

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



ITEM  
3.13  
(ID # 7245)

**MEETING DATE:**

Tuesday, June 19, 2018

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of the Consent to Asset Purchase Agreement Between KJ Aviation, LLC and TRM CA Holdings, LLC, Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement Between the County of Riverside and TRM CA Holdings, LLC, and Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement Between the County of Riverside and TRM CA Holdings, LLC; Jacqueline Cochran Regional Airport; California Environmental Quality Act (CEQA) Exempt; District 4, [\$0] (Clerk of the Board to file the Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the Approval of the Consent to Asset Purchase Agreement, Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement, and Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines Section 15301, Class 1 Existing Facilities Exemption, and Section 15061 (b)(3) "Common Sense" Exemption;

Continued on page 2

**ACTION:** Policy

Robert Field, Assistant County Executive Officer/ECD 6/6/2018

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: June 19, 2018  
xc: EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

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STATE OF CALIFORNIA**

**RECOMMENDED MOTION:** That the Board of Supervisors:

2. Approve the attached Consent to Asset Purchase Agreement between KJ Aviation, LLC (Seller) and TRM CA Holdings, LLC (Buyer) for the purchase of a 26,000 square foot hangar and assignment and assumption of the underlying Ground Lease located within Jacqueline Cochran Regional Airport at 56850 Higgins Drive, Thermal, CA 92274, as more specifically set forth in the attached Asset Purchase Agreement between KJ Aviation, LLC (Seller) and TRM CA Holdings, LLC (Buyer), and authorize the Chairman of the Board of Supervisors to execute the attached Consent to Asset Purchase Agreement on behalf of the County;
3. Approve the attached Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement between the County of Riverside, as lessor, and TRM CA Holdings, LLC, as lessee, and authorize the Chairman of the Board to execute the attached Third Amendment on behalf of the County;
4. Approve the attached Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement between the County of Riverside, as lessor, and TRM CA Holdings, LLC, as lessee, and authorize the Chairman of the Board to execute the attached Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement on behalf of the County;
5. Authorize the Assistant County Executive Officer/Economic and Community Development (ECD), or his designee, to execute any other documents, including estoppel agreements, and administer all actions necessary to complete or memorialize this transaction; and
6. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) working days of approval by the Board.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year:</b>	2018/19

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The County of Riverside ("County"), as lessor, and KJ Aviation, LLC, a California limited liability company, as lessee, entered into that certain Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement dated August 20, 2013, as amended by that certain First Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base

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Operation Ground Lease Agreement dated March 24, 2015, and as amended by that Second Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease dated March 17, 2016 (collectively, the "Ground Lease"). The Ground Lease relates to, among other things, the lease of approximately 4.67 acres of vacant land located at the Jacqueline Cochran Regional Airport ("Leased Premises"), and the construction thereon, in 4 phases, of a limited fixed base operation for the development of 4 large aircraft storage hangars (approximately 13,750 to 26,000 square feet each) to be sold or leased ("Project"). The Ground Lease had an initial term of 48 months, with an option to extend the term for an additional 30 years. The 30 year option was exercised upon approval of the Second Amendment. KJ Aviation completed the construction of an approximately 26,000 square foot hangar as part of Phase 1. The remaining three (3) phases have not yet been constructed.

On, or about April 2, 2018, TRM CA Holdings, LLC (TRM), a Delaware limited liability company and wholly owned subsidiary of Ross Aviation Holdings, LLC, as buyer, entered into an Asset Purchase Agreement with KJ Aviation, as seller, for the acquisition of the existing 26,000 square foot hangar and the assignment and assumption of the Ground Lease. The effectiveness of the Asset Purchase Agreement is subject to the consent and approval by the County. Staff recommends approval of the proposed Consent to Asset Purchase Agreement as attached.

TRM currently operates a full service Fixed Based Operation (FBO) at the Jacqueline Cochran Regional Airport under a separate agreement on approximately 17.53 acres of now improved land and heavy ramp space. TRM has the financial ability to provide further investment in airport infrastructure, and to date has invested approximately \$10.9 million dollars into the airport leasehold infrastructure pursuant to the FBO operations, and contributed approximately \$200,000 in matching funds to the County for a Federal Aviation Administration grant for the portion of the apron area fronting Taxiway F ("Federal Heavy Ramp").

The proposed Third Amendment is an amendment to the existing Ground Lease to remove the requirements of constructing Phase 2 through Phase 4. Future development on the 4.67 acres of land defined on the Ground Lease will be mutually agreed upon by the County and TRM. Any Additional Improvements requested by Lessee shall be exercised by providing the County written notice within twenty-four (24) months of their intent to begin construction, and shall be memorialized in a mutually agreed upon written amendment to the Ground Lease, which shall require approval by County's Board of Supervisors.

In addition to the Third Amendment, staff is recommending the approval of the attached Jacqueline Cochran Regional Airport Federal Ramp Lease between the County and TRM ("Ramp Lease") for approximately 2.272 acres of Federal Heavy Ramp space located directly in front of the 26,000 square foot hanger. The term of the Ramp Lease will be coterminous with the Ground Lease. Any holdover by TRM shall be as a month-to-month tenant. The initial

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base rent for use the of the Federal Heavy Ramp shall be \$2,889.98, and will adjusted based on the Consumer Price Index, All Urban Consumers, each July 1<sup>st</sup> beginning on July 1, 2019.

The approval of the attached Consent to Asset Purchase Agreement, Ramp Lease, and Third Amendment to the Ground Lease will not have any reasonably foreseeable impacts to the environment. The environmental impacts of the development contemplated under the Ground Lease were already evaluated under CEQA pursuant to the Jacqueline Cochran Regional Airport Master Plan and certified MND (SCH No. 2004081118).

County Counsel has reviewed and approved the attached Consent to Asset Purchase Agreement, Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement, and Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement as to form.

**Impact on Citizens and Businesses**

The Consent to Asset Purchase Agreement, Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement, and Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement will continue to support the County's effort to increase airport operations for growth of aviation and business activities on the airport.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

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

**Attachments:**

Consent to Asset Purchase Agreement (with Asset Purchase Agreement attached thereto)  
Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation  
Ground Lease Agreement  
Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement  
Notice of Exemption  
Aerial Map for Third Amendment  
Aerial Map for Ramp Lease

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MinuteTrak: 7245

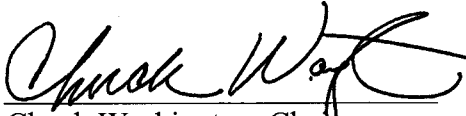
CONSENT TO ASSET PURCHASE AGREEMENT

KJ Aviation LLC, a California limited liability company, ("Assignor"), doing business as Oliphant Aviation, and TRM CA Holdings, LLC, a Delaware limited liability company, ("Assignee") executed that certain Asset Purchase Agreement dated April 2, 2018 ("Agreement"), whereby, among other things, Assignor (1) will sell to Assignee a 26,000 square foot hangar located within Jacqueline Cochran Regional Airport at 56850 Higgins Drive, Thermal, CA 92274 ("Airport"), and (2) transfer and assign to Assignee ("Assignment") all of Assignor's rights, title, interest and obligations ("Rights and Obligations") under that certain Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement dated August 20, 2013, executed by and between the County of Riverside ("County"), a political subdivision of the State of California, as Lessor, and Assignor dated August 20, 2013 ("Original Lease"), as amended by that certain First Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement dated March 24, 2015 and that certain Second Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement dated May 17, 2016 (collectively, the "Lease"). The Lease pertains to that certain real property located within the Airport and consists of approximately 4.67 acres of land, as more particularly described in Exhibit A-2 of the Original Lease.


In reliance upon the Agreement and the assumption by Assignee of all Rights and Obligations under the Lease pursuant to the Assignment, the County does hereby consent to the Agreement and the assignment of the Lease, and the Rights and Obligations thereunder, by Assignor to Assignee and Assignee's assumption thereof. Consent thereof by the County shall not be construed to relieve or release Assignor from its duty to comply with any obligations under the Lease.

Date: JUN 19 2018

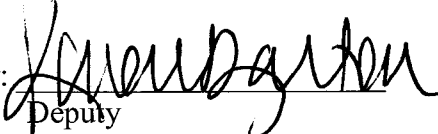
LESSOR  
COUNTY OF RIVERSIDE

By:   
Chuck Washington, Chairman  
Board of Supervisors

APPROVED AS TO FORM  
Gregory P. Priamos  
County Counsel

By:   
Thomas Oh  
Deputy County Counsel

ATTEST:  
KECIA IHEM-HARPER  
Clerk of the Board

By:   
Deputy

JUN 19 2018 3.13

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**ASSET PURCHASE AGREEMENT**

**dated as of**

**April 2, 2018**

**by and between**

**TRM CA HOLDINGS, LLC,**

**and**

**KJ AVIATION LLC**

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## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (this "Agreement"), dated as of April 2, 2018 is entered into by and between TRM CA Holdings, LLC, a Delaware limited liability company ("Buyer"), and KJ Aviation LLC, a California limited liability company ("Seller").

### **RECITALS**

WHEREAS, Seller owns certain assets and holds a leasehold interest in certain real property located at the Jacqueline Cochrane Regional Airport in Thermal, California (the "Airport") pursuant to the terms and conditions of that certain Limited Fixed Base Operation Ground Lease dated August 20, 2013 by and between the County of Riverside (the "County") and Seller, as amended (the "Ground Lease");

WHEREAS, Seller is in the business of leasing hangar and ramp space it leases from the County under the Ground Lease to tenants providing charter or fixed base operation services at the Airport (the "Business"); and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to acquire from Seller, all of Seller's right title and interest in and to the Ground Lease and to any other Assets relating to the Business pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, Buyer and Seller agree as follows:

### **ARTICLE I PURCHASE AND SALE OF ASSETS; LIABILITIES ASSUMED**

1.1 Closing. Subject to the terms and conditions of this Agreement, the consummation of the purchase and sale of the Assets and the assumption of the Assumed Liabilities (as defined below) (the "Closing") shall take place electronically via email and/or facsimile, provided that if Seller and Buyer mutually agree to a physical closing then the Closing shall occur at the offices of Buyer's counsel, or at such other place as the parties may agree to in writing, effective at 12:01 A.M. (Pacific Time) (the "Effective Time") on the date that is three (3) Business Days after the date on which all conditions set forth in ARTICLE VII shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing but subject to the satisfaction or waiver of such conditions) or such other time and place as Buyer and Seller mutually agree. The date on which the Closing actually occurs is referred to in this Agreement as the "Closing Date".

1.2 Purchase and Sale of the Assets. Subject to the terms and conditions of this Agreement, at the Closing, Seller and any of its affiliates, as applicable, shall sell, convey, assign, transfer and deliver free and clear of all liens security interests, restrictions, claims or encumbrances of any kind ("Liens") (other than liens for taxes not yet due and payable) the Assets to Buyer and/or one or more of its affiliates as designated in writing by Buyer at least five (5) Business Days prior to the Closing Date, and Buyer shall, or shall cause such affiliates to, purchase, acquire and accept from Seller, all of Seller's or any of its affiliates', right, title and interest in and to the Assets. For purposes of this Agreement, the "Assets" shall mean:

- (i) all of Seller's interests in tangible property used in the Business and set forth on Schedule 1.2(i), whether or not located at or on the Leased Real Property;
- (ii) all of Seller's right, title and interest existing under the Ground Lease, including in the buildings, hangars, warehouses, terminals, ramps, fuel farms and other improvements (the "Improvements") located on the real property that is leased pursuant to the Ground Lease (the "Leased Real Property");
- (iii) all Contracts (as defined below) related to the Business set forth on or required to be set forth on Schedule 2.7(a) (the "Transferred Contracts");
- (iv) the books and records relating to the Business (the "Transferred Books and Records");
- (v) all interest in and to telephone numbers, facsimile numbers and all listings in all telephone books and other directories related to the Business;
- (vi) all claims, rights of recovery and causes of action arising out of any action to the extent arising from any Asset or Assumed Liability, and all files, documents, instruments, papers, books and records, which are related to the foregoing; and
- (vii) attorney-client privilege and attorney work product primarily related to Assumed Liabilities, other than attorney-client privilege and attorney work product relating directly to the negotiation and consummation of the transactions contemplated by this Agreement.

1.3 Excluded Assets. Notwithstanding anything in this Agreement to the contrary, Buyer is not purchasing pursuant to this Agreement or any of the transactions contemplated hereby any right, title or interest in any assets not related to the Business or that are not an Asset ("Excluded Assets"), and from and after the Closing, Seller and its affiliates shall retain all of their existing right, title and interest in and to, and there shall be excluded from the sale, conveyance, assignment or transfer to Buyer hereunder, the Excluded Assets. Without limiting the generality of the foregoing, Excluded Assets shall include (i) all cash held by or on behalf of Seller; (ii) all accounts receivable arising out of the Business as of the Effective Time; (iii) all tax assets arising out of, relating to or in respect of the Assets or the Business with respect to any Pre-Closing Tax Period; (iv) the minute books, membership records, articles or certificate of formation or organization of Seller; (v) all Contracts that are not Transferred Contracts; and (iv) all Affiliate Arrangements (as defined below).

1.4 Assumption of Assumed Liabilities. On the terms and subject to the conditions set forth herein, at the Closing, Buyer shall assume and discharge or perform, and/or shall cause one or more of its affiliates as designated in writing by Buyer at least five (5) Business Days prior to the Closing Date to assume all liabilities and discharge or perform all obligations when due, to the extent primarily relating to or arising out of the Assets and the operation of the Business from and after the Effective Time, other than the Excluded Liabilities (as defined below) (the "Assumed Liabilities"); provided, that, for the avoidance of doubt, following any such assumption Buyer shall not be released from any of its other obligations hereunder if it causes any of its affiliates to assume and discharge or perform any of the Assumed Liabilities.



1.5 Excluded Liabilities. Notwithstanding anything in this Agreement to the contrary, Buyer is not assuming pursuant to this Agreement or any of the transactions contemplated hereby any of the Excluded Liabilities, and Seller and its affiliates shall retain and be responsible for all Excluded Liabilities. “Excluded Liabilities” means any Liability of Seller or its affiliates which is not expressly assumed by Buyer pursuant to Section 1.4. Without limiting the generality of the foregoing, the Excluded Liabilities will include, and Buyer’s obligations under the Assumed Liabilities will exclude, and Buyer will not assume or become liable for, any Liability relating to or arising out of:

(a) any breach or default under any Transferred Contract or the Ground Lease arising out of any facts, circumstances or conditions existing, initiated or occurring prior to the Closing or any other liability that accrued thereunder prior to the Closing;

(b) the conduct or operation of the Business or ownership of the Assets prior to the Closing, including, without limitation, any accounts payable that may be payable on or after the Closing Date but that were incurred prior to the Closing Date;

(c) any and all Liabilities of Seller for borrowed money;

(d) any Pre-Closing Taxes and any other Taxes of Seller not relating to the Business or the Assets;

(e) obligations to or Liabilities with respect to any current or former employee or consultant of Seller, regardless of its cause;

(f) any litigation, proceeding, claim or investigation by any third party to the extent relating to the Business or the Assets prior to the Closing, whether or not such litigation, proceeding, claim or investigation is pending, threatened, or asserted before, on or after the Closing Date;

(g) any commission to any broker or investment bank in connection with the transactions contemplated by this Agreement under any arrangement or agreement made by Seller;

(h) any present, future or contingent obligations of Seller under any Contract that is not a Transferred Contract; and

(i) any noncompliance with applicable Environmental Laws (as defined below) prior to the Closing or any litigation, proceeding, demand, action, claim or investigation arising out of any facts, circumstances or conditions, existing, initiated or occurring prior to the Closing Date which result in Damages (as defined below) relating to Hazardous Materials (as defined below) or arising under Environmental Laws. With respect to this clause (i) any environmental conditions or violations of Environmental Law identified in any Phase I or Phase II environmental assessment report obtained by Buyer on the Leased Real Property within sixty (60) days after the Closing Date shall be rebuttably presumed to be “existing, initiated or occurring” prior to the Closing Date. Buyer shall provide Seller a copy of any such Phase I or Phase II environmental assessment report within seven (7) days of Buyer’s receipt of the report.

1.6 Consideration. Subject to the terms and conditions of this Agreement, as consideration for the Assets and Assumed Liabilities, Buyer shall pay to Seller on the Closing Date

and in the manner described in Section 1.7(b) an amount in cash (the "Closing Cash Consideration") equal to:

- (a)
- (b) minus the earnest money deposit in the amount of (the "Deposit") deposited on behalf of Buyer with First American Title Company ("Escrow Agent"), within one business day of the date of execution of this Agreement and held pursuant to that certain Escrow Agreement entered into on the date of such deposit, and which Deposit shall be disbursed by the Escrow Agent to Seller at Closing; and
- (c) plus or minus, as applicable, the net amount of any proration adjustments determined in accordance with Section 1.8(b).

1.7 Closing Deliveries.

(a) Seller Closing Deliveries. At the Closing, Seller shall deliver (or cause to be delivered) to Buyer all of the following:

- (i) Seller Officer's Certificate. The certificate required to be delivered pursuant to Section 7.2(c);
- (ii) Bill of Sale, Assignment and Assumption. A duly executed bill of sale, assignment and assumption in the form attached hereto as Exhibit A (the "Bill of Sale, Assignment and Assumption");
- (iii) Release of Liens. Evidence reasonably satisfactory to Buyer of the release and discharge of all Liens (other than for Taxes not yet due and payable) on the Assets;
- (iv) FIRPTA Certificate. A duly executed certificate of non-foreign status from Seller in form and substance satisfactory to Buyer and consistent with the provisions of Treasury Regulation Section 1.1445-2(b)(2)(iv);
- (v) Further Instruments. The documents and certificates required to be delivered to Buyer pursuant to Section 7.2 and such other documents of further assurance reasonably necessary and typical for transactions similar to those contemplated by this Agreement in order to complete the transactions contemplated by this Agreement.

