

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

248



FROM: Economic Development Agency

SUBMITTAL DATE:

July 26, 2016

SUBJECT: Consent to Sub-Lease between John and Betty Obradovich and Enspire Solution Partners, LLC, and Bill of Sale between John L. Davidson and Margaret L. Davidson and Enspire Solution Partners, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; 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 State CEQA Guidelines Section 15301 and Section 15601(b)(3);
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 dated January 4, 2016 between John Obradovich and Betty Obradovich (as sublessor) and Enspire Solution Partner, LLC, a Washington limited liability company (as sublessee);

(Continued)

[Signature]

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No

For Fiscal Year: 2015/16

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: July 26, 2016
 xc: EDA

Kecia Harper-Ihem
 Clerk of the Board

By: *[Signature]*
 Deputy

Prev. Agn. Ref.: 3.11 of 6/3/03; 3.17 of 9/14/04; 3.9 of 12/21/04; 3.23 of 9/12/06; 3.16 of 3/17/09

District: 4

Agenda Number:

3-25

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

Economic Development Agency

FORM 11: Consent to Sub-Lease between John and Betty Obradovich and Enspire Solution Partners, LLC, and Bill of Sale between John L. Davidson and Margaret L. Davidson and Enspire Solution Partners, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; District 4 [\$0]

DATE: July 26, 2016

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

3. Approve and consent to the sale of Building B, Hangar No. 8, currently owned by John L. Davidson and Margaret L. Davidson, 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 dated January 4, 2016 between John L. Davidson and Margaret L. Davidson (as seller) and Enspire Solution Partners, LLC, a Washington limited liability company (as buyer) (Bill of Sale);
4. Authorize the Chairman of the Board of Supervisors to sign the attached Consent to Sublease and Consent to Bill of Sale; and
5. 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, by 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 9.45 acres of real property located at the Jacqueline Cochran Regional Airport, as legally described in Exhibit A to the Lease (Leased Premises). Pursuant to section 24 of the Lease, Obradovich 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 B, Hangar No. 8 is located (Subleased Premises) to Enspire Solution Partners, LLC, a Washington limited liability company, (Enspire) as more specifically set forth in the Sub-Lease with Sale of Aviation Hangar dated January 4, 2016, attached hereto as Attachment B (Sublease). If approved by the Board, the Sublease will be subject to the Lease. John L. Davidson and Margaret L. Davidson (collectively, Davidson) were the prior Board approved sublessees for the Subleased Premises and their rights have been terminated pursuant to the Lease Cancellation Agreement attached hereto as Attachment E.

In connection with the Sublease, Enspire, (as buyer) and Obradovich, (as seller) entered into that certain Bill of Sale Coupled with Sub-Lease dated January 4, 2016, relating to the sale of the airport hangar identified as Building B, Hangar No. 8 (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. Enspire will not change the existing use of the Subleased Premises. The Bill of Sale and the Sublease will not impact or modify the terms of the Lease.

(Continued)

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

Economic Development Agency

FORM 11: Consent to Sub-Lease between John and Betty Obradovich and Enspire Solution Partners, LLC, and Bill of Sale between John L. Davidson and Margaret L. Davidson and Enspire Solution Partners, LLC – Jacqueline Cochran Regional Airport. Project is CEQA Exempt; District 4 [\$0]

DATE: July 26, 2016

PAGE: 3 of 3

BACKGROUND:

Summary

(Continued)

Pursuant to the California Environmental Quality Act (CEQA), the Sublease and Bill of Sale were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and State CEQA Guidelines 15061(b)(3), General Rule or “Common Sense” exemption. The proposed project, the Sublease and sale of the existing hangar, is the subletting of property involving existing facilities and no expansion of an existing use will occur. In addition, it can be seen with certainty that there is no possibility that the proposed project may have a significant effect on the environment since it is merely a continuation of existing use.

County Counsel has reviewed and approved the Consent to Sublease and the Consent to Bill of Sale as to form. Staff recommends that the Board of Supervisors approve the attached proposed Consent to Sublease and Consent to Bill of Sale.

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 F – Master Ground Lease

CONSENT TO SUBLEASE

(Behind this page)

JUL 26 2016 3-25

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 January 5, 2016, by and between John Obradovich and Betty Obradovich, husband and wife, (as sublessor) and Enspire Solution Partners, LLC, a Washington 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 Cochran 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 9.45 acres of vacant land, located at the Jacqueline Cochran 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]

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

Date: JUL 26 2016

COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

By: 

John J. Benoit, Chairman
Board of Supervisors

ATTEST:
KECIA IHEM-HARPER
Clerk of the Board

By: 

Deputy

APPROVED AS TO FORM
Gregory P. Priamos, County Counsel

By: 

Jhaila R. Brown R. Todd Priamos
Deputy County Counsel

EXHIBIT A

SUBLEASE
(behind this page)

SUB-LEASE WITH SALE OF AVIATION HANGAR

John Obradovich and Betty Obradovich, herein called Sub-Lessor, hereby sub-leases to Enspire Solution Partners, LLC herein called Sub-Lessee, the property described below, upon the following items and conditions.

1. RECITALS

- (a) Sub-Lessor leases from the County of Riverside, approximately 9 acres of land at the Jacqueline Cochran Regional Airport, community of Thermal, in the County of Riverside, State of California.
- (b) This and other sub-leases entered into by Sub-Lessor are intended to be compatible with, and be subject to the terms and conditions of that certain Lease (Jacqueline Cochran Regional Airport) between the County of Riverside as Lessor (hereinafter, the "County"), and John Obradovich and Betty Obradovich, as Lessee, dated June 3, 2003. Said lease and amendments thereto are hereinafter referred to as the "Master Lease", a copy of which is attached hereto and incorporated herein by this reference as EXHIBIT A. The Parties acknowledge and agree that in the event of any conflict between the terms and conditions of the Master Lease and this sub-lease, the terms and conditions of the Master Lease shall be controlling on all issues.

2. DESCRIPTION

- (a) The premises sub-leased hereby are located within Jacqueline Cochran Regional Airport, Thermal, California generally, and within the area Leased Premises from County by Sub-Lessor consisting of nine (nine) acres and as more particularly shown on EXHIBIT B attached hereto and by this reference made a part hereof (the "Sub-Lease Premises"). The Sub-Lease Premises consists of land only. Improvements shall be the sole responsibility of Sub-Lessee as more particularly described herein.
- (b) The portion of the nine acres being sub-leased is that portion of land occupied in Building B Hangar #08 as depicted in EXHIBIT B. In addition to the forgoing during the term of this lease Sublessor grants to Sublessee the right to ingress and ingress over that portion of the leasehold premises of the Sublessor held under the Master Lease and a license to use the taxiway areas designated by Sublessor.

3. USE

The Sub-Lease Premises are hereby sub-leased for the purpose of a personal aircraft hangar to be used for the storage of aircraft and aircraft related supplies only. Sub-Lessee hereby acknowledges and agrees that no commercial business shall be conducted on the Sub-Lease Premises.

4. TERM

The term of this sub-lease shall commence on _____, and shall continue thereafter for a term that is co-terminus with the Lessor's occupancy rights under the Master Lease, including any extensions thereof, and subject to any provisions of the Master Lease that may be applicable and take precedence.

5. RENT

- (a) Sub-Lessee shall pay to Sub-Lessor the sum of \$66.00 (\$0.03 per square foot), payable in advance, on the 1st day of each and every month during the term hereof to such address as Sub-Lessor may from time-to-time direct.
- (b) Beginning _____ and at each 12 month anniversary thereafter, the rent shall be adjusted by the percentage change in the Consumer Price Index (CPI), all Urban Consumers, Los Angeles, Riverside, Orange County Area for the twelve month period ending two months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly rental amount lower than the greatest previous monthly rental amount.
- (c) In the event Sub-Lessee fails or refuses to make its' payment in the amount and/or on the times required in this Paragraph 5, Sub-Lessee shall pay to Sub-Lessor the equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent and an additional administrative charge in the amount of Fifteen Dollars (\$15.00) for each such failure or refusal.
- (d) ***Beginning on _____ and every fifth (5th) year thereafter, the annual rent amount shall be adjusted to fair market value in the manner set forth in paragraph 5 (d) of Sub-Lessors Master Lease. Once established, said rent shall be adjusted annually in the manner set forth in Paragraph 5(b) herein above. The adjustments shall be limited to the Sub-lease Premises and shall exclude any and all capital improvements constructed by Sub-Lessee. In no event shall any adjustment be a negative adjustment.

6. ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the term of this sub-lease:

- (a) Observe and comply with all rules, regulations, and laws that govern and are in effect;
- (b) Maintain the Sub-Lease Premises and related equipment in a clean, orderly, neat and safe condition;
- (c) Make provisions and pay for all utilities, including trash disposal, incurred in connection with the Sub-Lease Premises.

7. SUB-LESSOR'S RESERVED RIGHTS

Sub-Lessor and County, and their duly authorized agents, shall have the right to enter the Sub-Lease Premises for inspections, repairs, or for any other reasonable cause upon the giving to Sub-Lessee reasonable advance notice during customary (daylight) working hours. This limitation on the right of entry shall not apply in the case of emergency when time may be a factor in saving life and/or property.

8. IMPROVEMENTS, REPAIRS AND SIGNS

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

9. INSURANCE

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

- (a) Comprehensive General Liability Insurance coverage that shall protect Sub-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 Sub-Lessee's use of the Sub-Lease Premises or the performance of its' obligations hereunder, whether such use or performance be by Sub-Lessee, by any subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name John Obradovich and Betty Obradovich and the County of Riverside as additional insured with respect to this Sub-lease Agreement and the obligations of Sub-Lessee hereunder. Such insurance shall provide for limits of not less than \$3,000,000.00 per occurrence.
- (b) Furnish Sub-Lessor and the County with Certificates of Insurance showing that such insurance is in full force and effect, and that John Obradovich and Betty Obradovich and the County of Riverside are named as additional insureds. Further, said certificates shall contain the covenant of the insurance carrier that thirty (30) days advance written notice will be given to John Obradovich and Betty Obradovich and the County of Riverside prior to cancellation or reduction in coverage of such insurance.
- (c) Sub-Lessee shall carry Hull and Liability Insurance for any aircraft stored in or on the premises. Hull Insurance shall be for the full replacement value of all aircraft stored by Sub-Lessee in the Leased Premises and the contents therein. Policy will be endorsed to include John Obradovich and Betty Obradovich and Riverside County, their Directors, Officers, employees, agents and representatives.

