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



FROM: Economic Development Agency September 11, 2014

SUBJECT: Consent to Sub-Lease Between John Obradovich ,Betty Obradovich and FlyGA, LLC and Bill of Sale between RMK Holdings, LLC and FlyGA, LLC - Jacqueline Cochran Regional Airport, CEQA Exempt, District 4/District 4, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities, and direct the Clerk of the Board to file a Notice of Exemption;
- 2. Approve and consent to the sublease of real property located within Jacqueline Cochran Regional Airport in Thermal, California (Subleased Property), as more specifically set forth in the attached Sub-Lease with Sale of Aviation Hangar between John Obradovich and Betty Obradovich (as sublessor) and FlyGA, LLC, a Delaware limited liability company, (as sublessee) (Sublease), subject to FlyGA, LLC, being registered to do business in California with the California Secretary of State;

(Continued)

Departmental Concurrence

Robert Field

Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Ye	ar:	Total Cost		Or	going Cost:		POLICY/CONSENT (per Exec. Office)
COST	\$ (\$	0	\$	0	\$	() ,	Consent □ Policy ⊠
NET COUNTY COST	\$	\$	0	\$	0	\$	(<u>)</u>	Consent - Folicy -
SOURCE OF FUN	DS: N/A	<u>'</u>					Budget Adjust	me	ent: No
							For Fiscal Yea	r:	2014/15
C.E.O. RECOMME	NDATION:		Α	PPROV	E^				

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:

Jeffries, Tavaglione, Stone and Ashley

Navs:

None

Absent:

Benoit

Date:

September 23, 2014

XC:

EDA, Recorder

4/5 Vote

Positions Added

Change Order

Prev. Agn. Ref.:3.11 of 6/3/03; 3.17 of 9/14/04; 3.23 of 9/12/06; 3.10 of 6/14/05; 3.11 4/11/06; 3.6 of 9/27/11

District: 4/4

Agenda Number:

Kecia Harper-Ihem

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

Economic Development Agency

FORM 11: Consent to Sub-Lease Between John Obradovich ,Betty Obradovich and FlyGA, LLC and Bill of Sale between RMK Holdings, LLC and FlyGA, LLC – Jacqueline Cochran Regional Airport, CEQA Exempt,

District 4/District 4, [\$0]

DATE: September 11, 2014

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

- 3. Approve and consent to the sale of Building A, Hangar No. 1, currently owned by RMK Holdings, LLC, located on the Subleased Property within Jacqueline Cochran Regional Airport in Thermal, California, as more specifically set forth in the attached Bill of Sale Coupled with Sub-Lease between RMK Holdings, LLC (as seller) and FlyGA, LLC, (as buyer) (Bill of Sale), subject to FlyGA, LLC, being registered to do business in California with the California Secretary of State:
- 4. Authorize the Assistant County Executive Officer/EDA to sign the attached Consent to Sublease and Consent to Bill of Sale, subject to FlyGA, LLC, being registered to do business in California with the California Secretary of State and prior review and approval by County Counsel; and
- Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents necessary to implement the Sublease and Bill of Sale, subject to approval by County Counsel.

BACKGROUND:

Summary

The County of Riverside (County), as lessor, and John Obradovich and Betty Obradovich (collectively, Obradovich), as lessee, entered into that certain Lease Desert Resorts Regional Airport dated June 3, 2003, as amended by that certain First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, that certain Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and that certain Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, Lease). The Lease relates to 9 acres of real property located at the Jacqueline Cochran Regional Airport (Leased Premises). Pursuant to Section 24 of the Lease, Obravodich cannot sublease any rights, duties or obligations under the Lease without the written consent of the County. Obradovich desires to sublease a portion of the Leased Premises upon which an airport hangar, identified as Building A, Hangar No. 1 is located (Subleased Premises) to FlyGA, LLC, as more specifically set forth in the Sub-Lease with Sale of Aviation Hangar attached hereto as Attachment B (Sublease). If approved by the Board, the Subleased Premises. RMK Holdings, LLC's, sublease rights have been terminated pursuant the Lease Cancellation Agreement attached hereto as Attachment E.

In connection with the Sublease, FlyGA, LLC, (as buyer) and RMK Holdings, LLC, (as Seller) entered into that certain Bill of Sale Coupled with Sub-Lease dated March 28, 2014, relating to the sale of Building A, Hangar No.1 (Bill of Sale), the effectiveness of which is subject to the consent and approval by the County. A copy of the Bill of Sale is attached hereto as Attachment D. FlyGA, LLC, will not change the existing use of the Subleased Premises. The Bill of Sale and the Sublease will not impact the terms of the Lease.