(b) Buyer Closing Deliveries. At the Closing, Buyer shall deliver (or cause to be delivered) to Seller all of the following:

- (i) Closing Payment. An amount equal to the Closing Cash Consideration by wire transfer of immediately available funds to the account(s) designated to Buyer by Seller, with such account(s) designated to Buyer at least two (2) Business Days prior to the Closing;

- (ii) Buyer Officer's Certificate. The certificate required to be delivered pursuant to Section 7.3(c);
- (iii) Bill of Sale, Assignment and Assumption. The duly executed Bill of Sale, Assignment and Assumption;
- (iv) Escrow Instructions. Duly executed instructions directing the Escrow Agent to release and disburse the Deposit to the account(s) designated to Buyer by Seller, with such account(s) designated to Buyer at least two (2) Business Days prior to the Closing;
- (v) Further Instruments. The documents required to be delivered to Seller pursuant to Section 7.3 and such other documents of further assurance reasonably necessary and typical for transactions similar to those contemplated by this Agreement in order to complete the transactions contemplated by this Agreement.

#### 1.8 Prorations.

(a) The parties shall prorate all prepaid or deferred expenses (excluding prepaid insurance) and deferred revenue arising out of the operation of the Business and all personal property Taxes, real property Taxes and rent under the Ground Lease, and other applicable items with respect to the Assumed Liabilities as of the Effective Time (the "Prorated Items"). Not less than two (2) Business Days prior to the Closing Date and in no event more than five (5) Business Days prior to the Closing Date, Seller shall deliver to Buyer a written statement (including reasonable supporting calculations) setting forth its good faith estimate of the amount of such Prorated Items ("Estimated Closing Prorations"). On the Closing Date, the Estimated Closing Prorations shall be paid either through a deduction in the cash payable at Closing or an increase in the cash payable at Closing to Seller, as applicable. Such adjustments shall not be deemed an adjustment to the Purchase Price.

(b) As soon as reasonably practicable following the Closing Date, and in any event within sixty (60) days thereof, Seller shall prepare and deliver to Buyer (including reasonable supporting calculations) a calculation of the final Prorated Items ("Final Closing Prorations"). Any difference between the Estimated Closing Prorations and Final Closing Prorations shall be paid by Buyer to Seller, or by Seller to Buyer, as applicable, in cash or other immediately available funds within ten (10) days after the parties mutually agree on the determination thereof. In the event of any disputes among the parties as to such Final Closing Prorations, the amounts not in dispute will nonetheless be paid at such time and such disputes will be resolved by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant will be paid one-half by Seller and one-half by Buyer. The decision of such accountant will be conclusive and binding on the parties.

#### 1.9 Purchase Price Allocation.

(a) Buyer and Seller agree that any amounts treated as purchase price for the Assets for U.S. federal income tax purposes, including the Closing Cash Consideration, shall be allocated among the Assets in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") (such allocation, the "Purchase Price Allocation"). Within ninety (90)

days after the Closing Date, Buyer will prepare and deliver to Seller an initial Purchase Price Allocation and the parties will negotiate to resolve disputed items, if any, in such initial Purchase Price Allocation as promptly as practicable. If the parties are unable to reach agreement with respect to the Purchase Price Allocation within thirty (30) days after the delivery of the initial Purchase Price Allocation, the parties shall be entitled to use their own purchase price allocations for Tax reporting purposes.

(b) To the extent the parties agree on a Purchase Price Allocation pursuant to Section 1.9(a), the parties shall (i) timely file all Tax Returns required to be filed in connection with the Purchase Price Allocation, including IRS Form 8594, and (ii) prepare and file all Tax Returns and determine all Taxes in a manner consistent with the Purchase Price Allocation, except as may be required pursuant to a final determination within the meaning of Section 1313 of the Code and except as may be necessary to reflect adjustments to the Purchase Price Allocation resulting from post-Closing adjustments. Each of the parties shall notify the other if it receives notice that any governmental authority proposes any allocation different from the Purchase Price Allocation.

## ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the disclosure schedules attached to this Agreement (the “Schedules”), Seller represents and warrants to Buyer as of the date of this Agreement and as of the Closing date, as follows:

2.1 Organization of Seller. Seller was duly organized, and is validly existing, as a limited liability company in good standing under the laws of the State of California and has the requisite power and authority to own or lease its properties and to conduct its business as it is now being conducted. Seller is duly licensed or qualified to do business and (where applicable) is in good standing in each jurisdiction in which the ownership of its property or the character of its activities is such as to require it to be so licensed or qualified or in good standing, as applicable, except where the failure to be so licensed or qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a material impact on the Business.

2.2 Due Authorization. Seller has all requisite power and authority to execute and deliver this Agreement and each of the other certificates or documents delivered at the Closing pursuant to this Agreement (the “Ancillary Agreements”) and (subject to the consents, approvals, authorizations and other requirements described in Section 2.4) to perform all obligations to be performed by it and to consummate the transactions contemplated hereunder and thereunder. The execution and delivery of this Agreement and each of the Ancillary Agreements by Seller and the consummation by Seller of the transactions contemplated hereby and thereby have been duly and validly authorized and approved, and no other proceedings on Seller’s part are necessary to authorize this Agreement or the Ancillary Agreements. This Agreement and the Ancillary Agreements have been duly and validly executed and delivered by Seller and (assuming this Agreement and the Ancillary Agreements constitute legal, valid and binding obligations of Buyer), constitute a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights generally and subject, as to enforceability, to general principles of equity (collectively, the “Remedies Exception”).

2.3 No Conflict. Except as may result from any facts or circumstances to the extent exclusively related to the identity of Buyer or any of its affiliates, subject to the receipt of the consents, approvals, authorizations and other requirements set forth in Section 2.4 or on Schedule 2.3, the execution and delivery of this Agreement and the Ancillary Agreements by Seller, and the consummation of the transactions contemplated hereby and thereby do not and will not, (a) materially violate any provision of, or result in a material breach of, any applicable any statute, law, ordinance, rule, regulation or governmental order, in each case, of any governmental authority ("Law") to which the Assets are subject, (b) violate or conflict with the articles of formation or operating agreement of Seller, (c) materially violate any provision of or result in a material breach of or default under, or require a consent or notice under, any Transferred Contract listed or required to be listed on Schedule 2.7(a) or terminate or result in the termination of any such Transferred Contract, or result in the creation of any Lien under any such Transferred Contract upon any of the Assets, or constitute an event which, after notice or lapse of time or both, would reasonably be expected to result in any such violation, breach, default, termination or creation of a Lien, or (d) result in a violation or revocation of any material permit or approval from any governmental authority.

2.4 Governmental Consents. Assuming the truth and completeness of the representations and warranties of Buyer contained in this Agreement, and except as may result from any facts or circumstances to the extent exclusively related to the identity of Buyer or any of its affiliates, no material consent, notice, approval or authorization of, or designation, declaration, registration or filing with, any governmental authority is required on the part of Seller as a result of Seller's execution or delivery of this Agreement and the Ancillary Agreements or the consummation by Seller of the transactions contemplated hereby and thereby, other than the consent of the County of Riverside to the assignment of the Ground Lease to Buyer.

2.5 Litigation and Proceedings. Since January 1, 2013, there has been no, and there are no pending or, to the knowledge of Seller, threatened, material lawsuits, actions, suits, claims, charges, arbitrations or other proceedings at law or in equity or, to the knowledge of Seller, investigations before or by any governmental authority related to the Business, and Seller has not received any cease-and-desist letter involving, relating to, or arising out of the Business. There is no unsatisfied judgement or any open injunction or order related to the Business that would, individually or in the aggregate, reasonably be expected to have a material impact on the Business. As used herein, the phrase "to the knowledge" of Seller or "knowingly" by Seller shall mean the actual knowledge of Richard Oliphant, after due inquiry with respect to the matter at issue.

2.6 Legal Compliance. The Business is, and at all times since January 1, 2013, has been conducted in material compliance with all applicable Laws and all applicable airport rules and regulations. Seller has not received any written notices from any governmental authority alleging, nor does Seller have knowledge of, a violation of any applicable Law or airport rule or regulation, at any time since January 1, 2013, that would, individually or in the aggregate, reasonably be likely to be material to the Business.

2.7 Contracts; No Defaults.

(a) Schedule 2.7(a) contains a complete and accurate list of the legally binding contracts, agreements, subcontracts, leases, subleases or purchase orders ("Contracts") that are related to the Business or by which any of the Assets are bound, in each case as amended.

(b) Seller has made available to Buyer, prior to the execution of this Agreement, true and complete copies of each written Contract (including all amendments thereto), and an accurate and complete description of the terms of any oral Contract, in each case, listed on Schedule 2.7(a). All of the Contracts listed or required to be listed on Schedule 2.7(a) are (i) in full force and effect, subject to the Remedies Exception, and (ii) represent the valid and binding obligations of Seller, and, to the knowledge of Seller, each of the other parties thereto. No party is in material breach of or in material default under any Contract listed or required to be listed on Schedule 2.7(a) and Seller has not received any claim or notice of material breach of or material default under any such Contract. No event has occurred which, individually or together with other events, would reasonably be expected to result in a material breach of or a material default under any such Contract (in each case, with or without notice or lapse of time or both).

2.8 Company Benefit Plans. Seller maintains no "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any other plan, policy, program, agreement or arrangement, whether subject to ERISA or not and whether written or oral, providing employment, compensation or other benefits to any current or any former employee of the Business, which are maintained, sponsored or contributed to by Seller or any ERISA affiliate.

2.9 Taxes.

(a) All material Tax Returns required to be filed with respect to the Assets, the Leased Real Property and the Business have been filed, and all such Tax Returns are true, complete, and correct in all material respects.

(b) All Taxes which are due and payable by Seller or with respect to the Assets, the Leased Real Property or Business have been paid, whether or not shown on any Tax Return.

(c) Seller has, with respect to the Assets, the Leased Real Property or the Business, properly and timely withheld and collected all material amounts required to be withheld or collected, timely deposited such amounts with the appropriate governmental authority, and have properly reported all Taxes that they are required to withhold from amounts paid or owing to any employee, consultant, creditor or other third party.

(d) No written notice of deficiency or assessment of Taxes has been received by Seller from any governmental authority with respect to the Assets, the Leased Real Property or the Business. Seller has not executed any waiver of any statute of limitations on or extending the period for the assessment or collection of any Tax with respect to the Assets, the Leased Real Property and the Business.

(e) There is no action, dispute, suit, proceeding, investigation, audit, claim, proposed adjustment, assessment, or examination ongoing or pending with respect to Taxes of Seller or with respect to the Assets, the Leased Real Property or the Business, and Seller has not, with respect to the Assets, the Leased Real Property or the Business, received any (i) notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, (iii) claim that it is subject to Tax in a jurisdiction in which it does not file Tax Returns, or (iv) written notification of any audits, disputes, claims, refund litigations, proposed adjustments, assessments or examinations pending or proposed.

(f) None of the Assets are required to be depreciated under the alternative depreciation system under Section 168(g)(2) of the Code or are “tax-exempt use property” within the meaning of Section 168(h) of the Code.

(g) Seller has not filed, and does not have pending, any ruling requests with any taxing authority, including any requests to change any accounting method, with respect to the Assets, the Leased Real Property or the Business.

(h) No person who is not a “United States person” within the meaning of Section 7701(a)(30) of the Code is transferring a Transferred Asset or the Leased Real Property that constitutes a “United States real property interest” within the meaning of Section 897(c) of the Code.

(i) For purposes of this Agreement, “Tax Returns” means any return, declaration, report, statement, information statement or return or other document filed or required to be filed with respect to Taxes, including any amendments or supplements of any of the foregoing; and “Taxes” means all federal, state, provincial, local, foreign or other taxes, government fees or other like assessments or charges of any kind, including all income, gross receipts, license, unclaimed property, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, ad valorem, value added, inventory, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, alternative or add-on minimum, or estimated tax, including any interest, penalty or addition in respect of the foregoing, including any transferee, successor or secondary liability for any Tax.

2.10 Brokers’ Fees. No broker, finder, investment banker or other individual or entity is entitled to any brokerage fee, finders’ fee or other similar commission, for which Buyer or any of its affiliates would be liable in connection with the transactions contemplated by this Agreement based upon arrangements made by Seller or any of its affiliates (“Broker Fees”).

2.11 Permits. No permits, licenses, orders, authorizations, registrations or other approvals by a governmental body (“Permits”) are required to be held for the conduct of the Business, other than a general business license held with the State of California and Permits required under applicable Environmental Law (as defined below) set forth on Schedule 2.14.

2.12 Title to Assets. Seller owns and has good title to, or has valid rights to use, all of the Assets free and clear of all Liens, other than Liens arising out of any actions of Buyer and its affiliates or for Taxes not yet due and payable. The transfer of the Assets and the other rights, licenses, properties, services and benefits to be provided pursuant to this Agreement and the Ancillary Agreements, constitute all of the assets, properties and rights owned, leased or licensed by Seller necessary for or used in the conduct of the Business as currently conducted and will enable Buyer and its affiliates to operate the Business after the Closing in substantially the same manner as operated by Seller since March 1, 2018.

2.13 Real Property.

(a) Seller does not own any real property or have a fee ownership interest in any real property used or operated in connection with the Business, including any rights, Contracts or

options to acquire an ownership interest in any real property, other than pursuant to the Ground Lease.

(b) Schedule 2.13(b) sets forth a complete and accurate list of list of all subleases, licenses, concessions, easements, servitudes, rights-of-way, encumbrances or other occupancy or use agreements, written or oral (collectively, the "Subleases"), pursuant to which Seller has subleased, licensed, or otherwise permitted or granted any individual or entity the right to use or occupy all or any portion of the Leased Real Property (the "Subleased Real Property"), and which list specifies (i) the use or uses of each parcel of Subleased Real Property pursuant to each of the Subleases, (ii) the portion (expressed by square footage) of the Leased Real Property subleased or licensed pursuant to each Sublease, and (iii) the identities of the parties to each Sublease.

(c) Each of the Ground Lease and the Subleases is in full force and effect, and neither the Seller, nor any other party to the Ground Lease or any Sublease is in breach or default under the Ground Lease or Sublease, as applicable (including any provision the breach or default of which would result in termination of the Ground Lease or any of the Subleases), and no event has occurred or circumstance exists which with the delivery of notice, the passage of time or both, would constitute a breach or default under the Ground Lease or any of the Subleases, or permit the termination of, modification of or acceleration of rent or other amounts payable by or to Seller under the Ground Lease or any of the Subleases. Seller has made available to Buyer true, a correct and complete copies of the Ground Lease and each of the Subleases, and all other material documents and correspondence included in Seller's files relating to the Ground Lease and the Subleases. The Leased Real Property has direct vehicular and pedestrian access to a public road or has access to public road via an easement benefitting such Leased Real Property.

(d) Except as would not be reasonably likely to be material, there are no pending or, to the knowledge of Seller, threatened appropriation, condemnation, eminent domain, rezoning or like proceedings relating to the Leased Real Property. The occupancy, use and operation of the Leased Real Property by Seller complies in all material respects with all applicable Laws, airport minimum standards, rules and regulations, and governmental orders and the terms and conditions of the Ground Lease.

(e) All Improvements upon the Leased Real Property are in good condition and repair (ordinary wear and tear excepted). Except for the improvements to the Leased Real Property required by the County to be completed pursuant to the Ground Lease (the "Required Improvements"), there is no requirement or obligation existing or, to the knowledge of Seller, threatened to construct or make minimum investments in the construction or the repair or improvement of any Improvements on any portion of the Leased Real Property that would require capital expenditures in excess of Ten Thousand Dollars (\$10,000) in the aggregate.

(f) Seller has a valid and enforceable leasehold estate in, or valid and enforceable right to use and occupy, and enjoys peaceful and undisturbed possession of, the Leased Real Property, subject to the Remedies Exception, and there are no Liens on the Leased Real Property other than for Taxes not yet due and payable.

(g) With respect to the Business, Seller has not received any written or oral notice that the County intends to (i) require, or issue a request that requires, the Business to move from the current location at the Airport to another location at the Airport at the end of the term of the Ground Lease, (ii) require, or issue a request that requires, the Business to make additional



investments on or to the Leased Real Property at or after the end of the term of the Ground Lease, whether as a condition to extending the term of the Ground Lease or otherwise, (iii) issue a request for proposal (RFP) in respect of the Business in connection with the end of the term of the Ground Lease that could result in a third party unaffiliated with Buyer being awarded a fixed base operator concession at the Airport, or (iv) take any other action, or make any other request, that could reasonably be expected to have a material impact on the Business at any time in the future.

2.14 Environmental Matters. Except as set forth on Schedule 2.14:

(a) Seller has complied and is in compliance with, and the Leased Real Property and all Improvements thereon are in compliance with all applicable foreign, federal, state or local Laws (including common law), relating to Hazardous Materials or the protection of health, safety and the environment ("Environmental Laws") applicable to the Leased Real Property or the Business. Seller has no debts, liabilities, deficiencies, assessments, Taxes, fines, penalties, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, known or unknown ("Liability"), and no facts, circumstances, or conditions existing, initiated or occurring prior to the Closing Date that will result in Liability to Seller, under any Environmental Law, nor is it responsible for any such Liability of any other individual or entity under any Environmental Law, whether by contract, by operation of law or otherwise to the extent applicable to the Leased Real Property or the Business. There are no pending or, to the knowledge of the Seller, threatened claims, actions, proceedings or other Liabilities affecting Seller, the Leased Real Property or any improvements thereon pursuant to Environmental Laws or asserting any violation of or failure to comply with any Environmental Laws.

(b) The Leased Real Property contains no above-ground or, to Seller's knowledge, underground treatment or storage tanks, or underground piping associated with such tanks, or monitoring wells or similar improvements used currently or in the past for the management or monitoring of Hazardous Materials, and no portion of the Leased Real Property is or has been used as a dump or landfill or consists of or contains filled in land or wetlands. To the Seller's knowledge, neither PCBs, "toxic mold," nor regulated asbestos-containing materials are present on or in the Real Property or the improvements thereon. No water body into which Hazardous Materials are released in connection with the Business is currently listed or proposed for listing under 33 U.S.C. §1313(d), nor are such properties adjacent to any such water body. Seller has not arranged, by contract, agreement or otherwise, for the transportation, disposal or treatment of Hazardous Materials at any location such that Seller is or, to Seller's knowledge, could reasonably be expected to be liable for remediation of such location pursuant to Environmental Laws.

(c) Seller has not (i) received a CERCLA 104(e) information request, (ii) been named a potentially responsible party for any National Priorities List site under CERCLA or any other database or site under analogous Environmental Law, or (iii) received an analogous notice or request from any non-U.S. governmental entity, in each case in connection with the Business, the Assets, including the Leased Real Property. The Business is not subject to any order, decree, injunction or agreement with any governmental authority or any indemnity or other agreement with any other individual or entity relating to Liability under any Environmental Law.