Sub-Lessee may elect to self-insure or un-insure the Hull portion of the coverage required herein; however, if Sub-Lessee elects not to acquire insurance to cover the Hull, Sub-Lessee agrees to hold John Obradovich and Betty Obradovich and the County of Riverside harmless, and not make any claim against John Obradovich or Betty Obradovich or the County of Riverside for loss or damage to the Hull of any aircraft or the contents therein for any reason whatsoever, regardless of any negligence by John Obradovich or Betty Obradovich or the County of Riverside that may have contributed to said loss or damage.

10. TERMINATION BY SUB-LESSOR

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

- (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sub-Lessee as a debtor and, as a result, Sub-Lessee is unable or unwilling to fully and timely fulfill Sub-Lessee's rent obligations consistent with the requirements of Paragraph 5 herein.

- (b) 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.
- (c) In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Sub-lease Agreement.
- (d) In the event of the abandonment of, or the discontinuance of the use of the Sub-Lease Premises by Sub-Lessee.
- (e) 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 thirty (30) days in which to correct its breach or default after receiving written notice served on it by Sub-Lessor.
- (f) In the event that the Sub-Lease Premises are rendered unfit for Sub-Lessee's continued use and cannot be restored to habitability within a reasonable time.

11. TERMINATION BY SUB-LESSEE

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

- (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Sub-Lessor as a debtor and, as a result, Sub-Lessor is unable or unwilling to perform its' duties under this Sub-lease Agreement.
- (b) In the event that Sub-Lessor makes a general assignment for the benefit of creditors.
- (c) In the event of any act which operates to deprive Sub-Lessor of the ability to perform its' duties under this Sub-lease Agreement.
- (d) In the event of the abandonment of, or the discontinuance of, the use of the area leased pursuant to the Master Lease.
- (e) 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 thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Sub-Lessee.
- (f) In the event that the Sub-Lease Premises are rendered unfit for Sub-Lessee's use and cannot be restored within a reasonable time.

12. HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and the County of Riverside, their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessor, 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 of any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the Sub-Lease Premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor,

County, its officers, agents, employee and independent contractors in any legal action based on any alleged acts or omissions.

13. ASSIGNMENT

Sub-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 express written consent of Sub-Lessor and County being first obtained which consent shall not be unreasonably withheld.

14. BINDING ON SUCCESSORS

Sub-Lessee, its' heirs, assigns and successor(s) in interest shall be bound by all the terms and conditions contained in this Sub-lease Agreement, and all of the parties hereto shall be jointly and severally liable hereunder.

15. EMPLOYEES AND AGENTS OF THE 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.

16. COMPLIANCE WITH LAW

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

17. WAIVER OF PERFORMANCE

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

18. SEVERABILITY

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

19. NOTICES

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

For Sub-Lessor **John and Betty Obradovich**
 84-401 Cabazon Center Dr.
 Indio, CA 92201

For Sub-Lessee **Enspire Solution Partners, LLC**
 13240 230th Place NE
 Redmond, WA 98053-5666

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

20. VENUE

Any action at law or in equity brought by either of the parties hereto for the purposes of enforcing a right or rights provided for by this Sub-lease Agreement 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.

21. TAXES

Sub-Lessee shall timely pay all fees and taxes levied or required by any authorized public entity relating to the Sub-Lease Premises. Sub-Lessee recognizes and understands that this Sub-lease Agreement 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.

22. TOXIC MATERIALS

During the term of this Sub-lease Agreement and any extensions 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-Lease 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-Lease Premises or transport to or from the Sub-Lease 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, the "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, Comprehensive 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.

23. 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-Lease Premises, and which may be secured by a mechanic's, materialman's, or other lien against the Sub-Lease 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 matures or becomes due; provided, however, that if Sub-Lessee desires to contest any such lien, 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.

24. ATTORNEY FEES AND COSTS

In the event of litigation arising out of this Sub-lease Agreement, the prevailing party is entitled to recover its' actual attorney fees and costs incurred, whether the matter is arbitrated, settled, or tried to a judge and/or jury.

25. 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 except as otherwise permitted by the provisions of the Master Lease. (A complete copy of the Master Lease is attached hereto and made part hereof as ADDENDUM A.)
- (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 as relates to the Sub-Lease Premises, and Sub-Lessee's right to possession shall remain in effect as provided in the Master Lease to all intents and purposes as though Sub-Lessee was the original Lessee there under; provided, however, that such assumption and agreement shall pertain only to the Sub-Lease Premises and not to the entire leased premises under the Master Lease, and Sub-Lessee, among other things, shall make rental payments to the County in an amount equal to such payments which Sub-Lessee is required to pay Sub-Lessor under this sub-lease.

26. 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.

27. SIGNED IN COUNTERPART

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

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 1/5/2016.

SUB-LESSOR:

John Obradovich and Betty Obradovich
Husband and Wife

By: 

Date: 1-21-16

By: 

Date: 1-21-16

SUB-LESSEE:

Enspire Solution Partners, LLC

By: 
By: Rex Bloesser, Managing Member

Date: JAN 5, 2016

Consent

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

By: _____ Date: _____
John J. Benoit, Chairman
Board of Supervisors

ATTEST:

KECIA HARPER-IHEM, Clerk of the Board

By: _____ Date: _____

(Seal)

APPROVED AS TO FORM:

GREGORY P. PRIMOS, County Counsel

By: _____ Date: _____
County Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside } SS:

On January 21, 2016 before me, K. Larby,
a 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside } SS:

On January 5, 2016 before me, K. Larby,
a Notary Public, personally appeared Rex Bloesser 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____ }
COUNTY OF _____ } ss:

On _____ before me, _____
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Description 1-A

THAT PORTION OF THE FOLLOWING DESCRIBED LAND WHICH IS INCLUDED WITHIN THE LEASED PREMISES AS SET OUT IN THE SUBLEASE WITH SALE OF AVIATION HANGER EXECUTED BY JOHN OBRADOVICH AND BETTY OBRADOVICH, AS SUBLESSOR AND JOHN L. DAVIDSON AND MARGARET L. DAVIDSON, HUSBAND AND WIFE AS JOINT TENANTS, AS SUBLESSEE, RECORDED JANUARY 20, 2005 AS INSTRUMENT NO. 2005-0055318, OFFICIAL RECORDS.

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 FEET;

THENCE SOUTH, A DISTANCE OF 85.00 FEET;

THENCE EAST, A DISTANCE OF 80.00 FEET;

THENCE SOUTH, A DISTANCE OF 185.00 FEET;

THENCE EAST, A DISTANCE OF 150.00 FEET;

THENCE NORTH, A DISTANCE OF 285.00 FEET;

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

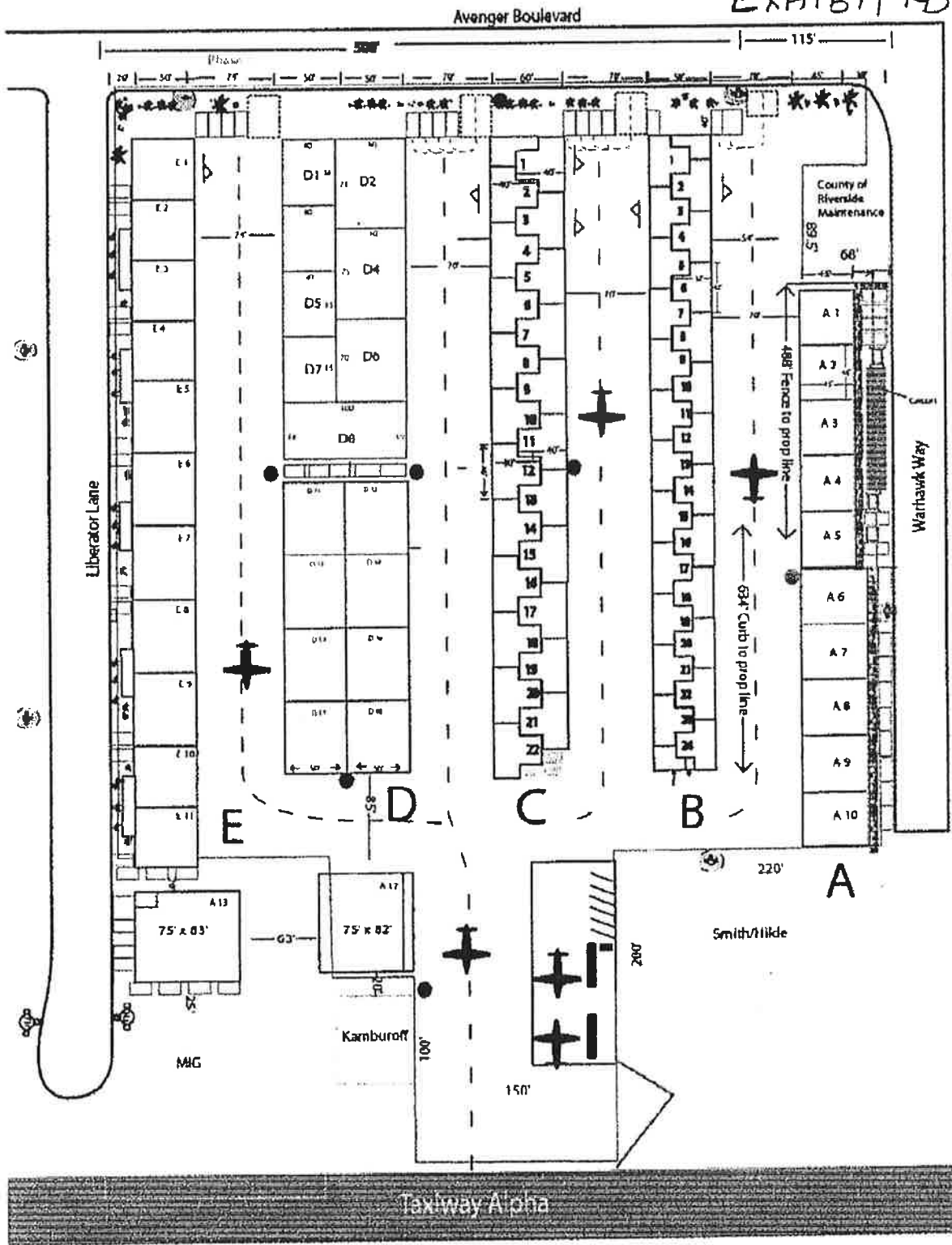
THENCE NORTH 00° 00' 20" WEST A DISTANCE OF 643.00 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 30.00 FEET,

ALSO EXCEPTING THEREFROM THE WESTERLY 30.00 FEET,

ALSO EXCEPTING THEREFROM THE EXISTING COUNTY MAINTENANCE AREA LOCATED AT THE NORTHEASTERLY CORNER OF THE SUBJECT PROPERTY.

