

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

446



FROM: Economic Development Agency

SUBMITTAL DATE:
August 8, 2013

SUBJECT: Jacqueline Cochran Regional Airport – Ground Lease Agreement between County of Riverside and KJ Aviation, LLC

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Ground Lease Agreement between the County of Riverside, as Lessor and KJ Aviation, LLC, a California limited liability company, as Lessee;
2. Authorize the Chairman of the Board of Supervisors to execute the Ground Lease Agreement between the County of Riverside and KJ Aviation, LLC; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents necessary to complete the Ground Lease, including an Estoppel Certificate and Memorandum of Lease, subject to review and approval as to form by County Counsel.

BACKGROUND: (Commences on page 2)

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

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 20, 2013

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

2013 AUG 13 PM 5:08

Prev. Agn. Ref.:

District: 4/4

Agenda Number: 22

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: ANNIE T. SAHAR
DATE: 8/20/13
Departmental Concurrence

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

RECEIVED RIVERSIDE COUNTY

BACKGROUND:

The County desires to enter into a ground lease (Lease) with KJ Aviation, LLC, a California limited liability company (Lessee), for the development and operation of a Limited Fixed Base Operation (FBO) at Jacqueline Cochran Regional Airport. Pursuant to the contemplated Lease, on approximate 4.75 acres of airport property, Lessee has completed its due diligence and desires to construct a 15 hangar development. In consideration of the costs involved in formalizing this Lease, Lessee shall compensate the County \$20,000. Upon full execution of the Lease, Lessee will have a 4-year term to complete said development. Once development is completed to the satisfaction of the County, Lessee will have the right, subject to the terms of the Lease, to extend the 4-year Lease by an additional 30 years. The general provisions of the Lease are as follows.

LEASE SUMMARY:

The initial term commences upon the full execution of the Lease Agreement and continues for four years. In addition to the initial term, Lessee may extend for an additional 30 years subject to the Lessee's good standing with the Lease and the completion of the proposed development to the County's satisfaction.

The base rent is \$1,140 per acre. Lessee will be charged half the base rent for the full leasehold site for the first 6-months of the initial term during the construction period. After the reduced rent period expires, the rental rate will return to the standard rate. The standard rental rate is subject to annual CPI adjustments and every 5th year is subject to a market appraisal rental adjustment. Lessee will have the right to use the subject property for all allowable uses associated with a Fixed Base Operator, save the right to develop, operate and sell fuel.

The Economic Development Agency recommends that the Board of Supervisors approve the Ground Lease Agreement between the County of Riverside and KJ Aviation, LLC. County Counsel has reviewed and approved the attached documents as to form.

Attachment: Ground Lease Agreement

1 Lease Consideration is due and payable on or before the effective date ("Effective
2 Date"), as that term is defined in Section 46 herein, of this Lease.

3 **2. Description and Survey.** The Subject Property leased hereby is located within
4 the Jacqueline Cochran Regional Airport, County of Riverside, State of California and
5 consists of approximately four (4.0) acres of vacant land, being preliminarily described
6 in Exhibit "A-1", attached hereto and incorporated by this reference herein. County and
7 Lessee herein acknowledge that Lessee has no fee title interest in or to the Subject
8 Property.

9 Within sixty (60) days of the Effective Date of this Lease, Lessee will supply
10 County, at Lessee's sole cost and expense, with a survey and legal description
11 (collectively herein referred to as "Survey and Description") of the Subject Property,
12 prepared by a registered civil engineer, showing the exact number of acres of the
13 Subject Property. Upon submission of said Survey and Description to County by
14 Lessee, said Survey and Description will be incorporated into and become a part of
15 this Lease as Exhibits "A-2" and "A-3" respectively. The size of the Subject Property
16 and the basic rent shall be adjusted to reflect the results of the Survey and
17 Description. The monthly Base Rent, as established in paragraph 5 below, will be
18 adjusted by multiplying the number of acres times one thousand one hundred and
19 forty dollars (\$1,140.00) the "Base Rent Rate."

20 Lessee's failure to submit said Survey and Description within sixty (60) days of
21 the Effective Date of this Lease will constitute a default by Lessee and this Lease will
22 be subject to the termination provisions as set forth in Section 16 herein.

23 **3. Term.** The term of this Lease shall commence as of the Effective Date
24 and shall terminate forty-eight (48) months thereafter, and is hereinafter referred to as
25 "Initial Lease Term".
26

1 **(a) Option to Extend.**

2 (i) *Full Compliance.* If at the expiration of the Initial Lease Term,
3 Lessee is in full compliance with the terms of this Lease, including but not limited to,
4 "complete construction" as that term is defined in Section 8(b) herein, of all Phases of
5 the Subject Property, to the County's satisfaction, Lessee shall have the option to
6 extend the term of this Lease for an additional period of thirty (30) years. Lessee must
7 exercise such option to extend this Lease by written notification provided to the County
8 of Lessee's intention to exercise the option to extend not more than twelve (12) months
9 and not less than forty-five (45) days from the expiration date of the Initial Lease Term.

10 (ii) *Partial Compliance.* If, at the time of the expiration of the Initial
11 Lease Term Lessee has not achieved "complete construction" of all Phases of the
12 Subject Property, but Lessee has achieved "complete construction", to the County's
13 satisfaction, of any one or more Phase(s) of the Subject Property as described in
14 Section 8 herein below, Lessee and County shall amend this Lease to: (1) extend the
15 Lease term for thirty (30) years only as to those portions of the Subject Property upon
16 which Lessee has achieved "complete construction"; and, (2) reflect the reduction in
17 the portions of the Subject Property leased to Lessee, limited to those Phases that
18 have achieved "complete construction"; and, (3) adjust the Base Rent for the reduced
19 leased portions accordingly.

20 (iii) *Reversionary Interest of Undeveloped Portions.* In the event
21 any development Phase of the Subject Property, at the time of the expiration of the
22 Initial Lease Term is wholly undeveloped or partially constructed upon, as determined
23 by County, then Lessee shall not be entitled to exercise its option to extend this Lease
24 as to those wholly undeveloped or partially constructed portions of the Subject Property
25 beyond the Initial Lease Term, and those wholly undeveloped or partially constructed
26 portions of the Subject Property shall revert back to County without further action or
notice to the Parties.

1 **(b) Hold Over.** Any holding over by the Lessee after the expiration
2 of the Initial Term, if no option to extend is granted, or, any holding over by the Lessee
3 after the expiration of the Initial Term combined with the option to extend, shall be on a
4 day-to-day basis strictly and continuing tenancy rights shall not accrue to the Lessee.

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

12 **(a) Permitted Uses:**

13 (i) Sale, retail or wholesale or both, of new and used aircraft,
14 aircraft parts and accessories, including instruments, engines, electronic devices,
15 airman's navigational and personal supplies, and accessories.

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

24 (iii) Maintenance, repair, and overhaul of all types of aircraft,
25 aircraft engines, airframes, automatic flight systems, instruments, radio and other
26 electronic equipment, propellers, and all other aircraft components.

