

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

476



FROM: Economic Development Agency

SUBMITTAL DATE:
October 25, 2012

SUBJECT: Jacqueline Cochran Regional Airport – Exclusive Option to Lease Agreement and Ground Lease Agreement

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Exclusive Option to Lease Agreement between the County of Riverside and Thermal Land, LLC, a California Limited Liability Company;
2. Approve the attached Ground Lease between the County of Riverside, as Lessor, and Thermal Land, LLC, a California Limited Liability Company, as Lessee;
3. Authorize the Chairman of the Board of Supervisors to execute the Exclusive Option to Lease Agreement; and

(Continued)

Robert Field
Assistant County Executive Officer/EDA

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

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: ANNIE T. SAHAR
Date: 10/24/12
Departmental Concurrence

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

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, 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: November 6, 2012
 xc: EDA

Kecia Harper-Ihem
 Clerk of the Board
 By: Deputy

Prev. Agn. Ref.: 3.10 of 5/23/06; 3.20 of 6/3/08 District: 4/4 Agenda Number: 3.32

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute the attached Ground Lease upon Thermal Land, LLC's exercise of its option to lease and, to execute any additional documents necessary to complete the Exclusive Option to Lease Agreement and Ground Lease Agreement, subject to review and approval as to form by County Counsel.

BACKGROUND:

The County desires to enter into a Ground Lease for a fixed base operation with Thermal Land, LLC, a California Limited Liability Company, (Lessee) for approximately six and one-half acres (Subject Property) of vacant land immediately adjacent to the airport heavy ramp at the Jacqueline Cochran Regional Airport. Lessee desires to lease the Subject Property for the development of aircraft storage hangars, a fuel farm and the construction of facilities necessary for conducting the business and operation of a Fixed Base Operator, which will provide aircraft servicing, maintenance, and storage. The initial lease term is for four years with one option to extend for an additional 30 years.

Prior to executing the Ground Lease for the Subject Property, Lessee desires to obtain an exclusive option to lease the Subject Property so that it can conduct and complete its development due diligence. The County supports Lessee's exclusive option to lease and will execute an Exclusive Option to Lease Agreement, attached hereto, wherein Lessee will pay the non-refundable consideration sum of \$15,000 for the exclusive option to lease the Subject Property. Lessee will have an option period from November 6, 2012, to December 27, 2012, in which to conduct its due diligence and exercise its option to lease the Subject Property. Upon exercising its option to lease, the County and Lessee will execute the attached Ground Lease.

County Counsel has reviewed and approved all attached documents as to legal form.

Attachments:

Exclusive Option to Lease Agreement
Ground Lease Agreement

1 **Jacqueline Cochran Regional Airport**
2 **Exclusive Option to Lease Agreement**

3
4 This Exclusive Option to Lease Agreement ("Option Agreement") is entered into by and
5 between the COUNTY OF RIVERSIDE, a political subdivision of the State of California
6 ("County"), and Thermal Land, LLC, a California Limited Liability Company ("Lessee"),
7 as follows:

8 **1. Recitals.**

9 (a) County owns approximately six and a half (6.5) acres of vacant land
10 immediately adjacent to the airport heavy ramp at the Jacqueline Cochran Regional
11 Airport, County of Riverside, State of California. Said property is hereafter referred to
12 as the "Subject Property".

13 (b) County desires to lease Subject Property to Lessee, through a Ground
14 Lease Agreement, hereinafter referred to as "Ground Lease", attached hereto, for the
15 development of aircraft storage hangars, fuel farm and the construction of facilities
16 necessary for conducting the business and operation of a Fixed Base Operator, which
17 will provide aircraft servicing, maintenance, and storage.

18 (c) Lessee desires to lease Subject Property from the County for the
19 development of aircraft storage hangars, fuel farm and the construction of facilities
20 necessary for conducting the business of a Fixed Base Operator, which will provide
21 aircraft servicing, maintenance, and storage.

22 (d) Lessee desires to first obtain an option to lease the Subject Property
23 so that it can conduct and complete its development due diligence.

24 (e) County supports an exclusive option to lease to the benefit of Lessee
25 for consideration and subject to the terms stated herein.

26 Whereof, in consideration of the sum of fifteen thousand dollars
(\$15,000), herein after referred to as "Option Consideration", paid by Lessee to the

1 County, within five (5) business days of full execution of this option, County grants to
2 Lessee the sole and exclusive right and privilege to lease the Subject Property, as per
3 the Ground Lease attached hereto, upon the following terms and conditions:

- 4 **1. Term of Option.** The option and all rights and privileges thereunder shall
5 extend for the due diligence period from November 6, 2012, to December
6 27, 2012 ("Due Diligence"). Lessee may exercise the option to lease the
7 Subject Property at any time during the Due Diligence period.
- 8 **2. Notice of Exercise of Option.** The option is to be exercised by Lessee by
9 written notice delivered personally or forwarded by registered or certified
10 mail, return receipt requested, within the limit in paragraph one (1) above, to
11 County, at the address listed in paragraph six (6) below.
- 12 **3. Application of Option Payment.** In the event that Lessee does not exercise
13 his option as herein provided, all Option Consideration sums paid on account
14 thereon shall be retained by the County as consideration for this Option
15 Agreement free of all claims of the Lessee, and neither party shall have any
16 further rights or claims against the other. Neither party shall construe the
17 Option Consideration, wholly or a portion of, as a form of pre-paid rent or a
18 deposit.
- 19 **4. Effect of Exercise of Option.** In the event that Lessee does exercise his
20 option as herein provided, Lessee and County shall forthwith execute the
21 Ground Lease attached hereto. The terms, the covenants and conditions in
22 the attached Ground Lease shall become the contract of Lessee and the
23 County.
- 24
25 **5. Failure to Exercise Option.** The Lease attached hereto shall not be
26 executed should Lessee fail to exercise the option to lease within the Due
Diligence time limit.

