

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

693



FROM: Economic Development Agency

SUBMITTAL DATE:
July 19, 2012

SUBJECT: Consent to Purchase and Sale Agreement and Assignment of Sublease – Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Purchase and Sale Agreement dated May 10, 2012, between Caribbean Marine Services, Inc., a California corporation, as Seller, and Goody Air, LLC, a California limited liability company, as Buyer, for the Hangar A at Jacqueline Cochran Regional Airport;
2. Approve the Assignment of Sublease between Caribbean Marine Services, Inc., a California corporation, as Assignor, and Goody Air, LLC, a California limited liability company, as Assignee, for Hangar A under the Master Lease between County of Riverside and Desert Resorts Aviation, LLC, a California limited liability company, dated September 14, 2004, amended by the First Amendment to Lease dated October 17, 2006, and further amended by the Second Amendment to Lease dated March 17, 2009, for 16.66 acres of land at Jacqueline Cochran Regional Airport;

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

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*
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, 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: July 31, 2012
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Andrew Stone*
Deputy

Prev. Agn. Ref.: 9/14/04 3.23; 10/17/06 3.11; 3/17/09 3.16; 10/20/09 3.23

District: 4/4

Agenda Number:

3.16

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: *Annie T. Sahhar* 7/19/12
DATE: 7/19/12
Departmental Concurrence

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

RECOMMENDED MOTION: (Continued)

3. Authorize the Chairman of the Board of Supervisors to execute the Consent to Purchase and Sale Agreement and the Consent to Assignment of Sublease; and
4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents required by the Sublease.

BACKGROUND:

The Economic Development Agency is in receipt of a Purchase and Sale Agreement and an Assignment of Sublease dated May 10, 2012, between Caribbean Marine Inc., as Seller and Assignor, and Gooley Air, LLC as Buyer and Assignee, for the land commonly known as Hangar A located within the Tradition Aviation-TRM, LLC leasehold, at the Jacqueline Cochran Regional Airport.

The Sublease to be assigned is under the 16.66 acre Lease dated September 14, 2004, by and between the County of Riverside as Lessor and Desert Resorts Aviation, LLC, (Tradition Aviation-TRM's predecessor-in-interest) as Lessee, which lease was subsequently amended pursuant to that First Amendment to Lease dated October 17, 2006 and further amended pursuant to a Second Amendment to Lease on March 17, 2009, and assigned to Tradition Aviation-TRM, LLC, on February 27, 2006.

Caribbean Marine Service Company, Inc., originally purchased Hangar A and approval was given by the Board of Supervisors on October 20, 2009. Hangar A was subsequently sold to Gooley Air, LLC on May 10, 2012.

The Economic Development Agency recommends the Board of Supervisors approve the Purchase and Sale Agreement and Assignment of Sublease and execute the Consent to Purchase and Sale Agreement and the Assignment of Sublease. County Counsel has reviewed the documents and has approved them as to form.

ATTACHMENTS:

- Consent to Purchase and Sale Agreement
- Consent to Assignment of Sublease

CONSENT TO PURCHASE AND SALE AGREEMENT

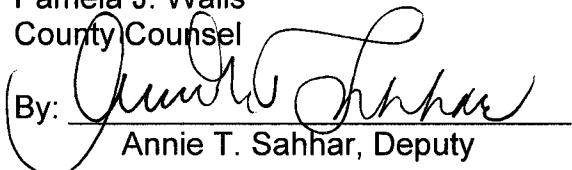
The County of Riverside, a political subdivision of the State of California, (Lessor) hereby consents to the foregoing Purchase and Sale Agreement dated May 10, 2012, between Caribbean Marine Service Company, Inc., a California corporation, as Seller, and Goey Air, LLC, a California limited liability company, as Buyer, for Hangar A at the Jacqueline Cochran Regional Airport at 86-400 Lightning Street, Thermal, California, and without however, waiving the restrictions contained in the Sublease Agreement between Caribbean Marine Service Company, Inc., and Tradition Aviation-TRM, LLC, a California limited liability company, dated September 9, 2009, approved by the Board of Supervisors on October 20, 2009, and the Master Lease Agreement, dated September 14, 2014, by and between the County of Riverside, as Lessor, and Desert Resorts Aviation, LLC, a California limited liability company, as Lessee, and subsequently assigned to Tradition Aviation-TRM, LLC, on February 27, 2006, with respect to approximately 16.66 acres of land located at Jacqueline Cochran Regional Airport. With respect to any future agreements thereunder, and without releasing the Seller under said Sublease/Lease from any obligations that are not performed by Goey Air, LLC, County otherwise accepts the Buyer, Goey Air, LLC, as Sublessee under said Sublease to all intents and purposes as though Buyer was the original Sublessee thereunder.

Date: JUL 31 2012

COUNTY OF RIVERSIDE
A political subdivision of the State of California

By: 
Chairman, Board of Supervisors
JOHN TAVAGLIONE

FORM APPROVED
Pamela J. Walls
County Counsel

By: 
Annie T. Sahhar, Deputy

ATTEST:
Kecia Harper-Ihem
Clerk of the Board,

By: 

CONSENT TO ASSIGNMENT OF SUBLEASE

The County of Riverside, a political subdivision of the State of California, (Lessor) hereby consents to the foregoing Assignment of Sublease dated May 10, 2012, between Caribbean Marine Services Company, Inc., a California corporation, as Assignor, and Gooley Air, LLC, a California limited liability company, as Assignee, for Hangar A at the Jacqueline Cochran Regional Airport at 86-400 Lightning Street, Thermal, California, and without however, waiving the restrictions contained in the Sublease Agreement between Caribbean Marine Service, Inc., and Tradition Aviation-TRM, LLC, a California limited liability company, dated September 9, 2009, and the Master Lease Agreement dated September 14, 2004, by and between the County of Riverside as Lessor and Desert Resorts Aviation, LLC, a California limited liability company as Lessee, and subsequently assigned to Tradition Aviation-TRM, LLC, on February 27, 2006, with respect to approximately 16.66 acres of land at Jacqueline Cochran Regional Airport. With respect to any future assignments thereunder, and without releasing the Assignor under said Sublease/Lease from any obligations that are not performed by Gooley Air, LLC, County otherwise accepts the Assignee, Gooley Air, LLC, as Sublessee under said Sublease to all intents and purposes as though Assignee was the original Sublessee thereunder.

Date: JUL 31 2012

COUNTY OF RIVERSIDE
A political subdivision of the State of California

By: 
Chairman, Board of Supervisors
JOHN TAVAGLIONE

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

FORM APPROVED
Pamela J. Walls
County Counsel

By: 

By: 
Annie T. Sahhar, Deputy

PURCHASE AND SALE AGREEMENT
(HANGAR A)

This Purchase and Sale Agreement (this "**Agreement**"), is entered into as of May 10, 2012 ("**Effective Date**") by and between CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation ("**Seller**") and GOOEY AIR, LLC, a California limited liability company ("**Buyer**"), with reference to the following:

A. Seller is the subtenant under that certain Sublease between Seller and Tradition Aviation-TRM LLC, a California limited liability company ("**Sublessor**") dated September 9, 2009, as consented to by the County on October 20, 2009 (collectively, the "**Sublease**"). The Sublease relates to the improved real property commonly known as Hangar A, 86-400 Lightning Street, Thermal CA 92274, as more particularly described on Exhibit A attached to this Agreement (the "**Sublease Property**").

B. In addition to the Sublease, Seller and Sublessor are parties to that certain Hangar Use Agreement dated September 9, 2009, relating to the Property (the "**Hangar Use Agreement**").

C. The Sublease is subject to that certain Lease dated September 14, 2004, between Sublessor's predecessor-in-interest Desert Resorts Aviation LLC, a California limited liability company, and the County of Riverside (the "**County**"), as amended by a First Amendment to Lease dated October 17, 2006, an assignment dated November 9, 2006, and a Second Amendment to Lease dated March 17, 2009 (collectively, the "**Master Lease**").

D. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all Seller's interest in Hangar A, the Sublease and the Hangar Use Agreement, on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual undertakings of the parties hereto, Buyer and Seller hereby agree to the foregoing and as follows:

Section 1. Basic Provisions

1.1 The Property. Seller agrees to sell, transfer, convey and assign to Buyer, and Buyer agrees to purchase, accept, and assume from Seller, subject to the terms, covenants and conditions set forth in this Agreement, all of Seller's right, title and interest in and to the following property (collectively, the "**Property**");

1.1.1 All of Seller's rights, title and interest in the following (the "**Real Property**"): the leasehold estate created by the Sublease; and all improvements located on the Sublease Property (the "**Improvements**"), including, without limitation, the covered parking area behind the hangar to any extent that such covered parking area is located on the Sublease Property.

1.1.2 All of Seller's rights, title and interest under the Hangar Use Agreement;

1.1.3 All of Seller's right, title and interest to any portion of the hangar located on the Sublease Property that is considered to be personal property (as opposed to part of the Improvements), and in Seller's sole discretion, any other trade fixtures, equipment and other tangible personal property owned by Seller and presently located on or used exclusively in connection with the operation, ownership or maintenance of the Real Property and/or the Improvements (collectively, the "**Personal Property**");

1.1.4 All of Seller's right, title and interest, if any, in and to all intangible personal property related to the foregoing property, including, without limitation, all of the following items, to the extent assignable and without warranty (the "**Intangible Property**"): (i) licenses, entitlements, rights, approvals, certificates, plans, specifications, drawings, reports and permits relating to the Real Property

and/or the Improvements, and (ii) if still in effect, guaranties and warranties received by Seller from any contractor, manufacturer or other person in connection with the construction or operation of the Real Property and/or the Improvements, all of which shall be conveyed to Buyer pursuant to the General Assignment.

1.2 Escrow and Title Company. First American Title Insurance Company (attn: Katie MacAllister, Escrow Officer, kmacallister@firstam.com) ("**Escrow Holder**") shall serve as the escrow holder, and Fidelity National Title company (attn: Patti Porter, Title Officer, patti.porter@fnf.com) ("**Title Company**"), shall serve as the title company. The escrow opened by Escrow Holder for the purchase and sale of the Property under this Agreement shall be referred to herein as the "**Escrow**". Buyer and Seller shall cause the Escrow to be opened with Escrow Holder (the "**Opening of Escrow**") on the Effective Date or promptly thereafter.

1.3 Documents Delivery Date. As used in this Agreement, "**Documents Delivery Date**" shall mean the date that is five (5) days after the Effective Date. However, notwithstanding anything in this Agreement to the contrary, Buyer acknowledges that he is a partner of the Sublessor, which manages the Property pursuant to the Hangar Use Agreement, and that Sublessor is the party with possession of the documents and materials listed in Section 5.1.3 below, and that no additional documentation is needed from Seller.

1.4 Title Approval Date. As used in this Agreement, "**Title Approval Date**" shall mean the date that is five (5) business days after Buyer's receipt of the Preliminary Report (defined in Section 4.1 below).

1.5 Contingency Removal Date. As used in this Agreement, "**Contingency Removal Date**" shall mean the earlier of (a) the date that is fourteen (14) days after the Opening of Escrow, or (b) the date on which Buyer delivers written notice to Seller that Buyer waives all contingencies under Section 5.1.1 below and/or approves its due diligence under this Agreement ("**Contingency Removal Notice**").

1.6 Closing Date. As used in this Agreement, "**Closing Date**" shall mean the date that is five (5) business days after the Contingency Removal Date.

1.7 Close of Escrow. As used in this Agreement, "**Close of Escrow**" shall mean consummation of the purchase of the Property by recording the Assignment of Sublease (defined below).

1.8 Brokers. As used in this Agreement, "**Seller's Broker**" shall mean Spinello Commercial Real Estate, Inc., and "**Buyer's Broker**" shall mean Wilson Johnson Commercial Real Estate.

Section 2. Price and Deposits

2.1 Price. The purchase price for the Property is Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00) ("**Purchase Price**"), payable in cash as indicated in Sections 2.2 and 2.3. The purchase price reflects the intention of Seller and Buyer that the sale of the Property be on an "as-is" basis, with all faults, without representation or warranty and with no continuing liability to Seller except to the extent expressly set forth in this Agreement.

2.2 Deposits.

2.2.1 Buyer shall pay to Escrow Holder not later than two (2) business days following the Effective Date, by cashier's check or other cash equivalent acceptable to Seller, the sum of Twenty-Five Thousand Dollars (\$25,000.00) ("**Deposit**"). Until the Contingency Removal Date, the Deposit is refundable, under Section 3, upon Buyer's termination of the Agreement.

2.2.2 If Buyer does not terminate this Agreement (in the manner provided in Section 3.1) by the Contingency Removal Date, then on the business day following the Contingency Removal Date, then the Deposit shall be nonrefundable except as otherwise specifically stated in this Agreement.

2.2.3 Buyer may direct Escrow Holder to invest the Deposit in an interest bearing account. All accrued interest on the Deposit to the date of its disbursement by Escrow Holder shall accrue to the benefit of Buyer.

2.3 Balance. Buyer shall pay through Escrow the unpaid balance of the Purchase Price, after application of the Deposit against the Purchase Price, by cashier's check or other cash equivalent.

Section 3. Contingency Removal Date and Buyer Termination

3.1 Buyer Termination. Buyer may terminate this Agreement for the reasons specified in Section 5 below, only by written notice received by Seller on or before 5:00 p.m. on the Contingency Removal Date. Buyer shall have no other right to terminate this Agreement except as otherwise specifically provided in this Agreement.

3.2 Effect of Termination. If Buyer terminates this Agreement as permitted by an express termination right under this Agreement, and except as otherwise expressly provided with respect to any such other termination right: (i) the Deposit shall be returned to Buyer, less one-half of the applicable Escrow termination charges, if any, by the business day following Buyer's termination; (ii) Buyer shall not be obligated to purchase the Property, or Seller to sell it; and (iii) neither party shall have any obligations to or rights against the other except the rights which survive termination of this Agreement. The foregoing shall not affect Buyer's right under Section 8.9.2 if such termination is due to a Seller default hereunder as provided therein.

3.3 Absence of Buyer Termination. If Buyer fails to terminate this Agreement under Section 3.1, Buyer shall be deemed to have approved all contingencies and to have elected to proceed with the purchase of the Property under this Agreement, subject to the conditions to closing set forth in Section 3.4 and any other express termination right set forth in this Agreement.

3.4 Conditions to Close of Escrow.

3.4.1 Buyer's Conditions. The following conditions are conditions precedent to Buyer's obligation to purchase the Property (the "**Buyer's Conditions Precedent**"), which conditions are for the benefit of Buyer only and the satisfaction of which may be waived only in writing by Buyer:

3.4.1.1 Seller shall have performed all obligations to be performed by Seller pursuant to this Agreement prior to Close of Escrow.

3.4.1.2 The Title Company shall be irrevocably and unconditionally committed to issue the Title Policy to Buyer as of the Closing Date, subject only to the Approved Exceptions. Buyer acknowledges that to issue the Title Policy, the Title Company requires that the Sublease, or a memorandum thereof, be recorded. Accordingly, Seller shall execute and have notarized a recordable memorandum of the Sublease, and Buyer shall be responsible for causing such memorandum to be executed and notarized by Sublessor. If Sublessor fails to do so prior to the Close of Escrow, then the Buyer's Condition Precedent set forth in this Section 3.4.1.2 shall automatically be deemed waived, and notwithstanding anything in this Agreement to the contrary, Seller shall have no obligation to obtain the Title Policy.

3.4.1.3 The County shall have executed the "Consent to Assignment of Sublease" set forth below (as it may be modified by the County in a manner satisfactory to Seller in

Seller's reasonable discretion). Buyer shall use diligent and commercially reasonable efforts to obtain such consent prior to the Close of Escrow.

Buyer's Conditions Precedent are intended solely for the benefit of Buyer. If any of Buyer's Conditions Precedent are not satisfied in the time and manner specified above, Buyer shall have the right either to terminate this Agreement by written notice to Seller and to recover the Deposit or to waive the condition and proceed with the transaction provided for in this Agreement without reduction of the Purchase Price. Notwithstanding the foregoing, in the event that the failure of any such condition also constitutes a default hereunder by Seller, Buyer also shall be entitled to pursue its rights and remedies under Section 8.9 below.

3.4.2 Seller's Conditions. The following conditions are conditions precedent to Seller's obligation to convey the Property (the "**Seller's Conditions Precedent**"), which conditions are for the benefit of Seller only and the satisfaction of which may be waived only in writing by Seller:

3.4.2.1 Buyer shall have performed all obligations to be performed by Buyer pursuant to this Agreement prior to Close of Escrow.

3.4.2.2 Buyer's representations and warranties set forth herein shall have been true and correct as of the Effective Date and shall be true and correct as of the Closing Date, as if made by Buyer effective as of the Closing Date.

3.4.2.3 The County shall have executed the "Consent to Assignment of Sublease" set forth below (as it may be modified by the County in a manner satisfactory to Buyer in Buyer's reasonable discretion).

The Seller's Conditions Precedent are intended solely for the benefit of Seller. If any of the Seller's Conditions Precedent are not satisfied in the time and manner specified above, Seller shall have the right in its sole discretion either to terminate this Agreement by written notice to Buyer and retain the Deposit as liquidated damages pursuant to Section 8.9 or to waive the Seller's Condition Precedent and proceed with the transaction provided for in this Agreement.

Section 4. Title Matters

4.1 Title Report.

4.1.1 Promptly following the Opening of Escrow, Seller shall have the Title Company issue to Buyer and Seller a preliminary title report on the Property accompanied by copies of all documents listed as exceptions in the Preliminary Report (the "**Preliminary Report**").

4.1.2 Buyer may object, in writing, to any title exception that is unacceptable to Buyer in Buyer's reasonable discretion. The date by which Buyer's notice of objection must be received by Seller is the Title Approval Date. Additionally, if the Title Company issues a supplemental amended title report showing additional title exceptions (an "**Amended Report**"), Buyer may give written notice of Buyer's objection to such additional title exception in the Amended Report. For the Amended Report, the date by which Buyer's notice must be received by Seller is the earlier of (i) three (3) business days after Buyer's receipt of the Amended Report and a copy of each additional document referred to in the Amended Report; or (ii) 5:00 p.m. on the business day before the Closing Date. If Buyer does not give Seller notice of Buyer's objection to a title exception within the required time, the title exception shall be deemed to have been approved by Buyer.

4.1.3 If Buyer gives notice of objection to a title exception, Seller may within five (5) days after receipt of such notice from Buyer, in its discretion, covenant to Buyer in writing to have the Title Company (i) exclude the title exception from Buyer's title insurance policy (either as a result of

Seller's eliminating the condition that caused the title exception, or otherwise) or (ii) issue an endorsement insuring against the title exception. If Seller so covenants to have a title exception eliminated or endorsed against, Seller may extend the Closing Date, by written notice to Buyer, for a period not to exceed thirty (30) days. If Seller elects not to cure such title objection or fails to deliver such written covenant to Buyer within such five-day period, then Buyer's sole remedy shall be the right to terminate this Agreement (in which case the provisions of Section 3.2 shall apply) exercisable only by delivery of written notice to Seller and Escrow Holder within two (2) business days after such election or failure by Seller. If Buyer fails to deliver such termination notice within such time, Buyer will be deemed to have waived the title objection and the applicable title exception shall be deemed an Approved Exception.

4.2 Title Insurance. Fee title and a valid subleasehold interest in the Real Property and Improvements to Buyer shall each be evidenced by one (1) or more California Land Title Association ("CLTA") Owner's and Lessee's standard form policy(ies) of title insurance ("**Title Policy**") issued by the Title Company in an amount equal to the Purchase Price, subject only to (i) the usual printed exceptions and conditions contained in that form of title insurance policy (including all matters which would be shown by a survey or inspection of the Property, or by inquiry of persons in possession of the Property), (ii) the matters approved by Buyer as provided in this Section 4, and (iii) any other matters approved in writing by Buyer (collectively, the "**Approved Exceptions**"). The premium cost of CLTA standard coverage for the Title Policy shall be paid by Seller. If Buyer wishes to obtain additional title insurance coverage or endorsements, Buyer shall pay any additional premium or expense required. In no event shall Close of Escrow be conditioned upon or extended because of Buyer's election of additional coverage or endorsements.

Section 5. Condition of Property

5.1 Condition of Property.

5.1.1 Due Diligence Period.

5.1.1.1 The "**Due Diligence Period**" begins on the Effective Date and ends at 5:00 p.m. on the Contingency Removal Date. During the Due Diligence Period, Buyer shall conduct the feasibility studies and investigation that Buyer deems appropriate to determine the condition and status of the Property. The possible subjects of studies and investigations include, without limitation: soil, seismic (including whether or not the Property is located in a Special Study Zone as designated under the Alquist-Priolo Special Earthquake Studies Zone Act, which may subject construction or development of the Property to the findings of an acceptable geological report), hydrological and topographical conditions; the availability of adequate utilities and public access; the status and nature of any existing or proposed assessment districts and the amount of any assessment liability; the character and amount of any fee or charge which may be imposed with the development of the Property; whether or not the Property is located in a Special Flood Hazard Area; the status of the Property with respect to asbestos and other hazardous or toxic materials; the physical condition and structural integrity of any improvements, fixtures or equipment, if any, on the Property; the Property's compliance with applicable government ordinances, rules and regulations (including zoning and building regulations); the status of all licenses, permits and other governmental approvals or entitlements; the fact that the Property is located in the project area of a redevelopment agency and any and all other matters concerning the current and future use, feasibility or value the Property or its marketability.

5.1.1.2 During the Due Diligence Period, Buyer and its agents, contractors and employees may enter on the Property, after prior written notice to Sublessor, for any reasonable business purpose in connection with Buyer's purchase of the Property, subject to the rights of any tenant or occupant of the Property. Any investigations or tests shall be at Buyer's expense and performed by properly licensed and qualified persons. Any proposed physical testing or drilling requires Seller's approval. Seller may have a representative accompany Buyer and its agents, contractors or employees while they are on the Property; and, prior to any entry involving physical testing or other physical disturbance, Seller may require Buyer to provide proof of comprehensive general liability

insurance naming Seller as an additional insured in an amount and with coverage reasonably satisfactory to Seller.


5.1.1.3 Buyer shall indemnify and defend Seller against, and hold Seller harmless from, any and all liabilities, losses, damages, claims, liens, attorneys' fees, court costs, and litigation expenses of any kind or nature arising from the entry of Buyer, its agents, contractors or employees onto the Property. If Buyer conducts any physical analysis on the Property, Buyer shall return the Property to the condition it was in before Buyer conducted the analysis. The provisions of this Section 5.1.1 shall survive Close of Escrow.

5.1.1.4 If this Agreement remains in existence after the Contingency Removal Date, Buyer shall be deemed to have represented to Seller that during the Due Diligence Period, (i) Buyer has concluded whatever studies, tests, and investigations concerning the Property that Buyer desires, including those relating to any matter referred to in Section 5.1.1.1 above, and (ii) Buyer has examined and approved the condition and all other aspects of the Property.

5.1.2 Buyer acknowledges that no warranties or representations have been made by Seller, and that Seller is a trustee and absentee owner with very limited knowledge of the condition of the Property. Buyer specifically acknowledges and agrees that Buyer is purchasing the Property on an "AS IS WHERE IS WITH ALL FAULTS" basis and that except as set forth in this Agreement, Buyer is not relying on any warranties or representations of any kind whatsoever, express or implied, from Seller, its officers, directors, partners, employees, agents, and contractors as to any matters concerning the Property, including, without limitation: (i) the quality, nature, adequacy, and physical condition of soils; geology, and any groundwater; (ii) the size or boundaries of the Property; (iii) the existence, nature or adequacy of ingress and egress to the Property; (iv) the existence, nature or adequacy of utilities serving the Property, including without limitation, water, sewer, electric, gas, phone and cable service; (v) the nature, adequacy and quality of drainage on the Property, including the occurrence of any flooding, and the presence or adequacy of any sloughs or levees; (vi) the condition, size or adequacy of improvements on the Property; (vii) the present or future zoning or other legal status of the Property or any other private restrictions on use of the Property; (viii) the compliance of the Property or its construction, development or operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity; (ix) the development potential of the Property, and the Property's use, habitability, merchantability or fitness, or the suitability, value or adequacy of the Property for any purpose; (x) the presence of Hazardous Materials (as such term is defined below) at, on, under or about the Property, or adjoining or neighboring property; (xi) the condition of title to the Property; and (xii) the economics of operation of the Property (collectively, all of the foregoing shall be hereinafter be referred to as the "**Property Conditions**"). Buyer represents that Buyer is a knowledgeable purchaser of airport real estate and that Buyer is relying solely on Buyer's own expertise and that of Buyer's consultants and advisors and is making and relying upon its own inspections of all aspects of the Property. Buyer further acknowledges and agrees that, subject to Seller's representations and warranties herein, no patent or latent physical conditions (including, without limitation, any condition or contamination related to or Hazardous Materials) of the Property, whether known or unknown or discovered at a later date, shall affect the Purchase Price paid for the Property hereunder, and Buyer shall be obligated to close escrow notwithstanding the condition of the Property if Buyer does not terminate this Agreement as permitted by Section 3.1 hereof. Buyer hereby waives, releases, acquits and forever discharges Seller, Seller's officers, directors, employees, agents, partners, and any other persons acting on or in behalf of Seller, and the heirs, successors and assigns of each of the foregoing, of and from any and all claims, liabilities, obligations, demands, actions, causes of action, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen ("**Claims**"), that it now has, or which may arise in the future, on account of or in any way growing out of or connected with the Property Conditions. Buyer expressly waives the benefits of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT

THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."


Buyer's Initials

Notwithstanding anything to the contrary contained herein, the foregoing release shall not apply to (i) a breach by Seller of any covenant, representation or warranty expressly set forth in this Agreement, or (ii) any Claims based upon or arising from the fraudulent acts of Seller. The provisions of this Section 5.1.2 shall survive the Close of Escrow.

5.1.3 On or before the Documents Delivery Date, and subject to Section 5.1.4, Seller shall deliver copies of the following documents and items to Buyer to the extent that such documents and items exist and are in the possession or control of Seller: (a) all building plans, drawings, engineering studies and permits relating to the improvements on the Property; (b) all leases, subleases and other occupancy agreements and amendments thereto relating to the Property; (c) any natural hazard disclosure report for the Property; (d) Seller's most recent Phase I environmental report relating to the Property; (e) the latest ALTA survey of the Property, if any (provided that if Seller does not have a current survey, Buyer may have a survey prepared at its sole cost and expense); (f) inspections and appraisals of the Property; (g) annual operating statements for the Property for the last three years; and (h) all other material documents in Seller's possession or control relating to the Property; excluding any documents, memoranda, analyses or other materials that were prepared internally by Seller, are proprietary to Seller or are privileged.

5.1.4 With respect to the documents listed in Section 5.1.3 above and all other documents and materials provided to Buyer by Seller (collectively, "**Seller's Documents**"), Seller makes no representation, warranty or statement whatsoever concerning the accuracy, completeness, validity or assignability, if any, of Seller's Documents prepared by any third party. Any studies, reports, investigations and architectural and engineering work product ("**Buyer's Work Product**") which Buyer obtains or produces, in addition to Seller's Documents, shall be obtained by Buyer, at Buyer's sole cost and expense, and if this Agreement terminates for any reason, except Seller's default, Buyer will within two (2) business days after termination deliver to Seller all Seller's Documents and Buyer's Work Product at no cost to Seller.

5.2 Flood Hazard Zone, Special Studies Zone Act. Seller hereby discloses that the Property may or may not be situated in a "Flood Zone" as set forth on the H.U.D. "Special Flood Zone Area Map." The extent of available flood insurance coverage and the cost of this coverage may vary, and Buyer should consult its lender or insurance carrier with respect to the availability of such coverage. The Property may or may not also be situated in a Special Study Zone as designated under the Alquist-Priolo Special Studies Zone Act, Sections 2621-2630, inclusive, of the California Public Resources Code, or otherwise in an area of the high geologic hazard ("**Geologic Zone**"). If the Property is in a Geologic Zone, the construction or development on the Property of any structure for human occupancy may be subject to the findings of a geologist registered in the State of California. Buyer acknowledges that neither Seller nor its agents, employees, or attorneys, have made any representation or recommendation in this transaction, as to the legal effect, interpretation, or economic consequences of the: (i) National Flood Insurance Program and related legislation; or (ii) the Alquist-Priolo Special Studies Zone Act. It is Buyer's sole and absolute responsibility to make its own investigation and to determine if this Property is or is not in a Flood Hazard Zone and/or the Alquist-Priolo Special Studies Zone and to order and pay for a Natural Hazards Disclosure Statement.

5.3 Environmental Definitions.

5.3.1 "**Environmental Law(s)**" means all applicable present statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items, of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable

judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation: (i) all requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of chemical substances, pollutants, contaminants or hazardous or toxic substances, materials, or wastes, whether solid, liquid or gaseous in nature; and (ii) all requirements pertaining to the protection of the health and safety of employees or the public.

5.3.2 **"Hazardous Materials"** shall mean (i) any flammable, explosive or radioactive materials, hazardous wastes, toxic substances or related materials including, without limitation substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sec. 1801, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Sec. 2601, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Sec. 6901 et seq.; and in the regulations adopted and publications promulgated pursuant to said laws; (ii) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. Part 302 and amendments thereto); (iii) those substances defined as "hazardous wastes," "hazardous substances" or "toxic substances" in any similar federal, state or local laws or in the regulations adopted and publications promulgated pursuant to any of the foregoing laws or which otherwise are regulated by any governmental authority, agency, department, commission, board or instrumentality of the United States of America, the State of California or any political subdivision thereof, (iv) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirements (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended; (v) petroleum or any by-products thereof; (vi) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. Sections 2011 et seq., as amended, and in the regulations adopted and publications promulgated pursuant to said law; (vii) asbestos in any form or condition; and (viii) polychlorinated biphenyls.

