]
Secretary

19 Attachments:

- 20 1. Exhibit A - Legal Description
- 21 2. Exhibit B - County's FBO Minimum Standards
- 22 3. Exhibit C - Federally Required Lease Provisions
- 23 4. Exhibit D - On-Site Improvement Plot Plan
- 24 5. ~~Exhibit E - Storm Water Pollution Prevention Plan~~ See Below *
- 25 6. Exhibit F - French Valley Airport Storm Water Pollution Prevention Plan

* Exhibit E - Drainage Area Map for French Valley Airport

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EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "A"
LEGAL DESCRIPTION AND PLAT

The property leased to R. W. Martin, Incorporated consists of a 217,800 square foot (5.00 acre) lot at the French Valley Airport, Riverside County, California. The leased property is referred to as Lot 1 of Parcel 1 on the attached legal description and plat.

EXHIBIT "A"

**LEGAL DESCRIPTION
FRENCH VALLEY AIRPORT
FIXED BASE OPERATOR (FBO) SITE**

PARCEL 1

That portion of land hereinafter referred to as Parcel 1 being a portion of Section 7, Township 7 South, Range 2 West, San Bernardino Meridian, Riverside County, State of California, more particularly described as follows:

COMMENCING at the southwest corner of said Section 7 as shown by Record of Survey filed in Book 57, Page 81 of Records of Survey of said County;

Hereafter, the following courses are described to follow the courses as described by Exhibit "A-1" of the lease agreement dated November 14, 1995 between the County of Riverside and Valley Airport Associates, a California Limited Liability Company, and later transferred and assigned to Domenigoni Family Trust on August 7, 1996:

Thence South 89°53'17" East along the southerly line of said Section 7 as shown by said Record of Survey, a distance of 999.66 feet;

Thence leaving said section line North 12°17'07" East, a distance of 4,439.85 feet;

Thence at a right angle South 77°42'53" East, a distance of 32.00 feet, to the southwesterly corner of Parcel 2 described by Exhibit "A-1" of said lease agreement, and the POINT OF BEGINNING;

Thence continuing South 77°42'53" East along the southerly line of said Parcel 2, a distance of 444.83 feet;

Thence leaving the southerly line of said parcel (also leaving the boundary described by said lease agreement), and at a right angle South 12°17'07" West, a distance of 1,239.18 feet;

Thence at a right angle North 77°42'53" West, a distance of 444.83 feet;

Thence at a right angle North 12°17'07" East, a distance of 1,239.18 feet, to the POINT OF BEGINNING.

Contains 12.65 acres, more or less.

EXHIBIT "A" (Continued)

**LEGAL DESCRIPTION
FRENCH VALLEY AIRPORT
FIXED BASE OPERATOR (FBO) SITE**

Those portions of said Parcel 1, more particularly described as follows:

LOT 1

The northerly 489.62 feet as measured along the westerly and easterly lines of said Parcel 1.

Contains 5.00 acres, more or less.

LOT 2

Parcel 1, excepting therefrom Lots 1 and 3 as described herein.

Contains 5.15 acres, more or less.

LOT 3

The southerly 244.81 feet as measured along the westerly and easterly lines of said Parcel 1.

Contains 2.50 acres, more or less.

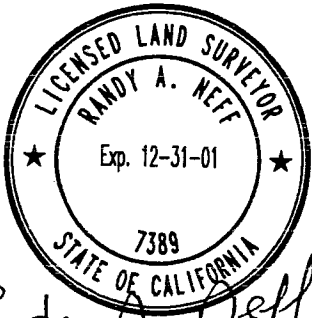
Randy A. Neff



RAN/blt
LEGAL/807-23C
3/15/00

EXHIBIT "B"

POR. OF SECTION 7, T.7S., R.2W. SBM
 RECORD OF SURVEY BK 57, PG 81
 RECORDS OF RIVERSIDE COUNTY



Randy A. Neff

INDUSTRIAL SITE PARCEL 2
 AS DESCRIBED BY EXHIBIT
 "A-1" OF LEASE AGREEMENT
 DATED NOVEMBER 14, 1995
 AND ASSIGNED TO DOMENIGONI
 FAMILY TRUST ON AUGUST
 7, 1996 (COUNTY OF
 RIVERSIDE LEASOR)

P.O.B.

S77°42'53"E
 32.00'

S77°42'53"E
 444.83'

N12°17'07"E
 1239.18'

PARCEL 1
 489.62'

LOT 1
 5.00 AC.

PARCEL 2
 489.62'

LOT 2
 5.15 AC.

LOT 3
 2.50 AC.

N77°42'53"W
 444.83'

EXIST. FIRE
 STATION

WINCHESTER RD
 (HWY 79)

N89°50'38"E
 1030±

AIRPORT
 ENTRANCE RD

P.O.C.

SEC 12

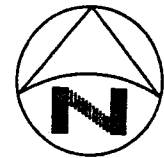
SEC 13

SEC 7

SEC 13

S89°53'17"E
 999.66'

SOUTHERLY LINE
 OF SECTION 7



KRIEGER

STEWART

INCORPORATED

3602 University Ave. • Riverside, CA 92501 • 909-684-6900

RIVERSIDE COUNTY REDEVELOPMENT AGENCY

FRENCH VALLEY AIRPORT
 SITE REDEVELOPMENT

EXHIBIT

"B"

SCALE: 1"=400'

DATE: 03/17/00

DRAWN BY: SPK

CHECKED BY: RAN

W.O.: 807-23

SHT 1 OF 1

807\23F1.DWG

EXHIBIT "B"

**COUNTY OF RIVERSIDE
MINIMUM STANDARDS FOR
FIXED BASE OPERATORS**

RIVERSIDE
COUNTY



ECONOMIC DEVELOPMENT AGENCY

3525 14TH STREET ♦ RIVERSIDE, CA 92501 ♦ (909) 955-8196

MINIMUM STANDARDS FOR FIXED BASE OPERATORS



COUNTY OF RIVERSIDE

August 16, 1988

Reprinted: August 30, 1999

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FOR
FIXED BASED OPERATORS

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INTRODUCTION

Riverside County has established Minimum Standards to preserve a high standard of aeronautical services to airport patrons at the Riverside County operated Airports. These standards will serve to promote and attract professional level of aviation services to the County airports while safeguarding the public interest.

The Standards provide a framework that strengthens the relationship between the County and the Fixed Based Operator. The standards offer information, advice and where necessary, they provide strict regulation so that both the prospective and experienced FBO may have a firmer understanding of the many considerations which contribute to a safe, successful and useful operation.

We, at The Economic Development Agency (EDA), welcome any inquiries on the Minimum Standards established for the County operated airports.

REGULATIONS

Regulations for the use of County Airports have been established by the Riverside County Board of Supervisors pursuant to County Ordinance No. 576 to ensure the safety and orderly operations at the County's Airport facilities. As the Regulations are updated and revised, the operators within County Airports are required to keep themselves informed of the revisions. All Fixed Based Operators on the airports must comply with the current regulations. (Leases executed prior to adoption of these Minimum Standards are exempt).

A copy of the Regulations may be obtained from:

Economic Development Agency

3525 14th Street

Riverside, CA 92501

(909) 955-8916

(909) 955-6686

ii. LEASE

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

A Lease may be obtained from Riverside County Board of Supervisors by submitting a Letter of Intent to the EDA Executive Director. The Letter of Intent should outline the proposed operation(s), include Financial Statements on the company or principles, outline the experience of the company, and identify references on the company.

No exclusive rights for any aeronautical activity will be issued at any County airport. This is to ensure that airport patrons are offered competitive market prices for services. If at some point in the future, an exclusive right is warranted, the exclusive right will be issued in accordance with FAA Advisory Circular 150/5190-2A and any other applicable Federal, State, and/or Local Law.

iii. SIGNS & BILLBOARDS

All signs, (commercial, traffic, services, advertising, and, etc.) must receive written approval from the EDA Executive Director prior to their placement. The request for approval should include the size, location, and design of sign. All outdoor advertising shall comply with County Ordinance 348. FAA Form 7460-1 "Building Design, Construction, and/or Alteration" must be submitted to the FAA, Western Pacific Region for their review and determination with a copy of the form sent to the EDA Executive Director.

iv. BUILDING DESIGN, CONSTRUCTION, AND/OR ALTERATIONS

The County to reserves the right to review and approve all architectural design of all buildings to be constructed or altered on County operated airports.

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

Alterations" must be submitted to the FAA for their review and determination with a copy of the form submitted to the EDA Executive Director.

The Riverside County Board of Supervisors reserves the right to require a Performance Bond or Letter of Credit prior to the construction of any facility for the return of funds expended by the County if applicant defaults on any obligations.

V. INSPECTIONS

The County reserves the right to make periodic inspections of the leased premises during reasonable hours to ensure lease compliance and Lessee's adherence with Aviation Department Regulations.

VI. WAIVER FROM MINIMUM STANDARDS

Any tenant or prospective tenant wishing to waive any minimum standard set forth in the approved Minimum Standards must submit a letter to the EDA Executive Director expressing their hardship for following the Minimum Standards. The EDA Executive Director has the discretion of approving or disapproving the waiver as it would apply to the future viability of the airport, subject to applicable provisions which may be contained in the tenant's lease approved by the County Board of Supervisors

VII. CIVIL RIGHTS

All individuals using the county operated Airports must comply with all the provisions of the Federal Civil Rights Act of 1964. The tenant or prospective tenant shall ensure there shall be no discrimination in the availability of any services or commodities based on race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition, or marital status.