(d) Seller has furnished to Buyer accurate and complete copies of all environmental assessments, reports, audits and other documents in its possession or under its control that relate to the Leased Real Property or compliance with Environmental Laws. To Seller's

knowledge, any information Seller has furnished to Buyer concerning the environmental conditions of the Leased Real Property, prior uses of the Leased Real Property and the operations of Seller related to compliance with Environmental Laws is accurate and complete.

(e) No authorization, notification, recording, filing, consent, waiting period, remediation, or approval is required under any Environmental Law in order to consummate the transactions contemplated hereby.

(f) Schedule 2.14 sets forth all Permits, if any, required under Environmental Law for the conduct of the Business held by Seller. All such Permits are valid and in full force and effect.

(g) For purposes of this Section 2.14, “Hazardous Material” means any substance, material or waste that is listed, classified or regulated by a Governmental Authority as a “toxic substance”, “hazardous substance”, “solid waste” or “hazardous material” or words of similar meaning or effect or otherwise regulated for potentially harmful effects to human health or the environment by any Governmental Authority (including oil, petroleum products of any type or nature, and any derivative thereof).

2.15 Absence of Changes. Since March 1, 2018, there have not been any events, occurrences, developments or circumstances that have had or are reasonably likely to have, individually or in the aggregate, a material adverse effect on the business, results of operations, assets, properties, liabilities or financial condition of the Business (“Material Adverse Effect”), Seller has conducted the Business in all material respects in the ordinary course of business, and there has been no other action taken by Seller that, if taken as of or after the date hereof, would require the consent of Buyer under Section 4.1.

2.16 Affiliate Transactions. There are no Contracts or other instrument, arrangement, relationship and understanding between the Business, on the one hand, and Seller or its affiliates (other than the Business), on the other hand (each, an “Affiliate Arrangement”). Schedule 2.16 identifies all loans, notes, and advances regardless of their maturity, and all other intercompany receivables and payables, including any accrued and unpaid interest thereon, between the Business, on the one hand, and Seller and its affiliates (other than the Business), on the other hand.

2.17 Insurance. Schedule 2.17 lists, as of the date hereof, all insurance policies maintained for the benefit of the Business, including in respect to each such insurance policy the policy name, type and amount of coverage and each such policy is in full force and effect and Seller is not and, to Seller’s knowledge, no other party to the policy, is in material breach or default under any such policy. The insurance coverage that Seller carries is adequate and appropriate for the Business as presently conducted.

2.18 Full Disclosure. No representation or warranty by the Seller in this Agreement and no statement contained in the Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE III  
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

3.1 Corporate Organization. Buyer has been duly incorporated and is validly existing as a limited liability company in good standing under the Laws of Delaware and has the requisite power and authority to own or lease its properties and to conduct its business as it is now being conducted. Buyer is duly licensed or qualified and (where applicable) in good standing in each jurisdiction in which the ownership of its property or the character of its activities is such as to require it to be so licensed or qualified or in good standing, as applicable, except where failure to be so licensed or qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Buyer.

3.2 Due Authorization. Buyer has all requisite power and authority to execute and deliver this Agreement and each of the Ancillary Agreements and (subject to the consents, approvals, authorizations and other requirements described in Section 3.5 and the next sentence) to perform all obligations to be performed by it hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Agreements by Buyer and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by the board of directors of Buyer, and no other proceedings on the part of Buyer are necessary to authorize this Agreement or the Ancillary Agreements. This Agreement and each of the Ancillary Agreements have been duly and validly executed and delivered by Buyer and (assuming this Agreement and each of the Ancillary Agreements constitute legal, valid and binding obligations of the other parties hereto and thereto) constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the Remedies Exception.

3.3 No Conflict. The execution and delivery of this Agreement and the Ancillary Agreements by Buyer and the consummation by Buyer of the transactions contemplated hereby and thereby do not and will not, as of the Closing, (a) violate any provision of, or result in the breach of, any applicable Law to which Buyer is subject or by which any property or asset of Buyer is bound, (b) conflict with the organizational documents of Buyer, or (c) violate any provision of or result in a breach of, or require a consent under, any agreement, indenture or other instrument to which Buyer is a party or by which Buyer may be bound, or terminate or result in the termination of any such agreement, indenture or instrument, or result in the creation of any Lien under any such agreement, indenture or instrument upon any of the properties or assets of Buyer or constitute an event which, after notice or lapse of time or both, would reasonably be expected to result in any such violation, breach, termination or creation of a Lien, except to the extent that the occurrence of the foregoing items set forth in clause (a) or (c) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Buyer.

3.4 Litigation and Proceedings. As of the date of this Agreement, there are no pending or, to the knowledge of Buyer, threatened, lawsuits, actions, suits, claims or other proceedings at law or in equity, or, to the knowledge of Buyer, investigations, before or by any governmental authority against Buyer that, if determined adversely, would, individually or in the aggregate, reasonably be expected to prevent or restrict Buyer from performing its obligations under this Agreement. As of the date hereof, there is no unsatisfied judgments or any open injunction binding upon which would, individually or in the aggregate, reasonably be expected to prevent or restrict Buyer from performing its obligations under this Agreement.

3.5 Governmental Consents. Assuming the truth and completeness of the representations and warranties of Seller contained in this Agreement, and except as may result from any facts or circumstances to the extent exclusively related to the identity of Seller or its Affiliates, no consent, approval or authorization of, or designation, declaration or filing with, any governmental authority is required on the part of Buyer with respect to Buyer's execution or delivery of this Agreement and the Ancillary Agreements or the consummation by Buyer of the transactions contemplated hereby and thereby, except for any consents, approvals, authorizations, designations, declarations or filings, the absence of which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Buyer.

3.6 Financial Ability. Buyer, or an Affiliate of Buyer, has, and will have at the Closing, cash on hand and/or undrawn amounts immediately available under existing credit facilities or working capital necessary to consummate the transactions contemplated by this Agreement, including paying the Closing Cash Consideration at the Closing and paying all related fees and expenses.

#### ARTICLE IV COVENANTS OF SELLER

##### 4.1 Conduct of Business.

(a) From the date hereof through the Closing, except (i) as would constitute a violation of applicable Law (including any applicable antitrust or competition Law), (ii) as set forth on Schedule 4.1 or expressly required by this Agreement, or (iii) as consented to by Buyer in writing (which consent shall not be unreasonably conditioned, withheld, delayed or denied), Seller shall, (x) operate the Business in the ordinary course of business, and (y) use commercially reasonable efforts to maintain the relationships with the material customers, suppliers and vendors of the Business, and keep the tangible Assets in good repair and condition (ordinary wear and tear excepted).

(b) Without limiting the generality of the foregoing, to the extent related to the Business, Seller shall not, except (i) as would constitute a violation of applicable Law, (ii) as set forth on Schedule 4.1 or expressly required by this Agreement, or (iii) as consented to by Buyer (which consent shall not be unreasonably conditioned, withheld, delayed or denied) in writing:

- (i) (A) materially modify or terminate (excluding any expiration in accordance with its terms) any Transferred Contract; (B) waive, release or assign in any material respect any rights or claims in any Contract covered by the foregoing clause (A); or (C) take any action that could adversely affect the term, validity or enforceability of any Transferred Contract;
- (ii) enter into any Contract that would be a Transferred Contract if entered into prior to the date hereof;
- (iii) except for the sales in the ordinary course of business, sell, assign, transfer, convey, lease, license, knowingly surrender, encumber, divest, cancel, knowingly abandon, allow to lapse or expire or otherwise dispose of or subject to any Lien (other than for Taxes not yet due and payable), any Assets;

- (iv) (A) initiate, compromise or settle any litigation or other Action resulting in any non-monetary restrictions on the freedom of the Business to operate after the Closing, or (B) cancel, compromise, release or assign any material claims held by the Business;
- (v) make any material election relating to Taxes (except such that are consistent with past practice) or settle or compromise any Tax Liability or amend any Tax Return if such election, settlement or compromise in each case that would be binding on Buyer after the Closing;
- (vi) grant any allowances, sales, concessions or discounts outside the ordinary course of business;
- (vii) fail to maintain all insurance covering the Business, its employees and Assets, including the Leased Real Property, in full force and effect with their existing insurance providers, comparable in amount, scope and coverage to that in effect on the date hereof;
- (viii) make or commit to make any capital expenditures or capital additions or impairments affecting the Leased Real Property; or
- (ix) authorize, agree, resolve or otherwise commit to do any action prohibited under this Section 4.1(b).

(c) Nothing contained in this Agreement shall give Buyer, directly or indirectly, any right to control or direct the Business prior to the Closing. Prior to the Closing, Seller shall exercise, consistent with the other terms and conditions of this Agreement, complete control and supervision over the Business and Buyer shall exercise, consistent with the other terms and conditions of this Agreement, complete control and supervision over its business.

4.2 Inspection. From the date hereof through the Closing, Seller shall afford Buyer and any director, officer, employee, manager, member, agent, attorney, accountant, consultant or other representative (“Representatives”) reasonable access, during normal business hours, in such manner as to not unreasonably interfere with the normal operation of the Business, to the books and records, the officers and employees of the Business and the physical facilities of the Business and shall furnish such Representatives with financial and operating data and other information concerning the affairs of the Business, in each case as such Representatives may reasonably request.

4.3 Insurance. To the extent that Seller was insured prior to the Closing Date under third-party insurance policies providing occurrence-based coverage related to the Assets, as named insureds or otherwise, following the Closing, (a) Seller shall, at Buyer’s written reasonable request, make claims with respect to occurrences or events related to the Assets prior to the Closing under any such insurance policies (but Seller shall not be obligated to further pursue or commence any action with respect such claims and Buyer shall have the right to pursue any such claims at its sole cost and expense), and (b) if Seller receives any amounts under any such insurance policies with respect to such claims, then Seller shall promptly forward such amounts to Buyer, net of reasonable costs of its recovery. Seller agrees to promptly cooperate and promptly provide assistance to Buyer, or take such actions as may be required, in connection with the tendering or pursuit of such claims to the

applicable insurers. The existence of any such insurance shall not be deemed to affect any indemnification obligations or limitation of liability provided for in this agreement.

4.4 No Solicitation. On the date hereof, Seller shall, and shall cause its Representatives to, immediately cease any existing discussion or negotiation with any individual or entity (other than Buyer and its Affiliates) relating to an acquisition of the assets and properties of Seller, the Assets, the Business or the equity of Seller, in whole or in part, whether directly or indirectly, through purchase, merger, consolidation or otherwise (collectively, a "Competing Transaction"). During the period beginning on the date hereof and ending on the Closing Date, Seller shall, and shall cause the its Representatives to, refrain from taking, directly or indirectly, solicit offers from, negotiate with, or enter into any agreement with any individual or entity (other than Buyer or its Affiliates), or in any manner encourage any proposal by any other individual or entity relating to a Competing Transaction. Seller shall notify Buyer as soon as practicable after receipt by Buyer or Seller or any of their respective Representatives of any expression of interest, proposal or offer (including any request for non-public information) relating to a possible Competing Transaction that is received from any individual or entity on or after the date hereof, identifying the individual or entity making the expression of interest, proposal or offer and describing the material terms thereof.

4.5 Restrictive Covenants.

(a) For a period of five (5) years from and after the Closing Date Seller shall not, and shall cause its Affiliates not to, directly or indirectly, whether as principal, partner, officer, director, employee, consultant, manager, member or stockholder, own, manage, operate, participate in, control or acquire more than five percent (5%) of (or the right to acquire more than five percent (5%) of) any class of voting securities of, perform services for or otherwise carry on or engage in, a business that competes with the Business or with Buyer's fixed base operation at the Airport.

(b) Seller acknowledges and agrees that the scope of the restrictive covenants set forth in clause (a) above are reasonably tailored, and not broader than necessary, to protect the legitimate business interests of Buyer. If any term or provision of this Section 4.5 shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining terms and provisions of this Section 4.5 enforceable. This Section 4.5 as thus amended shall be enforced so as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Section 4.5, to the extent necessary to comply with any Law and to enforce this Section 4.5, as modified.

4.6 Schedules. Within five (5) business days of the date of this Agreement, Seller shall deliver to Buyer the schedules to this Agreement. Buyer shall have three (3) business days to review such schedules and if Buyer disputes any information set forth on such schedules, Buyer shall notify Seller, and Buyer and Seller shall use commercially reasonable efforts to resolve any such dispute within five (5) business days of Buyer's notice of such dispute. If Buyer and Seller are unable to resolve such dispute within such five (5) business days, Buyer may elect to terminate this Agreement upon written notice to Seller.

ARTICLE V  
COVENANTS OF BUYER

5.1 Retention of Books and Records. Seller shall be entitled to retain the copies of Transferred Books and Records (as defined below) in existence and transferred to Buyer at the Closing to the extent any such Transferred Books and Records are required to be retained under Seller's existing retention policies that apply to Seller's existing businesses for the periods provided for in such retention policies, solely to the extent reasonably necessary for Seller to address and respond to any matters regarding Seller's or its Affiliates' financial statements, Taxes and any reporting obligations that arise as a result of or are otherwise reasonably related to Seller's prior ownership of the Business.

ARTICLE VI  
JOINT COVENANTS

6.1 Support of Transaction.

(a) Subject to the other terms and conditions of this Agreement, Buyer and Seller shall use commercially reasonable efforts promptly to take, or cause their respective affiliates to take, all actions, and to assist and cooperate with the other parties in doing all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement as soon as practicable. Neither Buyer nor any of its affiliates shall be required to satisfy any portion of a fee or payment or incur any expense necessary to obtain such consent or approval, other than de minimis administrative fees and expenses.

(b) Each party shall be solely responsible for its own costs and fees payable to any governmental authority in connection with the transactions contemplated by this Agreement.

6.2 Further Assurances. Each party hereto agrees that, from time to time after the Closing Date, it will execute and deliver, or cause its respective Affiliates to execute and deliver, such further instruments, and take (or cause its respective Affiliates to take) such other action as may be reasonably necessary to carry out the purposes and intents of this Agreement.

6.3 Tax Matters.

(a) Taxes Payable. For purposes of this Agreement, the portion of any Taxes payable with respect to a taxable period beginning on or prior to the Closing Date and ending after the Closing Date (a "Straddle Period") shall be allocated to the taxable period (or portion thereof) ending on (and including) or before the Closing Date (the "Pre-Closing Tax Period"):

- (i) in the case of Taxes that are either (A) based upon or related to income or receipts or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), other than conveyances pursuant to this Agreement, deemed equal to the amount which would be payable if the taxable year ended on the Closing Date; and
- (ii) in the case of Taxes imposed on a periodic basis with respect to the assets or otherwise measured by the level of any item, shall be the

product of (A) the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) and (B) a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period.

(b) Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, all federal, state, local or foreign or other excise, sales, use, value added, transfer (including real property transfer or gains or transfer taxes, if any, payable upon assignment of any Transferred Contracts), stamp, documentary, filing, recordation and other similar taxes and fees that may be imposed or assessed as a result of the transactions contemplated by this Agreement, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties ("Transfer Taxes") shall be shared equally by Seller and Buyer; provided, however, that each of Seller and Buyer shall use, and each shall cause their respective Affiliates to use, reasonable efforts to obtain any available exemptions from any such Transfer Taxes, and to cooperate with the other parties in providing any information and documentation that may be necessary to obtain such exemption.

(c) Assistance and Cooperation. After the Closing Date, the parties shall cooperate fully in connection with filing Tax Returns and preparing for any audits of, or disputes with taxing authorities regarding, any Tax Returns and payments in respect thereof. Each party shall (i) provide timely notice to the other in writing of any pending or proposed audits or assessments with respect to Taxes for which such other party or any of its Affiliates may have a Liability, and (ii) furnish the other with copies of all relevant correspondence received from any taxing authority in connection with any audit or information request with respect to any Taxes referred to in clause (i) above. In addition, Buyer and Seller shall cooperate in good faith in obtaining any certificate or other document from any governmental authority or any other individual or entity as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed by the transactions contemplated hereby.

6.4 Confidentiality. From and after Closing, Seller shall, and shall cause its Affiliates and representatives having access to such information, to hold in confidence and not use all documents and information concerning the Business, the Assets and the Assumed Liabilities. The foregoing requirements of this Section 6.4 shall not apply to the extent that (a) any such information is or becomes generally available to the public other than through the fault of Seller or any of its Affiliates or representatives, (b) any such information is required to satisfy any public disclosure, financial reporting, or similar obligations under any stock exchange rules or applicable law, or (c) any such information was or becomes available to Seller or its Affiliates on a non-confidential basis and from a source (other than Seller or any of its Affiliates or Representatives) that is not bound by an obligation of confidentiality with respect to such information. If Seller is requested or required (in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any such confidential information, then Seller shall notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 6.4. If, in the absence of a protective order or the receipt of a waiver hereunder, Seller is on the advice of counsel compelled to disclose any such confidential information to any tribunal or else stand liable for contempt, then Seller may disclose the confidential information to the tribunal; provided, however, that Seller shall upon the request and at the expense of Buyer,



exert its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the confidential information required to be disclosed as Buyer shall designate.

6.5 Other Post-Closing Assistance.

(a) After the Closing, each party agrees to provide, or cause to be provided, to each other, as soon as reasonably practicable after written request therefor and at the requesting party's sole expense, reasonable access, during normal business hours, to such party's information related to the Business (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities laws) by a governmental authority having jurisdiction over the requesting party; or (ii) as reasonably necessary for financial and Tax reporting and accounting matters; provided, however, that no party shall be required to provide access to or disclose information where such access or disclosure would violate any Law or agreement, waive any attorney-client privilege or disclose competitively sensitive information. Notwithstanding the foregoing, this Section 6.5 shall not apply to actions with respect to which the parties are in dispute as to whether a party has an obligation to provide indemnification under ARTICLE IX.

(b) Third Party Confidential Information. Nothing in this Section 6.5 shall require either party to violate any agreement with any third parties regarding the confidentiality of confidential and proprietary information; provided, however, that in the event that either party is required under this Section 6.5 to disclose such information, that party shall use all commercially reasonable efforts to seek to obtain such third party's consent to the disclosure of such information and implement requisite procedures to enable the disclosure of such information.