5.4 Survival. The provisions of this Section 5 shall survive the Close of Escrow.

Section 6. Warranties and Representations

6.1 Seller's Representations and Warranties

6.1.1 Seller hereby represents and warrants to Buyer:

6.1.1.1 Seller's Authority. Seller has the legal power, right and authority to enter into this Agreement and to consummate the sale documented in this Agreement.

6.1.1.2 Required Action. All required corporate action has been taken for Seller to execute this Agreement and to consummate the sale documented in this Agreement.

6.1.1.3 Individual Authority. The individuals executing this Agreement on Seller's behalf have the legal authority, power, right, and actual authority to bind Seller to the terms and conditions of this Agreement.

6.1.2 Buyer hereby acknowledges:

6.1.2.1 Seller's only representations or warranties to Buyer are stated at Section 6.1.1. No person acting on Seller's behalf is authorized to make any other representation, warranty, guaranty, or promise concerning the Property to Buyer, whether verbally or in writing.

6.1.2.2 No person acting on Seller's behalf has made any such other representation, warranty, guaranty, or promise to Buyer. In the alternative, any such representation, warranty, guaranty, or promise shall be null and void.

6.1.2.3 Seller has not made, and expressly disclaims, any warranties concerning merchantability of the Property or its fitness for any particular use.

6.2 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller:

6.2.1 Buyer's Authority. Buyer has the legal power, right and authority to enter into this Agreement and to consummate the purchase documented in this Agreement.

6.2.2 Required Action. All required action (corporate, trust, partnership or otherwise) has been taken for Buyer to execute this Agreement and to consummate the purchase documented in this Agreement.

6.2.3 Individual Authority. The individuals executing this Agreement on Buyer's behalf have the legal authority, power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement.

6.2.4 Experienced Buyer. Buyer is a sophisticated and experienced buyer of properties such as the Property. In deciding to purchase the Property and to enter into this Agreement, Buyer has investigated and researched the Property, through consultants or otherwise, to the extent Buyer deems prudent.

Section 7. Escrow

7.1 Escrow Holder. The parties appoint Escrow Holder to consummate the purchase described in this Agreement. Seller and Buyer shall each execute, in a timely manner, escrow instructions that Escrow Holder may require, consistent with this Agreement. In addition, Seller and Buyer designate Escrow Holder as the "real estate reporting person" for the transaction under Section 6045(e) of the Internal Revenue Code.

7.2 Close of Escrow. Escrow shall close on the Closing Date. Such date may be changed only by a writing executed by both Seller and Buyer.

7.3 Items to be delivered to Escrow. On or before the Closing Date:

7.3.1 Seller shall deliver to Escrow Holder:

7.3.1.1 An Assignment and Assumption of Sublease in the form of Exhibit B attached hereto (the "**Assignment of Sublease**"), executed by Seller and notarized.

7.3.1.2 An Assignment and Assumption of Hangar Use Agreement in the form of Exhibit C attached to this Agreement (the "**Assignment of Hangar Use Agreement**"), executed by Seller.

7.3.1.3 An Assignment of Intangible Property in the form of Exhibit D attached to this Agreement (the "**Assignment of Intangible Property**"), executed by Seller.

7.3.1.4 A Bill of Sale in the form of Exhibit E attached to this Agreement (the "**Bill of Sale**"), executed by Seller.

7.3.1.5 Seller's affidavit that Seller is not a "foreign person" as defined in IRC Section 1445(f)(3) and California Form 593-C

7.3.2 Buyer shall deliver to Escrow Holder:

7.3.2.1 The remaining balance of the Purchase Price.

7.3.2.2 Any additional funds chargeable to Buyer to close the Escrow.

7.3.2.3 The Assignment of Sublease, executed by Buyer and notarized.

7.3.2.4 The Assignment of Hangar Use Agreement, executed by Buyer.

7.3.2.5 The Assignment of Intangible Property, executed by Buyer.

7.4 Prorations.

7.4.1 At Close of Escrow the items listed below shall be prorated, based on the actual number of days in the calendar month in which Close of Escrow occurs, as follows:

7.4.1.1 Real property taxes, assessments and personal property taxes with respect to the Property shall be prorated based on the latest available tax information. Seller shall be responsible for taxes and assessments for the period prior to and up to and including the day before Close of Escrow, and Buyer shall be responsible for taxes and assessments for the period from and after Close of Escrow. The provisions of this Section 7.4.1.1 shall survive the Close of Escrow.

7.4.1.2 Water, sewer, gas, electricity and any other utility charges, shall be prorated based on the most recent meter reading, or if a meter is not read for a specific utility, based on the billing for the immediately preceding billing period. Additionally, all utility deposits applicable to the Property shall remain the sole property of Seller, and Seller may obtain their prompt return from the utility companies.

7.4.1.3 Rents and other revenues payable by tenants or other persons using or occupying part or all of the Property ("**Rents**"), including without limitation income payable to Seller under the Hangar Use Agreement, which are earned and attributable to the period before Close of Escrow will be paid to Seller to the extent those Rents are collected on or before Close of Escrow. Rents earned and attributable to the period beginning on the Close of Escrow will belong to Buyer. Rents received after Close of Escrow, whether paid to or collected by Buyer or Seller, shall be allocated first to the payor's current obligation, second to any arrearage the payor owes to Buyer, and third to any arrearage the payor owes to Seller. Buyer and Seller shall each pay the other any amounts received from a payor if the amount is owed to the other party under this allocation.

7.4.1.4 Expenses of operating the Property (other than taxes and utility charges) shall be prorated as of Close of Escrow based upon the most current information provided by Seller.

7.4.1.5 The amount of all tenant security deposits received by Seller, if any, shall be credited to Buyer. The credit shall be considered a transfer under California Civil Code Section 1950.7(d), and notice of the transfer shall be given to each tenant whose security deposit is transferred.

7.4.2 If the parties discover any errors or omissions in the adjustments and prorations within one year after Close of Escrow, the parties shall promptly make the appropriate correction by a cash payment to the party entitled to it. An error or omission discovered after that period shall not be subject to adjustment, except in the case of a property tax refund. Any tax refunds received by Buyer which are applicable to the period prior to the Close of Escrow will be promptly paid by Buyer to Seller. The provisions of this Section 7.4 shall survive the Close of Escrow.

7.5 Closing Costs. Seller shall pay (i) one-half (½) of Escrow Holder's escrow fee, (ii) any county documentary transfer tax in the amount Escrow Holder determines to be required by law, and (iii) the cost of CLTA standard coverage for the Title Policy. Buyer shall pay (i) one-half (½) of Escrow Holder's escrow fee, (ii) the recording charges, and (iii) the additional cost of the Title Policy beyond standard CLTA coverage, including without limitation the costs of ALTA extended coverage, endorsements and any survey or inspections. If Escrow fails to close due to either party's default, that party shall pay all Escrow cancellation charges. If Escrow fails to close for any reason other than the foregoing, Buyer and Seller shall each pay one-half (½) of all Escrow cancellation charges. "Escrow cancellation charges" means all fees, charges and expenses incurred by Escrow Holder, including all expenses incurred in connection with issuance of the Preliminary Report and other title matters.

7.6 Brokers. If Escrow closes, no commission shall be owing to or paid by either party to any third party except that Seller shall pay a commission to Seller's Broker and to Buyer's Broker pursuant to a separate written agreement between Seller and Seller's Broker. Seller and Buyer shall each indemnify, defend and hold the other harmless from and against all loss, cost, damage, or expense, including reasonable attorneys' fees, incurred by the other party as a result of a claim arising from acts of the indemnifying party, or of others acting on that party's behalf, for any commission, finder's fee or similar compensation, made by a broker, finder or other party who claims to have dealt with the indemnifying party, other than Buyer's Broker or Seller's Broker as provided above. The provisions of this Section 7.6 shall survive the Close of Escrow.

Section 8. General Provisions

8.1 Entire Agreement; Modification; Counterparts. This Agreement may only be amended by a written document signed by both Buyer and Seller that refers specifically to this Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated by this Agreement and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded. This Agreement may be executed in any number of counterparts; the counterparts taken together shall constitute a single agreement, and each counterpart shall be deemed an original.

8.2 Offer to Purchase. Buyer acknowledges that if this form of Agreement is executed only by Buyer, the signed form shall be deemed an offer by Buyer to purchase the Property on the terms and conditions contained in the form. The offer shall not be deemed accepted unless and until Seller executes an original or counterpart of this form of Agreement and delivers the same to Buyer.

8.3 Possession. Seller shall remain in possession of the Property until Close of Escrow, subject to the rights of any tenants and occupants of the Property.

8.4 Notices. Any notice that either party gives to the other or to Escrow Holder under this Agreement must be in writing. The notice may be given by personal delivery (including by personal messenger service), recognized overnight courier service, or registered mail, return receipt requested. Additionally the notice may be given by email if a confirmation of receipt is obtained. The notice shall be sent to the address for notices indicated below the applicable party's signature at the end of this Agreement, except that either party may change its address for notice by giving ten (10) days advance written notice of the change to the other party, as provided in this Section 8.4. A notice is deemed received upon the earlier of (i) actual receipt by the party for which the notice was intended, or (ii) two (2) business days after deposit with a courier or messenger or deposit in the mail.

8.5 Assignment. Buyer may assign Buyer's rights under this Agreement only to an entity which is controlled by, controls, or is under common control with Buyer. "Control" as used herein shall mean the power to direct the management and policies of such entity. However, no assignment shall be effective until the assignee assumes in writing the obligations of Buyer under this Agreement. Buyer shall remain obligated unless specifically released by Seller. Except as provided above, this Agreement may not be assigned by Buyer without the prior written consent of Seller, which consent may be withheld for any reason whatsoever. Any purported assignment made without satisfying the requirements of this Section 8.5 shall be null and void, not merely voidable. Additionally, at Seller's election, the purported assignment shall constitute a default by Buyer under this Agreement, for which Seller may terminate this Agreement and retain the Deposit as liquidated damages.

8.6 Successors. Subject to Section 8.5, the terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assignees of the respective parties.

8.7 Further Assurances. From time to time before or after Close of Escrow, as required to more effectively carry out the terms of this Agreement, each of the parties shall, at the reasonable request of Escrow Holder or Title Company (i) execute and deliver to the other party other ancillary instruments and documents, and (ii) take other ancillary actions.

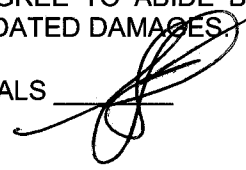
8.8 Survival of Agreement; Merger. The obligations, representations, and warranties contained in this Agreement shall survive the Close of Escrow, except as this Agreement may otherwise specifically state. Any suit by Buyer for Seller's breach of an obligation, representation, or warranty or otherwise arising out of this Agreement or the purchase and sale of documents must be filed, if at all, on or before one (1) year after Close of Escrow. After the Close of Escrow, in the event of any defect or other matter affecting title to the property, Buyer agrees to look first to the Title Policy and Title Company, and not to Seller, with respect to any damage that may be incurred by Buyer as a result of any title defect or matter.

8.9 Remedies.

8.9.1 LIQUIDATED DAMAGES. BUYER AND SELLER ACKNOWLEDGE THE IMPRACTICALITY AND EXTREME DIFFICULTY OF FIXING THE ACTUAL DAMAGES SELLER WOULD SUSTAIN AS A RESULT OF THE BREACH OF BUYER'S OBLIGATION TO COMPLETE THE PURCHASE OF THE PROPERTY, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 8.9.1 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WILL INCUR AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE. HOWEVER, THIS SECTION SHALL NOT LIMIT SELLER'S RIGHTS OR BUYER'S LIABILITY UNDER THE INDEMNITY OBLIGATIONS AND ATTORNEY'S FEES PROVISIONS OF THIS AGREEMENT. IF BUYER BREACHES THE OBLIGATION TO COMPLETE THE PURCHASE OF THE PROPERTY, THEN SELLER, BY NOTICE TO BUYER, MAY TERMINATE BUYER'S RIGHTS TO PURCHASE THE PROPERTY. AS SELLER'S SOLE REMEDY FOR SUCH DEFAULT BY BUYER OR ANY OTHER BUYER DEFAULT THAT RESULTS IN TERMINATION OF THIS AGREEMENT, SELLER SHALL RECEIVE AND RETAIN THE DEPOSIT UNDER THIS AGREEMENT AS LIQUIDATED AND AGREED UPON DAMAGES. SUCH RETENTION OF THE DEPOSIT BY SELLER IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE OR ANY SIMILAR PROVISION. BY INITIALING THE SPACES WHICH FOLLOW, BUYER AND SELLER SPECIFICALLY AND EXPRESSLY AGREE TO ABIDE BY THE TERMS AND PROVISIONS OF THIS PARAGRAPH CONCERNING LIQUIDATED DAMAGES.

SELLER'S INITIALS _____

BUYER'S INITIALS _____



8.9.2 Buyer's Remedies. In the event the Closing fails to occur as a result of a material breach of Seller's covenants, representations or warranties herein and failure by Seller to cure such breach within the time provided for Closing, then Buyer may elect, as Buyer's sole and exclusive remedy, to do one of the following: (i) terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit and all accrued interest thereon; or (ii) enforce this Agreement by an action for specific performance, provided that any suit for specific performance must be brought within sixty (60) days of Seller's default; in which event, Buyer waives the right to bring suit at any later date; or (iii) waive such breach and proceed to Closing on the purchase of the Property as contemplated hereby, notwithstanding such breach. Buyer shall have the right to file a lis pendens solely in connection with its specific performance action. Buyer agrees that failure to timely commence an action for specific performance within the above-mentioned 60-day period shall be deemed waiver of Buyer's right to specific performance as well as waiver of any right of Buyer to file a lis pendens. Notwithstanding the foregoing, the above provisions shall not limit the damages recoverable by Buyer due any Seller indemnity provisions set forth in this Agreement. In all events, Buyer hereby agrees to waive any consequential, punitive or special damages. Buyer acknowledges and agrees that the limitation of Buyer's remedies to those set forth in this Section 8.9.2 was negotiated by Seller as an integral and material part of the transaction contemplated by this Agreement and that Seller would not have entered into this Agreement but for Buyer's agreement to limit its remedies as provided herein.

SELLER'S INITIALS

BUYER'S INITIALS

8.10 Damage or Condemnation Before Closing.

8.10.1 Seller shall promptly notify Buyer of damage to the Property in excess of One Hundred Thousand Dollars (\$100,000) or of condemnation proceedings that are commenced before Close of Escrow, which come to Seller's knowledge. Buyer may elect either to terminate this Agreement as provided in Section 8.10.2 below, or to continue this Agreement as provided in Section 8.10.3 below, within ten days after receiving notice of the damage or condemnation, in either of the following events: (i) if the damage exceeds Two Hundred Thousand Dollars (\$200,000); or (ii) if the condemnation proceedings relate to, or may result in the loss of, any material portion of the Property, the access to the Property is materially reduced or restricted or the Property does not or would not satisfy all applicable zoning and other governmental requirements as a result thereof.

8.10.2 If Buyer elects to terminate this Agreement, (i) Buyer shall receive a refund of the Deposit less one-half of any applicable Escrow termination charges, and (ii) the parties shall have only those obligations and rights provided at Section 3.2 for a termination of this Agreement on or before the Contingency Removal Date.

8.10.3 If Buyer elects to continue this Agreement in effect, the parties' performance under this Agreement shall not be delayed, and the Purchase Price shall not be abated. Seller shall assign and transfer to Buyer at the Close of Escrow (i) all of Seller's rights to the insurance proceeds, if any, relating to any damage, and (ii) any condemnation proceeds Seller may have received or be entitled to receive.

8.10.4 If the purchase and sale documented in this Agreement are not completed for any reason, Seller shall retain and obtain, as its sole property (i) any insurance award or settlement other than from insurance procured and paid for by Buyer, and (ii) any condemnation award or settlement.

8.11 Cooperation with Exchange. Each party agrees to cooperate with the other party in completing an exchange qualifying for nonrecognition of gain under Internal Revenue Code Section 1031 and the applicable provisions of the California Revenue and Taxation Code ("**Exchange**"), and each party reserves the right to convert this transaction to an Exchange at any time before the closing date. Seller and Buyer agree, however, that consummation of the transaction contemplated by this agreement is not predicated or conditioned on completion of such an Exchange by either party. If a party does elect to complete an Exchange, the other party shall execute all escrow instructions,

8.9.2 Buyer's Remedies. In the event the Closing fails to occur as a result of a material breach of Seller's covenants, representations or warranties herein and failure by Seller to cure such breach within the time provided for Closing, then Buyer may elect, as Buyer's sole and exclusive remedy, to do one of the following: (i) the terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit and all accrued interest thereon; or (ii) enforce this Agreement by an action for specific performance, provided that any suit for specific performance must be brought within sixty (60) days of Seller's default; in which event, Buyer waives the right to bring suit at any later date; or (iii) waive such breach and proceed to Closing on the purchase of the Property as contemplated hereby, notwithstanding such breach. Buyer shall have the right to file a lis pendens solely in connection with its specific performance action. Buyer agrees that failure to timely commence an action for specific performance within the above-mentioned 60-day period shall be deemed waiver of Buyer's right to specific performance as well as waiver of any right of Buyer to file a lis pendens. Notwithstanding the foregoing, the above provisions shall not limit the damages recoverable by Buyer due any Seller indemnity provisions set forth in this Agreement. In all events, Buyer hereby agrees to waive any consequential, punitive or special damages. Buyer acknowledges and agrees that the limitation of Buyer's remedies to those set forth in this Section 8.9.2 was negotiated by Seller as an integral and material part of the transaction contemplated by this Agreement and that Seller would not have entered into this Agreement but for Buyer's agreement to limit its remedies as provided herein.

SELLER'S INITIALS _____

BUYER'S INITIALS _____

8.10 Damage or Condemnation Before Closing.

8.10.1 Seller shall promptly notify Buyer of damage to the Property in excess of One Hundred Thousand Dollars (\$100,000) or of condemnation proceedings that are commenced before Close of Escrow, which come to Seller's knowledge. Buyer may elect either to terminate this Agreement as provided in Section 8.10.2 below, or to continue this Agreement as provided in Section 8.10.3 below, within ten days after receiving notice of the damage or condemnation, in either of the following events: (i) if the damage exceeds Two Hundred Thousand Dollars (\$200,000); or (ii) if the condemnation proceedings relate to, or may result in the loss of, any material portion of the Property, the access to the Property is materially reduced or restricted or the Property does not or would not satisfy all applicable zoning and other governmental requirements as a result thereof.

8.10.2 If Buyer elects to terminate this Agreement, (i) Buyer shall receive a refund of the Deposit less one-half of any applicable Escrow termination charges, and (ii) the parties shall have only those obligations and rights provided at Section 3.2 for a termination of this Agreement on or before the Contingency Removal Date.

8.10.3 If Buyer elects to continue this Agreement in effect, the parties' performance under this Agreement shall not be delayed, and the Purchase Price shall not be abated. Seller shall assign and transfer to Buyer at the Close of Escrow (i) all of Seller's rights to the insurance proceeds, if any, relating to any damage, and (ii) any condemnation proceeds Seller may have received or be entitled to receive.

8.10.4 If the purchase and sale documented in this Agreement are not completed for any reason, Seller shall retain and obtain, as its sole property (i) any insurance award or settlement other than from insurance procured and paid for by Buyer, and (ii) any condemnation award or settlement.

8.11 Cooperation with Exchange. Each party agrees to cooperate with the other party in completing an exchange qualifying for nonrecognition of gain under Internal Revenue Code Section 1031 and the applicable provisions of the California Revenue and Taxation Code ("**Exchange**"), and each party reserves the right to convert this transaction to an Exchange at any time before the closing date. Seller and Buyer agree, however, that consummation of the transaction contemplated by this agreement is not predicated or conditioned on completion of such an Exchange by either party. If a party does elect to complete an Exchange, the other party shall execute all escrow instructions,

documents, agreements, or instruments reasonably requested by the first party to complete the Exchange; provided, however, that the other party shall incur no additional liabilities, expenses, or costs as a result of or connected with such Exchange.

8.12 Attorneys' Fees. If Buyer or Seller commences any action or arbitration to interpret or enforce this Agreement or any of its provisions, the prevailing party shall be entitled to an award of costs, including cost of arbitration, and attorneys' fees in addition to all other amounts awarded.

8.13 Joint and Several Liability. If Buyer consists of more than one party, the liabilities of each party that is a Buyer shall be joint and several.

8.14 Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be considered to be a waiver of any other covenant, condition or promise of this Agreement. If either or both parties waives the time for performing any act, that shall not be deemed a waiver of any other act required to be performed at a later date.

8.15 Gender. The masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the other whenever the context so indicates.

8.16 Time of Essence. Time is of the essence of this Agreement and each and every provision herein.

8.17 Governing Law. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of California.

8.18 Confidentiality. Buyer shall keep in strict confidence all information relating to the Property, including information furnished to Buyer or Buyer's agents or contractors by Seller, and information which Buyer obtains through investigations by Buyer or Buyer's agents or contractors, as permitted in this Agreement. For example, Buyer shall not, before Close of Escrow, disclose to any governmental authority or other persons the state of the Property's compliance with environmental statutes, regulations, or orders, without the express prior written approval of Seller.

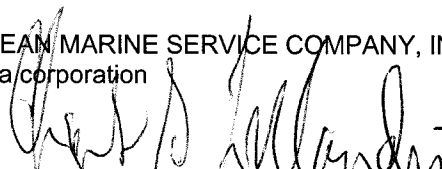
8.19 Release of Sublessor. Effective upon the Close of Escrow, Seller hereby releases Sublessor (of which Buyer is a partner) and Sublessor's officers, directors, employees, agents and partners, and the heirs, successors and assigns of each of the foregoing (collectively, "**Sublessor Entities**"), from any and all Claims that Seller may have in connection with any interference or delay caused by a Sublessor Entity in connection with any terminated escrow for the sale of the Property to a prior buyer.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Buyer and Seller do hereby execute this Agreement as of the dates written below.

SELLER:

CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation

By: 
Charles Limandri, Chief Operating Officer

BUYER:

GOOEY AIR, LLC, a California limited liability company

By: _____
Name: Guy Evans
Title: _____

Address for Notices:

P.O. Box 9120
Rancho Santa Fe, CA 92067
Attention: Charles S. Limandri
Phone: (858) 759-9930
Fax: (858) 759-9938
Email: cslimandri@limandri.com

Address for Notices:

82545 Showcase Pkwy., Suite 104
Indio, CA 92203
Attention: Guy Evans
Phone: (760) 275-6149
Fax: (____) _____
Email: guy.evans@gmail.com

with copies to:

Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200
San Diego, California 92101
Attn: Dana R. Bessenecker, Esq.
Phone: (619) 525-3872
Fax: (619) 398-0163
Email: drb@procopio.com

IN WITNESS WHEREOF, Buyer and Seller do hereby execute this Agreement as of the dates written below.

SELLER:

CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation

By: _____
Charles Limandri, Chief Operating Officer

Address for Notices:

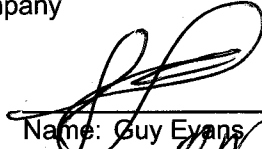
P.O. Box 9120
Rancho Santa Fe, CA 92067
Attention: Charles S. Limandri
Phone: (858) 759-9930
Fax: (858) 759-9938
Email: cslimandri@limandri.com

with copies to:

Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200
San Diego, California 92101
Attn: Dana R. Bessenecker, Esq.
Phone: (619) 525-3872
Fax: (619) 398-0163
Email: drb@procopio.com

BUYER:

GOOEY AIR, LLC, a California limited liability company

By:  _____
Name: Guy Evans
Title: _____

Address for Notices:


82545 Showcase Pkwy., Suite 104
Indio, CA 92203
Attention: Guy Evans
Phone: (760) 275-6149
Fax: (____) _____
Email: guy.evans@gmail.com

CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to (i) accept the foregoing Agreement, (ii) be Escrow Holder under said Agreement, and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this Consent or otherwise unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned or (b) any amendment to said Agreement unless and until the same shall be accepted by the undersigned in writing.

DATED: June 4, 2012

First American Title Insurance Co.
~~FIDELITY NATIONAL TITLE COMPANY~~

By: 
Name: Mary Kilfoil-Dick
Title: Escrow Officer

Escrow No.: NCS-547834-SD

Opening of Escrow: June 4, 2012

Telephone: (858) 410-3888

Facsimile: (877) 461-2095

Email: mkilfoil@firstam.com

Exhibit A

Legal Description of the Property

**LEGAL DESCRIPTION
HANGAR A**

A PARCEL FOR AIRPLANE HANGAR A OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 168.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S89°49'49"E, A DISTANCE OF 175.00 FEET

THENCE S00°10'11"W, A DISTANCE OF 125.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 175.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 125.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 21,875 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

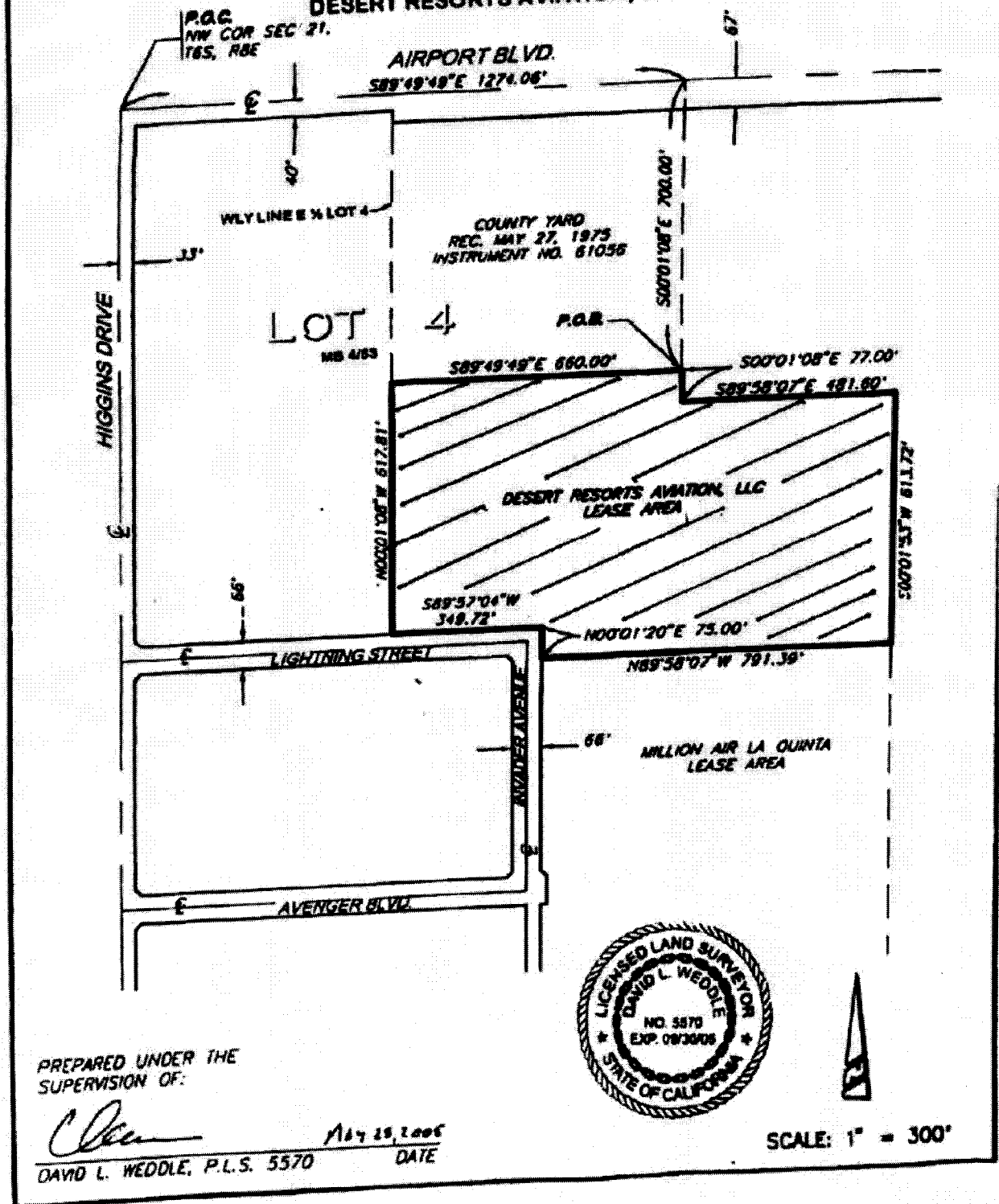
Lydia R. Shinohara

LYDIA R. SHINOHARA, RCE NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

PLAT - LEASE AREA
DESERT RESORTS AVIATION, LLC

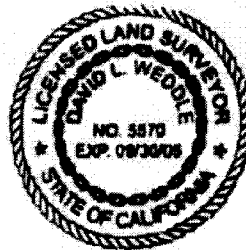


PREPARED UNDER THE SUPERVISION OF:

David L. Weddle

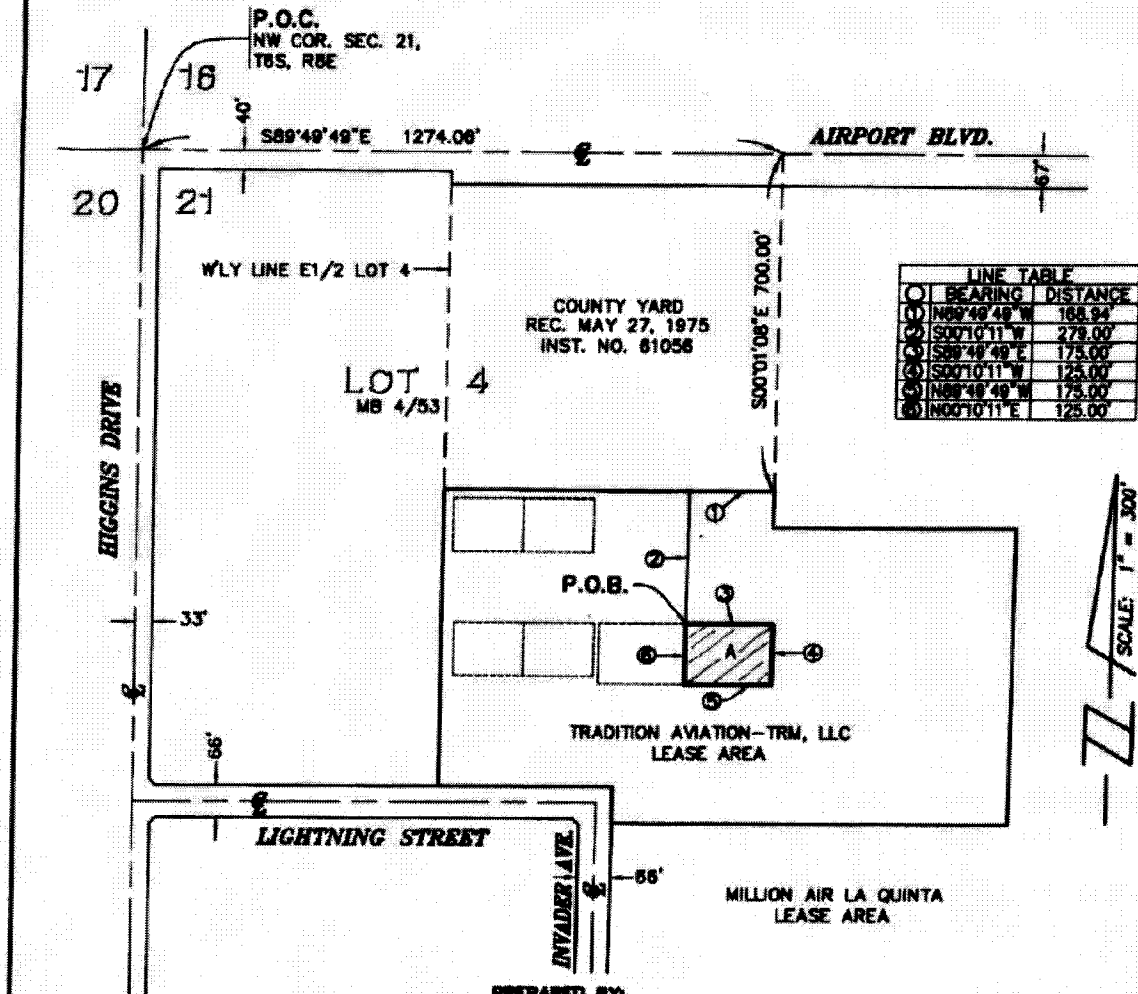
DAVID L. WEDDLE, P.L.S. 5570

MAY 28, 2006
DATE



SCALE: 1" = 300'

SEC. 21, T.6S., R.8E., S.B.M.
HANGAR A



PREPARED BY:

PE PACIFIC ENGINEERING & ASSOCIATES
 CIVIL ENGINEERING - PLANNING - SURVEYING
 41-230 CARLOTTA DRIVE
 PALM DESERT, CA 92211
 (760) 348-4284 FAX (760) 779-5884

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara
 LYDIA R. SHINOHARA, RCE 32182
 MY LICENSE EXPIRES 12/31/08

11/14/07
 DATE



Exhibit B

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT AND ASSUMPTION OF SUBLEASE

This Assignment and Assumption of Sublease ("**Assignment**") is entered into as of _____, 2012, by and between CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation ("**Assignor**") and GOOEY AIR, LLC, a California limited liability company ("**Assignee**").