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

<u>COUNTY</u>	<u>LESSEE</u>
County of Riverside Economic Development Agency 3403 10th Street, Suite 500 Riverside, CA 92501 Attn: EDA – Aviation Division	Thermal Land, LLC 75-366 Augusta Drive Indian Wells, CA 92210 Attn: Charlie Knickerbocker

(signatures follow on next page)

1 WE HEREBY CERTIFY THAT WE HAVE READ THIS EXCLUSIVE OPTION TO
2 LEASE AGREEMENT AND FULLY UNDERSTAND THE SAME, AND IN WITNESS
3 WHEREOF WE HAVE EXECUTED AND DELIVERED THIS AGREEMENT.
4
5
6

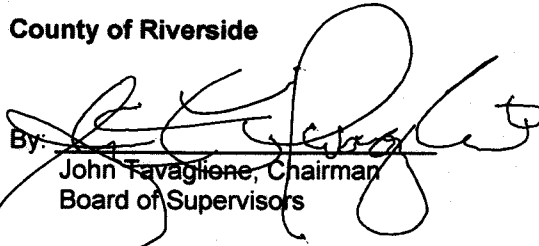
7 Date: _____

Thermal Land, LLC
a California Limited Liability Company

8
9 By:  10/18/12
10 Charlie Knickerbocker

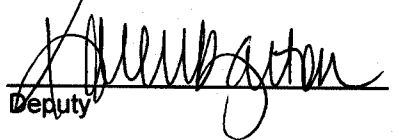
11
12 Date: _____

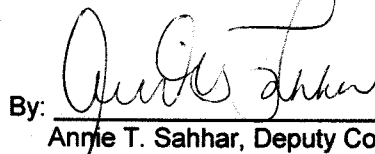
County of Riverside

13
14 By: 
15 John Favagione, Chairman
Board of Supervisors

16 ATTEST: 
17 Clerk of the Board County Counsel

FORM APPROVED:

18
19 By: 
Deputy

20 By: 
Annie T. Sahhar, Deputy County Counsel

Jacqueline Cochran Regional Airport
Fixed Base Operation
Ground Lease Agreement

This Ground Lease ("Lease") Agreement is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), and Thermal Land, LLC, a California Limited Liability Company ("Lessee"), under the following terms and conditions:

1. Recitals.

(a) County owns approximately six and a half (6.5) acres of vacant land immediately adjacent to the airport heavy ramp at the Jacqueline Cochran Regional Airport, County of Riverside, State of California ("Subject Property").

(b) County desires to lease Subject Property to Lessee for the development of aircraft storage hangars, fuel farm and the construction of facilities necessary for conducting the business and operation of a Fixed Base Operator, which will provide aircraft servicing, maintenance, and storage.

(c) Lessee desires to lease Subject Property for the development of aircraft storage hangars, fuel farm and the construction of facilities necessary for conducting the business of a Fixed Base Operator, which will provide aircraft servicing, maintenance, and storage.

2. Description.

The Subject Property leased hereby is located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California and consists of approximately six and a half (6.5) acres of vacant land, being preliminarily described in Exhibit "A-1", attached hereto and incorporated by this reference herein. County and Lessee herein acknowledge that Lessee has no fee title interest in or to the Subject Property.

1 Within sixty (60) days of Lease execution by all parties, Lessee will supply
2 County with a survey and a legal description of the Subject Property, prepared by a
3 registered civil engineer at Lessee's expense, showing the exact number of acres.
4 Said survey and legal description will be incorporated in and become a part of this
5 Lease as Exhibit "A-2". The size of the Subject Property and the basic rent shall be
6 adjusted to reflect the results of the survey. The monthly Base Rent, as established in
7 paragraph 5 below, will be adjusted by multiplying the number of acres times one
8 thousand one hundred and forty dollars (\$1,140.00) the "Base Rent Rate."

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

11 **4. Term.** This Lease shall commence the first day of the month following
12 execution by all parties thereto and terminate forty-eight (48) months thereafter, a term
13 of four (4) years, hereinafter referred to as "Initial Lease Term".

14 **(a) Option to Extend:**

15 With respect to the Subject Property, subject to the provisions of the
16 second paragraph 3(a) below and sections 5, 8, 9, 11(c), 17 and 18 hereof and
17 provided that Lessee at the time of exercising the option is in full compliance with the
18 terms of this Lease, Lessee shall have the option to extend the term of this Lease for
19 an additional period of thirty (30) years.

20 Relating to the development of the Subject Property, Lessee cannot
21 exercise the option to extend the lease term as provided for in this section, unless the
22 site is completely developed; or, in the event any development phase of the Subject
23 Property is undeveloped or still under construction upon the expiration of the Initial
24 Lease Term, than Lessee's rights in the Subject Property associated with that phase or
25 those phases are terminated. Lessee can exercise its option to extend the phase or
26 phases of development fully completed upon notification provided to the County in
writing of its intention to exercise the option to extend not more than twelve (12)

1 months and less than one (1) month from the expiration date of the Initial Lease Term.
2 In the event reversionary action(s) are taken by the County Lessee Base Rent rate will
3 be reduced accordingly.

4 **(b) Hold Over:**

5 Any holding over by the Lessee after the expiration of the Initial Term
6 combined with the option to extend, shall be on a day-to-day basis strictly and
7 continuing tenancy rights shall not accrue to the Lessee.

8 **5. Use.** The Subject Property shall be used for the following purposes and
9 no other without the written permission of County. All of the uses listed under
10 paragraph 4(a) below are permitted uses within the Subject Property. Lessee intends
11 to initially use the Subject Property for those uses listed in paragraph 4(b) below.
12 Lessee shall notify County in writing and provide a detailed description of any
13 additional use and scope of operation prior to commencing said use.

