

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

3 Any subsequent transfer of this leasehold hereunder, except as provided for in
4 Paragraph 25(a)(2) above, shall not be made without the prior written consent of
5 County and shall be subject to the conditions relating hereto as set forth in Paragraph
6 24 herein.

7 Lessee shall give County prior notice of any such trust deed and shall accompany such
8 notice with a true copy of the trust deed and note secured thereby.

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

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

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

27 26. Estoppel Certificate. Each party shall, at any time during the term of the
28 Lease, within ten (10) days of written Notice (or as soon as reasonably possible) from

1 the other party, execute and deliver a statement in writing certifying that this Lease is
2 unmodified and in full force and effect, or if modified, stating the nature of such
3 modification. The statement shall include other details requested by the other party as
4 to the date to which rent and other charges have been paid, and the knowledge of the
5 other party concerning any uncured defaults with respect to obligations under this
6 Lease and the nature of such defaults, if they are claimed. Any such statement may be
7 relied upon conclusively by any prospective purchaser, Encumbrancer, or Sublessee of
8 the Demised Premises, the building or any portion thereof.

9 27. Toxic Materials. County has no actual knowledge of the Premises ever
10 having been used as a waste dump, of the past or present existence of any above or
11 below ground storage tanks on the Premises, or of the current existence on the
12 Premises of asbestos, transformers containing PCB's or any hazardous, toxic or
13 infectious substance whose nature and/or quantity of existence, use, manufacture or
14 effect, render it subject to Federal, state or local regulation, investigation, remediation
15 or removal as potentially injurious to public health or welfare.

16 County shall be responsible for the removal and remediation of any contamination
17 and/or hazardous materials that may be found and which existed on the site prior to the
18 execution of this Lease. During the removal and remediation of any such
19 contamination or hazardous materials, rental shall abate pro rata as to the period of
20 time taken to remove and remediate the area of contamination and for any additional
21 portion of the Premises that cannot be developed because of these activities.

22 During the term of this Lease and any extensions thereof, Lessee shall not violate any
23 federal, state, or local law, or ordinance or regulation relating to industrial hygiene or to
24 the environmental condition on, under or about the Leased Premises including, but not
25 limited to, soil, air, and groundwater conditions. Further, Lessee, its successors,
26 assigns and Sublessee shall not use, generate, manufacture, produce, store or
27 dispose of on, under, or about the Leased Premises or transport to or from the Leased
28 Premises any flammable explosives, asbestos, radioactive materials, hazardous

1 wastes, toxic substances or related injurious materials, whether injurious by
2 themselves or in combination with other materials (collectively, "hazardous materials").
3 For the purpose of this Lease, hazardous materials shall include, but not be limited to,
4 substances defined as "hazardous substances," "hazardous materials," or "toxic
5 substances" in the Comprehensive Environmental Response, Compensation and
6 Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous
7 Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource
8 Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those
9 substances defined as "hazardous wastes" in Section 25117 of the California Health
10 and Safety Code or as "hazardous substances" in Section 25316 of the California
11 Health and Safety Code; and in the regulations adopted in publications promulgated
12 pursuant to said laws.

13 28. National Pollution Discharge Elimination System (NPDES) Permit.

14 Lessee acknowledges, understands and agrees that it shall comply with California
15 State Water Resources Control Board general permit requirements relating to storm
16 water discharges associated with activities such as aircraft rehabilitation, mechanical
17 repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further
18 acknowledges, understands and agrees that it shall participate as a co-permittee under
19 said general permit, participate in the Desert Resorts Regional Airport Storm Water
20 Pollution Prevention Plan (SWPPP) as noted in Exhibit "D" including with out limitation,
21 the Best Management Practices, Best Available Technology Economically Achievable,
22 and Best Convention Pollutant Control Technology.

23 29. Free from Liens. Lessee shall pay, when due, all sums of money that
24 may become due for any labor, services, material, supplies, or equipment, alleged to
25 have been furnished or to be furnished to Lessee, in, upon, or about the Leased
26 Premises, and which may be secured by a mechanics, materialmen's or other lien
27 against the Leased Premises or County's interest therein, and will cause each such
28 lien to be fully discharged and released at the time the performance of any obligation

1 secured by such lien matures or becomes due; provided however, that if Lessee desire
2 to contest any such lien, it may do so, but notwithstanding any such contest, if such
3 lien shall be reduced to final judgment, and such judgment or such process as may be
4 issued for the enforcement thereof is not promptly stayed, or is so stayed, and said
5 stay thereafter expires, then and in such event, Lessee shall forthwith pay and
6 discharge said judgment.