For value received, Assignor hereby assigns to Assignee, without representation or warranty, express or implied, and without recourse, other than in each case in the Purchase and Sale Agreement dated as of May 10, 2012, between Assignor and Assignee, any and all of Assignor's right, title and interest in and to that certain Sublease between Assignor and Tradition Aviation-TRM LLC, a California limited liability company, dated September 9, 2009, as consented to by the County on October 20, 2011 (collectively, the "**Sublease**"), which Sublease relates to the improved real property commonly known as Hangar A, 86-400 Lightning Street, Thermal CA 92274.

Assignee hereby assumes all obligations of Assignor, and any person or entity affiliated with it, arising under or with respect to the Sublease relating to any period following the date hereof. Assignee shall indemnify, defend and hold harmless Assignor and its affiliates from any and all costs, liabilities or obligations of any nature, including attorneys' fees incurred in connection therewith, relating to the Sublease to the extent arising on or after, or relating to any period following, the date hereof. Assignor shall indemnify, defend and hold harmless Assignee and its affiliates from any and all costs, liabilities or obligations of any nature, including attorneys' fees incurred in connection therewith, relating to the Sublease to the extent arising prior to, or relating to any period prior to, the date hereof.

This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

This Assignment shall be binding upon and shall inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees.

This Assignment shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Seller has executed and delivered this Assignment as of the date first written above.

"Assignor"

"Assignee"

CARIBBEAN MARINE SERVICE COMPANY, INC.,
a California corporation

GOOEY AIR, LLC, a California limited liability
company

By: _____
Charles Limandri, Chief Operating Officer

By: _____
Name:
Title:

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2012, before me, _____, Notary Public, personally
appeared _____, who proved to me on the basis of
satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to
me that they executed the same in their authorized capacities, and that by their signatures on the instrument the
persons 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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2012, before me, _____, Notary Public, personally
appeared _____, who proved to me on the basis of
satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to
me that they executed the same in their authorized capacities, and that by their signatures on the instrument the
persons 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

Exhibit C

ASSIGNMENT AND ASSUMPTION OF HANGAR USE AGREEMENT

This Assignment and Assumption of Hangar Use Agreement ("**Assignment**") is entered into as of _____, 2012, by and between CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation ("**Assignor**") and GOOEY AIR, LLC, a California limited liability company ("**Assignee**").

For value received, Assignor hereby assigns to Assignee, without representation or warranty, express or implied, and without recourse, other than in each case in the Purchase and Sale Agreement dated as of May 10, 2012, between Assignor and Assignee, any and all of Assignor's right, title and interest in and to that certain Hangar Use Agreement dated September 9, 2009, between Assignor and Tradition Aviation-TRM LLC, a California limited liability company (the "**Hangar Use Agreement**"), which Hangar Use Agreement relates to Hangar A, 86-400 Lightning Street, Thermal CA 92274.

Assignee hereby assumes all obligations of Assignor, and any person or entity affiliated with it, arising under or with respect to the Hangar Use Agreement relating to any period following the date hereof. Assignee shall indemnify, defend and hold harmless Assignor and its affiliates from any and all costs, liabilities or obligations of any nature, including attorneys' fees incurred in connection therewith, relating to the Hangar Use Agreement to the extent arising on or after, or relating to any period following, the date hereof. Assignor shall indemnify, defend and hold harmless Assignee and its affiliates from any and all costs, liabilities or obligations of any nature, including attorneys' fees incurred in connection therewith, relating to the Hangar Use Agreement to the extent arising prior to, or relating to any period prior to, the date hereof.

This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

This Assignment shall be binding upon and shall inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees.

This Assignment shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Seller has executed and delivered this Assignment as of the date first written above.

"Assignor"

"Assignee"

CARIBBEAN MARINE SERVICE COMPANY, INC.,
a California corporation

GOOEY AIR, LLC, a California limited liability
company

By: _____
Charles Limandri, Chief Operating Officer

By: _____
Name:
Title:

Exhibit D

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

This Assignment and Assumption of Intangible Property ("**Assignment**") is entered into as of _____, 2012, by and between CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation ("**Assignor**") and GOOEY AIR, LLC, a California limited liability company ("**Assignee**").

For value received, Assignor hereby assigns to Assignee, without representation or warranty, express or implied, and without recourse, other than in each case in the Purchase and Sale Agreement dated as of May 10, 2012, between Assignor and Assignee, any and all of Assignor's right, title and interest, if any, in and to all intangible personal property related to Hangar A located at 86-400 Lightning Street, Thermal CA 92274 ("**Hangar A**"), including, without limitation, all of the following items, to the extent assignable and without warranty (the "**Intangible Property**"): (i) licenses, entitlements, rights, approvals, certificates, plans, specifications, drawings, reports and permits relating to the Hangar A, and (ii) if still in effect, guaranties and warranties received by Seller from any contractor, manufacturer or other person in connection with the construction or operation of Hangar A.

Assignee acknowledges and agrees that the Intangible Property is conveyed "as is" and that assignor has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Intangible Property.

This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

This Assignment shall be binding upon and shall inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

This Assignment shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Seller has executed and delivered this Assignment as of the date first written above.

"Assignor"

"Assignee"

CARIBBEAN MARINE SERVICE COMPANY, INC.,
a California corporation

GOOEY AIR, LLC, a California limited liability
company

By: _____
Charles Limandri, Chief Operating Officer

By: _____
Name:
Title:

Exhibit E

BILL OF SALE

THIS BILL OF SALE ("**Bill of Sale**") is made as of _____, 2012, by CARIBBEAN MARINE SERVICE COMPANY, INC., a California corporation ("**Seller**"), in favor of GOOEY AIR, LLC, a California limited liability company ("**Buyer**"), with reference to the following:

A. Seller and Buyer entered into that certain Purchase and Sale Agreement dated as of May 10, 2012 (the "**Purchase Agreement**") respecting the sale of certain "**Property**" (as defined in the Agreement).

B. Under the Purchase Agreement, Seller is obligated to transfer to Buyer any and all of Seller's right, title and interest in and to the following (collectively, the "**Personal Property**"):

(i) Any portion of the hangar known as Hangar A at 86-400 Lightning Street, Thermal CA 92274, that is considered to be personal property (as opposed to part of the improved real property), and

(ii) The following trade fixtures, equipment and other tangible personal property owned by Seller and presently located on or used exclusively in connection with the operation, ownership or maintenance of the Hangar: NONE.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of the Personal Property. The Personal Property is conveyed in "as is, where is, with all faults" condition and without any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Personal Property.

This Bill of Sale shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of Buyer and Seller.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, Seller has executed and delivered this Bill of Sale as of the date first written above.

"Seller"

CARIBBEAN MARINE SERVICE COMPANY, INC.,
a California corporation

By: _____

Charles Limandri, Chief Operating Officer

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



519

FROM: Economic Development Agency

SUBMITTAL DATE:
September 28, 2009

SUBJECT: Aviation Sublease, Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Consent to the Sublease made effective September 9, 2009, between Tradition Aviation-TRM, LLC, a California limited liability company, as Sublessor, and Caribbean Marine Services CO, Inc., as Sublessee;
2. Authorize the Chairman of the Board of Supervisors to execute the Consent to Sublease; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Subleases.

BACKGROUND: The Economic Development Agency has received a Sublease between Tradition Aviation-TRM, LLC, as Sublessor and Caribbean Marine Services CO, Inc., as Sublessee made effective September 9, 2009, for the land occupied by Hangar A at Jacqueline Cochran Regional Airport, Thermal, California. Sublessor has also entered into a separate agreement with Sublessee dated September 9, 2009, titled Purchase and Sale Agreement, for the purchase of the existing Hangar A on the subleased premises. (Continued)

Dan Martinez for

Dan Martinez

Robert Field
Assistant County Executive Officer/EDA

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: NA

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

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione and Ashley
Nays: None
Absent: Stone
Date: October 20, 2009
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

SEP 28 13 05

Prev. Agn. Ref.: Sept 14, 2004 3.6; Oct 17, 2006 3.11; Feb 27, 2007 3.33

District: 4th

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.23

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel*
DATE: 9-30-09
Departmental Concurrence

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

CONSENT TO SUBLEASE

Sublessor, TRADITION AVIATION-TRM, LLC, a California Limited Liability Company ("Sublessor" is the successor in interest under a Master Lease dated September 14, 2004, a First Amendment to Lease dated September 29, 2006, and a Second Amendment to Lease dated March 17, 2009, executed by and between the COUNTY OF RIVERSIDE, a Political Subdivision of the State of California ("County"), as Lessor, and DESERT RESORTS AVIATION, LLC, a California Limited Liability Company ("Desert Resorts"), as Lessee, covering unimproved real property consisting of approximately 16.66 acres of real property ("Real Property") which are located within the Jacqueline Cochran Regional Airport ("Airport").

Pursuant to Section 24 of the Lease, Sublessor hereby agrees to sublease a portion of the Real Property to Sublessee, CARIBBEAN MARINE SERVICE CO., INC., a California Corporation, pursuant to that certain Sublease entered into by and between Sublessor and Sublessee, CARIBBEAN MARINE SERVICE CO., INC., a California Corporation, a copy of that Sublease which is attached hereto as **Exhibit A**.

CONSENT TO SUBLEASE OF HANGAR A:

COUNTY OF RIVERSIDE
A Political Subdivision of the State of California

By: Jeff Stone
JEFF STONE, Chairman of the Board of Supervisors

DATED: OCT 20 2009

FORM APPROVED:

PAMELA J. WALLS, County Counsel

By: Synthia M. Gunzel
Deputy SYNTHIA M. GUNZEL

DATED: September 30, 2009

ATTEST:

KECIA HARPER-IHEM, Clerk

By: Dei Miller

DATED: OCT 20 2009

EXHIBIT A

SUBLEASE

This Sublease is made effective ^{Sept} July 9, 2009 ("Commencement Date"), by and between TRADITION AVIATION-TRM LLC, a California Limited Liability Company ("Sublessor") and CARIBBEAN MARINE SERVICE CO, INC., a California Corporation ("Sublessee").

RECITALS

A. Sublessor is successor in interest under a Lease dated September 14, 2004, a First Amendment to Lease dated October 17, 2006, and a Second Amendment to Lease dated March 17, 2009 (the "Lease" or "Master Lease") and assigned to TRADITION AVIATION-TRM, LLC, a California Limited Liability Company on November 9, 2006 ("Assignment"), by and between DESERT RESORTS AVIATION LLC, a California Limited Liability Company, as Lessee and the COUNTY OF RIVERSIDE, a Political Subdivision of the State of California ("County"), as Lessor, covering unimproved real property consisting of approximately 16.66 acres of real property ("Real Property") which are located within the Jacqueline Cochran Regional Airport ("Airport"). A copy of the Master Lease, Assignment, and Consent to Assignment are attached hereto collectively as **Exhibit A** and made a part hereof.

B. Sublessor intends to sublease to Sublessee a portion of the Real Property covered by the Master Lease and has obtained or will obtain consent from the County to sublease to Sublessee.

C. The parties acknowledge that in the event that there is ever a conflict between the terms and conditions of the Master Lease and Sublease, the terms of the Master Lease will be deemed controlling on all issues.

D. This Sublease is executed in contemplation of the purchase of an airplane hangar as further described in Section 7.1 herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt, adequacy, and sufficiency of which are acknowledged, the parties agree as follows:

AGREEMENT

ARTICLE 1 PREMISES

Section 1.1 Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor upon the terms and conditions hereinafter set forth, the Premises (hereinafter identified on Exhibit B) located at the Airport, including the non-exclusive right to use the Common Area of the Real Property as provided for herein. The legal description of such portion of the Real Property that is being subleased to the Sublessee is referenced on **Exhibit B** which is part of the Real Property identified on **Exhibit B-1** ("Premises"). "Common Area" is defined to include all areas depicted on **Exhibit C** except for the areas specifically designated as Airport Hangars A, B, C, D and/or E.

ARTICLE 2
TERM

Section 2.1 **Term.** This Sublease shall commence on the first day of the month following execution by all parties thereto, and shall terminate thirty (30) years after execution of the Master Lease, as provided for in Section 3 of the Master Lease. If the Sublessor exercises the option to extend the Master Lease for ten (10) years as provided by Section 3(b) of the Master Lease, then the Sublessee shall have the option to extend this sublease for a period of ten (10) years to coincide with the Master Lease ("Ten Year Option").

Section 2.2 **Exercise of Option.** Sublessee may exercise the Ten Year Option by notifying Sublessor in writing of Sublessee's intent to exercise the Ten Year Option, within thirty (30) days after Sublessor provides written notice to Sublessee that Sublessor has exercised its option to extend the term of the Master Lease. Sublessor shall notify Sublessee of Sublessor's exercise of any option of the Master Lease, and Sublessee shall receive written notice of the Sublessor's exercise of the option at or about the time that the Sublessor provides written notice of the exercise of the option to the County.

ARTICLE 3
RENT AND CHARGES

Section 3.1 **Base Rent.** Sublessee will pay to the Sublessor on a monthly basis, Sublessee's pro rata share of the ground lease rent and charges paid by Sublessor to the County for the Premises which are identified in the Master Lease. In consideration for Sublessee's possession and use of the Premises, and the non-exclusive right to use the Common Areas as defined herein, Sublessee will pay to the Sublessor on a monthly basis, Sublessee's pro rata percentage share of the amounts paid by the Sublessor to the County for the Premises, as well as Sublessee's share of the Common Area Costs as defined herein. Sublessee's pro rata percentage share of the Ground Lease rent and Common Area Costs is 13.24%.

Section 3.2 **Option Rent.** During the Ten Year Option, Sublessee will pay to Sublessor on a monthly basis, Sublessee's pro rata share of the ground lease rent and charges paid by Sublessor to the County for the Premises which are identified in the Master Lease, as well as Sublessee's pro rata share of Common Area Costs as identified in Article 4.

ARTICLE 4
COMMON AREA COSTS

Section 4.1 Unless separately metered or billed to Sublessee, Sublessee shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services used on or for the benefit of the Premises, including its/his pro rata share of the Common Area Costs as identified herein.

Section 4.2 Common Area Costs shall include without limitation, all sums expended in connection with the Common Areas for: general maintenance and repairs; resurfacing; painting; restriping; cleaning; fire protection systems and equipment (including fire sprinklers), security

systems, lighting systems and fixtures (including replacement of tubes and bulbs), storm drainage systems, plumbing, electrical, and utility systems which do not exclusively serve the interior of Premises, and all mechanical equipment; personnel to implement the foregoing services, including, if Sublessor deems necessary, the cost of security guards; all on-site costs and personnel expenses of Sublessor incurred to manage the Common Area; all real and personal property taxes and assessments on the improvements and land comprising the Common Areas or any personalty in use on the Common Areas; any sums paid to third parties for the purpose of seeking reduction of property taxes; any governmental imposition or surcharge imposed upon Sublessor or assessed against any portion of the Common Areas; depreciation on maintenance and operating machinery and equipment (if owned) and rental paid for such machinery and equipment (if rented); and premiums for adequate comprehensive airport general liability insurance and property damage insurance covering Sublessor's possession and use and operation of the Common Areas, fire and extended coverage insurance on the Common Areas (which may include earthquake and flood damage endorsements) and vandalism covering the Common Areas. Common Area Costs shall also include a charge for appropriate reserves for the costs of repainting, re-roofing and resurfacing Common Areas. Common Area Costs shall also include all costs of any kind and/or nature incurred by sublessor in connection with its performance of the terms, conditions and covenants of the Master Lease. Sublessor may have any or all services and management performed in connection with the Common Areas provided by an independent contractor(s).

If Sublessor acquires, constructs or makes available for Common Area purposes land or improvements not presently available, then Common Area Costs shall also include all of the expenses itemized above incurred and paid in connection with such additional land or improvements.

Section 4.3 Sublessor shall keep the Common Areas neat, clean and orderly, and shall repair any damage to Common Area. Notwithstanding the foregoing, all expenses incurred by Sublessor in connection with the operation, repair, cleaning and maintenance of the Common Areas ("Common Area Costs") shall be prorated in the manner set forth in Section 4.4.

Section 4.4 Sublessee's pro rata percentage share of the Common Area Costs is 13.24% of the total common Area Costs as identified in Section 4.2.

Section 4.5 Sublessor shall have the right at all times to determine the nature and extent of the Common Areas and to make changes from time to time which in Sublessor's opinion are desirable and in the best interests of all persons using the Common Areas. Sublessor's rights hereunder include without limitation, the right to install, remove, relocate and change driveways, entrances, exists, automobile parking spaces, the direction and flow of traffic, prohibited areas, landscaped areas, utilities and all facilities of the foregoing but only so long as the visibility of and access to the Premises is not materially adversely affected.

ARTICLE 5 **LATE PAYMENTS**

Section 5.1 If Sublessee shall fail to pay when due, any amounts or charges payable by Sublessee under this Sublease, then:

5.1.1 **Interest on Past Due Obligations.** Such unpaid amount shall bear interest, including common area payments, from the due date to the date of payment at the lesser of one percent (1%) per month or the maximum rate allowed under the applicable usury law.

5.1.2 **Late Charges.** Sublessee shall pay to Sublessor an additional sum of ten percent (10%) of any amount which remains due and unpaid 15 days after the due date. Sublessee acknowledges that the late payment by Sublessee to Sublessor will cause Sublessor to incur costs not contemplated by this Sublease, including but not limited to processing and accounting charges, and late charges which may be imposed upon Sublessor, and that the exact amount of such costs is extremely difficult and impracticable to fix. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublessor will incur by reason of late payment by Sublessee.

ARTICLE 6 **USE CONDITIONS**

Section 6.1 **Non-Exclusive Use.** To the extent granted to Sublessor in the Master Lease, Sublessor grants to Sublessee, its employees, officers, patrons and guests jointly and in common with others entitled to the use thereof, a non-exclusive license to use the roadways and other Common Areas of the Airport and Real Property. Sublessee expressly acknowledges and agrees that Sublessee's rights to possession and use are subject to the restrictions, conditions and terms of the Master Lease.

Section 6.2 **Compliance with Rules, Regulations, Ordinance, Codes and Law.** Sublessee shall at Sublessee's sole cost and expense at all times during the term of this Sublease or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, codes and laws which have been or may be promulgated by Sublessor, the County and/or the United States government, or other jurisdictions that relate to either the Real Property and the Premises and/or the use of the facilities of the Airport including all fire regulations, safety regulations, noise control regulations and security regulations. Such rules, regulations, ordinances, codes, rules and regulations and laws are hereby made a part of this Sublease and Sublessee's failure to keep and observe the rules and regulations shall constitute a material breach of the terms of this Sublease in like manner as if the same were contained herein. Sublessor and the County reserve the right to amend or supplement the rules, regulations, ordinances, codes and laws and to adopt additional rules, regulations, ordinances, codes and laws applicable to the Premises, to Sublessee's use of the Premises, and the use of the facilities of the Airport and Real Property. Sublessor shall have no obligation to Sublessee as a result of the violation of any such rules by any other person. Sublessee shall at all times obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County and any other governmental entity having jurisdiction, as the same may from time to time be amended during the term of this Sublease.

Section 6.3 **Security.** Sublessee will acquaint itself with the County's security plan and all Federal Aviation Administration and other security requirements and shall at all times fully abide by the same. If Sublessor or the County is fined for any breach of security as a result of Sublessee's negligence or failure to abide by applicable security requirements, Sublessee shall reimburse Sublessor or the County, as appropriate, for such fine immediately upon demand. Sublessee shall

similarly be responsible for the negligence or non-compliance of any of its assignees, subtenants or their licensees, invitees or guests.

Section 6.4 Subordination and Incorporation of Master Lease. Sublessee acknowledges that it is familiar with all terms and conditions of the Master Lease to which the Sublease is subject and agrees to comply with all terms and conditions of same which apply to its use and occupancy of the Premises. Sublessee shall hold Sublessor free and harmless from all liability, judgments, costs, damages, claims or demands including attorney's fees arising out of Sublessee's failure to comply with or perform its obligations under the Master Lease. Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to earlier termination of the Master Lease without the fault of the Sublessor and to comply with the obligations under the Master Lease not assumed by Sublessee and to hold Sublessee free and harmless from all liability, judgments, costs, damages, claims or demands including attorney's fees arising out of Sublessor's failure to comply with or perform its obligations under the Master Lease.

Section 6.5 Use Restriction. The Premises shall be used exclusively for the maintenance and storage of personal aircraft. The Premises shall not be used for any other purpose without first having obtained the written consent of both the County and Sublessor, which consent shall not be unreasonably withheld. The Sublessor and County's approval of any change in the use of the Premises may, at Sublessor and County's sole election, place additional reasonable specific requirements on Sublessee including, but not limited to, the types, limits, and conditions of insurance provided under this Sublease.

Section 6.6 Other Use Restrictions. Sublessee shall not commit or suffer to be committed any waste or any public or private nuisance or any other act or thing which may disturb the quiet enjoyment of any other person or organization at the Airport or upon the Premises or Common Area or any portion of the Real Property. Sublessee's method of lighting the Premises and its installation of all exterior light fixtures shall be subject to Sublessor's sole and absolute discretion. Sublessee shall maintain access control to the Premises in conformance with Federal Airport Security regulations, the security plan of the County and other federal and County directives and regulations that may be issued. All motor vehicles parked or operated upon the Premises or Common Area by Sublessee, its officers, employees, guests, patrons, and invitees shall be parked or operated in accordance with the County's and Sublessor's traffic and parking regulations, ordinances and other directives. Sublessee shall at all times maintain the Premises of Sublessee, as well as Common Areas used by Sublessee, in a clean condition, free from any garbage, trash, litter, oil, grease, or any other solvents or any debris not related to the use of the Premises. Any items applicable to the maintenance and support of aircraft, automobiles or related uses to Sublessee's business or office shall not be stored on the exterior of said Premises and shall not be visible from the exterior of the Premises.

ARTICLE 7
MAINTENANCE AND SERVICE OF PREMISES

Section 7.1 Delivery. Sublessor agrees to deliver the Premises pursuant to the terms and conditions identified in the Purchase and Sale Agreement (Purchase Agreement"), dated July ____, 2009, by and between Sublessor and Sublessee and Sublessee agrees to accept the Premises in the

delivered condition without further additions, modifications or improvements by the Sublessor subject to the terms of this Sublease and the Purchase Agreement. Sublessee agrees that Sublessor has made no warranties or representations of any kind respecting the condition of the Premises or utilities located thereon or the use to which the Premises may be put.

Section 7.2 Maintenance Costs. Sublessee at its sole cost and expense shall at all times maintain the Premises and all buildings, structures and improvements thereon in a good state of repair and in a safe, clean, neat and sanitary condition. In the event Sublessee fails to make any repairs required to be made by Sublessee in accordance with the terms of this Sublease, Sublessor shall notify Sublessee in writing of such failure and, if within thirty (30) days of such notice, Sublessee has failed to make such repairs, Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Should Sublessor opt to make said repairs, Sublessor shall have the right to charge Sublessee, as additional rent due hereunder upon demand, all costs of Sublessor for making such repairs. If Sublessee fails to pay all costs to Sublessor for making repairs, Sublessor shall have the right to lien the property for said costs, to include costs of any suit together with reasonable attorneys fees. Sublessor shall have no liability to Sublessee for any damage, inconvenience or interference with the use of the Premises by Sublessee as a result of the making of any repairs made by Sublessor and the rent shall not be abated by reason thereof.

Section 7.3 Services Available to Premises. Sublessor will provide for the benefit of the Premises, those services identified on **Exhibit D**. If a force majeure event occurs as defined in Section 27.1, Sublessor will retain the right to change, modify, amend, suspend and/or discontinue the services that it provides pursuant to the terms and conditions of this Sublease.

ARTICLE 8

ALTERATIONS AND IMPROVEMENTS

Section 8.1 Alterations and Improvements. Sublessee shall not install, make, or suffer to be made, any alterations or improvements to the interior or exterior of the Premises or any part thereof without the prior written consent of Sublessor and the County and , such consent shall not be unreasonably withheld or delayed. All alterations must be made in compliance with good construction practices, applicable governmental requirements, the special conditions, plans and specifications approved by Sublessor and the County. Sublessee shall comply with all construction and labor regulations of Sublessor and the County and shall provide insurance coverage required by Sublessor and the County, or other means of surety, to the satisfaction of Sublessor and the County. All alterations or improvements performed by Sublessee shall be carried out by licensed contractors and said alterations and improvements shall be carried out in accordance with all applicable laws and regulations. Sublessee shall at Sublessee's sole cost and expense obtain all necessary permits, licenses and authorizations in connection with the construction. Sublessee's work shall be subject to the general inspection of Sublessor and the County. Sublessee shall provide proof satisfactory to Sublessor and the County that Sublessee's contractor will (a) provide warranties for not less than one year against defects in workmanship, materials, and equipment; (b) carry or cause to be carried worker's compensation insurance covering all of the contractor's and its subcontractor's employees; and (c) carry public liability and property damage insurance which names Sublessor and County as an additional insured and required thirty (30) days prior written notice to Sublessor before any

change in or cancellation of coverage becomes effective. The policy or policies shall contain liability limits of not less than One Million Dollars (\$1,000,000) single limit coverage. All improvements, additions to or alterations of the Premises except movable furniture and trade fixtures shall at the termination of this Sublease remain attached to and become part of the Premises and be surrendered to Sublessor in good condition, reasonable use and wear excepted, or at the option of Sublessor shall be removed by Sublessee and the Premises restored to the same condition which existed prior to the installation of any alterations, additions or improvements. Sublessor shall have the right to post a notice of non-responsibility for liens arising out of any work performed, materials furnished and obligations incurred by Sublessee. Sublessee agrees to advise Sublessor and the County in writing at least ten (10) business days in advance of the date upon which alterations will commence in order to permit Sublessor or County to post such a notice. Sublessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Sublessee. Sublessee shall indemnify, defend and hold Sublessor and County harmless against any claim, demand, liability or expense on account of claims for work done or materials supplied for Sublessee or person claiming under it. Sublessor and County reserve the right to adjust the limits of insurance in their sole and absolute discretion.