Pursuant to the California Environmental Quality Act (CEQA), the Sublease was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the Sublease, is the letting of property involving existing facilities and no expansion of an existing use will occur. EDA staff recommends that the Board of Supervisors approve and consent to the Sublease and the Bill of Sale and authorize the Assistant County Executive Officer/EDA to sign the Consent to Sublease and Consent to Bill of Sale, attached hereto as Attachments A and C respectively, subject to FlyGA, LLC, being registered to do business in California with the California Secretary of State. County Counsel has reviewed and approved the Consent to Sublease and the Consent to Bill of Sale as to legal form. (Continued)

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

Economic Development Agency

FORM 11: Consent to Sub-Lease Between John Obradovich ,Betty Obradovich and FlyGA, LLC and Bill of Sale between RMK Holdings, LLC and FlyGA, LLC – Jacqueline Cochran Regional Airport, CEQA Exempt,

District 4/District 4, [\$0]

DATE: September 11, 2014

PAGE: 3 of 3

BACKGROUND:

Summary

Impact on Citizens and Businesses

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

SUPPLEMENTAL:

Additional Fiscal Information

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

ATTACHMENTS:

Attachment A - Consent to Sublease

Attachment B - Sub-Lease

Attachment C - Consent to Bill of Sale

Attachment D - Bill of Sale

Attachment E - Lease Cancellation Agreement

ATTACHMENT A CONSENT TO SUBLEASE

CONSENT TO SUBLEASE

(Jacqueline Cochran Regional Airport)

The County of Riverside, a political subdivision of the State of California ("County") hereby consents to that certain Sub-Lease With Sale of Aviation Hangar dated March 28, 2014, by and between John Obradovich and Betty Obradovich, husband and wife, (as sublessor) and FlyGA, LLC, a Delaware limited liability company (as sublessee), a copy of which is attached hereto as Exhibit "A" ("Sublease"). The Sublease pertains to real property located within Jacqueline Cochrane Regional Airport in Thermal, California, as more particularly depicted and described on Exhibit "B" to the Sublease.

The Sublease is subject to that certain Lease Desert Resorts Regional Airport dated on or about June 3, 2003 by and between the County (as lessor) and John Obradovich and Betty Obradovich (as lessee), as amended by that certain First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, that certain Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and that certain Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, "Lease") relating to the lease of approximately 9 acres of vacant land, located at the Jacqueline Cochrane Regional Airport (formerly known as the Desert Resorts Regional Airport), as more fully described in Exhibit "A" to the Lease.

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

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

	DF, the County has caused its duly authorized representative to Sublease as of the date set forth below.
Date:	COUNTY OF RIVERSIDE, a political subdivision of the State of California By: Robert Field, Assistant County Executive Officer/EDA
	APPROVED AS TO FORM GREGORY P. PRIAMOS, County Counsel By: Jhaila R. Brown, Deputy County Counsel

ATTACHMENT B

SUBLEASE

SUB-LEASE WITH SALE OF AVIATION HANGAR

John Obradovich and Betty Obradovich, herein called Sub-Lessor, sub-leases to <u>FlyGA, LLC</u> herein called Sub-Lessee, the property described below, upon the following items and conditions.

RECITALS

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

This and other sub-leases entered into by the Sub-Lessor are intended to conform with, be compatible with, and be subject to the terms and conditions of the Master Lease dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, between the County of Riverside as Lessor, and John and Betty Obradovich, Husband and Wife, as Lessee which lease and amendments thereto shall be called the "Master Lease" and the County of Riverside shall be called the "County."

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

DESCRIPTION

The premises sub-leased hereby are located within Desert Resorts Regional Airport generally, and within the area leased from County by Sub-Lessor consisting of nine (9) acres and as more particularly shown on **Exhibit "B,"** attached thereto and by this reference, made a part of this sub-lease. The portion of the nine acres being sub-leased is that portion of land occupied in **Building A Hangar # 1** as depicted in **Exhibit "B."** In addition to the forgoing during the term of this lease Sublessor grants to Sublesee the right to ingress and ingress over that portion of the leasehold premises of Sublessor held under the Master Lease and a license to use the taxiway areas as designated by Sublessor.

USE

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

TERM

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

RENT

Sub-Lessee shall pay to Sub-Lessor the sum of \$ 69 per month, payable in advance, on the first day of each month.

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

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

amount, exclusive of late fees, for each month that rent is delinquent.

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

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

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

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

SUB-LESSOR'S RESERVED RIGHTS

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

IMPROVEMENTS, REPAIRS & SIGNS

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

INSURANCE

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

- a. Procure and maintain comprehensive Airport Commercial General Liability Insurance coverage that shall protect Lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sublessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds with respect to this sublease and obligations of Sublessee hereunder. Such insurance shall provide for limits of not less than \$1,000,000, per occurrence.
- b. Furnish Sublessor and the County of Riverside with Certificates of Insurance showing that such insurance is in full force and effect, and that additional insureds are named as required in (a) above. Further, said certificates shall contain the covenant of the insurance carrier that 30 days written notice will be given to the County of Riverside and Sublessor prior to cancellation or reduction in coverage of such insurance.
- c. The foregoing notwithstanding, this sublease is subject to Section 20 of the Master Lease and Sub-Lessee shall procure and maintain additional coverages specified therein as may be required by County from time to time.

TERMINATION BY SUB-LESSOR

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

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

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

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

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

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

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

TERMINATION BY SUB-LESSEE

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

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

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

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

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

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

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

HOLD HARMLESS

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

ASSIGNMENT

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

being first obtained.