VIII. SCOPE OF SERVICES

The Scope of Services is separated by each aeronautical activity. The Full Service Fixed Based Operator (FBO) reflects the minimum standards for all combinations of aeronautical activities. The cumulative effect of the Minimum Standards will not equate to any minimum standard greater than the Full Service Fixed Based Operator Minimum Standards.

To ensure the financial and economic viability of the Full Service Fixed Based Operator, the County reserves the right to limit the singular aeronautical activity operator to the extent that it would not jeopardize a Full Service Fixed Based Operation.

A. Full Service Fixed Based Operator

There will be a minimum of one Full Service Fixed Based Operator at each of the Riverside County operated airports.

A Full Service Fixed Based Operator will conduct, but is not limited to, the following aeronautical activities: aircraft fueling and servicing, aircraft maintenance, flight instruction, and aircraft storage.

1. Lot Size

The minimum lot size for a full service FBO is 3 acres or 130,680 sq. ft. The lot shall consist of:

- a. Aircraft hangar area of 14,000 sq. ft. for maintenance and aircraft storage. Outside aircraft storage area is 30,000 sq. ft. of tiedown or apron parking area.
- b. Building Space of 2,000 sq.ft. to accommodate offices, pilots lounge, pilot briefing area, conference rooms, classrooms, public phone, and restrooms.
- c. Vehicle Parking Spaces adequate to provide for the employees per shift and customer parking, no less than 20 spaces.
- d. Landscaping around the vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

Appropriate certification from the FAA, State, and/or, other responsible agency as applicable for each aeronautical activity the Full Service FBO will perform.

The appropriate certificates are listed in each aeronautic activity in the following sections.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$3,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000 per occurrence.
- c. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- d. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- e. Procure and maintain product liability insurance for not less than \$1,000,000.
- f. The County of Riverside is to be named as additional insured on all insurance requirements.
- g. Proof of insurance must be submitted to the EDA Executive Director prior to commencement of operations on the airport.
- h. The EDA Executive Director, upon the advise of County Risk Manager, reserves the right to increase the limits or require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

4. Personnel Requirement

Personnel must be certified and properly trained. Specific requirements for the certification and/or training of personnel is indicated in following sections list separately under each aeronautical activity. Cross utilization of personnel between aeronautical activities is acceptable if said personnel have the proper certification and training in the respective areas.

There shall be an adequate number of personnel on duty to professionally perform the various aeronautical activities without undue delay to the airport patron.

5. Hours of operations

The Full Service FBO shall offer services seven days a week, with a minimum of ten hours daily or as the demand requires.

6. Equipment Required

Minimum equipment required is listed in the following sections for each aeronautical activity.

7. Other Items of Concern

Other minimum requirements which are not specifically brought forth in this section, but are indicated in the specific aeronautical activity section which the Full Service FBO is expected to perform, shall be made a part of this section and will be considered a Minimum Standard for the Full Service FBO.

B. Aircraft Fueling and Servicing

1. Lot Size

The minimum lot size for aircraft fueling and servicing is one acre or 43,560 sq.ft. The lot will consist of:

- a. Apron space of 30,000 sq.ft.
- b. Building space requirement of 800 sq.ft. for offices, lounge, restrooms, and public phone.
- c. Vehicle parking spaces adequate to provide for the employees per shift but not less than five spaces.
- d. Landscaping around the vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000 per occurrence.
- c. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- d. The County of Riverside is to be named additional insured on all insurance requirements.
- e. Procure and maintain Fire Legal Liability of not less than \$300,000 per occurrence.
- f. Procure and maintain products liability insurance for not less than \$1,000,000.
- g. Proof of insurance must be submitted to the EDA Executive Director prior to operation on the airport.
- h. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

3. Personnel Requirements

Personnel must be properly trained in accordance with FAA Advisory Circular 150/5210 series, NFPA 407 and County ordinance #651. One must be of supervisory level who has completed an FAA approved aviation fueling training course.

4. Hours of Operation

Services are to be offered seven days a week, with a minimum of ten (10) hours daily or as the market demands. Services shall be offered on a one hour call-in basis, 24 hours daily for emergency situations.

5. Equipment Requirements

- a. A minimum tank storage of 12,000 gallons of Aviation gas and tank storage of 12,000 gallons jet (turbine) fuel.
- b. Mobile fuel servicing units with a capacity of 500 gallons of Aviation gas and 500 gallons capacity of Jet (turbine) fuel.
- c. Grounding rods are required for fuel flows over 25 gallons per minute.
- d. Each mobile unit shall have two extinguishers, each having a minimum of 20BC rating.

C. Aircraft Maintenance

1. Lot Size

The minimum lot size for Aircraft Maintenance is one acre or 43,560 square feet. The lot will consist of:

- a. Aircraft hangar area of 6,000 square feet of which is 6,000 sq. ft. of maintenance work area. Outside storage area of 6,000 sq. ft. of apron, tiedown area.
- b. Building Space of 400 square feet for offices and lobby areas. Also, a part storage room of 200 square feet.
- c. Vehicle parking spaces adequate to provide for the number of employees per shift and customers but no less than five spaces.
- d. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

All tenants performing maintenance on the airport shall be an authorized repair station and certified under FAR Part 145.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.

- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000- per occurrence.
- c. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- d. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- e. Procure and maintain products liability insurance for not less than \$1,000,000.
- f. The County of Riverside is to be named as additional insured on all insurance requirements.
- g. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- h. The EDA Executive Director, upon the advice of the County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

4. Personnel Requirements

Minimum personnel requirements will be established during lease negotiations.

5. Hours of Operation

Services are to be offered a minimum of five days a week, eight hours a day. Services are to be offered on one hour call in, 24 hours daily for emergency situations.

6. Equipment Required

- a. Operator is encouraged to have the capability of aircraft removal from the airport operational areas. Equipment should include but is not limited to, tug, tow bar, jacks, and dollies.
- b. Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers specifications.

D. Radio and Avionics Repair Stations and Sales

1. Lot Size

The minimum lot size for Aircraft Radio and Avionics Repair Station is one half acre or 21,780 square feet. The lot will consist of:

- a. Aircraft storage and work area of 4,000 sq. ft. of hangar storage and 6,000 square feet of apron, tiedown storage.
- b. Building space of 400 square feet for offices, lobby and display areas. Also, a parts storage room of 200 square feet.
- c. Vehicle parking spaces adequate to provide for the number of employees per shift and customers, but no less than five spaces.
- d. Landscaping around the vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

All operators performing maintenance on aircraft radios and avionics must be an authorized repair station and certified under FAR Part 145.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and by standards of not less than \$1,000,000 per occurrence.
- c. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- d. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- e. Procure and maintain product liability insurance for not less than \$1,000,000.
- f. The County of Riverside is to be named as additional insured on all insurance requirements.

- g. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- h. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

4. Personnel Requirements

Minimum of one FAA certified repairmen qualified in accordance with Lessee's certificate available during normal hours of operation.

5. Hours of operations

Services shall be offered a minimum of five days a week, eight hours a day.

6. Equipment Required

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

E. Flight Instruction

1. Lot Size

The minimum lot size for Flight Instruction is 1/2 acre or 21,780 square feet. The lot will consist of:

- a. Aircraft storage area of 6,000 square feet of hangar storage and 6,000 square feet of apron, tiedown storage.
- b. Building space of 800 square feet of which 400 square feet is for classroom and 400 square feet for offices and lobby areas.
- c. The lobby areas of the building shall include flight planning area, public phone, and restrooms.
- d. Vehicle parking spaces adequate to provide for the number of employees per shift and students but no less than five spaces.
- e. Landscaping around the vehicle parking, sidewalks, and buildings is required. Specific plans will be determined during lease negotiations.

2. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage of not less than \$2,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$2,000,000 per occurrence.
- c. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- d. The County of Riverside is to be named as additional insured on all insurance requirements.
- e. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- f. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the insurance limits and require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

3. Personnel Requirements

Minimum of one Certified Flight Instructor on duty during normal hours of operation.
Minimum of one qualified ground school instructor available for classroom instructor.

4. Hours of Operation

Services are to be offered a minimum of eight hours a day, seven days a week.

5. Equipment Requirement

Minimum of one single engine aircraft available for the purpose of flight training.

F. Aircraft Charter and Air Taxi Service

1. Lot Size

The minimum lot size for Aircraft Charter and Air Taxi service is 1/2 acre or 21,780 square feet. The lot will consist of:

- a. Aircraft storage area and maintenance area of 6,000 square feet of hangar storage and 6,000 square feet of outside apron area.
- b. Building space shall be 400 square feet for offices, lobby area, and restrooms.
- c. Vehicle parking spaces adequate to provide for the number of employees per shift and customers, but no less than five spaces.
- d. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

All Aircraft Charter and Air Taxi service must possess and maintain a FAR 135 certificate and all requirements thereof.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$2,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$2,000,000 per occurrence.
- c. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- d. The County of Riverside is to be named as additional insured on all insurance requirements.
- e. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- f. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in these Minimum Standards, subject to applicable provisions in the tenant's lease.

4. Personnel Requirements

Minimum number of qualified pilots available for charter services with applicable ratings will be determined during lease negotiations.