ARTICLE 9 **DAMAGE OR DESTRUCTION**

Section 9.1 If the improvements to the Premises are damaged or destroyed during the term hereof, Sublessee shall repair or rebuild said improvements to the condition immediately prior to the date of damage or destruction. Commencement of the repairs shall take place within one hundred twenty (120) days after the occurrence of the event causing the damage or destruction. This Sublease shall continue and Sublessee shall diligently complete the repair or rebuilding of said improvements. Sublessee shall apply any insurance proceeds received as a result of damage to the improvements to the repair or replacement of said improvements.

ARTICLE 10 **CONDEMNATION**

Section 10.1 **Total Taking.** If all the Premises are taken or condemned for a public or quasi-public use, by an entity other than the County, this Sublease shall terminate as of the date of condemnation and Sublessee and Sublessor shall thereupon be released from any liability thereafter occurring hereunder.

Section 10.2 **Partial Taking.** If any part of the Premises are taken or condemned for a public or a quasi-public use by an entity other than the County and there is such a major change in the character of the Premises as to prevent Sublessee from using the Premises in substantially the same manner as theretofore used then in such event Sublessee may terminate this Sublease as of the date of condemnation by giving written notice to Sublessor within fifteen (15) days after the date of condemnation.

Section 10.3 **Limited Liability of Sublessor.** Sublessor shall have no liability of any kind or nature in the event of either a partial or total taking of any and/or all of the Premises. However, in the event Sublessor receives funds from a taking of either a part or all of the Premises, Sublessor

will reimburse Sublessee up to an amount equal to the current fair market value of the then existing improvements which exist on the Premises at the time of the taking.

ARTICLE 11
ASSIGNMENTS AND SUBLEASES

Section 11.1 No portion of the Premises or of Sublessee's interest in this Sublease may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, and/or transfer, without the County's express written consent. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Sublease.

Section 11.2 **No Merger.** No merger shall result from Sublessee's sublease of the Premises under this Article 11.

Section 11.3 **Right to Encumber.** Notwithstanding the provisions of Section 11.1, the County and Sublessee consent and agree that Sublessee may either encumber or assign, for the benefit of a Lender ("Encumbrancer"), the subleasehold estate and/or improvements thereof, as security for a Deed of Trust, mortgage or other security type instrument, to assure the payment of monetary obligations owed by Sublessee to an established bank, savings and loan association or insurance company, and the prior written consent of either the County or Sublessor shall not be required:

(a) to a transfer of this Sublease at foreclosure under the trust deed, judicial foreclosure, or an assignment in lieu of foreclosure; or

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

Any Encumbrancer described in Section 11.3(a) and (b) which is the transferee under the provisions of Section 11.3 above shall be liable to perform the obligations and duties of Sublessee under this Sublease only so long as such transferee holds title to the Subleasehold estate.

Any subsequent transfer of this Subleasehold estate hereunder, except as provided for in Section 11.1, shall not be made without the prior written consent of Sublessor and County and shall be subject to the conditions relating hereto as set forth herein. Sublessee shall give the County and Sublessor prior written notice of any such trust deed and shall accompany such notice with a true copy of the trust deed and note secured thereby.

(1) **Right of Encumbrancer to Cure.** Sublessor agrees that it will not terminate this Sublease because of any default or breach hereunder on the part of Sublessee if the

Encumbrancer under the trust deed, within ninety (90) days after service of written notice on the Encumbrancer by Sublessor of its intention to terminate this Lease for such default or breach shall:

(i) Cure such default or breach if the same can be cured by the payment or expenditure of money provided to be paid under the terms of this Sublease; provided, however, that for the purpose of the foregoing, the Encumbrancer shall not be required to pay money to cure the bankruptcy or insolvency of Sublessee; or

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

ARTICLE 12 **DEFAULT**

Section 12.1 Event of Default. Each of the following events shall be an event of default hereunder by Sublessee and a breach of this Sublease: (a) the failure by Sublessee to pay Sublessor any rent or other charges due under this Sublease as and when the same become due; (b) the failure by Sublessee to perform or observe any other agreements, terms, covenants or conditions, or rules and regulations referred to herein or such Rules and Regulations that may be amended from time to time by either the County and/or Sublessor; (c) the filing by or against Sublessee in any court pursuant to any statute of the United States or of any state of a petition in bankruptcy or insolvency or for reorganization or arrangement or for the appointment of a receiver or trustee of all or any portion of Sublessee's property if within thirty (30) days after the commencement of any such proceedings against Sublessee or after such assignment for the benefit of creditors such petition shall not have been dismissed or such assignment shall not have been revoked; (d) the transfer of Sublessee's interest in this Sublease to any person, firm or corporation whether voluntarily or by operation of law except in the manner expressly permitted in this Sublease; or (e) vacating or abandoning the Premises by Sublessee at any time during the term hereof; or (f) failing to maintain all insurance obligations as required herein.

Section 12.2 Sublessor's Remedies. In the event of default as described in Section 12.1, Sublessor shall notify Sublessee in writing that Sublessee is in default, and Sublessee will then have a cure period of thirty (30) days from date of notice from Sublessor to cure such an event. Sublessor shall be entitled to pursue any and/or all remedies available to Sublessor, if Sublessee fails to correct the default. The remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law. Sublessor can make the election to continue this Sublease in full force and effect. Sublessor can enter the Premises and relet them or any part of them to third parties for Sublessee's account. No act by Sublessor in reletting the Premises allowed by this section shall terminate this Sublease. In the event of Sublessee's default and Sublessor's reentering of the Premises, Sublessee agrees to pay Sublessor as an additional item of damages, the cost of repairs,

alterations, redecorating, Sublease commissions and Sublessor's other expenses incurred in reletting the Premises to a new tenant.

Section 12.3 Sublessor's Default. In the event Sublessor fails to keep its Master Lease current with the County, to include failure to make any payments of rent to County as and when due, and Sublessee has been making payments directly to Sublessor, Sublessee shall have the right, after giving Sublessor thirty (30) days notice to cure, to make the payments, directly to County. If Sublessor does not cure within the applicable time period, Sublessee shall have the right to enter into a direct Lease with County.

Section 12.4 Attorneys Fees. In the event of any action at law or in equity between Sublessor and Sublessee arising out of or concerning this Sublease or any right or obligation derived therefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party reasonable attorneys fees and costs incurred therein by the prevailing party.

ARTICLE 13 **INDEMNITY AND INSURANCE**

Section 13.1 Waiver. This Sublease is made upon the express condition that Sublessee hereby waives all claims against Sublessor and County for damages to property or for injuries or death to any person or persons from any cause except for any injuries resulting from any intentional acts or gross negligence of Sublessor.

Section 13.2 Indemnity. Sublessee hereby agrees to and shall indemnify and defend Sublessor and County against and hold Sublessor and County harmless from any and all claims, demands, actions, damages, liability and expense in connection with or for loss of or damage to property or injury or death to any person from any cause whatsoever while in, upon, or about the Premises or any such claims, demands or the like, arising from or out of any occurrence in, upon or at the Premises from or in connection with the occupancy or use by Sublessee of the Premises or any use of any portion of the Real Property or from or in connection with the business conducted by Sublessee in or on the Premises or occasioned wholly or in part by any act or omission of Sublessee, its agents, contractors, employees, licensees or guests.

Section 13.3 Insurance. Sublessee shall procure and maintain or cause to be maintained, at its sole cost and expense, the insurance coverages identified herein during the term of this Sublease. The procurement and maintenance of the insurance required below will not diminish or limit sublessee's obligation to indemnify or hold the County harmless.

(a) **Workers' Compensation.** If Sublessee has employees as defined by the State of California, Sublessee shall maintain Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to provide a Waiver of Subrogation in favor of the Sublessee and 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.

(b) **Airport General Liability.** Airport General Liability Insurance coverage including, but not limited to, premises liability, contractual liability, products and completed operations, independent contractors liability, contingent liability, and personal and advertising injury covering claims which may arise from or out of Sublessee's activities and/or its performance of/or its obligations hereunder. Policy shall name the Sublessor and 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 Insureds. Policy's limit of liability shall not be less than \$5,000,000 per occurrence and in the aggregate as applicable.

(c) **Vehicle Liability.** If vehicles and/or licensed or unlicensed mobile equipment are used in the performance of the obligations under this Sublease and driven on the airport premises, then Sublessee shall maintain liability insurance for all owned, non-owned or hired vehicles and/or licensed or unlicensed mobile equipment so used in an amount not less than \$1,000,000 per occurrence combined single limit. If the vehicle coverage contains an exclusion for claims arising from vehicle operations on an airport's premises, such exclusion shall be deleted by endorsement. The policy shall name the Sublessor and 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. This coverage may be included in the airport General Liability policy. An application for an Airport Gate Card must be accompanied by proof of such insurance.

(d) **Aircraft Hull and Liability Insurance.** Aircraft hull coverage for all aircraft owned by Sublessee insured on a replacement value basis, or, at a minimum, on an agreed value basis, including all equipment and contents thereof. Sublessee may elect to self-insure the hull, equipment and contents of Sublessee's owned aircraft providing Lessee submits to County a letter, signed by the owner, stating that the owner has elected to self-insure the aircraft hull, equipment and contents and agrees to indemnify and hold harmless the Sublessor and the County of Riverside for any incidents, accidents or events that may give rise to a claim or lawsuit from any cause or nature whatsoever regardless of any negligence of the County that may have contributed to said loss or damage.

Sublessee shall also provide aircraft Liability Insurance for all owned and non-owned aircraft operated by the Sublessee in an amount not less than \$5,000,000 combined single limit per occurrence for bodily injury, including death and property damage and coverage shall include, but is not limited to, products/completed operations and contractual liability. The policy will be endorsed to include the Sublessor and 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, Insureds.

(e) **Products Liability Insurance.** If Sublessee provides aircraft maintenance, aircraft repair services, aircraft fueling and/or oil services/products or any other similar products or services under the terms of this Sublease, Sublessee shall also provide Products Liability Insurance

including completed operations if not otherwise covered by the Airport General Liability policy in an amount not less than \$5,000,000 any one occurrence combined single limit and in the annual aggregate.

(f) **Hangars Keepers Liability Insurance (Ground Coverage).** If this coverage is applicable to the Sublessee's operations and is not included as part of the airport General Liability coverage, Sublessee shall provide Ground Hangar Keepers Liability Insurance providing coverage for damage or destruction of aircraft, owned by others, in the Sublessee's care, custody or control for the purpose of sale, storage, safekeeping or any other reason. Lessee shall maintain a limit of liability equal to the combined replacement cost value of all aircraft hulls, their equipment and contents, in the care, custody or control of the Lessee at any one time, but in no event shall the limit of liability be less than \$2,000,000 in the Aggregate.

(g) **Hangars Keepers Liability Insurance (Flight Coverage).** If this coverage is applicable to the Sublessee's operations and is not included as part of the airport General Liability coverage, Sublessee shall provide Hangar Keepers Liability Insurance providing coverage for aircraft in the care, custody or control of the Sublessee, with a limit equal to the replacement value of the highest valued hull that may be flight tested by the sublessee; however, in no event shall the limit of liability be less than \$5,000,000.

(h) **Property (Physical Damage):**

(1) All-risk property insurance covering all real and personal property for its full replacement value, including coverage for the perils of earthquake and flood if applicable. The property covered shall include, but not be limited to: buildings, structures, furniture and fixtures, equipment, inventory, tenant's improvements and betterments, and tools, electronic systems, etc. that the sublessee owns and all property that the Sublessee is contractually or otherwise responsible for while such property is on the Leased Premises. Policy shall include Business Interruption, Extra Expense, and Expediting Expense to cover the actual loss of business income sustained during the restoration period. Policy shall name the County of Riverside as a Loss Payee and provide a Waiver of Subrogation in favor of the County of Riverside.

(2) Boiler & Machinery insurance on a full replacement cost basis covering all real and personal property owned by the Sublessee or for which the Sublessee is responsible for, while such property is on the Leased Premises. Policy shall provide Business Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for loss resulting from an off-premises power failure. Policy shall name the County of Riverside as a Loss Payee and contain a Waiver of Subrogation in favor of the County of Riverside

(i) **General Insurance Provisions - All Lines:**

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

(2) Insurance deductibles or self-insured retentions of \$500,000 or more must be declared by the Sublessee, and such deductibles and retentions shall have the prior consent of the County Risk Manager. Upon notification of deductibles or self-insured retentions unacceptable to the County, and at the election of the County's Risk Manager, Sublessee's carriers shall either: (a) reduce or eliminate such deductibles or self-insured retentions as respects this Lease with the County; or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(3) Cause Sublessee's insurance carrier(s) to furnish the County of Riverside with either (a) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements affecting coverage as required herein; or (b) if requested to do so in writing in the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Sublease shall terminate forthwith, unless the Sublessor and the County of Riverside receive, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or, if requested, certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Sublessee shall not commence operations until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or, if requested, policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

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

(5) **The County of Riverside's Reserved Rights - Insurance.** If during the term of this Lease or any extension thereof there is a material change in the scope of services or performance of work of the Sublessee, the County of Riverside reserves the right to adjust the types of insurance required under this Lease and the monetary limits of liability for the insurance coverages currently required herein, if, in the Assistant County Executive Officer/EDA's reasonable judgment, upon advice of the County Risk Manager, the amount or type of insurance carried by the Sublessee has become inadequate. The Sublessee agrees to notify the Sublessor and the County of any plan or change of plan for the sublessee's operations and such notification shall occur prior to implementing any such change.

Section 13.4 Other Insurance Requirements. All policies shall name Sublessor, and the County as an additional insured and Sublessee shall obtain separate endorsements on the coverage identified herein for the benefit of the Sublessor and the County. Insurance shall be with a company or companies satisfactory to Sublessor and the County in the amounts of not less than that specified

herein or in minimum amounts as may be subsequently adjusted by Sublessor or the County in the exercise of their commercial business judgment and consistent with airport industry practice for similar kinds of activities. Sublessee shall at all times during the term of this Sublease, including any extension or renewal hereof, provide Sublessor and the County with a certificate from the insurance carrier or carriers insuring Sublessee as set forth therein. Insurance policies shall not be subject to cancellation except after notice to Sublessor and the County by registered mail at least thirty (30) days prior to such cancellation. Where policies have normal expirations during the term of this Sublease or any extension thereof written evidence of renewal shall be furnished to Sublessor and the County thirty (30) days prior to such expiration.

Section 13.5 **Termination of Lease.** Notwithstanding any other term or condition of either the Master Lease or Sublease, Sublessor may immediately terminate this Sublease if Sublessee ever breaches in any way, any term and/or condition of Article 14. Sublessee acknowledges and agrees it will have no right to cure any breach of any term, condition and/or covenant contained within Article 14.

ARTICLE 14 **HAZARDOUS SUBSTANCES**

Section 14.1 The provisions of this section, which govern Sublessee's obligations with regard to hazardous substances, as defined below, shall survive termination of this Sublease.

Section 14.2 **Responsibility for and Definition of Hazardous Substances.** Sublessee agrees to indemnify, defend, protect and hold Sublessor and the County free and harmless from and against any and all claims, liability, loss, damage, actions or causes of action, costs and expenses (including attorney's fees) arising from or in connection with the presence of any Hazardous Substances other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date. Furthermore, Sublessee shall, at Sublessee's sole cost and expense, be responsible for the receiving, use, storage, handling, transporting, generation, spillage, migration, discharge, release, and disposition of all hazardous waste, toxic substances, or related materials including, without limitation, gasoline, oil, grease, battery acid, diesel fuel, flammable, combustible, explosive, corrosive, caustic, carcinogenic or radioactive matter, or any other Hazardous Substances to the extent any such are used, stored, brought onto, located on or shipped from within the Premises in connection with Sublessee's occupancy and use thereof, in accordance with all applicable rules, regulations, orders, ordinances, statutes, codes and laws. For purposes of this Sublease, "Hazardous Substances" shall include, but not be limited to petroleum or petroleum related materials and/or substances defined as "hazardous substances", hazardous materials", "hazardous waste" or "toxic substances" in any federal, state or local laws or regulations adopted or publications promulgated pursuant to said laws (hereinafter collectively referred to as the "Laws"). Sublessee shall at Sublessee's sole cost and expense, comply fully with all requirements of the Laws applicable to Sublessee's use of the Premises and obligations contained herein.

Section 14.3 **Cleanup of Hazardous Substances.** In the event of a release, leak, spill, or threatened or actual contamination or deterioration of the Premises or groundwater by a Hazardous

Substance, other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date, whether the result of an act or omission of Sublessee or its agents, employees, contractors, licensees, or invitees or any other third parties, Sublessee shall, immediately notify Sublessor, the County, and all appropriate health, safety and environmental regulatory agencies. Sublessee hereby covenants and agrees to implement and complete, at its sole cost and expense, and to the satisfaction of Sublessor and the County, all investigation and remediation measures required by such agency or agencies. If Sublessee fails to take such action Sublessor may, but shall not be obligated to, take such action. In such event, all costs incurred by Sublessor or the County with respect to such cleanup activities shall be for the account of Sublessee and Sublessee shall promptly make reimbursement therefore. Sublessee shall not take any remedial action in response to the presence of any Hazardous Substances in any way connected with the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying the Sublessor and the County of Sublessee's intention to do so and affording Sublessor and the County ample opportunity to appear, intervene or otherwise appropriately assess and protect its interest and respect thereto.

Section 14.4 Hazardous Substances from Subtenants or Assignees. As between Sublessor and Sublessee, Sublessee shall bear responsibility for the presence of any Hazardous Substances as a result of a Subtenant's or assignee's activities, whether before, during or after construction, in or around any part of the Premises or the soil, groundwater or soil vapor on or under the Premises. Upon demand by Sublessor, Sublessee shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against Sublessor or the County, whether alone or together with Sublessee or any other person, all at Sublessee's own cost and by counsel to be approved by Sublessor. In the alternative, Sublessor or the County may elect to conduct its own defense at the expense of Sublessee.

Section 14.5 Compliance Regarding Hazardous Substances. Sublessee shall comply and cause all occupants of the Premises to comply with all statutes, codes, regulations, rules, ordinances, orders and other laws governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises, Sublessee's use of the Premises or of the facilities of the Airport. Sublessee acknowledges that the presence of Hazardous Substances may permanently and materially impair the value and use of the Premises.

Section 14.6 Notice Regarding Hazardous Substances. Sublessee shall promptly notify Sublessor and the County if Sublessee knows, suspects or believes that there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the Premises, or that Sublessee or the Premises may be subject to any threatened or pending investigation by any governmental agency under any statute, code, regulation, rule, ordinance, order or other law pertaining to any Hazardous Substance.

Section 14.7 **Site Visits, Observations and Testing.** Sublessor, the County, and their agents and representatives shall have the right from time to time to enter and visit the Premises to make observations of the Premises, take and remove soil or groundwater samples, and conduct tests. Sublessor is under no duty, however, to visit or observe the Premises or to conduct tests. No site visit, observation or testing by Sublessor shall result in a waiver of any default of Sublessee or impose any liability on Sublessor. In no event shall any site visit, observation or testing by Sublessor be a representation that Hazardous Substances are or are not present in, on or under the Premises or that there has been compliance with any statute, code, regulation, rule, ordinance, order or other law pertaining to Hazardous Substances. Neither Sublessee nor any other party is entitled to rely on any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. In each instance, Sublessor shall give Sublessee reasonable notice before entering the Premises.

Section 14.8 **Business Response Plan.** Sublessee must conform with the Jacqueline Cochran Regional Airport "Business Response Plan" on file with the Airport Fire Marshall in accordance with the California Health and Safety Code.

ARTICLE 15
SUBLESSEE RIGHTS AND OBLIGATIONS

Section 15.1 Sublessor grants to Sublessee all rights and benefits with respect to the Premises that are granted to Sublessor under the terms of the Master Lease. Sublessee assumes and agrees to perform all obligations and duties with respect to the Premises that have been assumed by Sublessor in the Master Lease. Sublessee shall have the right at any time to take any action required to be taken, but not timely taken, by Sublessor, which may be necessary to prevent or cure a default under the terms of the Master Lease.

ARTICLE 16
NOTICES

Section 16.1 Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties asset forth below:

SUBLESSOR:

Tradition Aviation-TRM, LLC,
a California Limited Liability Company
86-400 Lightning Street
Thermal, California 92274

SUBLESSEE:

CARIBBEAN MARINE SERVICE CO., INC.,
a California Corporation
Attention: Edward Gann
Post Office Box 5035
Rancho Santa Fe, California 92067
Phone No.: (858) 759-1210
Facsimile No.: (858) 759-1299

ARTICLE 17
TAXES

Section 17.1 In the event a possessory interest tax or property tax is levied by the appropriate County or State taxing authority, Sublessee shall be solely responsible for payment of Sublessee's pro rata share of such tax.

ARTICLE 18
PROTECTION OF LENDERS

Section 18.1 **Subordination.** Sublessor shall have the right to subordinate this Sublease to any deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Sublessee shall cooperate with Sublessor and any lender which is acquiring a security interest in the Premises or the Sublease. Sublessee shall execute such further documents and assurances as such lender may require, provided that Sublessee's obligations under this Sublease shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Sublessee shall not be deprived of its rights under this Sublease. Sublessee's right to quiet possession of the Premises during the Sublease Term shall not be disturbed if Sublessee performs all of Sublessee's obligations under this Sublease and is not otherwise in default.

Section 18.2 **Attornment.** If Sublessor's interest in the Premises is acquired by any beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Sublessee shall attorn to the transferee of or successor to Sublessor's interest in the Premises and recognize such transferee or successor as Sublessor under this Sublease. Sublessee waives the protection of any statute or rule of law which gives or purports to give Sublessee any right to terminate this Sublease or surrender possession of the Premises upon the transfer of Sublessor's interest.

Section 18.3 **Signing of Documents.** Sublessee shall sign and deliver any instrument or documents reasonably necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Sublessee has ten (10) days to do so after written request.

Section 18.4 Estoppel Certificates.

18.4.1 Unless Sublessee has entered into a direct lease with the County, upon Sublessor's written request, Sublessee shall execute, acknowledge and deliver to Sublessor a written statement certifying: (i) that none of the terms or provisions of this Sublease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Sublease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Sublessor is not in default under this Sublease (or, if Sublessor is claimed to be in default, stating why); and (v) such other representations or information with respect to the Sublessee.

18.4.2 If Sublessee does not deliver such statement to Sublessor within ten (10) days, Sublessor, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Sublease have not been changed except as otherwise represented by Sublessor; (ii) that this Sublease has not been canceled or terminated except as otherwise represented by Sublessor; (iii) that not more than one years Base Rent or other charges have been paid in advance, and (iv) that Sublessor is not in default under the Sublease. In such event, Sublessee shall be estopped from denying the truth of such facts.

ARTICLE 19
TIME

Section 19.1 Time is of the essence.

ARTICLE 20
ENTIRE AGREEMENT

Section 20.1 This Sublease and all referenced Exhibits and documents contain all agreements between Sublessor and Sublessee with respect to any matter mentioned herein. This Sublease may be modified only by a writing signed by the parties in interest at the time of the modification.

ARTICLE 21
APPLICABLE LAW

Section 21.1 This Sublease shall be interpreted and construed under and governed by the laws of California.

ARTICLE 22
NO WAIVER

Section 22.1 Sublessor's waiver of any provision of this Sublease shall not be deemed a waiver of any other provision hereof, or of any subsequent breach by Sublessee of the same or any

other provision. Sublessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Sublessor's consent to, or approval of, any subsequent act by Sublessee.

ARTICLE 23
PARTIAL INVALIDITY

Section 23.1 The invalidity or unenforceability of any provision of this Sublease or the application thereof to any person or circumstances shall in no way affect the validity of any other provision or its application to any other person or circumstances.

ARTICLE 24
INTERPRETATION

Section 24.1 The captions of the Articles and Sections of this Sublease are to assist the parties in reading this Sublease and are not a part of the terms or provisions of this Sublease. Whenever required by the context of this Sublease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Sublessee, the term "Sublessee" shall include Sublessee's agents, employees, contractors, invitees, successors or others using the Premises with Sublessee's expressed implied permission.

ARTICLE 25
CORPORATE AUTHORITY; PARTNERSHIP AUTHORITY

Section 25.1 If Sublessee is a corporation, each person signing this Sublease on behalf of Sublessee represents and warrants that he has full authority to do so and that this Sublease binds the corporation. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a certified copy of a resolution of Sublessee's Board of Directors authorizing the execution of this Sublease or other evidence of such authority reasonably acceptable to Sublessor. If Sublessee is a partnership, each person or entity signing this Sublease for Sublessee represents and warrants that he or it is a general partner of the partnership, that he or it has full authority to sign for the partnership and that this Sublease binds the partnership and all general partners of the partnership. Sublessee shall give written notice to Sublessor of any general partner's withdrawal or addition. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a copy of Sublessee's recorded statement of partnership or certificate of limited partnership.

ARTICLE 26
JOINT AND SEVERAL LIABILITY

Section 26.1 All parties signing this Lease as Sublessee shall be jointly and severally liable for all obligations of Sublessee.

ARTICLE 27
FORCE MAJEURE

Section 27.1 If Sublessor or Sublessee cannot perform any of their obligations due to events beyond their control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Sublessor's or Sublessee's control include, but are not limited to, acts of God, war, terrorism, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction or weather conditions.

ARTICLE 28
EXECUTION OF SUBLEASE

Section 28.1 This Sublease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

ARTICLE 29
NEGOTIATED AGREEMENT

Section 29.1 The parties hereby acknowledge, agree and understand that this Sublease and its wording have been arrived at through a process of negotiation between the parties in which each party participated to the fullest extent desired by that party and that neither party is to be deemed the party who prepared this Lease or the party who caused any uncertainty to exist within the meaning of California Civil Code Section 1654.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

TRADITION AVIATION-TRM, LLC,
a California Limited Liability Company

By: 

PENNY NELSON, Managing Member

SUBLESSEE:

CARIBBEAN MARINE SERVICE CO., INC.,
a California Corporation

By: 

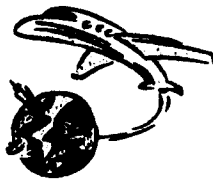
Its: _____

**Exhibits List
to
Sublease**

- Exhibit A Master Lease between County of Riverside and Desert Resorts Aviation, LLC,
Assignment and Consent to Assignment
- Exhibit B Legal description of Hangar A
- Exhibit B-1 Plat Lease Area
- Exhibit C Common Area for Airport Hangars A, B, C, D and/or E
- Exhibit D Services Available to Premises

EXHIBIT A
to Sublease

Master Lease between County of Riverside and Tradition



LEASE

JACQUELINE COCHRAN REGIONAL AIRPORT

DESERT RESORTS AVIATION, LLC

JULY 27, 2004



TABLE OF CONTENTS



Section I	LEASE
Section II	EXHIBIT "A" LEGAL DESCRIPTION
Section III	EXHIBIT "A-1" SURVEY / LEGAL DESCRIPTION
Section IV	EXHIBIT "B" FEDERALLY REQUIRED LEASE PROVISIONS
Section V	EXHIBIT "C" MINIMUM STANDARDS
Section VI	EXHIBIT "D" STORM WATER POLLUTION PREVENTION PLAN

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LEASE

JACQUELINE COCHRAN REGIONAL AIRPORT

The COUNTY OF RIVERSIDE, herein called County, leases to Desert Resorts Aviation, LLC, a California Limited Liability Company herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns approximately twenty-five acres (25 acres) of vacant land at the Jacqueline Cochran Regional Airport, County of Riverside, State of California.

(b) County desires to lease said property to lessee for the development of aircraft storage hangars and the construction of facilities necessary for conducting the business of a Full Service Fixed Base Operator, which will provide aircraft servicing, maintenance, and fueling.

(c) Lessee desires to lease said property for the development of aircraft storage hangars and the construction of facilities necessary for conducting the business of a Full Service Fixed Base Operator, which will provide aircraft servicing, maintenance, and fueling.

2. Description. The premises leased hereby are located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California and consist of approximately twenty-five (25) acres of vacant land, being preliminarily described in Exhibit "A" attached hereto and incorporated by this reference herein. Said property is hereafter referred to as the "Leased Premises." County and Lessee herein acknowledge that Lessee has no fee title interest in or to the Leased Premises.

Within sixty (60) days of Lease execution by all parties, Lessee will supply County with a survey and a legal description of the Leased Premises, prepared by a registered civil engineer at Lessee's expense, showing the exact number of acres. Said survey and legal description will be incorporated in and become a part of this

1 Lease as Exhibit "A1". The size of the Leased Premises and the basic rent shall be
2 adjusted to reflect the results of the survey. The monthly Base Rent, as established in
3 paragraph 5 below, will be adjusted by multiplying the number of acres times three
4 hundred and thirty-two dollars (\$332.00) the "Base Rent Rate".

5 Failure to comply with this deadline will constitute a default by Lessee and the
6 Lease will become void without further notice.