7 30. Employees and Agents of Lessee. It is understood and agreed that all
8 persons hired or engaged by Lessee shall be considered to be employees or agents of
9 Lessee and not of County.

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

13 32. Right of First Refusal. Providing Lessee faithfully performs all of the
14 conditions and covenants contained herein, and is not in default of the Lease at the
15 date of expiration, and further providing Lessor offers the Leased Premises for lease at
16 any time during the twelve (12) months subsequent to said expiration, Lessee, its
17 successor, or assigns shall have the first right of refusal to enter into a new lease
18 agreement with Lessor under the final terms being offered by Lessor to any
19 prospective lessee. Issuance of a Request for Proposals or Bid or similar issuance
20 does not constitute an offering of lease terms. Lessor shall provide Lessee written
21 notice by United States mail, that the Leased Premises are available for lease and the
22 terms of said lease, and Lessee shall have thirty days (30 days) from the postmark of
23 said notice to give written notice of acceptance of the proposed lease under the terms
24 and conditions contained in said notice. Should Lessee fail to notify Lessor of
25 acceptance of said lease agreement within the thirty (30) days set forth herein, Lessee
26 shall be deemed to have rejected said offer to lease, and Lessor shall be released from
27 any further obligation hereunder.

1 33. Waiver of Performance. No waiver by County at any time of any of the
2 terms and conditions of this lease shall be deemed or construed as a waiver at any
3 time thereafter of the same or of any other terms or conditions contained herein or of
4 the strict and timely performance of such terms and conditions.

5 34. Severability. The invalidity of any provision in this Lease as determined
6 by a court of competent jurisdiction shall in no way affect the validity of any other
7 provision hereof.

8 35. Venue. Any action at law or in equity brought by either of the parties
9 hereto for the purpose of enforcing a right or rights provided for by this Lease shall be
10 tried in a Court of competent jurisdiction in the County of Riverside, State of California,
11 and the parties hereby waive all provisions of law providing for a change of venue in
12 such proceedings to any other County.

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

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

21 COUNTY

22 County of Riverside
23 Economic Development Agency
24 3525 Fourteenth Street
25 Riverside, CA 92501
26 Attn: Assistant County Executive Officer/EDA

LESSEE

 John Obradovich and
 Betty Obradovich
 48-200 Casitas Drive
 La Quinta, CA 92253

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

 38. Paragraph Headings. The paragraph headings herein are for the
convenience of the parties only, and shall not be deemed to govern, limit, modify or in

1 any manner affect the scope, meaning or intent of the provisions or language of this
2 Lease.

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

6 40. Acknowledgment of Lease by County. Upon execution of this Lease by
7 the parties hereto, County shall acknowledge this Lease in such a manner that it will be
8 acceptable by the County Recorder for recordation purposes, and thereafter, Lessee
9 shall cause this Lease to be recorded in the Office of County Recorder of Riverside
10 County forthwith and furnish County with a conformed copy thereof.

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

26 42. FAA Consent to Lease. Lessee acknowledges that Desert Resorts
27 Regional Airport was transferred to the County by the Federal Government and, as
28 such, may require FAA consent to the Lease.

1 43. Entire Lease. This Lease is intended by the parties hereto as a final
2 expression of their understanding with respect to the subject mater hereof and as a
3 complete and exclusive statement of the terms and conditions thereof and supercedes
4 any and all prior and contemporaneous Leased, agreements and understandings, oral
5 or written, in connection therewith. This Lease may be changed or modified only upon
6 the written consent of the parties hereto.

7 44. Construction of Lease. The parties hereto negotiated this Lease at arms
8 length and with the advice of their respective attorneys, and no provisions contained
9 herein shall be construed against County solely because it prepared this Lease in its
10 executed form.