5. Hours of Operation

Services are to be offered a minimum of five days a week, eight hours a day. Services are to be available with sufficient advance notice, 14 hours daily.

6. Equipment Required

Minimum equipment required shall be one single engine aircraft with a minimum of four place seat capacity and one multi-engine aircraft with a minimum seating capacity of six.

G. Aircraft Rental and Leasing

1. Lot Size

The minimum lot size for Aircraft Rental and Leasing is ½ acre or 21,780 square feet. The lot will consist of:

- a. Aircraft storage area of 6,000 square feet of hangar storage and 6,000 square feet of tiedown area.
- b. Building space of 400 square feet for offices, lobby areas, and restrooms.
- c. Vehicle parking spaces adequate to provide for the number of employees per shift and customers but no less than five spaces.
- d. Landscaping around vehicle parking, sidewalks, and buildings is required.

2. Certification

Each aircraft available for rental or leasing must hold FAA registration and a current airworthiness certificate.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$2,000,000 per occurrence.

- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants and bystanders of not less than \$2,000,000 per occurrence.
- c. Procure and maintain Fire Legal Liability not less than \$300,000 per occurrence.
- d. The County of Riverside is to be named as additional insured on all insurance requirements.
- e. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- f. The EDA Executive Director, upon the advice of county Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in the Minimum Standards, subject to applicable provisions in the tenant's lease.

4. Personnel Requirements

Minimum of one Certified Flight Instructor available for check out rides prior to the leasing of an aircraft.

5. Hours of Operation

Services shall be offered a minimum of five days a week, a minimum of eight hours a day.

6. Equipment Required

Minimum equipment required shall be determined during lease negotiations.

H. Aircraft sales

1. Lot Sizes

The minimum lot sizes for aircraft sales is ½ acres or 21,780 square feet. The lot will consist of:

- a. Aircraft storage area of 60,000 square feet of hangar storage and 6,000 square feet of apron-area.
- b. Building space of 400 square feet for offices and lobby areas.

- c. Vehicle parking spaces adequate to provide for the number of employees per shift and customers but no less than five spaces.
- d. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Dealership Requirements

New aircraft-dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000 per occurrence.
- c. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- d. Procure and maintain Fire Legal Liability of not less than \$300,000 per occurrence.
- e. Procure and maintain products liability insurance for not less than \$1,000,000.
- f. The County of Riverside is to be named as additional insured on all insurance requirements.
- g. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- h. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in these Minimum Standards-, subject to applicable provisions in the tenant's lease.

4. Personnel Requirements

Minimum of one pilot with commercial/instrument rating qualified for aircraft type sales.

5. Hours of Operation

Services shall be offered a minimum of five days a week, a minimum of eight hours a day.

I. Aircraft Storage

County of Riverside and the Full Service FBO's shall possess the right to operate the public aircraft storage areas unless circumstances warrant otherwise.

1. Lot Sizes

The minimum lot size for aircraft storage areas will be two acres. The lot will consist of one of the following or a proportionate combination of the following:

a. Storage Area

1. T-Hangars of a minimum of 10 T-hangars per acre to a maximum of 14 T-Hangars per acre.
2. Or Apron, tiedown space of a minimum of 15 aircraft per acre.
3. Or Conventional Hangar of 10,000 square feet.

b. Vehicle parking space adequate to serve the hangar tenants. Vehicle parking will be separate from aircraft storage area.

c. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Hangar Keepers Liability of \$1,000,000 per occurrence.
- c. Procure and maintain Fire Legal Liability of not less than \$300,000 per occurrence.

- d. The County of Riverside is to be named as additional insured on all insurance requirements.
- e. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- f. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in these Minimum Standards, subject to applicable provisions in the tenant's lease.

3. Personnel Requirements

Minimum of one contact person available during the normal work week (Monday - Friday, 8-5).

4. Hours of Operation

Minimum contact would be via a phone contact available five day a week (Monday - Friday), 8 hours a day.

J. Agricultural Application

1. Lot Size

Minimum lot size for Agriculture Applications is 1/2 acre or 21,780 square feet.

The lot will consist of:

- a. Aircraft storage area of 6,000 square feet of apron, tiedown area.
- b. Building Space of 400 square feet for offices and lobbies.
- c. Vehicles parking spaces must be adequate to provide for the number of employees per shift and customers but no less than five spaces.
- d. Chemical storage area of 400 square feet.
- e. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

The agricultural application operator must procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate. Obtain Hazardous Materials Management Permit as per Riverside County ordinance #615. All permits and certificates must be submitted to the EDA Executive Director prior to operations and renewals must be furnished to the EDA Executive Director as received.

3. Insurance

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000 per occurrence.
- c. Procure and maintain Fire Legal Liability of not less than \$300,000 per occurrence.
- d. Procure and maintain Chemical Spray Drift Coverage with county named as an additional insured and showing a certificate that this has been secured.
- e. The County of Riverside is to be named as additional insured on all insurance requirements.
- f. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- g. The EDA Executive Director, upon the advice of County Risk manager, reserves the right to increase the limits and require additional insurance coverage as set forth in the Minimum standards, subject to applicable provisions contained in the tenant's lease.

4. Personnel Requirements

Minimum personnel will be determined during lease negotiations.

Personnel must be knowledgeable about the safe handling of economic poisons and agricultural chemicals and the proper disposal of substances intended to be used in the operations:

5. Hours of Operation

Services shall be offered a minimum of seven days a week. Offices shall be open for business five days a week, a minimum of eight hours a day.

6. Equipment Required

Minimum equipment required will be determined during lease negotiations.

7. Storage and containment of Hazardous Materials

- a. Comply with the California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979.
- b. Comply with Riverside County Ordinance No. 546, Division VIII - Fire Protection Requirements Buildings; and Division XIV - Fire Protection Requirements relating to storage of flammable or combustible liquids used as motor fuel.
- c. Comply with the 1982 Uniform Fire Code Article 80 -Hazardous Materials (section 80.107, 80.108, 80.109, and 80.111); and Article 86 - Pesticides storage (all sections).
- d. Comply with all hazardous waste regulations which can be found in Title 22 of the California Administrative Code and the California Health and Safety Code.
- e. Submit a waste management plan addressing the items mentioned below and the applicant shall be held responsible for the safe and proper cleanup of any hazardous waste spills.
- f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit.
- g. If hazardous wastes are treated and/or stored more than 90 days, or disposed or on-site, a hazardous waste facility must be obtained from the Department of Health State of California.
- h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following:

1. Tanks and/or containers shall be of sound construction and compatible with waste stored (Title 22, California Administrative code, Sections 66508, 67242, 67247).
2. Tanks and/or containers shall be designed, constructed, maintained, and operated to minimize the possibility of fire, explosion, or any unplanned sudden, or non-sudden release of hazardous waste or any constituents to the soil, air, or surface water which could threaten human health or the environment (Title 22, California Administrative Code, Sections 67241, 67243, 67244, 67257, 67259).
3. Storage of hazardous waste containers on-site shall be in a structure that will prevent the contamination of the environment with hazardous waste. The design of the structure shall be submitted to the EDA Executive Director and Hazardous Materials Division prior to construction.
4. If hazardous wastes or materials are to be stored underground, applicant must comply with Riverside County Ordinance No. 617 by completing the reporting form and obtaining the proper permits.
5. Underground tanks shall be of proper design and construction with approved monitoring systems. Records shall be maintained concerning operations, inspections, and monitoring pursuant to County Ordinance No. 617.
6. The applicant must take steps to minimize the quantity, toxicity or other hazards of the waste generated. Such steps shall be submitted in writing.
7. The facility shall be in compliance with all statutes, regulations, and ordinances pertaining to the management of hazardous waste.
8. The operator must submit a Letter of Credit or Performance Bond covering any clean-up or fines imposed caused by the actions of the operator.

K. Other Aeronautical Activities

All aeronautical activities which are not listed separately in categories previously stated will fall into this category. These activities include but are not limited to Aerial Photography, Banner Towing, Gliders, Ultra lights, Parachuting, Airship Operations, and Ballooning.

Specific determinations on lot sizes and requirements will be researched in the FAA Advisory Circulars and other applicable documents to that activity.

1. Lot Size

Minimum lot size for the aeronautical activities shall be 1/2 acre or 21,780 square feet. The lot will consist of the following:

- a. Aircraft storage space of either hangar or outside storage to accommodate the operational activities desired.
- b. Building space of 400 square feet for offices, lobby areas, and rest rooms. Additional space may be required depending on the operation.
- c. Vehicle parking spaces adequate to provide for the -number of employees per shift and customers but no less than five spaces or 810 square feet.
- d. Landscaping around vehicle parking, sidewalks, and buildings is required. Specific landscaping plans will be determined during lease negotiations.

2. Certification

Must comply with all FAA, State, and local certification and licensing requirements to conduct the type of operation desired.

3. Insurance Requirements

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Hangar keepers Liability of not less than \$1,000,000 per occurrence. (If applicable).
- c. Procure and maintain Fire Legal Liability of not less than \$300,000 per occurrence.

- d. The County of Riverside is to be named as additional insured on all insurance requirements.
- e. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- f. The EDA Executive Director, upon the advice of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage as set forth in these Minimum Standards, subject to applicable provisions contained in the tenant's lease.

4. Personnel Requirements

Sufficient personnel during normal hours of operation, properly trained and if applicable, certified or licensed to perform the activities of a normal course of operation.

