

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



**ITEM
3.10
(ID # 3450)**

MEETING DATE:

Tuesday, January 31, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: Economic Development Agency (EDA): Approve the Fixed Base Operation (FBO) and Development Lease Agreement between the County of Riverside and Military Freefall Solutions, Inc. at Blythe Airport for a 25 year term with one five-year Option to Extend; No Further CEQA Action Required; District 4, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that nothing further is required pursuant to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and Section 15061(b)(3);
2. Approve the attached Blythe Fixed Base Operation and Development Ground Lease Agreement, including all exhibits, between the County of Riverside, as lessor, and Military Freefall Solutions, Inc., as lessee, for a term of 25 years with one five-year option to extend (FBO Lease);
3. Authorize the Chairman of the Board of Supervisors to execute the FBO Lease on behalf of the Board of Supervisors; and
4. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the FBO Lease, including but not limited to, signing subsequent necessary and relevant documents, including but not limited to an Estoppel Certificate and Memorandum of Lease subject to county counsel approval.

ACTION: Policy


Robert Pardo, Assistant County Executive Officer/EDA 1/19/2017

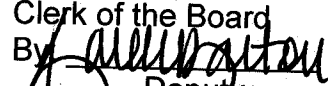

Nehini Dasika 1/23/2017


Gregory Y. Priarios, Director County Counsel 1/19/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington and Ashley
Nays: None
Absent: Tavaglione
Date: January 31, 2017
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2016/17

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside (County) desires to enter into a lease with Military Freefall Solutions, Inc. (Lessee) for the operation of a Fixed Base Operation on eight acres at Blythe Airport. The location of the proposed Leased Premises includes a 24,750 square foot County owned WWII vintage hangar and an existing 1,200 square foot block building both of which the Lessee shall improve as an obligation of Development and Improvement Plan of the Lease. In addition to the aviation business of Fixed Base Operations and its related aeronautical services, the Lessee shall offer the services of training personnel in combat parachuting operations, related military style operations, and small arms instruction. Preceding the contemplated lease agreement, Military Freefall Solutions, Inc. which is owned and operated by former United States and United Kingdom Special Forces, has operated under an agreement with the County for three years at Blythe Airport. The implementation of this new Lease will terminate the existing short term lease on the Airport. In addition to the immediate restoration of County owned facilities, Lessee plans to build a new 20,000 square foot hangar for the military training operations. To off-set County's cost in formalizing the proposed FBO Lease, Lessee shall pay to the County a non-refundable \$2500 fee.

LEASE SUMMARY:

The general provisions of the proposed FBO Lease are as follows:

The initial term of the Lease commences upon the full execution of the Lease Agreement and continues for 25 years from the date of commencement, with one five-year option to renew, provided Lessee has satisfied obligations as more specifically set forth in the lease. The rent is \$3,000 per month year one, \$4,000 per month year two, \$5,000 per month year three, and \$5,227 per month years four and five for both ground rent and buildings with adjustments every five years by appraisal and annual CPI adjustments after the first five years. Lessee shall be required, among other things, to fully paint the County owned hangar, and make repairs and modifications to both County owned buildings. Additionally, during the term of the lease, Tenant shall build a new 20,000 square foot hangar and make improvements to the Fuel Farm as per the Development and Improvement Plan Exhibit E.

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LEASE SUMMARY: Continued.

In addition to the rent, Lessee shall pay to the County a fuel flowage fee of 12% of the total net price of all aviation fuel sales. Tenant will pay for all utilities and maintain the property during the Lease. Subleasing or assignment is prohibited without County's written approval. In addition to approval by the County, the operations conducted and all uses of the premises by the Tenant are subject to and must remain in compliance with the Federal Aviation Administration regulations and grant assurances.

California Environmental Quality Act (CEQA) Findings

The environmental impacts of the Project were already evaluated under CEQA pursuant to the Blythe Airport Master Plan. The Project will not result in any new significant environmental effects, substantially increase the severity of the prior environmental effects, alter or include additional mitigation measures, or result in any other changes that may impact the Blythe Airport Master Plan. The proposed FBO Ground Lease and the development and operation of the fixed based operation contemplated therein was already covered by the Master Plan. County Counsel has reviewed and approved the attached FBO Ground Lease, including all exhibits. Staff recommends that the Board approve the FBO Ground Lease including all exhibits.

Impact on Residents and Businesses

The refurbishment of the historic hangar and revitalization of the aviation operations will bring patrons to the airport desiring aviation fuel and services. The influx of military training students brings revenue to area businesses including local motels, restaurants and supporting services in the surrounding community.

SUPPLEMENTAL:

Additional Fiscal Information

There will be no impact on the County's General Fund.

ATTACHMENTS:

Blythe Airport Fixed Base Operation and Development Ground Lease Agreement including Exhibits.

Blythe Airport
Fixed Base Operation and Development
Ground Lease Agreement

This Fixed Base Operation and Development Ground Lease Agreement ("Lease"), dated January 31, 2017, is entered into by and between the **County of Riverside**, a political subdivision of the State of California, as lessor, ("Lessor"), and **Military Freefall Solutions Inc.**, a California corporation, as lessee ("Lessee"), collectively referred to herein as the "Parties," and individually as a "Party" under the following terms and conditions:

RECITALS

WHEREAS, Lessor owns and operates the Blythe Airport, located in County of Riverside, State of California identified as a portion of Assessor's Parcel No. 824-020-005 as depicted on site map attached hereto as Exhibit A and incorporated herein by this reference ("Airport");

WHEREAS, approximately 8.0 Acres of vacant land exists on the Airport including and immediately adjacent to the airport heavy ramp as more specifically depicted in Exhibit A-1 which Lessor desires to lease to a fixed based operator;

WHEREAS, Lessor relies upon fixed based operators to provide aeronautical and aviation oriented services to the general public. The use, convenience and safety of the public require that the services be provided by competent, trained and licensed personnel, using proper tools and equipment and operating in sanitary, convenient space;

WHEREAS, the provisions herein are intended to assure a consistently high level of service responsive to the public needs;

WHEREAS, in addition to providing the fixed based operator services, Lessee desires to build facilities and improvements for conducting the business and operation of the Full Service FBO, which will provide aircraft servicing, ownership management, aviation fuel sales, maintenance and aircraft storage as more specifically set forth below.

NOW THEREFORE, in consideration of the payments to be made hereunder and the covenants and agreements contained herein, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the real property described below upon the following terms and conditions.

1. **Lease Consideration.** In order to off-set Lessor's costs to process this Lease; Lessee hereby agrees to pay to Lessor a non-refundable amount ("Lease Consideration") of Two Thousand Five Hundred Dollars and no/100 (\$2,500.00). Said non-refundable Lease Consideration is due and payable on or before Lessee executes this Lease and shall remain the property of Lessor upon termination of this Lease.

2. **Property Description.** The property leased herein is located within the Blythe Airport, County of Riverside, state of California and consists of approximately 8.0 acres of land, depicted in Exhibit "A-1" attached hereto and incorporated herein by this reference ("Leased Premises"). Included within the Leased Premises as surveyed pursuant to Section 3, is an approximate 24,750 Square foot hangar building which shall be leased to the Lessee and included in the Leased premises until relinquished to the County per Section 10 of this Lease. In addition to the Hangar building, the Leased Premises also contains two existing structures known as existing FBO building and future FBO building as depicted on the site plan attached as Exhibit A-1. The existing FBO building as indicated on the site plan, shall be demolished as part of Lessee's Development and Improvement Plan. The future FBO building as listed on the site plan, shall be remodeled through development improvements into the new FBO Offices for the

Airport. Lessee acknowledges and agrees that Lessee has no fee title interest in or to the Airport or the Leased Premises

3. **Survey and Description.** Within sixty (60) days of the Effective Date, Lessee will supply Lessor with a survey and a legal description (collectively herein referred to as "Survey and Description") of the Leased Premises, prepared by a registered civil engineer at Lessee's expense, showing the exact number of acres comprising the Leased Premises. Upon Lessor approval of the Survey and Description, this Lease shall be administratively amended by the Assistant County Executive Officer/EDA without the need to go to the Board of Supervisors for approval to include the Survey and Description as Exhibits A-2 and A-3 to this Lease. A legal description and depiction based on said survey will be incorporated in and become a part of this Lease as Exhibits "A-2" and "A-3." The size of the Leased Premises and the base rent shall be adjusted to reflect the actual dimensions set forth in the Survey and Description. The monthly base rent, as established in Section 4 below, will be adjusted by multiplying the number of acres times Six-Hundred Fifty-Three and 40/100 Dollars (\$653.40) ("Base Ground Rent Rate"). Failure to submit said Survey and Description within sixty (60) days of the Effective Date will constitute a breach by Lessee and the Lease shall be subject to the termination provisions set forth in Section 17 herein.

4. **Term.** This Lease shall commence the first day of the month following the Effective Date (Commencement Date) and shall terminate twenty-five (25) years thereafter ("Lease Term").