APN(s): PORTION OF 759-040-013-1



Thermal Regional Airport	
County of Riverside, Thermal, California	
Master Development 9 Acres	
All Inside AV Storage and Self Serve Fuel	
John & Betty Urdanovich All Inside AV Storage, Inc. 84-481 Palmdale Center Drive Indio, CA 92201 (760) 939-2901, (760) 773-0000	13-18-06 Drawn by BT Sheet 1 of 1

CONSENT TO BILL OF SALE

(Behind this page)

CONSENT TO BILL OF SALE

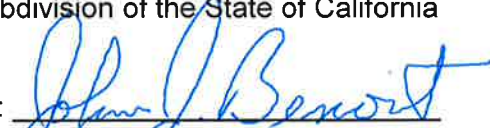
The County of Riverside, a political subdivision of the State of California ("County") hereby consents to the attached Bill of Sale Coupled with Sub-Lease, dated January 4, 2016 by and between John L. Davidson and Margaret L. Davidson (as "Seller"), and Enspire Solution Partners, LLC, a Washington limited liability company (as "Buyer") ("Bill of Sale") relating to the sale of the aircraft storage hangar known as Building "B" Hangar "8", 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 Coupled with Sub-Lease, the County neither undertakes nor assumes nor will have any responsibility or duty to Enspire Solution Partners, LLC or to any third party to review, inspect, supervise, pass judgment upon or inform Enspire Solution Partners, 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 hangar for Enspire Solution Partners, LLC's proposed use or otherwise. Enspire Solution Partners, 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 Enspire Solution Partners, 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: JUL 26 2016

COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

By: 
John J. Benoit, Chairman
Board of Supervisors

APPROVED AS TO FORM
Gregory P. Priamos, County Counsel

By: 
Jhaila R. Brown *R. Todd Priamos*
Deputy County Counsel

ATTEST
KECIA IHEM-HARPER
Clerk of the Board

By: 
Deputy

Enspire Solution Partners, LLC hereby acknowledges and consents to the terms set forth in this Consent to Bill of Sale.

By: 

Rex Bloesser, Managing Member
Enspire Solution Partners, LLC

Dated: 

EXHIBIT A
BILL OF SALE
(behind this page)

EXHIBIT A

BILL OF SALE COUPLED WITH SUB-LEASE

John L. Davidson and Margaret L. Davidson hereinafter called the "Seller," hereby sells to Enspire Solution Partners, 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 B, 08 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 B, Hangar # 08, the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of \$48,000.00.

2. **THIS BILL OF SALE IS SUBJECT TO MASTER LEASE AND COUPLED WITH SUB-LEASE.** This Bill of Sale is subject to that certain Master Lease executed by the County of Riverside and John and Betty Obradovich, dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, and which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Furthermore, Seller hereby incorporates in this instrument by reference the terms and conditions of that certain "Sub-Lease" executed by the parties hereto on _____. This Bill of Sale shall be enforceable only on the condition that the parties have entered into the aforesaid Sub-Lease.

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. **RIGHT TO TRANSFER.** 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. **SURVIVAL OF SUB-LEASE.** 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:

John L. Davidson
1645 Beaver Creek, Unit A
Beaumont, CA 92223

Margaret L. Davidson
Industrial West, Inc.
41865 Boardwalk, Suite 106
Palm Desert, CA 92211

BUYER:

Enspire Solution Partners, LLC
13240 230th Place NE
Redmond, WA 98053-5666

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.

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

IN WITNESS WHEREOF, this Bill of Sale is executed on 1-8-14.

SELLER:



By: John L. Davidson



By: Margaret L. Davidson

BUYER:

Enspire Solution Partners, LLC, a Washington limited liability company



By: Rex Bloesser, Managing Member

LESSEE:



John Obradovich



Betty Obradovich

The COUNTY of Riverside hereby consents to the foregoing Bill of Sale.

LESSOR:

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

By: _____

By: _____

Chairman, Board of Supervisors

Date: _____

ATTEST:

Kecia Harper-Ihem,
Clerk of the Board

FORM APPROVED:

Pamela J. Walls,
County Counsel

By: _____

Deputy

By: _____

Deputy

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF Riverside

On January 4, 2016 before me, K. Larby
a Notary Public, personally appeared John L. Davidson 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss:
COUNTY OF Riverside

On January 4, 2016 before me, K. Larby
a Notary Public, personally appeared Margaret L. Davidson 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On January 5, 2016 before me, K. Larby,
a Notary Public, personally appeared Rex Bloesser 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside

On January 21, 2016 before me, K. Larby,
a 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 _____



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside _____

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA _____ } ss:
COUNTY OF Riverside _____

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____ }
COUNTY OF _____ } SS:

On _____ before me, _____,
a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

LEASE CANCELLATION AGREEMENT
(BEHIND THIS PAGE)

LEASE CANCELLATION AGREEMENT
JACQUELINE COCHRAN REGIONAL AIRPORT

WHEREAS, John Obradovich and Betty Obradovich, hereinafter Sublessor, and John L. Davidson and Margaret L. Davidson, as entered into that certain Sublease dated January 20, 2005, 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

WHEREAS, Sublessor improved the land with a 1,050 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.

This agreement in all parts applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires the masculine gender includes the feminine and neuter, and the singular number includes the plural. These instructions and any other amendments may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.

Date: 1-4-14

SUBLESSEE


By: John L. Davidson

Date: 1/4/16


SUBLESSEE


By: Margaret L. Davidson

Date: 1-21-16

SUBLESSOR

By: 
John Obradovich

By: 
Betty Obradovich

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside

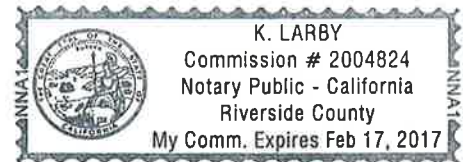
} ss:

On January 4, 2016 before me, K. Larby
a Notary Public, personally appeared John L. Davidson 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



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside

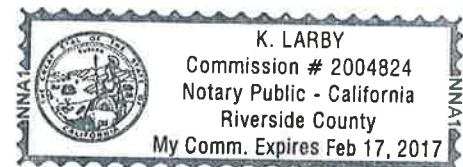
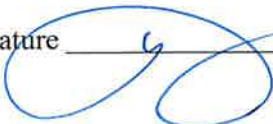
} ss:

On January 4, 2016 before me, K. Larby
a Notary Public, personally appeared Margaret L. Davidson 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



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside

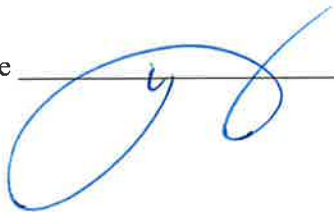
} ss:

On January 21, 2016 before me, K. Larby
a 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 _____



RECORDING REQUESTED BY
CHICAGO TITLE COMPANY
AND WHEN RECORDED MAIL TO

MR. AND MRS. JOHN L. DAVIDSON
82652 SKY VIEW LANE
INDIO, CA

DOC # 2005-0055318

01/20/2005 08:00A Fee:107.00

Page 1 of 32 Doc T Tax Paid

Recorded in Official Records

County of Riverside

Assessor, County Clerk & Recorder



Escrow No. 47004565 - F24
Order No. 47004565 -

M	S	U	PAGE	SIZE	DA	PCOR	NOCOR	SMF	MISC
A	R								
			COPY	LONG	REFUND	NCHG	EXAM		

SUB-LEASE WITH SALE OF AVIATION HANGAR/BILL OF SALE COUPLED WITH SUB-LEASE

T.T. \$57.75
TRA 058.085
APN 759-040-008-7 PTN

107 CM

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

SUB-LEASE WITH SALE OF AVIATION HANGAR
Bill of Sale coupled with sub-lease

John Obradovitch and Betty Obradovitch, herein called Sub-Lessor, sub-leases to JOHN L. DAVIDSON AND MARGARET L. DAVIDSON, HUSBAND AND WIFE AS JOINT TENANTS 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 Desert Resorts Regional 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 May 3, 2003, and recorded June 3, 2003, 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 by Hangar Number 08 in Building B as depicted in Exhibit "B". In addition to the forgoing during the term of this lease Sublessor grants to Sublessee 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 \$ 20.40 per month, payable in advance, on the 1st 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 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.

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-Lease.

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 severally 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:

For Sub-Lessor::

All Inside AV Storage, Inc.
84-401 Cabazon Center Drive
Indio, CA 92201

For Sub-Lessee

JOHN L. & MARGARET L. DAVIDSON
82652 SKY VIEW LANE
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-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 matures 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 except as otherwise permitted by the provisions of Paragraph 29 of 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 October 1,, 2004.