5. Hours of Operation

Hours of operation will be determined during lease negotiations. Minimum requirement would be normal telephone contact five days a week (Monday - Friday), 8 hours a day.

6. Equipment

Minimum equipment required will be determined during lease negotiations depending on the type of aeronautical activity proposed.

IX. FLYING CLUBS

1. Non Profit Organizations

All flying clubs located at Riverside County operated airports shall be a nonprofit organization. All rights shall be shared equally between members. No member shall share in profits, earnings, salaries, or other forms of compensation. The Flying Club shall not be involved in any type of commercial operations.

2. Equipment

Minimum of one aircraft, properly certified, is required for a flying club.

3. Flight Instruction

Flight Instruction shall only be offered to club members. The instructor must be a club member or an instructor who is a lessee on the airport for the purpose of flight instructor.

4. Charter and Bylaws

A copy of the Flying Club's Charter and Bylaws or other comparable documents must be filed with the Aviation Department. Flying Clubs must submit annual financial reports.

5. Insurance

- a. Procure and maintain Comprehensive Public Liability and Property Damage not less than \$1,000,000 per occurrence.
- b. Procure and maintain Aircraft Liability and Property Damage covering each aircraft and occupants, and bystanders of not less than \$1,000,000 per occurrence.
- c. The County of Riverside is to be named as additional insured on all insurance requirements.
- d. Proof of insurance must be submitted to the EDA Executive Director prior to operations on the airport.
- e. The EDA Executive Director, upon the advise of County Risk Manager, reserves the right to increase the limits and require additional insurance coverage-as set forth in these Minimum Standards, subject to applicable provisions in the tenant's lease.

X. SPECIAL EVENTS

Board of Supervisor's Policy No. B-9 includes the provisions for Special Events at County owned and operated Airports. The Policy reads as follows:

A. The term Special Event is defined as:

1. Air shows (precision flying teams performing-acrobatic flight maneuvers).
2. Aircraft Fly-in with static display of airplane.
3. Balloon staging and launching.

4. Cocktail/dinner parties (mixer's) and dances. (inclusive of any events which serve alcohol)
 5. Flight competition including, but not limited to spot landings, flour bomb drops, preflight and crosscountry navigation competition.
- B. Written request to conduct a special event, except air shows, shall be submitted to the EDA Executive Director no less than 45 days prior to the scheduled event. Request to conduct air shows at County airports shall be submitted no less than 90 days prior to date of the air show. Along with written request to conduct a special event, Event Sponsor shall provide the following preliminary information:
1. Time, date(s) and location.
 2. Proposed schedule of events (with as much detail as possible).
 3. Contact Person (event coordinator) with daytime telephone number.
 4. Application for FAA waiver (if appropriate).
 5. By whom event is sanctioned (if appropriate).
- C. Insurance requirements to be determined by County Risk Management after scope of event is known. Insurance limits will vary depending upon scope of special event. Insurance certificate(s) naming County as additional insured will be required. Such certificate(s) shall be provided to EDA Executive Director no less than 15 days prior to special event date.
- D. Additionally, Event Sponsor/Coordinator is to submit to days prior to EDA Executive Director no less than 21 days prior to the Special Event, a detailed drawing depicting:
1. Designated auto parking area.
 2. Entrance gates.
 3. Showline setback.
 4. Concession area location.
 5. Public restroom facility's location.
- E. There is a refundable security deposit required. Said deposit is to be submitted by the Special Event Sponsor/ Coordinator to the EDA Executive Director no less than five (5) business days prior to the special event. The purpose of this deposit is to reimburse

the County for any cost incurred if County personnel are needed to cleanup the airport following special event activities. Personnel and equipment charges if any will be made on a per man-hour basis at then current' rates. Following deposit rates shall apply:

1. \$250.00 - Aircraft fly-in with static display of aircraft.
2. \$500.00 - Balloon staging and launching, cocktail/ dinner parties, and flight competitions.
3. \$1,000.00 - Airshows.

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EXHIBIT "C"

**FEDERAL AVIATION ADMINISTRATION
MANDATORY LEASE PROVISIONS**

EXHIBIT "C"

FEDERAL AVIATION ADMINISTRATION MANDATORY LEASE PROVISIONS

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

5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such noncompliance, the County shall have the right to terminate this lease agreement and the estate thereby created without liability therefore or, at the election of the County or the United States, either or both said Governments shall have the right to judicially enforce these Provisions.
6. The Lessee agrees that it shall insert the above five provisions in any sublease agreement by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises herein leased.
7. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Par 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.
8. The County reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.
9. The County reserves the right, but shall not be obligated to the Lessee, to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.
10. This lease agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation, or maintenance of the airport.
11. There is hereby reserved to the County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on the French Valley Airport.
12. The Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned

modification or alteration of any present or future building or structure situated on the leased premises.

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

NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION

§77.13 Construction or alteration requiring notice

(a) Except as provided in §77.15, each sponsor who proposes any of the following construction or alteration shall notify the Administrator in the form and manner prescribed in §77.17:

(1) Any construction or alteration of more than 200 feet in height above the ground level at its site.

(2) Any construction or alteration of greater height than an imaginary surface extending outward and upward at one of the following slopes:

- (i) 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of each airport specified in subparagraph (5) of this paragraph with at least one runway more than 3,200 feet in actual length, excluding heliports.
- (ii) 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of each airport specified in subparagraph (5) of this paragraph with its longest runway no more than 3,200 feet in actual length, excluding heliports.
- (iii) 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of each heliport specified in subparagraph (5) of this paragraph.

(3) Any highway, railroad, or other traverse way for mobile objects, of a height which, if adjusted upward 17 feet for an Interstate Highway that is part of the National System of Military and Interstate Highways where overcrossings are designed for a minimum of 17 feet vertical distance, 15 feet for any other public roadway, 10 feet or the height of the highest mobile object that would normally traverse the road, whichever is greater, for a private road, 23 feet for a railroad, and for a waterway or any other traverse way not previously mentioned, an amount equal to the height of the highest mobile object that would normally traverse it, would exceed a standard of subparagraph (1) or (2) of this paragraph.

(4) When requested by the FAA, any construction or alteration that would be in an instrument approach area (defined in the FAA standards governing instrument approach procedures) and available information indicates it might exceed a standard of Subpart C of this part.

(5) Any construction or alteration on any of the following airports (including heliports):

- (i) An airport that is available for public use and is listed in the Airport Directory of the current Airman's Information Manual or in either the Alaska or Pacific Airman's Guide and Chart Supplement.
- (ii) An airport under construction, that is the subject of a notice or proposal on file with the Federal Aviation Administration, and except for military airports, it is clearly indicated that that airport will be available for public use.
- (iii) An airport that is operated by an armed force of the United States.

(b) Each sponsor who proposes construction or alteration that is the subject of a notice under paragraph (a) of this section and is advised by an FAA regional office that a supplemental notice is required shall submit that notice on a prescribed form to be received by the FAA regional office at least 48 hours before the start of the construction or alteration.

(c) Each sponsor who undertakes construction or alteration that is the subject of a notice under paragraph (a) of this section shall, within 5 days after that construction or alteration reaches its greatest height, submit a supplemental notice on a prescribed form to the FAA regional office having jurisdiction over the area involved, if—

- (1) The construction or alteration is more than 200 feet above the surface level of its site; or
- (2) An FAA regional office advises him that submission of the form is required.

§77.15 Construction or alteration not requiring notice.

No person is required to notify the Administrator for any of the following construction or alteration:

(a) Any object that would be shielded by existing structures of a permanent and substantial character or by natural terrain or topographic features of equal or greater height, and would be located in the congested area of a city, town, or settlement where it is evident beyond all reasonable doubt that the structure so shielded will not adversely affect safety in air navigation.

(b) Any antenna structure of 20 feet or less in height except one that would increase the height of another antenna structure.

(c) Any air navigation facility, airport visual approach or landing aid, aircraft arresting device, or meteorological device, of a type approved by the Administrator, or an appropriate military service on military airports, the location and height of which is fixed by its functional purpose.

(d) Any construction or alteration for which notice is required by any other FAA regulation.

§77.17 Form and time of notice.

(a) Each person who is required to notify the Administrator under §77.13 (a) shall send one executed form set of FAA Form 7460-1, Notice of Proposed Construction or Alteration, to the Manager, Air Traffic Division, FAA Regional Office having jurisdiction over the area within which the construction or alteration will be located. Copies of FAA Form 7460-1 may be obtained from the headquarters of the Federal Aviation Administration and the regional offices.

(b) The notice required under §77.13 (a) (1) through (4) must be submitted at least 30 days before the earlier of the following dates—

- (1) The date the proposed construction or alteration is to begin.
- (2) The date an application for a construction permit is to be filed.

However, a notice relating to proposed construction or alteration that is subject to the licensing requirements of the Federal Communications Act may be sent to the FAA at the same time the application for construction is filed with the Federal Communications Commission, or at any time before that filing.

(c) A proposed structure or an alteration to an existing structure that exceeds 2,000 feet in height above the ground will be presumed to be a hazard to air navigation and to result in an inefficient utilization of airspace and the applicant has the burden of overcoming that presumption. Each notice submitted under the pertinent provisions of Part 77 proposing a structure in excess of 2,000 feet above ground, or an alteration that will make an existing structure exceed that height must contain a detailed showing directed to meeting this burden. Only in exceptional cases, where the FAA concludes that a clear and compelling showing has been made that it would not result in an inefficient utilization of the airspace and would not result in a hazard to air navigation, will a determination of no hazard be issued.