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1 Date: _____

LESSEE

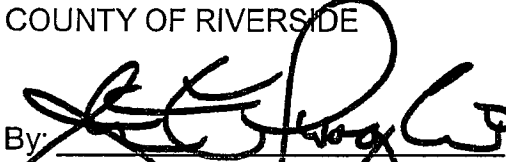
2 JOHN OBRADOVICH and BETTY OBRADOVICH,
3 Husband and Wife

4
5 By: 
6 John Obradovich

7
8 By: 
9 Betty Obradovich

10 Date: 4-24-03

COUNTY OF RIVERSIDE

11
12 By: 
13 Chairman, Board of Supervisors
14 JOHN TAVAGLIONE

15 ATTEST:

APPROVED AS TO FORM:

16 NANCY ROMERO

WILLIAM C. KATZENSTEIN, County Counsel

17 Clerk of the Board

JOE S. RANK, Assistant County Counsel

18 By: 
19 Deputy

20 By: Gordon V. Woo 5/13/03
21 Attorneys for County

22 (SEAL)

23 Attachments:

- 24 1. Exhibit A – Leased Premises
- 25 2. Exhibit B – Federally Required Lease Provisions
- 26 3. Exhibit C – Minimum Standards For Fixed Based Operators
- 27 4. Exhibit D – Storm Water Pollution Prevention Plan
- 28 5. Exhibit E – Imperial Irrigation District Underground Conduit Layout Plan
- 6. Exhibit F – Development Soil
- 7. Exhibit G – Delivery Apron

4/3/03 3.11

1 FIRST AMENDMENT TO LEASE
2 Jacqueline Cochran Regional Airport
3 (formerly Desert Resorts Regional Airport)

4 The COUNTY OF RIVERSIDE, herein called County, and John Obradovich and Betty
5 Obradovich, Husband and Wife, herein called Lessee, hereby agree to amend the
6 Lease between the County of Riverside and John Obradovich approved by the Board
7 of Supervisors of the County of Riverside on June 3, 2003, for 9 acres of land at Desert
8 Resorts Regional Airport, County of Riverside, State of California, as follows:

9 1. Paragraph 9(d), on page 9 of 33, shall be replaced by the following:

10 (d) Upon commencement of construction of Phase I, Lessee
11 shall, at its sole cost, install in-ground electrical service per the plans and specifications
12 of the Imperial Irrigation Districts' Master Electrical Plan for Desert Resorts Regional
13 Airport (Underground for County of Riverside S/O Airport Blvd. @ Vic Higgins Conduit
14 Layout) dated 12/13/01 along Warhawk Way on the eastern boundary of the Leased
15 Premises (Exhibit E). Lessee shall install at its sole cost in-ground electrical conduit
16 along Avenger Blvd adjacent to the northern border of the Leased Premises upon the
17 following: 1) notification by County that electrical service is needed for the development
18 of property east of Warhawk Way and south of Avenger Boulevard, 2) the Imperial
19 Irrigation District requires the electrical service for the development of any of Lessee's
20 buildings on the Leased Premises 3) prior to completion of the last phase of Lessee's
21 development, as approved by County, but in no event later than five (5) years from
22 lease execution. Lessee shall pay the cost of Imperial Irrigation District electrical
23 extension charges as required to provide electrical service to the Leased Premises
24 (Exhibit E).

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1 2. Paragraph 22, Insurance for Sub-Lessees on page 22 shall be replaced by the
2 following:

3 22. Insurance for Sub-Lessees. Lessee shall require each Sub-Lessee to
4 meet all the insurance requirements imposed on Lessee by this Lease. These
5 requirements, with the approval of the County's Risk Manager, may be modified to
6 reflect the activities associated with the Sub-Lessee.

7 3. All other provisions of the Lease, not otherwise affected by this amendment, shall
8 remain the same.