14 **(a) Permitted Uses:**

15 (1) Sale, retail or wholesale or both, of new and used aircraft,
16 aircraft parts and accessories, including instruments, engines, electronic devices,
17 aircraft fuels and lubricants, airman's navigational and personal supplies, and
18 accessories.

19 (2) Agreed to flight operations, including, but not limited to,
20 flight instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-
21 testing of aircraft following repair or modification. With regard to charter and air taxi
22 operations, Lessee will submit to County a complete description of the operations and
23 scope of services provided, and County will establish insurance coverages and limits
24 for these operations to be obtained by Lessee prior to commencement of operations.
25 Coverages and limits established for charter and air taxi will be in addition to the
26 coverages required herein.

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

4 (4) Painting and upholstering of aircraft, subject to paragraph
5 7(g) and 20(e). Financing, leasing, renting, and insuring of aircraft.

6 (5) Servicing of aircraft for purpose of fueling, engine oil and
7 other necessary lubricants and aircraft fluids, checking tire pressures, providing starting
8 units and battery boosters, and any other service usually associated with aircraft
9 servicing operations.

10 (7) Providing aircraft storage inside hangar buildings.

11 (8) Providing ground school instruction associated with flight
12 training.

13 (b) **Initial Uses:**

14 (1) Construction of facilities, including storage hangar(s),
15 maintenance hangar(s) and associated improvements that provide servicing,
16 maintenance and storage for aircraft.

17 (2) Construction of building (or buildings) for the storage of
18 aircraft, including all infrastructure, temporary facilities and off-site improvements. The
19 Subject Property shall not be used for any purpose other than those uses described in
20 paragraph 4 (a) (1 through 8) without first obtaining the written consent of County,
21 which consent shall not be unreasonably withheld. The County's approval of any
22 change in the use of the Subject Property may, at County's sole election, place
23 additional reasonable specific requirements on Lessee including, but not limited to, the
24 types, limits, and conditions of insurance provided under this Lease.

25 6. **Rent.** Lessee shall pay to County as Base Rent for the use and
26 occupancy of the Subject Property monthly rent equal to seven thousand four hundred
ten dollars and 00/100 (\$7,410.00). This amount shall be adjusted at the completion

1 of the survey provided for in paragraph 2 above, by multiplying the number of acres
2 determined by the survey times one thousand one hundred and forty dollars
3 (\$1,140.00), the "Base Rent" rate.

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

9 On July 1, 2013 and July 1, 2014 the rent will be adjusted by multiplying the total
10 acres times the rent per acre as shown in the following table:

11 July 1, 2013 - June 30, 2014 (\$1242.00 per acre) X Total Acres = Base Rent rate

12 July 1, 2014 - June 30, 2015 (\$1354.00 per acre) X Total Acres = Base Rent rate

13 (a) During construction of the Subject Property, for a period not to
14 exceed six (6) months from the date rent commences ("Construction Period"), the
15 monthly rent shall be equal to one-half of the Base Rent for the six and a half (6.5)
16 acres, the whole Subject Property. Until such time the portion of the Heavy Ramp
17 currently not improved is built or a period not to exceed the Initial Lease Term,
18 whichever occurs sooner, for the southern portion of the Subject Property, an
19 estimated two (2) acres, shall continue the reduced lease obligation on a monthly rent
20 equal to one-half of the base rent plus increases stated in Sections 5(a), 5(b) and 5(c).
21 At completion of the Construction Period, the Base Rent shall revert to the full Base
22 Rent, including all Base Rent Adjustments per lease provisions 5(a) 5(b) and 5(c)
23 herein. Upon issuance of a certificate of occupancy for any completed phase of the
24 Subject Property, during the Construction Phase, monthly rent for that phase shall then
25 be paid at the full Base Rent rate of one thousand one hundred and forty dollars
26 (\$1,140.00) per acre commencing on the first day of the month following issuance of
the certificate of occupancy.

1 (b) Base Rent Adjustment - Beginning July 1, 2015 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 Subject Property. Said fair market
4 value shall be for the land and shall not include the value of the structures placed on
5 the Subject Property. 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 (c) below.

13 (c) Consumer Price Index - Beginning July 1, 2016, and at each July
14 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year
15 as referenced in 5(b) 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 **7. Additional Obligations of Lessee.** Lessee shall, during the term of
21 this Lease and any extensions thereof:

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

1 (b) Employ and maintain on the Subject Property sufficient personnel
2 who are trained, skilled and if applicable certified in order to competently perform the
3 tasks related to the services being offered;

4 (c) Operate the Subject Property and perform services for the use and
5 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 Subject Property 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 and ground maintenance services for interior,
19 exterior, and grounds at Lessee's own expense;

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

1 (h) Observe the Taxiway Object Free Area adjacent to their leasehold
2 to allow the passage of taxiing aircraft; the Taxiway Object Free Area boundary for
3 Taxiway F is one hundred ten (110) feet from the centerline of the taxiway; and

4 (i) Maintain the Subject Property, approaches thereto, and
5 improvements now or hereafter located thereon, in good, safe and sanitary order,
6 condition, and repair, and upon any termination of this Lease, Lessee agrees to
7 surrender said Subject Property and improvements thereon in such good, safe and
8 sanitary condition, reasonable use and wear thereof and damages by fire, acts of God,
9 war, civil insurrection, or by the elements excepted.

10 **8. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, all
11 necessary permits and licenses as it may be required to obtain regarding the
12 construction, operation, maintenance, and termination or abandonment of activities
13 upon the Subject Property, and Lessee shall pay for all fees and taxes levied or
14 required by any authorized public entity. This Lease may create a possessory interest
15 subject to property taxation and Lessee may be subject to the payment of property
16 taxes levied on such interest. Due to the length of the Initial Lease Term combined with
17 the option to extend may subject the Lessor to a documentary transfer tax. Lessee
18 recognizes and understands that Lessee is solely responsible for the timely payment
19 and satisfaction of all taxes incurred as a result this Lease.