6.6 Post-Closing Receipt of Receivables. From and after the Closing, if Seller or any of its affiliates, receives or collects any funds related to any Transferred Asset, Seller shall, and shall cause its affiliates, to remit such funds to Buyer within five (5) Business Days after its receipt thereof. From and after the Closing, if Buyer or any of its affiliates receives or collects any funds relating to any Excluded Asset, Buyer shall, or shall cause its affiliate to, remit any such funds to Seller within five (5) Business Days after its receipt thereof.

ARTICLE VII  
**CONDITIONS TO OBLIGATIONS**

7.1 Conditions to the Obligations of Buyer and Seller. The obligations of Buyer and Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following condition, which may be waived in writing by the parties: there shall not be in force any governmental order to, and there shall be no claim, action, suit, audit, assessment, arbitration, inquiry, proceeding or investigation, in each case, by or before any governmental authority pending that seeks to, enjoin or prohibit the transactions contemplated by this Agreement or any Ancillary Agreement.

7.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Buyer:

(a) (i) each of the representations and warranties contained in Section 2.1 [*Organization of Seller*], Section 2.2 [*Due Authorization*], Section 2.12 [*Title to Assets*] and

Section 2.13 [Real Property] (collectively, the “Fundamental Representations”) shall be true and correct in all respects as of the Closing Date, disregarding all qualifications contained therein relating to materiality or Material Adverse Effect, as if made anew at and as of that date, except with respect to representations and warranties which speak as to another date (without giving effect to the preamble to ARTICLE II), which representations and warranties shall be true and correct in all respects at and as of such date, and (ii) each of the other representations and warranties contained in ARTICLE II, disregarding all qualifications contained therein relating to materiality or Material Adverse Effect, shall be true and correct as of the Closing Date, as if made anew at and as of that date, in all material respects, except with respect to representations and warranties which speak as to another date, which representations and warranties shall be true and correct at and as of such date in all material respects;

(b) each of the covenants of Seller to be performed at or prior to the Closing shall have been performed in all material respects;

(c) Seller shall have delivered to Buyer a certificate signed by an officer of Seller, dated as of the Closing Date, certifying that the conditions specified in Sections 7.2(a), 7.2(b) and 7.2(l), have been fulfilled;

(d) Seller and its applicable affiliates, have executed and delivered to Buyer the Ancillary Agreements;

(e) the County shall have consented to the assignment and assumption of the Ground Lease by Seller to Buyer without modification thereto (other than the Ground Lease Amendment) and the form of the consent to the assignment and assumption of the Ground Lease shall be reasonably acceptable to Buyer, and the County shall have executed an estoppel certificate in form reasonably acceptable to Buyer with respect to certain matters set forth therein relating to the Ground Lease;

(f) the County shall have entered into and delivered to Buyer an amendment to the Ground Lease, amending the obligations concerning the Required Improvements and adding a portion of the heavy ramp located adjacent to the hangar located on the Leased Real Property to the description of the Leased Real Property to be transferred to Buyer, effective as of the Closing and in a form satisfactory to Buyer (the “Ground Lease Amendment”);

(g) Buyer shall have received the consents and approvals set forth on Schedule 7.2(g), none of which shall be subject to the satisfaction of any condition that has not been satisfied or waived, but all of which both shall be in full force and effect, and shall be evidenced by documentation in form and substance reasonably satisfactory to Buyer;

(h) Buyer shall have completed to its satisfaction its due diligence review of the Business and the Assets, including receipt of the Schedules to this Agreement pursuant to Section 4.6 reasonably satisfactory to Buyer and receipt of an update to the Phase I environmental assessment conducted by an environmental firm engaged by Buyer, at Buyer’s sole cost and expense, identifying no environmental conditions or Liabilities that are reasonably unsatisfactory to Buyer;

(i) Buyer shall have received evidence of the discharge in full of all Liens on or affecting the Assets, including the Leased Real Property, other than for Taxes not yet due and payable;

(j) Buyer shall have received a duly executed payoff letter in a form satisfactory to Buyer from each lender and financial institution (if any) to which Seller or its affiliates are indebted, which indebtedness is to be paid at Closing and secured by Liens on the Leased Real Property or the Assets;

(k) Buyer shall have received evidence satisfactory to it that the Hangar Management and Services Agreement dated April 11, 2016 between Seller and Desert Jet Center, a California corporation, and all obligations of Seller thereunder, shall be terminated in full effective as of the Closing; and

(l) there shall not have been any event, occurrence, development or circumstance that has had or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the Business.

7.3 Conditions to the Obligations of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Seller:

(a) (i) each of the representations and warranties contained in Section 3.1 and Section 3.2, disregarding all qualifications contained therein relating to materiality or Material Adverse Effect, shall be true and correct in all respects as of the Closing Date, as if made anew at and as of that date, except with respect to representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all material respects at and as of such date, and (ii) each of the other representations and warranties contained in ARTICLE III, disregarding all qualifications contained therein relating to materiality or Material Adverse Effect, shall be true and correct as of the Closing Date, as if made anew at and as of that date, in all material respects, except with respect to representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct at and as of such date in all material respects;

(b) each of the covenants of Buyer to be performed at or prior to the Closing shall have been performed in all material respects;

(c) Buyer shall have delivered to Seller a certificate signed by an officer of Buyer, dated as of the Closing Date, certifying that the conditions specified in Section 7.3(a) and Section 7.3(b) have been fulfilled; and

(d) Buyer has executed and delivered to Seller the Ancillary Agreements.

7.4 Waiver of Conditions; Frustration of Conditions. None of Seller or Buyer may rely on the failure of any condition set forth in this ARTICLE VII to be satisfied if such failure was caused by the failure of Seller, on the one hand, or Buyer, on the other hand, respectively, to comply with its obligations under this Agreement.

ARTICLE VIII  
TERMINATION/EFFECTIVENESS

8.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned any time prior to the Closing:

- (a) by mutual written consent of Seller and Buyer;
- (b) by written notice to Seller from Buyer if:
  - (i) there is any breach of any representation, warranty, covenant or agreement on the part of Seller, set forth in this Agreement, such that the conditions specified in Section 7.1 or Section 7.2 would not be satisfied at the Closing (a "Terminating Seller Breach"), except that, if any such Terminating Seller Breach is curable by Seller through the exercise of its commercially reasonable efforts, then, for a period of up to fifteen (15) days after receipt by Seller of notice from Buyer of such breach, but only as long as Seller, as applicable, continues to use its commercially reasonable efforts to cure such Terminating Seller Breach (the "Seller Cure Period"), such termination shall not be effective until the end of the Seller Cure Period (provided, that such Seller Cure Period shall not extend the Outside Date), and such termination shall become effective only if the Terminating Seller Breach is not cured within the Seller Cure Period;
  - (ii) the Closing has not occurred on or before the later of August 31, 2018, unless Buyer's breach of its obligations under this Agreement is the primary reason for the Closing not occurring on or before such date, provided that if the Closing shall not have occurred by the Outside Date solely because the County has not consented to the assignment of the Ground Lease or entered into the Ground Lease Amendment, then the Outside Date shall automatically be extended to the earlier of (x) five (5) business days after the date of such consent and execution of the Ground Lease Amendment or (y) the date the County notifies the parties that it will not consent to the assignment of the Ground Lease or the Ground Lease Amendment (as may be so extended, the "Outside Date");
  - (iii) pursuant to Section 4.6 or a condition of Buyer in Section 7.2 becomes impossible of being satisfied by the Outside Date; or
  - (iv) the Closing is permanently enjoined or prohibited by the terms of a final, non-appealable governmental order;
- (c) by written notice to Buyer from Seller if:
  - (i) there is any breach of any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement, such that the conditions specified in Section 7.1 or Section 7.3 would not be

satisfied at the Closing (a "Terminating Buyer Breach"), except that, if any such Terminating Buyer Breach is curable by Buyer through the exercise of its commercially reasonable efforts, then, for a period of up to fifteen (15) days after receipt by Buyer of notice from Seller of such breach, but only as long as Buyer continues to use its commercially reasonable efforts to cure such Terminating Buyer Breach (the "Buyer Cure Period"), such termination shall not be effective until the end of the Buyer Cure Period (provided, that such Buyer Cure Period shall not extend the Outside Date), and such termination shall become effective only if the Terminating Buyer Breach is not cured within the Buyer Cure Period;

- (ii) the Closing has not occurred on or before the Outside Date, unless Seller's breach of its obligations under this Agreement is the primary reason for the Closing not occurring on or before such date;
- (iii) a condition of Seller in Section 7.3 becomes impossible of being satisfied by the Outside Date; or
- (iv) the Closing is permanently enjoined or prohibited by the terms of a final, non-appealable governmental order.

## 8.2 Effect of Termination.

(a) Except as otherwise set forth in this Section 8.2, in the event of the termination of this Agreement pursuant to Section 8.1, this Agreement shall forthwith become void and have no effect, without any Liability on the part of any party hereto or its respective affiliates, officers, directors, employees, stockholders or other equity holders, other than Liability of Seller or Buyer, as the case may be, for any breach of this Agreement occurring prior to such termination; provided, however, that, a failure of Buyer or Seller to consummate the transactions contemplated hereby in breach of this Agreement within three (3) Business Days of the date the Closing should have occurred pursuant to Section 1.1 shall be deemed to be a breach of such party's obligations under this Agreement (whether or not in the case of Buyer it had sufficient funds available to consummate the transactions contemplated hereby). In determining losses or damages recoverable upon termination by a party hereto for the other party's breach of its obligations under this Agreement, the parties hereto acknowledge and agree that such losses and damages shall not be limited to reimbursement of expenses or out-of-pocket costs, and shall include the benefit of the bargain lost by such party (taking into consideration relevant matters, including other opportunities and the time value of money), which shall be deemed to be damages of such party. The provisions in this Section 8.2 and ARTICLE X, shall survive any termination of this Agreement.

(b) In the event of termination of this Agreement by Buyer due to a Terminating Seller Breach pursuant to Section 8.1(b)(i), pursuant to Section 8.1(b)(iv) or pursuant to Section 8.1(b)(ii) for a failure of the conditions set forth in Section 7.2, Buyer and Seller shall instruct the Escrow Agent to release and disburse the Deposit to Buyer, and in the event of any other termination of this Agreement pursuant to this Section 8.2, Buyer and Seller shall instruct the Escrow Agent to release and disburse the Deposit to Seller. The disbursement of the Deposit pursuant to the foregoing sentence shall not limit any other right or remedy available to the parties for breach of this Agreement or otherwise in connection with any such termination.

ARTICLE IX  
INDEMNIFICATION

9.1 Indemnification.

(a) From and after the Closing, Seller shall indemnify, defend and hold harmless Buyer and its affiliates and their respective, officers, directors, members, managers, partners, equityholders, representatives, agents and successors and assigns (collectively, the "Buyer Indemnified Parties") from and against and in respect of any and all losses, damages, liabilities, taxes, interest, judgments, penalties and out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses) ("Damages") any Buyer Indemnified Party may suffer, sustain or incur result from, arise out of, relate to, or are caused by, any of the following (i) the Excluded Liabilities; (ii) any breach of, or inaccuracy in, any representation or warranty of Seller contained in this Agreement or in any certificates delivered pursuant to this Agreement; and (iii) any breach of the covenants required to be performed by Seller hereunder.

(b) From and after the Closing, Buyer shall indemnify, defend and hold harmless Seller and its affiliates and their respective, officers, directors, members, managers, partners, equityholders, representatives, agents and successors (collectively, the "Seller Indemnified Parties") from and against and in respect of any and all Damages any Seller Indemnified Party may suffer, sustain or incur result from, arise out of, relate to, or are caused by, any of the following (i) the Assumed Liabilities; (ii) any breach of, or inaccuracy in, the representations and warranties of Buyer contained in this Agreement or in any certificates delivered pursuant to this Agreement; and (iii) any breach of the covenants required to be performed by Buyer hereunder.

(c) The amount of indemnification to which a Buyer Indemnified Party or Seller Indemnified Party shall be entitled under this ARTICLE IX shall be determined: (i) by the written agreement between Buyer and Seller, (ii) by a final judgment or decree of any court of competent jurisdiction, or (iii) by any other means to which Buyer and Seller shall agree in writing. The judgment or decree of a court of competent jurisdiction shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined.

9.2 Indemnification Claim Procedures.

(a) If any claim, action, suit, audit, assessment, arbitration, inquiry, proceeding or investigation, in each case, by or before any governmental authority is commenced or threatened by any Person that either is not a party hereto or an affiliate of a party hereto (a "Third Party Action") that may give rise to a claim for indemnification (an "Indemnification Claim") by any Person entitled to indemnification pursuant to Section 9.1 (each, an "Indemnified Party"), then such Indemnified Party shall promptly (i) notify the Indemnitor and (ii) deliver to the Indemnitor a written notice (A) describing in reasonable detail the nature of the Action to the extent known, (B) including a copy of all papers served with respect to such Action, (C) including the Indemnified Party's estimate of the amount of Damages that may arise from such Action (if capable of being estimated at such time), and (D) describing in reasonable detail the basis for the Indemnified Party's request for indemnification under this Agreement.

(b) An Indemnitor may elect at any time to assume and thereafter conduct the defense of any Third Party Action subject to any such Indemnification Claim with counsel of the

Indemnitor's choice, and each Indemnified Party shall cooperate reasonably with the conduct of such defense by the Indemnitor at the expense of the Indemnitor (but, for the avoidance of doubt, shall not be required to make or participate in any claims, counterclaims or cross complaints against any Person in connection with the Action); provided, however, that the Indemnitor will not approve of the entry of any judgment or enter into any settlement or compromise with respect to such Action without the Indemnified Party's prior written approval (which must not be unreasonably conditioned, withheld, delayed or denied (except in the case of a settlement or compromise for non-monetary restrictions on the freedom of the Indemnified Party or any of its affiliates to operate, in which case such approval may be withheld at the Indemnified Party's sole discretion)). If the Indemnified Party gives an Indemnitor notice of a Third Party Action and the Indemnitor does not, within thirty (30) days after such notice is given, (i) give notice to the Indemnified Party of its election to assume the defense of the Action(s), including an acknowledgement in writing of the Indemnitor's indemnification obligations to the Indemnified Party with respect to any Indemnification Claim related to such Action(s) and (ii) thereafter promptly assume and use commercially reasonable efforts to pursue such defense, then the Indemnified Party may conduct the defense of such Action; provided, however, that the Indemnified Party will not agree to the entry of any judgment or enter into any settlement or compromise with respect to such Action(s) without the prior written consent of the Indemnitor (which consent shall not be unreasonably conditioned, withheld, delayed or denied). Notwithstanding anything to the contrary, the Indemnitor shall not be entitled to assume the defense of any Third Party Action (A) that involves any customer or supplier of the Company, (B) if the aggregate amount reasonably expected to be incurred in connection with such Third Party Action exceeds the amount remaining in the Escrow Fund or the Cap, (C) such Third Party Action involves criminal or quasi-criminal allegations, or (D) the Third Party Action includes a claim for injunctive relief.

(c) If any Indemnified Party becomes aware of any circumstances that may give rise to an Indemnification Claim for any matter not involving a Third Party Action, then such Indemnified Party shall promptly (i) notify the Indemnitor and (ii) deliver to the Indemnitor a written notice (A) describing in reasonable detail the nature of the circumstances giving rise to the Indemnification Claim to the extent known, (B) including the Indemnified Party's reasonable estimate of the amount of Damages that may arise from such circumstances (if capable of being estimated at such time), and (C) describing in reasonable detail the basis to the extent known for the Indemnified Party's request for indemnification under this Agreement.

(d) Failure to notify the Indemnitor in accordance with this Section 9.2 will not relieve the Indemnitor of any Liability that it may have to the Indemnified Party, except to the extent the defense of such Indemnification Claim is materially prejudiced by the Indemnified Party's failure to give such notice.

(e) If the Indemnitor Party disagrees with the validity or amount of all or a portion of a claim made by the Indemnified Party, the Indemnitor shall deliver to the Indemnified Party written notice thereof (the "Dispute Notice") thirty (30) days from the date it receives a notice in accordance with Section 9.2(c). If no Dispute Notice is received by the Indemnified Party within this period or the Indemnitor provides notice that it does not have a dispute with respect to such claim, such claim shall be deemed approved and consented to by the Indemnitor (such claim, an "Approved Indemnification Claim"). If a Dispute Notice is received by the Indemnified Party within the 30-day period, no payment shall be made until such disputed claim is resolved, whether by adjudication of such matter, agreement between the Indemnified Party and the Indemnitor, or otherwise (and upon any such resolution, such claim shall be deemed to be an Approved

Indemnification Claim). Each Approved Indemnification Claim shall be paid no later than five (5) business days after the date on which the subject claim became an Approved Indemnification Claim, in each case by wire transfer of immediately available funds to the account designated in writing by the party entitled to such payment.

(f) For the purpose of determining (i) whether there is a breach of any representation or warranty for purposes of this ARTICLE IX, and/or (ii) the amount of Losses, the representations and warranties of Seller will not be deemed to be qualified by any references to “materiality”, “in all material respects” and “Material Adverse Effect”.

9.3 Indemnification Sole and Exclusive Remedy. Subject to Section 10.13 and except as set forth in Section 1.8, the parties (on their own behalf and on behalf of any individual or entity claiming by or through them, including the Indemnified Parties) acknowledge and agree that, from and after the Closing, their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant or other agreement set forth in, or otherwise pursuant to, this Agreement shall be pursuant to the indemnification provisions set forth in this ARTICLE IX. All representations and warranties set forth in this Agreement are contractual in nature only and subject to the sole and exclusive remedies set forth in this Section 9.3. Nothing in this Section 9.3 shall limit any party’s rights to seek and obtain (a) any equitable relief to which such party may be entitled pursuant to Section 10.4, or (b) any remedies with respect to claims of fraud under applicable law.

## ARTICLE X MISCELLANEOUS

10.1 Waiver. No waiver by any of the parties of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party sought to be charged with such waiver. No waiver by any of the parties hereto of any default, misrepresentation or breach of representation, warranty, covenant or other agreement hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No failure or delay by any Party in exercising any power, right, or privilege under this Agreement shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or other agreement contained herein, and in any documents delivered or to be delivered pursuant to this Agreement and in connection with the Closing hereunder.