(a) Option to Extend: Lessee shall have the option to extend the Lease for an additional period of five (5) years ("Option") subject to the followings (1) Lessee is not in breach of any terms and/or provisions of this Lease, (2) Lessor, through its Assistant County Executive Officer (CEO) or designee, approves in writing such exercise of the Option, (3) Lessee delivers to Lessor written notice of its desire to exercise the

Option no earlier than twelve (12) months before and no less than sixty (60) days before the expiration of the Lease Term, and (4) The Federal Aviation Administration (FAA) has no objection to any terms of the Lease. The exercise of the Option and the subsequent extension of the term shall be evidenced by a Lessor approved amendment to this Lease.

5. Use. The Leased Premises shall be used for the following purposes and no other without the prior written consent of Lessor. Should Lessee desire to use the Leased Premises in a manner not authorized under the Lease, Lessee shall provide to Lessor a detailed description of the desired use, service and/or operation for Lessor's prior review and approval, in Lessor's sole and absolute discretion. Lessee shall provide the services of a "Full Service FBO" in accordance with the Minimum Standards for Fixed base Operators Riverside County Airports, as amended from time to time, a copy of which is attached hereto as Exhibit C and incorporated herein by this reference. In addition to the services Listed in Exhibit C, all of the uses listed in Section 5(a), 5(b) and 5(c) below are also permitted uses within the Leased Premises; provided however, provision of all such services and permitted uses by a sublessee shall require Lessor approval pursuant to Section 27 below. The Lessor's approval of any change in the use of the Leased Premises may, at Lessor's sole election, place additional specific requirements on Lessee including, but not limited to, the types, limits, and conditions of insurance provided under this Lease.

(a) Permitted Use 1: Fixed Base Operations

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

(ii) Agreed to flight operations, including, but not limited to, flight instruction/training, demonstration of aircraft for sale, charter, air taxi, and flight-testing of aircraft following repair or modification. With regard to charter and air taxi operations,

Lessee shall submit to Lessor a complete description of the operations and scope of services provided, and Lessor shall establish insurance coverages and limits for these operations to be obtained by Lessee prior to commencement of such operations. Coverages and limits established for charter and air taxi will be in addition to the coverages required herein.

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

(iv) Painting and upholstering of aircraft, subject to the provisions and limitations in Sections 7(g) and 23 of this Lease.

(v) Servicing of aircraft and any other service usually associated with aircraft servicing operations.

(vi) Providing aircraft storage inside hangar buildings and tie downs.

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

(viii) Financing, Leasing, renting, and insuring of aircraft

(iv) Leasing or renting of automobiles, and storing and sale of automotive fuel and lubricants for use only in connection with Lessee's equipment and rental of automobiles for aviation customers.

(b) Permitted Use 2: Development of Facilities

(1) Construction of facilities, including administrative office and terminal building, storage hangar(s), maintenance hangar(s) and associated improvements that provide servicing, fueling, maintenance and storage for aircraft.

(2) Construction of building (or buildings) for the storage of aircraft, including all infrastructure, temporary facilities and off-site improvements.

(c) Permitted Use 3 Parachuting and Military Style Training:

The training of personnel in the art and logistics of military and combat parachuting operations and small arms instruction and training associated thereto (subject to the conditions precedent to such use set forth in this Section 5 are permitted uses herein. The aforementioned activities are permitted only in the areas of the Airport described below:

Permitted Use Boundaries

(i) Within the boundaries depicted in Exhibit "A-1" attached hereto and incorporated herein by this reference, the transportation and deployment of parachuting personnel is hereby granted to Lessee and Lessee's clientele within designated areas of the Airport property. Insofar as this activity does not prohibit, infringe, or impede the Lessor, Lessor's tenants, other lessees, sublessees, contractors and the general public, now and in the future, from using the Airport as a general aviation airport or those uses that are not general aviation related but are explicitly granted by the Lessor. The permitted use set forth in this Section 5) is limited to the Lease Term and does not include any hold over period. In the event that this Lease is terminated or the Leased Premises are abandoned by Lessee then the right of use set forth in Section 5(c) is immediately revoked.

(ii) Lessee is permitted to use of the areas of unimproved land within Blythe Airport west of runway 17-35 and north of runway 8-26, described as the primary drop zone, the area east of the large FBO hangar described as a secondary drop zone, and the area in the north west quadrant of the airport described as a secondary drop zone and more particularly defined by the depiction on Exhibit "A-1" Primary and Secondary Drop Zones, attached hereto and by this reference made a part hereof, for the purpose of and subject to the limitations set forth in Section 5(iii) below.

(iii) Lessee is permitted to make use of the drop zones any day of the week and at any time of day so long as it does not prohibit, or impede Lessor, Lessor's lessees, tenants, sublessees, and the general public using the Airport as a general aviation public facility or from those uses that are not general aviation related but are explicitly granted by the Lessor. Further, Lessee must comply with Federal Aviation Administration (FAA), Title 14, Part 105. The granting of this special use is subject to the following conditions:

(a) The Lessor hereby appoints Lessee as the coordinator for all parachute operations at Blythe Airport in accordance with the Letter Agreement, Effective March 6, 2014, executed by the Los Angeles Air Route Traffic Control Center (ARTCC); Military Free Fall Solutions, US Marine Corps and the FAA, and any annual modifications thereto, a copy of which is attached hereto as Exhibit "F" and incorporated herein by this reference. Lessee shall perform all parachute operations at the Airport pursuant to the Lessee established Standard Operating Procedures for parachute operations which have been adopted by the Federal Aviation Administration (FAA).

(b) With regard to the use of the area described in Exhibit A2, attached hereto and incorporated herein by this reference, for small arms instruction and training ("Small Arms Training Range"), Lessee shall not engage in this activity until Lessee has applied for and received written authorization to proceed with such use from all of the following; the FAA Riverside Flight Standards district office, the FAA Western Pacific Los Angeles district office, the Riverside County Sheriff's Department and Lessor. Upon receiving all required authorizations, the small arms training area shall be operated according to procedures outlined in Exhibit G attached hereto, and by this reference made a part hereof, and any other procedures that may be required by the FAA or Sheriff's Department.

(c) Lessee agrees to take all necessary steps to prevent Lessee, Lessee's staff, invitees, guests, students and clients from parachuting onto any other areas outside of the area depicted on Exhibit E, failure to do so shall be considered a default of the terms and conditions of this Lease.

(d) Noticing – Prior to engaging in parachuting activities in on or above the areas depicted in Exhibit A2 attached hereto, Lessee shall notify by email the Lessor's representative identified, below of its intent to do so. In addition, the email notification shall include the date, timeframe of parachuting or small arms training activity, the number of participants participating, and any other pertinent information. Lessee is required to transmit the email to the Lessor representative a minimum of two (2) business days in advance of any parachuting activity. Lessee's noticing requirement is considered fully satisfied upon transmitting said email to Lessor and Lessee's receipt of an email response approving any such activity. Lessor shall have the right in its sole discretion to approve or alter Lessee's parachute activity request.

(e) Lessor Representative – The Lessor's representative for the purpose of providing email notice of proposed parachute activities as required in Section 2(b) (iii) (d) shall be Tim Miller, Airports Director, TLMiller@rivcoeda.org or other such individuals as Lessor may appoint from time to time.

(e) Permitted Use 4 Federally Funded Ramp Leased Area

Federal Ramp Use Area/Apron

Lessee acknowledges that the County developed a public-use apron on the Airport utilizing Federal Aviation Administration's Airport Improvements Program grant funds and a portion of the public-use apron is located on the Leased Premises, as more particularly depicted on the site map attached hereto as Exhibit A-1 Site Plan and

incorporated herein by this reference ("Leased Ramp"). The Leased Ramp, which is in the immediate vicinity of the fixed base operations of Lessee, is being included as part of this Lease to permit exercise of a proprietorship over the public use Leased Ramp area. Lessee shall have non-exclusive use of the Leased Ramp, and Lessee shall not use the Leased Ramp to limit competition. Lessee acknowledges and agrees that the County's lease of the Leased Ramp to Lessee shall not restrict the County from carrying out its obligations under Airport Sponsor Assurances dated March 2014. Lessee hereby agrees that the public shall be served by Lessee in a manner equal to that which the County, as Airport owner, is required under the FAA Airport Sponsor Assurances dated March 2014. The Leased Ramp shall be used as follows:

- (1) If airport fueling or self-fueling activities are included within the Leased Ramp area, the public shall have the right to access both services.
- (2) In addition to the maintenance requirements set forth herein, Lessee shall maintain the Leased Ramp in a safe and serviceable condition.
- (3) Lessee shall provide services on the Leased Ramp on a fair, equal and not unjustly discriminatory basis.
- (4) All charges for services on the Leased Ramp shall be fair, reasonable and not unjustly discriminatory, provided that Lessee may make reasonable and nondiscriminatory discounts, rebates or similar types of price reductions to volume purchasers.
- (5) The Leased Ramp shall be made available at all times for public use, and Lessee shall engage in nondiscriminatory practices for assignment of tie-down space and provide for the accommodation of itinerant users.
- (6) Lessee shall not prohibit the ingress or egress of any aircraft by any party across the Leased Ramp.