BINDING ON SUCCESSORS

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

EMPLOYEES AND AGENTS OF SUB-LESSEE

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

COMPLIANCE WITH LAW

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

WAIVER OF PERFORMANCE

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

SEVERABILITY

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

NOTICES

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

SUB-LESSOR:

SUB-LESSEE:

John & Betty Obradovich 84-401 Cabazon Center Dr. Indio, CA 92201 FlyGA, LLC PO Box 2874 Wenatchee, WA 98801

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

VENUE

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

TAXES

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

that Sub-Lessee will be subject to the payment of property taxes levied on such interest.

TOXIC MATERIALS

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

FREE FROM LIENS

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

DISPUTES/DAMAGES

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

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

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

MASTER LEASE/SURVIVAL OF SUB-LEASE

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

CONSENT BY COUNTY

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

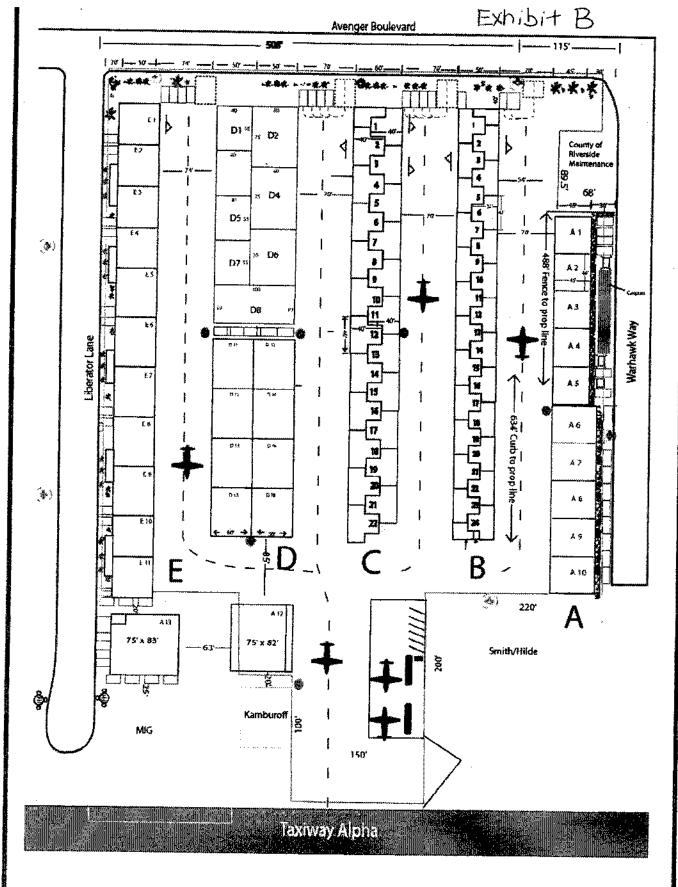
IN WITNESS WHEREOF, this Sublease is executed o	$\frac{3}{3}$
SUB-LESSOR: John Obradovich	Selly Obradovich
SUB-LESSEE:	Managing Member

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

LESSOR:

COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

By:Chairman, Board of Supervisors	By:
Date:	
ATTEST:	FORM APPROVED:
Kecia Harper-Ihem,	Pamela J. Walls,
Clerk of the Board	County Counsel
By:	By:



Thermal Regional Airport
County of Burnish Thermal California
Master Development 9 Acres
All Inside AV Storage and Self Serve Fuel
Side in Betty Occadorati
All Inside AV Storage inc
64 491 Chitzon Conter Drive
India CA 92201
(760) 599-2901, (760) 772-0003

State of California	1
	}
County of Riverside	J
On $3/28/14$ before me,	Tami S. Adams, Notary Public, Here Insert Name and Tille of the Officer Keye-S Name(s) of Signer(s)
oersonally appeared <u> </u>	Keyes
	Name(s) or Signer(s)
TAMI S. ADAMS Commission # 1932057 Notary Public - California	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/ske/they executed the same in his/he/their authorized capacity(ies), and that by his/he/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
Riverside County My Comm. Expires Apr 9, 2015	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
	WITNESS my hand and official seal.
	Signature: Signature of Notary Public
Place Notary Seal Above	OPTIONAL Signature of Notary Public
Though the information below is not require	d by law, it may prove valuable to persons relying on the document
-	noval and reattachment of this form to another document.
Description of Attached Document Title or Type of Document:	
• •	Number of Pages:
3 , ,	
Capacity(ies) Claimed by Signer(s)	Cionerio Namo:
Signer's Name:	
Corporate Officer — Title(s):	
	IGNER UF SIGNER
↓ '	idili 7 lolo
Attorney in Fact	: Attorney in Fact
Trustee	
Hi Guardian or Conservator	Guardian or Conservator
Other:	Other:
Signer Is Representing:	Signer Is Representing:

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State of California)
country of Riverside.	}
County of 1/1 v=1.51de	Tami S. Adams Notary Public, Here Insert Name and Title of the Officer Cooper Name(s) of Signer(s)
On <u>3/2<i>3</i>/14</u> before me, <u> </u>	Tami S. Adams, Notary Public.
pare Dandla	Corporate
personally appeared 18 of 18 of 18	Name(s) of Signer(s)
TAMI S. ADAMS Commission # 1932057 Notary Public - California Riverside County	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/and subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(les), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
My Comm. Expires Apr 9, 201	paragraph is true and correct.
	WITNESS my hand and official seal.
Place Notary Seal Above	Signature: Signature of Notary Public
	OPTIONAL ed by law, it may prove valuable to persons relying on the document
and could prevent fraudulent rer	moval and reattachment of this form to another document.
Description of Attached Document Title or Type of Document:	
	Number of Pages:
Capacity(ies) Claimed by Signer(s)	
Signer's Name:	Signer's Name:
Corporate Officer — Title(s):	_
·	
	HUMBPRINT (Individual SIGNER C Partner - Limited General Top of thumb here
Attorney in Fact	[Attorney in Fact
Trustee	! Trustee
i ∣ Guardian or Conservator	□ Guardian or Conservator
l i Other:	[.] Other:
Signer Is Representing:	Signer Is Representing:

SARCE CONTROL OF THE SARCE CON

GENERAL California ACKNOWLEDGEMENT (name of state)

STATE OF California
COUNTY OF Riverside
on 4/28/14 before me, Tamis-Adams, Notary Public
personally appeared John Obradovich and
Betty Obradovich
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the Instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
Signature Drie D. Odams (Seal)
TAMI S. ADAMS Commission # 1932057 Notary Public - California Riverside County My Comm. Expires Apr 9, 2015

AMAGA SIMAS

Communication of the second of

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ATTACHMENT C CONSENT TO BILL OF SALE

CONSENT TO BILL OF SALE

The County of Riverside, a political subdivision of the State of California ("County") hereby consents to the attached Bill of Sale Coupled with Sub-Lease, dated March 28, 2014 by and between RMK Holdings, LLC (as "Seller") and FlyGA, LLC, (as "Buyer") ("Bill of Sale") relating to the sale of the aircraft storage hangar known as Building "A" Hangar "1", located at Jacqueline Cochran Regional Airport, Thermal, California. A copy of the Bill of Sale is attached hereto as Exhibit "A."

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

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

Date:	COUNTY OF RIVERSIDE, a political
	subdivision of the State of California
	D. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.

Robert Field,

Assistant County Executive Officer/EDA

APPROVED AS TO FORM
GREGORY P. PRIAMOS, County Counsel

By: <u>Thank R- Brown</u> Dhaila R. Brown,

Deputy County Counsel

ATTACHMENT D

BILL OF SALE

BILL OF SALE COUPLED WITH SUB-LEASE

RMK Holding, LLC	_hereinafter called the "Seller," hereby sells to	FlyGA, LLC
hereinafter called the "Buyer,"	and said Buyer hereby purchases from Seller the	property described below, upon the
• •	following terms and conditions:	

- 1. RECITALS. The Seller owns concrete floor structure and steel building labeled as Bldg ? at Jacqueline Cochran Regional Airport, (formerly Desert Regional Resorts Airport) Thermal, California, Riverside County, as described on the attached Exhibit "1" also described as Bldg A , Hangar # 1, the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of \$ 80,000 .
- 3. WARRANTY OF TITLE. Seller does hereby, for the benefit of Buyer, covenant and agree to warrant and defend title to the aforesaid personal property hereby conveyed, against the just and lawful claims and demands of all persons whomsoever, and Seller further covenants that the aforesaid real property is not subject to liens of any type, including but not limited to liens for unpaid taxes, nor is said personal property subject to a security agreement or financing statement.
- 4. REVERSION OF PROPERTY TO SELLER. The aforesaid Sub-Lease, with which this Bill of Sale is coupled provides for a sub-lease period of approximately 30 years with a 10-year option, during which time the Buyer hereto, subject to certain conditions precedent, may sell, rent, assign, convey, hypothecate, or encumber the personal property subject to is instrument, provided further, that upon the expiration of said Sub-Lease or 30 years with a 10-year option lease period, whichever shall first occur, the personal property subject to this Bill of Sale shall revert to the Seller hereunder, or to Seller's assignee, or to the County of Riverside, which reversion shall be governed by the terms and conditions of the aforesaid Master Lease and all of the aforesaid amendments thereto and the terms and conditions of the aforementioned Sub-Lease between Sub-Lessor and Sub-Lessee. Provided further that in accordance with the aforesaid Sub-Lease, Buyer hereunder shall not sell, rent, assign, hypothecate or encumber the personal property subject to this instrument except upon the express written consent of the county of Riverside and Seller or his assignee hereunder, which consent shall not be unreasonably withheld.
- 5. TAX CLAUSE. During the aforementioned period of possession of Buyer of the personal property, Buyer shall be solely responsible for the payment of the personal property and/or possessory interest taxes and all other taxes levied upon the specific structure by the County of Riverside and/or all other lawfully constituted taxing authorities, and said responsibility shall include real property taxes which may be assessed to Seller, to Seller's successor, or to Buyer in connection with the subject property.