20 **9. On-Site Improvements.**

21 The Subject Property shall be fully developed in accordance with a site plan and
22 a phasing schedule within four (4) years after the Due Diligence and upon
23 commencement of the Lease.

24 Lessee shall have the option to phase the full development of the Subject
25 Property. Should phasing be exercised, Lessee shall provide County with a phasing
26 schedule that depicts the improvements to be completed; the date in which said
improvements are to be completed by; and, the date in which each phase will be

1 completed by, herein referred to as the "Phasing Schedule". The Phasing Schedule
2 must identify the date in which the occupancy permit(s) are to be gained by Lessor.
3 Lessee will provide County, prior to the expiration of the Due Diligence, an approved
4 Phasing Schedule. The Phasing Schedule is subject to review and approval by the
5 County. The approved Phasing Schedule is to be made a part of the Lease and
6 attached hereto as Exhibit "E". County agrees to work diligently with Lessee and to
7 refrain from unduly withholding the approval of the Phasing Schedule.

8 **Adherence to the Phasing Schedule is fundamental to County entering**
9 **into a Lease with Lessee. Therefore any violation thereof shall cause for the**
10 **immediate termination of this Lease and all associated rights to the Subject**
11 **Property held by Lessee revert back to the County, excepting those portions of**
12 **the development phase(s) that have been fully constructed and satisfactorily**
13 **completed as stated in Section 3(a) and 8(a) herein.**

14 County shall notify Lessee by certified mail of the phasing violation and may
15 provide a prescribed period to remedy the violation(s). In the event County does not
16 provide a time frame to cure, Lessee has the right to remedy the violation(s) within
17 thirty (30) calendar days commencing from the date the certified mail was delivered to
18 the address of Lessee listed in section 38 below.

19 (a) Lessee, at its expense, shall construct, or cause to be constructed,
20 improvements described in a site plan showing the location and dimensions of all
21 planned improvements. Improvements shall conform to the Minimum Standards for
22 Fixed Based Operators Riverside County Airports, Exhibit "C", attached hereto and by
23 this reference incorporated herein, and will include aircraft storage hangars, terminal,
24 facilities necessary for conducting the business of a Fixed Base Operator such as a
25 maintenance hangar, associated landscaping, vehicular parking and other incidental
26 improvements, all in accordance with County requirements.

1 Within Due Diligence period, Lessee shall submit a development site plan
2 to the Economic Development Agency showing the location and dimensions of all
3 planned improvements, hereinafter referred to as the "Site Plan". The design shall be
4 satisfactory to and approved by County prior to applying for building permits. With
5 County's written approval, which shall not be unreasonably withheld, the Site Plan may
6 be revised by Lessee from time to time. Within ninety (90) days of approval of the Site
7 Plan by the Economic Development Agency, Lessee shall submit a full set of
8 construction plans to the County to obtain building permits. Construction of said
9 improvements shall commence within sixty (60) days following issuance of the requisite
10 permits by the County.

11 The site may be developed with a maximum of five (5) phases, subject to
12 the approval of the Economic Development Agency, provided that all construction is
13 completed within four (4) years of Lease commencement. In the event Lessee fails to
14 complete all phases of the development in the time allotted except for delays caused
15 by Force Majeure or attributable to the negligence, willful misconduct or bad faith of
16 County, the undeveloped phases of the leasehold will revert to the County as provided
17 for in paragraph 16(f) and this Lease will be amended accordingly to reflect the
18 reduced acreage and rent. In the event of a Force Majeure delay or delays caused by
19 the negligence, willful misconduct or bad faith of County the four (4) year completion
20 period identified herein will be tolled as provided for below.

21 "Force Majeure" means fires, explosions, strikes being conducted on an
22 industry-wide basis and that are not limited to Lessee's Development, unusually
23 adverse weather conditions, war, hostilities, invasion, riot, civil insurrection, civil war,
24 terrorist acts, ionising radiation, contamination by radioactivity on the Subject Property
25 from any nuclear fuel, radioactive toxic explosive or nuclear explosive, epidemics,
26 quarantine, plague, and any other event beyond the reasonable control of Lessee (other

1 than bad weather generally, insufficiency of funds, or changes in the economic or
2 business climate).

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

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

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

25 (c) Any improvements, alterations, and installation of fixtures to be
26 undertaken by Lessee shall have the prior written approval of the County after Lessee
has submitted to County proposed plot and building plans, and specifications therefor,

1 in writing. In addition, Lessee understands and agrees that such improvements,
2 alterations, and installation of fixtures may be subject to County Ordinance Nos. 348
3 and 457, as well as other applicable County ordinances, and that Lessee shall fully
4 comply with such ordinances prior to the commencement of any construction in
5 connection therewith.

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

17 **10. Off-Site Improvements**

18 (a) County shall provide the following off-site improvements to serve
19 the site: (1) water, (2) sewer, and (3) a paved access road. Connections to said off-
20 site improvements shall be the sole cost and responsibility of Lessee as described in
21 paragraph 9(c). Additionally, Lessee shall be responsible for any improvements
22 beyond those listed in this paragraph, including, but not limited to, electricity,
23 telephone, and gas service and any connection costs and fees associated with water
24 and sewer services.

25 (b) Lessee shall pay a sewer connection fee and a monthly sewer
26 service fee to County. The amount of the fees shall be according to the fee schedule
in effect at the time of Lease execution. The monthly sewer service fee will be

1 adjusted from time to time and be based upon County's sewer service payments to the
2 Coachella Valley Water District and County's cost of repairing, maintaining, and
3 administering the airport's sewer system.