10.2 Notices. All notices and other communications among the parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered by FedEx or other internationally recognized overnight delivery service, or (c) when delivered by facsimile or email (in each case in this clause (c), to the extent provided below and solely if receipt is confirmed), addressed as follows:

(i) If to Seller, to:

KJ Aviation LLC  
77-900 Avenue of the States  
Palm Desert, CA 92211  
Attention: Richard Oliphant



Email: dick@oliphantenterprises.com

with a copy to (which shall not constitute notice):

Advocate Law Group, LLC  
212 W. Ironwood Dr.  
D-164  
Coeur d'Alene, ID 83814  
Attention: Shawn Glen  
Email: [shawn@blackhawkfunding.com](mailto:shawn@blackhawkfunding.com)

(ii) If to Buyer, to:

TRM CA Holdings, LLC  
c/o Ross Aviation Holdings, LLC  
3200 Cherry Creek South Drive, Suite 360  
Denver, CO 80209  
Attention: Jeffrey Ross  
Email: [JRoss@rossaviation.com](mailto:JRoss@rossaviation.com)

with a copy (which shall not constitute notice) to:

Ballard Spahr, LLP  
5480 Valmont Road, Suite 200  
Boulder, CO 80301  
Attn: Carin M. Cutler  
Email: [cutlerc@ballardspahr.com](mailto:cutlerc@ballardspahr.com)

or to such other address or addresses as the parties may from time to time designate in writing.

10.3 Assignment. No party hereto shall assign this Agreement or any part hereof without the prior written consent of the other parties; provided, however, Buyer may assign its rights under this Agreement, including the right to acquire any or all of the Assets to one or more of its affiliates. Any attempted assignment in derogation of the foregoing shall be null and void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10.4 Expenses. Except as otherwise expressly set forth in this Agreement, each party hereto shall bear its own expenses incurred in connection with this Agreement and the transactions contemplated hereby whether or not such transactions shall be consummated, including all fees of its legal counsel, financial advisors, accountants and other Representatives.

10.5 Governing Law. This Agreement, and all claims or causes of action based upon, arising out of, or related to, this Agreement or the transactions contemplated hereby, shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to principles or rules of conflict of laws to the extent such principles or rules would require or permit the application of Laws of another jurisdiction.

10.6 Counterparts. This Agreement may be executed in two or more counterparts, including by facsimile signature or other electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.7 Entire Agreement. This Agreement (together with the Schedules to this Agreement), the Ancillary Agreements and the binding provisions of that certain Letter of Intent, dated as of March 8, 2018, by and between Seller and Ross Aviation Holdings, LLC (the “LOI”) constitute the entire agreement among the parties relating to the transactions contemplated hereby and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the parties hereto or any of their respective Subsidiaries relating to the transactions contemplated hereby. No representations, warranties, covenants, understandings or agreements, oral or otherwise, relating to the transactions contemplated by this Agreement exist between the parties, except as expressly set forth in this Agreement, the Ancillary Agreements and the binding provisions of the LOI.

10.8 Amendments. This Agreement may be amended or modified, in whole or in part, only by a duly authorized agreement in writing executed in the same manner as this Agreement and which makes reference to this Agreement.

10.9 Publicity. Seller and Buyer agree that, from the date hereof through the Closing Date or the termination of this Agreement in accordance with its terms, no public release or announcement concerning the transactions contemplated hereby or any terms thereof shall be issued or made by or on behalf of any party without the prior written consent of the other party, except that each of Seller and Buyer may make announcements as Seller or Buyer, respectively, may reasonably determine is necessary to comply with applicable Law.

10.10 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. The parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Agreement, they shall take any reasonable actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent reasonable and necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the parties.

10.11 Bulk Transfer Laws. Buyer hereby waives, to the fullest extent permitted by applicable Law, compliance by Seller and its affiliates with the provisions of any so-called “bulk transfer law” of any jurisdiction in connection with the sale of the Assets.

10.12 Jurisdiction; Waiver of Jury Trial.

(a) Any action or proceeding based upon, arising out of or related to this Agreement or the Ancillary Agreements or the transactions contemplated hereby and thereby may be brought in the Delaware Chancery Court and the appellate courts therefrom, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such action. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by Law or to commence legal proceedings or otherwise proceed against any other

party in any other jurisdiction, in each case, to enforce judgments obtained in any Action brought pursuant to this Section 10.12.

(b) Each party hereto hereby waives, to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in respect of any action arising out of this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby. Each party hereto (i) certifies that no Representative of any other party has represented, expressly or otherwise, that such party would not, in the event of any action, seek to enforce the foregoing waiver, and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement or the Ancillary Agreements by, among other things, the mutual waiver and certifications in this Section 10.12(b).

10.13 Enforcement. The parties hereto acknowledge and agree that irreparable damage would occur, and that the parties would not have any adequate remedy at law, in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Notwithstanding the foregoing, the parties hereto agree that irreparable damage would occur, and that the parties would not have any adequate remedy at law, in the event that any of the provisions of Section 4.5 [*Restrictive Covenants*] were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to specifically enforce the terms and provisions of this Agreement, without proof of actual damages, in addition to any other remedy to which any party is entitled at law or in equity. Each party agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. The parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that such specific enforcement is unavailable because a remedy of monetary damages would provide an adequate remedy.

*[Remainder of page intentionally left blank.]*



IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be duly executed as of the date first above written.

**BUYER:**


**TRM CA Holdings, LLC**, a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SELLER:**

**KJ Aviation LLC**, a California limited liability company

By: **Oliphant Enterprises, LLC**, a California limited liability company  
Its: Manager

By:   
Name: Richard Oliphant  
Title: Manager

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**Exhibits**

Exhibit A                      Form of Bill of Sale, Assignment and Assumption



**Excluded Assets**

**Form of Bill of Sale, Assignment and Assumption**

This BILL OF SALE, ASSIGNMENT AND ASSUMPTION (“Bill of Sale”) is entered into as of [●], 2018 (the “Effective Date”), by and between TRM CA Holdings, LLC, a Delaware limited liability company (“Buyer”) and KJ Aviation LLC, a California limited liability company (“Seller”). Unless otherwise indicated, capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement (as defined below).

WHEREAS, reference is made to that certain Asset Purchase Agreement, dated as of April 2, 2018 (as it may be amended, the “Purchase Agreement”), by and between Buyer and Seller, providing for, among other things, the transfer to Buyer of the Assets by Seller for consideration in the amount and on the terms and conditions set forth in the Purchase Agreement; and

WHEREAS, to carry out the intent and purpose of the Purchase Agreement, Seller and Buyer are executing and delivering this instrument evidencing the vesting in Buyer of all of Seller’s right, title and interest in and to the Assets, free and clear of all Liens other than for Taxes not yet due and payable, and Buyer’s assumption of the Assumed Liabilities, on the terms and conditions set forth in the Purchase Agreement, in addition to such other instruments that Buyer shall have otherwise received or may hereafter receive pursuant to the Purchase Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions of this Bill of Sale, the parties hereto agree as follows:

1. Assets to Be Transferred. Pursuant to Section 2.2 of the Purchase Agreement and subject to the terms and conditions of the Purchase Agreement, Seller hereby sells, conveys, assigns, transfers and delivers, free and clear of all Liens other than for Taxes not yet due and payable, the Assets, to have and to hold the same unto Buyer, its successors and assigns forever. Notwithstanding anything to the contrary contained herein or in the Purchase Agreement, the Assets shall specifically not include the Excluded Assets, which shall remain the property of Seller.

2. Liabilities to Be Assumed. Pursuant to Section 2.5 of the Purchase Agreement and subject to the terms and conditions of the Purchase Agreement, Buyer hereby assumes the Assumed Liabilities and agrees to discharge or perform when due all of the Assumed Liabilities. Notwithstanding anything to the contrary contained herein or in the Purchase Agreement, the Assumed Liabilities shall specifically not include the Excluded Liabilities, which shall remain the liabilities and obligations of Seller.

3. Miscellaneous. The provisions of this Bill of Sale are subject, in all respects, to the terms and conditions of the Purchase Agreement and all of the representations and warranties, covenants, and agreements contained therein, all of which will survive the execution and delivery of this Bill of Sale to the extent set forth in the Purchase Agreement. Nothing in this Bill of Sale, express or implied, is intended to or shall be construed to modify, expand or limit in any way the terms of the Purchase Agreement. To the extent that any provision of this Bill of Sale conflicts with or is inconsistent with the terms of the Purchase Agreement, the Purchase Agreement shall govern. This Bill of Sale may be executed in one or more counterparts, including by facsimile signature or other electronic transmission, each of which shall be deemed an original, and all of which shall

constitute one and the same agreement. The terms and provisions set forth in Section 11.14 (Jurisdiction; Waiver of Jury Trial) of the Purchase Agreement shall apply, *mutatis mutandis*, to this Bill of Sale, and are hereby expressly incorporated by reference with the same force and effect as if set forth herein.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, Buyer and Seller have executed this Bill of Sale as of the Effective Date.

TRM CA Holdings, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KJ Aviation LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULES**  
**TO THE**  
**ASSET PURCHASE AGREEMENT**  
**BY AND BETWEEN**  
**TRM CA HOLDINGS, LLC**  
**AND**  
**KJ AVIATION LLC**

**DATED AS OF APRIL 2, 2018**

Reference is hereby made to that certain Asset Purchase Agreement (as amended from time to time, the "Agreement"), dated as of April 2, 2018, by and between TRM CA Holdings, LLC, a Delaware limited liability company ("Buyer") and KJ Aviation LLC, a California limited liability company ("Seller"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. Section references herein are to sections of the Agreement.

Any disclosure made in these Schedules with reference to any section or schedule of the Agreement shall be deemed to be a disclosure with respect to all other sections or schedules of the Agreement (regardless of whether or not a specific cross-reference is made thereto) to which the relevance of such disclosure is reasonably apparent on its face to a reader thereof.

Matters reflected in these Schedules are not necessarily limited to matters required by the Agreement to be reflected in these Schedules; these Schedules may contain items that are not material (or otherwise required to be disclosed) in order to avoid any misunderstanding, or otherwise for informational purposes. Accordingly, the disclosure or inclusion of information in these Schedules (including the specification of any dollar amount herein or in the Agreement, or the inclusion of any specific item herein) is not intended as, and shall not be deemed to be, an acknowledgement or admission that any such information is required to be disclosed or is material for purposes of the representations and warranties set forth in the Agreement. Disclosure of any allegations with respect to any alleged breach, violation or default under any contractual or other obligation, or any Law, is not an admission that such breach, violation or default has occurred.

The information contained in these Schedules is disclosed solely for purposes of the Agreement, and no information contained herein (including any disclosure relating to any possible breach or violation of, or conflict with, any Law or contract, and any statements with respect to the enforceability of contracts, or the existence or non-existence of third-party rights) shall be deemed to be an admission by any party to the Agreement to any third party of any matter whatsoever, or otherwise give rise to any claim or benefit to any third party (for the avoidance of doubt the preceding sentence shall in no way limit the rights of Buyer under the Agreement).

These Schedules and the information and disclosures contained herein relate to and qualify certain of the representations or warranties contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations or warranties, except to the extent explicitly provided herein or in the Agreement (which, for the avoidance of doubt, incorporates these Schedules).

The information provided in these Schedules is being provided solely for the purpose of making disclosures to Buyer under the Agreement. In disclosing this information, Seller does not waive, and Seller expressly reserves any rights under, any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed herein.

The headings and introductions used in these Schedules have been included for convenience only, and are not intended to limit the effect of the disclosures contained herein or to expand the scope of the information required to be disclosed herein.

**Schedule 1.2(i)**

**Tangible Property**

None.

**Schedule 2.7**

**Contracts; No Defaults**

*Schedule 2.7(a)*

The Ground Lease.

The Hangar Management and Service Agreement dated April 11, 2016 by and between Seller and Desert Jet Center (the "Desert Jet Agreement").

The Deed of Trust dated April 3, 2015 and amended on April 24, 2015 granted by Seller in favor of Thermal Investments Group, LLC securing original indebtedness of \$3,500,000.00 of Oliphant Aviation, LLC to Thermal Investments Group, LLC, and the Deed of Trust dated June 22, 2016 granted by Seller in favor of Firstbank securing original indebtedness of \$1,450,000 (collectively, the "Deeds of Trust").

Promissory Note dated January 26, 2018 in the principal amount of \$1,200,000 issued by Seller to FirstBank.

Promissory Note dated April 3, 2015 in the principal amount of \$3,500,000.00 issued by Oliphant Aviation, LLC to Thermal Investments Group, LLC.

Subordination Agreement dated June 22, 2016 by and among Seller, FirstBank and Thermal Investments Group, LLC.

**Schedule 2.12**

**Title to Assets**

The leasehold interest under the Ground Lease is subject to the Deeds of Trust.



**Schedule 2.13**

**Real Property**

*Schedule 2.13(b) – Subleases*

Desert Jet occupies the hangar in connection with fulfilling its obligations under the Desert Jet Agreement. There is no written sublease agreement currently in effect. Desert Jet pays monthly rent to Seller equal to \$14,700.00.

*Schedule 2.13(f)*

The leasehold interest under the Ground Lease is subject to the Deeds of Trust.

**Schedule 2.14**

**Environmental Matters**

None.

**Schedule 2.16**

**Affiliate Transactions**

None.

**Schedule 7.2(g)**

**Required Consents**

The consent of the County of Riverside to the assignment of the Ground Lease.

**THIRD AMENDMENT  
TO JACQUELINE COCHRAN REGIONAL AIRPORT  
LIMITED FIXED BASE OPERATION  
GROUND LEASE AGREEMENT**

THIS THIRD AMENDMENT TO JACQUELINE COCHRAN REGIONAL AIRPORT LIMITED FIXED BASE OPERATION GROUND LEASE AGREEMENT ("Third Amendment") is made and entered into as of the 19th day of June, 2018 ("Effective Date"), by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), and TRM CA Holdings, LLC, a Delaware limited liability company ("Lessee"), a wholly owned subsidiary of Ross Aviation Holding LLC, a Delaware limited liability company ("Ross Aviation"), successor in interest to KJ AVIATION, LLC, a California limited liability company, doing business as OLIPHANT AVIATION ("Oliphant Aviation"). County and Lessee are individually referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the County owns fee title to the Jacqueline Cochran Regional Airport located in the County of Riverside, as depicted on the Site Map attached hereto as Attachment No. 1 and incorporated herein by this reference ("Airport");

WHEREAS, County and Oliphant Aviation entered into that certain Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease Agreement dated August 20, 2013 ("Original Lease") as amended by that certain First Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease dated March 24, 2015 ("First Amendment"), as amended by that Second Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base Operation Ground Lease dated March 17, 2016 ("Second Amendment"), (collectively referred to as "Ground Lease") and as assigned under that certain Asset Purchase Agreement dated on or about April 2, 2018, whereby Lessee purchased all of Oliphant Aviation's right, title, and interest under the Ground Lease relating to, among other things, the lease of that certain real property pursuant to the Ground Lease consisting of approximately 4.67 acres of vacant land located at the Airport ("Original Leased

Premises”), as specifically legally described and depicted in Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, Lessee currently operates a full service Fixed Based Operation at the Airport under that Second Amended and Restated Ground Lease Agreement Jacqueline Cochran Regional Airport dated June 21, 2016 and as amended by that First Amendment to Second Amended and Restated Ground Lease Agreement Jacqueline Cochran Regional Airport dated March 27, 2018 relating to, among other things, the lease by County to Lessee of that certain real property consisting of 17.53 acres of improved land and heavy ramp space, located at the Airport (“FBO Lease”);

WHEREAS, Lessee to date has invested approximately \$10.9 million in improvements pursuant to the FBO Lease, and contributed approximately \$200,000 in matching funds to the County for an FAA Grant for the portion of the apron area fronting Taxiway F (“Federal Heavy Ramp”);

WHEREAS, Lessee has the financial capacity to provide further development on the Airport, and County and Lessee desire to work in the future to develop the remaining portion of vacant land within the Original Leased Premises;

WHEREAS, the purpose of this Third Amendment is to amend the Ground Lease by removing the remaining requirements to construct on-site improvements identified as Phase II, Phase III, and Phase IV in the Ground Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

1. **Recitals.** The Recitals and attachments referenced above are incorporated herein by this reference and adopted by the Parties to be true and correct.
2. **On-Site Improvements.** Section 8 of the Ground Lease shall be amended as follows:
  - a. Section 8(a) of the Ground Lease, as amended by that First Amendment, titled, “Phases,” and as amended by that Second Amendment, titled, “On-Site Improvements,” shall be deleted in its entirety and replaced with the following:
    - a. Lessee has completed construction of Phase I of development, consisting of an approximately 26,000 square foot aviation hangar plus the corresponding taxiway as more specifically described in Exhibits “E” and “F” attached to this Lease and incorporated herein by reference. Lessee may, but will have no obligation to, complete

construction of Phases II, III or IV depicted on Exhibits "E" and "F". The term "complete construction" as used herein shall mean the completion of the development and construction of the on-site improvements requirement under this Lease on the Subject Property as evidenced by the certificate of occupancy issued by the County. Should Lessee desire to construct additional improvements on the Subject Property ("Additional Improvements"), Lessee shall provide the County with written notice at least twenty-four (24) months prior to the date Lessee desires to begin construction of such Additional Improvements. Prior to beginning construction of Additional Improvements, Lessee must first obtain approval of the Riverside County Board of Supervisors. The term "Improvements" shall mean all buildings, structures, improvements, pavement, areas improved with asphalt, concrete or similar materials, and fixtures and equipment installed upon or located in or on the Subject Property. In the event County approves Additional Improvements on the Subject Property as set forth herein, the Parties shall execute a written amendment to the Lease memorializing the agreement to construct Additional Improvements, and Lessee shall prepare or cause to be prepared, at Lessee's sole cost and expense, a full set of construction plans for said Additional Improvements, which shall be delivered to the County for review and approval within ninety (90) days of the effective date of said amendment.

- b. Section 8(d) of the Ground Lease, as amended by that Second Amendment, is hereby deleted in its entirety.

3. **Termination by County.** Section 16(f) and Section 16(g) of the Ground Lease are hereby deleted in their entirety.