1 (iv) Painting and upholstering of aircraft, subject to paragraph 6(f)
2 and 20(e). Financing, leasing, renting, and insuring of aircraft.

3 (v) Servicing of aircraft excluding the sale of aviation fuels or
4 lubricants and any other service usually associated with aircraft servicing operations.

5 (vi) Providing aircraft storage inside hangar buildings.

6 (vii) Providing ground school instruction associated with flight
7 training.

8 (b) **Initial Uses:**

9 (i) Construction of facilities, including storage hangar(s),
10 maintenance hangar(s) and associated improvements that provide servicing,
11 maintenance and storage for aircraft.

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

20 **5. Rent.** Lessee shall pay to County as Base Rent for the use and
21 occupancy of the Subject Property monthly rent equal to Four thousand Five hundred
22 sixty dollars and 00/100 (\$4,560.00). This amount shall be adjusted at the completion
23 of the Survey provided for in paragraph 2 above, by multiplying the number of acres
24 determined by the survey times one thousand one hundred forty dollars and 00/100
25 (\$1,140.00); that is, the "Base Rent" rate.

26 Said rent is due and payable in advance on the first of each month. The rent
shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent

1 becomes delinquent, Lessee will be charged a late fee equivalent to ten percent (10%)
2 of the total delinquent rental amount, exclusive of late fees, for each month that rent is
3 delinquent.

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

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

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

8 (a) Commencing on the Effective Date and only during the Initial Term,
9 for a period not to exceed six (6) months from the date rent commences ("Construction
10 Period"), the monthly rent shall be equal to one-half of the Base Rent for the four (4.0)
11 acres, the whole Subject Property. At completion of the Construction Period, the Base
12 Rent shall revert to the full Base Rent, including all Base Rent Adjustments per lease
13 provisions 5(a), 5(b) and 5(c) herein. Upon issuance of a certificate of occupancy for
14 any completed phase of the Subject Property, during the Initial Lease Term, monthly
15 rent for that phase shall then be paid at the full Base Rent rate of one thousand one
16 hundred and forty dollars (\$1,140.00) per acre commencing on the first day of the
17 month following issuance of the certificate of occupancy.

18 (b) *Base Rent Adjustment.* Beginning July 1, 2015 and every fifth (5th)
19 year thereafter, the Base Rent shall be adjusted to one-twelfth (1/12) of eight percent
20 (8%) of the then-current fair market value of the Subject Property. Said fair market
21 value shall be for the land and shall not include the value of the structures placed on
22 the Subject Property. In no event will application of this paragraph result in a monthly
23 rental amount lower than the highest previous monthly rental amount.

24 A property appraisal for the purpose of establishing the adjusted Base Rent is to
25 be performed by an independent certified appraiser, knowledgeable in aviation
26 appraising and in good standing with the American Institute of Real Estate Appraisers.

1 The appraiser is to be procured and paid for by County. Once established, said rent
2 shall be adjusted annually in the manner set forth in Paragraph 5 (c) below.

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

10 **6. Additional Obligations of Lessee.** Lessee shall, during the term of
11 this Lease and any extensions thereof:

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

17 (b) Maintain the Subject Property utilizing sufficient personnel who are
18 trained, skilled and if applicable certified in order to competently perform the tasks
19 related to the services being offered;

20 (c) Operate the Subject Property and perform services for the use and
21 benefit of the general public without discrimination on the grounds of race, religion,
22 color or national origin or in any manner prohibited by Part 15 of the Federal Aviation
23 Administration Regulations;

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

1 (e) Provide janitorial and ground maintenance services for interior,
2 exterior, and grounds at Lessee's own expense;

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

10 (g) Observe the Taxiway Object Free Area adjacent to their leasehold to
11 allow the passage of taxiing aircraft; the Taxiway Object Free Area boundary for
12 Taxiway F is one hundred ten (110) feet from the centerline of the taxiway; and

13 (h) Maintain the Subject Property, approaches thereto, and improvements
14 now or hereafter located thereon, in good, safe and sanitary order, condition, and
15 repair, and upon any termination of this Lease, Lessee agrees to surrender said
16 Subject Property and improvements thereon in such good, safe and sanitary condition,
17 reasonable use and wear thereof and damages by fire, acts of God, war, civil
18 insurrection, or by the elements excepted.

19 **7. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, all
20 necessary permits and licenses as it may be required to obtain regarding the
21 construction, operation, maintenance, and termination or abandonment of activities
22 upon the Subject Property, and Lessee shall pay for all fees and taxes levied or
23 required by any authorized public entity. This Lease may create a possessory interest
24 subject to property taxation and Lessee may be subject to the payment of property
25 taxes levied on such interest. Due to the length of the Initial Lease Term combined with
26 the option to extend may subject the Lessor to a documentary transfer tax. Lessee

1 recognizes and understands that Lessee is solely responsible for the timely payment
2 and satisfaction of all taxes incurred as a result this Lease.

3 **8. On-Site Improvements.**

4 (a) *Phases.* The Subject Property may be developed in a maximum of
5 four (4) phases, subject to the approval of County, provided that all construction is
6 completed within forty eight (48) months of the Effective Date of this Lease. Should
7 Lessee elect to develop the Subject Property in Phases, Lessee shall notify County, in
8 writing and within thirty (30) days of the Effective Date of this Lease, of Lessee's intent
9 to develop the Subject Property in Phases. If Lessee fails to provide County with
10 written notice of its intent to develop the Subject Property in Phases, Lessee must
11 achieve "complete construction" of the entirety of the Subject Property, to the
12 satisfaction of County, prior to the expiration of the Initial Term of this Lease.

13 (b) *Phasing Schedule.* After providing County with written notice of its
14 intent to develop the Subject Property in Phases, Lessee shall, within sixty (60) days of
15 the Effective Date, provide County with a phasing schedule ("Phasing Schedule") that
16 shall include, but not limited to: (1) the planned improvements for each Phase to be
17 completed by Lessee; and, (2) the date in which the construction for each Phase will
18 begin; and, (3) the date in which each Phase will be completed in its entirety
19 ("complete construction"). "Complete construction" is defined as development and
20 construction of the on-site improvements on the Subject Property that have received a
21 Certificate of Occupancy permit.

22 The Phasing Schedule is subject to review and approval by the County, which
23 shall not be unreasonably withheld. The approved Phasing Schedule shall be
24 incorporated into this Lease and attached hereto as Exhibit "E". With County's written
25 approval, which shall not be unreasonably withheld, the Phasing Schedule may be
26 revised by Lessee from time to time during the Initial Term of the Lease.

1 (c) *Site Plan*. Within sixty (60) days of the Effective Date of this Lease,
2 Lessee shall submit to County a development site plan ("Site Plan") showing the
3 location and dimensions of all planned improvements. The design shall be satisfactory
4 to and approved by the County of Riverside Economic Development Agency, Aviation
5 Division, prior to Lessee's application to County for building permits. With County's
6 written approval, which shall not be unreasonably withheld, the Site Plan may be
7 revised by Lessee from time to time during the Initial Term of the Lease. The Site Plan
8 shall be incorporated into this Lease and attached hereto as Exhibit "F". Lessee
9 hereby understands and agrees that Lessee shall provide County with a Site Plan
10 within sixty (60) days of the Effective Date of this Lease irrespective of whether Lessee
11 elects to undertake development of the Subject Property in Phases.