4 (c) It is understood by the parties hereto that utility services are
5 available in the general vicinity of the Subject Property, but in order for the on-site
6 improvements required in Paragraph 8 herein to be fully usable and operational,
7 Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or
8 connected, to such utility service facilities that may be required or desired by Lessee in
9 the use, operation, and maintenance of such on-site improvements. Lessee shall pay
10 all related fees and charges related to such utility extensions and hookups. After such
11 extensions and/or connections have been made, Lessee shall be responsible for
12 payment for the use of such utility services, without limitation, all electricity, gas,
13 telephone and water.

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

18 **11. Compliance with Law.** Lessee shall, at its sole cost and expense,
19 comply with all of the requirements of all governmental agencies now in force, or which
20 may hereafter be in force, pertaining to the Subject Property, and any improvements
21 hereafter constructed or maintained thereon, and Lessee shall faithfully observe all
22 laws and ordinances including but not limited to the California Environmental Quality
23 Act and the National Environmental Protection Act, now or hereafter in force in the use
24 of the Subject Property.

25 **12. County's Reserved Rights.**

26 (a) The Subject Property is accepted by Lessee subject to any and all
existing easements or other encumbrances, and County shall have the right to enter

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

20 (b) County reserves the right to further develop or improve the aircraft
21 operating area, including the heavy ramp of Jacqueline Cochran Regional Airport as it
22 deems appropriate. County reserves the right to take any action it considers
23 necessary to protect the aerial approaches of the Jacqueline Cochran Regional Airport
24 against obstruction, together with the right to prevent the Lessee from erecting or
25 permitting to be erected, any building or other structure on the Jacqueline Cochran
26 Regional Airport, which in the reasonable opinion of County, would limit usefulness of
the Jacqueline Cochran Regional Airport or constitute a hazard to aircraft.

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

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

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

19 **13. Inspection of Premises.** County, through its duly authorized agents,
20 shall have, upon reasonable notice, during normal business hours, the right to enter
21 the Subject Property for the purpose of inspecting, monitoring and evaluating the
22 obligations of Lessee hereunder and for the purpose of doing any and all things which
23 it is obligated and has a right to do under this provided that the inspection does not
24 unreasonably interfere with Lessee's business.

25 **14. Quiet Enjoyment.** Lessee shall have, hold, and quietly enjoy the use of
26 the Subject Property so long as Lessee shall fully and faithfully perform the terms and
conditions that the Lessee is required to do under this Lease.

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

9 **16. Discrimination or Segregation**

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

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

26 (c) Lessee assures that it will undertake an affirmative action program
as required by 49 CFR, Part 21, to insure that no person shall on the grounds of race

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

11 **17. Termination by County.** County shall have the right to terminate this
12 Lease forthwith:

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

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

18 (c) In the event of abandonment of the Subject Property by Lessee.

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

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

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

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

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

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

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

1 of the Subject Property be so taken, all compensation awarded upon such taking shall
2 be apportioned between County and Lessee according to law.

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

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

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

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

26 In the event there is conflict between this clause and California Civil Code
Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such

1 interpretation shall not relieve the Lessee from indemnifying the Indemnified Parties to
2 the fullest extent allowed by law.

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

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

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

24 **(b) Airport General Liability.** Lessee shall maintain Airport General
25 Liability Insurance coverage including, but not limited to, premises/operations liability,
26 contractual liability, products and completed operations liability, independent
contractors, personal and advertising injury liability covering all claims or lawsuits of

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

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

19 (d) **Aircraft Hull and Liability Insurance.**

20 1) Aircraft Hull - Lessee agrees to indemnify and hold
21 harmless the County from any and all losses, claims, or damage to any aircraft owned
22 by Lessee and all losses, claims, or damage to any aircraft where Lessee has agreed
23 under contract to be responsible for any physical damage to the aircraft. Lessee
24 hereby agrees that this indemnification and hold harmless includes, but is not limited
25 to, losses, claims or damage to any of Lessee's aircraft caused directly or indirectly by
26 the County.

1 2) Aircraft Liability - Lessee shall provide Aircraft Liability
2 insurance for all owned and non-owned aircraft operated by the Lessee in an amount
3 not less than \$25,000,000 combined single limit per occurrence for bodily injury,
4 including death and property damage and coverage shall include, but is not limited to,
5 products/completed operations and contractual liability. The policy will be endorsed to
6 name all The County of Riverside, its Agencies, Districts, Special Districts, and
7 Departments, its respective directors, officers, Board of Supervisors, employees,
8 elected or appointed officials, agents or representative as Additional Insureds.

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

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

1 (f) **All Risk Property Insurance:**

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

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

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

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

3 **(g) General Insurance Provisions – All Lines:**

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

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

16 (3) Cause Lessee's insurance carrier(s) to furnish the County of
17 Riverside with either: 1) a properly executed original Certificate(s) of Insurance and
18 certified original copies of Endorsements effecting coverage as required herein; or 2) if
19 requested to do so in writing by the County Risk Manager, provide original certified
20 copies of policies including all Endorsements and all attachments thereto, showing
21 such insurance is in full force and effect. Further, said Certificate(s) and policies of
22 insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days
23 written notice shall be given to the County of Riverside prior to any material
24 modification of coverage or cancellation of such insurance. In the event of a material
25 modification of coverage or cancellation of such insurance, this Lease shall terminate
26 forthwith, unless the County of Riverside receives, prior to such effective date, another
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, 2015, and every fifth year thereafter during the
26 term of this Lease, or any extension thereof, County reserves the right to adjust the
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 (h) **Workers' Compensation.** Workers' Compensation Insurance
4 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
5 Employers' Liability (Coverage B) including Occupational Disease with limits not less
6 than \$1,000,000 per person per accident. Policy shall be endorsed to provide a Waiver
7 Of Subrogation in favor of The County of Riverside, its Agencies, Districts, Special
8 Districts, and Departments, their respective directors, officers, Board of Supervisors,
9 employees, elected or appointed officials, agents or representatives.