6. BUYER'S RIGHT TO TRANSFER PROPERTY AND SURVIVAL OF SUB-LEASE.

a. <u>RIGHT TO TRANSFER.</u> Seller hereby consents to and agrees that Buyer may convey, assign, or transfer Buyer's interest in or to the subject personal property to one or more individuals; provided however, that such conveyance, assignment, or transfer includes the aforementioned sub-lease and shall be subject to the prior written approval of the Seller, County of Riverside, and Sub-Lessor. Provided further, that Seller shall have the right of first refusal to purchase, lease, rent, or receive Buyer's interest in the subject property and the subleasehold estate of Buyer on the same terms as offered by Buyer to any other individual or entity. Seller's failure to exercise right of first refusal within

sixty (60) days of written notice thereby by Buyer to Seller shall be deemed to be waiver of such right by Seller. Upon such waiver or rejection by Seller, and subject to the provisions contained in this Paragraph 6 (a) Buyer may proceed to convey, assign or transfer all of part of his/her interest in the subject property on the same terms and conditions offered to Seller; provided, however, that Buyer shall not, except with Seller's permission, convey, lease, rent or sell any portion of the premises to any commercial operations for the purpose of doing any business at Jacqueline Cochran Regional Airport (Thermal) other than if said sale is to the aforesaid Seller.

- b. <u>SURVIVAL OF SUB-LEASE</u>. Subject to the provision of the aforesaid Master Lease, Buyer's rights, including the right of possession and all other rights not in conflict with the terms and conditions of the aforesaid Lease and amendments thereto, and all of the Buyer's obligations and duties under the aforementioned Sub-Lease and the Master Lease and amendments thereto, shall remain in effect, notwithstanding a termination of the aforesaid Master Lease, or an assignment or a transfer of the Seller's rights, duties and obligations hereunder, prior to the expiration of the aforementioned Sub-Lease, provided that the Buyer (as Sub-Lessee under the aforementioned Sub-Lease) has fully and faithfully performed the terms and conditions that it is required to perform under the aforementioned Sub-Lease and Master Lease and amendments thereto, and it otherwise is not in default hereunder.
- 7. NOTICES. Any notices required or desired to be served by either party upon the other shall be addressed to the respective party as set forth below:

SELLER:

RMK Holding, LLC 2719 Taylor Dr. Everett, WA 98203 BUYER:

FlyGA, LLC PO Box 2874 Wenatchee, WA 98801

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

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

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

Deputy	Deputy	
Ву:		_
Clerk of the Board	County Counsel	
Kecia Harper-Ihem,	Pamela J. Walls,	
ATTEST:	FORM APPROVED:	
Date:		
Chairman, Board of Supervisors		
Ву:	By:	
COUNTY OF RIVERSIDE, A POLITICAL SUBDI	IVISION OF THE STATE OF CALIFORNIA	
LESSOR:		
The COUNTY of Riverside hereby consents to the f	foregoing Bill of Sale.	
Betty Obradovich (
/ Kelly Obradov	Uh	
John Obradovich		
LESSEE:		
	Signatur /	
BUYER: Nande Cooper Manager Printed Name & Title	Signature	
Printed Name & Title	Signature	
Kussella Reges mge.	Si-	
SELLER:	16.000000	
IN WITNESS WHEREOF, this Bill of Sale	is executed on	, 2014
DINUMBOON TO BE AND ACT	· 3/20	

12-18-06 Drawn by IO Sheet Loft

DESCRIPTION 1-A

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

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

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

THENCE SOUTH 00° 00' 12" EAST, A DISTANCE OF 1,967.78 FEET TO THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENGER BOULEVARD:

THENCE NORTH 89° 58' 40" WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 462.70 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE CONTINUING NORTH 89° 59' 40" WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 668.58 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND LIBERATOR LANE;

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

THENCE EAST, A DISTANCE OF 178.00 FRET;

THENCE SOUTH, A DISTANCE OF 85.00 FEET,

THENCE EAST, A DISTANCE OF 80.00 PEET;

THENCE SOUTH, A DISTANCE OF 185.00 FEET;

THENCE EAST, A DISTANCE OF 150.00 PEET;

THENCE NORTH, A DISTANCE OF 285.00 FEET;

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

THENCE NORTH 00° 00' 20" WEST, A DISTANCE OF 643.00 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING.

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

ALSO EXCEPTING THEREPROM THE EXISTING COUNTY MAINTENANCE AREA LOCATED AT THE MORTHEASTERLY CORNER OF THE SUBJECT PROPERTY.

Here Insert Name and Title of the Officer Name(s) of Signer(s) Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
evidence to be the person(s) whose name(s) is/aire
to me that he/ske/they executed the same in his/her/thek authorized capacity(ies), and that by his/her/thek authorized capacity (ies), and that by his/her/thek authorized capacity (ies), and that by his/her/thek authorized capacity (ies), and that by his/her/th
Number of Pages:
Address of the second of the s
Signer's Name:
Corporate Officer — Title(s):
T Individual RIGHT THUMBPRINT OF SIGNER
□ Attorney in Fact
[Trustee
∷ Guardian or Conservator
) Other:
Signer Is Representing:

State of California)
a Divazzeida	}
County of 1/1 var.51 cas	Tami 6- Adams Notary Public. Here Insert Name and Title of the Officer Cooper Name(s) of Signer(s)
On $\frac{3/28/14}{}$ before me, $\frac{1}{}$	Fami S. Adams, Notary Public,
Date Date	Here Insert Name and Title of the Officer
personally appeared Randice	Name(s) of Signer(s)
	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(iss), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.
TAMI S. ADAMS Commission # 1932057 Notary Public - California Riverside County My Comm. Expires Apr 9, 2015	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.
	Signature: Signature of Notary Public PPTIONAL d by law, it may prove valuable to persons relying on the document
and could prevent fraudulent rem	noval and realtachment of this form to another document.
Description of Attached Document	
Title or Type of Document:	
	Number of Pages:
Capacity(ies) Claimed by Signer(s) Signer's Name:	Signer's Name:
Signer's Name.	· ·
I I Decide an I I I for the above to the contract of	UMERRINT Individual RIGHT THUMERINT OF SIGNER OF SIGNER Top of thumb here
Attorney in Fact	i / Attorney in Fact
Trustee	!! Trustee
Guardian or Conservator	Guardian or Conservator
Other:	Other:
Signer Is Representing:	Signer Is Representing:

GENERAL California ACKNOWLEDGEMENT (name of state)

STATE OF California
COUNTY OF Riverside
on 4/28/14 before me, Tamis-Adams, Notary Public
personally appeared John Obradovich and
Betty Obradovich
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the Instrument.
I certify under PENALTY OF PERJURY under the laws of the State of Cali former that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
Signature D. Odano (Seal)
TAMI S. ADAMS Commission # 1932057 Notary Public - California Riverside County My Comm. Expires Apr 9, 2015

Attachment E

LEASE CANCELLATION AGREEMENT JACQUELINE COCHRAN REGIONAL AIRPORT

WHEREAS, John Obradovich and Betty Obradovich, hereinafter Sublessor, and RMK Holding, LLC herein after Sublessee, as entered into that certain Sublease dated 10/7/2011 , attached hereto as Exhibit A, and by this reference incorporated herein, relating to land located at Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport), Riverside County, California; and WHERAS, Sublessor improved the land with a 2,070 square foot aircraft storage hangar; and WHEREAS, Sublessor sold the improvements to Sublessee; and WHEREAS, Sublessee has subsequently sold the improvements to a third party WHEREAS, Sublessor and Sublessee find it in their mutual best interests to cancel the Lease: NOW, THEREFORE, the parties hereto for good and valuable consideration do mutually agree to cancel the Lease effective the date of execution of this agreement by all parties. Date: 4/28)14 SUBLESSOR Betty Obradovich

CONSENT TO BILL OF SALE

1	
2 3 4 5 6 7 8	The County of Riverside, a political subdivision of the State of California (Lessor) hereby consents to the foregoing Bill of Sale, dated June 22, 2011, for the aircraft storage hangar known as Hangar A-1, located at Jacqueline Cochran Regional Airport, Thermal California, between Chamberlain Family Trust, as Seller and RMK Holdings, LLC, as Buyer.
9	COUNTY OF RIVERSIDE
10	A political subdivision of the State of California
11	,
12	
13	By: 3db Bustu ATIESI: KECIA HARPER-IHEM, Clerk
14	Chairman, Board of Supervisors
15	BOB BUSTER DEPUT
16	APPROVED AS TO FORM:
17	Pamela J. Walfs, County Counsel
18	
19	By: Millis Debuty
20	Sy ayride S. Trimio Dopusy
21	
22	
23	
24	S:\EDCOM\AIRPORTS\JACKIE COCHRAN\Obradovich\Hangar Assignments-Transfers\John and Betty Obradovich to RMK
25	Holdings Consent to Bill of Sale A1 9-20-11.docx
26	
27	
28	

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

LESSOR:

COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

Ву:	By:	
Chairman, Board of Supervisors		
Date:		
ATTEST:	FORM APPROVED:	
Kecia Harper-Ihem,	Pamela J. Walls,	
Clerk of the Board	County Counsel	
By: _ ·	Ву:	
Deputy	Denuty	

CONSENT TO SUBLEASE

1 The County of Riverside, a political subdivision of the State of California (Lessor) hereby 2 consents to the foregoing Sublease with Consent of Sublessor, for Hangar A-1, 3 between John Obradovich and Betty Obradovich, as Sublessor, and RMK Holdings, 4 LLC, as Sublessee, without however waiving the restrictions contained in the Master 5 Lease, between the County of Riverside, as Lessor, and John Obradovich and Betty 6 Obradovich, as Lessee, dated June 3, 2003, and Amended by First Amendment to Lease on September 14, 2004, and by Second Amendment to Lease on September 12, 7 2006, described as Nine (9) acres of land at the Jacqueline Cochran Regional Airport, 8 with respect to any future assignments thereunder, and without releasing the Sublessor 9 under said Sublease from any obligations that are not performed by RMK Holdings, 10 LLC, and otherwise accepts the Sublessee, RMK Holdings, LLC, under said Sublease 11 to all intents and purposes as though Sublessee. 12 13 SEP 2 7 2011 14 15 COUNTY OF RIVERSIDE ALLEST 16 A political subdivision of the State of California 17 By: Chairman, Board of Supervisors 18 BOB BUSTER 19 APPROVED AS TO FORM: 20 Pamela J. Walls, County Counsel 21 22 23 S:\EDCOM\AIRPORTS\JACKIE COCHRAN\Obradovich\Hangar Assignments-Transfers\John and Betty Obrad to RMK Holdings -24 Consent to Sublease A1 9-20-11.docx 25

26

27

28

SUB-LEASE WITH SALE OF AVIATION HANGAR

John Obradovich and Betty Obradovich, herein called Sub-Lessor, sub-leases to RMK Holdings LIC herein called Sub-Lessee, the property described below, upon the following items and conditions.