SUBLESSOR:

John Obradovich

Signature

Betty Obradovich

Signature

JOHN OBRADOVICH

BETTY OBRADOVICH

Printed Name and Title

SUBLESSEE:

John L. Davidson

Signature

Margaret L. Davidson

Witness Signature

JOHN L. DAVIDSON

Printed Name and Title

.. MARGARET L. DAVIDSON

Printed name

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On October 1, 2004

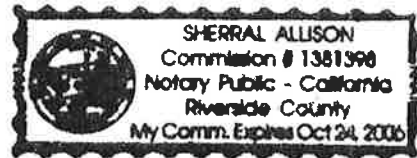
before me, Sherral Allison

a Notary Public in and for said County and State, personally appeared JOHN L DAVIDSON
MARGARET L DAVIDSON

personally known to me (or 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.

WITNESS my hand and official seal.

Sherral Allison
Signature of Notary



STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____ before me, _____

a Notary Public in and for said County and State, personally appeared _____

personally known to me (or 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.

WITNESS my hand and official seal.

Signature of Notary

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) SS.

On October 20, 2004 before me, SUSAN COOPER

a Notary Public In and for said County and State, personally appeared JOHN OBRADOVICH
BETTY OBRADOVICH

personally known to me (or 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.

WITNESS my hand and official seal.

Susan Cooper
Signature of Notary



STATE OF CALIFORNIA)
COUNTY OF _____) SS.

On _____ before me, _____

a Notary Public In and for said County and State, personally appeared _____

personally known to me (or 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.

WITNESS my hand and official seal.

Signature of Notary

The COUNTY of Riverside hereby consents to the foregoing Sublease.

By: _____

Date: _____

Date: _____ **LESSEE**

[Signature]
Betty Obachonin

By: _____
Managing Member

Date: _____ **LESSOR**

COUNTY OF RIVERSIDE

By: *[Signature]*
Chairman, Board of Supervisors
ROY WILSON

ATTEST:

NANCY ROMERO,
Clerk of the Board

By: *[Signature]*
Deputy

FORM APPROVED:

William c. Katzenstein,
County Counsel

By: *Gordon V. Ubo* 11/17/04
Deputy

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) SS.

On October 20, 2004 before me, SUSAN COOPER

a Notary Public in and for said County and State, personally appeared JOHN OBRADOVICH
BETTY OBRADOVICH

personally known to me (or 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.

WITNESS my hand and official seal.

Susan Cooper
Signature of Notary



STATE OF CALIFORNIA)
COUNTY OF Riverside) SS.

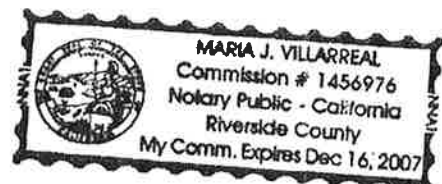
On December 21, 2004 before me, Maria J. Villarreal

a Notary Public in and for said County and State, personally appeared Rox Wilson

personally known to me (or 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.

WITNESS my hand and official seal.

Maria J. Villarreal
Signature of Notary



BILL OF SALE COUPLED WITH SUB-LEASE

All Inside AV Storage, Inc. hereinafter called the "Seller," hereby sells to JOHN L. DAVIDSON AND MARGARET L. DAVIDSON, HUSBAND AND WIFE AS JOINT TENANTS, an individual, 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 a concrete floor structure and two steel buildings labeled as Bldg. A and Bldg. B at Desert Resorts Regional Airport, Thermal, California, Riverside County, as described on the attached Exhibit "1" also described as Hangar # 08, Bldg B, the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of \$ 52,500.00.

2. **THIS BILL OF SALE IS SUBJECT TO MASTER LEASE AND COUPLED WITH SUB-LEASE.** This Bill of Sale is subject to that certain Master Lease executed by the County of Riverside and John and Betty Obradovich, dated May 13, 2003 which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Furthermore, Seller hereby incorporates in this instrument by reference the terms and conditions of that certain "Sub-Lease" executed by the parties hereto on 10/1/04. This Bill of Sale shall be enforceable only on the condition that the parties have entered into the aforesaid Sub-Lease.

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. **RIGHT TO TRANSFER.** 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

RMBUSRLP232531.4

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 Desert Resorts Regional Airport (Thermal) other than if said sale is to the aforesaid Seller.

b. **SURVIVAL OF SUB-LEASE.** 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:

All Inside AV Storage, Inc.
84-401 Cabazon Center Drive
Indio, CA 92201

BUYER:

JOHN L. DAVIDSON & MARGARET L. DAVIDSON
82652 SKY VIEW LANE
INDIO, CA 92201

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.

IN WITNESS WHEREOF, this Bill of Sale is executed on OCTOBER 1, 2004.

SELLER:

All Inside A V Storage, Inc.

J. L. David
Signature *Betty Obradovich*

JOHN OBRADOVICH

BETTY OBRADOVICH
Printed Name and Title

BUYER:

John L. Davidson
Signature *Margaret L. Davidson*
Witness Signature

JOHN L. DAVIDSON
Printed Name and Title

MARGARET L. DAVIDSON

Printed name

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On October 1, 2004

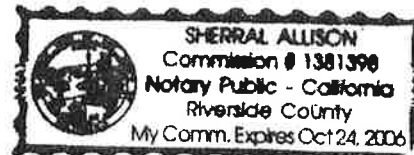
before me, Sherral Allison

a Notary Public in and for said County and State, personally appeared JOHN L. DAVIDSON
MARGARET L. DAVIDSON

personally known to me (or 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.

WITNESS my hand and official seal.

Sherral Allison
Signature of Notary



STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____ before me, _____

a Notary Public in and for said County and State, personally appeared _____

personally known to me (or 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.

WITNESS my hand and official seal.

Signature of Notary

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) SS.

On October 20, 2004 before me, SUSAN COOPER

a Notary Public In and for said County and State, personally appeared JOHN OBRADOVICH
BETTY OBRADOVICH

personally known to me (or 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.

WITNESS my hand and official seal.

Susan Cooper
Signature of Notary



STATE OF CALIFORNIA)
COUNTY OF _____) SS.

On _____ before me, _____

a Notary Public In and for said County and State, personally appeared _____

personally known to me (or 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.

WITNESS my hand and official seal.

Signature of Notary

The COUNTY of Riverside hereby consents to the foregoing Bill of Sale.

By: _____

Date: _____

Date: 11/12/04 **LESSEE**

John Obradovich
Betty Obradovich

John Obradovich
Betty Obradovich

By: _____
Managing Member

Date: _____ **LESSOR**

COUNTY OF RIVERSIDE

By: Roy Wilson
Chairman, Board of Supervisors
ROY WILSON

ATTEST:

NANCY ROMERO,
Clerk of the Board

By: Sandra L. [Signature]
Deputy

FORM APPROVED:

William c. Katzenstein,
County Counsel

By: Gordon V. Ubo 11/17/04
Deputy

STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On October 20, 2004 before me, SUSAN COOPER

a Notary Public In and for said County and State, personally appeared JOHN OBRADOVICH
BETTY OBRADOVICH

personally known to me (or 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.

WITNESS my hand and official seal.

[Signature]
Signature of Notary



STATE OF CALIFORNIA)
) SS.
COUNTY OF Riverside)

On December 21, 2004 before me, Maria J. Villarreal

a Notary Public In and for said County and State, personally appeared Roy Wilson

personally known to me (or 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.

WITNESS my hand and official seal.