- (7) Lessee shall not require any user of the Leased Ramp to secure goods and services only from Lessee, provided that Lessee is not required to allow a competitor to enter the Leased Ramp to perform a service, including fueling, so long as there is adequate capability for the user to secure the service at another location at the Airport. Lessee is not required to allow any competitor FBO's located at the Airport to drive or park any trucks, equipment or other vehicles on the Leased Ramp, except in the event driving or parking such truck, equipment or other vehicle is necessary to taxi or tow away an aircraft as authorized in clause 8 below, or for ingress and egress required by clause 11 below. The aforementioned restrictions shall not apply to members of the public.
- (8) Lessee shall not prohibit competitors from entering onto the Leased Ramp to assist the user of a disabled aircraft in placing the aircraft in a condition so as it can be taxied or towed away from the Leased Ramp area, to provide services at another location.
- (9) Lessee shall not prohibit or restrict those using the Leased Ramp from servicing their own aircraft provided such servicing is completed in accordance with all applicable laws and Airport rules and regulations.
- (10) Lessee shall not prohibit or prevent the County from using the Leased Ramp area for public airshow or other County events provided County provides a minimum of 30 days written notice.
- (11) Lessee shall not park aircraft on any portions of the Airport not included as part of the Leased Premises prior to first utilizing all available space within the Leased Premises.
- (12) Lessee shall not prohibit ingress and/or egress over and through the Leased Ramp by any new tenant, including, but not limited to such

tenant's guests, employees, contractors, agents, representatives or other invitees, with a leasehold estate located directly to the north of the Leased Ramp if the only access to the leasehold site is via the Leased Ramp.

The Leased Premises shall not be used for any purpose other than the uses described in this Section 5 without first obtaining the written consent of Lessor which may be withheld in its sole discretion.

6. Rent.

(a): Ground Rent for 8 acres of Land and all improvements thereon. Lessee shall pay to Lessor as initial base rent for the use and occupancy of the Leased Premises monthly rent equal to the following schedule:

Year one:	\$3,000.00 per month
Year two:	\$4,000.00 per month
Year three:	\$5,000.00 per month
Years four and Five	\$5,227.20 per month

All Rent is due and payable in advance on the first of each month. All Rent shall be subject to a Late Fee, if not received by the Lessor by the 10th of the month.

(b) Late Fee. 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.

(c) Base Rent Adjustment Mark to Market Value. Beginning July 1, 2021 and every fifth (5th) year thereafter, the Base Rent shall be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current fair market value of the Leased Premises. Said fair market value shall be for the land and shall not include the value of the

structures placed on the Leased Premises. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

A property appraisal for the purpose of establishing the adjusted Base Rent is to be performed by an independent certified appraiser, knowledgeable in aviation appraising and in good standing with the American Institute of Real Estate Appraisers. The appraiser is to be procured and paid for by Lessor. Once established, said rent shall be adjusted annually in the manner set forth in Section 6(d) below. Lessee acknowledges and agrees that failure to pay such adjusted Base Rent amount shall constitute a default hereunder.

(d) Rental Increases. Beginning July 1, 2022, and at each July 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in 6(c) above, the Base Rent shall be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the twelve month period ending three months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

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

Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned upon amendment of any existing Lease. As of the date of this Lease fuel flowage fees have been established according to County Resolution No. 2008-362, attached hereto as Exhibit "H" and incorporated by this reference herein, as may be amended from time to time. The current fuel flowage fee (which was effective as of May 1, 2012 and is still in effect) is assessed at the rate of \$0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of \$0.02 per gallon applied to payments received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%) shall be assessed to all payments received after the due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

(f) Fuel System Compliance. Lessee's fuel system must comply with the Lessor's requirements and specifications. The system must have a meter according to Lessor's specifications, which allow Lessor to monitor and record fuel sales on a monthly basis. The metering device must be certified on an annual basis by Riverside County Agricultural Department, Weights and Measures Division or other such service designated by Lessor in Lessor's discretion. Annual inspection is at the expense of Lessee.

7. **Additional Obligations of Lessee.** Lessee shall, during the term of this Lease and any extensions thereof perform and/or adhere to the following obligations:

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

(b) Employ and maintain on the Leased Premises sufficient personnel who are trained, skilled, insured and if applicable certified in order to competently perform the tasks related to the services being offered;

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

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

(e) Operate the Leased Premises and the facilities thereon in a progressive and efficient manner;

(f) Provide ground maintenance services for the interior, exterior, common areas and grounds of the Leased Premises at Lessee's own expense;

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

(h) Observe the Taxiway Object Free Area, the Airport Layout Plan, and Aircraft Parking lines to allow the passage of taxiing aircraft.

(i) Maintain the Leased Premises, approaches thereto, and improvements now or hereafter located thereon, in good, safe and sanitary order, condition, and repair. Throughout the Term of this Lease, Lessee shall, at Lessee's sole cost and expense, maintain or cause to be maintained the Leased Premises and the improvements now or hereafter located on the Leased Premises in good and clean

condition and repair, free of debris, and in compliance with (i) all Governmental Restrictions (defined below), and (ii) all applicable rules, orders, and regulations of any insurance company insuring all or any part of the Leased Premises or the improvements thereon or both, and Lessee shall make or cause to be made whatever repairs and replacements are required by such enactments or provisions or future enactments or provisions. The term "Governmental Restrictions" used herein shall mean and include any and all laws, statutes, official policies, ordinances, codes, formal decrees, rulings, regulations, writs, injunctions, orders, rules, conditions of approval or authorizations of any governmental entity, agency or political subdivision, now in force or hereafter adopted, which are applicable to the Leased Premises or the use thereof as of the date such term is being applied. If Lessee fails to perform Lessee's obligations under this Section 7 (i), Lessor shall have the right to enter upon the Leased Premises after 10 days prior written notice to Lessee (except in the event of an emergency, in which case no notice shall be required), perform such maintenance and repair obligations on Lessee's behalf, and Lessee shall be fully responsible for and shall promptly pay to Lessor an amount equal to 115% of all costs thereof. Lessee acknowledges and agrees that failure to pay the aforementioned costs shall constitute a default under this Lease. Lessor shall have no obligation to maintain the Leased Premises pursuant to Section 30 below;

(j) Lessee shall be required to provide and sell to the general public fuel services and lubricants for both piston and jet aircrafts as part of the services provided to customers pursuant to this Lease. Fuel shall be dispensed from a licensed and permitted fuel truck or directly from a licensed or permitted fuel tank; and

(k) On every January 1 and July 1 during the Term of this Lease, Lessee shall provide an Aircraft and Sublease Status Report, substantially conforming in form and substance to the Sublease Status Report attached hereto as Exhibit "F" and incorporated herein by this reference and, for all subleases and aircraft being stored on the Leased Premises. The report shall be supplied in a form and electronic format

acceptable to Lessor and contain at least the following information: name of the sublessee (Lessee's "tenants"), the beginning and ending date of the term of the sublease, the size of the subleased land, the size of the subleased space, the aircraft storage hangar number/address, the Aircraft Registration Number, the name of the owner of the aircraft, the type of aircraft and indicate whether or not an aircraft is "based" at the airport (aircraft that spend at least three months of the year at this airport are to be identified in the report as "based aircraft"); and certification of compliance with the insurance requirements set forth in Sections 23 and 24 herein. The requirements set forth in this Section 7 (k) in no way limit Lessee's obligations to obtain County approval prior to any sublease or assignment pursuant to Section 27 of this Lease.

8. **Permits, Licenses and Taxes.** Lessee shall secure, at its expense, all necessary permits and licenses as it may be required to obtain regarding the construction, operation, maintenance, and termination or abandonment of activities upon the Leased Premises, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. This Lease may create a possessory interest subject to property taxation and Lessee may be subject to the payment of property taxes levied on such interest. Due to the length of the initial Lease Term, combined with the Option to extend, Lessee may be subject to a documentary transfer tax. Lessee acknowledges, understands and agrees that Lessee is solely responsible for the timely payment and satisfaction of all taxes incurred as a result of this Lease.

9. **Development of Improvements** Lessee, at its sole cost and expense, shall construct, or cause to be constructed, within the time periods set forth herein or as provided by Lessor, the following improvements, which include, but are not limited to aircraft storage hangars, terminal buildings, facilities necessary for conducting the business of a Full Service FBO such as a hangars, associated landscaping, vehicular parking, fuel farm and other incidental improvements, all in accordance with Lessor requirements, as more specifically described in the Development and Improvement Plan

attached hereto as Exhibit E and incorporated herein by this reference (collectively the "Improvements"). All Improvements shall conform to the Minimum Standards for Fixed Based Operators Riverside County Airports attached hereto as Exhibit "C" and incorporated herein by this reference and shall also conform to a Lessor approved site plan showing the location and dimensions of all planned Improvements. Lessee acknowledges and agrees that any and all improvements, alterations, and installation of fixtures located on the Leased Premises shall be subject to County Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall fully comply with such ordinances prior to the commencement of any construction in connection therewith.

(a) Prevailing Wage. Lessee shall require that any contractor performing work on the Improvements (Contractor) shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts. Lessee shall require that Contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates at which Lessee will post at the job site. All prevailing wages shall be obtained by the Lessee/Contractor from:

Department of Industrial Relations, Divisions of Labor Statistics and Research
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102

Lessor shall require that Contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.

Lessor shall require that Contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with §1773.8 of the Labor Code.

Prior to commencement of work, Lessor shall require that Contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations.

Lessor shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing the County with any requested County improvements.

Lessor shall cause all improvements to be completed at Lessor's cost in a workmanlike manner and in compliance with all applicable law.