12 (d) *Full Construction Plans*. Within six (6) months of approval of the Site
13 Plan by County of Riverside Economic Development Agency, Aviation Division, Lessee
14 shall submit a full set of construction plans to the County to obtain building permits.
15 Construction of said improvements shall commence within sixty (60) days following
16 issuance of the requisite permits by the County.

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

21 (f) *Development Costs*. All improvements are to be completed at
22 Lessee's sole cost, including but not limited to all off-site improvements, taxiway(s),
23 infrastructure, and those fees, permits and taxes associated with the development as
24 depicted on the Site Plan, related Exhibit "F," and subsequent amendments, if any.
25 Lessee shall pay for construction of any required utility extensions and hookups
26 (including all related fees and charges) and any access road improvements. Plans for

1 all improvements are to be submitted to County for approval prior to start of any
2 construction.

3 (g) *Improvement Alterations.* Any improvements, alterations, and
4 installation of fixtures to be undertaken by Lessee shall have the prior written approval
5 of the County after Lessee has submitted to County proposed plot and building plans,
6 and specifications therefor, in writing. In addition, Lessee understands and agrees that
7 such improvements, alterations, and installation of fixtures may be subject to County
8 Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that
9 Lessee shall fully comply with such ordinances prior to the commencement of any
10 construction in connection therewith.

11 (h) *Minimum Standards.* Lessee, at its expense, shall construct, or cause
12 to be constructed, improvements described in the Site Plan showing the location and
13 dimensions of all planned improvements and such improvements shall conform to the
14 Minimum Standards for Aircraft Storage (Table F) Riverside County Airports, Exhibit
15 "C", attached hereto and by this reference incorporated herein, and will include aircraft
16 storage hangars necessary for conducting the business of a Hangar Sale and Lease
17 Operator such as hangars, hardscape and associated landscaping, vehicular parking
18 and other incidental improvements, all in accordance with County requirements.
19 Notwithstanding the above, the County agrees that the Lessee shall not be required to
20 meet or satisfy the requirements set forth in points (1) one through (3) three in the
21 Minimum Standards for Aircraft Storage (Table F). Insofar as the Parties subsequently
22 agree to modify or add permitted use(s) as stated in section 4(a) above, Lessee
23 acknowledges and agrees to adhere to those Minimum Standards applicable to the
24 additional use(s) subsequently agreed upon.

25 (i) *Real Property.* Legal Conveyance of all improvements, alterations, and
26 fixtures constructed by the Lessee on the Subject Property shall remain with the
Lessee until the Lease is terminated, legally relinquished, abandoned or upon the

1 expiration of lease including any hold-over period by Lessee. Upon termination,
2 relinquishment, abandonment or upon the expiration of the lease (including any hold-
3 over period), legal title to all improvements constructed by the Lessee shall cease to
4 exist and all interest associated therewith reverts to the County. Lessee shall have the
5 full and exclusive use and enjoyment of such improvements, alterations, and fixtures
6 during the term of this Lease. At or prior to the expiration of this Lease, Lessee shall
7 remove, at its expense, such trade fixtures and restore said Subject Property to their
8 original shape and condition as nearly as practicable. In the event Lessee does not so
9 remove such trade fixtures, they shall become the property of the County for no further
10 consideration of any kind, and Lessee shall execute any documents that may be
11 required or necessitated conveying its interest in such improvements, alterations, and
12 fixtures to County.

13 **9. Off-Site Improvements**

14 (a) County shall provide the following off-site improvements to serve
15 the site: (1) water, (2) sewer, and (3) a paved access road. Connections to said off-site
16 improvements shall be the sole cost and responsibility of Lessee in accordance with
17 paragraph 8 herein. Additionally, Lessee shall be responsible for any improvements
18 beyond those listed in this paragraph, including, but not limited to, electricity,
19 telephone, cable, internet and gas service and any connection costs and fees
20 associated with water and sewer services.

21 (b) Lessee shall pay a sewer connection fee and a monthly sewer
22 service fee to County. The amount of the fees shall be according to the fee schedule
23 in effect at the time of the Effective Date. The monthly sewer service fee will be
24 adjusted from time to time and be based upon County's sewer service payments to the
25 Coachella Valley Water District and County's cost of repairing, maintaining, and
26 administering the airport's sewer system.

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

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

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

22 **11. County's Reserved Rights.**

23 (a) The Subject Property is accepted by Lessee subject to any and all
24 existing easements or other encumbrances, and County shall have the right to enter
25 upon the Subject Property and to install, lay, construct, maintain, repair and operate
26 such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections,
water, oil and gas pipelines, and telephone and telegraph power lines and such other

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

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

25 (c) During the time of war or national emergency, County shall have the
26 right to lease the landing area of the Jacqueline Cochran Regional Airport, or any part
thereof, to the United States Government for military use and, if such lease is

1 executed, the provisions of this Lease insofar as they are inconsistent with the
2 provisions of such lease to the Government, shall be suspended. In that event, a just
3 and proportionate part of the rent hereunder shall be abated, and the period of such
4 closure shall be added to the term of this Lease, or any extensions thereof, so as to
5 extend and postpone the expiration thereof unless Lessee otherwise elects to
6 terminate this Lease.

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

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

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

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

25 **14. Compliance with Government Regulations.** Lessee shall, at Lessee's
26 sole cost and expense, comply with the requirements of all local, state, and federal
statutes, regulations, rules, ordinances, and orders now in force or which may be

1 hereafter in force, pertaining to the Subject Property. The final judgment, decree, or
2 order of any Court of competent jurisdiction, or the admission of Lessee in any action
3 or proceedings against Lessee, whether Lessee be a party thereto or not, that Lessee
4 has violated any such statutes, regulations, rules, ordinances, or orders in the use of
5 the Subject Property, shall be conclusive of that fact as between County and Lessee.

6 **15. Discrimination or Segregation**

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

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

23 (c) Lessee assures that it will undertake an affirmative action program as
24 required by 49 CFR, Part 21, to insure that no person shall on the grounds of race
25 creed, color, national origin, or sex be excluded from participating in any employment
26 activities covered in 49 CFR, Part 21, with respect to its use of the Subject Property.
Lessee further assures that no person shall be excluded on these grounds from

1 participating in or receiving services or benefits of any program or activity covered
2 herein with respect to its use of the Subject Property. Lessee further assures that it will
3 require that its subcontractors and independent contractors provide assurance to
4 Lessee that they similarly will undertake affirmative action programs and that they will
5 require assurances from their subcontractors and independent contractors, as required
6 by 49 CFR, Part 21, to the same effect with respect to their use of the Subject
7 Property.