RECITALS

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

This and other sub-leases entered into by the Sub-Lessor are intended to conform with, be compatible with, and be subject to the terms and conditions of the Master Lease dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, between the County of Riverside as Lessor, and John and Betty Obradovich, Husband and Wife, as Lessee which lease and amendments thereto shall be called the "Master Lease" and the County of Riverside shall be called the "County."

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

DESCRIPTION

The premises sub-leased hereby are located within Desert Resorts Regional Airport generally, and within the area leased from County by Sub-Lessor consisting of nine (9) acres and as more particularly shown on **Exhibit "B,"** attached thereto and by this reference, made a part of this sub-lease. The portion of the nine acres being sub-leased is that portion of land occupied in **Building A Hangar # 1** as depicted in **Exhibit "B."** In addition to the forgoing during the term of this lease Sublessor grants to Sublesee the right to ingress and ingress over that portion of the leasehold premises of Sublessor held under the Master Lease and a license to use the taxiway areas as designated by Sublessor.

USE

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

TERM

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

RENT

Sub-Lessee shall pay to Sub-Lessor the sum of \$\(\frac{46.50}{20.00} \) per month, payable in advance, on the first day of each month.

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

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

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

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

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

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

SUB-LESSOR'S RESERVED RIGHTS

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

IMPROVEMENTS, REPAIRS & SIGNS

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

INSURANCE

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

- a. Procure and maintain comprehensive Airport Commercial General Liability Insurance coverage that shall protect Lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sublessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds with respect to this sublease and obligations of Sublessee hereunder. Such insurance shall provide for limits of not less than \$1,000,000, per occurrence.
- b. Furnish Sublessor and the County of Riverside with Certificates of Insurance showing that such insurance is in full force and effect, and that additional insureds are named as required in (a) above. Further, said certificates shall contain the covenant of the insurance carrier that 30 days written notice will be given to the County of Riverside and Sublessor prior to cancellation or reduction in coverage of such insurance.
- c. The foregoing notwithstanding, this sublease is subject to Section 20 of the Master Lease and Sub-Lessee shall procure and maintain additional coverages specified therein as may be required by County from time to time.

TERMINATION BY SUB-LESSOR

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

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

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

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

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

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

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

TERMINATION BY SUB-LESSEE

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

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

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

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

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

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

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

HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and County, their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessee, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (Sub-Lessee's employees included) or any other element of damage or any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the leased

premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor, County, its officers, agents, employees and independent contractors in any legal action based on any alleged acts or omissions.

ASSIGNMENT

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

BINDING ON SUCCESSORS

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

EMPLOYEES AND AGENTS OF SUB-LESSEE

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

COMPLIANCE WITH LAW

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

WATVER OF PERFORMANCE

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

SEVERABILITY

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

NOTICES

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

SUB-LESSOR:

SUB-LESSEE:

John & Betty Obradovich 84-401 Cabazon Center Dr. Indio, CA 92201 or to such other addresses as from time to time shall be designated in writing by the respective parties.

VENUE

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

TAXES

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

TOXIC MATERIALS

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

FREE FROM LIENS

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

DISPUTES/DAMAGES

In the event it is necessary to enforce or interpret any provision herein contained, or to recover any rent due or to recover possession of the Premises for any default or breach of the Agreement, the matter shall be submitted to binding arbitration conducted by the American Arbitration Association ("AAA") who shall be selected by mutual agreement of the parties. The Arbitrator shall comply with, and the decision of the Arbitrator

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

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

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

MASTER LEASE/SURVIVAL OF SUB-LEASE

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

CONSENT BY COUNTY

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

IN WITNESS WHEREOF, this Sublease is executed on	June 22,,	2011.
SUB-LESSOR: John Obradovich	Delly Obradoral Betty Obradovich	
SUB-LESSEE: RMK Holdings, LLC, a limited liability compa	in y	

STATE OF CALEFORNEA) COUNTY OF THE RESIDE) COUNTY OF THE RESIDE)	
on July , 2011, before me, Gynthia M. A	nally appeared
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are so within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorapacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity up	norized
which the person(s) acted, executed the instrument.	1
I certify under PENALTY OF PERJURY under the laws of the State of MONW foregoing paragraph is true and correct. WITNESS my hand and official seal. Notar Public	that the MALC WAR ALCO TARY PUBLIC TO TARY PUBLIC T

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GENERAL California ACKNOWLEDGEMENT (name of state)

STATE OF California
COUNTY OF Riverside
on 8/23/11 before me, Tami Adams, Notary Public personally appeared John Obradovich and Betty Obradovich
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) istare subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the Instrument.
I certify under PENALTY OF PERJURY under the laws of the State of <u>California</u> that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
Signature Marva (Seal)
TAMI S. ADAMS Commission # 1932057 Notary Public - California Riverside County My Comm. Expires Apr 9, 2015





NOTICE OF EXEMPTION

October 1, 2014

Neg Declaration/Nto Do Armine

Project Name: County of Riverside, Jacqueline Cochran Regional Airport Sub-Lease

Project Number: ED1910250008

OCT of the

Project Location: 56-580 Higgins Drive, Thermal, CA 92274 Assessor Parcel Number 759-060-018 (See attached exhibit).