4. **Notices.** The address of Lessee for notice purposes in Section 36 shall be replaced with the following:

**LESSEE**

TRM CA Holdings, LLC  
86-400 Lightning Street  
Thermal, CA 92274  
Attn: General Manager

With a copy to:

Ross Aviation Holdings, LLC  
3200 Cherry Creek South Drive, Suite 360  
Denver, CO 80201  
Attn: Jeffrey Ross

5. **Miscellaneous.**

a. **Interpretation.** This Third Amendment, when combined with the Ground Lease, sets forth and contains the entire understanding and agreement of the Parties hereto and correctly sets forth the rights, duties and obligations of each to the other as of this date. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this Third Amendment or the Ground Lease. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Ground Lease. Time is of the essence in this Third Amendment and the Ground Lease and each and all of their respective provisions. Subject to the provisions of the Ground Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this Third Amendment or the Ground Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Ground Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Ground Lease and Third Amendment shall be construed according to its normal and usual meaning and not strictly for or against either County or Lessee.



- b. **Waivers; Amendments.** All waivers of the provisions of this Third Amendment and all amendments hereto must be in writing and signed by the appropriate authorized representatives of the County and Lessee. Failure or delay by County in giving notice of any default under this Third Amendment or the Ground Lease shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Third Amendment and in the Ground 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. **Attachments.** Each of the attachments and exhibits attached hereto are incorporated herein by this reference.
- d. **Effectiveness of Ground Lease.** Except as modified and amended by this Third Amendment, all other terms and conditions of the Ground Lease remain unmodified and in full force and effect.
- e. **Counterparts.** This Third Amendment may be signed by the Parties in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.
- f. **Effective Date.** The effective date of this Third Amendment is set forth in the preamble above, which date is the date this Third Amendment is executed by the County's Chairman of the Board of Supervisors.

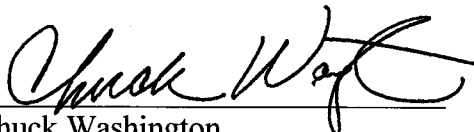
IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the dates written below.


**COUNTY:**

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

**LESSEE:**

**TRM CA Holdings, LLC**, a Delaware limited liability company

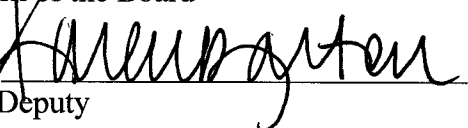
By:   
Chuck Washington  
Chairman, Board of Supervisors

By:   
Timothy Goulet, General Manager

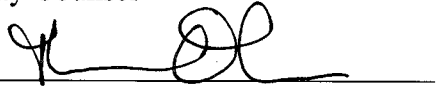
Date: 6-6-18

Date: JUN 1 9 2018

ATTEST:  
KECIA HARPER-ITEM  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
County Counsel

By:   
Thomas Oh, Deputy County Counsel

**Attachments to the Third Amendment:**

Attachment No. 1  
Exhibit A

Site Map of Jacqueline Cochran Regional Airport  
Legal Description and Depiction of Subject Property

ATTACHMENT NO. 1

SITE MAP  
OF JACQUELINE COCHRAN REGIONAL AIRPORT

(BEHIND THIS PAGE)



**Jacqueline Cochran Regional Airport**  
**Thermal, CA**

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION OF SUBJECT PROPERTY

(BEHIND THIS PAGE)

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
**NEW LEASE AREA**

NEW LEASE AREA FOR KJ AVIATION LLC, THAT CERTAIN PORTION OF LAND LOCATED IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF SECTION 21, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ALSO BEING A PORTION OF LOTS 5 AND 6 OF COACHELLA LAND & WATER COMPANY AS SHOWN BY MAP ON FILE IN BOOK 4 PAGE 53 OF MAPS, RECORDS OF SAID RIVERSIDE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF AIRPORT BOULEVARD AND HIGGINS DRIVE;

THENCE S89°49'40"E ALONG THE NORTH LINE OF SAID SECTION 21, SAID LINE ALSO BEING THE CENTERLINE OF SAID AIRPORT BOULEVARD, A DISTANCE OF 614.06 FEET TO THE NORTHWEST CORNER OF THE EASTERLY HALF OF LOT 4 OF SAID COACHELLA LAND & WATER COMPANY;

THENCE S00°01'08"E, A DISTANCE OF 1317.81 FEET ALONG THE WESTERLY LINE OF SAID EASTERLY HALF TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF LIGHTING STREET, A LINE LYING PARALLEL AND 33.00 FEET NORTH OF THE CENTERLINE OF SAID LIGHTING STREET;

THENCE N89°57'04"E, A DISTANCE OF 349.72 FEET, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF INVADER AVENUE, A LINE LYING PARALLEL AND 33.00 FEET EAST OF THE CENTERLINE OF SAID INVADER AVENUE;

THENCE S00°01'20"W, A DISTANCE OF 75.00 FEET ALONG SAID EASTERLY LINE TO THE TRUE POINT OF BEGINNING OF THE NEW LEASE AREA;

THENCE S89°58'07"E, A DISTANCE OF 347.00 FEET;

THENCE S00°01'20"W, A DISTANCE 86.03 FEET;

THENCE S89°58'40"E, A DISTANCE OF 157.00 FEET;

THENCE S00°01'20"W, A DISTANCE 344.00 FEET;

THENCE N89°58'40"W, A DISTANCE OF 504.00 FEET TO SAID EASTERLY LINE;

THENCE N00°01'20"E, A DISTANCE OF 430.09 FEET ALONG SAID EASTERLY LINE TO THE TRUE POINT OF BEGINNING OF THE NEW LEASE AREA.

THE ABOVE DESCRIBED PORTION OF LAND CONTAINS 4.67 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED EXHIBIT "B" WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

THIS DOCUMENT REVIEWED BY RIVERSIDE COUNTY SURVEYOR
BY: _____
DATE: _____

LEGAL DESCRIPTION  
NEW LEASE AREA

*Note: This legal description and accompanying plat are prepared for modification of a lease agreement for industrial / commercial uses (aircraft hangar) pursuant to the exemption granted under Section 66412.1 of the Subdivision Map Act. This legal description and accompanying plat are not to be used for any other purpose.*

PREPARED UNDER THE SUPERVISION OF:

*Lydia R. Shinohara*  
LYDIA R. SHINOHARA, RCE NO. 32182  
MY LICENSE EXPIRES 12/31/2014



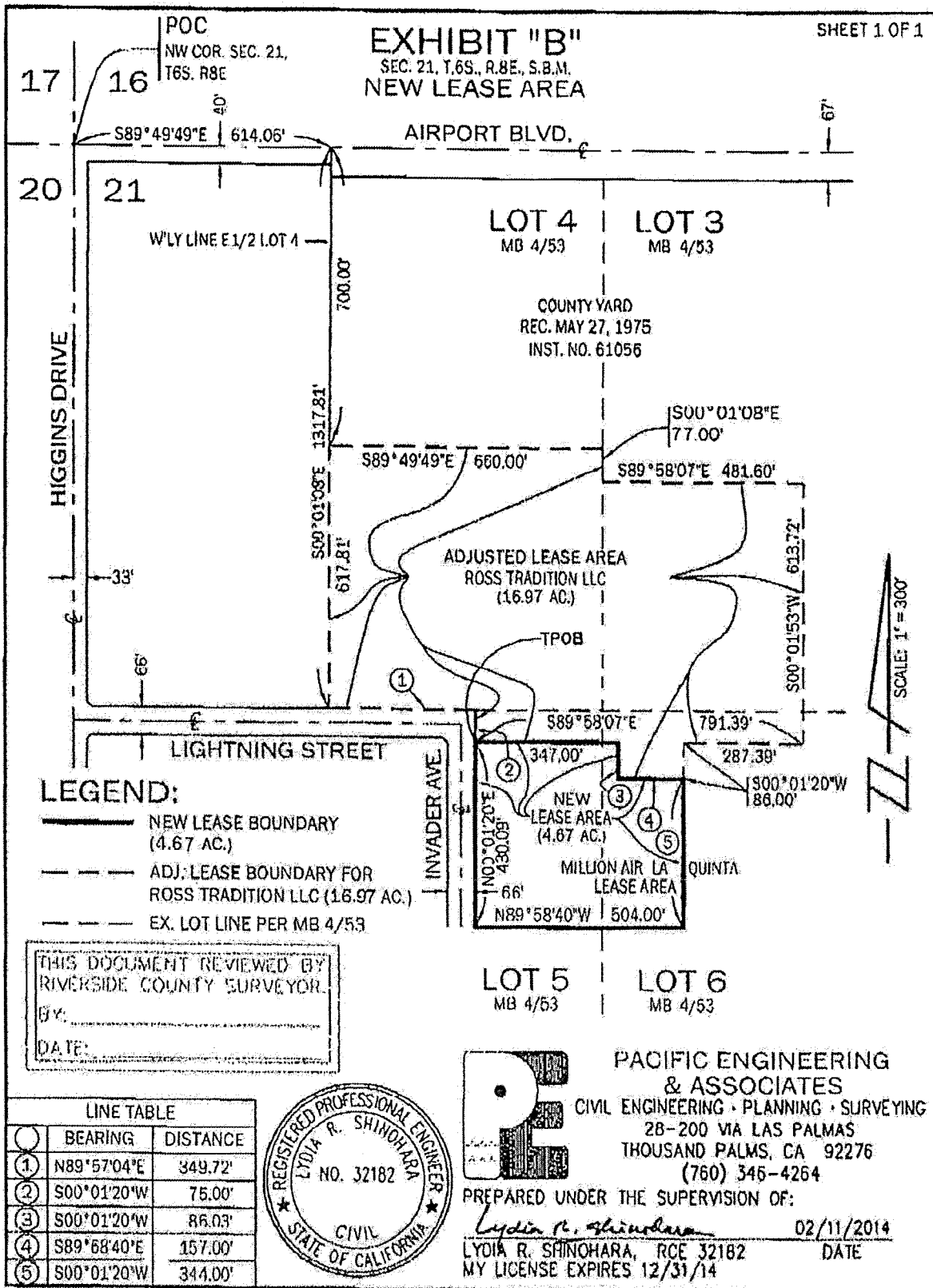
02/11/2014  
DATE

THIS DOCUMENT REVIEWED BY RIVERSIDE COUNTY SURVEYOR.
BY: _____
DATE: _____



**EXHIBIT "B"**  
 SEC. 21, T.6S., R.8E., S.B.M.  
 NEW LEASE AREA

SHEET 1 OF 1

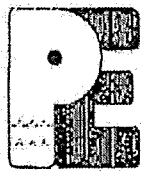


**LEGEND:**

- NEW LEASE BOUNDARY (4.67 AC.)
- - - ADJ. LEASE BOUNDARY FOR ROSS TRADITION LLC (16.97 AC.)
- - - EX. LOT LINE PER MB 4/53

THIS DOCUMENT REVIEWED BY  
 RIVERSIDE COUNTY SURVEYOR  
 BY: \_\_\_\_\_  
 DATE: \_\_\_\_\_

LINE TABLE		
NO.	BEARING	DISTANCE
①	N89°57'04"E	349.72'
②	S00°01'20"W	75.00'
③	S00°01'20"W	86.03'
④	S89°58'40"E	157.00'
⑤	S00°01'20"W	344.00'



**PACIFIC ENGINEERING & ASSOCIATES**  
 CIVIL ENGINEERING · PLANNING · SURVEYING  
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PREPARED UNDER THE SUPERVISION OF:  
*Lydia R. Shinohara* 02/11/2014  
 LYDIA R. SHINOHARA, RCE 32182 DATE  
 MY LICENSE EXPIRES 12/31/14

1 **Jacqueline Cochran Regional Airport**  
2 **Federal Ramp Lease Agreement**

3  
4 This Jacqueline Cochran Regional Airport Federal Ramp Lease Agreement  
5 ("Lease"), dated June 19, 2018, is entered into by and between the **County of**  
6 **Riverside, a political subdivision of the State of California**, as lessor, ("Lessor"),  
7 and **TRM CA Holdings, LLC, a Delaware limited liability company**, as lessee,  
8 ("Lessee"). Lessee and Lessor are collectively referred to herein as the "Parties," and  
9 individually as a "Party" under the following terms and conditions:

10 **RECITALS**

11 **WHEREAS**, Lessor owns and operates the Jacqueline Cochran Regional  
12 Airport, located in County of Riverside, State of California identified as Assessor's  
13 Parcel No. 759-060-018 as depicted on site map attached hereto as Exhibit A and  
14 incorporated herein by this reference ("Airport");

15 **WHEREAS**, the County of Riverside, as lessor, and KJ Aviation, LLC, a  
16 California limited liability company, doing business as Oliphant Aviation ("Oliphant  
17 Aviation") entered into that certain Jacqueline Cochran Regional Airport Limited Fixed  
18 Base Operation Ground Lease Agreement dated August 20, 2013, as amended by that  
19 certain First Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base  
20 Operation Ground Lease Agreement dated March 24, 2015, as amended by that  
21 certain Second Amendment to Jacqueline Cochran Regional Airport Limited Fixed  
22 Base Operation Ground Lease Agreement dated March 17, 2016, as amended by that  
23 certain Third Amendment to Jacqueline Cochran Regional Airport Limited Fixed Base  
24 Operation Ground Lease Agreement dated June 19, 2018 (collectively referred  
25 to as the "Ground Lease") and as assigned under that certain Asset Purchase  
26 Agreement dated on or about April 2, 2018, whereby Lessee purchased all of Oliphant  
Aviation's right, title, and interest under the Ground Lease relating to, among other

1 things, the lease of that certain real property consisting of approximately 4.67 acres of  
2 real property located at the Airport (the "Leased Premises") to supplement its existing  
3 Full Service Fixed-Based Operations;

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

9       **WHEREAS**, the provisions herein are intended, and are to be construed, to  
10 assure a consistently high level of service responsive to the public needs;

11       **WHEREAS**, Lessor desires to lease to Lessee the approximately 2.272 acres of  
12 land located on the Federal Ramp (as defined below) which is immediately adjacent to  
13 the Leased Premises (the "Leased Federal Ramp"), and which is part of the Airport  
14 property improved as a federally funded aircraft ramp (the "Federal Ramp"); the Leased  
15 Federal Ramp is more specifically described and depicted in Exhibits B-1 and B-2, for  
16 Lessee's operation of a Full Service Fixed Base Operation ("FBO").

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

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

1           **2.     Property Description.** The Leased Federal Ramp is located within the  
2 Jacqueline Cochran Regional Airport, County of Riverside, State of California and  
3 consists of approximately 2.272 acres of improved Federal Ramp space, as legally  
4 described and depicted in Exhibits "B-1" and "B-2" attached hereto and incorporated  
5 herein by this reference. Lessee acknowledges and agrees that Lessee has no fee title  
6 interest in or to the Airport.

7           **3.     Term.** This Lease shall commence on the Effective Date  
8 ("Commencement Date") and shall terminate upon expiration or termination of the  
9 Ground Lease ("Term"). Any holdover by Lessee shall be as a month-to-month tenant.

10           **4.     Use.** The Leased Federal Ramp shall be used for the following purposes  
11 and no other without the prior written consent of Lessor.

12                   (a)     The Lessor and Lessee acknowledge and agree that the intended  
13 use of the Leased Federal Ramp is to enhance Lessee's FBO services on a federally  
14 funded airport ramp.

15                   (b)     Federal Ramp Use Area/Apron  
16 Lessee acknowledges that the County developed a public-use apron on the Airport  
17 utilizing Federal Aviation Administration's Airport Improvements Program grant funds  
18 and a portion of the public-use apron is part of the Leased Federal Ramp, as more  
19 particularly depicted on the Site Map attached hereto as Exhibit B-3 and incorporated  
20 herein by this reference. The Leased Federal Ramp, which is in the immediate vicinity  
21 of the fixed base operations of Lessee, is being included as part of this Lease to permit  
22 exercise of a proprietorship over the public use Federal Ramp area. Lessee shall have  
23 non-exclusive use of the Leased Federal Ramp, and Lessee shall not use the Leased  
24 Federal Ramp to limit competition. Lessee acknowledges and agrees that the County's  
25 lease of the Leased Federal Ramp to Lessee shall not restrict the County from carrying  
26 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

1 County, as Airport owner, is required under the FAA Airport Sponsor Assurances dated  
2 March 2014. The Leased Federal Ramp shall be used as follows:

- 3 (1) Aircraft taxiing, towing, parking and fueling, which services the public shall  
4 have the right to access.
- 5 (2) In addition to the maintenance requirements set forth herein, Lessee shall  
6 maintain the Leased Federal Ramp in a safe and serviceable condition.
- 7 (3) Lessee shall provide services on the Leased Federal Ramp on a fair, equal  
8 and not unjustly discriminatory basis.
- 9 (4) All charges for services on the Leased Federal Ramp shall be fair, reasonable  
10 and not unjustly discriminatory, provided that Lessee may make reasonable  
11 and nondiscriminatory discounts, rebates or similar types of price reductions  
12 to volume purchasers.
- 13 (5) The Leased Federal Ramp shall be made available at all times for public use,  
14 and Lessee shall engage in nondiscriminatory practices for assignment of tie-  
15 down space and provide for the accommodation of itinerant users.
- 16 (6) Lessee shall not prohibit the ingress or egress of any aircraft by any party  
17 across the Leased Federal Ramp.
- 18 (7) Lessee shall not require any user of the Leased Federal Ramp to secure  
19 goods and services only from Lessee, provided that Lessee is not required to  
20 allow a competitor to enter the Leased Federal Ramp to perform a service,  
21 including fueling, so long as there is adequate capability for the user to secure  
22 the service at another location at the Airport. Lessee is not required to allow  
23 any competitor FBO's located at the Airport to drive or park any trucks,  
24 equipment or other vehicles on the Leased Federal Ramp, except in the event  
25 driving or parking such truck, equipment or other vehicle is necessary to taxi  
26 or tow away an aircraft as authorized in clause 8 below. The aforementioned  
restrictions shall not apply to members of the public.

1 (8) Lessee shall not prohibit competitors from entering onto the Leased Federal  
2 Ramp to assist the user of a disabled aircraft in placing the aircraft in a  
3 condition so as it can be taxied or towed away from the Leased Federal  
4 Ramp area, to provide services at another location.

5 (9) Lessee shall not prohibit or restrict those using the Leased Federal Ramp  
6 from servicing their own aircraft provided such servicing is completed in  
7 accordance with all applicable laws and Airport rules and regulations.