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

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

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

20 4. Use. The Leased Premises shall be used for the following purposes and
21 no other without the written permission of County. All of the uses listed under
22 paragraph 4(a) below are permitted uses within the Leased Premises. Lessee intends
23 to initially use the Leased Premises for those uses listed in paragraph 4(b) below.
24 Lessee shall notify County in writing and provide a detailed description of any
25 additional use and scope of operation prior to commencing said use.

26 (a) Permitted Uses:

27 (1) Sale, retail or wholesale or both, of new and used aircraft,
28 aircraft parts and accessories, including instruments, engines, electronic devices,

1 aircraft fuels and lubricants, airman's navigational and personal supplies, and
2 accessories.

3 (2) Agreed to flight operations, including, but not limited to,
4 flight instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-
5 testing of aircraft following repair or modification. With regard to charter and air taxi
6 operations, Lessee will submit to County a complete description of the operations and
7 scope of services provided, and County will establish insurance coverages and limits
8 for these operations to be obtained by Lessee prior to commencement of operations.
9 Coverages and limits established for charter and air taxi will be in addition to the
10 coverages required herein.

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

14 (4) Painting and upholstering of aircraft.

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

16 (6) Servicing of aircraft for the purpose of fueling, supplying
17 engine oil and other necessary lubricants and aircraft fluids, checking tire pressures,
18 providing starting units and battery boosters, and any other service usually associated
19 with aircraft servicing operations.

20 (7) Providing aircraft storage inside hangar buildings and on
21 outside tie-down areas.

22 (8) Providing ground school instruction associated with flight
23 training.

24 (9) Leasing or renting of automobiles, and storing and sale of
25 automotive fuel and lubricants for use only in connection with Lessee's equipment and
26 rental automobiles.

27 (10) Operating a restaurant or café for the purpose of providing
28 meals and beverages to the general public. If alcoholic beverages are sold, Lessee

1 shall maintain Liquor Liability insurance coverage or Lessee shall require restaurant or
2 café sublessee to maintain Liquor Liability insurance coverage as part of sub-lessee's
3 Commercial General Liability insurance.

4 (b) Initial Uses:

5 (1) Construction of facilities, including a terminal building and
6 maintenance hangar, necessary for the operations of a Full Service Fixed Base
7 Operator, which will provide servicing, maintenance and fueling for aircraft. The
8 business will commence operations within two years of Lease commencement.

9 (2) Construction of building (or buildings) for the storage of
10 aircraft.

11 The Leased Premises shall not be used for any purpose other than those uses
12 described in paragraph 4 (a) (1 through 10) without first obtaining the written consent of
13 County, which consent shall not be unreasonably withheld. The County's approval of
14 any change in the Use of the Leased Premises may, at County's sole election, place
15 additional reasonable specific requirements on Lessee including, but not limited to, the
16 types, limits, and conditions of insurance provided under this Lease.

17 5. Rent. Lessee shall pay to County as Base Rent for the use and
18 occupancy of the Leased Premises monthly rent equal eight thousand three hundred
19 dollars (\$8,300). This amount shall be adjusted at the completion of the survey
20 provided for in paragraph 2 above, by multiplying the number of acres determined by
21 the survey times three hundred and thirty-two dollars (\$332.00), the "Base Rent Rate".
22 Said rent is due and payable in advance on the first of each month. The rent shall be
23 considered delinquent, if not paid by the 15th of the month. If the monthly rent
24 becomes delinquent, Lessee will be charged a late fee equivalent to ten percent (10%)
25 of the delinquent rental amount, exclusive of late fees, for each month that rent is
26 delinquent.

27 (a) Rent payments shall not commence until the first day of the month
28 following completion of phase 2 of the heavy ramp by the County on Taxiway F.

1 (b) Thereafter, during construction of the Leased Premises, for a
2 period not to exceed twelve (12) months from the date rent commences ("Construction
3 Period"), the monthly rent shall be equal to one-half of the Base Rent. At completion of
4 the Construction Period, the Base Rent shall revert to the full Base Rent as described
5 in paragraph 5 above. Upon issuance of a certificate of occupancy for any completed
6 phase of the Leasehold, during the Construction Phase, monthly rent for that phase
7 shall then be paid at the full Base Rent rate of three hundred thirty-two dollars
8 (\$332.00) per acre commencing on the first day of the month following issuance of the
9 certificate of occupancy.

10 (c) In addition to the basic rent required herein, Lessee shall pay to
11 County a fuel flowage fee in an amount equal to five percent (5%) of the total net price
12 paid by Lessee for all aviation and automotive fuel and lubricants received on the
13 Leased Premises by Lessee. Said fuel flowage fee is due and payable within thirty
14 (30) days of delivery. If not paid within said period, the fuel flowage fee becomes
15 delinquent and Lessee will be charged a late fee equivalent to ten percent (10%) of the
16 delinquent fuel flowage fee amount, exclusive of late fees, for each month that the fuel
17 flowage fee is delinquent. The term "total net price" shall mean the net price per unit of
18 such fuel and lubricants, excluding taxes imposed thereon by any government or
19 agency thereof, multiplied by the total number of units of such fuel and lubricants
20 received.

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

1 (d) Base Rent Adjustment - Beginning July 1, 2005 and every fifth (5th)
2 year thereafter, the Base Rent shall be adjusted to one-twelfth (1/12) of eight percent
3 (8%) of the then-current fair market value of the Leased Premises. Said fair market
4 value shall be for the land and shall not include the value of the structures placed on
5 the Leased Premises. In no event will application of this paragraph result in a monthly
6 rental amount lower than the highest previous monthly rental amount.

7 A property appraisal for the purpose of establishing the adjusted Base
8 Rent is to be performed by an independent certified appraiser, knowledgeable in
9 aviation appraising and in good standing with the American Institute of Real Estate
10 Appraisers. The appraiser is to be procured and paid for by County. Once
11 established, said rent shall be adjusted annually in the manner set forth in Paragraph 5
12 (e) below.

13 (e) Consumer Price Index - Beginning July 1, 2006, and at each July
14 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year
15 as referenced in 5(d) above, the rent shall be adjusted by the percentage change in the
16 Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County
17 Area for the twelve month period ending three months before the month of rent
18 adjustment under this paragraph. In no event will application of this paragraph result in
19 a monthly rental amount lower than the highest previous monthly rental amount.
20

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

23 (a) Observe and obey, and compel its employees, agents, invitees,
24 sublessees, and those doing business with it to observe and obey, all such rules and
25 regulations of County which are now in effect or which may hereafter be promulgated,
26 provided that such rules and regulations may not unduly interfere or conflict with the
27 rights and privileges granted to Lessee in this Lease or any later amendments;
28

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

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

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

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

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

20 (g) Provide for transient aircraft parking guidance, positioning of wheel
21 chocks and tie-downs, fireguard for engine starts (upon request from aircraft
22 operators), and baggage handling on a routine and reasonable basis;

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

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

8 (j) Maintain a comfortable, well-furnished pilot's lounge and clean
9 sanitary restroom facilities for both men and women; such restroom facilities shall be
10 properly and continuously supplied with soap, towels, toilet tissue and any other
11 supplies required by state, federal or local laws and ordinances;

12 (k) Provide aviation fuel and lubricants for both piston and jet engine
13 aircraft for sale to the general public, unless Lessee is precluded from providing such
14 fuel and lubricants due to causes beyond its control relating to its suppliers' fuel
15 shortages, work stoppages (excluding Lessee's employment force), acts of God, acts
16 of war, civil disorders or other similar acts;

17 (l) Observe the Taxiway Object Free Area adjacent to their leasehold
18 to allow the passage of taxiing aircraft; the Taxiway Object Free Area boundary for
19 Taxiway F is one hundred ten (110) feet from the centerline of the taxiway; and

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

26 7. Permits, Licenses and Taxes. Lessee shall secure, at its expense, all
27 necessary permits and licenses as it may be required to obtain regarding the
28 construction, operation, maintenance, and termination or abandonment of activities

1 upon the Leased Premises, and Lessee shall pay for all fees and taxes levied or
2 required by any authorized public entity. Lessee recognizes and understands that this
3 Lease may create a possessory interest subject to property taxation and that Lessee
4 may be subject to the payment of property taxes levied on such interest.

5 **8. On-Site Improvements**

6 (a) Lessee, at its expense, shall construct, or cause to be constructed,
7 improvements described in a site plan showing the location and dimensions of all
8 planned improvements. Improvements shall conform to the Minimum Standards for
9 Fixed Based Operators Riverside County Airports, Exhibit C, attached hereto and by
10 this reference incorporated herein, and will include a terminal building, aircraft storage
11 hangars, facilities necessary for conducting the business of a Full Service Fixed Base
12 Operator such as a maintenance hangar, above ground fueling tanks, associated
13 landscaping, and improvements, all in accordance with County requirements.

14 Within thirty (30) days of lease execution by all parties, Lessee shall
15 submit a site plan to the Economic Development Agency showing the location and
16 dimensions of all planned improvements. Within ninety (90) days of approval of the
17 site plan by the Economic Development Agency, Lessee shall submit a full set of
18 construction plans to the County to obtain building permits. Construction of said
19 improvements shall commence within sixty (60) days following issuance of the requisite
20 permits by the County.

21 Lessee shall provide matching funds, not to exceed \$200,000.00, to an
22 FAA Grant for the portion of the apron fronting Taxiway F that will service Lessee's
23 operation. Said matching funds will be paid to County within thirty (30) days of
24 execution. Additional funds required to construct said apron shall not be the
25 responsibility of Lessee.

26
27 The site may be developed in phases, with a maximum of four (4)
28 phases, subject to the approval of the Economic Development Agency, provided that
all construction is completed within five (5) years of Lease commencement. In the

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

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

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

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

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

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

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

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

1 **9. Off-Site Improvements**

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

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

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

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

28

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

6 11. County's Reserved Rights.

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

28

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

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

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

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

27 12. Inspection of Premises. County, through its duly authorized agents, shall
28 have, upon reasonable notice, during normal business hours, the right to enter the

1 Leased Premises for the purpose of inspecting, monitoring and evaluating the
2 obligations of Lessee hereunder and for the purpose of doing any and all things which
3 it is obligated and has a right to do under this provided that the inspection does not
4 unreasonably interfere with Lessee's business

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

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

16 15. Discrimination or Segregation

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

26 (b) Lessee shall not discriminate against or cause the segregation of
27 any person or group of persons on account of race, religious creed, color, national
28 origin, ancestry, sex, age, physical handicap, medical condition, or marital status in the

1 occupancy, use, tenure or enjoyment of the Leased Premises, nor shall Lessee, or any
2 person claiming under or through Lessee, establish or permit any such practice or
3 practices of discrimination or segregation with reference to the selection, location,
4 number, use, or occupancy of any persons within the Leased Premises.

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

17 16. Termination by County. County shall have the right to terminate this
18 Lease forthwith:

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

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

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

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

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

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

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

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

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

21 18. Eminent Domain. If any portion of the Leased Premises shall be taken by
22 eminent domain and a portion thereof remains which is usable by Lessee, in its
23 discretion, for the purposes set forth in Paragraph 4 herein, this Lease shall, as to the
24 part taken, terminate as of the date title shall vest in the condemnor, or the date
25 prejudgment possession is obtained through a court of competent jurisdiction,
26 whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part
27 taken; provided, however, in such event County reserves the right to terminate this
28 Lease as of the date when title to the part taken vests in the condemnor or as of such

1 date of prejudgment possession. If all of the Leased Premises are taken by eminent
2 domain, or such part be taken so that the Leased Premises are rendered unusable for
3 the purposes set forth in Paragraph 4 herein, this Lease shall terminate. If a part or all
4 of the Leased Premises be so taken, all compensation awarded upon such taking shall
5 be apportioned between County and Lessee according to law.

6 19. Hold Harmless/Indemnification. Lessee shall indemnify and hold
7 harmless the County of Riverside, its Agencies, Districts, Special Districts and
8 Departments, their respective directors, officers, Board of Supervisors, elected and
9 appointed officials, employees, agents and representatives (the "Indemnified Parties")
10 from any liability whatsoever, including but not limited to, property damage, bodily injury,
11 or death, based or asserted upon any services of Lessee, its officers, employees,
12 subcontractors, agents or representatives arising out of or in any way relating to this
13 Agreement and Lessee shall defend at its sole expense and pay all costs and fees,
14 including but not limited to, attorney fees, cost of investigation, defense and settlements
15 or awards, on behalf of the Indemnified Parties in any claim or action based upon such
16 liability.

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

23 ///

24 ///

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

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

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

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

11 20. Insurance. Lessee shall procure and maintain or cause to be
12 maintained, at its sole cost and expense, the following insurance coverages during the
13 term of this Lease. These requirements, with the approval of the County's Risk
14 Manager, may be modified to reflect the activities associated with the Lessee provided
15 that any changes are reasonable in nature and consistent with industry standards. The
16 procurement and maintenance of the insurance required below will not diminish or limit
17 Lessee's obligation to indemnify or hold the County harmless. Lessee agrees to have
18 in place insurance coverage as it is required and applicable. This Paragraph shall not
19 be construed to require Lessee to have all insurance required under this provision, in
20 place from the date of Commencement of this Lease

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

1 (b) Airport General Liability. Lessee shall maintain Airport General
2 Liability Insurance coverage including, but not limited to, premises/operations liability,
3 contractual liability, products and completed operations liability, independent
4 contractor's, personal and advertising injury liability covering all claims or lawsuits of
5 any nature whatsoever which may arise from or out of Lessee's performance under the
6 terms of the lease agreement. Policy shall name all the County of Riverside its
7 Agencies, Districts, Special Districts, and Departments, their respective directors,
8 officers, Board of Supervisors, employees, elected or appointed officials, agents or
9 representatives as Additional Insureds. Policy's limit of liability shall not be less than
10 \$25,000,000 per occurrence combined single limit and in the annual aggregate as
11 applicable. The policy shall be endorsed to provide Hangar Keeper's Legal Liability
12 Insurance (Ground and In-Flight) providing coverage for aircraft in the care, custody or
13 control of the Lessee. Policy shall include coverage for the Named Insured's use of
14 unlicensed vehicles on Airport Premises.

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

23 (d) Aircraft Hull and Liability Insurance.

24 1) Aircraft Hull - Lessee agrees to indemnify and hold
25 harmless the County from any and all losses, claims, or damage to any aircraft owned
26 by Lessee and all losses, claims, or damage to any aircraft where Lessee has agreed
27 under contract to be responsible for any physical damage to the aircraft. Lessee
28 hereby agrees that this indemnification and hold harmless includes, but is not limited

1 to, losses, claims or damage to any of Lessee's aircraft caused directly or indirectly by
2 the County.

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

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

17 Lessee shall also maintain site-specific Pollution Liability Insurance,
18 covering both sudden and gradual pollution, with limits of not less than \$2,000,000
19 each pollution condition and \$2,000,000 annual aggregate covering third party claims
20 for bodily injury, property damage and first and third party cleanup expense, for
21 pollution conditions occurring or discovered on-site whether in the soil, water or air,
22 which arise out of Lessee's activities at the Airport. The insurance shall include
23 coverage for loss arising out of the handling of fuel, including the transportation of fuel
24 and refueling of aircraft on-site, arising out of any storage tanks and associated piping,
25 and arising out of the operation, parking and maintenance of aircraft, vehicles on the
26 premises and operations that include any other hazardous materials, waste, and/or
27 work. The policy shall name County as additional insured, and shall not contain" an
28

1 insured v. insured" exclusion. The policy shall not contain a deductible or self-insured
2 retention higher than \$25,000.

3 (f) All Risk Property Insurance:

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

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

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

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

4 (g) General Insurance Provisions – All Lines:

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

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

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

1 or, if requested, certified original policies, including all endorsements and attachments
2 thereto evidencing coverages set forth herein and the insurance required herein is in
3 full force and effect.

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

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

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

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

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

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

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

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

25 (c) Vehicle Liability. Supplier shall maintain liability insurance for all
26 owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000
27 per occurrence combined single limit. If such insurance contains a general aggregate
28 limit, it shall apply separately to this agreement or be no less than two (2) times the

1 occurrence limit. Policy shall name the Lessee, County of Riverside, Special Districts,
2 their respective Directors, Officers, Board of Supervisors, elected officials, employees,
3 agents, or representatives as Additional Insureds.

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

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

22 Supplier shall not commence operations until the County of Riverside has
23 been furnished original Certificate(s) of Insurance and certified original copies of
24 endorsements or policies of insurance including all endorsements and any and all other
25 attachments as required in this Section. An individual authorized by the insurance
26 carrier to do so on its behalf shall sign the original endorsements for each policy and
27 the Certificate of Insurance.
28

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

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

16 **23. Acceptance of Leased Premises**

17 (a) Lessee represents that it has inspected the Leased Premises,
18 accepts the "as is" condition thereof, and fully assumes any and all risks associated to
19 the use thereof. County shall not be liable to Lessee, its officers, agents, employees,
20 subcontractors or independent contractors for any bodily injury, personal injury or
21 property damage suffered by them or others which may result from hidden, latent or
22 other dangerous conditions in, on, upon or within the Leased Premises.

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

27 Lessee shall submit all documents pertaining to any such transaction referenced
28 in the foregoing paragraph to County for approval prior to entering into such

1 agreements. Lessee will submit executed subleases and all required certificates of
2 insurance and endorsements to insurance policies, as specified in paragraphs 20, 21
3 and 22 of this Lease, to County for approval prior to sublessees occupying the
4 subleased premises.

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

8 25. Right to Encumber/Right to Cure.

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

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

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

28

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

5 Any subsequent transfer of this leasehold hereunder, except as provided for in
6 Paragraph 25(a)(2) above, shall not be made without the prior written consent of
7 County and shall be subject to the conditions relating hereto as set forth in Paragraph
8 25 herein. Lessee shall give County prior notice of any such trust deed and shall
9 accompany such notice with a true copy of the trust deed and note secured thereby.

10 (b) Right of Encumbrancer to Cure. County agrees that it will not
11 terminate this Lease because of any default or breach hereunder on the part of Lessee
12 if the Encumbrancer under the trust deed, within ninety (90) days after service of
13 written notice on the Encumbrancer by County of its intention to terminate this Lease
14 for such default or breach shall:

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

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

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

11 27. Toxic Materials. County to the best of its ability has no actual knowledge
12 of the Premises ever having been used as a waste dump, nor of the past or present
13 existence of any above or below ground storage tanks on the Premises, nor of the
14 current existence on the Premises of asbestos, transformers containing PCB's or any
15 hazardous, toxic or infectious substance whose nature and/or quantity of existence,
16 use, manufacture or effect, render it subject to Federal, state or local regulation,
17 investigation, remediation or removal as potentially injurious to public health or welfare.

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

24 During the term of this Lease and any extensions thereof, Lessee shall not
25 violate any federal, state, or local law, or ordinance or regulation relating to industrial
26 hygiene or to the environmental condition on, under or about the Leased Premises
27 including, but not limited to, soil, air, and groundwater conditions. Further, Lessee, its
28 successors, assigns and Sublessee shall not use, generate, manufacture, produce,

1 store or dispose of on, under, or about the Leased Premises or transport to or from the
2 Leased Premises any flammable explosives, asbestos, radioactive materials,
3 hazardous wastes, toxic substances or related injurious materials, whether injurious by
4 themselves or in combination with other materials (collectively, "hazardous materials").
5 For the purpose of this Lease, hazardous materials shall include, but not be limited to,
6 substances defined as "hazardous substances," "hazardous materials," or "toxic
7 substances" in the Comprehensive Environmental Response, Compensation and
8 Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous
9 Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource
10 Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those
11 substances defined as "hazardous wastes" in Section 25117 of the California Health
12 and Safety Code or as "hazardous substances" in Section 25316 of the California
13 Health and Safety Code; and in the regulations adopted in publications promulgated
14 pursuant to said laws now and in the future.

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

16 Lessee acknowledges, understands and agrees that it shall comply with California
17 State Water Resources Control Board general permit requirements now and in the
18 future relating to storm water discharges associated with activities such as aircraft
19 rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing.
20 Lessee further acknowledges, understands and agrees that it shall participate as a co-
21 permittee under said general permit, participate in the Jacqueline Cochran Regional
22 Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D",
23 attached hereto and by this reference made a part of this Lease, including with out
24 limitation, the Best Management Practices, Best Available Technology Economically
25 Achievable, and Best Convention Pollutant Control Technology.

26 29. Free from Liens. Lessee shall pay, when due, all sums of money that
27 may become due for any labor, services, material, supplies, or equipment, alleged to
28 have been furnished or to be furnished to Lessee, in, upon, or about the Leased

1 Premises, and which may be secured by a mechanics, materialmen's or other lien
2 against the Leased Premises or County's interest therein, and will cause each such
3 lien to be fully discharged and released at the time the performance of any obligation
4 secured by such lien matures or becomes due; provided , however, that if Lessee
5 desire to contest any such lien, it may do so, but notwithstanding any such contest, if
6 such lien shall be reduced to final judgment, and such judgment or such process as
7 may be issued for the enforcement thereof is not promptly stayed, or is so stayed, and
8 said stay thereafter expires, then and in such event, Lessee shall forthwith pay and
9 discharge said judgment.

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

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

16 32. Right of First Refusal. Providing Lessee faithfully performs all of the
17 conditions and covenants contained herein, and is not in default of the Lease at the
18 date of expiration, and further providing Lessor offers the Leased Premises for lease at
19 any time during the twelve (12) months subsequent to said expiration, Lessee, its
20 successor, or assigns shall have the first right of refusal to enter into a new lease
21 agreement with Lessor under the final terms being offered by Lessor to any
22 prospective lessee. Issuance of a Request for Proposals or Bid or similar issuance
23 does not constitute an offering of lease terms. Lessor shall provide Lessee written
24 notice by United States mail that the Leased Premises are available for lease and the
25 terms of said lease, and Lessee shall have thirty (30) days from the postmark of said
26 notice to give written notice of acceptance of the proposed lease under the terms and
27 conditions contained in said notice. Should Lessee fail to notify Lessor of acceptance
28 of said lease agreement within the thirty (30) days set forth herein, Lessee shall be

1 deemed to have rejected said offer to lease, and Lessor shall be released from any
2 further obligation hereunder.

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

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

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

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

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

23 COUNTY

24 County of Riverside
25 Economic Development Agency
26 3525 Fourteenth Street
27 Riverside, CA 92501
28 Attn: Assistant County Executive Officer/EDA

LESSEE

Desert Resorts Aviation, LLC
c/o Matthew Johnson
45-445 Portola Avenue, Suite 5
Palm Desert, CA 92260

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

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

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

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

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

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

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

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

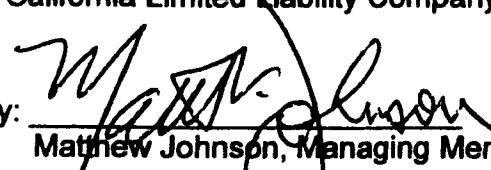
26 ///

27 ///

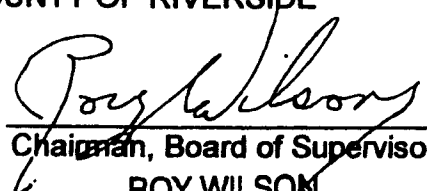
28

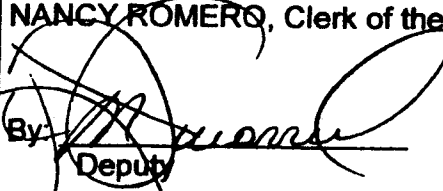
1 44. Construction of Lease. The parties hereto negotiated this Lease at arms
2 length and with the advice of their respective attorneys, and no provisions contained
3 herein shall be construed against County solely because it prepared this Lease in its
4 executed form.

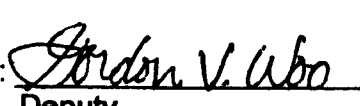
5
6 Date: 8/10/04

Desert Resorts Aviation, LLC
a California Limited Liability Company
By: 
Matthew Johnson, Managing Member

7
8
9
10
11 Date: 9-14-04

COUNTY OF RIVERSIDE
By: 
Chairman, Board of Supervisors
ROY WILSON

12
13
14
15
16 ATTEST:
17 NANCY ROMERO, Clerk of the Board
18
19 By: 
Deputy

FORM APPROVED:
WILLIAM C. KATZENSTEIN, County Counsel
By:  8/23/04
Deputy

20
21 (SEAL)

22 Attachments:

- 23 1. Exhibit A – Legal Description
24 2. Exhibit A-1 – Survey and legal Description to be supplied by Lessee
25 3. Exhibit B – Federally Required Lease Provisions
26 4. Exhibit C – Minimum Standards
27 5. Exhibit D – Storm Water Pollution Prevention Plan

28 F:\Shared\COMAIRPORTS\DRRA-ThermafJohnson\JOHNSON FBO Lea may 2704.doc

M:\7000\p7063 matt johson desert resorts\DRRA Draft Lease.8.2.04.2.doc

EXHIBIT "A"
LEGAL DESCRIPTION – LEASE AREA

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;

THENCE SOUTH 89°49'49" EAST, ALONG THE NORTHERLY LINE OF SAID SECTION 21, A DISTANCE OF 1274.06 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY PROLOGATION OF THE EASTERLY LINE OF THE COUNTY YARD PARCEL AS DESCRIBED IN DEED RECORDED MAY 27, 1975 AS INSTRUMENT NO. 61056, OFFICIAL RECORDS;

THENCE SOUTH 00°01'08" EAST, ALONG SAID EASTERLY LINE OF THE COUNTY YARD PARCEL, A DISTANCE OF 700.00 FEET TO THE SOUTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED;

THENCE CONTINUING SOUTH 00°01'08" EAST, A DISTANCE OF 77.00 FEET;

THENCE SOUTH 89°58'07" EAST, A DISTANCE OF 481.60 FEET;

THENCE SOUTH 00°01'53" WEST, A DISTANCE OF 613.72 FEET;

THENCE NORTH 89°58'07" WEST, A DISTANCE OF 791.39 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY OF INVADER AVENUE;

THENCE NORTH 00°01'20" EAST, ALONG THE EASTERLY RIGHT OF WAY OF INVADER AVENUE, A DISTANCE OF 75.00 FEET TO THE INTERSECTION OF SAID EASTERLY RIGHT OF WAY AND THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET;

THENCE SOUTH 89°57'04" WEST, ALONG THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET, A DISTANCE OF 349.72 FEET TO THE SOUTHEAST CORNER OF THE EAST ONE-HALF OF LOT 4 IN SECTION 21, T.6S., R.8E., S.B.M., AS SHOWN ON MAP OF THE COACHELLA LANDS AND WATER COMPANY, A SHOWN ON MAP THEREOF ON FILE IN BOOK 4 OF MAPS, AT PAGE 53, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA;

THENCE NORTH 00°01'08" WEST, ALONG THE WESTERLY LINE OF SAID EAST ONE-HALF OF LOT 4, A DISTANCE OF 617.81 FEET TO THE SOUTHWEST CORNER OF SAID COUNTY YARD PARCEL;

THENCE SOUTH 89°49'49" EAST, ALONG THE SOUTHERLY LINE OF SAID COUNTY YARD PARCEL, A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED.

SAID DESCRIBED LEASE AREA CONTAINS 16.66 ACRES, MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Prepared under the supervision of:
WEDDLE SURVEYING MAPPING, INC.



David L. Weddle, P.L.S. #5570
Exp. 09/30/2005

Date: MAY 25, 2005



EXHIBIT "B"

SHEET 1 OF 1

PLAT - LEASE AREA
DESERT RESORTS AVIATION, LLC

P.O.C.
NW COR SEC 21,
T6S, R8E

AIRPORT BLVD.

S89°49'49"E 1274.06'

67'

WLY LINE 1/4 LOT 4

COUNTY YARD
REC. MAY 27, 1975
INSTRUMENT NO. 61056

LOT 4
MB 4/53

P.O.B.

S00°01'08"E 700.00'

S89°49'49"E 660.00'

S00°01'08"E 77.00'

S89°58'07"E 481.60'

HIGGINS DRIVE

33'

66'

N00°01'08"W 617.81'

DESERT RESORTS AVIATION, LLC
LEASE AREA

S89°57'04"W
349.72'

S00°01'53"W 613.72'

LIGHTNING STREET

N00°01'20"E 75.00'

N89°58'07"W 791.39'

66'

MILLION AIR LA QUINTA
LEASE AREA

INVADER AVENUE

AVENGER BLVD.