(b) Phases. Without limiting Lessee's obligation to develop the Improvements as required herein, Lessee shall develop the Improvements on the Leased Premises in three (3) phases more specifically defined in the attached Development and Improvement Plan, Exhibit E.

(c) Site Plan. Within thirty (30) days of the Effective Date of this Lease, Lessee shall submit to Lessor a development site plan ("Site Plan") showing the location and dimensions of all planned improvements. The design shall be satisfactory to and approved by the County of Riverside Economic Development Agency, Aviation Division, prior to Lessee's application to County for building permits. With Lessor's written approval, which shall not be unreasonably withheld, the Site Plan may be revised by Lessee from time to time during the Initial Term of the Lease. The Site Plan shall be incorporated into this Lease and attached hereto as Exhibit "G".

(d) Full Construction Plans. Within ninety (90) days of approval of the Site Plan by County of Riverside Economic Development Agency, Aviation Division, Lessee shall submit a full set of construction plans to the County to obtain building permits. Construction of Phase I shall commence within sixty (60) days following issuance of the requisite permits by the County. Plans for all improvements are to be submitted to Lessor

for approval prior to start of any construction. Lessee shall submit construction plans for Phase II within thirty six (36) months of Effective Date and Lessee shall commence construction within sixty (60) days of issuance of permits. Lessee shall submit construction plans for Phase III within sixty (60) months of Effective Date. And Lessee shall commence construction within 7 years of Effective Date.

(e) Performance Bonds. Lessee shall obtain performance, material, and labor payment bonds in the amounts required by law and determined by Lessor, and shall furnish Lessor with copies thereof prior to the commencement of any construction both on and off-site.

(f) Development Costs. All improvements are to be completed at Lessee's sole cost, including but not limited to all on site buildings and infrastructure, taxiway(s), as well as required off-site improvements associated with the development as depicted on the Site Plan and subsequent amendments, if any. Lessee shall pay for construction of any required utility extensions and hookups (including all related fees and charges) and any access road improvements. Lessee shall pay all fees, permits and taxes related to the development. Lessee shall independently verify availability of all services required for their use and development.

(g) Utility Services. It is understood by the Parties hereto that utility services are available in the general vicinity of the Leased Premises, but in order for the on-site improvements required herein to be fully usable and operational, Lessee, at its sole expense, shall extend and/or connect, or cause to be extended and/or connected, such utility service facilities that may be required or desired by Lessee in the use, operation, and maintenance of such on-site improvements. Lessee shall pay all related fees and charges related to such utility extensions and hookups. In addition to connection fees, Lessee shall be responsible for payment of the use of such utilities. Lessee shall be responsible for all connection costs and fees associated with any improvements beyond

those listed in this paragraph, including, but not limited to, water, sewer, electricity, telephone, and gas service and internet. Scope and installation of all utilities shall be submitted to Lessor on construction plans and shall be approved by Lessor prior to connection.

During the Term of this Lease, including any extensions thereto, Lessee shall pay, or cause to be paid, and shall indemnify, defend and hold Lessor and the property of Lessor harmless from all charges for water, sewage, gas, heat, air conditioning, light, power, steam, telephone service and all other services and utilities used, rendered or supplied to, on or in the Leased Premises during the Term, including any extensions.

Lessor shall not be required to furnish to Lessee or any other occupant of the Leased Premises during the Term of this Lease, including any extensions thereto, any water, sewage, gas, heat, air conditioning, light, power, steam, telephone, or any other utilities, equipment, labor, materials or services of any kind whatsoever.

(h) Airport Sewer. Lessee shall pay a sewer connection fee and a monthly sewer service fee to Lessor. The amount of the fees shall be according to the fee schedule in effect at the time of Lease execution. The monthly sewer service fee will be adjusted from time to time and be based upon Lessor's sewer service agreement, if any, to the Community Services District and Lessor's cost of repairing, maintaining, and administering the airport's sewer system.

(i) Improvement Alterations. Any improvements, alterations, and installation of fixtures to be undertaken by Lessee shall have the prior written approval of the Lessor after Lessee has submitted to Lessor proposed plot and building plans, and specifications therefor, in writing. In addition, Lessee understands and agrees that such improvements, alterations, and installation of fixtures may be subject to County

Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall fully comply with such ordinances prior to the commencement of any construction in connection therewith.

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

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

10. Real Property Reversion. During the term of this Lease, all improvements, alterations, and fixtures constructed by the Lessee on the Leased Premises shall be owned by Lessee until the Lease is terminated, legally relinquished, abandoned or upon the expiration of Lease including any hold-over period. Upon termination, relinquishment, abandonment or upon the expiration of the Lease (including any hold-over period), legal title to all improvements constructed by the Lessee shall cease to exist, and all interest associated therewith shall revert to the Lessor free and clear of any and all rights to possession and all claims to or against them by Lessee or any third person or entity. At the expiration or earlier termination of this Lease, Lessee shall also surrender to Lessor possession of the Leased Premises and all improvements constructed thereon free and clear of all liens, encumbrances and mortgages. Lessee shall have the full and exclusive use and enjoyment of such improvements, alterations, and fixtures during the Term of this Lease. At or prior to the expiration of this Lease, Lessee shall remove, at its expense, such trade fixtures (not including buildings and improvements affixed to the land), and restore the Leased Premises to their original shape and condition in good, safe and sanitary condition, subject to ordinary wear and tear. In the event Lessee does not remove such trade fixtures, they shall become the property of the Lessor for no further consideration of any kind, and Lessee acknowledges and agrees that Lessor shall have the right to charge Lessee for removal of any trade fixtures that so remain by Lessee upon the expiration or early termination of the Lease. At Lessor's request Lessee shall execute and deliver to Lessor assignments of leases and a quitclaim deed, both in commercially reasonable form and as prepared by Lessor. By the quitclaim deed Lessee shall quitclaim any right, title or interest which Lessee may have or claim to have in the Improvements.

11. Compliance with Law. Lessee shall, at its sole cost and expense, comply with all of the requirements of all governmental agencies now in force, or which may

hereafter be in force, pertaining to the Leased Premises, and any improvements hereafter constructed or maintained thereon, and Lessee shall faithfully observe all laws and ordinances including but not limited to the California Environmental Quality Act (CEQA and the National Environmental Protection Act (NEPA), now or hereafter in force in the use of the Leased Premises. Lessee shall also comply with all applicable federal, state and local laws and regulations and County ordinances. In the event there is a conflict between the various laws or regulations that may apply, Lessee shall comply with the more restrictive law or regulation.

12. Lessor's Reserved Rights.

(a) The Leased Premises is accepted by Lessee subject to any and all existing easements or other encumbrances, and Lessor shall have the right to enter upon the Leased Premises and to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along the Leased Premises or any part thereof. Lessor also reserves the right to grant franchises, easements, rights of way and permits in, over and upon, along or across any and all portions of said Leased Premises as Lessor may elect; provided, however, that no right of the Lessor provided for in this paragraph shall be executed so as to interfere unreasonably with Lessee's use hereunder, or impair the security of any secured creditor of Lessee. Lessor shall cause the surface of the Leased Premises to be restored to its original condition (as they existed prior to any such entry) upon the completion of any construction by Lessor or its agents. In the event such construction renders any portion of the Leased Premises unusable, the rent shall abate pro rata as to such unusable portion during the period of such construction. Any right of Lessor set forth in this paragraph shall not be exercised unless a prior written notice of

ten(10) days is given to Lessee; provided, however, in the event such right must be exercised by reason of emergency, then Lessor shall give Lessee such notice in writing as is reasonable under the existing circumstances.

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

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

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

(e) This Lease is subject to the provisions set forth in Exhibit "B" (Federally Required Lease Provisions), attached hereto and incorporated herein by this reference.

13. **Inspection of Premises.** Lessor, through its duly authorized agents, shall have, upon twenty-four hours' notice, during normal business hours, the right to enter the Leased Premises for the purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this provided that the inspection does not unreasonably interfere with Lessee's business.

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

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

16. **Discrimination or Segregation**

(a) Lessee shall not discriminate in Lessee's recruiting, hiring, promotion, demotion or termination practice on the basis of race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition, or marital status with respect to its use of the Leased Premises hereunder, and Lessee shall comply with

the provisions of the California Fair Employment and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P. L. 88-352), and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), as amended, and all Administrative Rules and Regulations issued pursuant to said acts and orders with respect to its use of the Leased Premises.