9 4. Construction of Amendment: The parties hereto negotiated this First
10 Amendment at arms length and with the advice of their ^{ir} respective attorneys, and no
11 provisions contained herein shall be construed against County solely because it
12 prepared this First Amendment in its executed form.
13

14 Date: 7-29-04 LESSEE
15 John Obradovich and Betty Obradovich
16 Husband and Wife
17 By: [Signature] By: [Signature]
18 John Obradovich Betty Obradovich

19
20 Date: 7-29-04 COUNTY OF RIVERSIDE
21
22 By: [Signature]
23 Chairman, Board of Supervisors
24 ROY WILSON

25 ATTEST: FORM APPROVED:
26 NANCY ROMERO, Clerk of the Board WILLIAM C. KATZENSTEIN, County Counsel

27
28 By: [Signature] By: Gordon V. Woo 8/12/04
Deputy Deputy
(SEAL)

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

702



FROM: Economic Development Agency

SUBMITTAL DATE:
February 24, 2009

SUBJECT: Amendments to Aviation Leases at County Airports

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Amendment to Lease between the County of Riverside, as Lessor and:
 - 1) Hemet-Ryan Aviation, Inc., as Lessee, First Amendment to Lease dated January 9, 2009, to the Lease dated December 1, 2000;
 - 2) FV Airport Hangars, LLC, as Lessee, Second Amendment to Lease dated January 19, 2009, to the Lease dated January 5, 2005, with French Valley Jet Center, LLC, as Lessee, as amended and assigned;
 - 3) French Valley Hangars, LLC, as Lessee, Fourth Amendment to Lease, dated January 10, 2009, to the Lease dated June 4, 2002, as amended;
 - 4) John Obradovich and Betty Obradovich, Husband and Wife, as Lessee, Third Amendment to Lease dated January 12, 2009, to the Lease dated June 3, 2003, as amended;
 - 5) Tradition Aviation-TRM, LLC, as Lessee, Second Amendment to Lease, dated February 24, 2009, to the Lease dated September 14, 2004, with Desert Resorts Aviation, LLC, as Lessee, as amended and assigned; and
2. Authorize the chairman of the Board of Supervisors to execute the Amendments to Lease.

(Background on next page)

Robin Zimpfer

Robin Zimpfer

RZ:DL:CC:DS:HO

S:\EDCOM\AIRPORTS\Fuel Flow Lease Amendments 12 17 08\FUEL FLOWAGE AMENDMENTS FORM 11 02.24.09.doc

Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NA
	Annual Net County Cost:	\$ 0	For Fiscal Year:	No

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: NA

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Serena Chow*

Serena Chow

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Gordon V. Woo*
GORDON V. WOO
DATE: 3/4/09
Departmental Concurrence

Policy

Consent

Dept Recomm.:
Per Exec. Ofc.:

3009 MAR 11 10:12

Prev. Agn. Ref.: Nov 14, 2000 3.23; Jun 25, 05 3.12; Jun 4, 02 3.21; June 3, 03 3.11; Sep 14, 04 3.16

District: 3rd and 4th

Agenda Number:
3.16

BACKGROUND:

The Economic Development Agency has received Amendments to Lease from:

- 1) Hemet-Ryan Aviation, Inc., as Lessee,
- 2) FV Airport Holdings, LLC, as Lessee,
- 3) French Valley Hangars, LLC, as Lessee,
- 4) John Obradovich and Betty Obradovich, Husband and Wife, as Lessee, and
- 5) Tradition Aviation, LLC, as Lessee.

These Amendments relate to Resolution No. 2008-362, adopted by the Board of Supervisors on July 24, 2008, which modifies the method for calculation and collection of fuel flowage fees from fuel suppliers at County-owned airports. The Resolution requires that current leases and/or subleases for fuel sellers be amended to reflect the new fee. A copy of Resolution No. 2008-362 is attached as Exhibit A.

Agency staff recommends approval of the Amendments to Lease. County Counsel has reviewed the Amendments to Lease and approved them as to form.

EXHIBIT A

Board of Supervisors

County of Riverside

RESOLUTION NO. 2008-362

ESTABLISHING FUEL FLOWAGE FEES AND REQUIREMENTS
FOR FUEL SELLERS AT COUNTY OWNED AIRPORTS

WHEREAS, the County has previously set fuel flowage fees for fuel sellers and self-fuelers (who are also lessees or sub-lessees on the airport who meet certain minimum requirements), at County owned airports as a percentage of the net delivered price, the current fee having been established at five percent (5%) of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee. The "total net price" shall mean the net price per unit of such fuel and lubricants, excluding taxes imposed thereon by any governmental agency. Said fuel flowage fees are due and payable within thirty (30) days of delivery. In some cases, these fuel flowage fees are subject to a late fee of ten percent of the delinquent amount.