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

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

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

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

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

25 The Supplier's insurance company(s) shall agree and the Certificate(s)
26 of Insurance and policies shall so covenant that coverage provided by them shall be
construed as primary insurance, and the Lessee's and the County's insurance and/or

1 deductibles and/or self-insured retentions or self-insured programs shall not be
2 construed as contributory.

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

13 **24. Acceptance of Subject Property.**

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

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

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

1 and 22 of this Lease, to County for approval prior to sublessees occupying the
2 subleased premises.

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

6 **26. Right to Encumber/Right to Cure.**

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

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

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

26 Any Encumbrancer described in Paragraph 25(a)(2) above which is the
transferee under the provisions of Paragraph 25(a)(1) above shall be liable to perform

1 the obligations and duties of Lessee under this Lease only so long as such transferee
2 holds title to the leasehold.

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

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

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

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

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

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

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

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

24 During the term of the Option, the Lease and any extensions thereof, Lessee
25 shall not violate any federal, state, or local law, or ordinance or regulation relating to
26 industrial hygiene or to the environmental condition on, under or about the Subject
Property including, but not limited to, soil, air, and groundwater conditions. Further,

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

16 **29. National Pollution Discharge Elimination System (NPDES) Permit.**

17 Lessee acknowledges, understands and agrees that it shall comply with California
18 State Water Resources Control Board general permit requirements now and in the
19 future relating to storm water discharges associated with activities such as aircraft
20 rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing.
21 Lessee further acknowledges, understands and agrees that it shall participate as a co-
22 permittee under said general permit, participate in the Jacqueline Cochran Regional
23 Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D",

24 ///

25 ///

26 ///

1 attached hereto and by this reference made a part of this Lease, including without
2 limitation, the Best Management Practices, Best Available Technology Economically
3 Achievable, and Best Convention Pollutant Control Technology.

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

16 **31. Employees and Agents of Lessee.** It is understood and agreed that all
17 persons hired or engaged by Lessee shall be considered to be employees or agents of
18 Lessee and not of County.

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

22 **33. Right of First Refusal.** Providing Lessee faithfully performs all of the
23 conditions and covenants contained herein, and is not in default of the Lease at the
24 date of expiration, and further providing Lessor offers the Subject Property for lease at
25 any time during the twelve (12) months subsequent to said expiration, Lessee, its
26 successor, or assigns shall have the first right of refusal to enter into a new lease

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

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

15 **35. Severability.** The invalidity of any provision in this Lease as determined
16 by a court of competent jurisdiction shall in no way affect the validity of any other
17 provision hereof.

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

23 **37. Attorney's Fees.** In the event of any litigation or arbitration between
24 Lessee and County to enforce any of the provisions of this Lease or any right of either
25 party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the
26 successful party all costs and expenses, including reasonable attorney's fees, incurred

1 therein by the successful party, all of which shall be included in and as a part of the
2 judgment or award rendered in such litigation or arbitration.

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

5 <u>COUNTY</u>	6 <u>LESSEE</u>
7 County of Riverside 8 Economic Development Agency 9 3525 Fourteenth Street 10 Riverside, CA 92501 11 Attn: EDA – Aviation Division	12 Thermal Land, LLC 13 75-366 Augusta Drive 14 Indian Wells, CA 92210 15 Attn: Charlie Knickerbocker

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

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

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

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

42. Agent for Service of Process. It is expressly understood and agreed
that, in the event Lessee is not a resident of the State of California or it is an

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

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

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

24 ///

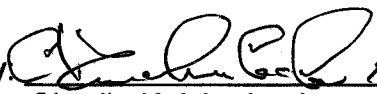
25 ///

26 **[Signatures on the following Page]**

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

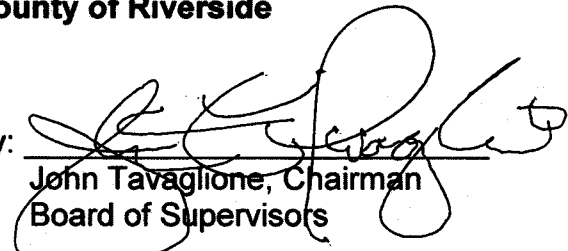
5
6 Date: _____

Thermal Land, LLC
a California Limited Liability Company

7
8
9 By:  10-18-12
Charlie Knickerbocker

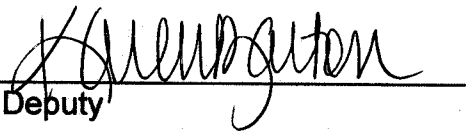
11 Date: _____

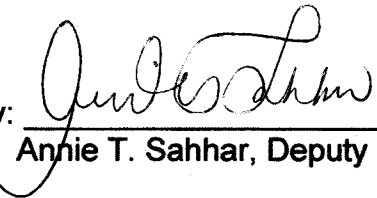
County of Riverside

12
13
14 By: 
John Tavaglione, Chairman
Board of Supervisors

15
16 ATTEST: Kecia Harper-Thom
Clerk of the Board County Counsel

FORM APPROVED:

17
18 By: 
Deputy

19 By: 
Annie T. Sahhar, Deputy County Counsel

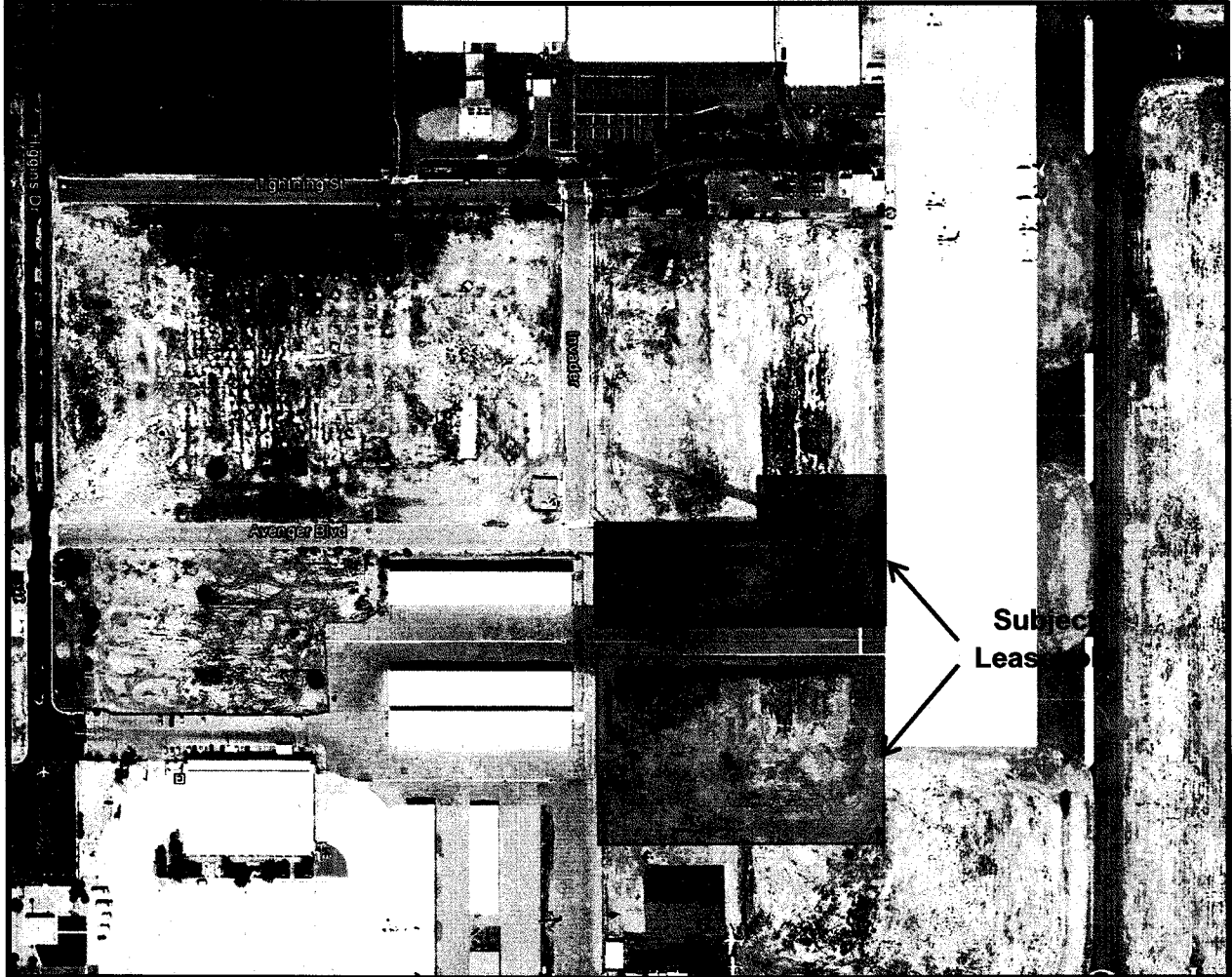
20 (SEAL)

21 Attachments:

- 22 1. Exhibit A-1: Preliminary Property Identification
- 23 2. Exhibit A-2: Survey and legal Description (provided by Lessee)
- 24 3. Exhibit B: Federally Required Lease Provisions
- 25 4. Exhibit C: Minimum Standards
- 26 5. Exhibit D: Storm Water Pollution Prevention Plan
- 6. Exhibit E: Phasing Schedule

Exhibit A-1

Jacqueline Cochran Regional Airport
Fixed Base Operation – Ground Lease
County of Riverside and Thermal Land, LLC



The Subject Leasehold is characterized by two non-contiguous leasehold sites, represented above and is estimated to have a sum of 6.5 acres. This representation of the leasehold is only for interim use, until such time this Lease, section 2 is fully satisfied. Upon said satisfaction, Exhibit A-2 shall supersede this exhibit causing Exhibit A-1 to be immediately irrelevant and immaterial to the terms of this leasehold.

FEDERALLY REQUIRED LEASE PROVISIONS

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

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

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

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



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

Adopted January 30, 2001



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I. INTRODUCTION

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

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

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

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

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

II. DEFINITIONS

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

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

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

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

ALP - Airport Layout Plan

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

CEQA - California Environment Quality Act

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

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

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

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

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

FUEL - FAA authorized aviation fuel, including jet fuel

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

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

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

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

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

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

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

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

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

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

B. Airport Layout

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

C. Signs

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

D. Building Design, Construction, and/or Alterations

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

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

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

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

E. Inspections

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

F. Flying Clubs

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

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

G. Waiver from Minimum Standards

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

H. Civil Rights

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

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

I. Insurance

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

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

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

J. Lot Size

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

K. Outdoor Storage

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

L. Maintenance

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

IV. SCOPE OF SERVICES

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

Table A - FULL SERVICE FBO

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

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

Table B - AIRCRAFT MAINTENANCE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
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
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PERSONNEL:

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

HOURS OF OPERATION:

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

EQUIPMENT:

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

Refer to Appendix A

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

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

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

Table D - FLIGHT INSTRUCTION

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

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

Table E - AIRCRAFT SALES AND LEASING

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

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

Table F - AIRCRAFT STORAGE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	<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
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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 Assistant County Executive Officer/EDA or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615

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

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: Dave English

DUTIES: Overall compliance; Inspection of airports.

Phone _____ 24-hour Phone: (951) 712-5995

Designated Individuals

Name: Ray Paiz Title: Division Chief

Phone: (760) 427-7824 24-hour Phone: 9-1-1

Duties: County fire compliance with permit.

Name: Monica Brown Title: Gen Manager, Signature Flight Support.