8 **16. Termination by County.**

9 County shall have the right to terminate this Lease in its entirety, under the
10 following circumstances:

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

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

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

17 (d) In the event that Lessee fails to submit the Survey and Description of
18 the Subject Property within sixty (60) days of the Effective Date of this Lease as more
19 particularly set forth in Section 2 herein.

20 (e) In the event that Lessee fails to submit the Site Plan to County within
21 sixty (60) days of the Effective Date of this Lease as more particularly set forth in
22 Section 8(c) herein.

23 (f) In the event that Lessee fails to submit full construction plans to
24 County for the Subject Property within six (6) months of the Effective Date of this Lease
25 as more particularly set for the in Section 8(d) herein.

26 (g) In the event Lessee does not timely comply with the Phasing
Schedule and any amendments to the Phasing Schedule as set forth in Exhibits "E"

1 and Section 8(b) herein. Any failure by Lessee to timely comply with the Phasing
2 Schedule, except for delays caused by Force Majeure or attributable to the negligence,
3 willful misconduct or bad faith of County (as defined in Sections 16(g)(i-iii)) herein, shall
4 constitute a breach of this Lease. County shall notify Lessee by certified mail of the
5 breach and Lessee shall have the right to remedy the violation and cure such breach
6 within thirty (30) calendar days commencing from the date the certified mail was
7 delivered to the address of Lessee listed in section 36 below. If Lessee fails to remedy
8 the violation to the satisfaction of County, within thirty (30) calendar days, County shall
9 have the right to terminate this Lease; provided, however, that the Parties shall enter
10 into a new thirty (30) year lease for the portions of the Subject Property where Lessee
11 has achieved, to the satisfaction of the County, "complete construction" as that term is
12 defined in Section 8(b) herein, of any of the Phases of development of the Subject
13 Property:

14 (i) In the event of a Force Majeure delay or delays caused by the
15 negligence, willful misconduct or bad faith of County, County agrees to extend the
16 Initial Lease Term by adding on a per diem to the end of the Initial Lease Term equal to
17 the number of days lost. It is the understanding of the Parties that this provision is
18 strictly limited to the Initial Lease Term and does not apply to any extensions or hold
19 over periods thereafter.

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

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

17 (h) In the event Lessee fails, or refuses, to meet its rental obligations, or
18 any of its obligations hereunder, or as otherwise provided by law provided, however,
19 that Lessee shall have thirty (30) days in which to correct Lessee's breach or default
20 after written notice thereof has been served on Lessee by County.

21 (i) In the event that Lessee fails Failure of Lessee to maintain insurance
22 coverage required herein and to provide evidence of coverage to the County; provided,
23 however, that Lessee shall have thirty (30) days in which to correct Lessee's breach or
24 default after written notice thereof has been served on Lessee by County.

25 (j) Failure of the Lessee to require all tiers of sublessees and/or
26 contractors to indemnify the County and to have appropriate insurance coverages
and/or failure by Lessee to monitor each sublessee and/or contractor for current and

1 correct Certificates of Insurance and required endorsements throughout the term of this
2 lease; provided, however, that Lessee shall have thirty (30) days in which to correct
3 Lessee's breach or default after written notice thereof has been served on Lessee by
4 County.

5 (k) In the event Lessee fails or refuses to perform, keep or observe any of
6 Lessee's other duties or obligations hereunder; provided, however, that Lessee shall
7 have thirty (30) days in which to correct Lessee's breach or default after written notice
8 thereof has been served on Lessee by County. County shall notify Lessee by certified
9 mail of Lessee's failure to perform its obligations and Lessee shall have the right to
10 remedy the violation and cure such breach within thirty (30) calendar days
11 commencing from the date the certified mail was delivered to the address of Lessee
12 listed in section 36 below. If Lessee fails remedy the violation to the satisfaction of
13 County, within the thirty (30) calendar day cure period, County shall have the right to
14 terminate this Lease.

15 (l) In the event that Lessee fails to pay the Lease Consideration amount
16 of twenty-thousand dollars (\$20,000) as set forth more particularly in Section 1 herein.

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

25 **18. Eminent Domain.** If any portion of the Subject Property shall be taken by
26 eminent domain and a portion thereof remains which is usable by Lessee, in its
discretion, for the purposes set forth in Paragraph 4 herein, this Lease shall, as to the

1 part taken, terminate as of the date title shall vest in the condemnor, or the date
2 prejudgment possession is obtained through a court of competent jurisdiction,
3 whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part
4 taken; provided, however, in such event County reserves the right to terminate this
5 Lease as of the date when title to the part taken vests in the condemnor or as of such
6 date of prejudgment possession. If all of the Subject Property are taken by eminent
7 domain, or such part be taken so that the Subject Property are rendered unusable for
8 the purposes set forth in Paragraph 4 herein, this Lease shall terminate. If a part or all
9 of the Subject Property be so taken, all compensation awarded upon such taking shall
10 be apportioned between County and Lessee according to law.

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

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

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

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

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

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

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

24 **(a) Workers Compensation.** Lessee shall maintain statutory
25 Workers' Compensation Insurance (Coverage A) as described by the laws of the State
26 of California. Policy shall include Employers' Liability (Coverage B) including
Occupational Disease with limits not less than \$1,000,000 per person per accident.

1 Policy shall be endorsed to provide a Waiver of Subrogation in favor of the County of
2 Riverside its Agencies, Districts, Special Districts, and Departments, their respective
3 directors, officers, Board of Supervisors, employees, elected or appointed officials,
4 agents or representatives.

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

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

(d) Aircraft Hull and Liability Insurance.

1 (1) *Aircraft Hull.* Lessee agrees to indemnify and hold
2 harmless the County from any and all losses, claims, or damage to any aircraft owned
3 by Lessee and all losses, claims, or damage to any aircraft where Lessee has agreed
4 under contract to be responsible for any physical damage to the aircraft. Lessee
5 hereby agrees that this indemnification and hold harmless includes, but is not limited
6 to, losses, claims or damage to any of Lessee's aircraft caused directly or indirectly by
7 the County.

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

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

22 Lessee shall also maintain site-specific Pollution Liability Insurance,
23 covering both sudden and gradual pollution, with limits of not less than \$2,000,000
24 each pollution condition and \$2,000,000 annual aggregate covering third party claims
25 for bodily injury, property damage and first and third party cleanup expense, for
26 pollution conditions occurring or discovered on-site whether in the soil, water or air,
which arise out of Lessee's activities at the Airport. The insurance shall include

1 coverage for loss arising out of the handling of fuel, including the transportation of fuel
2 and refueling of aircraft on-site, arising out of any storage tanks and associated piping,
3 and arising out of the operation, parking and maintenance of aircraft, vehicles on the
4 premises and operations that include any other hazardous materials, waste, and/or
5 work. The policy shall name County as additional insured, and shall not contain” an
6 insured v. insured” exclusion. The policy shall not contain a deductible or self-insured
7 retention higher than \$25,000.