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Description of Project: The County of Riverside (County), as lessor, and John Obradovich and Betty Obradovich (collectively, Obradovich), as lessee, entered into the Desert Resorts Regional Airport Lease Agreement dated June 3, 2003, as amended by the First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, Lease). The Lease relates to 9 acres of real property located at the Jacqueline Cochran Regional Airport (Leased Premises). Pursuant to Section 24 of the Lease, Obravodich cannot sublease any rights, duties or obligations under the Lease without the written consent of the County. Obradovich desires to sublease a portion of the Leased Premises upon which an airport hangar, identified as Building A, Hangar No. 1 is located (Subleased Premises) to FlyGA, LLC, as more specifically set forth in the sublease with Sale of Aviation Hangar (Sub-Lease). If approved by the Board of Supervisors (BOS), the Sub-Lease will be subject to the Lease. RMK Holdings, LLC, was the prior BOS approved sublessee for the Sub-Leased Premises. RMK Holdings, LLC's, sublesee rights have been terminated pursuant to the Lease Cancellation Agreement. In connection with the Sub-Lease, FlyGA, LLC, (as buyer) and RMK Holdings, LLC, (as Seller) entered into the Bill of Sale coupled with the Sub-Lease dated March 28, 2014, relating to the sale of Building A, Hangar No.1 (Bill of Sale), the effectiveness of which is subject to the consent and approval by the County. The Bill of Sale and the Sub-Lease will not impact the terms of the Lease. FlyGA, LLC, will not change the existing use of the Subleased Premises. The Subleased Premises is in an already developed regional airport with existing structures. No unique biological habitat would be impacted and, no visual or aesthetic impacts would occur. The Sub-Lease does not provide for any upgrades or physical changes to the Subleased Premises and will not result in any construction or operational changes that would lead to any direct or indirect physical environmental impacts.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1 - Existing Facilities; General Rule Exemption Section 15061.

Administration Aviation Business Intelligence Cultural Services Community Services Custodial

Housing Housing Authority Information Technology Maintenance Marketing

Economic Development Edward-Dean Museum Environmental Planning Fair & National Date Festival Foreign Trade Graffii Abalement

Parking Project Management Purchasing Group Real Property Redevelopment Agency Workforce Development

www.rivcoeda.org

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The sublease of a portion of the Leased Premises does not result in any significant physical environmental impacts.

- Section 15301 Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project as proposed is the sublease of an airport hangar within an existing regional airport. No substantial construction impacts would occur and the facility will continue to operate in a similar use, capacity, and intensity. The sublease of the airport hangar merely replaces one sublessee for another sublessee and does not allow for an expansion of the existing commercial uses at the site. Any interior improvements or alterations would be limited to required changes as they relate to the new entity leasing the premises only. The site is located in an already developed regional airport. Therefore, the project meets the scope and intent of the Class 1 Exemption. No direct or indirect physical environmental improvements would occur.
- Section 15061 General Rule or "Common Sense" Exemption. The State CEQA Guidelines provides this exemption based upon the general rule that CEQA only applies to projects with the potential to cause a significant effect on the environment. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The sublease to an already existing regional airport will not have an effect on the environment. The use and operation of the facility will be substantially similar to the existing use and will not create any new environmental impacts to the surrounding area. No construction activities will occur and no impacts are anticipated. As stated, the site is located in an already developed regional airport. No unique biological habitat would be impacted and no visual or aesthetic impacts would occur. Operations at the airport would be similar in nature to existing conditions and no new impacts as they relate to air quality or noise due to an increase in flight operations would occur. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:

Date: 10/1/14

John Alfred, Acting Senior Environmental Planner County of Riverside, Economic Development Agency

STATE OF CALIFORNIA - THE RESOURCES AGENCY DEPARTMENT OF FISH AND GAME ENVIRONMENTAL FILING FEE CASH RECEIPT

Notes:

Receipt #: 201400631

State Clearinghouse # (if			applicable):	
Lead Agency: RIVER	SIDE COUNTY E.D.A.		Date: 10/01/2014	
County Agency of Filing:	Riverside	Document No:	201400631	
Project Title: JACQUE	LINE COCHRAN REGIONAL AIRPORT SUB-LEASE	<u>.</u>		
Project Applicant Name:	RIVERSIDE COUNTY E.D.A.	Phone Number:	951 955-8916	
Project Applicant Address.	P.O. BOX 1180 RIVERSIDE CA 92502			
Project Applicam: _Loc	al Public Agency			
☐ Enviro ☐ Negat ☐ Applic ☐ Project ☑ Count	APPLICABLE FEES: commental Impact Report ive Declaration cation Fee Water Diversion (State Water Resources Control Board Only) is Subject to Certified Regulatory Programs v Administration Fee Project that is exempt from fees (DFG No Effect Determination (Form Attach)	edj)	\$50.00	
X	Project that is exempt from fees (Notice of Exemption)	Received	\$50.00	
Signatur	e and title of person receiving payment:		n	