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

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

17. Termination by Lessor. Lessor shall have the right to terminate this Lease in its entirety, in the event any of the following occur:

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

(b) In the event that Lessee sells, transfers, conveys or assigns its interest in the Leased Premises (or any portion thereof) or in this Lease, or there is a change in control of Lessee without Lessor approval pursuant to Section 27 below, or Lessee's interest hereunder is assigned involuntarily or by operation of law for the benefit of creditors;

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

(d) In the event that the Lessee fails to submit the Survey and Description of the Leased Premises within sixty (60) days of the Effective Date of this Lease as more particularly set forth in Section 3 herein;

(e) In the event that Lessee fails to submit the Site Plan to Lessor within thirty (30) days of the Effective Date of this Lease as more particularly set for in Section 9(b) herein;

(f) In the event Lessee fails, or refuses, to meet its rental obligations, or any of its obligations hereunder, or as otherwise provided by law;

(g) With respect to the undeveloped phases, as provided for in paragraph 9(a), if Lessee fails to complete construction of any or all phases of the development within the required time;

(h) Failure of Lessee to maintain insurance coverage required herein and to provide evidence of coverage to the Lessor;

(i) Failure of the Lessee to require all tiers of sublessees and/or contractors to indemnify the Lessor and to have appropriate insurance coverages and/or failure by Lessee to monitor each sublessee and/or contractor for current and correct Certificates of Insurance and required endorsements throughout the term of this lease;

(j) Lessee (or any successor in interest) assigns or attempts to assign the Leased Premises or any of Lessee's rights in and to the Leased Premises or any portion thereof or interest therein, or the Lease or any portion hereof, except as permitted by this Lease;

(k) There is substantial change in the ownership of Lessee, or with respect to the identity of the parties in control of Lessee, or the degree thereof contrary to the provisions of Section 27 hereof;

(l) Lessee fails to submit any of the plans, drawings and related documents required by this Lease by the respective dates provided in this Lease;

(m) There is any other material default by Lessee under the terms of this lease which is not cured within the time provided herein;

(n) Lessee fails to commence construction of the improvements as required by this Lease and such breach is not cured within the time provided in Section 9 of this Lease, provided that Lessee shall not have obtained an extension or postponement in writing from Lessor to which Lessee may be entitled pursuant to Section 9 hereof; or

(o) Lessee abandons or substantially suspends construction of the improvements and such breach is not cured within the time provided in Section 9 of this Lease, provided Lessee has not obtained an extension or postponement to which Lessee may be entitled to pursuant to Section 9 hereof.

18. Termination by Lessee. Lessee shall have the right to terminate this Lease if Lessor fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that Lessor shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Lessee; further provided, however, that in the event such breach or default is not corrected, Lessee may elect to terminate this Lease in its entirety or as to any portion of the Leased Premises

affected thereby, and such election shall be given by an additional thirty (30) day written notice to Lessor;

19. **Holdover.** If Lessee fails to immediately surrender the Leased Premises or any portion thereof at the expiration or termination of the Lease Term, then Lessee shall pay Base Rent (on a per-month basis, without reduction for any partial month) at a rate equal to 150% of the Base Rent applicable during the last calendar month of the Lease Term. Unless otherwise agreed to in writing by the Parties, any such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month. Lessor's acceptance of such rent shall not adversely affect Lessor's other rights and remedies under the Lease, including Lessors right to evict Lessee and to recover all damages. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained in this Lease shall be construed to constitute Lessor's consent to any holdover or give Lessee any right with respect to such holdover.

20. **Default.**

(a) Failure or delay by either party to perform any term or provision of this Lease constitutes a default under this Lease. The party who fails or delays must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

(b) The injured party shall give written notice of default to the party in default ("Notice of Default") pursuant to Section 41 below, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Lease, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any

of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.

(c) Except as otherwise provided herein, if a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured party.

(d) If non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days after such notice is received, and the party in default (1) initiates corrective action within said period, and (2) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party, but in no event no more than forty-five (45) days from receipt of such notice of default from the injured party.

21. Eminent Domain. If any portion of the Leased Premises shall be taken by eminent domain and a portion thereof remains which is usable by Lessee, in its discretion, for the purposes set forth in Section 5 herein, this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor, or the date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part taken; provided,

however, in such event Lessor reserves the right to terminate this Lease as of the date when title to the part taken vests in the condemnor or as of such date of prejudgment possession. If all of the Leased Premises are taken by eminent domain, or such part be taken so that the Leased Premises are rendered unusable for the purposes set forth in Section 5 herein, this Lease shall terminate. If a part or all of the Leased Premises be so taken, all compensation awarded upon such taking shall be apportioned between County and Lessee according to law.

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

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

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

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

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

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

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

(a) Workers Compensation. Lessee shall maintain statutory Workers' Compensation Insurance (Coverage A) as described by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to provide a Waiver of Subrogation in favor of the County of Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors,

officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives.

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

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

(d) Aircraft Hull and Liability Insurance.

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

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

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

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

(f) All Risk Property Insurance:

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

(2) Boiler & Machinery insurance coverage on a full replacement cost value basis. Policy shall provide Business Interruption, Extra Expense, and Expediting Expense coverage as well as coverage for off-premises power failure. Policy

shall name the Lessor as a Loss Payee and contain a Waiver of Subrogation in favor of the Lessor.

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

(g) General Insurance Provisions – All Lines:

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

(2) Insurance deductibles or self-insured retentions must be declared by the Lessee's insurance carrier(s), and such deductibles and retentions shall have the prior written consent from the Lessor's Risk Manager. Upon notification of deductibles or self-insured retentions unacceptable to the Lessor, and at the election of the Lessor's Risk Manager, Lessee's carriers shall either: 1) reduce or eliminate such

deductibles or self-insured retentions as respects this Lease with the Lessor; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(3) Cause Lessee's insurance carrier(s) to furnish the Lessor with either: 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; or 2) if requested to do so in writing by the County Risk Manager, provide original certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification of coverage or cancellation of such insurance. In the event of a material modification of coverage or cancellation of such insurance, this Lease shall terminate forthwith, unless the Lessor receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or, if requested, certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Lessee shall not commence operations until the Lessor has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or, if requested, policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the endorsements for each policy and the Certificate of Insurance.

(4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the Lessor's insurance and/or

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

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

Beginning July 1, 2020, and every fifth year thereafter during the term of this Lease, or any extension thereof, Lessor reserves the right to adjust the monetary limits of insurance coverage as required in Section 23.

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

24. Insurance for Fuel Suppliers. During the Lease Term Lessee shall also require suppliers of fuel to procure, maintain, show evidence and comply with all requirements of insurance as follows:

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

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

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

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

(e) General Insurance Provisions – All lines. Lessee shall cause Supplier's insurance carrier(s) to furnish the Lessor and the County of Riverside with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. Further, said Certificate(s) and

policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Lessee and the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, the Supplier's Agreement shall terminate forthwith, unless the Lessee and the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect.

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

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

25. Insurance for Sublessees and Contractors. Lessee shall require each of its sublessees and contractors to meet all insurance requirements imposed by this Lease. These requirements, with the approval of the Lessor's Risk Manager, may be modified to reflect the activities associated with the sublessee or contractor. On every sublease or contract the Lessee shall have the sublessee or contractor name the Lessee

and the Lessor by endorsement as an additional insured and/or have the sublessee or contractor provide an endorsement waiving subrogation in favor of the

Lessee and the Lessor on every sublessee's or contractor's insurance policy, as applicable. Certificates and endorsements evidencing compliance with this section will be provided to the Lessor prior to the sublessee taking occupancy.

26. Acceptance of Premises. Prior to the commencement of the Lease Term, Lessee, at Lessee's sole expense, shall have investigated and approved the physical condition of, and the condition of title with respect to, the Leased Premises. Lessor has provided to Lessee without any representation or warranty all information in Lessor's possession or control regarding the condition of the Leased Premises, including information concerning hazardous substances and seismic faulting.

Lessor makes no representation or warranty, expressed or implied, regarding any conditions of the Leased Premises. Lessee acknowledges and agrees that Lessor makes no representation or warranty, express or implied, written or oral, with respect to the condition of the Leased Premises, or its fitness, or availability for any particular use.

Lessor makes no representations, express or implied, with respect to the legality, fitness, or desirability of the Leased Premises for Lessee's intended use. If Lessee desires to do so, Lessee shall have the right to conduct its own investigation, to its satisfaction, with respect to any matters affecting lessee's ability to use the Leased Premises for Lessee's intended use. Lessee represents that it has inspected the Lease Premises and acknowledges and agrees that the Leased Premises shall be delivered from Lessor to Lessee in an "as is" physical condition, with no warranty, express or implied by Lessor as to the presence of hazardous substances, or the condition of the soil, its geology or the presence of known or unknown faults, and fully assumes any and all risk associated with the use thereof. Lessor shall not be liable to Lessee, its officers, agents, employees, subcontractors or independent contractors for any bodily injury,

personal injury or property damage suffered by them or others which may result from hidden, latent or other dangerous conditions in, on upon or within the Leased Premises. If the condition of the Leased Premises is not in all respects entirely suitable for the use or uses to which such Leased Premises will be put, then it is the sole responsibility and obligation of Lessee to place the Leased Premises in all respects in a condition entirely suitable for the development thereof, solely at Lessee's expense. Effective at the commencement of the Lease Term, Lessee waives, releases and discharges Lessor, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, Board of Commissioners, elected and appointed officials, employees, agents, representatives and attorneys, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including without limitation, attorneys' fees) arising out of in any way connected with the Lessor's or Lessee's use, maintenance, ownership or operation of the Leased Premises, any hazardous substances on the Leased Premises, or the existence of hazardous substances contamination in any state on the Leased Premises, however the hazardous substances came to be placed there. Lessee acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

To the extent of the release set forth in this Section 26, Lessee hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of California Civil Code.