8 (10) Lessee shall not prohibit or prevent the County from using the Leased  
9 Federal Ramp area for public airshow or other County events provided  
10 County provides a minimum of 30 days written notice.

11 (11) Lessee shall not park aircraft on any portions of the Airport not included as  
12 part of the Leased Federal Ramp prior to first utilizing all available space  
13 within the Leased Federal Ramp.

14 (12) Lessee shall not prohibit ingress and/or egress over and through the  
15 Leased Federal Ramp by any new tenant, including, but not limited to such  
16 tenant's guests, employees, contractors, agents, representatives or other  
17 invitees, with a leasehold estate located directly to the north of the Leased  
18 Federal Ramp if the only access to the leasehold site is via the Leased  
19 Federal Ramp.

20 **5. Rent.** Lessee shall pay to Lessor as initial base rent for the use and  
21 occupancy of the Leased Federal Ramp monthly rent equal to Two-Thousand Eight-  
22 Hundred Eighty-Nine Dollars and 98/100 (\$2,889.98) ("Base Rent"). Said Base Rent is  
23 due and payable in advance on the first of each month. The Base Rent shall be  
24 considered delinquent, if not paid by the 10<sup>th</sup> of the month.

25 (a) Rent Commencement. Base Rent shall commence on the first day  
26 of the month following the Effective Date of this Lease. Base Rent shall be pro rated for  
any partial month during the Term.

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

4 (c) Rental Increases. Beginning July 1, 2019, and at each July 1<sup>st</sup>  
5 thereafter, the Base Rent shall be adjusted by the percentage change in the Consumer  
6 Price Index, All Urban Consumers, for the twelve month period ending three months  
7 before the month of rent adjustment under this paragraph. In no event will application  
8 of this paragraph result in a monthly rental amount lower than the highest previous  
9 monthly rental amount.

10 (d) Fuel Flowage Fee. Lessee shall pay to Lessor a fuel flowage fee  
11 based on fuel sold on the Leased Federal Ramp by Lessee as additional rent in an  
12 amount established by the Board of Supervisors for the County of Riverside ("Board")  
13 through a County of Riverside ("County") Resolution, a County Ordinance or such other  
14 action as the Board may decide from time to time, but in no event greater than the fee  
15 per gallon assessed on other fixed base operations at the Airport. The fuel flowage  
16 fee, the calculation of the fuel flowage fee, the time of payment and the method used to  
17 collect and report the amount of fuel transacted by Lessee shall be subject to periodic  
18 review and adjustment by the Board of Supervisors to reflect conditions then existing  
19 and the financial needs of the Lessor's airports system. The Lessor may implement  
20 any such adjustments in the fuel flowage fee at any time, provided that such fuel  
21 flowage fee per gallon payable by Lessee is not greater than the fuel flowage fee per  
22 gallon assessed to other fixed base operations at the Airport. Such new or adjusted  
23 fuel flowage fees shall be effective upon adoption by the County Board of Supervisors.  
24 Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned  
25 upon amendment of any existing lease. As of the date of this Lease, fuel flowage fees  
26 have been established according to County Resolution No. 2008-362, attached hereto  
as Exhibit "F" and incorporated by this reference herein. The current fuel flowage fee

1 (which was effective as of July 1, 2008 and is still in effect) is assessed at the rate of  
2 \$0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of \$0.02  
3 per gallon applied to payments received within twenty (20) days of the date of invoice.  
4 A late fee of ten per cent (10%) shall be assessed to all payments received after the  
5 due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

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

13 **6. Additional Obligations of Lessee.** Lessee shall, during the Term  
14 and any extensions thereof perform and/or adhere to the following obligations:

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

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

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



1 (d) Provide services to the general public seven (7) days per week  
2 during the Term on a minimum hourly basis each day from 8:00 A.M., local time, to  
3 5:00 P.M., local time, and Lessee shall not make any changes relative to such  
4 minimum hourly schedule unless approval is first obtained from Lessor in writing;

5 (e) Operate the Leased Federal Ramp and the facilities thereon in a  
6 progressive and efficient manner;

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

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

16 (h) Observe the Taxiway Object Free Area, the Airport Layout Plan,  
17 and Aircraft Parking lines to allow the passage of taxiing aircraft. From the centerline  
18 of the taxiway the boundary for the Taxiway Object Free Area boundary is one hundred  
19 ten (110) feet;

20 (i) Maintain the Leased Federal Ramp, approaches thereto, and  
21 improvements now or hereafter located thereon, in good, safe and sanitary order,  
22 condition, and repair. Throughout the Term of this Lease, Lessee shall, at Lessee's sole  
23 cost and expense, maintain or cause to be maintained the Leased Federal Ramp and  
24 the improvements now or hereafter located on the Leased Federal Ramp in good and  
25 clean condition and repair, free of debris, and in compliance with (i) all Governmental  
26 Restrictions (defined below), and (ii) all applicable rules, orders, and regulations of any  
insurance company insuring all or any part of the Leased Federal Ramp or the

1 improvements thereon or both of which Lessor has notified Lessee, and Lessee shall  
2 make or cause to be made whatever repairs and replacements are required by such  
3 enactments or provisions or future enactments or provisions. The term "Governmental  
4 Restrictions" used herein shall mean and include any and all laws, statutes, official  
5 policies, ordinances, codes, formal decrees, rulings, regulations, writs, injunctions,  
6 orders, rules, conditions of approval or authorizations of any governmental entity,  
7 agency or political subdivision, now in force or hereafter adopted, which are applicable  
8 to the Leased Federal Ramp or the use thereof as of the date such term is being  
9 applied. If Lessee fails to perform Lessee's obligations under this Section 6(i), Lessor  
10 shall have the right to enter upon the Leased Federal Ramp after 10 days prior written  
11 notice to Lessee (except in the event of an emergency, in which case no notice shall be  
12 required), perform such maintenance and repair obligations on Lessee's behalf, and  
13 Lessee shall be fully responsible for and shall promptly pay to Lessor an amount equal  
14 to 115% of all costs thereof. Lessee acknowledges and agrees that failure to pay the  
15 aforementioned costs shall constitute a default under this Lease. Lessor shall have no  
16 obligation to maintain the Leased Federal Ramp pursuant to Section 27 below;

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

21 **7. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, all  
22 necessary permits and licenses as it may be required to obtain regarding the  
23 construction, operation, maintenance, and termination or abandonment of activities  
24 upon the Leased Federal Ramp, and Lessee shall pay for all fees and taxes levied or  
25 required by any authorized public entity. This Lease may create a possessory interest  
26 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 Lessee may

1 be subject to a documentary transfer tax. Lessee acknowledges, understands and  
2 agrees that Lessee is solely responsible for the timely payment and satisfaction of all  
3 taxes incurred as a result of this Lease.

4  
5 **8. Real Property Reversion.** During the Term of this Lease, all improvements,  
6 alterations, and fixtures constructed by the Lessee on the Leased Federal Ramp shall  
7 be owned by Lessee until the Lease is terminated, legally relinquished, abandoned or  
8 upon the expiration of Lease including any hold-over period. Upon termination,  
9 relinquishment, abandonment or upon the expiration of the Lease (including any hold-  
10 over period), legal title to all improvements constructed by the Lessee shall cease to  
11 exist, and all interest associated therewith shall revert to the Lessor free and clear of  
12 any and all rights to possession and all claims to or against them by Lessee or any  
13 third person or entity. At the expiration or earlier termination of this Lease, Lessee shall  
14 also surrender to Lessor possession of the Leased Federal Ramp and all  
15 improvements constructed thereon free and clear of all liens, encumbrances and  
16 mortgages. Lessee shall have the full and exclusive use and enjoyment of such  
17 improvements, alterations, and fixtures during the Term of this Lease. At or prior to the  
18 expiration of this Lease, Lessee shall remove, at its expense, such trade fixtures (not  
19 including buildings and improvements affixed to the land), and restore the Leased  
20 Federal Ramp to its original shape and condition in good, safe and sanitary condition,  
21 subject to ordinary wear and tear. In the event Lessee does not remove such trade  
22 fixtures, they shall become the property of the Lessor for no further consideration of  
23 any kind, and Lessee acknowledges and agrees that Lessor shall have the right to  
24 charge Lessee for removal of any trade fixtures and/or improvements that so remain by  
25 Lessee upon the expiration or early termination of the Lease. At Lessor's request  
26 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

1 quitclaim deed Lessee shall quitclaim any right, title or interest which Lessee may have  
2 or claim to have in the Improvements.

3       **9. Compliance with Law.** Lessee shall, at its sole cost and expense,  
4 comply with all of the requirements of all governmental agencies now in force, or which  
5 may hereafter be in force, pertaining to the Leased Federal Ramp, and any  
6 improvements hereafter constructed or maintained thereon, and Lessee shall faithfully  
7 observe all laws and ordinances including but not limited to the California  
8 Environmental Quality Act (CEQA and the National Environmental Protection Act  
9 (NEPA)), now or hereafter in force in the use of the Leased Federal Ramp. Lessee  
10 shall also comply with all applicable federal, state and local laws and regulations and  
11 County ordinances. In the event there is a conflict between the various laws or  
12 regulations that may apply, Lessee shall comply with the more restrictive law or  
13 regulation.

14       **10. Lessor's Reserved Rights.**

15           (a) The Leased Federal Ramp is accepted by Lessee subject to any  
16 and all existing easements or other encumbrances, and Lessor shall have the right to  
17 enter upon the Leased Federal Ramp and to install, lay, construct, maintain, repair and  
18 operate such sanitary sewers, drains, storm water sewers, pipelines, manholes,  
19 connections, water, oil and gas pipelines, and telephone and telegraph power lines and  
20 such other facilities and appurtenances necessary or convenient to use in connection  
21 therewith, over, in, upon, through, across and along the Leased Federal Ramp or any  
22 part thereof. Lessor also reserves the right to grant franchises, easements, rights of  
23 way and permits in, over and upon, along or across any and all portions of said Federal  
24 Ramp as Lessor may elect; provided, however, that no right of the Lessor provided for  
25 in this paragraph shall be executed so as to interfere unreasonably with Lessee's use  
26 hereunder, or impair the security of any secured creditor of Lessee. Lessor shall cause  
the surface of the Leased Federal Ramp to be restored to its original condition (as it

1 existed prior to any such entry) upon the completion of any construction by Lessor or  
2 its agents. In the event such construction renders any portion of the Leased Federal  
3 Ramp unusable, the rent shall abate pro rata as to such unusable portion during the  
4 period of such construction. Any right of Lessor set forth in this paragraph shall not be  
5 exercised unless a prior written notice of ten (10) days is given to Lessee; provided,  
6 however, in the event such right must be exercised by reason of emergency, then  
7 Lessor shall give Lessee such notice in writing as is reasonable under the existing  
8 circumstances.

9 (b) Lessor reserves the right to further develop or improve the aircraft  
10 operating area, including the Leased Federal Ramp as it deems appropriate. Lessor  
11 reserves the right to take any action it considers necessary to protect the aerial  
12 approaches of the Jacqueline Cochran Regional Airport against obstruction, together  
13 with the right to prevent the Lessee from erecting or permitting to be erected, any  
14 building or other structure on the Jacqueline Cochran Regional Airport, which in the  
15 reasonable opinion of Lessor, would limit usefulness of the Jacqueline Cochran  
16 Regional Airport or constitute a hazard to aircraft.

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

26 (d) Notwithstanding any provisions herein, this Lease shall be  
subordinate to the provisions of any existing or future agreement between Lessor and

1 the United States, relative to the operation or maintenance of the Jacqueline Cochran  
2 Regional Airport, the terms and execution of which have been or may be required as a  
3 condition precedent to the expenditure or reimbursement to County of Federal funds  
4 for the development of said airport.

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

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

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

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

1           **14.    Discrimination or Segregation**

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

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

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

1 by 49 CFR, Part 21, to the same effect with respect to their use of the Leased Federal  
2 Ramp.

3 **15. Termination by Lessor.** Lessor shall have the right to terminate this  
4 Lease in its entirety, in the event any of the following occur, after expiration of any  
5 applicable cure periods:

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

8 (b) In the event that Lessee sells, transfers, conveys or assigns its  
9 interest in the Leased Federal Ramp (or any portion thereof) or in this Lease or there is  
10 a change in control of Lessee in violation of Section 25 below, or Lessee's interest  
11 hereunder is assigned involuntarily or by operation of law, for the benefit of creditors;

12 (c) In the event of abandonment of the Leased Federal Ramp by  
13 Lessee;

14 (d) In the event Lessee fails, or refuses, to meet its rental obligations,  
15 or any of its obligations hereunder, after expiration of any applicable cure periods, or as  
16 otherwise provided by law;

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

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

24 (g) Lessee (or any successor in interest) assigns or attempts to  
25 assign the Leased Federal Ramp or any of Lessee's rights in and to the Leased  
26 Federal Ramp or any portion thereof or interest therein, or the Lease or any portion  
hereof, except as permitted by this Lease;



1 (i) There is substantial change in the ownership of Lessee, or with  
2 respect to the identity of the parties in control of Lessee, or the degree thereof, in any  
3 such case contrary to the provisions of Section 25 hereof;

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

6 (h) There is any other material default by Lessee under the terms of  
7 this Lease which is not cured within the time provided herein.

8 **16. Termination by Lessee.** Lessee shall have the right to terminate this  
9 Lease in the event any of the following occur:

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

17 **17. Holdover.** If Lessee fails to immediately surrender the Leased Federal  
18 Ramp or any portion thereof at the expiration or termination of the Term, then Lessee  
19 shall pay Base Rent (on a per-month basis, without reduction for any partial month) at  
20 a rate equal to 100% of the Base Rent applicable during the last calendar month of the  
21 Term. Any such holdover shall be deemed to be a tenancy from month-to-month.  
22 Lessor's acceptance of such rent shall not adversely affect Lessor's other rights and  
23 remedies under the Lease, including Lessors right to evict Lessee and to recover all  
24 damages. In no event shall any holdover be deemed a permitted extension or renewal  
25 of the Term, and nothing contained in this Lease shall be construed to constitute  
26 Lessor's consent to any holdover or give Lessee any right with respect to such  
holdover.

1           **18.    Default.**

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

6           (b) The injured party shall give written notice of default to the party in  
7 default ("Notice of Default") pursuant to Section 38 below, specifying the default  
8 complained of by the injured party. Failure or delay in giving such notice shall not  
9 constitute a waiver of any default, nor shall it change the time of default. Except as  
10 otherwise expressly provided in this Lease, any failures or delays by either party in  
11 asserting any of its rights and remedies as to any default shall not operate as a waiver  
12 of any default or of any such rights or remedies. Delays by either party in asserting  
13 any of its rights and remedies shall not deprive either party of its right to institute and  
14 maintain any actions or proceeding which it may deem necessary to protect, assert or  
15 enforce any such rights or remedies.

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

21           (d) If non-monetary event of default occurs, prior to exercising any  
22 remedies hereunder, the injured party shall give the party in default notice of such  
23 default. If the default is reasonably capable of being cured within thirty (30) calendar  
24 days after such notice is received or deemed received, the party in default shall have  
25 such period to effect a cure prior to exercise of remedies by the injured party. If the  
26 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

1 within said period, and (2) diligently, continually, and in good faith works to effect a  
2 cure as soon as possible, then the party in default shall have such additional time as is  
3 reasonably necessary to cure the default prior to exercise of any remedies by the  
4 injured party, but in no event no more than forty-five (45) days from receipt of such  
5 notice of default from the injured party.

6       **19. Eminent Domain.** If any portion of the Federal Ramp shall be taken by  
7 eminent domain and a portion thereof remains which is usable by Lessee, in its  
8 discretion, for the purposes set forth in Section 4 herein, this Lease shall, as to the part  
9 taken, terminate as of the date title shall vest in the condemnor, or the date  
10 prejudgment possession is obtained through a court of competent jurisdiction,  
11 whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part  
12 taken; provided, however, in such event Lessor reserves the right to terminate this  
13 Lease as of the date when title to the part taken vests in the condemnor or as of such  
14 date of prejudgment possession. If all of the Leased Federal Ramp is taken by  
15 eminent domain, or such part be taken so that the Leased Federal Ramp is rendered  
16 unusable for the purposes set forth in Section 4 herein, this Lease shall terminate. If a  
17 part or all of the Leased Federal Ramp be so taken, all compensation awarded upon  
18 such taking shall be apportioned between County and Lessee according to law.

19       **20. Hold Harmless/Indemnification.** Lessee shall indemnify and hold  
20 harmless the County of Riverside, its Agencies, Districts, Special Districts and  
21 Departments, their respective directors, officers, Board of Supervisors, elected and  
22 appointed officials, employees, agents and representatives (the "Indemnified Parties")  
23 from any liability whatsoever, including but not limited to, property damage, bodily  
24 injury, or death, based or asserted upon any services of Lessee, its officers,  
25 employees, subcontractors, agents or representatives arising out of or in any way  
26 relating to this Lease, including Lessee's use, generation, manufacture, production,  
storage or disposal of aviation fuel and lubricants used in Lessee's FBO, and Lessee

1 shall defend at its sole expense and pay all costs and fees, including but not limited to,  
2 attorney fees, cost of investigation, defense and settlements or awards, on behalf of  
3 the Indemnified Parties in any claim or action based upon such liability.

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

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

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

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

20 Lessee shall require each sub-lessee and/or contractor of every tier to indemnify  
21 the County of Riverside relating to any claim(s) arising from their sub-lease and/or  
22 contract. The obligations of Lessee set forth in this Section 20 shall survive expiration  
23 of the term of this Lease, or earlier termination.

24 **21. Insurance.** Lessee shall procure and maintain or cause to be  
25 maintained, at its sole cost and expense, the following insurance coverages during the  
26 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

1 that any changes are reasonable in nature and consistent with industry standards. The  
2 procurement and maintenance of the insurance required below will not diminish or limit  
3 Lessee's obligation to indemnify or hold the Lessor harmless. Lessee agrees to have in  
4 place insurance coverage as it is required and applicable.

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

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

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

9 (d) Aircraft Hull and Liability Insurance.

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

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

25 (e) Pollution Liability Insurance. Lessee shall, during the term of  
26 this Lease, maintain or caused to be maintained Commercial Automobile Liability  
Insurance including an MCS-90 Endorsement covering all vehicles used to transport

1 fuel to the Airport for Lessee's operations with limits of not less than \$5,000,000 each  
2 accident. If Lessee subcontracts this operation, then Lessee shall require the  
3 subcontractor to maintain this insurance.