WHEREAS, as a result of the current surge in fuel prices and the resultant negative economic impact on airport operations, as well as discussions with County Airport Lessees and fuel sellers, and a review of fuel flowage fees charged by other southern California airport operators, the County desires to change the method of calculating fuel flowage fees from a percentage basis to a fixed price per gallon basis, effective July 1, 2008.

WHEREAS, the new fuel flowage fee will continue to provide the County with reasonable revenue to support the maintenance and operation of the County airports, while providing relief to the airport Lessee/fuel seller.

WHEREAS, the adoption of the new fuel flowage fee calculation will require that the current leases and/or sub-leases for fuel sellers be amended to reflect the new fee at a subsequent date.

NOW, THEREFORE, BE IT RESOLVED that the fuel flowage fee at County owned airports shall be calculated as follows:

1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold effective July 1, 2008. Payments shall be due within thirty (30) days of the County's invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments

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received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

2. Lessee/fuel seller's fuel systems must comply with the County Airport requirements and specifications. The systems must have a meter according to the County's specifications, which allow the County to monitor and record fuel sales on a monthly basis. Lessee/fuel seller shall, at its own expense, be responsible for obtaining and installing the meter. The meter or metering device must be certified on an annual basis by the Riverside County Agricultural Department, Weights and Measures Division, or other service designated by the County. Such annual certification shall be at the expense of lessee.

3. The County shall take readings from the meters of all fuel systems during the first week of each month. The County shall issue an invoice to Lessee based upon the number of gallons of fuel sold during the previous monthly period. The County reserves the right to audit records of Lessee's fuel sales and receipts. Lessee shall make all such records available for inspection upon three (5) days notice from County to Lessee.

4. Lessees shall have the option to continue to pay fuel flowage fees at the former rate of 5% per gallon for the duration of the current lease or sublease.

5. Fuel sellers, prior to being subject to the new fuel flowage fee calculation, shall be required to enter into amendments of their current leases and/or subleases to reflect the provisions of this resolution.

6. Lessees must at all times comply with applicable local, state and federal laws and regulations, including applicable airport regulations established pursuant to Riverside County Ordinance No. 576.2.

7. The County reserves the right to review this Resolution from time to time, and by Resolution, make any and all such revisions as it deems necessary and appropriate.

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 7/19/08
NEAL R. KIPNIS

SECOND AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport

This Second Amendment to Lease ("Amendment") is entered into by and between the County of Riverside (hereinafter "County"), and John Obradovich and Betty Obradovich, Husband and Wife, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the "Lease") dated June 3, 2003, wherein Lessee agreed to lease from County, approximately 9 acres of property ("Leased Premises") located at the Desert Resorts Regional Airport, now known as the "Jacqueline Cochran Regional Airport"; and

B. WHEREAS, the County and Lessee entered into that certain First Amendment to Lease dated September 14, 2004; and

C. WHEREAS, Lessee desires to lease additional property surrounding the Leased Premises from the County, and

D. WHEREAS, the County and Lessee now desire to modify the Lease in accordance with the terms and provisions of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the Lease shall be modified as follows:

1. Lessee desires to add the property depicted on Exhibit A to its Lease as described above.

2. Paragraph 2, page 1 shall be modified to read as follows:

"The premises leased hereby are located within the Jacqueline Cochran Regional Airport (formerly the Desert Resorts Regional Airport, 56-580 Higgins Drive, Thermal, California and consist of approximately 9.45 acres of vacant land, as depicted in Exhibit B

attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Leased Premises."

3. Paragraph 5 Rent, page 2, subparagraph (a) shall be modified by changing the word "Lessor" in line 23 to "County" and adding the following at the end of said paragraph 5(a):

Commencing as of July 1, 2005 and continuing through June 30, 2015 Lessee shall pay to County for the use and occupancy of the Leased Premises monthly Base Rent according to the following schedule:

July 1, 2005-June 30, 2006	(\$351.27 per acre) X (9.45 acres) = \$3319.50
July 1, 2006-June 30, 2007	(\$371.66 per acre) X (9.45 acres) = \$3512.19
July 1, 2007-June 30, 2008	(\$393.24 per acre) X (9.45 acres) = \$3716.19
July 1, 2008-June 30, 2009	(\$416.06 per acre) X (9.45 acres) = \$3931.77
July 1, 2009-June 30, 2010	(\$440.21 per acre) X (9.45 acres) = \$4159.98
July 1, 2010-June 30, 2011	(\$479.74 per acre) X (9.45 acres) = \$4533.54
July 1, 2011-June 30, 2012	(\$522.74 per acre) X (9.45 acres) = \$4939.89
July 1, 2012-June 30, 2013	(\$569.76 per acre) X (9.45 acres) = \$5384.23
July 1, 2013-June 30, 2014	(\$620.91 per acre) X (9.45 acres) = \$5867.60
July 1, 2014-June 30, 2015	(\$676.67 per acre) X (9.45 acres) = \$6394.53

On July 1, 2015 and July 1 of every fifth (5th) year thereafter the monthly rent will be adjusted according to the provisions of new paragraph 5(d) as set forth in paragraph 4 of this Amendment."

4. Subparagraph 5 (d), page 4 of the Lease, shall be deleted in its entirety and replaced with the following subparagraph:

"5 (d) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth (5th) year thereafter, that portion of the monthly Base Rent for the

Land shall be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value shall be for the Land only and shall not include the value of the Improvements or other structures placed on the Leased Premises by Lessee. In no event will application of this paragraph result in a monthly Base Rent amount for the Land which is lower than the highest previous monthly Base Rent for the Land.

The aviation fair market value for the Land will be established by a property appraisal performed by an independent appraiser, knowledgeable and experienced in the valuation of aviation property within the southern California Counties of Riverside, San Bernardino, San Diego and Los Angeles. The appraiser shall be certified by, and be, in good standing with the Appraisal Institute of Chicago IL with a current designation of "MAI" and the appraisal shall be conducted in strict compliance with the Uniform Standards of Professional Appraisal Practice ("USPAP").

No less than two hundred and forty (240) days prior to the rent adjustment date, County will notify by US Mail, potentially affected Lessees of its intent to issue a Request for Qualifications and Proposal ("RFQP") and submit a copy of the Draft RFQP form it intends to use. It will be the responsibility of the Lessees to establish amongst themselves a process for forming a committee to comment on the Draft RFQP and to select up to two-fifths (2/5) of the appraisers that will be invited to respond to the RFQP. In the event a majority of Lessees participating in the selection process are unable to form a committee, comment on the Draft RFQP, select the designated number of appraisers or give the County written notice thereof within two hundred ten (210) days prior to the rent adjustment date, then County will select all of the appraisers to which the RFQP is sent. No less than one hundred and eighty (180) days prior to the rent

adjustment date, County will give reasonable consideration to the comments received from the Lessee's Committee and shall issue a Final RFQP to a minimum of five (5) appraisers meeting the foregoing qualifications. Upon receipt of the responses to the RFQP, the County shall offer the responses to the Lessee's Committee for viewing and comment for a period of fourteen (14) days, and after reasonable consideration of the comments made, County shall select the appraiser pursuant to the County's established guidelines. The cost of the appraisal and related processes shall be borne by the County. The cost, if any, of forming and operating the Lessee's Committee shall be borne by the Lessee Committee members.

Once established, the adjusted monthly Base Rent for the Land shall be adjusted annually in the manner set forth in Paragraph 5 (d) below."

5. Subparagraph 5 (e), page 3, is hereby deleted in its entirety and replaced with the following subparagraph:

"(e) Beginning July 1, 2016 and at each July 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in paragraph 5(d) above, the Base Rent shall be adjusted by the percentage change, in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the twelve month period ending three months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in an increase in the monthly base rent of greater than five percent (5%) nor a monthly Base Rent amount lower than the highest previous monthly Base Rent amount."

WHEREFOR, the parties hereto have executed this Amendment as of the dates set forth below.