Lessee Initials _____

27. Assignment and Subletting.

(a) Lessee represents and agrees that its undertakings pursuant to this Lease are for the purpose of providing fixed based operation and maintenance services, and not for speculation in land holding. Lessee further recognizes that the qualifications and identity of Lessee are of particular concern to Lessor in light of the following: (1) the importance of the development of the Leased Premises to the community; and (2) the fact that a change in ownership or control of Lessee or any other act or transaction involving or resulting in a significant change in ownership or control of Lessee, is for practical purposes a transfer or disposition of the property then owned by Lessee. Lessee further recognizes that it is because of such qualifications and identity that the Lessor is entering into the Lease with Lessee. Therefore, no voluntary or involuntary successor in interest of Lessee, or a sublessee, shall acquire any rights or powers under this Lease except as expressly permitted herein.

(b) Lessee shall not assign or attempt to assign all or any part of this Lease or any right or interest herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Lessee's interest in the Leased Premises or the Improvements thereon, or sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the prior written consent of Lessor being first obtained. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Leased Premises. Lessee shall submit all documents pertaining to any such transaction referenced in the foregoing paragraph to Lessor for approval prior to entering into such agreements. Lessee shall submit executed subleases and all required certificates of insurance and endorsements to insurance policies, as required herein, to Lessor for approval prior to sublessees occupying the subleased premises.

(c) For the reasons cited above, Lessee represents and agrees for itself and any successor in interest that without the prior written approval of the Lessor, there shall

be no significant change in the ownership of Lessee or in the relative proportions thereof, or with respect to the identity of the parties in control of Lessee or the degree thereof, by any method or means.

(d) Any sublease, assignment or transfer of this Agreement or any interest herein, or significant change in ownership of Lessee, shall require the written approval of the Lessor. Lessee shall promptly notify the Lessor of any proposed subleases, and all changes whatsoever in the identity of the parties in control of Lessee or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. This Lease may be terminated by the Lessor if there is any significant change (voluntary or involuntary) in membership, management or control, of Lessee (other than such changes occasioned by the death or incapacity of any individual), or non-Lessor approved subleases. In the event of the death or incapacity of any individual who controls Lessee or the managing member of Lessee, any resulting change in the management of the Improvements or the control of the day-to-day operations of the Leased Premises and the Improvements shall be subject to the approval of the Assistant CEO/EDA or designee, which shall not be unreasonably withheld.

(e) Assignments or transfers approved by the Lessor shall be evidenced by the Lessee's, and assignee's execution of an assignment and assumption agreement approved as to form and substance by Lessor. Subleases approved by the Lessor shall be evidenced by subleases approved as to form and substance by Lessor.

(f) No such sublease, sale, transfer, conveyance or assignment of this Lease or Lessee's interest in the Leased Premises (or any portion thereof), or approval by the Lessor of any such sublease, sale, transfer, conveyance or assignment, shall be deemed to relieve Lessee or any other party from any obligations under this Lease.

(g) The restrictions on assignment, transfer and subleasing contained in this Section 27 shall be binding on any successors, or heirs of Lessee. The provisions of this

Section 27 shall apply to each successive assignment and transfer in the same manner as initially applicable to Lessee under the terms set forth herein.

28. Right to Encumber/Right to Cure.

(a) Lessee's Right to Encumber. Notwithstanding provisions of Section 27 herein, Lessor does hereby consent to and agree that Lessee may encumber or assign, or both, for the benefit of a senior lender ("Encumbrancer"), this Lease, the leasehold estate and the improvements thereon (not including Lessor's fee title interest in the Airport property) by a deed of trust, mortgage or other security-type instrument, herein called "trust deed" to assure the payment of a promissory note evidencing a construction loan for development of the improvements required herein by Lessee if the Encumbrancer is an established bank, government lender, Small Business Administration, savings and loan association or insurance company, and the prior written consent of Lessor shall not be required:

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

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

Any Encumbrancer described in Section 27(a)(2) above which is the transferee under the provisions of Section 27(a)(1) above shall be liable to perform the obligations

and duties of Lessee under this Lease only so long as such transferee holds title to the leasehold, and shall execute any documentation required by Lessor to memorialize transfer and assumption of such Lease obligations.

Any subsequent transfer of this leasehold hereunder, except as provided for in Section 27(a)(2) above, shall not be made without the prior written consent of Lessor, in Lessor's sole discretion, and shall be subject to the conditions relating hereto as set forth in Section 27 herein. Lessee shall give Lessor prior notice of any such trust deed and shall accompany such notice with a conformed copy of the trust deed and note secured thereby.

(b) Right of Encumbrancer to Cure. Lessor, upon providing Lessee with any Notice of Default under this Lease, shall, at the same time, use good faith efforts to provide a copy of such notice to every Encumbrancer who has given written notice to Lessor of its desire to receive such default notices. From and after such notice has been delivered to an Encumbrancer by Lessor, such Encumbrancer shall have the same period for remedying the breach complained of as the cure period provided to Lessee pursuant to Section 20, plus the additional cure period provided Encumbrancers as specified in paragraph (c) below. Lessor shall accept performance by or at the instigation of such Encumbrancer as if the same had been done by Lessee.

(c) Encumbrancer Cure Rights. Notwithstanding anything to the contrary contained in this Lease, Lessor shall not terminate this Lease due to an uncured default of Lessee unless, following expiration of Lessee's applicable cure period, Lessor first provides each Encumbrancer that has provided Lessor with written a written request to receive notification of Lessee defaults, not less than thirty (30) days' notice of its intent to terminate if Lessee's default can be cured by the payment of money (a "Monetary Default"), and not less than ninety (90) days' notice of its intent to terminate if Lessee's Default is of another type (a "Non-monetary Default"), and an Encumbrancer fails to cure

such Monetary Default within thirty (30) days after receipt of such notice or an Encumbrancer fails to cure or, an Encumbrancer fails to cure such Non-monetary Default within ninety (90) days after receipt of such notice. If such Non-monetary Default cannot reasonably be cured by such Encumbrancer within said ninety (90) day period (or is such that possession of the Leased Premises is necessary for Encumbrancer to obtain possession and to remedy the Default), the date for termination shall be extended for such period of time as may be reasonably required to remedy such Default, but in no event no longer than one hundred and twenty (120) calendar days after the date of the initial notice to terminate the Lease delivered to Encumbrancer if, (a) Encumbrancer shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease within thirty (30) days after its receipt of notice of Lessor's intent to terminate, and shall continue to pay on time such monetary obligations as and when the same are due under the Lease, and (b) Encumbrancer continues its good faith and diligent efforts to remedy such Non-monetary Default (including its acquisition of possession of the Leased Premises if necessary to the cure of such Default). In no event shall the Lessor be precluded from exercising remedies if its right become or are about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) calendar days after Lessor delivers to Encumbrancer the first notice of intent to terminate the Lease.

Nothing in this Section 28 shall be construed to require an Encumbrancer to continue any foreclosure proceeding it may have commenced against Lessee after all defaults have been cured by Encumbrancer or Lessee, and if such Defaults shall be cured and the Encumbrancer shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease. Subject to Section 29 below, Encumbrancer shall have right to hazard insurance

proceeds resulting from damage to improvements up to and including the balance due Lender or any Loan to Lessee secured by the Leased Premises.

29. Damage or Destruction.

(a) In the event any of the improvements are damaged by an insured casualty, Lessee shall promptly remove the debris resulting from such event, and within a reasonable time thereafter shall apply insurance proceeds to the repair or restoration of the improvements so damaged to their condition immediately prior to such casualty, such repair or restoration to be performed in accordance with all provisions of this Lease.

(b) In the event any of the Improvements are damaged by an uninsured casualty, or the insurance proceeds are insufficient to repair or restore the Improvements to their condition prior to the casualty, Lessee shall promptly remove the debris resulting from such event, and within a reasonable time thereafter shall either (i) repair or restore the improvements so damaged to the extent economically feasible, such repair or restoration to be performed in accordance with all provisions of this Lease, or (ii) erect other Improvements in such location, provided all provisions of this Lease are complied with to the extent economically feasible, or (iii) if the damage occurs during the last 5 years of the Lease, demolish the damaged portion of such improvements, restore any remaining improvements to an architectural whole, remove all rubbish, and pave or plant grass and otherwise restore the area to a neat, orderly, sanitary and attractive condition. Lessor shall have the option to choose among the aforesaid alternatives, subject to rights of permitted Encumbrancers secured by the Lease but Lessee shall be obligated to perform one of such alternatives. Lessee shall give notice to Lessor within a reasonable time of which alternative it elects.

Except as expressly provided in this Lease, no deprivation, impairment, or limitation of use resulting from any damage or destruction or event or

work contemplated by this Section 29 shall entitle Lessee to any offset, abatement, or reduction in Rent, nor to any termination or extension of the Term hereof.

30. Lessor's Nonresponsibility.

Notwithstanding any language to the contrary herein, during the Term of this Lease, including any extensions, Lessor shall not be required to maintain or make any repairs or replacements of any nature or description whatsoever to the Leased Premises or the Improvements thereon.

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

32. Toxic Materials.

During the term of this Lease and any extensions thereof, (including exercise of the Option), 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 Leased Premises including, but not limited to, soil, air, and groundwater conditions. Further, Lessee, its successors, assigns and Sublessee shall not use, generate, manufacture, produce, store or dispose of on, under, or about the Leased Premises or transport to or from the 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 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, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws now and in the future.