PREPARED UNDER THE
SUPERVISION OF:

MAY 25, 2005

DAVID L. WEDDLE, P.L.S. 5570

DATE

SCALE: 1" = 300'

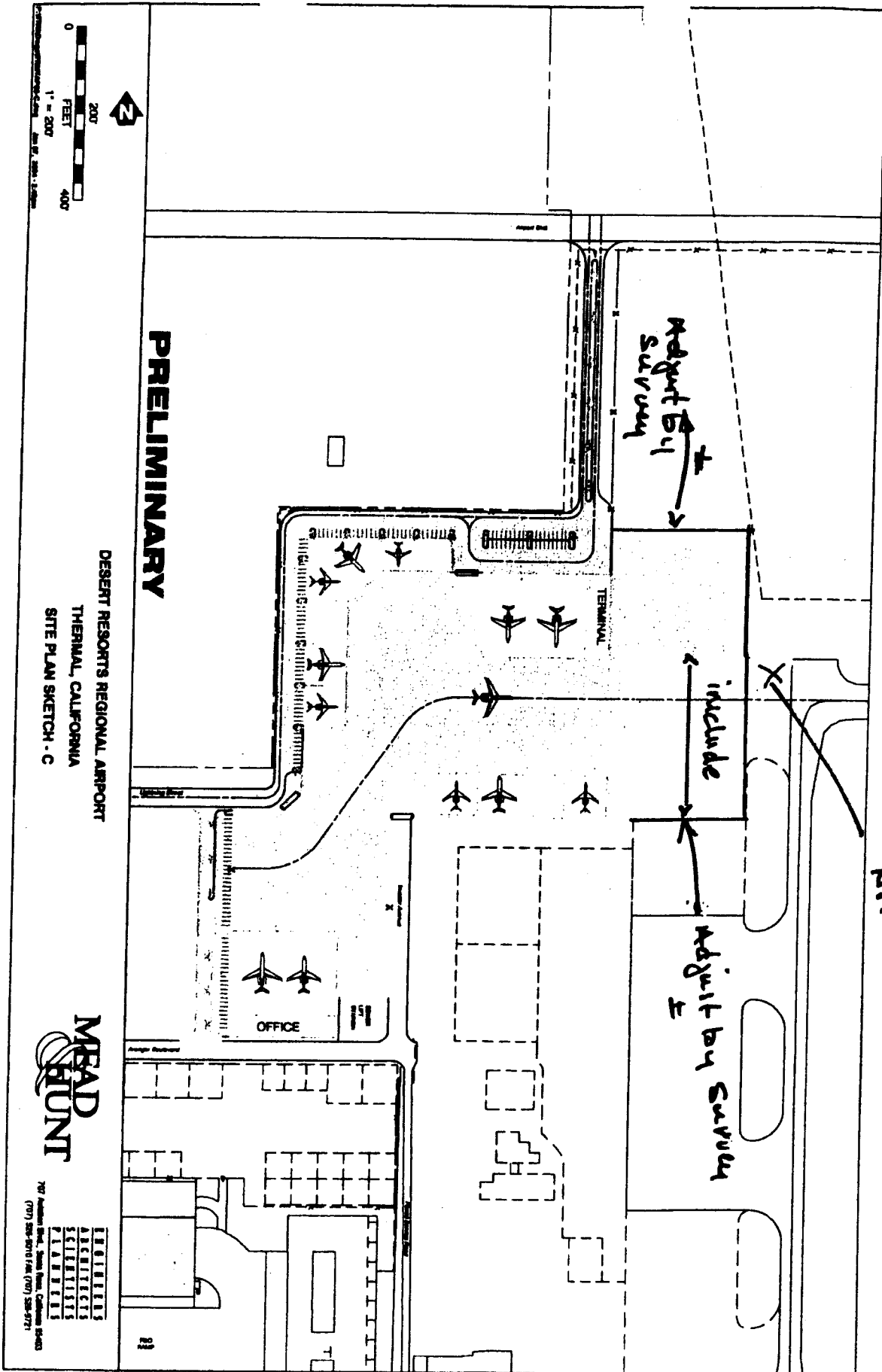


EXHIBIT "A"

FEDERALLY REQUIRED LEASE PROVISIONS

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

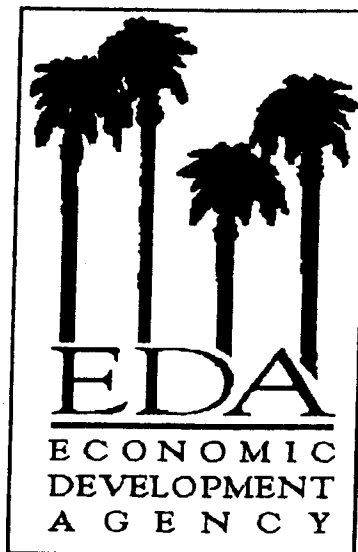
5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such noncompliance, the County shall have the right to terminate this lease agreement and the estate thereby created without liability therefore or, at the election of the County or the United States,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

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

Minimum Standards for Fixed Base Operators

Riverside County Airports

RIVERSIDE
C O U N T Y



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

Adopted January 30, 2001

EXHIBIT C

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DEFINITIONS	2
III.	AIRPORT RULES AND REGULATIONS	3
	A. Lease	3
	B. Airport Layout	4
	C. Signs	4
	D. Building Design, Construction, and/or Alterations	4
	E. Inspections	5
	F. Flying Clubs	5
	G. Waiver from Minimum Standards	5
	H. Civil Rights	5
	I. Insurance	6
	J. Lot Size	6
	K. Outdoor Storage	7
	L. Maintenance	7
IV.	SCOPE OF SERVICES	7
	A. Full-Service FBO	8
	B. Aircraft Maintenance	9
	C. Radio and Avionics Repair Station & Sales	10
	D. Flight Instruction	11
	E. Aircraft Sales, Rental, and Leasing	12
	F. Aircraft Storage	13
	G. Agricultural Application	14
	H. Other Aeronautical Activities	16

I. INTRODUCTION

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

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

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

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

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

II. DEFINITIONS

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

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

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

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

ALP - Airport Layout Plan

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

CEQA - California Environment Quality Act

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

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

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

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

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

FUEL - FAA authorized aviation fuel, including jet fuel

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

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

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

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

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

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

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

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

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

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

B. Airport Layout

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

C. Signs

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

D. Building Design, Construction, and/or Alterations

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

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

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

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

E. Inspections

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

F. Flying Clubs

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

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

G. Waiver from Minimum Standards

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

H. Civil Rights

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

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

I. Insurance

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

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

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

J. Lot Size

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

K. Outdoor Storage

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

L. Maintenance

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

IV. SCOPE OF SERVICES

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

Table A - FULL SERVICE FBO

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

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

Table B - AIRCRAFT MAINTENANCE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
Automobile parking	200 SF	Office storage room
Landscaping	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building

CERTIFICATION:

Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43
---------	---

PERSONNEL:

Staff	Sufficient qualified technicians to meet proposal.
Certification & training	Proper certification and training
	To comply with all applicable regulations

HOURS OF OPERATION:

Services	5 days/week, 8 hrs/day
	Services offered for emergency situations
	One (1) hr response time during non-business hours

EQUIPMENT:

Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to lug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
---	---	--

INSURANCE:

Refer to Appendix A

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

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

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

Table D - FLIGHT INSTRUCTION

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 500 SF (not necessarily contiguous)		
Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	

<u>PERSONNEL:</u>		
Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction

<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	

<u>EQUIPMENT:</u>		
Aircraft	One (1) single-engine aircraft	Available for flight training

INSURANCE:

Refer to Appendix A

Table E - AIRCRAFT SALES AND LEASING

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 150 SF		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 50 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings

CERTIFICATION:

New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer
Aircraft available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate

PERSONNEL:

Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
-------	--	-------------------------------

HOURS OF OPERATION:

Business Hours	Available for appointment at least 40 hrs/week
----------------	--

EQUIPMENT:

Minimum equipment required shall be determined during lease negotiations.

INSURANCE:

Refer to Appendix A

Table F - AIRCRAFT STORAGE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	<ol style="list-style-type: none"> 1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval 	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
<u>PERSONNEL:</u>		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)

HOURS OF OPERATION:

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

INSURANCE:

Refer to Appendix A

ADDITIONAL GUIDELINES:

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

Table G - AGRICULTURAL APPLICATION

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Apron, tie-down area	6,000 SF	Storage
Building space	400 SF	For offices, lobby, public phone, and restrooms
Chemical storage	400 SF	
Automobile parking	Minimum of five (5) parking spaces, with landscaping as required by Ord. 348	For number of employees per shift and average number customers
Landscaping	Specific plans to be determined during lease negotiations	Required around vehicle parking, sidewalks, and buildings

CERTIFICATION:

Permits and certificates	Must be submitted to Assistant County Executive Officer / EDA or Designee prior to operations.	
Renewals	Furnished to EDA Executive Director or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615

PERSONNEL:

Staff	Minimum number to be determined during lease negotiations.
Certification & training	Personnel must be knowledgeable about the safe handling of poisons and agricultural chemicals and the proper disposal of substances intended to be used in operations.

HOURS OF OPERATION:

Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
----------------	--	------------------------------

EQUIPMENT:

To be determined during lease negotiations.

INSURANCE:

Refer to Appendix

Table G - AGRICULTURAL APPLICATION (continued)

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

Table H - OTHER AERONAUTICAL ACTIVITIES

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Building space	400 SF	For offices, lobby area, and restrooms. Additional space may be required depending on the operation
Aircraft storage	To be determined during lease negotiations	Hangar or outside storage to accommodate the operational activities desired.
Automobile parking	Minimum of five (5) parking spaces or 810 SF, with landscaping as required by Ord. 348	For number of employees per shift and average number customers.
Landscaping	Specific plans to be determined during lease negotiations.	Required around vehicle parking, sidewalks, and buildings.

CERTIFICATION:

As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
---------------------------------	---	---

PERSONNEL:

Staff	Sufficient number during normal hours of operation	
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	To comply with all applicable regulations

HOURS OF OPERATION:

Services	To be determined during lease negotiations.	Minimum requirements would be: normal telephone contact five (5) days a week (M-F) eight (8) hours a day.
----------	---	---

EQUIPMENT:

To be determined during lease negotiations depending on the type of activity proposed.

INSURANCE:

Refer to Appendix A

MINIMUM STANDARDS FOR FIXED BASE OPERATORS APPENDIX NO. 1 - INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS (Page One of Two Pages)

ALL LIMITS SHOWN ARE MINIMUMS AND ARE ON A PER OCCURRENCE COMBINED SINGLE LIMIT BASIS	Statutory Workers' Compensation Insurance including Disease/Injury and Employers' Liability in an amount not less than	Airport Commercial General Liability Insurance incl. but not limited to, premises, contractual, operations, personal & advertising injury liabilities in an amount not less than	Fire Legal Liability if not included in the Airport Commercial General Liability in an amount not less than	Vehicle Liability Insurance for all owned, non-owned or hired vehicles and/or licensed mobile equipment while on airport premises and while off airport only if responding to an emergency in an amount not less than	Aircraft Hull values not less than an "agreed amount" unless otherwise stated for all owned, non-owned, hired hulls, and Aviation Liability to include a minimum passenger seat limit of \$250,000 in an amount not less than 4	Products and Completed Operations Liability Insurance if not otherwise included in the Airport Commercial General Liability in an amount not less than	(If applicable) Ground Hanger Keeps Liability with a limit of liability equal to the combined hull value of all aircraft in any one hanger and a minimum liability limit of	(If applicable) In Flight Hanger Keeps Liability Insurance in an amount not less than	Pollution Liability insurance covering gradual, sudden and accidental pollution including first and third party clean-up in an amount not less than	Coverage Type
Full Service FBO	\$ 1,000,000	\$ 5,000,000	\$ 100,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	\$ 1,000,000	\$ 5,000,000	\$ 2,000,000	1,2
Aircraft Maintenance	\$ 1,000,000	\$ 5,000,000	\$ 100,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	\$ 1,000,000	\$ 5,000,000	\$ 2,000,000	1,2
Radio and Avionics Repair Stations and Sales	\$ 1,000,000	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	1,2,4
Flight Instruction	\$ 1,000,000	\$ 5,000,000	\$ 100,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	1,2,4
Aircraft Sales, Rental and Leasing	\$ 1,000,000	\$ 5,000,000	\$ 100,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	1,2,4
Aircraft Storage	\$ 1,000,000	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	1,2,4
Flying Clubs****	\$ 1,000,000	\$ 2,000,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	1,2,4
Agricultural Application	\$ 1,000,000	\$ 1,000,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	3

Special Events

Other Aeronautical Activities

EACH SPECIAL EVENT IS SUBJECT TO COMPLETED APPLICATION, PERMIT AND REVIEW/RECOMMENDATION OF TYPES OF INSURANCES REQUIRED BASED ON THE TYPE OF ACTIVITY(S).
Types of insurance coverages and limits of liability will be based on the type(s) of activities and exposures.

1. Independent Contractors to be included in Aviation General Liability coverage
2. Medical Payments in an amount not less than \$3,000 to be included in Aviation General Liability coverage
3. Include Agriculture Endorsement on Aircraft Hull and Liability Insurance policy and provide the County with a certified original copy of the endorsement.
4. Must have replacement cost value and not "agreed amount" as noted above.

*** The limits and coverage required may vary depending upon the activity involved.
**** Workers' Compensation is required if Flying Club has employees.

APPENDIX No. A. - INSURANCE REQUIREMENTS (Continued, Page 2 of 2)

Workers' Compensation

1. Policy shall be endorsed to include, if applicable, Borrowed Servant / Alternate Employer.
2. Policy shall be endorsed to 'Waive Subrogation in favor of the County of Riverside'

All Policies (Other than Workers' Compensation)

1. Each policy shall be endorsed to name all Agencies, Districts, Special Districts and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.
2. If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be no less than two (2) times the occurrence limit.

All Policies (Including Workers' Compensation)

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the County Risk Manager.
2. Each insurance company shall have an A.M. BEST rating of not less than an; A:VIII (A:8)
3. Provide either 1) a properly executed original Certificate(s) of Insurance and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if insurance is in full force and effect.
4. Certificates to contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance except ten (10) days for non payment of premium.
5. Operations shall not commence until the County of Riverside has been furnished evidence of coverage as described in item 3.
6. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.
7. The EDA Director, upon the advise of the County Risk Manager, reserves the right to increase the limits or required additional insurance coverage beyond that set forth herein.

STORM WATER POLLUTION PREVENTION PLAN INTRODUCTION AND PURPOSE

The California airport group members have submitted their Notices of Intent (NOI) and are now in the compliance phase of the California General Permit. The General Permit requires airport discharges 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 as not being achieved.

PLANNING AND ORGANIZATION

POLLUTION PREVENTION PERSONNEL

POLLUTION PREVENTION COMMITTEE MEMBERS

Airport Manager/Representative: Thomas Turner

DUTIES: Overall compliance; Inspection of airports.

Phone: (909) 351-0700 x 358 24-hour Phone: (909) 412-3049

Designated Individuals

Name: Captain Heally, C.D.F. Fire Title: _____

Phone: (760) 399-5303 24-hour Phone: 9-1-1

Duties: County fire compliance with permit.

Name: Eric Affeldt Title: Manager, Million Air La Quinta F.B.O.

Phone: (760) 399-1855 24-hour Phone: _____

Duties: F.B.O. compliance.

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

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

Description of Significant Material Handling

Significant Materials Treated or Stored

Significant Materials Stored:

1) Jet-A and Avgas stored in underground and above ground tanks.

2) Used motor oil

Significant Materials Disposed:

1) Fuel from underground tank is used in aircraft. Underground and aboveground tanks are regulated by title 23 of the California Health and Safety Code, EPA underground Tank Regulations, and riverside County Ordinance No. 617

2) Fertilizer and pesticides are controlled by EPA, State, and county regulations.

Fertilizers and Pesticides are disposed of off airport property.

3) Used motor oil is recycled through a licensed contractor.

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

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

2) Fuel spill in 1995, overfilled fuel trucks. Topsoil removed by airport staff and disposed of by operator. County Haz - Mat called.

3) Site clean up completed in Feb. 1998

Airport Industrial Storm Water Treatment Facilities:

1) No facilities are now on the airport.

Materials Management Practices:

- 1) All hazardous material spills must be reported to the airport manager, County Health and County Fire to insure immediate and proper cleanup and disposal. Liquid absorbent material is stored on site.
- 2) Areas where materials are stored and or have the possibility to spill are inspected monthly, with spot inspections during daily airport 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 preventative maintenance.
- 2) Cleaning vehicles with biodegradable solvents and soaps, in designated areas only.
- 3) Routine daily inspections of vehicles.

Material Loading, Unloading, and Access Areas:

- 1) Insure all personnel are trained and or have proper license.
- 2) Restrict material-handling areas to trained personnel only.
- 3) Insect equipment monthly to insure it is in proper working order and notify the responsible party if not.

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

1) Monthly inspections of all aircraft tie downs, auto parking lots, streets and hangar areas.

2) Daily spot inspections done during routine airport safety inspections.

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

1) Use of dirt roads restricted to airport employees for inspections and maintenance.

2) Monthly inspections of all drains, inlets, flood control berms for unauthorized water runoff.

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 above ground and under ground tanks or in fuel trucks.

2) Motor vehicle oils are stored inside buildings.

3) All pesticides and fertilizers are stored in building or on covered concrete slabs.

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 are dirt but rarely used.

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

3) Dirt roads are restricted to airport personnel only.

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 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.

POLLUTANT LIST

TABLE 3-1

Date	Pollutant Present	Use	Quantity Estimate
10/1	Aviation Fuels	20,000 gal. annually	
10/1	Motor oils	300	
10/1	Anti Freeze	Ground vehicles	No significant
10/1	Engine oil	Aircraft and Ground vehicles	Spill history

Airport Size

Airport Size (acres or square feet): 2,363 Acres

Impervious Area (acres or Square Feet): 35.5 Acres

Percentage of Impervious Area (Impervious area/total area x 100): 1.5%

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.

Airport Size

Airport Size (acres or square feet): 2,363 acres

Impervious Area (acres or Square Feet): 45. Acres Amendment-10-26- 50.75 acres

Percentage of Impervious Area (Impervious area/total area x 100): 2. % - 2.1%

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.

SAMPLING EVENT RECORDS TABLE 3-3

Date Sampled	Outfall Sampled	Analysis Performed	Analysis Method	Sampling Team
Nov. 98	1			Tom Turner

STORM WATER MANAGEMENT CONTROLS

This section of the SWPP describes storm water management controls, which are appropriate for the identified potential pollutant sources at the facility

The regulations require the following descriptions and information to be included in the storm water management control portion of the SWPPP:

- Prevention Maintenance and Inspections
- Good Housekeeping
- Spill Prevention and Response
- Storm Water Management Practices
- Sediment and Erosion Prevention
- Employee training

Preventative Maintenance

The preventative maintenance program should include the following:

- Identification of the equipment and systems targeted for the PM program
- Periodic inspections of identified equipment and systems
- Appropriate adjustments, repair, or replacement of parts
- Record keeping documenting inspections and follow-up action

Documentation and retention of records is a critical element of a good preventative maintenance and inspection program. A tracking and follow-up procedure is recommended to ensure that an appropriate response to the inspection findings has been made. All inspection documentation and records must be maintained with the SWPPP for a period of 5 years, Table 4-1 should be used to record inspection and maintenance activities, and any corrective actions implemented.

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 tie down areas to look for leaks and spills.
- 2) Notices sent to F.B.O.s and aircraft owners to correct any problems.
- 3) Vehicle and equipment washing to be done in designated areas only.
- 4) No hangars, equipment storage or maintenance facilities are allowed to be hosed out. All oil and fuel will be cleaned by using oil absorbent materials or biodegradable solvents or soaps, then disposed of properly.

- 5) Drip pans and 100 pounds of absorbent material stored at each F.B.O. site near fuel storage and maintenance areas.
- 6) Drums and tanks containing used oil are to store in a covered area with retention.
- 7) The County and each co-Permittees will train all personnel on the proper handling of hazardous materials. List of agency's to notify if a spill occurs.
- 8) The designated airport representative will inspect the airport monthly to include co-Permittees areas to insure compliance with the S.W.P.P.P.
- 9) All unpaved roads restricted to necessary traffic.
- 10) All vehicle fueling to take place on paved areas to simplify clean up if a spill occurs. Also keeps cost down.

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

Table 4-4 will be used to record the spill control and countermeasures established by the airport. Please add any additional documentation relating to spill prevention countermeasures and control to this document.

See Protocols and Management Practices

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: Tom Turner
 Title: Airport Manager
 Phone: (909) 351-0700 x 358 24-hour Phone: 909-412-3049

Alternate: Paul Hardin
 Title: Airport Operation
 Phone: (909) 358-5164 24-hour 24 hour Phone: 909-416-8958

Storm Water Management Practices

- 1) Daily inspections of tie down 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 needs to 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 biodegradable solvents and soap, then disposed of properly.
- 5) Drip pans of 100lbs. 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 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 is 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 preventive⁴ 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.

19) Insure all personnel are trained and /or have proper licensing.

20) Restrict material handling areas to trained personnel only.

21) 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.

22) 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 tie downs filled with crack fillers.

SEDIMENT CONTROL AND EROSION PREVENTION

1) Seed embankments where applicable to prevent erosion.

2) Monitor Sediment in basins and ditches; test annually and clean.

AMENDMENT SHEET

DATE	PURPOSE OF CHANGE	PAGES AMENDED	SIGNATURE
3-11-93	ADDED RUNWAY & TAXIWAY	7.B - 14	
10-26-98	ADDED TAXIWAY "F"	7.B - 14	
10-26-98	INCREASE SIZE, RETENTION BASIN TO 11 ½ ACERS.		

EMPLOYEE TRAINING SCHEDULE

TABLE 4 - 5

Workshop Topic	Dates	Personnel Attending

EMPLOYEE TRAINING

Training should be recorded on Table 4 - 5.

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 subjected 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

Inspection

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.

EXHIBIT "A"
LEGAL DESCRIPTION – LEASE AREA

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;

THENCE SOUTH 89°49'49" EAST, ALONG THE NORTHERLY LINE OF SAID SECTION 21, A DISTANCE OF 1274.06 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY PROLOGATION OF THE EASTERLY LINE OF THE COUNTY YARD PARCEL AS DESCRIBED IN DEED RECORDED MAY 27, 1975 AS INSTRUMENT NO. 61056, OFFICIAL RECORDS;

THENCE SOUTH 00°01'08" EAST, ALONG SAID EASTERLY LINE OF THE COUNTY YARD PARCEL, A DISTANCE OF 700.00 FEET TO THE SOUTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED;

THENCE CONTINUING SOUTH 00°01'08" EAST, A DISTANCE OF 77.00 FEET;

THENCE SOUTH 89°58'07" EAST, A DISTANCE OF 481.60 FEET;

THENCE SOUTH 00°01'53" WEST, A DISTANCE OF 613.72 FEET;

THENCE NORTH 89°58'07" WEST, A DISTANCE OF 791.39 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY OF INVADER AVENUE;

THENCE NORTH 00°01'20" EAST, ALONG THE EASTERLY RIGHT OF WAY OF INVADER AVENUE, A DISTANCE OF 75.00 FEET TO THE INTERSECTION OF SAID EASTERLY RIGHT OF WAY AND THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET;

THENCE SOUTH 89°57'04" WEST, ALONG THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET, A DISTANCE OF 349.72 FEET TO THE SOUTHEAST CORNER OF THE EAST ONE-HALF OF LOT 4 IN SECTION 21, T.6S., R.8E., S.B.M., AS SHOWN ON MAP OF THE COACHELLA LANDS AND WATER COMPANY, A SHOWN ON MAP THEREOF ON FILE IN BOOK 4 OF MAPS, AT PAGE 53, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA;

THENCE NORTH 00°01'08" WEST, ALONG THE WESTERLY LINE OF SAID EAST ONE-HALF OF LOT 4, A DISTANCE OF 617.81 FEET TO THE SOUTHWEST CORNER OF SAID COUNTY YARD PARCEL;

THENCE SOUTH 89°49'49" EAST, ALONG THE SOUTHERLY LINE OF SAID COUNTY YARD PARCEL, A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED.

SAID DESCRIBED LEASE AREA CONTAINS 16.66 ACRES, MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Prepared under the supervision of:
WEDDLE SURVEYING MAPPING, INC.



Date: MAY 25, 2005

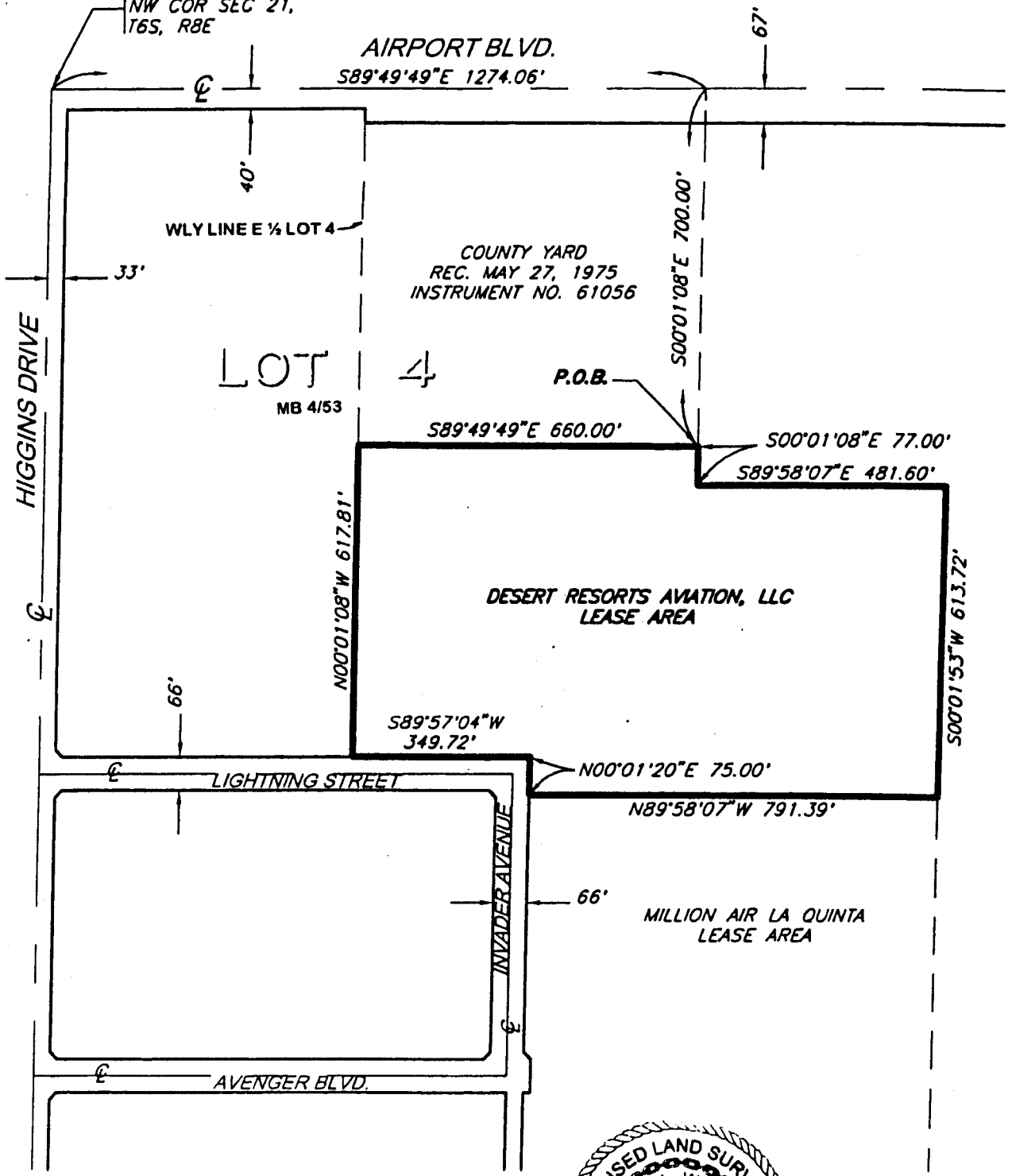
David L. Weddle, P.L.S. #5570
Exp. 09/30/2005



EXHIBIT "B"

PLAT - LEASE AREA
DESERT RESORTS AVIATION, LLC

P.O.C.
NW COR SEC 21,
T6S, R8E



PREPARED UNDER THE
SUPERVISION OF:

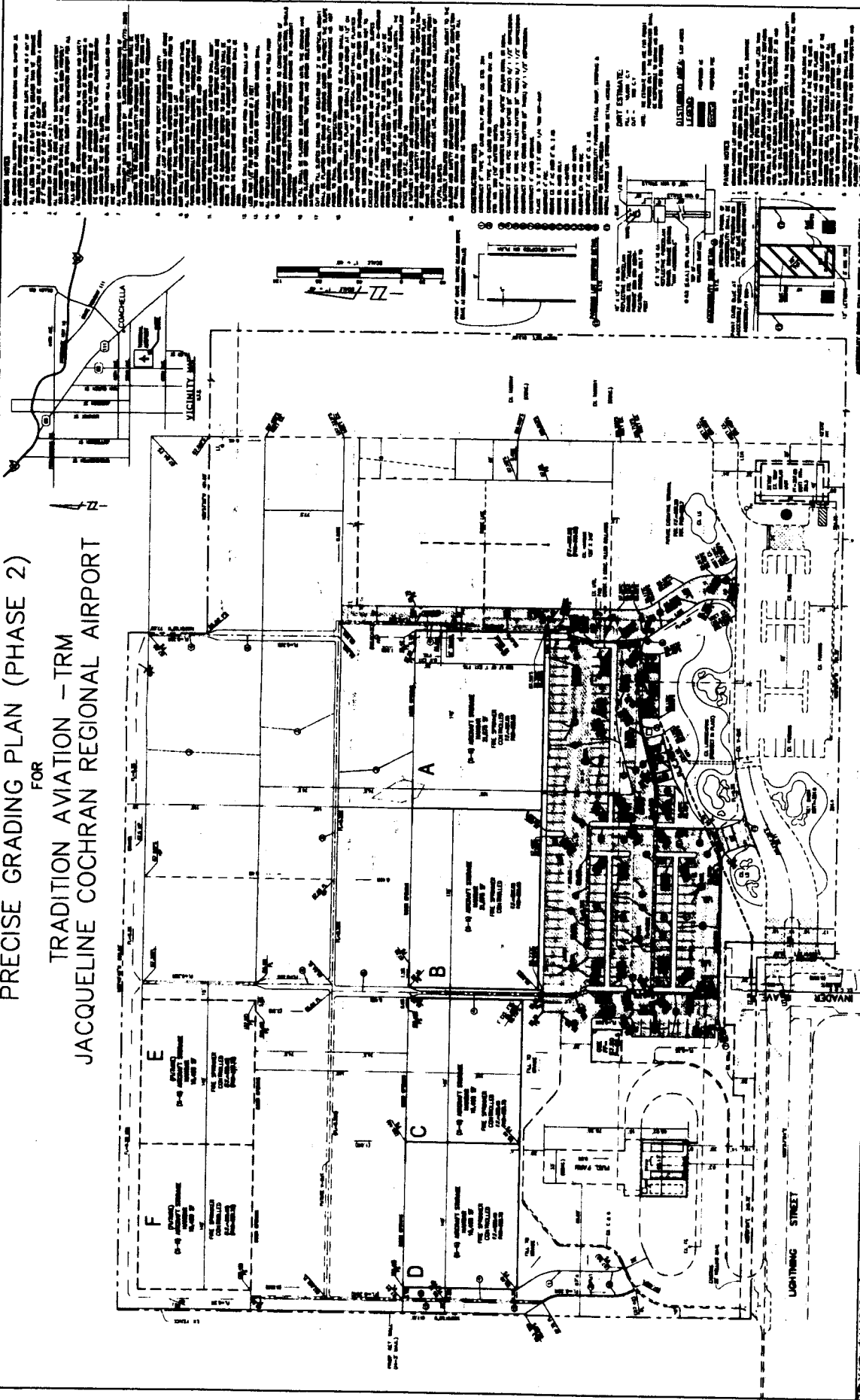
DAVID L. WEDDLE, P.L.S. 5570

MAY 25, 2005
DATE



SCALE: 1" = 300'