(d) In the case of an emergency involving essential public services, public health, or public safety, that requires immediate construction or alteration, the 30 day requirement in paragraph (b) of this section does not apply and the notice may be sent by telephone, telegraph, or other expeditious means, with an executed FAA Form 7460-1 submitted within five (5) days thereafter. Outside normal business hours, emergency notices by telephone or telegraph may be submitted to the nearest FAA Flight Service Station.

(e) Each person who is required to notify the Administrator by paragraph (b) or (c) of §77.13, or both, shall send an executed copy of FAA Form 7460-2, Notice of Actual Construction or Alteration, to the Manager, Air Traffic Division, FAA Regional Office having jurisdiction over the area involved.

ADDRESSES OF THE REGIONAL OFFICES

Alaskan Region AK

Alaskan Regional Office
Air Traffic Division, AAL-530
222 West 7th Avenue
Anchorage, AK 99513
Tel. 907-271-5893

Mailing Address:
Federal Aviation Administration
Alaskan Regional Office
Air Traffic Division, AAL-530
222 West 7th Avenue, Box 14
Anchorage, AK 99513-7587

Central Region NE, IA, MO, KS

Central Regional Office
Air Traffic Division, ACE-530
601 East 12th Street
Kansas City, MO 64106
Tel. 816-426-3408

Eastern Region NY, PA, WV, VA, DC, MD, DE, NJ

Eastern Regional Office
Air Traffic Division, AEA-530
JFK International Airport
Fitzgerald Federal Building
Jamaica, NY 11430
Tel. 718-553-1228
Fax: 718-553-1384

Great Lakes Region ND, WI, MI, SD, IL, OH, MN, IN

Great Lakes Regional Office
Air Traffic Division, AGL-530
2300 East Devon Avenue
Des Plaines, IL 60018
Tel. 708-294-7568

New England Region MA, NH, VT, RI, CT, ME

New England Regional Office
Air Traffic Division, ANE-530
12 New England Executive Park
Burlington, MA 01803-5299
Tel. 617-238-7538

Northwest Mountain Region WA, OR, MT, ID, WY, UT, CO

Northwest Mountain Regional Office
Air Traffic Division, ANM-530
1601 Lind Avenue, SW
Renton, WA 98055-4056
Tel. 206-227-2530
Fax: 206-227-1530

Southern Region KY, TN, NC, SC, GA, AL, MS, FL, VI, PR

Southern Regional Office
Air Traffic Division, ASO-530
1710 Columbia Avenue
College Park, GA 30337
Tel. 404-305-5585

Mailing Address:
Federal Aviation Administration
Southern Regional Office
Air Traffic Division, ASO-530
P.O. Box 20636
Atlanta, GA 30320

Southwest Region NM, TX, OK, AR, LA

Southwest Regional Office
Air Traffic Division, ASW-530
2601 Meacham Blvd.
Fort Worth, TX 76137-4298
Tel. 817-222-5531

Mailing Address:
Department of Transportation
Federal Aviation Administration
Fort Worth, TX 76193-0530

Western Pacific Region HI, CA, NV, AZ, GU

Western-Pacific Regional Office
Air Traffic Division, AWP-530
15000 Aviation Boulevard
Hawthorne, CA 90260
Tel. 310-297-1162

Mailing Address:
AWP-530
P.O. Box 92007
Worldway Postal Center
Los Angeles, CA 90009

U.S. Department of Transportation
Federal Aviation Administration

Notice of Proposed Construction or Alteration
Failure To Provide All Requested Information May Delay Processing Of Your Notice

Aeronautical Study Number

1. Nature of Proposal

A. Type <input type="checkbox"/> New Construction <input type="checkbox"/> Alteration *	B. Class <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary (Duration _____ months)	C. Work Schedule Dates Beginning _____ End _____
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2. Complete Description of Structure

Please describe the proposed construction or alteration.

A. For proposals involving transmitting stations, include effective radiated power (ERP) and assigned frequency. If not known, give frequency band and maximum ERP.

B. For proposals involving overhead wire, transmission lines etc., include the size and the configuration of the wires and their supporting structures.

C. For buildings, include site orientation, dimensions, and construction materials.

D. Optional— Describe the type of obstruction marking and lighting system desired. The FAA will consider this in their study.

* If Alteration, provide previous FAA Aeronautical Study Number, if available:

3A. Name, address, and telephone number of individual, company corporation, etc. proposing the construction or alteration. (Number, Street, City, State, and Zip Code)

(Area Code) _____ Telephone Number _____

3B. Name, address and telephone number of proponent's representative, if different than 3A. above.

(Area Code) _____ Telephone Number _____

4. Location Of Structure

A. Coordinates (to hundredths of seconds, if known) Latitude 0 ' '' Longitude 0 ' ''	B. Nearest City or Town and State (1). Distance to 4B (2). Direction to 4B	C. Nearest public or military airport, heliport, flightpark, or seaplane base (1). Distance from structure to nearest point of nearest runway (2). Direction from structure to airport	5. Height and Elevation (to nearest foot) A. Elevation of ground above mean sea level. B. Height of structure including all appurtenances and lighting above ground or water. C. Overall height above mean sea level
4D. Source for item 4A data. <input type="checkbox"/> USGS 7.5' Quad Chart <input type="checkbox"/> Survey <input type="checkbox"/> Other Specify _____ Indicate the reference datum. <input type="checkbox"/> NAD 27 <input type="checkbox"/> NAD 83 <input type="checkbox"/> Other Specify _____	4E. Description of site location with respect to highways, street, airports, prominent terrain, features, existing structures, etc. Please attach a U.S. Geological Survey Map (or equivalent) showing the construction site. If available, attach a copy of a documented site survey with the surveyor's certification.		

Notice is required by Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) pursuant to Section 1101 of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1501). Persons who knowingly and willfully violate the Notice requirements of Part 77 are subject to a civil penalty of \$1,000 per day until the notice is received, pursuant to Section 901(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1471(a)) as well as the fine (criminal penalty) of not more than \$500 for the first offense and not more than \$2,000 for subsequent offenses, pursuant to Section 902(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1472(a)).

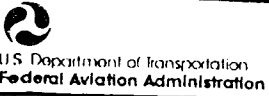
I HEREBY CERTIFY that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to obstruction mark and/or light the structure in accordance with established marking & lighting standards as necessary.

Date	Typed or Printed Name and Title of Person Filing Notice	Signature
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NOTICE TO PREPARER OF FORM

1. Retain this Work Sheet as your copy.
2. Complete and return the remaining copies.
3. Be sure all copies are legible.
4. Print or type all items. The address area will be used to return a copy of this form. (See Above.)
5. Notification to the FAA does not waive the requirements of any other government agency.
6. FAA will acknowledge this notice within 30 days of its receipt.

Agency Display of Estimated Burden: Public reporting burden of this collection of information is estimated to average 1 hour and one minute per response. Send comments regarding the accuracy of this burden estimate or any other aspect of this information collection to the Federal Aviation Administration, ATTN: 2120-0001 Airspace and Obstruction Evaluation Branch, ATP-240, 800 Independence Avenue, SW, Washington, DC 20591.



Notice of Proposed Construction or Alteration
Failure To Provide All Requested Information May Delay Processing Of Your Notice

Aeronautical Study Number

1. Nature of Proposal

A Type: New Construction, Alteration
B Class: Permanent, Temporary
C Work Schedule Dates: Beginning, End
3A. Name, address, and telephone number of individual, company corporation, etc. proposing the construction or alteration.
3B Name, address and telephone number of proponent's representative, if different than 3A. above

2. Complete Description of Structure

Please describe the proposed construction or alteration.
A For proposals involving transmitting stations, include effective radiated power (ERP) and assigned frequency.
B For proposals involving overhead wire, transmission lines, etc. include the size and the configuration of the wires and their supporting structures
C For buildings, include site orientation, dimensions, and construction materials
D Optional- Describe the type of obstruction marking and lighting system desired.

4. Location Of Structure

A. Coordinates (to hundredths of seconds, if known)
Latitude 0 ' "
Longitude 0 ' "
B Nearest City or Town and State
C. Nearest public or military airport, heliport, flightpark, or seaplane base
4D. Source for item 4A data.
4E. Description of site location with respect to highways, street, airports, prominent terrain, features, existing structures, etc.

5. Height and Elevation (to nearest foot)

A Elevation of ground above mean sea level.
B Height of structure including all appurtenances and lighting above ground or water.
C Overall height above mean sea level

Notice is required by Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) pursuant to Section 1101 of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1501). Persons who knowingly and willfully violate the Notice requirements of Part 77 are subject to a civil penalty of \$1,000 per day until the notice is received, pursuant to Section 901(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1471(a)) as well as the fine (criminal penalty) of not more than \$500 for the first offense and not more than \$2,000 for subsequent offenses, pursuant to Section 902(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. app. § 1472(a)).

I HEREBY CERTIFY that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to obstruction mark and/or light the structure in accordance with established marking & lighting standards as necessary.

Date, Typed or Printed Name and Title of Person Filing Notice, Signature

FOR FAA USE ONLY

FAA will either return this form or issue a separate acknowledgement.