[Signature]
Signature of Notary

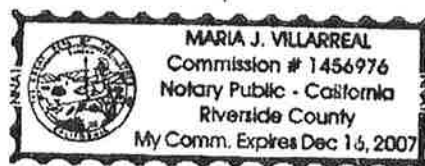


Exhibit B

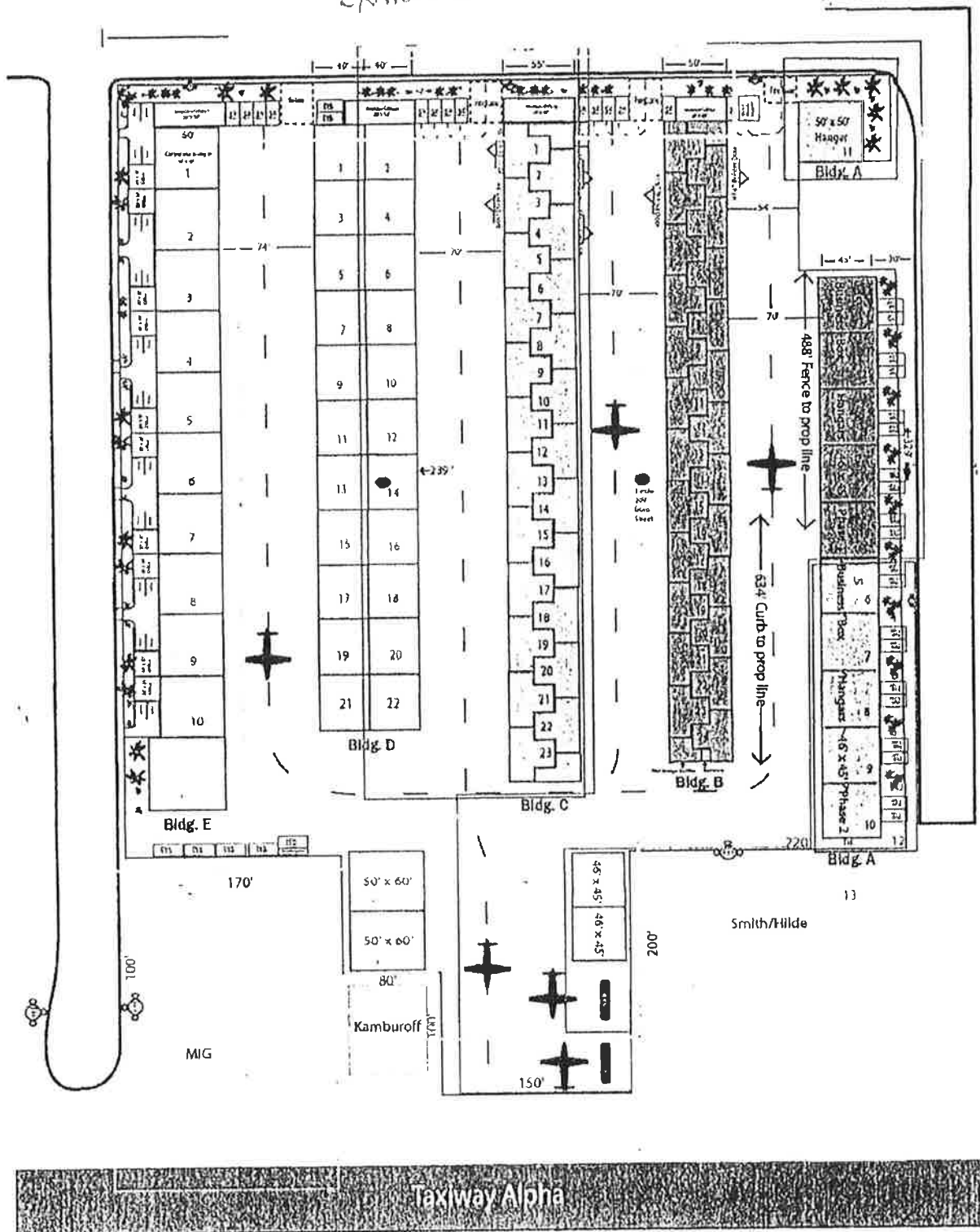
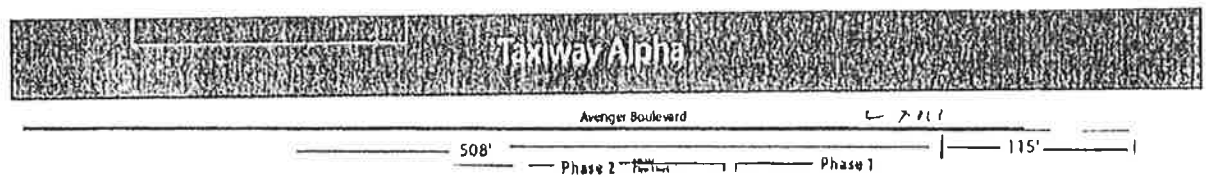
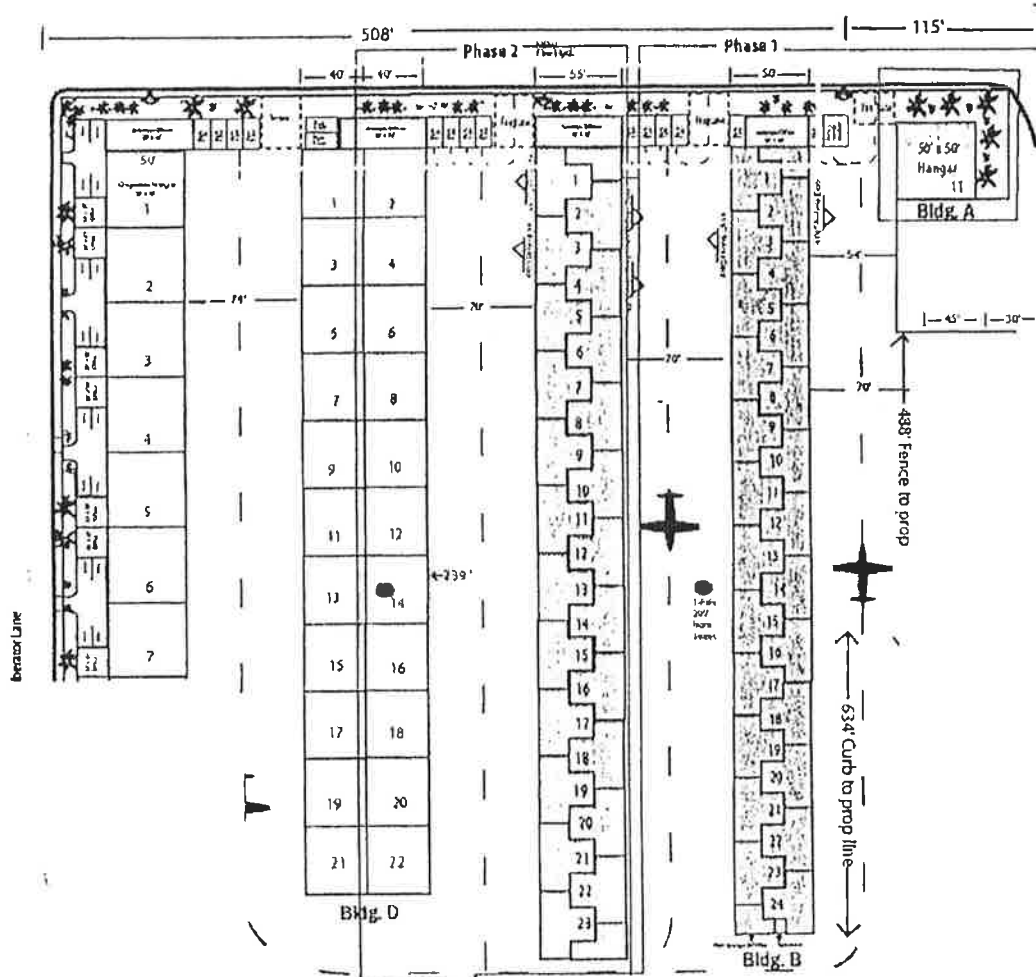


Exhibit B



CERTIFICATION

Under the provisions of Government Code 27361.7 I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

See Attached

Date:

1/12/05

Signature:

A handwritten signature, possibly reading "S. D.", written in dark ink over a horizontal line.

Exhibit B

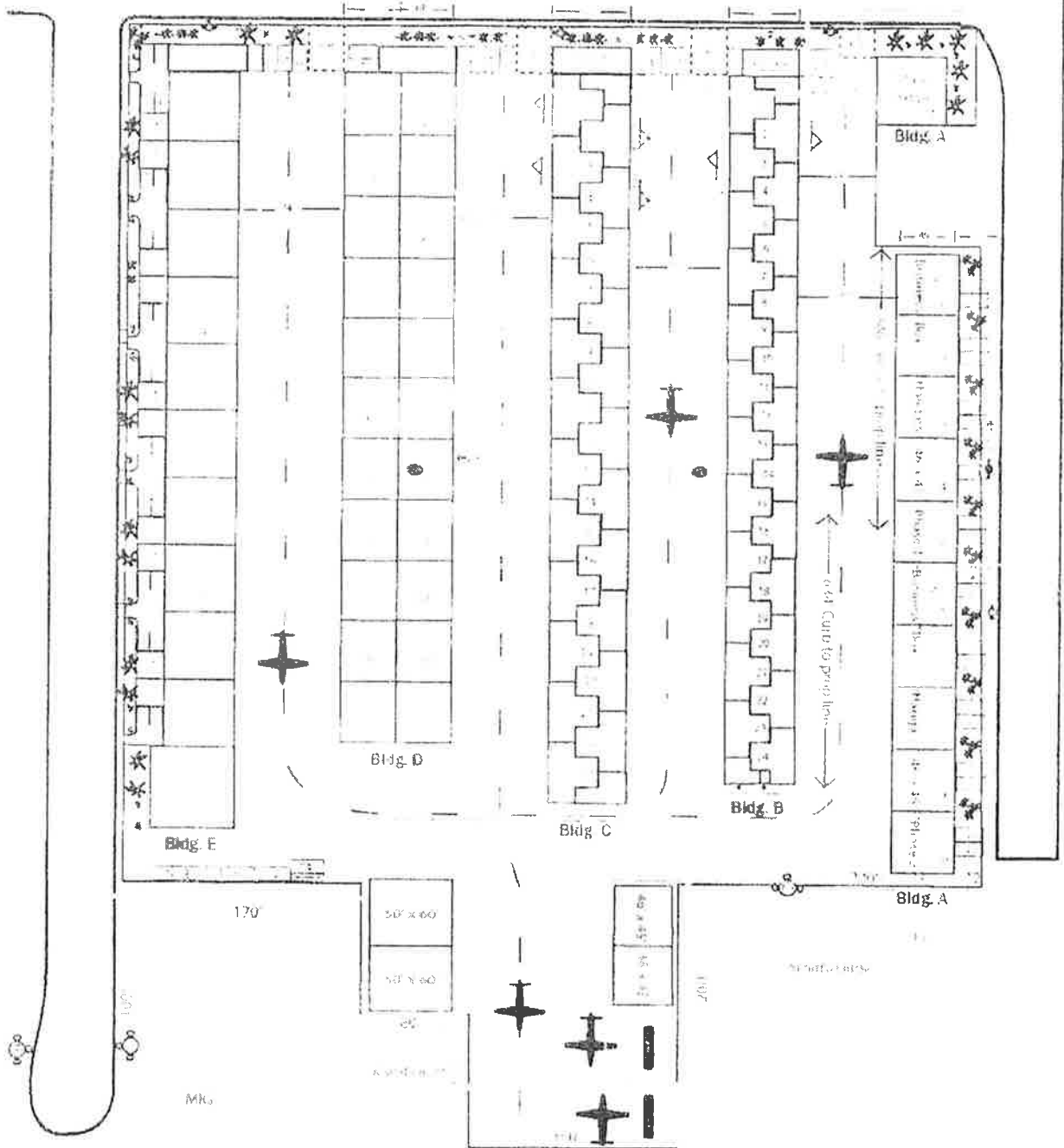
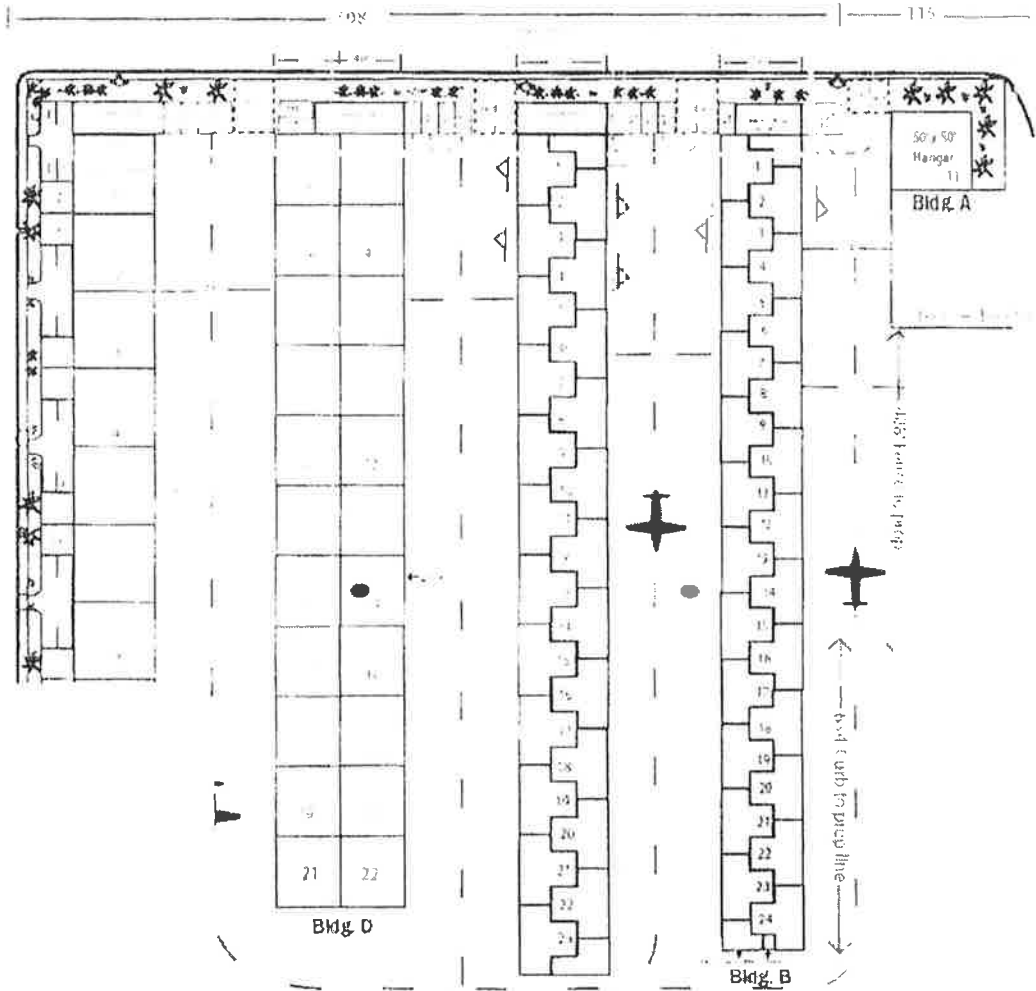