Dated: 6-14-06

LESSEE:

JOHN OBRADOVICH and BETTY OBRADOVICH, Husband and Wife

John Obradovich
John Obradovich

Betty Obradovich
Betty Obradovich

Dated: 9-12-06

COUNTY OF RIVERSIDE

By: *Bob Buster*
Chairman, Board of Supervisors
Bob Buster

(SEAL)

APPROVED AS TO FORM:
Joe S. Rank, County Counsel

ATTEST:
Nancy Romero, Clerk of the Board

By: *Jordan V. Ubo 8/22/06*
Deputy

By: *[Signature]*
Deputy

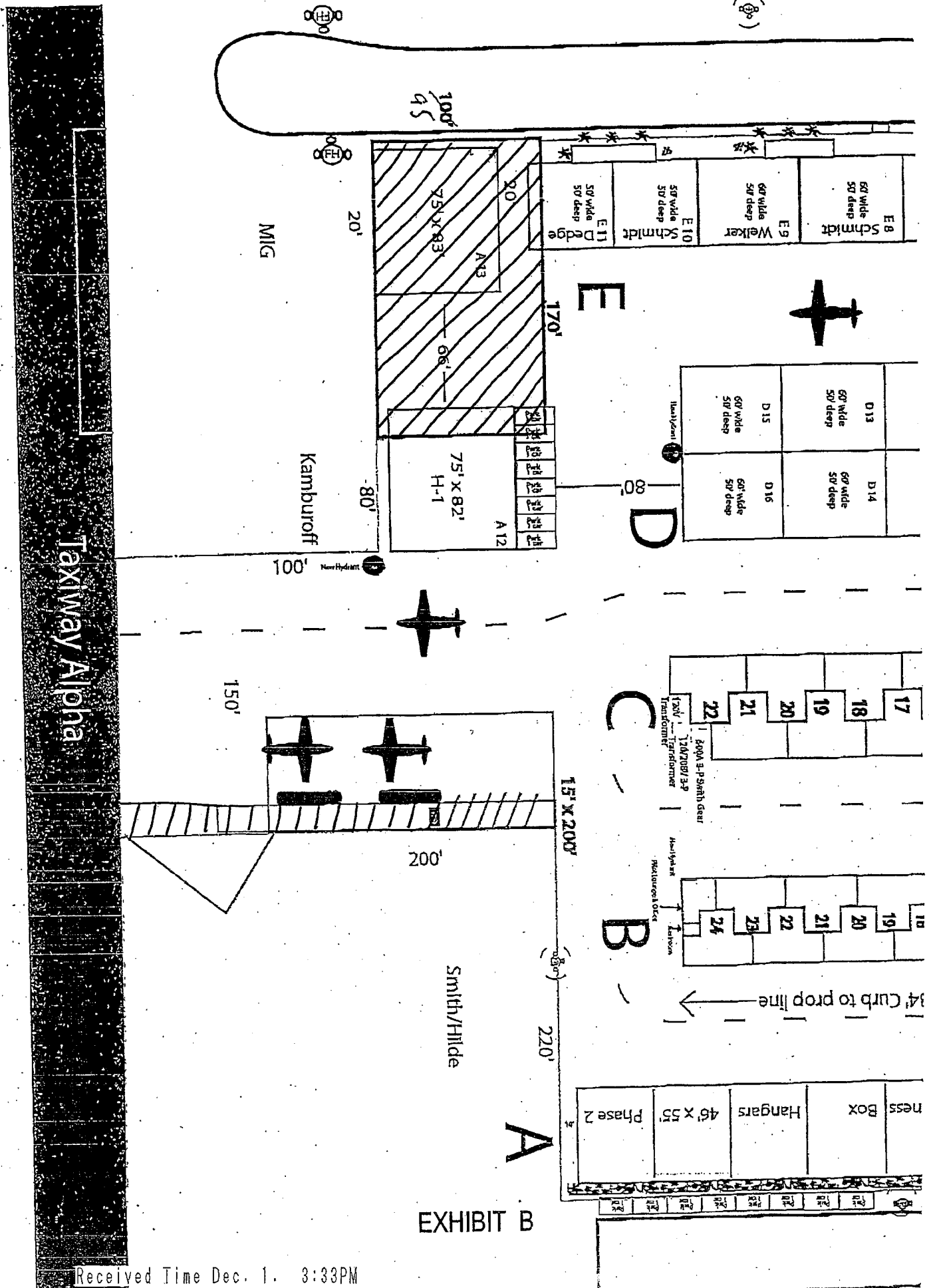


EXHIBIT B