PRECISE GRADING PLAN (PHASE 2) FOR TRADITION AVIATION - TRM JACQUELINE COCHRAN REGIONAL AIRPORT

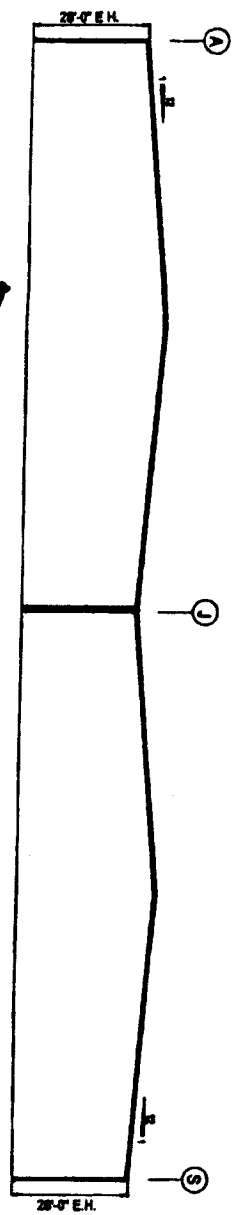


<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p> <p>DATE: 11/11/11</p> <p>SCALE: 1" = 40'</p> <p>PROJECT NO.: 11-11-11-001</p> <p>CLIENT: TRM</p> <p>DESIGNER: [Firm Name]</p> <p>PROJECT LOCATION: [Address]</p>	<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p> <p>DATE: 11/11/11</p> <p>SCALE: 1" = 40'</p> <p>PROJECT NO.: 11-11-11-001</p> <p>CLIENT: TRM</p> <p>DESIGNER: [Firm Name]</p> <p>PROJECT LOCATION: [Address]</p>
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	
<p>PRECISE GRADING PLAN (PHASE 2)</p> <p>TRADITION AVIATION - TRM</p> <p>88-400 LIGHTNING STREET</p>	

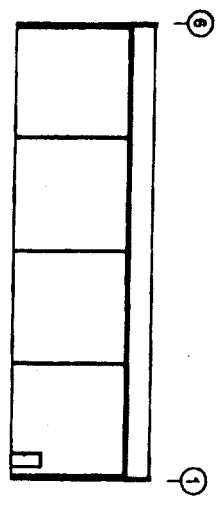


NOTE:
SEE PLAN SHEET 11-11-11-001 FOR CONTIGUOUS GRADING PLAN (PHASE 1) (88-400 LIGHTNING STREET)

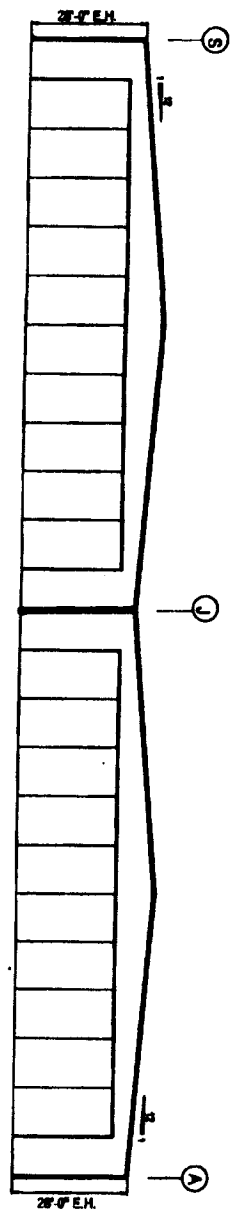
Hangars A & B		
	Outer dimension	Inner dimension
Width	175'	163'-6"
Depth	125'	123'-9"
Interior Height	edge of hangar	center of hangar
	26'-8"	33'-6.5"
Door opening		
Height		28'
Width		140'
Hangars C & D		
	Outer dimension	Inner dimension
Width	140'	129'-11.375"
Depth	110'	108'-9"
Interior Height	edge of hangar	center of hangar
	26'-8"	33'-6.5"
Door opening		
Height		28'
Width		120'



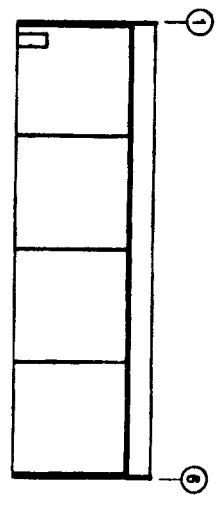
GRID 6 ELEVATION



GRID S ELEVATION



GRID 1 ELEVATION



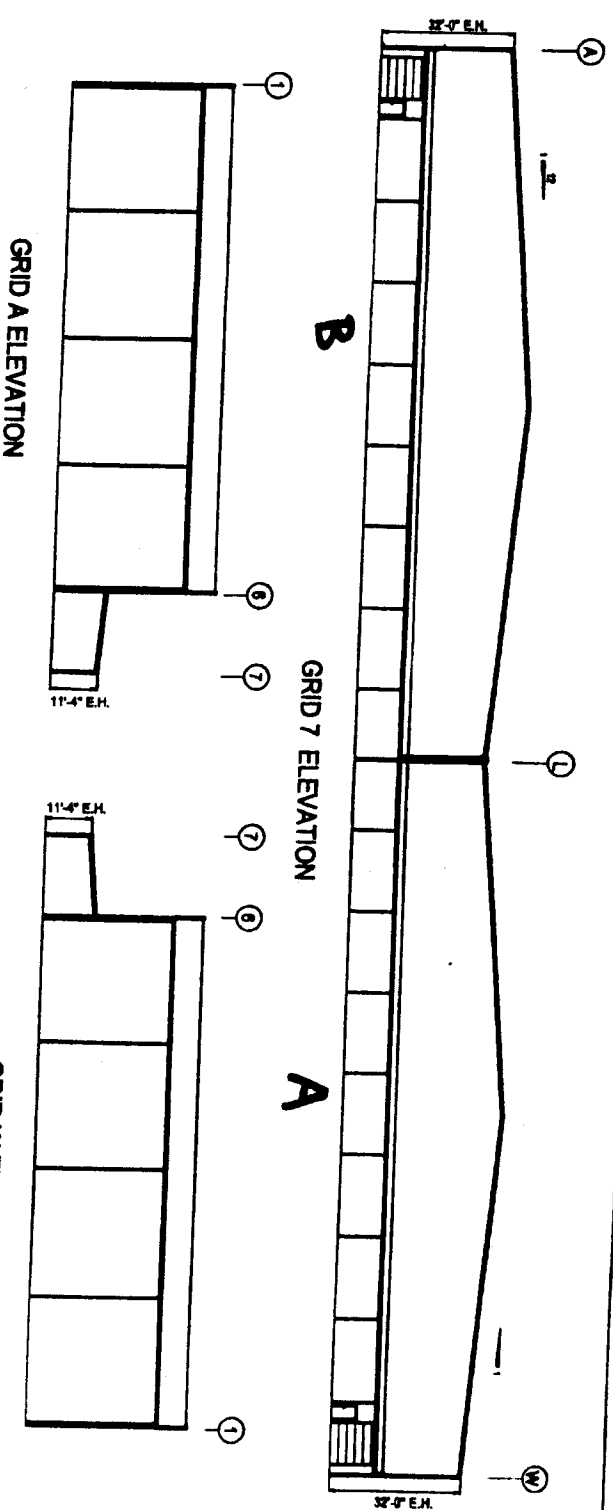
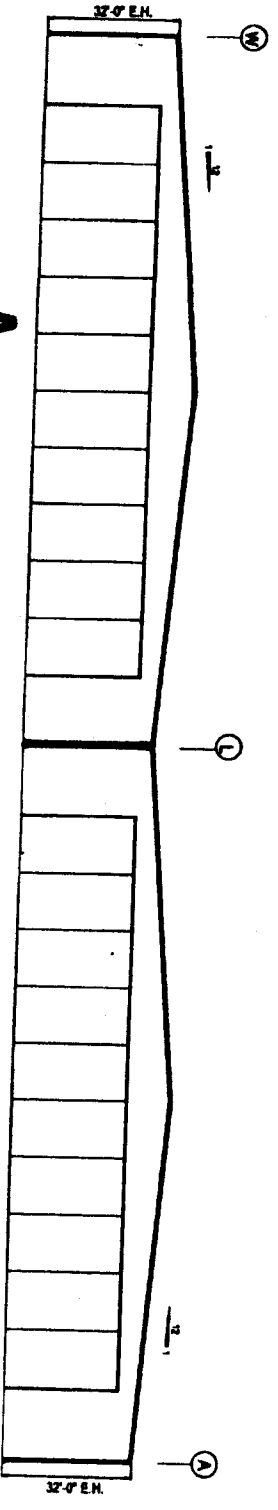
GRID A ELEVATION

AUG 21 2007



EXPIRES
SEP 30 2007

R & R STEEL COMPANY	
1000 W. 10th St.	
THERMAL, CA 95929	
PACIFIC COMMERCIAL CONST	
HANGAR #2	10571



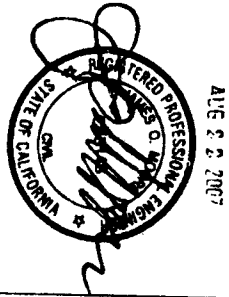
A

B

GRID A ELEVATION

GRID W ELEVATION

DATE	BY	CHKD	APP'D
11/20/07	J. STEEL	J. STEEL	J. STEEL
R. J. STEEL COMPANY 2000 S. MAIN ST. THERMAL, CA 95929 TEL: 530-938-1111 FAX: 530-938-1112			
PACIFIC COMMERCIAL CONST			
HARBOR ST			
			1 OF 48



APR 22 2007

**EXHIBIT "A"
LEGAL DESCRIPTION
HANGAR A**

A PARCEL FOR AIRPLANE HANGAR A OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 168.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S89°49'49"E, A DISTANCE OF 175.00 FEET

THENCE S00°10'11"W, A DISTANCE OF 125.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 175.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 125.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 21,875 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara

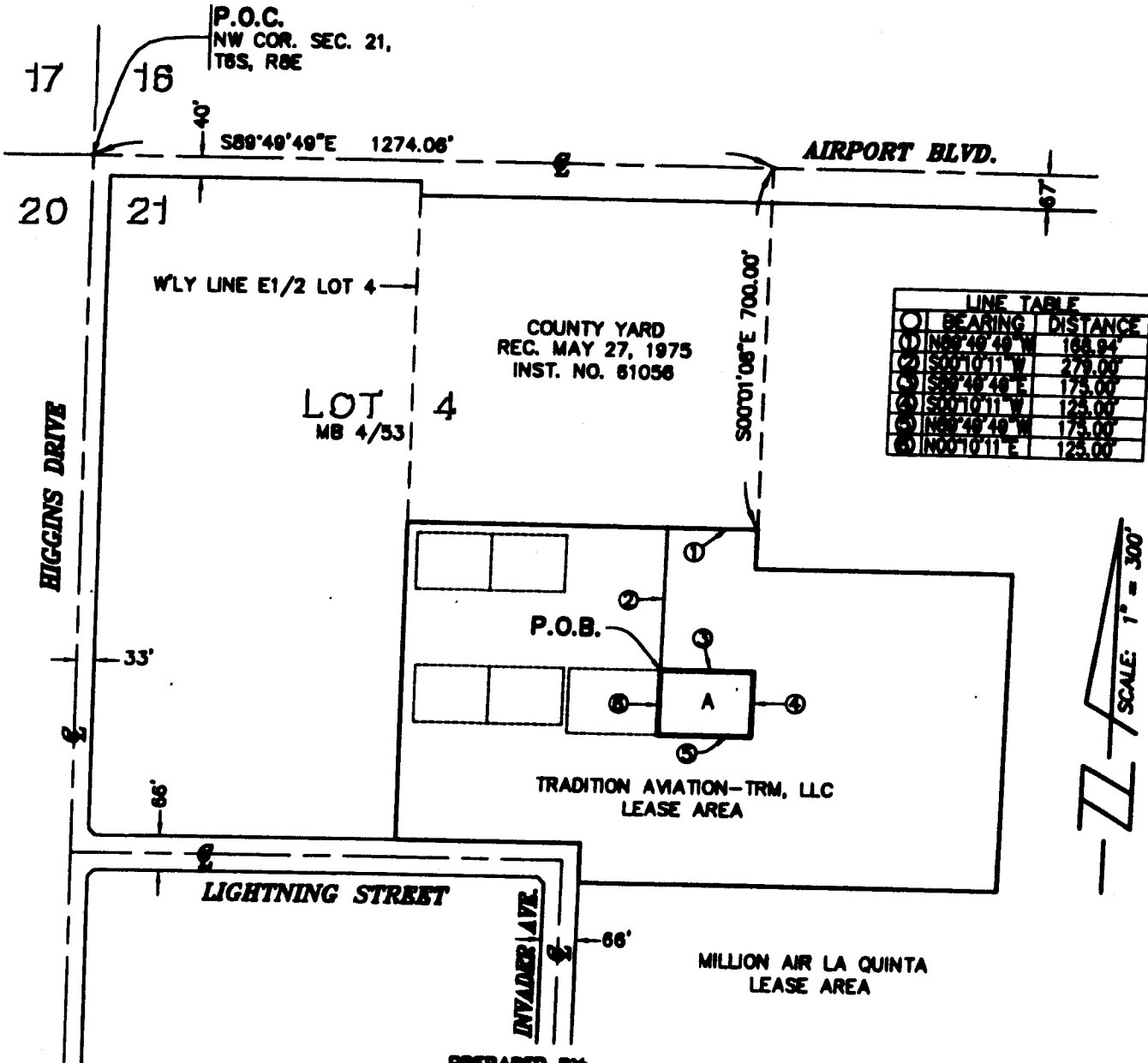
LYDIA R. SHINOHARA, RCE NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

EXHIBIT "B"
 SEC. 21, T.8S., R.8E., S.B.M.
HANGAR A

SHEET 1 OF 1



LINE TABLE		
POINT	BEARING	DISTANCE
1	N89°48'49" W	184.84
2	S00°10'11" W	279.00
3	S89°48'49" E	175.00
4	S00°10'11" W	125.00
5	N89°48'49" W	175.00
6	N00°10'11" E	125.00

PREPARED BY:



PACIFIC ENGINEERING & ASSOCIATES

CIVIL ENGINEERING · PLANNING · SURVEYING
 41-230 CARLOTTA DRIVE
 PALM DESERT, CA 92211
 (760) 348-4264 FAX (760) 779-5994

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara
 LYDIA R. SHINOHARA, RCE 32182
 MY LICENSE EXPIRES 12/31/08

11/14/07
 DATE



EXHIBIT "A"
LEGAL DESCRIPTION
HANGAR B

A PARCEL FOR AIRPLANE HANGAR B OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 168.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING S00°10'11"W, A DISTANCE OF 125.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 175.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 125.00 FEET;

THENCE S89°49'49"E, A DISTANCE OF 175.00 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 21,875 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara

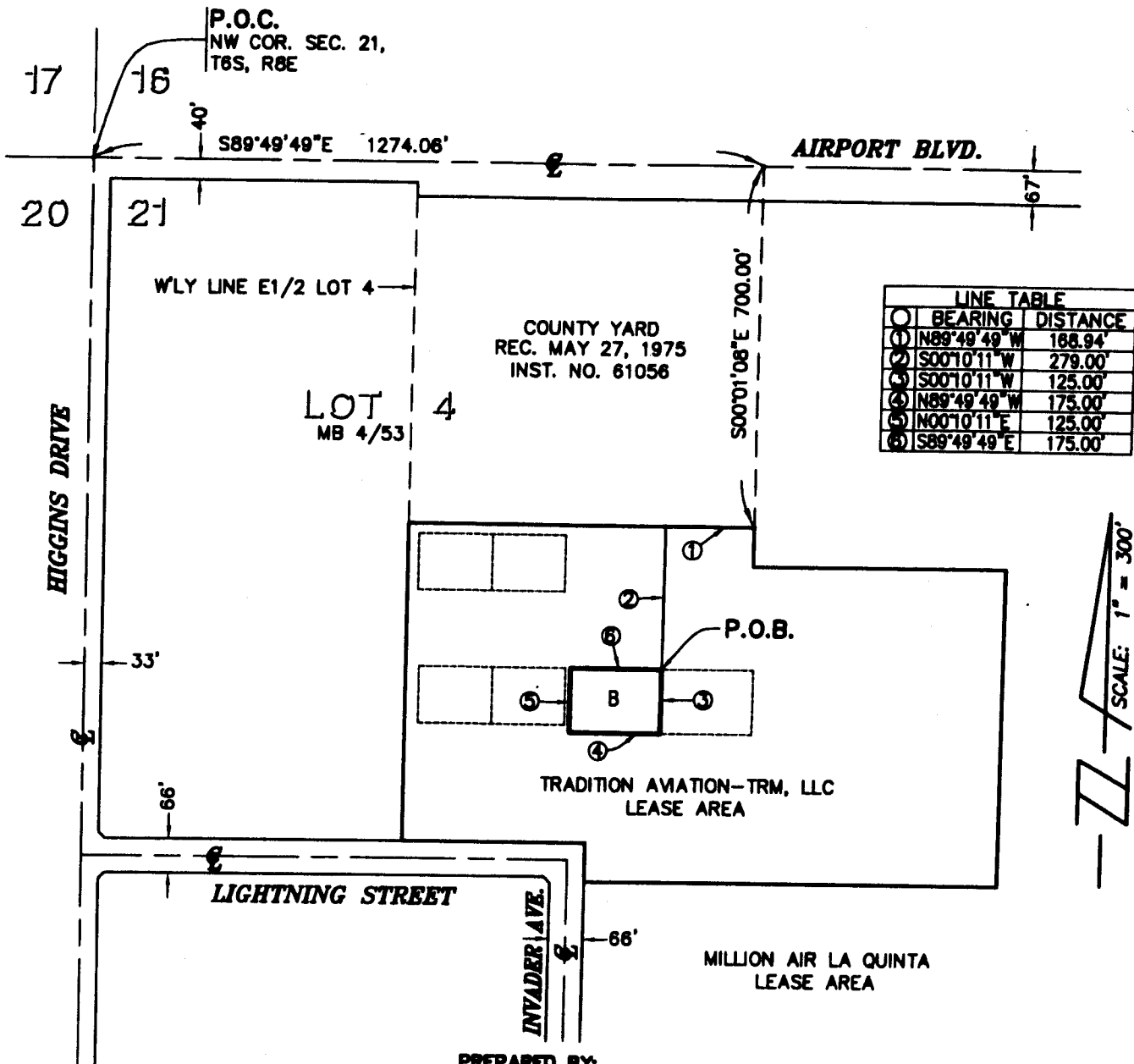
LYDIA R. SHINOHARA, RCE NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

EXHIBIT "B"

SEC. 21, T.6S., R.8E., S.B.M.
HANGAR B



LINE TABLE		
○	BEARING	DISTANCE
①	N89°49'49" W	188.94'
②	S00°10'11" W	279.00'
③	S00°10'11" W	125.00'
④	N89°49'49" W	175.00'
⑤	N00°10'11" E	125.00'
⑥	S89°49'49" E	175.00'

SCALE: 1" = 300'

PREPARED BY:

P

PACIFIC ENGINEERING & ASSOCIATES

CIVIL ENGINEERING · PLANNING · SURVEYING

41-230 CARLOTTA DRIVE
PALM DESERT, CA 92211

(760) 348-4284 FAX (760) 779-5994

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara 11/14/07

LYDIA R. SHINOHARA, RCE 32182 DATE

MY LICENSE EXPIRES 12/31/08



EXHIBIT "A"
LEGAL DESCRIPTION
HANGAR C

A PARCEL FOR AIRPLANE HANGAR C OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 353.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING S00°10'11"W, A DISTANCE OF 110.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 140.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 110.00 FEET;

THENCE S89°49'49"E, A DISTANCE OF 140.00 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 15,400 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

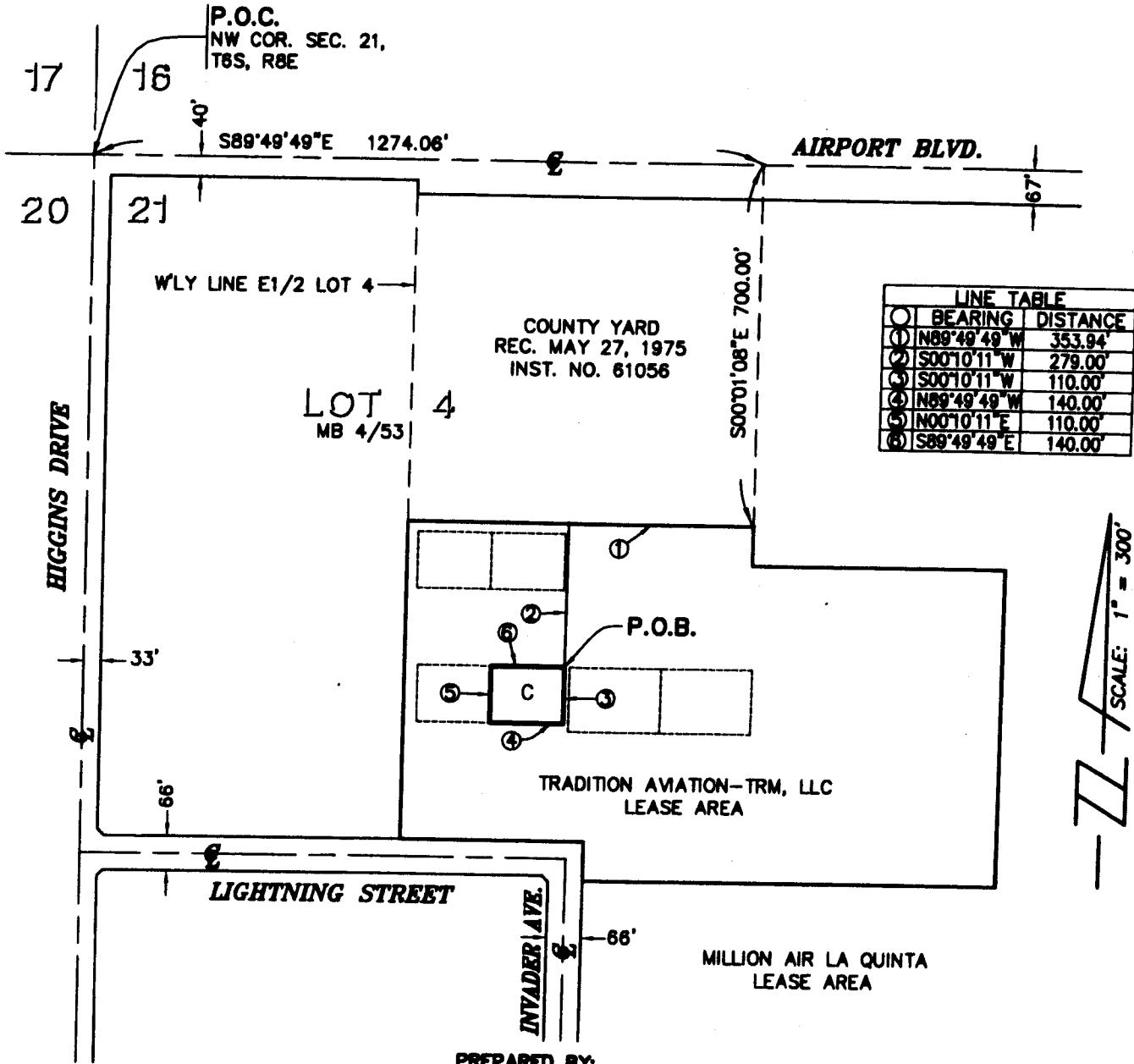
Lydia R. Shinohara

LYDIA R. SHINOHARA, RCE NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

EXHIBIT "B"
 SEC. 21, T.6S., R.8E., S.B.M.
HANGAR C



LINE TABLE		
○	BEARING	DISTANCE
①	N89°49'49" W	353.94'
②	S00°10'11" W	279.00'
③	S00°10'11" W	110.00'
④	N89°49'49" W	140.00'
⑤	N00°10'11" E	110.00'
⑥	S89°49'49" E	140.00'

SCALE: 1" = 300'

PREPARED BY:
PACIFIC ENGINEERING & ASSOCIATES
 CIVIL ENGINEERING · PLANNING · SURVEYING
 41-230 CARLOTTA DRIVE
 PALM DESERT, CA 92211
 (760) 348-4264 FAX (760) 779-5994

PREPARED UNDER THE SUPERVISION OF:
Lydia R. Shinohara
 LYDIA R. SHINOHARA, RCE 32182
 MY LICENSE EXPIRES 12/31/08

11/14/07
 DATE



EXHIBIT "A"
LEGAL DESCRIPTION
HANGAR D

A PARCEL FOR AIRPLANE HANGAR D OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 493.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING S00°10'11"W, A DISTANCE OF 110.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 140.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 110.00 FEET;

THENCE S89°49'49"E, A DISTANCE OF 140.00 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 15,400 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara

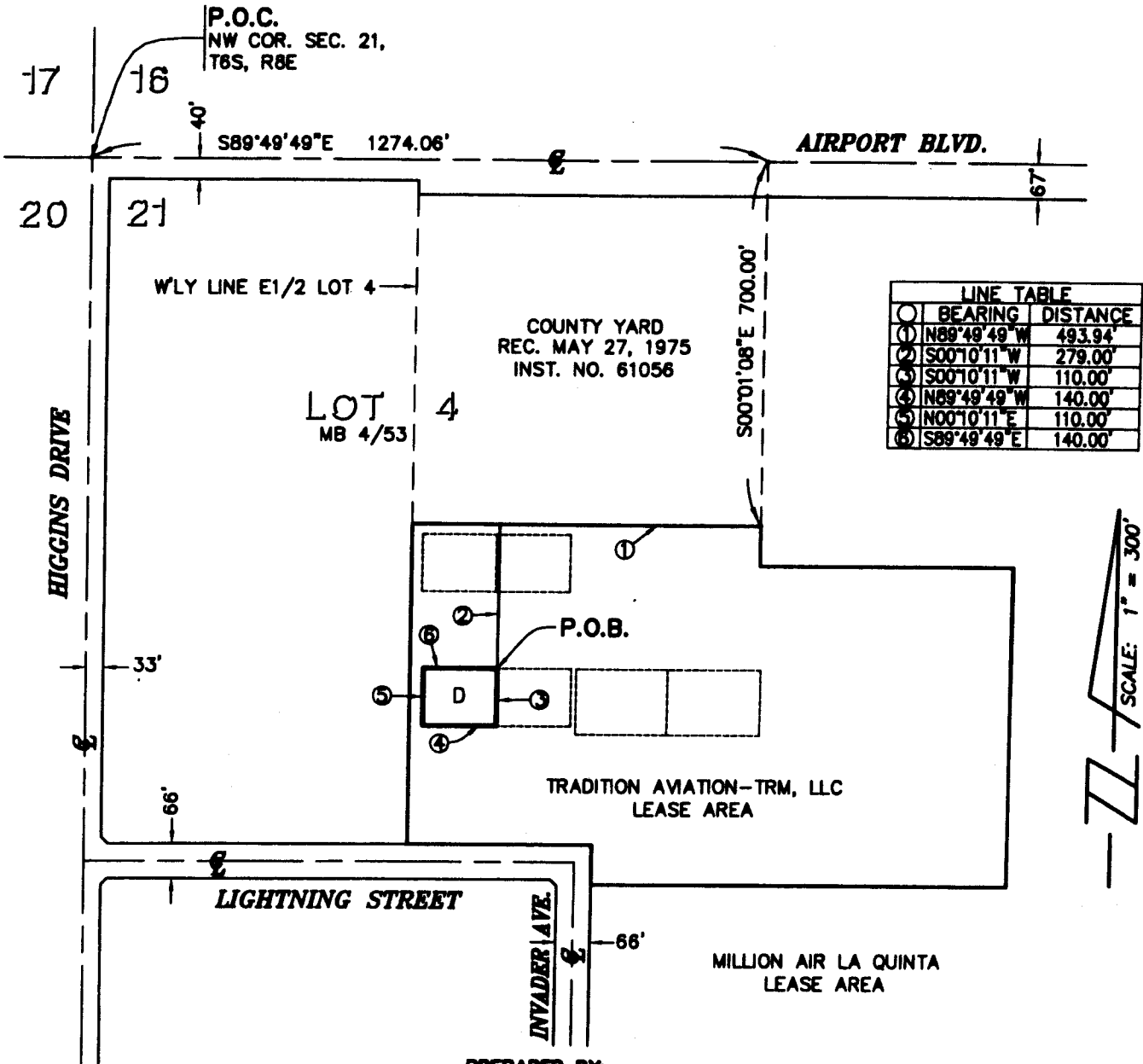
LYDIA R. SHINOHARA, RCE NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

EXHIBIT "B"

SEC. 21, T.6S., R.8E., S.B.M.
HANGAR D



PREPARED BY:



PACIFIC ENGINEERING & ASSOCIATES
CIVIL ENGINEERING · PLANNING · SURVEYING
41-230 CARLOTTA DRIVE
PALM DESERT, CA 92211
(760) 346-4264 FAX (760) 779-5994

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara
LYDIA R. SHINOHARA, RCE 32182
MY LICENSE EXPIRES 12/31/08

11/14/07
DATE



FIRST AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport

This First Amendment to Lease ("Amendment") is entered into by and between the County of Riverside (hereinafter "County"), and Desert Resorts Aviation, LLC, a California limited liability company, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the "Lease") dated September 14, 2004, wherein Lessee agreed to lease from County, approximately 25 acres of property ("Leased Premises") located at the Jacqueline Cochran Regional 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. Lessee hereby relinquishes to the County approximately 8.34 acres of property contained within the Leased Premises.