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:	<u>Tom Turner</u>	
Title:	<u>Airport Supervisor</u>	
Phone:	<u>(951) 652-0422</u>	24-hour Phone: <u>951-538-5185</u>
Alternate:	<u>Dave English</u>	
Title:	<u>Airport Operation Supervisor</u>	
Phone:	<u>(951) 658-1276</u>	24-hour Phone: <u>951-712-5995</u>

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

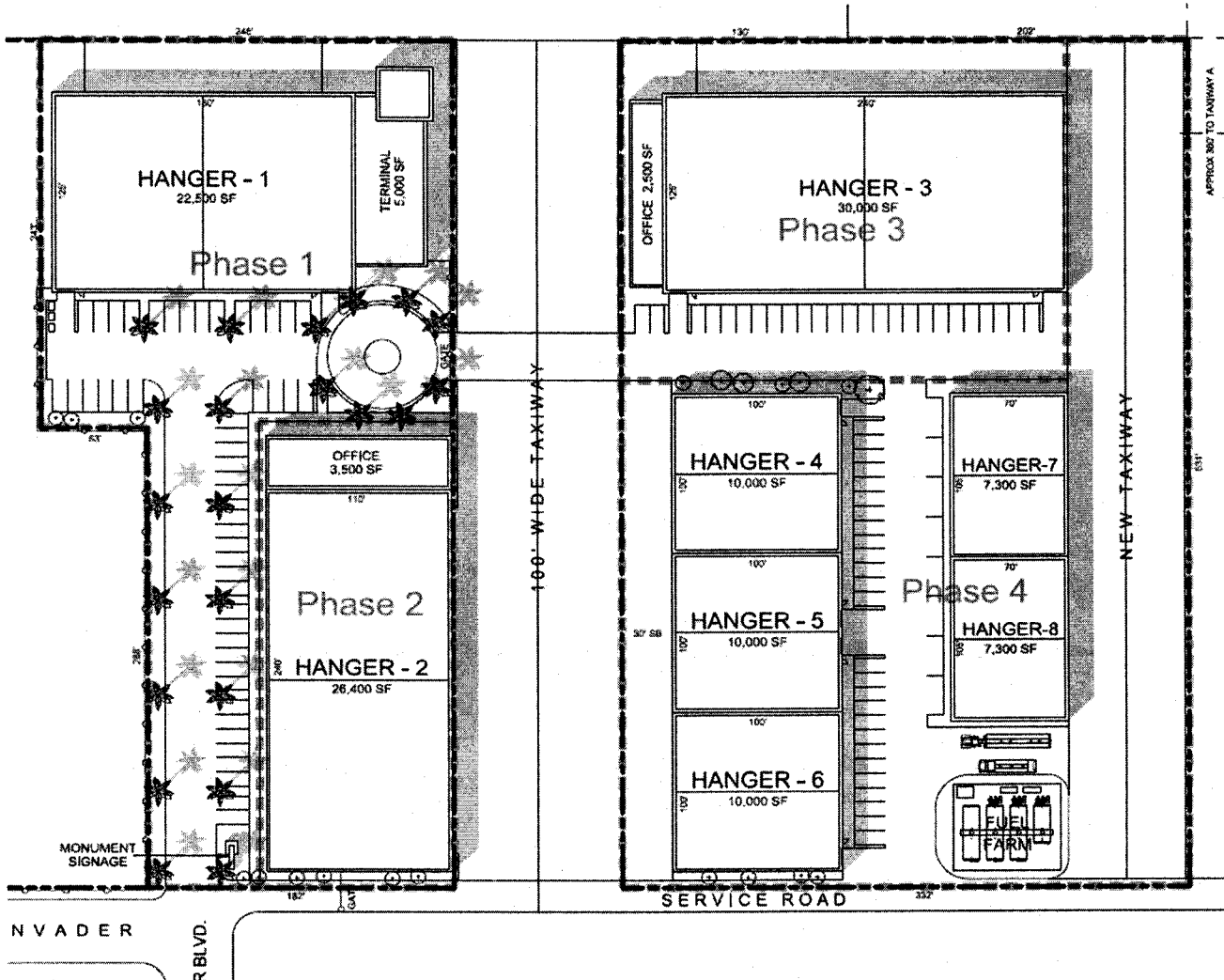
Inspection

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 "E" DEVELOPMENT PHASING SCHEDULE

THERMAL LAND, LLC
Limited Fixed Base Operation – Ground Lease
Jacqueline Cochran Regional Airport



Phase 1	Complete the full construction of and gain occupancy permit for: <i>Hangar 1</i> , a 22,500 sq/ft executive hangar with attached 5,000 sq/ft terminal facility; and, improved parking lot, landscape areas and entrance monument/sign associated with <i>Hangars 1</i> .	Complete Phase 1 within 18 months from full execution of lease.
Phase 2	Complete the full construction of and gain occupancy permit for: <i>Hangar 2</i> , a 26,400 sq/ft executive hangar with attached 3,500 sq/ft offices.	Complete Phase 2 within 30 months from execution of lease.
Phase 3	Complete the full construction of and gain occupancy permits for: <i>Hangar 3</i> , a 30,000 sq/ft executive hangar; and, improved parking lot and landscape areas associated with <i>Hangar 3</i> .	Complete Phase 3 within 42 months from execution of lease.
Phase 4	Complete the full construction of and gain occupancy permits for: <i>Hangars 4, 5, 6, 7 and 8</i> , three 10,000 sq/ft hangars and two 7,300 sq/ft hangars; fifty foot of width added to the existing taxiway; a taxiway traversing west to east adjacent to the southerly leasehold boundary represented above as "New Taxiway"; a detached fuel farm facility; and, improved parking lot and landscape areas associated with <i>Hangars 4, 5, 6, 7 and 8</i> .	Complete Phase 4 within 48 months from execution of lease.