33. National Pollution Discharge Elimination System (NPDES) Permit.

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

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

34. Free from Liens. 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 Lessee, in, upon, or about the Leased Premises, and which may be secured by a mechanics, materialmen's or other lien against the

Leased Premises or Lessor's interest therein, and will cause each 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 Lessee desire to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or is so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.

Lessee shall not encumber Lessor's fee estate in the Airport property with any mortgage. Lessee shall not place, or allow to be placed, against the Airport property or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Lease. In addition, Lessee shall remove, or shall have removed, any levy or attachment made on title to the leasehold estate created by this Lease and/or the Airport property (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Under no circumstances whatsoever shall the Lessee allow any security instruments to be recorded against the Lessor's fee interest in the Airport property.

35. Employees and Agents of Lessee. It is understood and agreed that all persons hired or engaged by Lessee shall be considered to be employees or agents of Lessee and not of Lessor. It is expressly understood and agreed that Lessee (including its employees, agents and subcontractors) shall in no event be entitled to any benefits to which Lessor employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties, and Lessee shall hold Lessor harmless from any and all claims that may be made against Lessor based upon any contention by a third party that an employer-employee relationship exists by reason of this Lease.

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

37. **Waiver of Performance.** Any waiver by Lessor of any breach of any one or more of the terms of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Lease. Failure on the part of Lessor to require exact, full and complete compliance with any terms of this Lease shall not be construed as in any manner changing the terms or preventing Lessor from enforcement of the terms of this Lease.

38. **Severability.** In the event any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will never the less continue in full force without being impaired or invalidated in any way.

39. **Jurisdiction and Venue.** This Lease is construed under the laws of the state of California. The Parties agree to the jurisdiction and venue of the Superior Court in the County of Riverside, state of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this 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.

40. **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: COUNTY

LESSEE

County of Riverside, EDA
Aviation Division
3403 10th Street, Suite 400
Riverside, CA 92501
Attn: EDA – Aviation Division

Military Freefall Solutions LLC
826 Orange Avenue, Suite 357
Coronado, CA 92118
Attn: Simon Powell

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

Formal notices, demands and communications between Lessor and Lessee shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Lessor and Lessee, as designated in this Section 41. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received the day after the documented date of delivery; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the second day of delivery.

Lessor shall use good faith efforts to deliver copies of any notices of default delivered to Lessee to the Encumbrancer, at such addresses for receipt of notice as shall be provided to the Lessor in writing.

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

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

43. No Partnership. Nothing contained in this Lease shall be deemed or construed to create a lending partnership, other partnership, joint venture, or any other relationship between the parties hereto other than lessor and lessee according to the

provisions contained herein, or cause Lessor to be responsible in any way for the debts or obligations of Lessee, or any other party.

44. Non-liability of Lessor Officials and Employees. No member, official, employee or consultant of Lessor shall be personally liable to the Lessee, or any successor in interest, in the event of any default or breach by the Lessor or for any amount which may become due to the Lessee or to its successor, or on any obligations under the terms of this Lease.

45. Acknowledgment of Lease Memorandum by County. Upon the Commencement Date, if requested in writing by Lessee, the parties shall execute and thereafter record with the County Recorder of the County of Riverside, a Memorandum of Lease, conforming in form and substance to Exhibit G, attached hereto and incorporated herein by this reference, giving notice of the existence of the Lease and the Term hereof.

46. Agent for Service of Process; Lessee Authority to Enter into Lease .

(a) It is expressly understood and agreed that, in the event Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessee shall file with County's clerk, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessee. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event Lessee may be personally served with such process out of this County and that such service shall constitute valid service upon Lessee. It is further expressly understood and agreed that Lessee is amenable to the

process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

(b) Lessee is a limited partnership or corporation duly formed and in good standing under the laws of the State of California, has full legal right, power, and authority to enter into this Lease and to carry out and consummate all transactions contemplated by this Lease, and by appropriate action has duly authorized the execution and delivery of this Lease. Further, Lessee will take those actions required to remain in good standing under the laws of the state of California during the term of this Lease.

47. FAA Consent to Lease. Lessee acknowledges that Blythe Airport was transferred to the Lessor by the Federal Government and, as such, is subject FAA policies, regulations and Grant assurances. This lease shall be subordinate to FAA policy, regulation and FAA Grant Assurances for the duration of the Lease and any extensions thereof. The Lessor may submit a copy of this Lease to the FAA for an initial determination of compliance. Lessee understands and agrees that FAA compliance shall be an ongoing requirement of this Lease.

48. Entire Lease. This Lease, including any attachments, exhibits or addendums constitutes the entire agreement of the Parties with respect to its subject matter and is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may only be changed or modified by a written amendment signed by authorized representatives of both Parties.

49. Construction of Lease. The Parties hereto negotiated this Lease at arm's length and with the advice of their respective attorneys, and no provisions contained

herein shall be construed against County solely because it prepared this Lease in its executed form.

50. **Effective Date.** The effective date ("Effective Date") of this Lease is the date this Lease is executed by the Chairman of the County of Riverside Board of Supervisors.

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IN WITNESS WHEREOF, the parties have executed this Lease as of the dates set forth below.

LESSOR:
COUNTY OF RIVERSIDE, a
Political Subdivision of the State of
California

LESSEE:
Military Freefall Solutions LLC
a California corporation

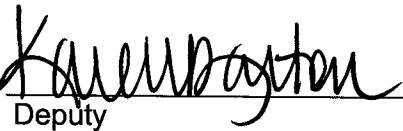
By: 
John F. Favaglione, Chairman
Board of Supervisors

By: 
Simon Powell, President

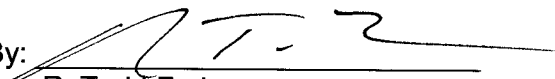
Date: JAN 31 2017

Date: JANUARY 20 2017

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: 
R. Todd Frahm
Deputy County Counsel

Attachments:

1. Exhibit A Blythe Airport
2. Exhibit A-1: Leased Premises
3. Exhibit A-2 and A-3: Legal Description and Exhibit (provided by Lessee)
4. Exhibit B: Federally Required Lease Provisions
5. Exhibit C: Minimum Standards
6. Exhibit D: Storm Water Pollution Prevention Plan
7. Exhibit E: Development and Improvement Plan
8. Exhibit F: Sublease Status Report
9. Exhibit G: Sample Memorandum of Lease
10. Exhibit H: Fuel Flowage
11. Exhibit I: Letter Agreement
12. Exhibit J: Operating Procedure
13. Exhibit K: Site Plan (provided by Lessee)

Exhibit A

Blythe Airport
Fixed Base Operation and Development
Ground lease Agreement

Blythe Airport

Following this page

Exhibit A
Blythe Airport

EXHIBIT A

Blythe Airport Blythe, California



Exhibit A-1

Blythe Airport
Fixed Base Operation and Development
Ground lease Agreement

Leased Premises

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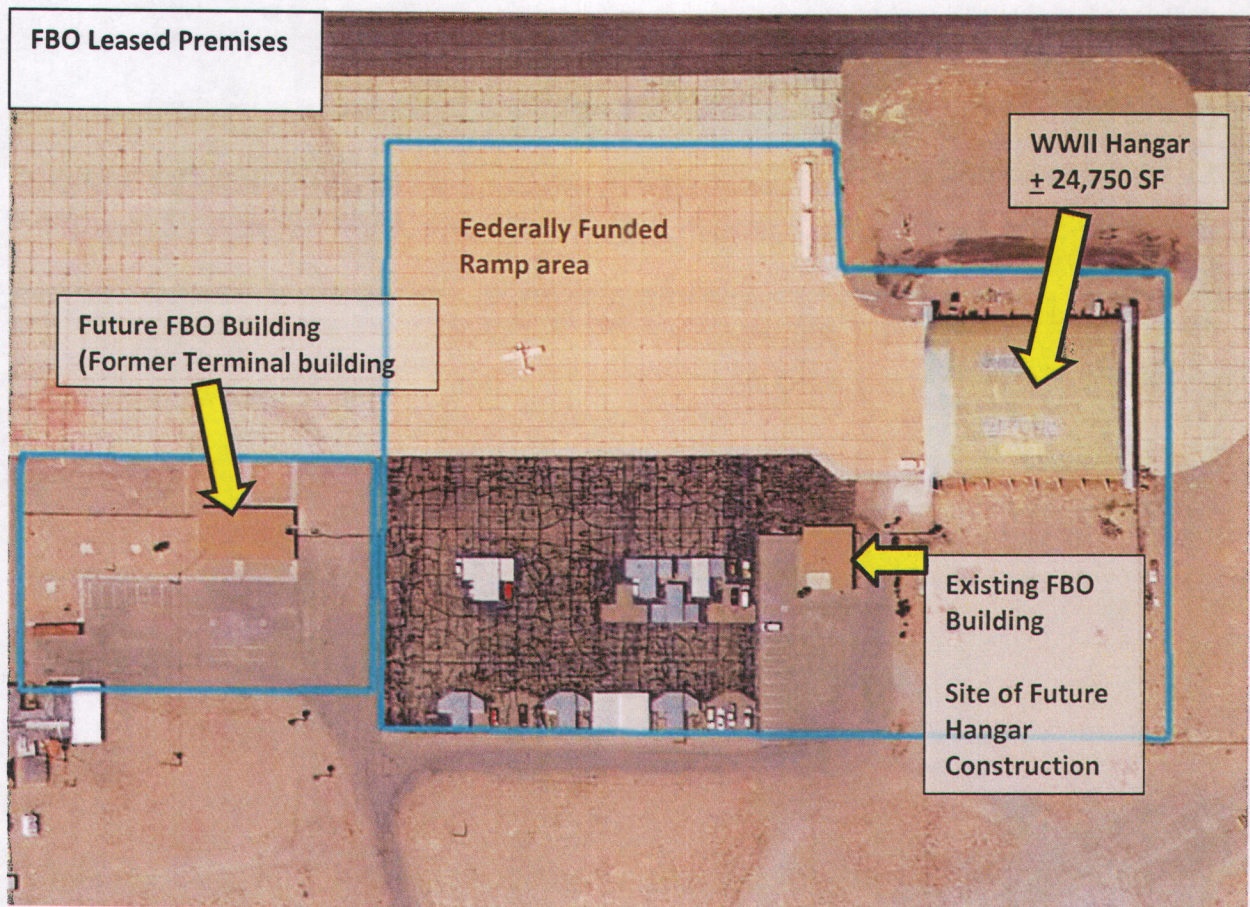
Exhibit A-1
Leased Premises