4 Lessee shall also maintain site-specific Pollution Liability Insurance,  
5 covering both sudden and gradual pollution, with limits of not less than \$2,000,000  
6 each pollution condition and \$2,000,000 annual aggregate covering third party claims  
7 for bodily injury, property damage and first and third party cleanup expense, for  
8 pollution conditions occurring or discovered on-site whether in the soil, water or air,  
9 which arise out of Lessee's activities at the Airport. The insurance shall include  
10 coverage for loss arising out of the handling of fuel, including the transportation of fuel  
11 and refueling of aircraft on-site, arising out of any storage tanks and associated piping,  
12 and arising out of the operation, parking and maintenance of aircraft, vehicles on the  
13 premises and operations that include any other hazardous materials, waste, and/or  
14 work. The policy shall name Lessor as additional insured, and shall not contain an  
15 "insured v. insured" exclusion. The policy shall not contain a deductible or self-insured  
16 retention higher than \$100,000.

17 (f) All Risk Property Insurance:

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

26 (2) Boiler & Machinery insurance coverage on a full  
replacement cost value basis. Policy shall provide Business Interruption, Extra

1 Expense, and Expediting Expense coverage as well as coverage for off-premises  
2 power failure. Policy shall name the Lessor as a Loss Payee and contain a Waiver of  
3 Subrogation in favor of the Lessor.

4 (g) General Insurance Provisions – All Lines:

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

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

17 (3) Cause Lessee's insurance carrier(s) to furnish the Lessor  
18 with either: 1) a properly executed original Certificate(s) of Insurance and certified  
19 original copies of Endorsements effecting coverage as required herein; or 2) if  
20 requested to do so in writing by the County Risk Manager, provide original certified  
21 copies of policies including all Endorsements and all attachments thereto, showing  
22 such insurance is in full force and effect. Further, said Certificate(s) and policies of  
23 insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days  
24 written notice shall be given to the County of Riverside prior to any material  
25 modification of coverage or cancellation of such insurance. In the event of a material  
26 modification of coverage or cancellation of such insurance, this Lease shall terminate  
forthwith, unless the Lessor receives, prior to such effective date, another properly



1 executed original Certificate of Insurance and original copies of endorsements or, if  
2 requested, certified original policies, including all endorsements and attachments  
3 thereto evidencing coverages set forth herein and the insurance required herein is in  
4 full force and effect.

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

11 (4) It is understood and agreed to by the parties hereto and the  
12 insurance company(s), that the Certificate(s) of Insurance and policies shall so  
13 covenant and shall be construed as primary insurance, and the Lessor's insurance  
14 and/or deductibles and/or self-insured retentions or self-insured programs shall not be  
15 construed as contributory.

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

26

1                   Beginning July 1, 2020, and every fifth year thereafter during the  
2 term of this Lease, or any extension thereof, Lessor reserves the right to adjust the  
3 monetary limits of insurance coverage as required in this Section 21.

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

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

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

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

26                   (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

1 per occurrence combined single limit. If such insurance contains a general aggregate  
2 limit, it shall apply separately to this Lease or be no less than two (2) times the  
3 occurrence limit. Policy shall name the Lessee, County of Riverside, Special Districts,  
4 their respective Directors, Officers, Board of Supervisors, elected officials, employees,  
5 agents, or representatives as Additional Insureds.

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

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

24 Supplier shall not commence operations until the County of Riverside has  
25 been furnished original Certificate(s) of Insurance and certified original copies of  
26 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

1 carrier to do so on its behalf shall sign the original endorsements for each policy and  
2 the Certificate of Insurance.

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

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

18           **24. Acceptance of Premises.** Prior to the commencement of the Term,  
19 Lessee, at Lessee's sole expense, shall have investigated and approved the physical  
20 condition of, and the condition of title with respect to, the Leased Federal Ramp,  
21 Lessor has provided to Lessee without any representation or warranty all information in  
22 Lessor's possession or control regarding the condition of the Leased Federal Ramp,  
23 including information concerning hazardous substances and seismic faulting.

24           Lessor makes no representation or warranty, expressed or implied, regarding  
25 any conditions of the Leased Federal Ramp. Lessee acknowledges and agrees that  
26 Lessor makes no representation or warranty, express or implied, written or oral, with

1 respect to the condition of the Leased Federal Ramp, or its fitness, or availability for  
2 any particular use.

3 Lessor makes no representations, express or implied, with respect to the  
4 legality, fitness, or desirability of the Leased Federal Ramp for Lessee's intended use.  
5 If Lessee desires to do so, Lessee shall have the right to conduct its own investigation,  
6 to its satisfaction, with respect to any matters affecting Lessee's ability to use the  
7 Leased Federal Ramp for Lessee's intended use. Lessee represents that it has  
8 inspected the Leased Federal Ramp and acknowledges and agrees that the Leased  
9 Federal Ramp shall be delivered from Lessor to Lessee in an "as is" physical condition,  
10 with no warranty, express or implied by Lessor as to the presence of hazardous  
11 substances, or the condition of the soil, its geology or the presence of known or  
12 unknown faults, and fully assumes any and all risk associated with the use thereof.  
13 Lessor shall not be liable to Lessee, its officers, agents, employees, subcontractors or  
14 independent contractors for any bodily injury, personal injury or property damage  
15 suffered by them or others which may result from hidden, latent or other dangerous  
16 conditions in, on upon or within the Leased Federal Ramp. If the condition of the  
17 Leased Federal Ramp is not in all respects entirely suitable for the use or uses to  
18 which such Federal Ramp will be put, then it is the sole responsibility and obligation of  
19 Lessee to place the Leased Federal Ramp in all respects in a condition entirely  
20 suitable for the development thereof, solely at Lessee's expense. Effective at the  
21 commencement of the Term, Lessee waives, releases and discharges Lessor, its  
22 Agencies, Districts, Special Districts and Departments, their respective directors,  
23 officers, Board of Supervisors, Board of Commissioners, elected and appointed  
24 officials, employees, agents, representatives and attorneys, from any and all present  
25 and future claims, demands, suits, legal and administrative proceedings, and from all  
26 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

1 Lessee's use, maintenance, ownership or operation of the Leased Federal Ramp, any  
2 hazardous substances on the Leased Federal Ramp, or the existence of hazardous  
3 substances contamination in any state on the Leased Federal Ramp, however the  
4 hazardous substances came to be placed there, except in each case to the extent  
5 caused by Lessor. Lessee acknowledges that it is aware of and familiar with the  
6 provisions of Section 1542 of the California Civil Code which provides as follows:

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

11 To the extent of the release set forth in this Section 24, Lessee hereby  
12 waives and relinquishes all rights and benefits which it may have under Section 1542  
13 of California Civil Code.

14 Lessee Initials         

15 The obligations of Lessee set forth in this Section 24 shall survive expiration of the  
16 term of this Lease, or earlier termination.

17 **25. Assignment and Subletting.**

18 (a) Lessee represents and agrees that its undertakings pursuant to this Lease  
19 are for the purpose of providing fixed based operation and maintenance services, and  
20 not for speculation in land holding. Lessee further recognizes that the qualifications and  
21 identity of Lessee are of particular concern to Lessor in light of the following: (1) the  
22 importance of the development of the Leased Federal Ramp to the community; and (2)  
23 the fact that a change in ownership or control of Lessee or any other act or transaction  
24 involving or resulting in a significant change in ownership or control of Lessee, is for  
25 practical purposes a transfer or disposition of the property then owned by Lessee.  
26 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

1 successor in interest of Lessee, or a sublessee, shall acquire any rights or powers  
2 under this Lease except as expressly permitted herein.

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

15 (c) For the reasons cited above, Lessee represents and agrees for itself and  
16 any successor in interest that without the prior written approval of the Lessor, there shall  
17 be no significant change in the ownership of Lessee or in the relative proportions  
18 thereof, or with respect to the identity of the parties in control of Lessee or the degree  
19 thereof, by any method or means provided, however, notwithstanding any provision  
20 herein to the contrary, Lessor approval shall not be required upon the occasional  
21 admission, substitution, resignation or removal of a director or officer of Lessee or  
22 Lessee's general manager. To the extent the Lessor's approval of an assignment or  
23 transfer is required by this Lease, in granting or withholding its approval, Lessor shall  
24 base its decision upon the relevant experience, financial capability and reputation of the  
25 proposed assignee or transferee and the effect, if any, of such proposed transfer on the  
26 public purposes of this Lease.

(d) Any sublease, assignment or transfer of this Lease or any interest herein,  
or significant change in ownership of Lessee, shall require the written approval of the  
Lessor, not to be unreasonably withheld, except in the event such sublease, assignment  
or transfer of this Agreement or any interest herein, or significant change in ownership

1 of Lessee is to an Affiliate of Lessee Lessee shall promptly notify the Lessor of any  
2 proposed subleases requiring consent hereunder, and all changes in the identity of the  
3 parties in control of Lessee or the degree thereof, of which it or any of its officers have  
4 been notified or otherwise have knowledge or information. This Lease may be  
5 terminated by the Lessor if there is any significant change (voluntary or involuntary) in  
6 membership, senior management or control of Lessee (other than such changes  
7 occasioned by the resignation, removal, death or incapacity of any individual), not  
8 approved by Lessor. In the event of the resignation, removal, death or incapacity of any  
9 individual who controls Lessee or the managing member of Lessee, or of any resulting  
10 change in the senior management or the control of the day-to-day operations of the  
11 Leased Federal Ramp, Lessee shall notify the Assistant CEO/EDA or his or her  
12 designee within five business days of the date of any of the foregoing events.

13 (e) The term "Affiliate" used herein shall mean any Person directly or  
14 indirectly controlling, controlled by or under common control with another Person. The  
15 term "control" as used herein, means the possession, direct or indirect, of the power to  
16 direct or cause the direction of the management and policies of a Person, whether  
17 through ownership of voting securities, by contract or otherwise. It shall be a  
18 presumption that control, with respect to a corporation, limited liability company,  
19 partnership, trust, entity or other association, is the right to exercise or control, directly  
20 or indirectly, more than fifty (50%) of the voting rights attributable to the Person. The  
21 term "Person" used herein shall mean an individual, partnership, limited partnership,  
22 trust, estate, association, corporation, limited liability company, or other entity, domestic  
23 or foreign.

24 (f) Assignments or transfers approved by the Lessor shall be evidenced by  
25 the Lessee's and assignee's execution of an assignment and assumption agreement  
26 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, not to be  
unreasonably withheld.

(g) No such sublease, sale, transfer, conveyance or assignment of this Lease  
or Lessee's interest in the Leased Federal Ramp (or any portion thereof), or approval by



1 the Lessor of any such sublease, sale, transfer, conveyance or assignment, shall be  
2 deemed to relieve Lessee or any other party from any obligations under this Lease  
3 unless otherwise approved by Lessor in writing.

4 The restrictions on assignment, transfer and subleasing contained in this Section  
5 shall be binding on any successors or heirs of Lessee. The provisions of this Section  
6 25 shall apply to each successive assignment and transfer in the same manner as  
7 initially applicable to Lessee under the terms set forth herein.

8 **26. Right to Encumber/Right to Cure.** Lessee shall not encumber the  
9 Leased Federal Ramp or the Lessor's fee title interest in the Airport.

10 **27. Lessor's Nonresponsibility.**

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

15 **28. Estoppel Certificate.** Each party shall, at any time during the Term of the  
16 Lease, execute and deliver a statement in writing certifying that this Lease is  
17 unmodified and in full force and effect, or if modified, stating the nature of such  
18 modification, which statement or certificate shall be submitted to such requesting party  
19 within fifteen (15) business days of receipt of written notice (or as soon as reasonably  
20 possible) from the other party. The statement shall include other details requested by  
21 the other party as to the date to which rent and other charges have been paid, and the  
22 knowledge of the other party concerning any uncured defaults with respect to  
23 obligations under this Lease and the nature of such defaults, if they are claimed. Any  
24 such statement may be relied upon conclusively by any prospective purchaser,  
25 encumbrancer, or sublessee of the demised premises or any portion thereof.

26

1           **29.    Toxic Materials.**

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

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

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

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

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

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

1           **32. Employees and Agents of Lessee.** It is understood and agreed that all  
2 persons hired or engaged by Lessee shall be considered to be employees or agents of  
3 Lessee and not of Lessor. Lessee is a limited liability company or corporation duly  
4 formed in the state of Delaware and in good standing under the laws of the State of  
5 California, has full legal right, power, and authority to enter into this Lease and to carry  
6 out and consummate all transactions contemplated by this Lease, and by appropriate  
7 action has duly authorized the execution and delivery of this Lease. Further, Lessee  
8 will take those actions required to remain in good standing under the laws of the state  
9 of California during the term of this Lease. It is expressly understood and agreed that  
10 Lessee (including its employees, agents and subcontractors) shall in no event be  
11 entitled to any benefits to which Lessor employees are entitled, including but not limited  
12 to overtime, any retirement benefits, worker's compensation benefits, and injury leave  
13 or other leave benefits. There shall be no employer-employee relationship between  
14 the Parties, and Lessee shall hold Lessor harmless from any and all claims that may  
15 be made against Lessor based upon any contention by a third party that an employer-  
16 employee relationship exists by reason of this Lease.

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

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

26           **35. 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

1 will never the less continue in full force without being impaired or invalidated in any  
2 way.

3       **36. Jurisdiction and Venue.** This Lease is construed under the laws of the  
4 State of California. The Parties agree to the jurisdiction and venue of the Superior  
5 Court in the County of Riverside, State of California. Any action at law or in equity  
6 brought by either of the Parties hereto for the purpose of enforcing a right or rights  
7 provided for by this Lease shall be tried in a Court of competent jurisdiction in the  
8 County of Riverside, State of California, and the Parties hereby waive all provisions of  
9 law providing for a change of venue in such proceedings to any other county.

10       **37. Attorney's Fees.** In the event of any litigation or arbitration between  
11 Lessee and Lessor to enforce any of the provisions of this Lease or any right of either  
12 Party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the  
13 successful Party all costs and expenses, including reasonable attorney's fees, incurred  
14 therein by the successful Party, all of which shall be included in and as a part of the  
15 judgment or award rendered in such litigation or arbitration.

16       **38. Notices.** Any notices required or desired to be served by either Party  
17 upon the other shall be addressed to the respective Parties as set forth below:

18  
19 COUNTY

20 County of Riverside, EDA  
21 Aviation Division  
22 3403 10<sup>th</sup> Street, Suite 400  
23 Riverside, CA 92501  
24 Attn: EDA – Aviation Division

LESSEE

25 TRM CA Holdings, LLC  
26 86-400 Lightening St.  
Thermal, CA 92274  
Attn: General Manager  
With a copy to:  
Ross Aviation Holdings, LLC  
3200 Cherry Creek South Drive,  
Suite 360  
Denver, CO 80209  
Attn: Jeffrey Ross

1 or to such other addresses as from time to time shall be designated by the respective  
2 Parties. A change of notification address is required in writing and must be delivered to  
3 the other Party.

4 Formal notices, demands and communications between Lessor and Lessee  
5 shall be sufficiently given if in writing and dispatched to the principal offices of the  
6 Lessor and Lessee, as designated in this Section 38. Any notice that is transmitted by  
7 electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed  
8 delivered upon its transmission; any notice that is personally delivered (including by  
9 means of professional messenger service, courier service such as United Parcel  
10 Service or Federal Express, or by U.S. Postal Service), shall be deemed received the  
11 day after the documented date of delivery; and any notice that is sent by registered or  
12 certified mail, postage prepaid, return receipt required shall be deemed received on the  
13 second day of delivery.

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

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

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

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

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

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

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

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

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

9           **46. Construction of Lease.** The Parties hereto negotiated this Lease at  
10 arm's length and with the advice of their respective attorneys, and no provisions  
11 contained herein shall be construed against Lessor solely because it prepared this  
12 Lease in its executed form.

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

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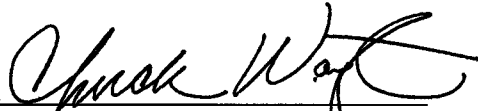



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IN WITNESS WHEREOF, the Parties have executed this Lease as of the dates set forth below.

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

LESSEE:  
TRM CA Holdings LLC  
a Delaware limited liability company

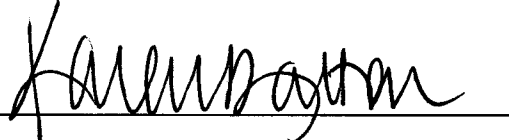
By:   
Chuck Washington, Chairman  
Board of Supervisors

By:   
Timothy Goulet, General Manager


Date: JUN 19 2018

Date: 6-6-2018

ATTEST:  
KECIA HARPER-ITEM  
Clerk of the Board

By:   
Deputy

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

By:   
Thomas Oh  
Deputy County Counsel

1 **Attachments:**

- 2 1. **Exhibit A Site Map**
- 3 2. **Exhibit B-1 Legal Description of Federal Ramp**
- 4 3. **Exhibit B-2: Legal Depiction of Federal Ramp**
- 5 4. **Exhibit B-3: Site Map of Federal Ramp**
- 6 5. **Exhibit C: Federally Required Lease Provisions**
- 7 6. **Exhibit D: Minimum Standards**
- 8 7. **Exhibit E: Storm Water Pollution Prevention Plan**
- 9 8. **Exhibit F: Fuel Flowage Fees**

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**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** John "Cy" Farmer

**Address:** \_\_\_\_\_  
(only if follow-up mail response requested)

**City:** Denver **Zip:** CO 80124

**Phone #:** 561-916-2593

**Date:** 6-19-18 **Agenda #** 3.13

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

**Support**       **Oppose**       **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

**Support**       **Oppose**       **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_

## **BOARD RULES**

### **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

### **Requests to Address Board on items that are "NOT" on the Agenda:**

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

### **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

### **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

### **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

### **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** RICHARD OLIPHANT

**Address:** 27, 900 AVE OF THE STARS  
(only if follow-up mail response requested)

**City:** PALM DEBERT **Zip:** 92211

**Phone #:** 760 578-0984

**Date:** 6-19-18 **Agenda #** 3.13

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

**Support**       **Oppose**       **Neutral**

**Note:** If you are here for an agenda item that is filed  
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the appeal below:

**Support**       **Oppose**       **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_

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