Exhibit B



CERTIFICATION

UNDER THE PROVISIONS OF GOVERNMENT CODE 27361.7 I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY: SHERRAL ALLISON
COMMISSION NO.: 1381398
DATE COMMISSION EXPIRES: OCT 24, 2006
COUNTY: RIVERSIDE

DATE: JANUARY 7, 2005

SIGNATURE:

Dotty Headley
DOTTY HEADLEY/CHICAGO TITLE

CERTIFICATION

UNDER THE PROVISIONS OF GOVERNMENT CODE 27361.7 I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY:

Susan Cooper

COMMISSION NO.:

1506746

DATE COMMISSION EXPIRES:

July 13, 2008

COUNTY:

Riverside

DATE:

January 11, 2005

SIGNATURE:

Dotty Headley
DOTTY HEADLEY/CHICAGO TITLE

CERTIFICATION

UNDER THE PROVISIONS OF GOVERNMENT CODE 27361.7 I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY: MARIA J. VILLARREAL

COMMISSION NO.: 1456976

DATE COMMISSION EXPIRES: DEC 16, 2007

COUNTY: RIVERSIDE

DATE: JANUARY 7, 2005

SIGNATURE: *Dotty Headley*
DOTTY HEADLEY/CHICAGO TITLE

CERTIFICATION

Under the provisions of Government Code 27361.7 I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

See Attached

Date:

1/20/05

Signature:

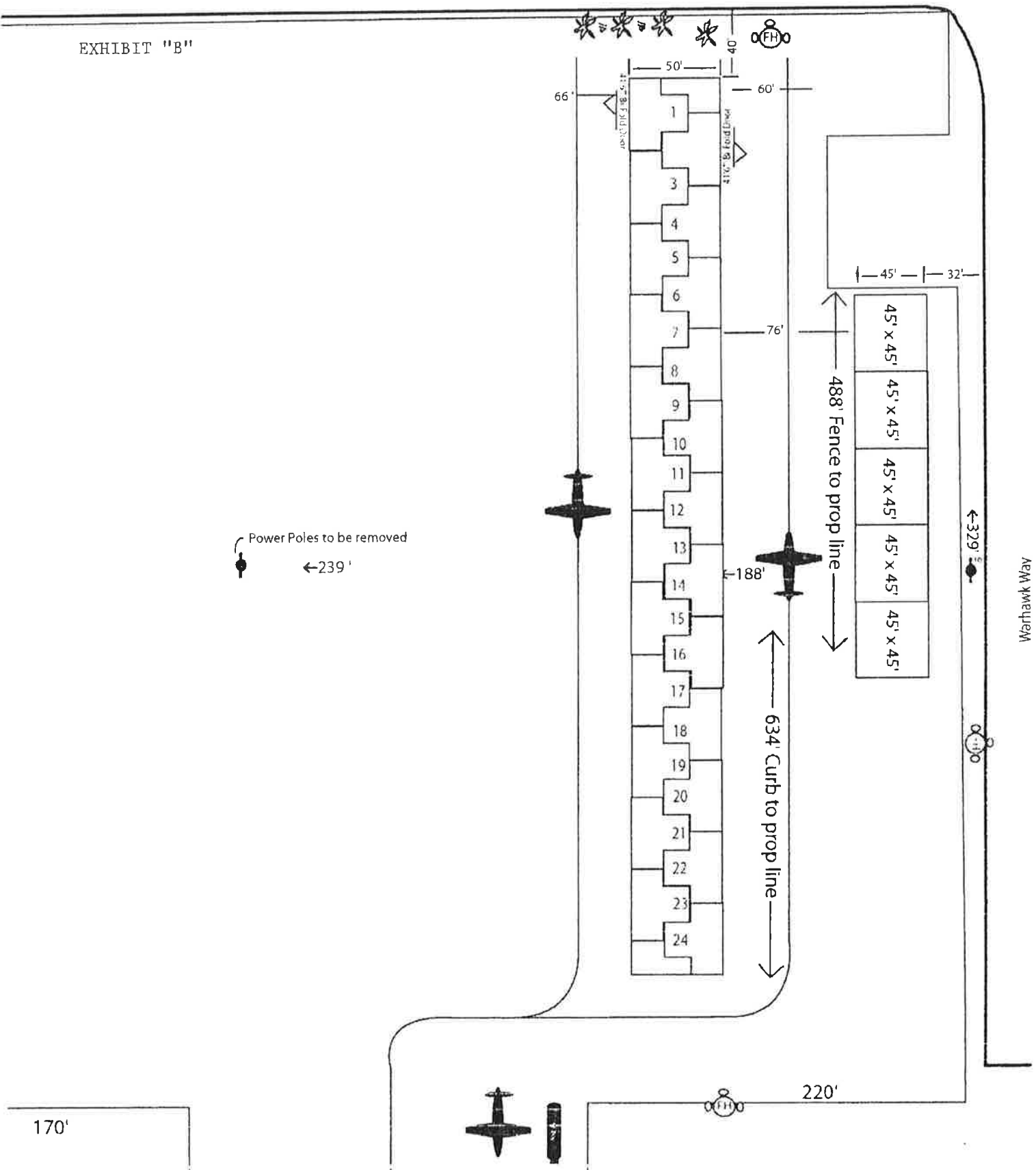
A handwritten signature, possibly reading "J. [unclear]", written in dark ink over a horizontal line.

Phase 2

Phase 1

115'

EXHIBIT "B"



Power Poles to be removed
←239'

170'