The Proposal:

Supplemental Notice of Construction, FAA Form 7460-2, is required any time the project is abandoned, or

- Does not require a notice to FAA.
Is not identified as an obstruction under any standard of FAR, Part 77, Subpart C, and would not be a hazard to air navigation.
Is identified as an obstruction under the standards of FAR, Part 77, Subpart C, but would not be a hazard to air navigation.
Should be obstruction marked/lighted per FAA Advisory Circular 70/7460-1, Chapters
Obstruction marking and lighting are not necessary.

- At least 48 hours before the start of construction.
Within five days after the construction reaches its greatest height.

This determination expires on unless:
(a) extended, revised or terminated by the issuing office;
(b) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit is made to the FCC on or before the above expiration date.

NOTE: Request for extension of the effective period of this determination must be postmarked or delivered to the issuing office at least 15 days prior to the expiration date.

If the structure is subject to the licensing authority of the FCC, a copy of this determination will be sent to that agency.

Remarks

Remarks section with heavy noise/scratches.

NAD 83 Coordinates, Latitude, Longitude, Signature, Date

EXHIBIT "D"

DEVELOPMENT PLAN SCHEMATIC

EXHIBIT "E"

**DRAINAGE AREA MAP FOR
THE FRENCH VALLEY AIRPORT**

EXHIBIT "F"

**STORM WATER POLLUTION
PREVENTION PLAN FOR THE
FRENCH VALLEY AIRPORT**

FRENCH VALLEY AIRPORT

**STORM WATER POLLUTION PREVENTION
PLAN**

(S.W.P.P.P)

**A.A.A.E. CALIFORNIA AIRPORT GROUP
TO COMPLY WITH THE CALIFORNIA STORM WATER
GENERAL PERMIT**

PERMIT NUMBER W.D.I.D 933S006139

STORM WATER POLLUTION PREVENTION PLAN
DOCUMENTATION

AIRPORT RESEARCH AND DEVELOPMENT FOUNDATION

ARDF

SWPPP
DOCUMENTATION

TO BE PLACED ON FILE FOR REVIEW

JUNE 1992

STORM WATER POLLUTION PREVENTION PLAN

INTRODUCTION AND PURPOSE

The California airport group members have submitted their Notices of Intent (NOIs) and are now in the compliance phase of the California General Permit. The General Permit requires airport dischargers to: eliminate non-storm water discharges; develop and implement a storm water pollution prevention plan; and perform monitoring of discharges to the storm water drainage system.

The required Storm Water Pollution Prevention Plan (SWPPP) must emphasize the storm water Best Management Practices (BMPs) and be designed to comply with Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (BCT). The SWPPP has two major objectives: 1) to identify the source of pollutants that affect the quality of the industrial storm water discharge; and 2) to describe practices which may be implemented to reduce the pollutants in the industrial storm water discharge.

The SWPPP is to be certified and implemented by October 1, 1992. Although the SWPPP is not submitted to the Regional Board, it must be retained on file at the airport for the duration of the permit. The SWPPP must be available for Regional Board and public review. The Regional Board may notify airport representatives if the SWPPP does not meet the minimal requirements. Within 30 days of the notice, the airport must submit a time schedule in which the required changes will be made. Once the changes have been made, the airport will provide written certification to verify the completed change. The documentation should then be retained as part of the SWPPP.

The airport is responsible for amending the SWPPP whenever there is a change in construction, operation, or maintenance which will affect the quality or quantity of the industrial storm water discharge. The SWPPP should also be amended if the objective of controlling pollutants in the storm water discharge are not being achieved.

PLANNING AND ORGANIZATION

POLLUTION PREVENTION PERSONNEL

POLLUTION PREVENTION COMMITTEE MEMBERS

Airport Manager/Representative Thomas Turner

Dutys: Overall airport compliance. SWPPP inspections and reports.

Phone (714) 929-4361

24 hr Phone (619) 244-4772

Designated Individuals

Name COMARCO

Title AIRPORT MANAGMENT & MAINT.

Phone 696-2023

24 hr Phone _____

Dutys: daily inspections and maintenance of drainage stuctures

Name Steve Egnew

Title Airport Maintenance & Operations Worker II

Phone (714) 929-4361

24 hr Phone (714) 926-3405

Dutys: Daily inspections.

Name Brian Gallagher

Title Owner: Airmech, F.B.O.

Phone (714) 696-0160

24 hr Phone _____

Dutys: FBO compliance.

Name Joe Diorio

Title F.B.O. operater

Phone 677-2756

24 hr Phone _____

Dutys: FBO compliance

Name _____

Title _____

Phone _____

24 hr Phone _____

Name _____

Title _____

Phone _____

24 hr Phone _____

NPDES PERMIT REQUIREMENT CHECKLIST
FRENCH VALLEY AIRPORT

Initial & Date

NOI & Fee Sent to SWRCB	3/26/92	✓
SWPPP Complete	9/22/92	✓
Monitoring Plan Complete	11/12/92	✓
Group Monitoring Agreement (if appropriate)	A.A.A.E.	✓ S/19/92 MO, 331
Other: <u>PERMIT # 9335006139.</u>		

This is to certify that the above mentioned items have been prepared and completed under my direction and supervision in compliance with the NPDES General Industrial/Construction Permit.

Printed Name: Thomas L. Turner
 Signature: *Thomas L. Turner* Date: 2/1/93
 Title: Airport Operations & Maintenance Supervisor

SWPPP Certification

"I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment." In addition, I certify that the provisions of the permit, including the development and implementation of a Storm Water Pollution Plan and a Monitoring Program Plan, will be complied with.

Printed Name: Tek Tanaka
 Signature: *Tek Tanaka* Date: 2-18-93
 Title: Deputy Director of Transportation

FACILITY DATA COLLECTION

The general permit requires that the following information be gathered in order to determine and evaluate pollution sources:

- Site map
- Topographic map
- Description of significant material handling
- List of pollutants with potential to be present
- Size of airport and percentage of impervious areas
- Spill history
- Summary of existing sampling data

Topographic Map

LEGEND

-----	AIRPORT PROPERTY LINE
---BRL---	BUILDING RESTRICTION LINE
=====	FENCING
⊙	LIGHTED WIND CONE & SEGMENTED CIRCLE
⊙	AIRPORT REFERENCE POINT
⊙	ROTATING BEACON
□	BUILDINGS
---	THRESHOLD LIGHTS
••	RELS
○○	PAPI
---	EXISTING
---	PROPOSED/ULTIMATE

BUILDINGS AND FACILITIES

EXISTING	PROPOSED	ULTIMATE	
		①	TERMINAL/ADMINISTRATION BUILDING
		②	TOWER/CRASH - FIRE - RESCUE
		③	FUEL FARM / STORAGE
	④		FIXED BASE OPERATOR
⑤		⑤	T - HANGARS
⑥			SEGMENTED CIRCLE / LIGHTED CONE
⑦			PORT-A-PORTS
	⑧		MAINTENANCE BUILDING
⑨			AIRCRAFT WASH RACK
⑩			WASH RACK EFFLUENT TREATMENT
⑪			ELECTRICAL VAULT
⑫		⑫	AIRCRAFT PARKING APRON

APPROVED BY: _____ DATE: _____
GENERAL CONTRACTOR

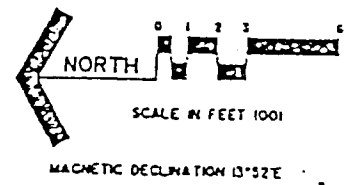
APPROVED BY: _____ DATE: _____
CLIENT REPRESENTATIVE

APPROVED BY: _____ DATE: 8/1/12
OWNER REPRESENTATIVE

RUNWAY DATA

	PROPOSED	ULTIMATE
RUNWAY 18-36		
	4600' (751)	4600' (751)
	0.09782%	0.09782%
	30000 LB. Gross	30000 LB. Gross
	NON-PRECISION	NON-PRECISION
	MRL / REL / FAPI	MRL / REL / PAPI
	NON-PRECISION	NON-PRECISION
	201 / 201	201 / 201
	201 / 101	201 / 101
	NON-DIRECTIONAL BEACON	NON-DIRECTIONAL BEACON
R	500'	500'
R	800'	800'
L	1000'	1000'

CLEAR ZONE FOR
 NON-PRECISION APPROACH
 500' x 1000' x 800'
 20:1 SLOPE BOTH ENDS



Underground Service Alert
 CALL TOLL FREE
1-800-422-4133
 TWO WORKING DAYS BEFORE YOU DIG

- ▲ 3-10-10 T-hanger Canal Added
- ▲ 8-23-10 Existing, Proposed, Ultimate Defined
- ▲ 10-15-10 Port-A-Ports & FBO Added
- ▲ 3-16-12 Runway Added
- ▲ AP 3-06-0338-08, Phase II B

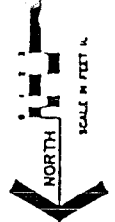
LEGEND

---	AIRPORT PROPERTY LINE
---	BUILDING RESTRICTION LINE
---	FENCING
⊙	LIGHTED WIND CONE 1
⊙	SEGMENTED CIRCLE 1
⊙	AIRPORT REFERENCE POINT
⊙	ROTATING BEACON
---	BUILDINGS
---	THRESHOLD LIGHTS
---	RELS
---	PAPI