BLYTHE AIRPORT
Fixed Base Operation and Development
Ground Lease Agreement

Page 1 of 3

Exhibit A-1
Leased Premises

SITE PLAN



Estimated Eight (8) Acres for Leased Premises at Blythe Airport, Blythe California.

Subject to Boundary Survey to be completed

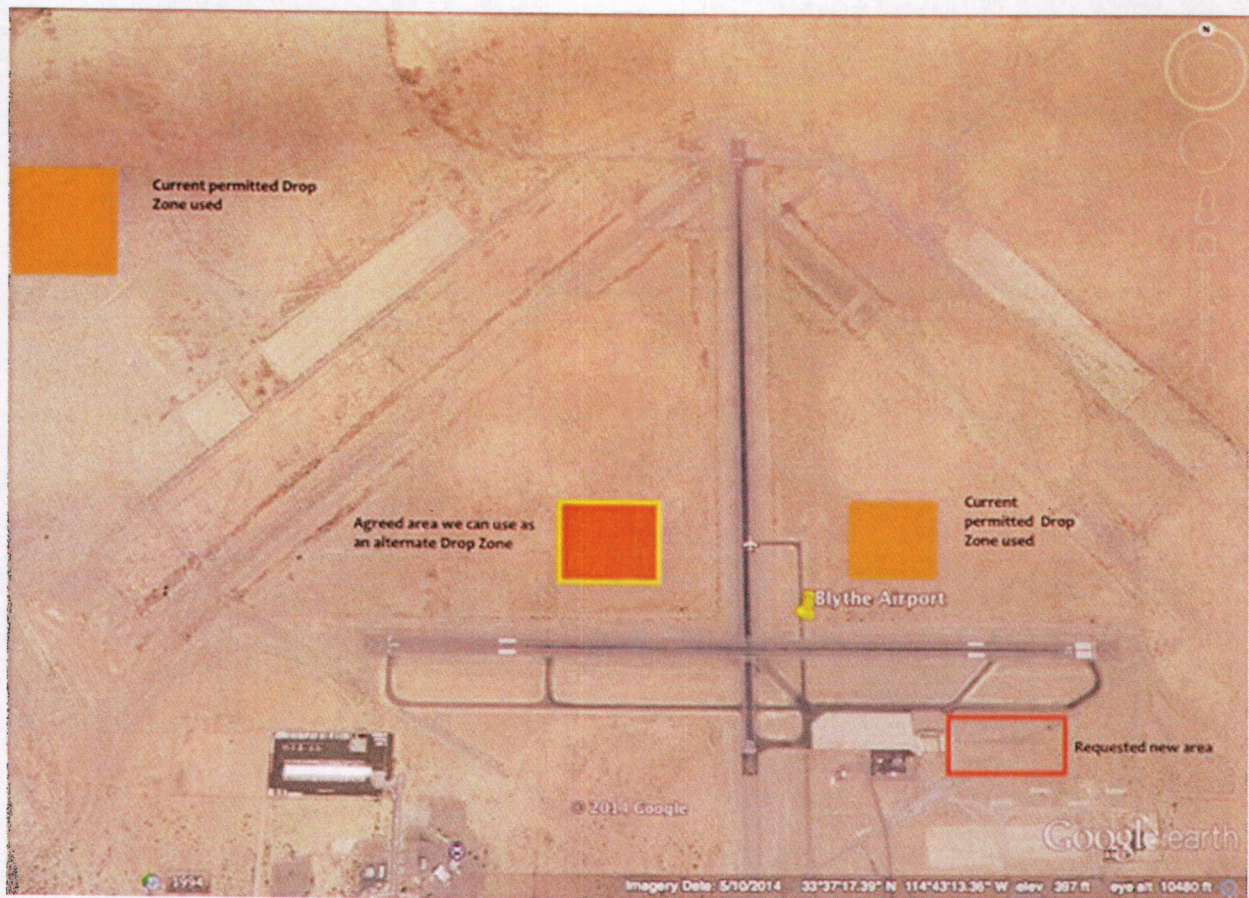
_____ Teal Outline depicts approximate Leased Premises area

BLYTHE AIRPORT
Fixed Base Operation and Development
Ground Lease Agreement

Page 2 pf 3

Exhibit A-1

Leased Premises Permitted Use Area
Drop Zones



BLYTHE AIRPORT
Fixed Base Operation and Development
Ground Lease Agreement

Page 3 of 3

Exhibit A-1
Leased Premises Permitted Use training Area

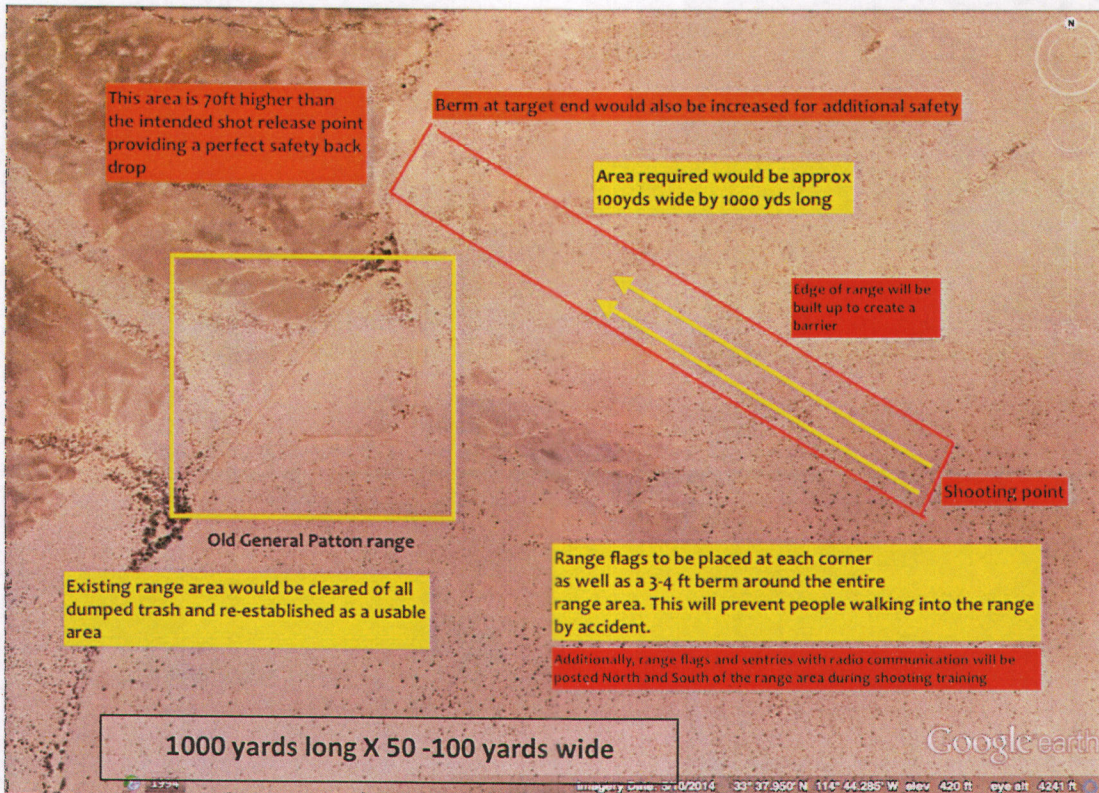


Exhibit A-2

Blythe Airport
Fixed Base Operation and Development
Ground lease Agreement

Legal Description

Following this page

Exhibit A -2
Legal Description

To be provided by Lessee

Exhibit A-3

**Blythe Airport
Fixed Base Operation and Development
Ground lease Agreement**

Survey

Following this page

Exhibit A-3
Survey

To be provided by Lessee

Exhibit B

Blythe Airport
Fixed Base Operation and Development
Ground lease Agreement

Federally Required Lease Provisions

Following this page

Exhibit B
Federally Required Lease Provisions

FEDERALLY REQUIRED LEASE PROVISIONS

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

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

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