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

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

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

22 (3) *Course of Construction Insurance.* During the full term of
23 construction of the planned improvements, Lessee shall purchase and maintain or
24 cause to be maintained All Risk Builder's Risk insurance (Completed Value Form)
25 including earthquake and flood for the entire Project, if applicable, including coverage
26 for materials and supplies located on and offsite but to be part of, or used in the
construction of, the completed Project. Policy shall also include as insured property,

1 scaffolding, falsework, and temporary buildings located on the Project site, and the cost
2 of demolition and debris removal. If the contractor or others insure scaffolding,
3 falsework and temporary buildings separately, evidence of such separate coverage
4 shall be provided to County prior to the start of the work. The Course of Construction
5 coverage limit of insurance shall equal or exceed the highest values exposed to loss at
6 any one time during the project term. Policy shall waive subrogation in favor of all
7 Agencies, Districts, Special Districts, and Departments of the County of Riverside, their
8 respective directors, officers, Board of Supervisors, employees, elected or appointed
9 officials, agents or representatives.

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

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

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

22 (3) Cause Lessee's insurance carrier(s) to furnish the County of
23 Riverside with either: (i) a properly executed original Certificate(s) of Insurance and
24 certified original copies of Endorsements effecting coverage as required herein; or (ii) if
25 requested to do so in writing by the County Risk Manager, provide original certified
26 copies of policies including all Endorsements and all attachments thereto, showing
such insurance is in full force and effect. Further, said Certificate(s) and policies of

1 insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days
2 written notice shall be given to the County of Riverside prior to any material
3 modification of coverage or cancellation of such insurance. In the event of a material
4 modification of coverage or cancellation of such insurance, this Lease shall terminate
5 forthwith, unless the County of Riverside receives, prior to such effective date, another
6 properly executed original Certificate of Insurance and original copies of endorsements
7 or, if requested, certified original policies, including all endorsements and attachments
8 thereto evidencing coverages set forth herein and the insurance required herein is in
9 full force and effect.

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

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

21 (5) *County's Reserved Rights - Insurance.* If during the term of this
22 Lease or any extension thereof, there is a material change in the scope of services or
23 performance of work the County of Riverside reserves the right to adjust the types of
24 insurance required under this Lease and the monetary limits of liability for the
25 insurance coverages currently required herein, if, in the Assistant County Executive
26 Officer – Economic Development Agency's reasonable judgment, upon advice of the
County Risk Manager, the amount or type of insurance carried by the Lessee has

1 become inadequate. The Lessee agrees to notify the County of any plan or change of
2 plan for the Lessee's operations and such notification shall occur prior to implementing
3 any such change.

4 Beginning July 1, 2015, and every fifth year thereafter during the
5 term of this Lease, or any extension thereof, County reserves the right to adjust the
6 monetary limits of insurance coverage as required in Paragraph 20.

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

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

22 **21. Insurance for Sublessees and Contractors.** Lessee shall require each
23 of its Sublessees and Contractors to meet all insurance requirements imposed by this
24 Lease. These requirements, with the approval of the County's Risk Manager, may be
25 modified to reflect the activities associated with the Sublessee or Contractor. On every
26 sublease or contract the Lessee shall have the Sublessee or Contractor name the
Lessee and the County by endorsement as an additional insured and/or have the

1 Sublessee or Contractor provide an endorsement waiving subrogation in favor of the
2 Lessee and the County on every Sublessee's or Contractor's insurance policy, as
3 applicable. Certificates and endorsements evidencing compliance with this section will
4 be provided to the County prior to the Sublessee taking occupancy.

5 **22. Acceptance of Subject Property.**

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

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

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

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

25 In the event Lessee desires the necessary approval(s) to sublease a portion or
26 portions of the Subject Property to a third party ("Sublessee") and convey Lessee's
interest in the improvements constructed by the Lessee to the Sublessee and pass title

1 to those improvements to the Sublessee for the duration of this Lease, the sublease
2 and conveyance of Lessee's interest and title to the improvements to sublessee shall
3 be subject to approval by the County and the terms of this Lease and all subsequent
4 amendments thereto.

5 **24. Right to Encumber/Right to Cure.**

6 (a) **Lessee's Right to Encumber.** Notwithstanding provisions of
7 Paragraph 23 herein, County does hereby consent to and agree that Lessee may
8 encumber or assign, or both, for the benefit of a lender, herein called Encumbrancer,
9 this Lease, the leasehold estate and the improvements for the duration stated in
10 paragraph 3 and 3(a) but excepting 3(b), thereof by a deed of trust, mortgage or other
11 security-type instrument, herein called trust deed, to assure the payment of the
12 promissory note of Lessee if the Encumbrancer is an established bank, savings and
13 loan association or insurance company, and the prior written consent of County shall
14 not be required:

15 (1) To transfer of this Lease at foreclosure under the trust deed,
16 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 24(a)(2) above which
is the transferee under the provisions of Paragraph 24(a)(1) above shall be liable to

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

3 Any subsequent transfer of this leasehold hereunder, except as
4 provided for in Paragraph 24(a)(2) above, shall not be made without the prior written
5 consent of County and shall be subject to the conditions relating hereto as set forth in
6 Paragraph 24 herein. Lessee shall give County prior notice of any such trust deed and
7 shall accompany such notice with a true copy of the trust deed and note secured
8 thereby.

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

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

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

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

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

19 County shall be responsible for the removal and remediation of any
20 contamination and/or hazardous materials that may be found to have existed on the
21 site prior to the execution of this Agreement. During the removal and remediation of
22 any such contamination or hazardous materials, rent shall abate pro rata as to the
23 period of time taken to remove and remediate the area of contamination and for any
24 additional portion of the Subject Property that cannot be developed because of cleanup
25 activities. Should removal and remediation of any contamination and/or hazardous
26 materials adversely affect the Lessee's construction of improvements on the Subject
Property, the Phasing Schedule and Initial Lease Term shall be extended by the same

1 number of days it takes the County to remove and remediate of any contamination
2 and/or hazardous materials.

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

22 **27. National Pollution Discharge Elimination System (NPDES) Permit.**

23 Lessee acknowledges, understands and agrees that it shall comply with California
24 State Water Resources Control Board general permit requirements now and in the
25 future relating to storm water discharges associated with activities such as aircraft
26 rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing.
Lessee further acknowledges, understands and agrees that it shall participate as a co-

1 permittee under said general permit, participate in the Jacqueline Cochran Regional
2 Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D",
3 attached hereto and by this reference made a part of this Lease, including without
4 limitation, the Best Management Practices, Best Available Technology Economically
5 Achievable, and Best Convention Pollutant Control Technology.