BUILDINGS AND FACILITIES

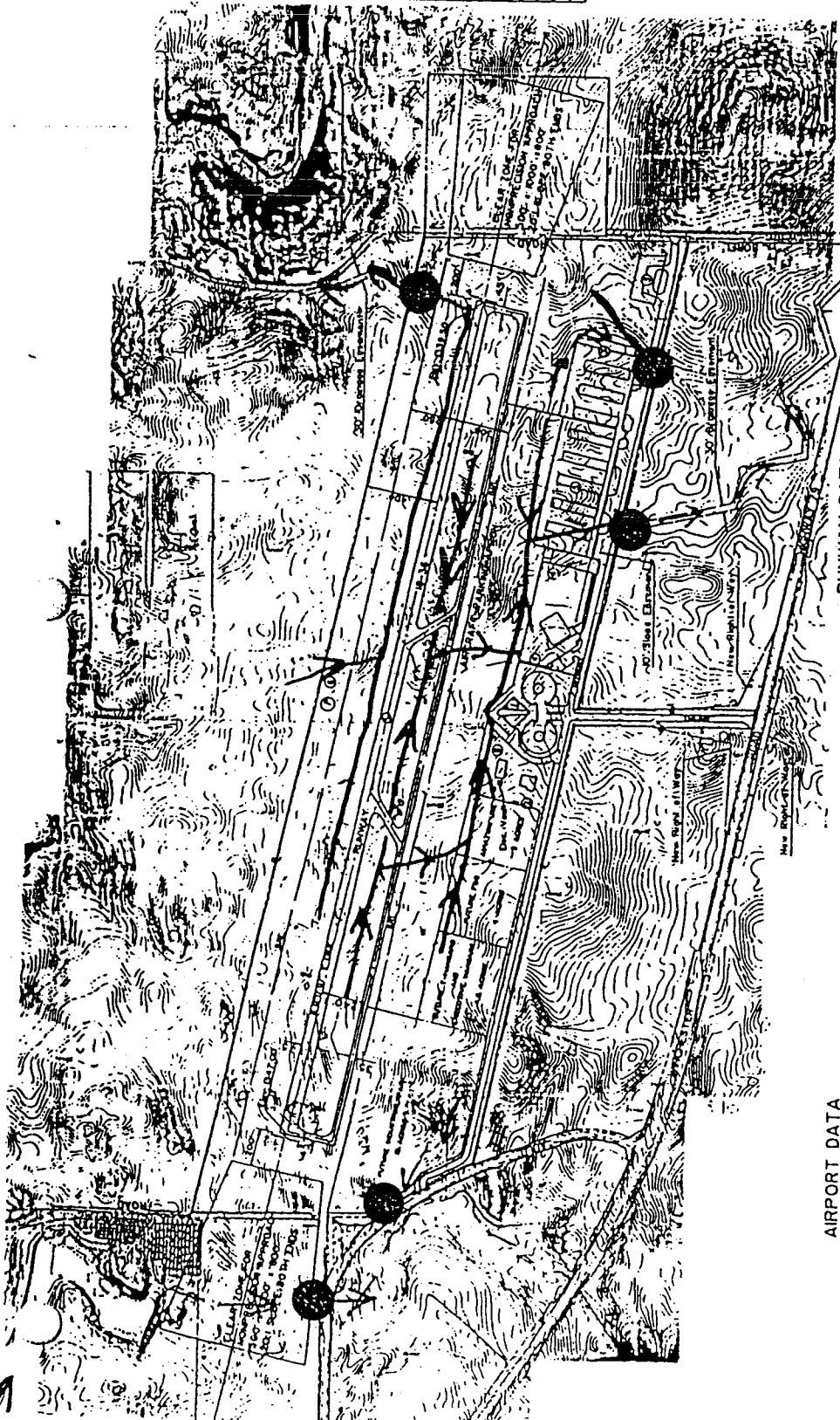
PROPOSED	ULTIMATE	TERMINAL/ADMINISTRATION
①	①	TOWER/CRASH - FIRE
②	②	FUEL TANK / STORAGE
③	③	FIXED BASE OPERATIONAL
④	④	T - HANGARS
⑤	⑤	SEGMENTED CIRCLE / LIGHTED C
⑥	⑥	PORT-A-PHOTO
⑦	⑦	MAINTENANCE BUILDING

APPROVED BY: _____ DATE: _____
 APPROVED BY: _____ DATE: _____
 APPROVED BY: _____ DATE: _____



MAKETS REGULATION 031E

Z & H Engineering, Inc.
 1111 New French Valley Airport
 New French Valley Airport
 AIRPORT LAYOUT PL.



RUNWAY DATA

PROPOSED	ULTIMATE
4500' 1751	4500' 1751
0.037823	0.037823
30000 LB. Grass	30000 LB. Grass
NON-PRECISION	NON-PRECISION
WBL / REL / PAPI	WBL / REL / PAPI
NON-PRECISION	NON-PRECISION
201 / 201	201 / 201
NON-DIRECTIONAL BEACON	NON-DIRECTIONAL BEACON
300'	300'
800'	800'
6000'	6000'

AIRPORT DATA

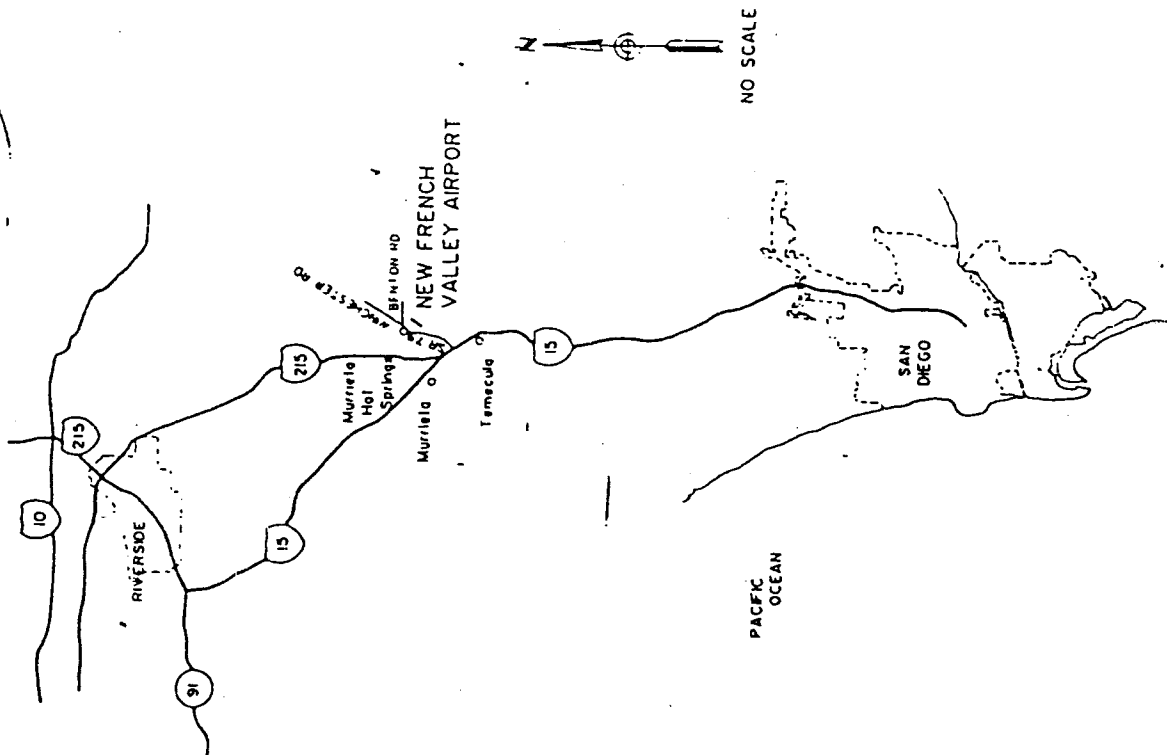
PROPOSED	ULTIMATE
0310'	0330'
33°34'34" NORTH	33°34'34" NORTH
17°07'38" WEST	17°07'38" WEST
NON-DIRECTIONAL BEACON	NON-DIRECTIONAL BEACON
GENERAL UTILITY BC II	GENERAL UTILITY BC II
CENTRELINE / BOMS	CENTRELINE / BOMS
400,000	400,000
102	102
300' F	300' F

INFLOW →
OUTFLOW →

SPIC
BRATION

STORM WATER SYSTEM

OIL & WATER SEPARATORS



VICINITY MAP

Description of Significant Material Handling

Significant Materials Treated or Stored

Significant Materials Stored:

- 1.) 12,000 Gallons of AvGas Maximum (Underground Tanks).
- 2.) 12,000 Gallons Jet - A Maximum (Underground Tanks).
- 3.) Used Motor Oil.

Significant Materials Disposed:

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

Significant Materials Spilled Or Leaked (in significant quantities to storm water after November 19, 1988):

To our knowledge, no materials of significant quantity have been leaked or spilled on airport property.

MAY 8, 1998 NO SIGNIFICANT SPILLS HAVE BEEN REPORTED

Materials Management Practices:

- 1.) All hazardous material spills must be reported to airport management, County Health Department, and County Fire Department to insure immediate and proper clean-up and disposal. Liquid absorbent materials are stored at the airport.
- 2.) Areas where materials are stored and/or have the possibility to spill are inspected monthly, with spot inspections during the daily airport safety inspections.
- 3.) Insure material handlers have proper licenses and/or training for each product being used.