RELIMINARY

Smith/Wildon

Phase 2

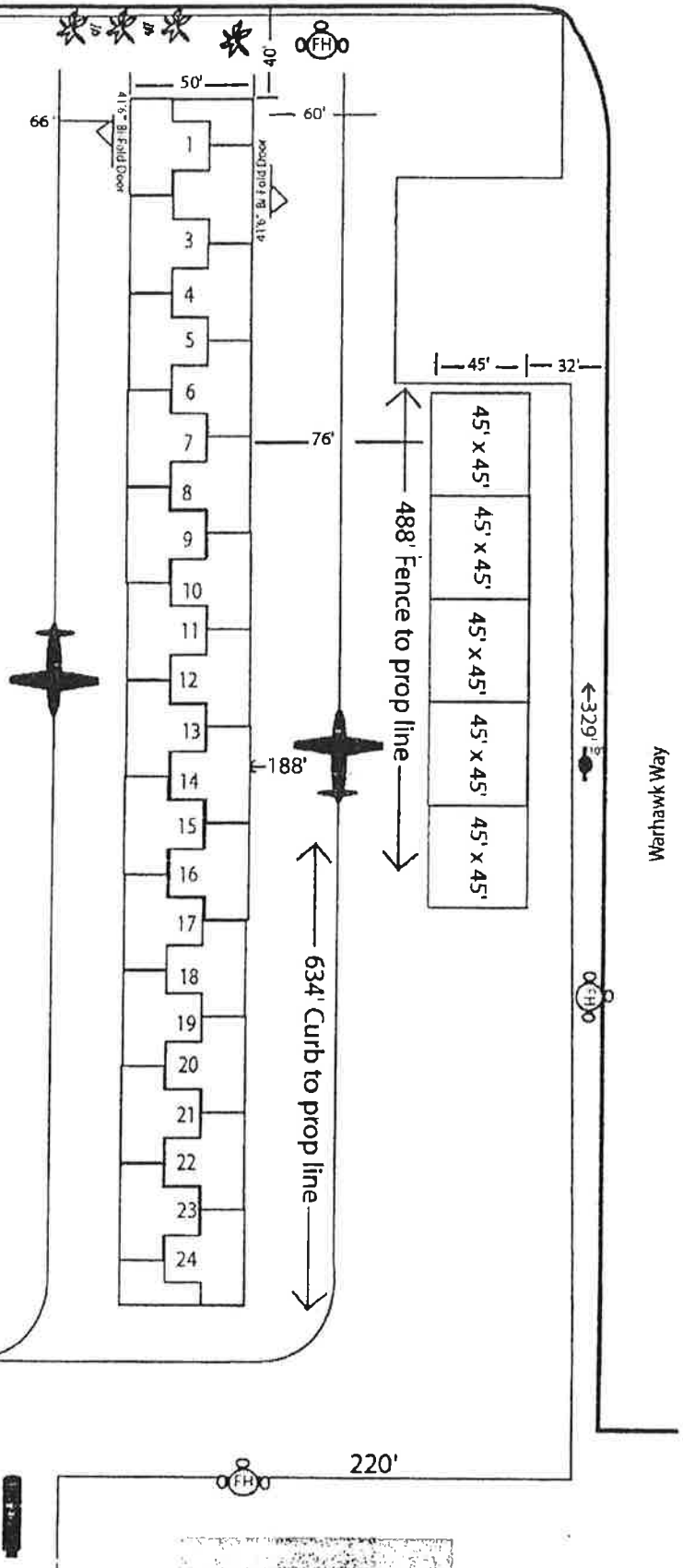
Phase 1

115'

EXHIBIT "B"

Power Poles to be removed
← 239'

170'



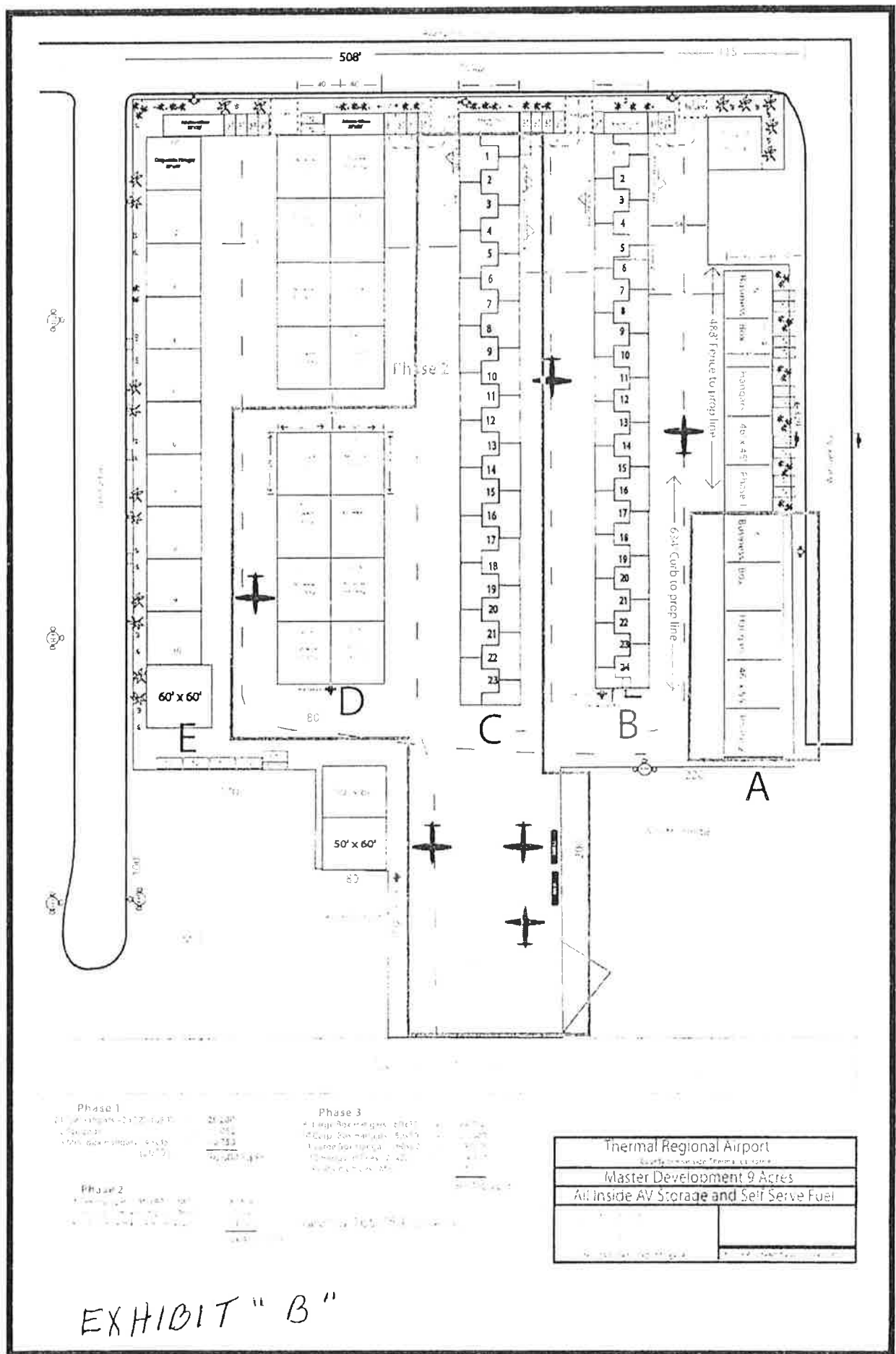


EXHIBIT "B"

MASTER LEASE
(BEHIND THIS PAGE)

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



FROM: Economic Development Agency SUBMITTAL DATE: April 28, 2003

SUBJECT: Lease Agreement between the County of Riverside and John Obradovich and Betty Obradovich, Husband and Wife – Desert Resorts Regional Airport, Fourth District

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Lease between the County and the Lessee, John Obradovich and Betty Obradovich, Husband and Wife, for the development of nine (9) acres with aircraft storage hangars and a self-serve fuel station; and
2. Authorize the Chairman to execute the Lease.

BACKGROUND:

The Economic Development Agency is in receipt of a lease agreement between the County and John Obradovich and Betty Obradovich, Husband and Wife. The Lessee will occupy nine (9) acres of unimproved land at Desert Resorts Regional Airport for the development of aircraft storage hangars and a self-service fuel station. Plans and specifications for all improvements will be submitted to the County for approval prior to start of construction.

F:\Shared\EDCOM\AIRPORTS\DRRA-Thermal\Obradovich\OBRAADOVICH DRRA9ac F11.doc

FINANCIAL DATA:

CURRENT YEAR COST: \$0
NET COUNTY COST: \$0
BUDGET ADJUSTMENT: NO
COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: N/A
SOURCE OF FUNDS: N/A

ANNUAL COST \$0
IN CURRENT YEAR BUDGET: N/A
FOR FY: N/A

FORM APPROVED
COUNTY COUNSEL

C.E.O. RECOMMENDATIONS:

APPROVE

MAY 13 2003

County Executive Officer Signature: *Bronda King*

By *London V. Ubo*

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Venable, Wilson and Ashley
Noes: None
Absent: None
Date: June 3, 2003
xc: EDA, Co.Co., Auditor

Nancy Romero
Clerk to the Board
By *[Signature]*
Deputy

Prev. Agn. Ref.
None

Dist.
4th

AGENDA NO.

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.11

BACKGROUND (continued):

As consideration for occupying the leasehold, Lessee will pay a monthly Base Rent equal to one thousand four hundred ninety-four dollars (\$1,494.00) during construction, not to exceed twelve (12) months from the date of Lease commencement, and will pay base monthly rent of two thousand nine hundred eighty-eight dollars (\$2,988.00) once construction has been completed. The base rent will be adjusted annually, except for dates coinciding with appraisals conducted every fifth year, beginning on July 1, 2004, by the increase in the Consumer Price Index. Beginning July 1, 2005, and every fifth year thereafter, the Lease rate will be adjusted to fair market value based on the results of a County procured and approved appraisal. In addition to the base rent, Lessee will pay to County a fuel flowage fee equal to 5% of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee.

The Lease calls for the development of the Leased Premises in three (3) phases, with all phases to be completed within five (5) years of Lease commencement. In the event construction is not completed within five (5) years, either party shall have the option of terminating the Lease for the uncompleted phase(s) by giving notice within thirty days from the end of the first five (5) years of the term. In the event either party exercises the option, the undeveloped phase(s) will be returned to the County and the size of the Leasehold and the Base Rent will be adjusted accordingly.

The term of the lease is for thirty (30) years, with an option by the Lessee to extend the term for an additional ten (10) years. Lessee must be in compliance with all terms and conditions of the Lease to exercise the option. The Economic Development Agency's Aviation staff recommends approval of the lease to John Obradovich and Betty Obradovich, Man and Wife. County Counsel has approved the lease document as to form.

LEASE SUMMARY:

- Rate:**
1. Base rent: \$1,494.00/month during construction phase; \$2,988.00/month thereafter with annual CPI adjustments. Lease rate to be adjusted to fair market value on July 1, 2005 and every fifth year thereafter based on the results of a County procured and approved appraisal.
 2. A fuel flowage fee of 5% of the total net price of all aviation and automotive fuel and lubricants received.
- Size:**
1. Nine (9) acres
 2. To be developed in three (3) phases within five (5) years of lease commencement. At the end of five (5) years, either party has option to cancel lease on undeveloped phases. In the event the option is exercised, any undeveloped phase(s) will be returned the County and the size of the Leased Premises and the Base Rent will be adjusted accordingly.
- Term:**
- 30 years. Lessee has an option to extend for an additional 10 years if Lessee is in compliance with all terms and conditions of the Lease.