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

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

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

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

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

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

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

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

24 **35. Attorney's Fees.** In the event of any litigation or arbitration between
25 Lessee and County to enforce any of the provisions of this Lease or any right of either
26 party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the
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 **36. 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 ///

6 ///

7 ///

8

9

COUNTY

LESSEE

10

County of Riverside
Economic Development Agency
3403 10th Street, Ste. 500
Riverside, CA 92501
Attn: EDA – Aviation Division

KJ Aviation, LLC
75-366 Augusta Drive
Indian Wells, CA 92210
Attn: Charlie Knickerbocker

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

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

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

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

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

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

25 **42. Entire Lease.** This Lease is intended by the parties hereto as a final
26 expression of their understanding with respect to the subject matter hereof and as a
complete and exclusive statement of the terms and conditions thereof and supersedes

1 any and all prior and contemporaneous leases, agreements and understandings, oral
2 or written, in connection therewith. This Lease may be changed or modified only upon
3 the written consent of the parties hereto.

4 **43. Execution in Counterparts.** This Agreement may be executed in
5 counterparts, each of which shall be deemed to be an original, but all of which, taken
6 together, shall constitute one and the same agreement.

7 **44. Authorization of Subsequent Administrative Processing.** Subsequent
8 to the consummation of this lease, County understands that Lessee will be requesting
9 certain documents to be processed in order to complete the development of the
10 proposed project and to effectuate Lessee's business plan to operate a Limited Fixed
11 Base Operation. In order to alleviate the County's costs for processing such
12 documents, Lessee understands and agrees to reimburse County of its cost(s) directly
13 related to the processing of those document(s). County shall limit those charges to the
14 following fee schedule:

Document:	Fee:
Memorandum of Lease <u>or</u> Recognition of Lease	\$1750.00
Estoppel Certificate	\$1750.00
Consent to Lease Assignment	\$2500.00
Consent to Sale	\$2500.00
Consent to Assignment and Acceptance (Sublease)	\$2500.00

19 Lessee hereby understands that any processing of the above-mentioned
20 documents, where authority has not been delegated to the County of Riverside
21 Assistant County Executive Officer/EDA, is subject to County Board of Supervisors
22 approval.

23 ///
24 ///
25 ///
26 ///

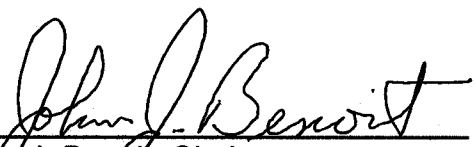
1 **45. Construction of Lease.** The parties hereto negotiated this Lease at
2 arm's length and with the advice of their respective attorneys, and no provisions
3 contained herein shall be construed against County solely because it prepared this
4 Lease in its executed form.

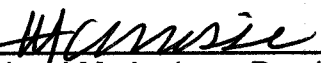
5 **46. Effective Date.** The effective date ("Effective Date") of this Lease is the
6 date the Parties execute this Lease. If the Parties execute this Lease on more than
7 one date, then the date this Lease is executed by the Chairman of the Board of
8 Supervisors shall be the Effective Date.

9 IN WITNESS WHEREOF, the parties have executed this Lease as of the
10 Effective Date.

11 **COUNTY OF RIVERSIDE**

KJ AVIATION, LLC

12
13 By: 
14 John J. Benoit, Chairman
15 Board of Supervisors

RMJ & Associates, LLC
By: 
Richard M. Janisse, President

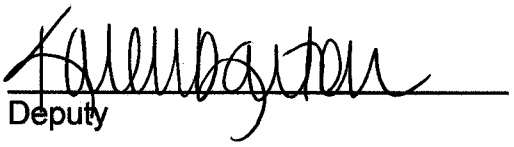
16 Date: AUG 20 2013

Date: 5/22/13

Thermal Land, LLC

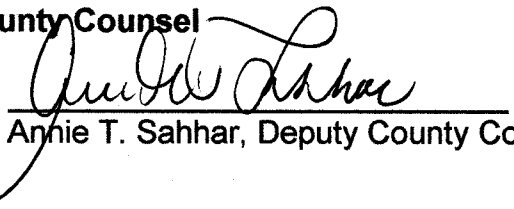
18 **ATTEST:**
19 **Clerk of the Board**

By: _____
Charles Knickerbocker, President

20
21 By: 
22 Deputy

Date: _____

23 **FORM APPROVED:**
24 **County Counsel**

25 By: 
26 Annie T. Sahhar, Deputy County Counsel

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

5 **46. Effective Date.** The effective date ("Effective Date") of this Lease is
6 the date the Parties execute this Lease. If the Parties execute this Lease on
7 more than one date, then the date this Lease is executed by the Chairman of
8 the Board of Supervisors shall be the Effective Date.

9 IN WITNESS WHEREOF, the parties have executed this Lease as of the
10 Effective Date.

11 **COUNTY OF RIVERSIDE**

KJ AVIATION, LLC

RMJ & Associates, LLC

12
13 By: _____

By:

14
15 John J. Benoit, Chairman
Board of Supervisors

Richard M. Janisse, President

Date: _____

16
17 Date: _____

Thermal Land, LLC

18
19 ATTEST:

By: 

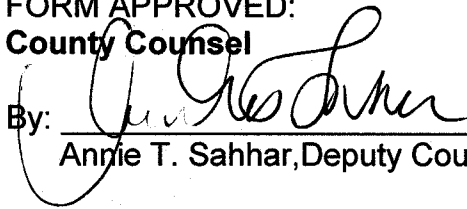
20 _____
Clerk of the Board

Charles Knickerbocker, President

Date: 5-21-13

21
22 By: _____
Deputy

23
24 FORM APPROVED:
25 **County Counsel**

26 By: 
Annie T. Sahhar, Deputy County Counsel

Attachments:

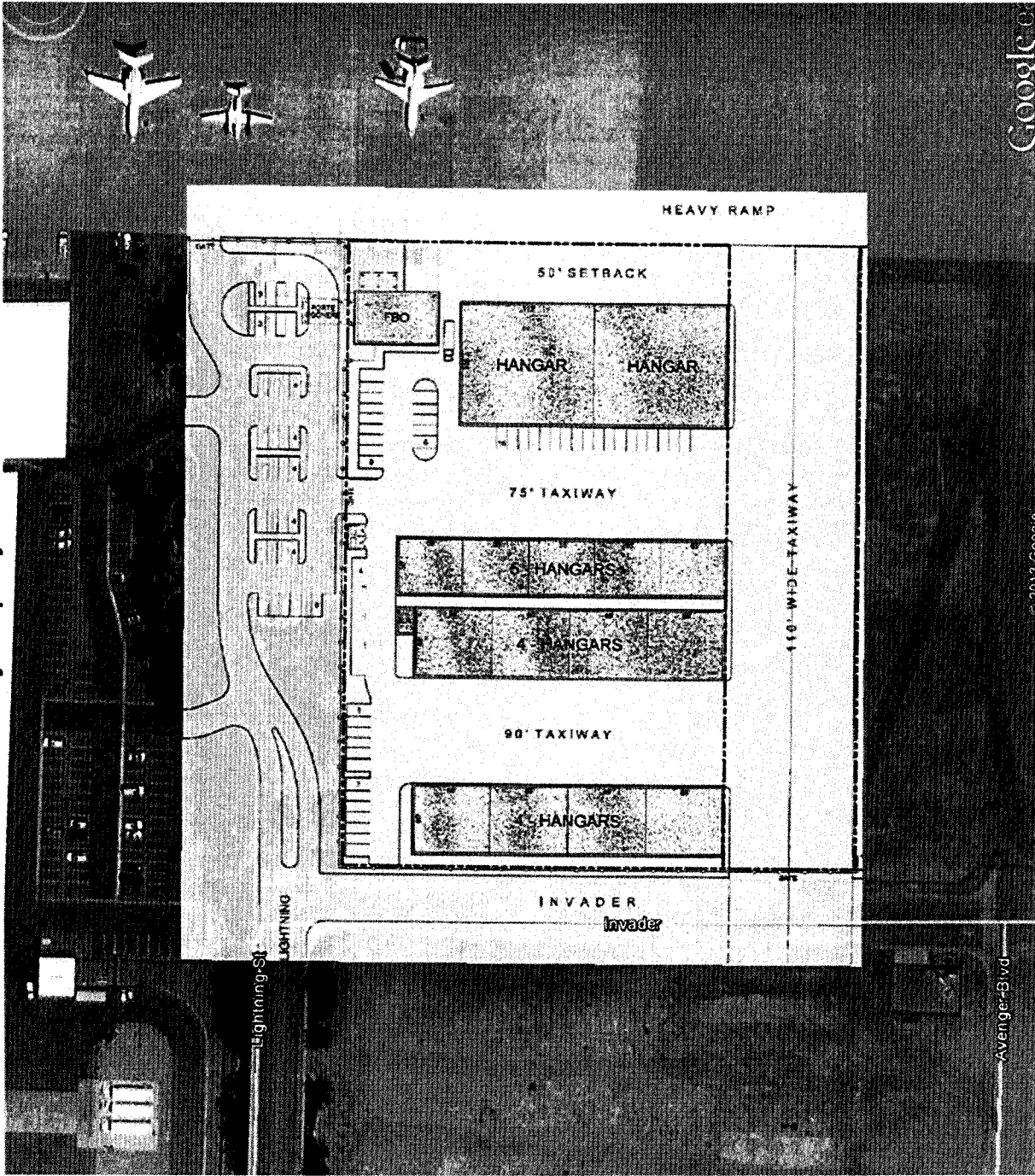
1 **Attachments:**

- 2 1. Exhibit A-1: Preliminary Property Identification
- 3 2. Exhibit A-2: Legal Description (to be provided by Lessee)
- 4 3. Exhibit A-3: Survey (to be provided by Lessee)
- 5 4. Exhibit B: Federally Required Lease Provisions
- 6 5. Exhibit C: Minimum Standards
- 7 6. Exhibit D: Storm Water Pollution Prevention Plan
- 8 7. Exhibit E: Phasing Schedule (to be provided by Lessee)
- 9 8. Exhibit F: Site Plan (to be provided by Lessee)

10 S:\EDCOM\AIRPORTS\JACKIE COCHRAN\Thermal Land LLC (Knickerbocker)\FBO Ground Lease FINAL 9.19.12 vp

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EXHIBIT A-1
Preliminary Property Identification



(Orange highlighted area)
Estimated to be 4.75 Acres

EXHIBIT B
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

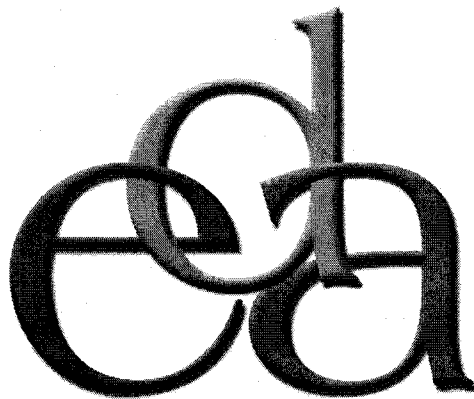
the County or the United States, either or both said Governments shall have the right to judicially enforce these Provisions.

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, but subject to the terms and conditions of the Lease.
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 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



RIVERSIDE COUNTY
Economic Development Agency

**County of Riverside
Economic Development Agency**
1325 Spruce St., Suite 400
Riverside CA 92507
Phone: (951) 955-8916
Fax: (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>
<u>LOT SIZE:</u> 3 acres or 130,680 SF		
Hangar area	14,000 SF	For aircraft storage
Outside storage area	30,000 SF	For tie-down or apron parking
Building space	2, 000 SF	For offices, pilots' lounge and briefing area, conference rooms, classrooms, and restrooms
Automobile parking	20 spaces, with landscaping as required by 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>
<u>LOT SIZE:</u> ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
Automobile parking	200 SF	Office storage room
Landscaping	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
<u>CERTIFICATION:</u>		
Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43	
<u>PERSONNEL:</u>		
Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours
<u>EQUIPMENT:</u>		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
<u>INSURANCE:</u>		
Refer to Appendix A		

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

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

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

PERSONNEL:

Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
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HOURS OF OPERATION:

Business Hours	Available for appointment at least 40 hrs/week
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EQUIPMENT:

Minimum equipment required shall be determined during lease negotiations.

INSURANCE:

Refer to Appendix A

Table F - AIRCRAFT STORAGE

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

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
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
PERSONNEL:		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)

HOURS OF OPERATION:

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

INSURANCE:

Refer to Appendix A

ADDITIONAL GUIDELINES:

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

Table G - AGRICULTURAL APPLICATION

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

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

CERTIFICATION:

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

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**DESERT RESORTS REGIONAL
AIRPORT**

**STORM WATER POLLUTION PREVENTION
PLAN**

(S.W.P.P.)

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

PERMIT NUMBER W.D.I.D 733S006138

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: Daryl Shippy

DUTIES: Overall compliance; Inspection of airports.

Phone: (760)863-8247 24-hour Phone: (951) 538-5046

Designated Individuals

Name: Fire Station 39 Title: _____

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

Duties: County fire compliance with permit.

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

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

Duties: F.B.O. Compliance.

Name: Chad Wilshire Title: Airport Asset Manager

Phone: 951-955-9802 24-hour Phone: _____

Duties: Airport Compliance

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

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.
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-
-

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.

Airport Industrial Storm Water Treatment Facilities:

- 1) No facilities are now on the airport.

Methods of On-Site Disposal of Significant Materials:

- 1) All hazardous materials are disposed of in State approved sites or recycled. No hazardous materials are disposed of on the airport.

Methods of On-Site Storage of Significant Materials:

- 1) Aviation fuels are stored in 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):

1,723 Acres

Impervious Area (acres or Square Feet):

35.5 Acres

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

2 %

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):

1,723 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):

3 %

Significant Spills or Leaks

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

Summary of Sampling Data

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

SAMPLING EVENT RECORDS TABLE 3-3

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

STORM WATER MANAGEMENT CONTROLS

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

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

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

Preventative Maintenance

The preventative maintenance program should include the following:

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

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

Good Housekeeping

Written Protocol

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

The protocols should cover:

- 1) Daily inspections of tie down areas to look for leaks and spills.