Equipment Management Practices:

- 1.) All equipment inspected monthly.
- 2.) Routine maintenance to repair leaks and preventive maintenance scheduled to prevent leaks.
- 3.) Drip pans installed under areas where leaks may occur.

Vehicle Management Practices:

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

Material Loading, Unloading, and Access Areas:

- 1.) Insure all personnel are trained and/or have proper licensing.
- 2.) Restrict material handling areas to trained personnel only.
- 3.) Inspect equipment monthly to insure it is working properly and that the responsible party is notified so that repairs can be made on faulty equipment.

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

- 1.) Oil water separators at floor drains. PORTER'S SANITARY SEWER SYSTEM
- 2.) E.B.S. Unit at aircraft wash racks. PORTER'S SANITARY SEWER SYSTEM
- 3.) Monthly inspections of all aircraft tiedowns, auto parking lots, streets, and hangar areas.

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

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

Airport Industrial Storm Water Treatment Facilities:

- 1.) No facilities are now on the airport.

Methods of On-Site Disposal of Significant Materials:

1.) All hazardous materials are disposed of in State-approved sites or recycled.

No hazardous materials are disposed of on the airport.

Methods of On-Site Storage of Significant Materials:

1.) Aviation fuels are stored in underground tanks or in fuel trucks.

2.) Motor vehicle oils are stored inside buildings.

3.) Used oils are stored in County Health approved above-ground tanks with retention basins.

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

1.) All main access roads and parking lots are paved. Some airport maintenance roads and future development lots are unpaved, but are restricted to use.

2.) There are no significant industrial processes on the airport.

Pollutant Lists

The airport is required to list any pollutants that have a reasonable potential to be present in the storm water discharge in significant quantities. The definition of significant quantities varies depending on the material. In general, a significant quantity is a quantity of material larger than that consumed within a normal day's operations or a quantity resulting in spills beyond the immediate clean-up capabilities of the individual charged with the use of the materials. For regulated substances, a significant quantity is a "reportable" quantity of those substances. An estimate of the annual quantities of these pollutants in the discharge is also required. List substances and quantities in the following table (Table 3-1) and retain a copy in the SWPPP documentation.

Airport Size

Airport Size (acres or square feet):

265 Acres

Impervious Area (acres or square feet):

34.45 Acres

39.24 AC.
5-10-93 ~~18~~

48.25 TOTAL
+9.01 ACRES
9-11-96

Percentage of Impervious Area (impervious area/total area x 100):

13%

15.76

18.2%

AWARD
5-10-93 ~~18~~

9-11-96

Significant Spills or Leaks

Table 3-2 should be used to record the lists described above.

Summary of Sampling Data

Record the sampling event(s) information on Table 3-3 and include only a one-page summary from the sampling data report package.

Good Housekeeping

Written Protocol

The protocols should be developed to meet the site specific requirements of the airport.

The protocols should cover:

- 1.) Daily inspections of the tiedown areas to look for leaks and spills.
- 2.) Notices sent to lessees, aircraft and equipment owners to inform them of problems that need correcting.
- 3.) Vehicle and equipment washing be done in designated areas. All loose oil be wiped from all surfaces before washing.
- 4.) No hangars, equipment storage, or maintenance facilities will be hosed out with water. All oil and fuel leaks will be cleaned up with liquid absorbent materials or biodegradeable solvents and soap, then disposed of properly.
- 5.) Drip pans and 100 lbs. of liquid absorbent material stored at each F.B.O. site near fueling facilities and maintenance areas.
- 6.) Drums and tanks containing used oil, solvents, and coolants checked weekly for material levels. All full containers to be closed and secured to prevent overfilling.
- 7.) The County and each Co-Permittee will train personnel in the proper handling, identification, and clean-up practices. List of agencies to notify when a spill does occur, etc.
- 8.) The designated airport representative to inspect the airport monthly to include Co-Permittees leaseholds, notify responsible parties not in compliance with storm water plan.
- 9.) All non-paved roads to be restricted to only necessary traffic.
- 10.) All vehicle fueling to take place on concrete or asphalt to simplify clean-up if a spill does occur. Also keeps clean-up cost down.

A protocol document should be included with the SWPPP document; Table 4-3 can be used for this purpose.

Emergency Response Coordinator

The designated person will be named below. This information should be kept on file as part of the SWPPP documentation.

Designated Individual ~~Paul Hardin~~ JAICA BODDWIN
Title ~~Lead Airport Operations and Maintenance Worker~~ AIRPORT MANAGER
Phone ~~(714) 929-4361~~ 909-696-7023 24 hr Phone ~~(714) 925-4376~~

Alternate ~~Steve Eganew~~ LARRY HAYNE
Title ~~Airport Operations and Maintenance Worker II~~ AIRPORT SUPERVISOR
Phone ~~(714) 929-4361~~ 24 hr Phone ~~(714) 926-3405~~
909-929-5189

Alternate Tom Turner
Title Airport Operations and Maintenance Supervisor
Phone ~~(714) 929-4361~~ 24 hr Phone (619) 244-4772
909-955-6735

Storm Water Management Practices

- 1.) Daily inspections of tiedown areas to look for leaks.
- 2.) Notices sent to lessees, aircraft and equipment owners to inform them of problems that need correcting.
- 3.) Vehicle and equipment washing be done in designated areas. All loose oil be wiped from all surfaces before washing. WASH RACKS ARE TO BE USED.
- 4.) No hangars, equipment storage, or maintenance facilities will be hosed out with water. All oil and fuel leaks will be cleaned up with liquid absorbent materials or biodegradable solvents and soap, then disposed of properly.
- 5.) Drip pans and 100 lbs. of liquid absorbent material stored at the airport near fueling facilities and maintenance areas.
- 6.) Drums and tanks containing used oil, solvents, and coolants checked weekly for material levels. All full containers to be closed and secured to (next page

prevent overfilling.

- 7.) The County and each Co-Permittee will train personnel in the proper handling, identification, and clean-up practices. List of agencies to notify when a spill does occur, etc.
- 8.) The designated airport representative to inspect the airport monthly to include Co-Permittees' leaseholds and notify responsible parties not in compliance with storm water plan.
- 9.) All non-paved roads to be restricted to only necessary traffic.
- 10.) All vehicle fueling to take place on concrete or asphalt to simplify clean-up if a spill does occur.
- 11.) All hazardous material spills must be reported to airport management, County Health, and County Fire Dept. to insure immediate and proper clean-up and disposal. Liquid absorbent material is stored at the airport.
- 12.) All equipment inspected monthly.
- 13.) Routine maintenance to repair leaks and preventive scheduled maintenance to prevent leaks.
- 14.) Drip pans installed under areas where leaks may occur.
- 15.) Scheduled preventive maintenance.
- 16.) Cleaning vehicles with only biodegradable solvents and soaps, in designated areas only.
- 17.) Routine daily inspections on vehicles.
- 18.) Insure all personnel are trained and/or have proper licensing.
- 19.) Restrict material handling areas to trained personnel only.
- 20.) Inspect equipment monthly to insure it is working properly and that the responsible party is noticed so that repair can be made on faulty equipment.
- 21.) Require catch basins to be designed into all future construction projects where applicable.
- 23.) Rip-rap all applicable outfalls, embankments and drain ditches.
- 24.) Keep cracks in parking lots and tiedowns filled with crack fillers.
- 25.) Take annual soil samples at outfalls.

Sediment Control and Erosion Prevention

1.) Seed embankments where applicable to prevent erosion.

2.) Monitor sediment in basins, ditches, outfalls; test annually and clean.

NON-STORM WATER DISCHARGES

The California General Permit requires non-storm water discharges to be eliminated prior to the implementation of the SWPPP on October 1, 1992. The airports must certify that there are no non-storm water discharges present in the storm water drainage system. All airports in the group must certify and monitor outfalls for dry weather discharges.

The certification page, for non-storm water certification, is provided in the "Non-Storm Water Discharge Screening and Detection Manual." This page should be signed and a copy inserted into the SWPPP documentation. All forms filled out while surveying and evaluating outfalls should also be inserted into this section of the SWPPP document. A record of methods used, dates, and time conducted should be listed on the form.

For methods of detection and screening for non-storm water discharges, the SWPPP Committee should refer to the above referenced document for complete guidance.

If certification is not feasible, due to the inability to eliminate the non-storm water discharge because of the need for significant structural changes, the airport must notify the Regional Board prior to the October 1, 1992 deadline. This notification should include a summary of why the extension in eliminating non-storm water discharges is required and a schedule indicating when non-storm water discharges will be eliminated. The schedule is subject to modification by the regional board. This is also required if the airport has applied for an NPDES permit for a non-storm water discharge and has not yet received approval. If the airport is unable to eliminate the non-storm water discharge, then a schedule for elimination of the discharge must be submitted to the Regional Board for approval. In no case will the Board allow for the elimination of non-storm water discharges to take longer than 3 years from the date of the NOI submittal.

COMPLIANCE

Inspections

An annual inspection of the airport will be conducted by the Regional Board to verify elements of the SWPPP are accurate and have been implemented. The inspection may yield comments which require a response to comments by the board and are required to be retained as part of the SWPPP. As listed under Section 311 of the Clean Water Act this SWPPP is considered a report that shall be available to the public.

Amendments to the SWPPP are required to include the signature and title of the person responsible for preparation of the SWPPP and the date.