2. The first paragraph of Paragraph 2, Description, page 1, shall be modified to read as follows:

"2. Description. The premises leased hereby are located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California and consist of approximately 16.66 acres of vacant land, as described in Exhibit "A" attached hereto and incorporated by this reference herein. Said property is hereafter referred to

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

2. The first paragraph of Paragraph 5 Rent, page 4, is hereby deleted, and replaced with the following:

"Commencing as of July 1, 2005 and continuing through June 30, 2015 Lessee shall pay to County for the use and occupancy of the Leased Premises monthly Base Rent according to the following schedule:

July 1, 2005-June 30, 2006	(\$351.27 per acre) X (16.66 acres) = \$5852.16
July 1, 2006-June 30, 2007	(\$371.66 per acre) X (16.66 acres) = \$6191.85
July 1, 2007-June 30, 2008	(\$393.24 per acre) X (16.66 acres) = \$6554.38
July 1, 2008-June 30, 2009	(\$416.06 per acre) X (16.66 acres) = \$6931.56
July 1, 2009-June 30, 2010	(\$440.21 per acre) X (16.66 acres) = \$7333.90
July 1, 2010-June 30, 2011	(\$479.74 per acre) X (16.66 acres) = \$7992.47
July 1, 2011-June 30, 2012	(\$522.74 per acre) X (16.66 acres) = \$8708.85
July 1, 2012-June 30, 2013	(\$569.76 per acre) X (16.66 acres) = \$9492.20
July 1, 2013-June 30, 2014	(\$620.91 per acre) X (16.66 acres) = \$10344.36
July 1, 2014-June 30, 2015	(\$676.67 per acre) X (16.66 acres) = \$11273.32

On July 1, 2015 and July 1 of every fifth (5th) year thereafter the monthly rent will be adjusted according to the provisions of new paragraph 5(c) as set forth in paragraph 3 of this Amendment."

3. Subparagraph 5 (d), page 6 of the Lease, shall be deleted in its entirety and replaced with the following subparagraph:

"5 (d) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth (5th) year thereafter, that portion of the monthly Base Rent for the Land shall

be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value shall be for the Land only and shall not include the value of the Improvements or other structures placed on the Leased Premises by Lessee. In no event will application of this paragraph result in a monthly Base Rent amount for the Land which is lower than the highest previous monthly Base Rent for the Land.

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

No less than two hundred and forty (240) days prior to the rent adjustment date, County will notify by US Mail, potentially affected Lessees of its intent to issue a Request for Qualifications and Proposal ("RFQP") and submit a copy of the Draft RFQP form it intends to use. It will be the responsibility of the Lessees to establish amongst themselves a process for forming a committee to comment on the Draft RFQP and to select up to two-fifths (2/5) of the appraisers that will be invited to respond to the RFQP. In the event a majority of Lessees participating in the selection process are unable to form a committee, comment on the Draft RFQP, select the designated number of appraisers or give the County written notice thereof within two hundred ten (210) days prior to the rent

adjustment date, then County will select all of the appraisers to which the RFQP is sent. No less than one hundred and eight (180) days prior to the rent adjustment date, County will give reasonable consideration to the comments received from the Lessee's Committee and shall issue a Final RFQP to a minimum of five (5) appraisers meeting the foregoing qualifications. Upon receipt of the responses to the RFQP, the County shall offer the responses to the Lessee's Committee for viewing and comment for a period of fourteen (14) days, and after reasonable consideration of the comments made, County shall select the appraiser pursuant to the County's established guidelines. The cost of the appraisal and related processes shall be borne by the County. The cost, if any, of forming and operating the Lessee's Committee shall be borne by the Lessee Committee members.

Once established, the adjusted monthly Base Rent for the Land shall be adjusted annually in the manner set forth in Paragraph 5 (d) below."

4. Subparagraph 5 (e), page 6, is hereby deleted in its entirety and replaced with the following subparagraph:

"(e) Beginning July 1, 2016 and at each July 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in paragraph 5(d) above, the Base Rent shall be adjusted by the percentage change, in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the twelve month period ending three months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly Base Rent amount lower than the highest previous monthly Base Rent amount."

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

below.

Dated: 8-1-06

LESSEE:

Desert Resorts Aviation, LLC, a
California limited liability company

Matthew Johnson

By:

Its: MANAGING MEMBER

[Signature page continues.]

[Signature page continued.]

Dated: Oct. 17, 2006

COUNTY OF RIVERSIDE

By: Bob Buster

Chairman, Board of Supervisors
Bob Buster

(SEAL)

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

ATTEST:
Nancy Romero, Clerk of the Board

By: Gordon V. Ubo 9/29/06
Deputy

By: J. Klumpp
Deputy

EXHIBIT "A"
LEGAL DESCRIPTION – LEASE AREA

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;

THENCE SOUTH 89°49'49" EAST, ALONG THE NORTHERLY LINE OF SAID SECTION 21, A DISTANCE OF 1274.06 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY PROLOGATION OF THE EASTERLY LINE OF THE COUNTY YARD PARCEL AS DESCRIBED IN DEED RECORDED MAY 27, 1975 AS INSTRUMENT NO. 61056, OFFICIAL RECORDS;

THENCE SOUTH 00°01'08" EAST, ALONG SAID EASTERLY LINE OF THE COUNTY YARD PARCEL, A DISTANCE OF 700.00 FEET TO THE SOUTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED;

THENCE CONTINUING SOUTH 00°01'08" EAST, A DISTANCE OF 77.00 FEET;

THENCE SOUTH 89°58'07" EAST, A DISTANCE OF 481.60 FEET;

THENCE SOUTH 00°01'53" WEST, A DISTANCE OF 613.72 FEET;

THENCE NORTH 89°58'07" WEST, A DISTANCE OF 791.39 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY OF INVADER AVENUE;

THENCE NORTH 00°01'20" EAST, ALONG THE EASTERLY RIGHT OF WAY OF INVADER AVENUE, A DISTANCE OF 75.00 FEET TO THE INTERSECTION OF SAID EASTERLY RIGHT OF WAY AND THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET;

THENCE SOUTH 89°57'04" WEST, ALONG THE NORTHERLY RIGHT OF WAY OF LIGHTNING STREET, A DISTANCE OF 349.72 FEET TO THE SOUTHEAST CORNER OF THE EAST ONE-HALF OF LOT 4 IN SECTION 21, T.6S., R.8E., S.B.M., AS SHOWN ON MAP OF THE COACHELLA LANDS AND WATER COMPANY, A SHOWN ON MAP THEREOF ON FILE IN BOOK 4 OF MAPS, AT PAGE 53, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA;

THENCE NORTH 00°01'08" WEST, ALONG THE WESTERLY LINE OF SAID EAST ONE-HALF OF LOT 4, A DISTANCE OF 617.81 FEET TO THE SOUTHWEST CORNER OF SAID COUNTY YARD PARCEL;

THENCE SOUTH 89°49'49" EAST, ALONG THE SOUTHERLY LINE OF SAID COUNTY YARD PARCEL, A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND BEING DESCRIBED.

SAID DESCRIBED LEASE AREA CONTAINS 16.66 ACRES, MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Prepared under the supervision of:
WEDDLE SURVEYING MAPPING, INC.



Date: MAY 25, 2005

David L. Weddle, P.L.S. #5570
Exp. 09/30/2005



EXHIBIT "B"

PLAT - LEASE AREA
DESERT RESORTS AVIATION, LLC

P.O.C.
NW COR SEC 21,
T6S, R8E

AIRPORT BLVD.

S89°49'49"E 1274.06'

67'

40'
WLY LINE & LOT 4

COUNTY YARD
REC. MAY 27, 1975
INSTRUMENT NO. 61056

LOT 4
MB 4/53

P.O.B.

S89°49'49"E 660.00'

S00°01'08"E 700.00'

S00°01'08"E 77.00'

S89°58'07"E 481.60'

HIGGINS DRIVE

33'

DESERT RESORTS AVIATION, LLC
LEASE AREA

S00°01'53"W 613.72'

S89°57'04"W
349.72'

LIGHTNING STREET

N00°01'20"E 75.00'

N89°58'07"W 791.39'

66'

MILLION AIR LA QUINTA
LEASE AREA

INVADER AVENUE

AVENGER BLVD.



PREPARED UNDER THE
SUPERVISION OF:

May 25, 2005

DAVID L. WEDDLE, P.L.S. 5570

DATE

SCALE: 1" = 300'

**SECOND AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport**

This Second Amendment to Lease ("Amendment") is entered into by and between the County of Riverside (hereinafter "County"), and Tradition Aviation-TRM, LLC, a California limited liability company, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the "Lease") between the County of Riverside and Desert Resorts Aviation, LLC, a California limited liability company, dated September 14, 2004, and amended by First Amendment to Lease dated October 12, 2006 and assigned to Tradition Aviation-TRM, LLC, a California limited liability company dated February 27, 2007, wherein Lessee agreed to lease from County, approximately 16.66 acres of property ("Leased Premises") located at the Jacqueline Cochran Regional 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:

2. Section 5 (c), page 5, is hereby deleted, and replaced with the following:

(c) Fuel Flowage Fee: Sublessee shall pay to County a fuel flowage fee in an amount established by the Board of Supervisors for the County of Riverside (the "Board") through a County Resolution, a County Ordinance or such other action as the Board may decide from time to time. The fuel flowage fee, the calculation of the fuel flowage fee, the time of payment and the method used to collect and report the amount of fuel transacted by Sublessee shall be subject to periodic review and adjustment by the Board of Supervisors to reflect conditions then existing and the financial needs of the County's airports system. The County may implement any such adjustments in the fuel flowage fee at any time. Such new or adjusted fuel flowage fees shall be effective upon adoption by the County Board of Supervisors.

Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned upon amendment of any existing Lease. As of the date of this Lease Amendment fuel flowage fees have been established according to County Resolution No. 2008-362, attached hereto as Exhibit "A" and incorporated by this reference herein. The current fuel flowage fee (which was effective as of July 1, 2008) is assessed at the rate of \$0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of \$0.02 per gallon applied to payments received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%) shall be assessed to all payments received after the due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

All other terms and conditions of the Lease shall remain unchanged.

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

Dated: 2.24.09

LESSEE:

Tradition Aviation-TRM, LLC
a California limited liability company

By: Matthew Johnson
Matthew V. Johnson, Managing Member

Dated: MAR 17 2009

COUNTY OF RIVERSIDE

By: Jeff Stone
Chairman, Board of Supervisors
JEFF STONE

APPROVED AS TO FORM:

Pamela J. Walls, ~~Interim~~ County Counsel

By: Gordon V. Abo 3/4/09
Deputy

ATTEST:

Nancy Romero, Clerk of the Board

By: [Signature]
Deputy

EXHIBIT A

1 Board of Supervisors

County of Riverside

2 RESOLUTION NO. 2008-362

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

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

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

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

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

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

- 25 1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold
26 effective July 1, 2008. Payments shall be due within thirty (30) days of the County's
27 invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

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

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

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

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

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

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

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* DATE: 7/18/08

ASSIGNMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, Desert Resorts Aviation, LLC, a California Limited Liability Company, hereby transfers and assigns to Tradition Aviation-TRM, LLC, a California Limited Liability Company, all rights, title and interest of the undersigned under that certain Lease between the County of Riverside and Desert Resorts Aviation, LLC, dated September 14, 2004, and Amended October 17, 2006, pertaining to the premises described as 16.66 acres of land at the Jacqueline Cochran Regional Airport, County of Riverside, State of California, said Lease is attached as Exhibit "A". The execution of this Assignment and the transfer of all rights, title and interest herein are contingent upon the acceptance and approval by the Riverside County Board of Supervisors.

Dated: 11/9/6

Desert Resorts Aviation, LLC
a California Limited Liability Company

By: Matthew V. Johnson

Matthew V. Johnson
Managing Member

ACCEPTANCE AND AGREEMENT

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

Dated: 11/9/6

Tradition Aviation-TRM, LLC

By: Matthew V. Johnson

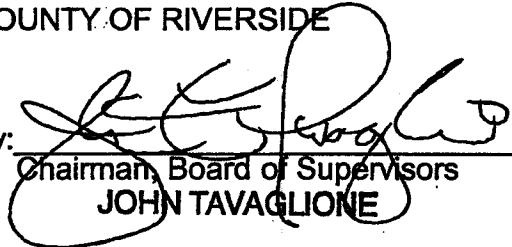
Matthew V. Johnson
Managing Member

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 September 14, 2004, and Amended by First Amendment to Lease dated October 17, 2006, described as 16.6 acres of land at the Jacqueline Cochran Regional Airport, with respect to any future assignments thereunder, and without releasing the Assignor under said lease from any obligations that are not performed by Tradition Aviation-TRM, LLC, a California Limited Liability Company, and otherwise accepts the Assignee, Tradition Aviation-TRM, LLC, a California Limited Liability Company, as Lessee under said Lease to all intents and purposes as though Assignee was the original Lessee thereunder.


Date: February 27, 2007

COUNTY OF RIVERSIDE

By: 
Chairman, Board of Supervisors
JOHN TAVAGLIONE

FORM APPROVED:

JOE S. RANK, County Counsel

By:  02/15/07
Deputy

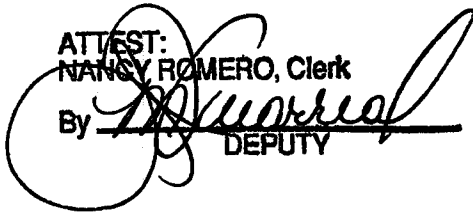
ATTEST:
NANCY ROMERO, Clerk
By: 
DEPUTY

EXHIBIT B
to Sublease

Legal Description of Hangar A

EXHIBIT "B"

**LEGAL DESCRIPTION
HANGAR A**

A PARCEL FOR AIRPLANE HANGAR A OVER THAT PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'49"E ALONG THE NORTHERLY LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 1274.06 FEET;

THENCE S00°01'08"E, A DISTANCE OF 700.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 168.94 FEET;

THENCE S00°10'11"W, A DISTANCE OF 279.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S89°49'49"E, A DISTANCE OF 175.00 FEET

THENCE S00°10'11"W, A DISTANCE OF 125.00 FEET;

THENCE N89°49'49"W, A DISTANCE OF 175.00 FEET;

THENCE N00°10'11"E, A DISTANCE OF 125.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 21,875 SQUARE FEET, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT B WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

PREPARED UNDER THE SUPERVISION OF:

Lydia R. Shinohara

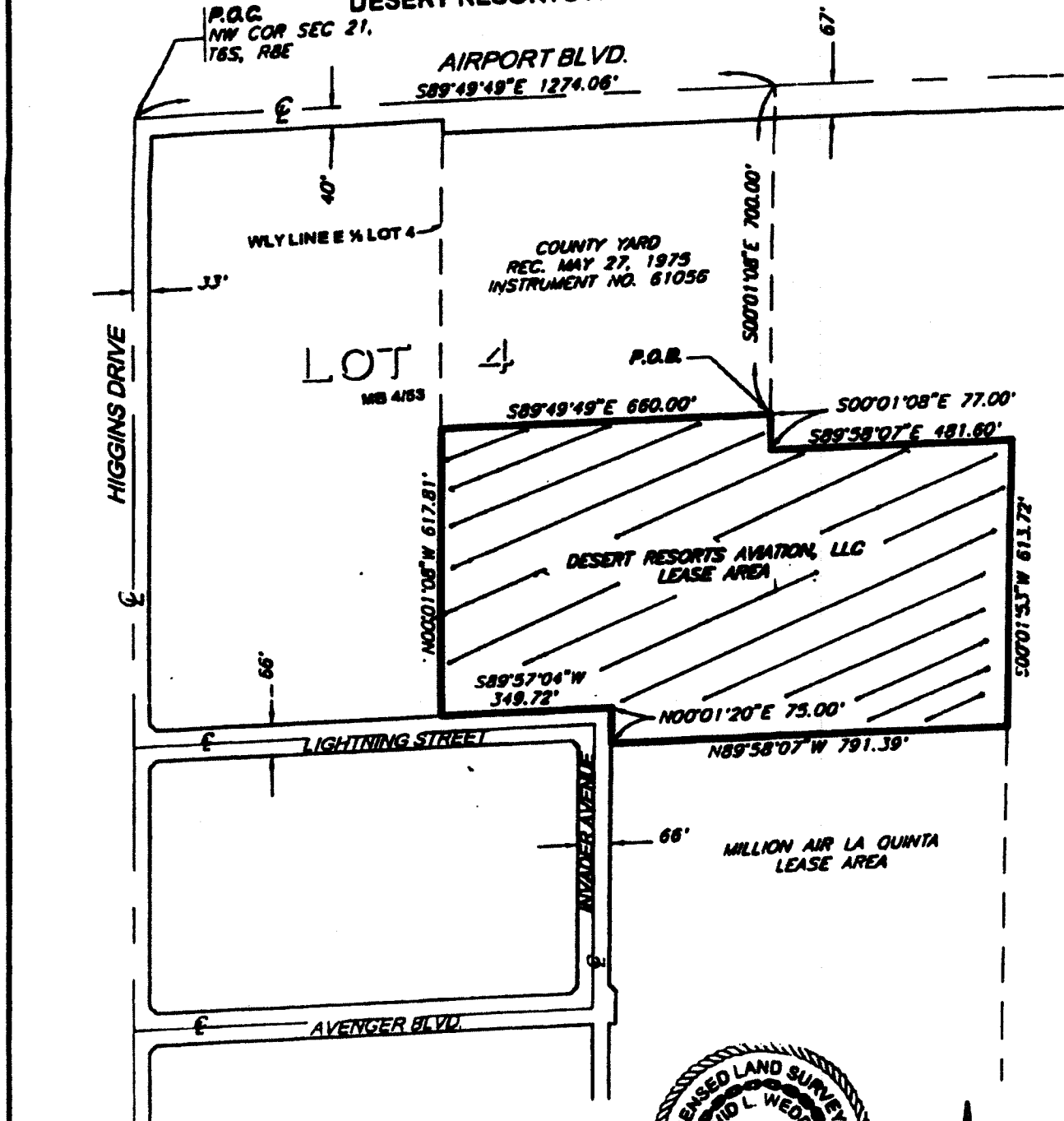
LYDIA R. SHINOHARA, R.C.E. NO. 32182
MY LICENSE EXPIRES 12/31/2008



11/14/07
DATE

EXHIBIT "B"

PLAT - LEASE AREA
DESERT RESORTS AVIATION, LLC



PREPARED UNDER THE SUPERVISION OF:

David L. Weddle
DAVID L. WEDDLE, P.L.S. 5570
187 28, 2005
DATE



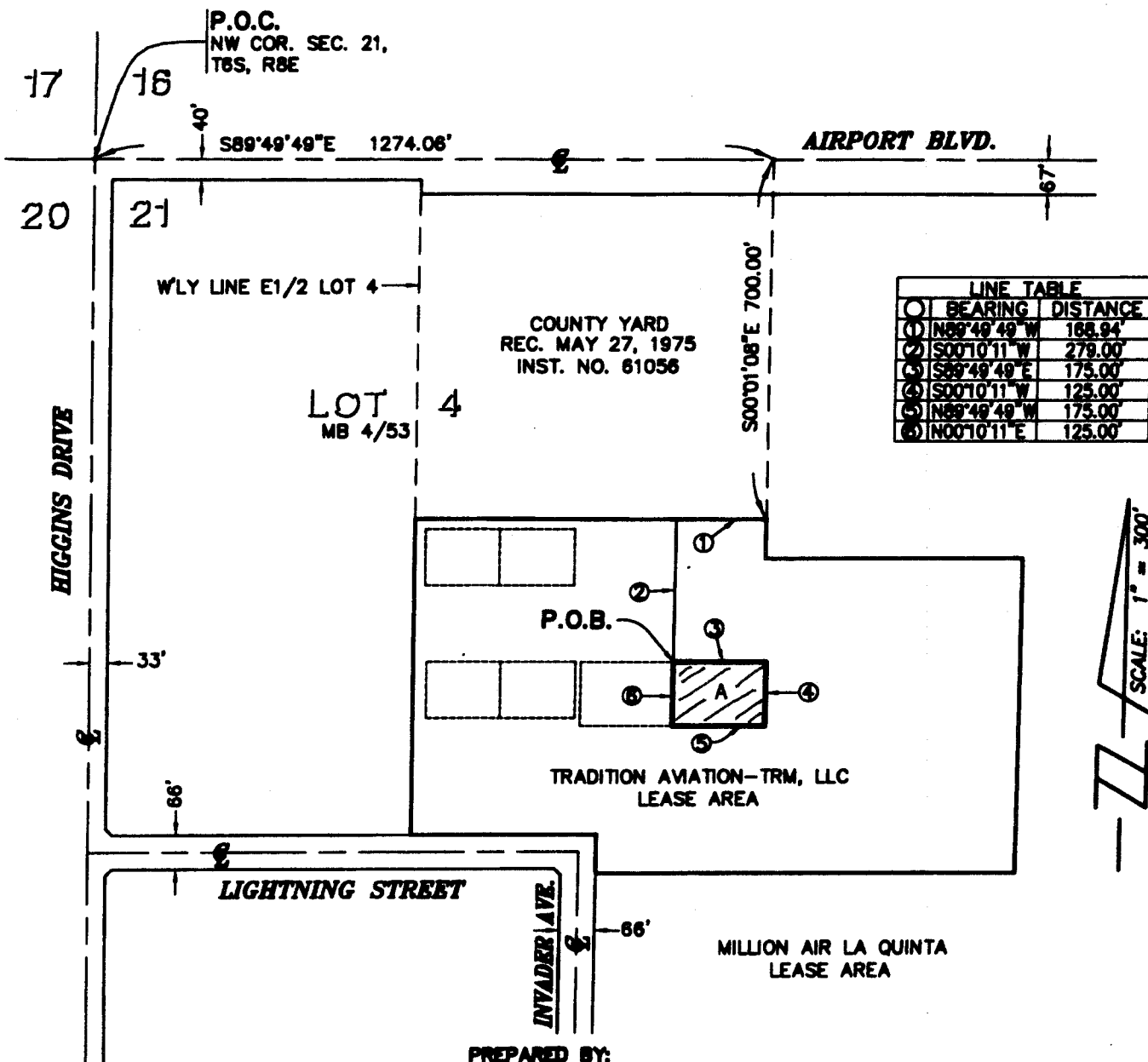
SCALE: 1" = 300'

**EXHIBIT B-1
to Sublease**

Plat-Lease Area

EXHIBIT "B-1"

SEC. 21, T.6S., R.8E., S.B.M.
HANGAR A



PREPARED BY:



PACIFIC ENGINEERING & ASSOCIATES

CIVIL ENGINEERING · PLANNING · SURVEYING
41-230 CARLOTTA DRIVE
PALM DESERT, CA 92211
(760) 346-4264 FAX (760) 779-5994

PREPARED UNDER THE SUPERVISION OF:

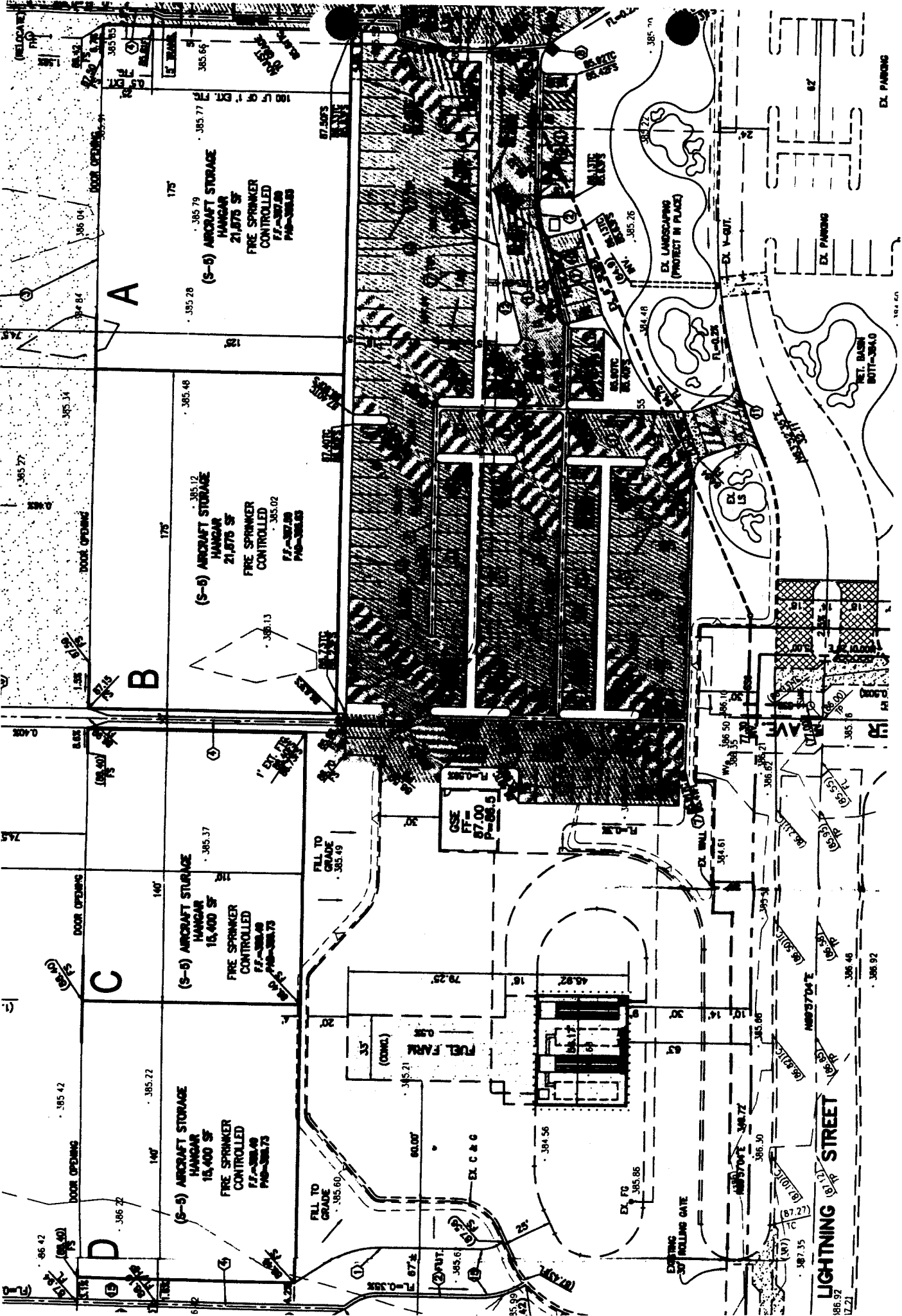
Lydia R. Shinohara
LYDIA R. SHINOHARA, RCE 32182
MY LICENSE EXPIRES 12/31/08

11/14/07
DATE



EXHIBIT C
to Sublease

Common Area for Airport Hangars A, B, C, D and/or E



A

B

C

D

(S-6) AIRCRAFT STORAGE HANGAR
21,875 SF
FIRE SPRINKLER CONTROLLED
FAP-384.88
PAB-384.88

(S-6) AIRCRAFT STORAGE HANGAR
21,875 SF
FIRE SPRINKLER CONTROLLED
FAP-385.02
PAB-384.88

(S-6) AIRCRAFT STORAGE HANGAR
15,400 SF
FIRE SPRINKLER CONTROLLED
FAP-384.49
PAB-384.73

(S-6) AIRCRAFT STORAGE HANGAR
15,400 SF
FIRE SPRINKLER CONTROLLED
FAP-384.49
PAB-384.73

FUEL FARM
(CONC.)
87.00
P=88.5

LIGHTING STREET

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

EX. PARKING

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

RET. BASIN
BOTT-384.0

**EXHIBIT D
to Sublease**

Services Available to Premises

EXHIBIT D

SERVICES

1. Aircraft Fueling at Negotiated Price
2. Aircraft Towing
3. Aircraft Staging and Chocks
4. Marshaling Aircraft
5. Aircraft Support (i.e., papers, coffee, ice, catering, car rental, etc.)