- 2) Notices sent to F.B.O.s and aircraft owners to correct any problems.

- 3) Vehicle and equipment washing to be done in designated areas only.

- 4) No hangars, equipment storage or maintenance facilities are allowed to be hosed out. All oil and fuel will be cleaned by using oil absorbent materials or biodegradable solvents or soaps, then disposed of properly.

- 5) Drip pans and 100 pounds of absorbent material stored at each F.B.O. site near fuel storage and maintenance areas.

- 6) Drums and tanks containing used oil are to store in a covered area with retention.

- 7) The County and each co-Permittees will train all personnel on the proper handling of hazardous materials. List of agency's to notify if a spill occurs.

- 8) The designated airport representative will inspect the airport monthly to include co-Permittees areas to insure compliance with the S.W.P.P.P.

- 9) All unpaved roads restricted to necessary traffic.

- 10) All vehicle fueling to take place on paved areas to simplify clean up if a spill occurs. Also keeps cost down.

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

Spill Prevention and Response

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

See Protocols and Management Practices.

Emergency Response Coordinator

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

Designated Individual: Tom Turner

Title: Airport Manager

Phone: (909) 351-0700 x354 24-hour Phone: 909-412-3049

Alternate: Paul Hardin

Title: Airport Operation

Phone: (909) 358-5164 24-hour Phone :pager 909-416-8958

Alternate: Dave English

Title: Airport Maint.

Phone: 909-712-5995 24-hour Phone: pager 909-416-0094

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 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.
- 18) Insure all personnel are trained and /or have proper licensing.
- 19) Restrict material handling areas to trained personnel only.
- 20) Inspect equipment monthly to insure it is working properly and that the responsible party is noticed so that repair can be made on faulty equipment.
- 21) Require catch basins to be designed into all future construction projects where applicable.
- 22) Rip-rap all applicable outfalls, embankments and drain ditches.
- 23) 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.
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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.		

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.

KJ Aviation, LLC

TRM: Hangar Development Phasing Plan

Shown below is our proposed phasing plan for the KJ Aviation, LLC hangar development at Jacqueline Cochran Regional Airport.

Phase 1: Within first 18 months.

Complete construction of five 2,750 SF hangars, some of the east-west taxiway, a north-south taxiway, some vehicle parking space, and landscape the area along the Heavy Ramp.

Phase 2: Within or before next 12 months.

Complete construction of four 3,900 SF hangars, a north-south taxiway, more of the east-west taxiway, and some additional vehicle parking.

Phase 3: Within or before next 12 months.

Complete construction of four 3,900 SF hangars, the rest of the east-west taxiway, and the balance of the vehicle parking.

Phase 4: Within or before next 6 months.

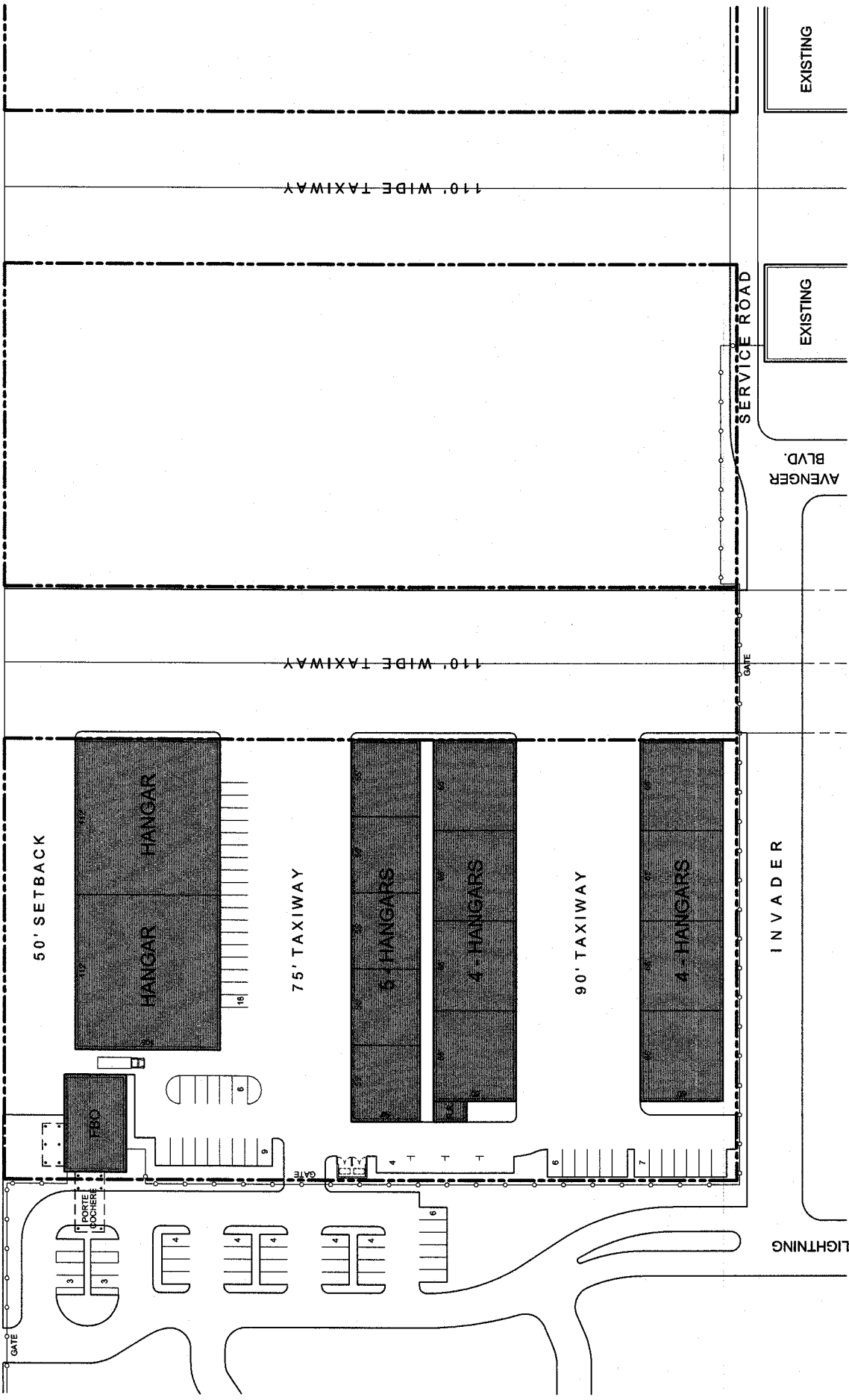
Complete construction of two 11,760 SF hangars along the Heavy Ramp.

PROPOSED SITE PLAN - OPTION B6

SCALE: 1" = 100' 0"



HEAVY RAMP



TRADITION AVIATION
 Jacqueline Cochran Regional Airport
 Thermal, California 92274

WILLIAM SHARON - ARCHITECT
 77-885 LAS MONTANAS ROAD - SUITE A
 PALM DESERT - CALIFORNIA 92211
 760-772-2931
 2430
 MAY 22 - 2013