12/11/2003 08:00A Fee 253.00

Page 1 of 83

Recorded in Official Records

County of Riverside

Gary L. Orso

Assessor, County Clerk & Recorder



PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY

CHICAGO TITLE COMPANY

AND WHEN RECORDED MAIL TO

ALL INSIDE AV STORAGE
84-401 CABAZON CENTER DR
INDIO, CA 92201
ATTN: JOHN OBRADOVICH

M	S	U	PAGE	SIZE	DA	PCOR	NOCOR	SMF	MISC
	1		82						
A	R	L				COPY	LONG	REFUND	NCHG
									7
									EXAM

PTN 769-040-008

TRA 058-085

DTT:

753



LEASE

Title of Document

THIS AREA FOR
RECORDER'S
USE ONLY

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

1 LEASE

2 DESERT RESORTS REGIONAL AIRPORT

3 The COUNTY OF RIVERSIDE, herein called County, Leases to John Obradovich and
4 Betty Obradovich, Husband and Wife, herein called Lessee, the property described
5 below under the following terms and conditions:

6 1. Recitals.

7 (a) County owns approximately nine acres (9 acres) of vacant land at the
8 Desert Resorts Regional Airport, County of Riverside, California.

9 (b) County desires to lease said property to Lessee for the construction
10 of a facilities necessary for conducting the business of a Limited Fixed Base Operator,
11 including executive hangars, storage hangars, fueling station and other aviation
12 related buildings.

13 (c) Lessee desires to lease said property from the County, for the
14 construction of facilities necessary for conducting the business of a Limited Fixed
15 Base Operator, including executive hangars, storage hangars, fueling station and
16 other aviation related buildings.

17 2. Description. The premises leased hereby are located within the Desert
18 Resorts Regional Airport, 56-580 Higgins Drive, Thermal, California and consist of
19 approximately nine acres (9 acres) of vacant land, being described in Exhibit A
20 attached hereto and incorporated by reference herein. Said property is hereafter
21 referred to as the "Leased Premises."

22 3. Term. This Lease shall commence the first day of the month following
23 execution by all parties thereto and terminate thirty years (30 years) thereafter, a term
24 of thirty-years (30-years). Lessee shall have an option to extend the term for an
25 additional ten years (10 years) as provided in 3(b) below.

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

1 (b) Option to Renew. With respect to the Leased Premises and
2 subject to the provisions of paragraphs 5, 8 12(c), 17 and 18 hereof, and provided that
3 Lessee, at the time of exercising the option, is in full compliance with the terms of this
4 Lease, Lessee shall have the option to extend the term of this Lease on the same
5 terms and conditions for an additional ten (10) years. Lessee will notify County in
6 writing of its intention to exercise the option to extend not more than twelve (12)
7 months prior to nor less than six (6) from the expiration date of the initial term.

8 4. Use.

9 (a) The Leased Premises is leased hereby for the following purposes
10 provided appropriate governmental approvals and permits are obtained:

11 (1) Building, maintenance, repair, overhaul and modification of all
12 types of automatic flight systems, instruments, radio and other electronic equipment,
13 propellers and all other aircraft components;

14 (2) Upholstering of aircraft,

15 (3) Financing, leasing, renting and insuring of aircraft,

16 (4) Providing a self-service fueling station,

17 (5) Providing aircraft storage inside hangar buildings,

18 (b) The Leased Premises shall not be used for any purpose other
19 than in paragraph 4 (a) without first obtaining the written consent of County, which
20 consent shall not be unreasonably withheld.

21 5. Rent.

22 (a) Commencing upon the first day of the month after lease
23 execution, Lessee shall pay to Lessor as base rent for the use and occupancy of the
24 Leased Premises, monthly rent equal to two thousand nine hundred eighty-eight
25 dollars (\$2,988.00) per month (Base Rent). Said rent is due and payable in advance
26 on the first of each month. The rent shall be considered delinquent, if not paid by the
27 15th of the month. If the monthly rent becomes delinquent, lessee will be charged a
28

1 late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of
2 late fees, for each month that rent is delinquent.

3 (b) During construction of the Leased Premises, Lessee shall have a
4 monthly rent equal to one thousand four hundred ninety four dollars (\$1,494.00) per
5 month for a period not to exceed twelve (12) months from the date of Lease execution
6 by all parties. Rent shall then be paid as described in paragraph 5(a) above.

7 (c) In addition to the basic rent required herein, Lessee shall pay to
8 County a fuel flowage fee, or cause such fee to be paid to County as hereinafter
9 provided, in an amount equal to five percent (5%) of the total net price paid by Lessee
10 for all aviation and automotive fuel and lubricants received on the Leased Premises by
11 Lessee. The term "total net price" shall mean the net price per unit of such fuel and
12 lubricants, excluding taxes imposed thereon by any government or agency thereof,
13 multiplied by the total number of units of such fuel and lubricants received. Lessee
14 reserves the right of selecting its own fuel and lubricant suppliers, and Lessee's
15 agreement with any such suppliers shall contain a provision therein obligating such
16 suppliers upon written request by County to submit a duplicate invoice for any fuel and
17 lubricant deliveries made to Lessee within thirty (30) days following each such delivery
18 and such agreement may contain a provision therein obligating such suppliers to
19 submit payment to County in connection therewith. Such invoice shall indicate the
20 type of products delivered, the date of delivery, the quantity delivered, the per-unit
21 cost, the total extended cost, and the invoice number. In the event such agreement
22 does not contain a provision for either submission of invoices or payments to County,
23 Lessee shall be obligated to submit such invoices or payments to County, or both if
24 applicable. In the event such agreement contains such provisions and the supplier
25 fails, or refuses, to properly and timely submit any invoices to County, or submit any
26 payments if required to do so, Lessee, upon County's written request, shall make a
27 separate accounting of such fuel and lubricant deliveries or submit payment to County
28 in connection therewith, or both. Notwithstanding provisions of this Paragraph 5 (a)

1 upon written request from County, Lessee shall make a separate accounting of such
2 fuel and lubricant deliveries.

3 (d) Beginning July 1, 2005 and every fifth (5th) year thereafter, the
4 Base Rent shall be one-twelfth (1/12) of eight percent (8%) of the appraised fair
5 market value of the land value portion of the Leased Premises. The appraised fair
6 market value shall not include the value of the improvements placed on the premises.
7 In no event will application of this paragraph result in a monthly rental amount lower
8 than the most previous monthly rental amount. A property appraisal for this purpose is
9 to be performed by an independent certified appraiser, knowledgeable in aviation
10 appraising, in good standing with the American Institute of Real Estate Appraisers and
11 to be procured and paid for by the County. Once established, said rent shall be
12 adjusted annually in the manner set forth in Paragraph 5 (e) below.

13 (e) Consumer Price Index. Beginning July 1, 2004 and at each July
14 1st thereafter, except for dates coinciding with the appraisals conducted every fifth
15 year as referenced in 5(d) above, the rent shall be adjusted by the percentage
16 change, in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-
17 Orange County, California Area index for the twelve month period ending two months
18 before the month of rent adjustment under this paragraph. In no event will application
19 of this paragraph result in a monthly rental amount lower than the most previous
20 monthly rental amount.

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

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

1 (b) Operate the Leased Premises and the facilities thereon in a
2 progressive and efficient manner, charging fair and reasonable prices for each unit or
3 service, said prices being competitive with prices charged by other fixed based
4 operators at the Desert Resorts Regional Airport and other County airports. Upon
5 request from County, Lessee shall furnish County with a schedule of all prices for
6 each unit or service offered for sale or lease to the general public.

7 (c) Not engage in the painting of aircraft (other than small 'spot
8 painting' jobs in connection with repair(s) within any building unless, or until, it has
9 established therein a regular paint shop which is adequately enclosed and vented, and
10 has been inspected and approved, in writing, by representatives of the Federal Aviation
11 Administration and County's Fire and Building and Safety Departments, and all
12 applicable permits have been obtained.

13 (d) Provide aviation fuel for sale to the general public, unless Lessee
14 is precluded from providing such fuel due to causes beyond its control relating to its
15 suppliers' fuel shortages, work stoppages (excluding Lessee's employment force), acts
16 of God, acts of war, civil disorders or other similar acts.

17 (e) The Lessee shall observe the Taxiway Object Free Area adjacent
18 to their leasehold to allow the passage of taxiing aircraft. The Taxiway Object Free
19 Area boundary for Taxiway A is seventy-five feet (75') from the centerline of the
20 taxiway.

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

27 8. On-Site Improvements

28 (a) Lessee, at its expense, shall construct, or cause to be constructed,

1 improvements described in a plot plan, approved by County, showing the location and
2 dimensions of all planned improvements. Improvements will include executive
3 hangars, storage hangars, a self-service fueling station, other aviation-related
4 buildings, associated landscaping and improvements in accordance with County
5 requirements.

6 Within two months of lease execution, Lessee shall submit a plot plan to the Economic
7 Development Agency showing the location and dimensions of all planned
8 improvements. Upon approval of the layout by the Economic Development Agency,
9 Lessee shall submit plans to the County for building permits. Construction of said
10 improvements shall commence within thirty days (30 days) following issuance of the
11 requisite permits by the County.

12 The site may be developed in phases subject to the approval of the Economic
13 Development Agency, provided that all construction is completed within five years of
14 lease execution. In the event Lessee fails to complete all phases of the development
15 in the time allotted, either party shall have the option of reducing the size of the
16 leasehold by the amount of land in any phase in which development activity has not
17 commenced. For the purpose of this agreement development activity shall mean
18 activity that will result in the start of construction of the buildings approved for that
19 phase and the completion of those buildings within a reasonable time.

20 Said option shall be exercised by notifying the other party in writing within thirty days
21 (30 days) after the end of the fifth year (5th year) of the lease term. Upon delivery of
22 such notice the undeveloped phase(s) of the leasehold so identified (the "Returned
23 Phase(s)") will revert to the County and this Lease will be amended accordingly to
24 reflect the reduced acreage and rent.

25 Any such amendment shall include easements, satisfactory to County, through
26 Lessee's initial phase(s) providing access to Taxiway A from the Returned Phase(s)
27 (the "Taxiway Easement"). Provided however, County shall make provision in any
28 lease of a Returned Phase to a third party (the "Third Party Lease") that prior to use by