

**Table H - OTHER AERONAUTICAL ACTIVITIES**

All aeronautical activities that were not included in previous sections are required to comply with these minimum standards. Activities include, but are not limited to, Air Tours, Air Charter, Banner Towing, Gliders, Ultra Lights, Parachuting, Airship Operations, and Ballooning.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<b><u>LOT SIZE:</u></b> ½ acre or 21,780 SF		
Building space	400 SF	For offices, lobby area, and restrooms. Additional space may be required depending on the operation
Aircraft storage	To be determined during lease negotiations	Hangar or outside storage to accommodate the operational activities desired.
Automobile parking	Minimum of five (5) parking spaces or 810 SF, with landscaping as required by Ord. 348	For number of employees per shift and average number customers.
Landscaping	Specific plans to be determined during lease negotiations.	Required around vehicle parking, sidewalks, and buildings.
<b><u>CERTIFICATION:</u></b>		
As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
<b><u>PERSONNEL:</u></b>		
Staff	Sufficient number during normal hours of operation	To comply with all applicable regulations
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	
<b><u>HOURS OF OPERATION:</u></b>		
Services	To be determined during lease negotiations.	Minimum requirements would be: normal telephone contact five (5) days a week (M-F) eight (8) hours a day.
<b><u>EQUIPMENT:</u></b>		
	To be determined during lease negotiations depending on the type of activity proposed.	
<b><u>INSURANCE:</u></b>		
Refer to Appendix A		

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## **STORM WATER POLLUTION PREVENTION PLAN INTRODUCTION AND PURPOSE**

The California airport group members have submitted their Notices of Intent (NOI) and are now in the compliance phase of the California General Permit. The General Permit requires airport discharges to: eliminate non-storm water discharges; develop and implement a storm water pollution prevention plan; and perform monitoring of discharges to the storm water drainage system.

The required Storm Water Pollution Prevention Plan (SWPPP) must emphasize the storm water Best Management Practices (BMPs) and be designed to comply with Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (BCT). The SWPPP has two major objectives: 1) to identify the source of pollutants that affect the quality of the industrial storm water discharge; and 2) to describe practices which may be implemented to reduce the pollutants in the industrial storm water discharge.

The SWPPP is to be certified and implemented by October 1, 1992. Although the SWPPP is not submitted to the Regional Board, it must be retained on file at the airport for the duration of the permit. The SWPPP must be available for Regional Board and public review. The Regional Board may notify airport representatives if the SWPPP does not meet the minimal requirements. Within 30 days of the notice, the airport must submit a time schedule in which the required changes will be made. Once the changes have been made, the airport will provide written certification to verify the completed change. The documentation should then be retained as part of the SWPPP.

The airport is responsible for amending the SWPPP whenever there is a change in construction, operation, or maintenance, which will affect the quality or quantity of the industrial storm water discharge. The SWPPP should also be amended if the objective of controlling pollutants in the storm water discharge as not being achieved.

## PLANNING AND ORGANIZATION

### POLLUTION PREVENTION PERSONNEL

#### POLLUTION PREVENTION COMMITTEE MEMBERS

Airport Manager/Representative: Thomas Turner

DUTIES: Overall compliance; Inspection of airports.

Phone: (951) 652-0422 24-hour Phone: (951) 538-5185

#### Designated Individuals

Name: Captain Heally, C.D.F. Fire Title: \_\_\_\_\_

Phone: (760) 399-5303 24-hour Phone: 9-1-1

Duties: County fire compliance with permit.

Name: Eric Affeldt Title: Manager, Million Air La Quinta F.B.O.

Phone: (760) 399-1855 24-hour Phone: \_\_\_\_\_

Duties: F.B.O. compliance.

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

Phone: \_\_\_\_\_ 24-hour Phone: \_\_\_\_\_

Duties:

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

Phone: \_\_\_\_\_ 24-hour Phone: \_\_\_\_\_

Duties:

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

Phone: \_\_\_\_\_ 24-hour Phone: \_\_\_\_\_

Duties:

## **FACILITY DATA COLLECTION**

The general permit requires that the following information be gathered in order to determine and evaluate pollution sources:

- Site map
- Topographic map
- Description of significant material handling
- List of pollutants with potential to be present
- Size of airport and percentage of impervious areas
- Spill history
- Summary of existing sampling data

### **Topographic Map**

## **Description of Significant Material Handling**

### **Significant Materials Treated or Stored**

#### **Significant Materials Stored:**

1) Jet-A and Avgas stored in underground and above ground tanks.

2) Used motor oil

#### **Significant Materials Disposed:**

1) Fuel from underground tank is used in aircraft. Underground and aboveground tanks are regulated by title 23 of the California Health and Safety Code, EPA underground Tank Regulations, and riverside County Ordinance No. 617

2) Fertilizer and pesticides are controlled by EPA, State, and county regulations. Fertilizers and Pesticides are disposed of off airport property.

3) Used motor oil is recycled through a licensed contractor.

#### **Significant Materials Spilled Or Leaked (in significant quantities to storm water after November 19, 1988):**

1) To our knowledge, no materials of significant quantity have been leaked or spilled on airport property.

2) Fuel spill in 1995, overfilled fuel trucks. Topsoil removed by airport staff and disposed of by operator. County Haz - Mat called.

3) Site clean up completed in Feb. 1998

#### **Airport Industrial Storm Water Treatment Facilities:**

1) No facilities are now on the airport.

**Materials Management Practices:**

- 1) All hazardous material spills must be reported to the airport manager, County Health and County Fire to insure immediate and proper cleanup and disposal. Liquid absorbent material is stored on site.
- 2) Areas where materials are stored and or have the possibility to spill are inspected monthly, with spot inspections during daily airport inspections
- 3) Insure material handlers have proper licenses and or training for each product being used.

**Equipment Management Practices:**

- 1) All equipment inspected monthly.
- 2) Routine maintenance to repair leaks and preventive maintenance scheduled to prevent leaks.
- 3) Drip pans installed under areas where leaks may occur.

**Vehicle Management Practices:**

- 1) Scheduled preventative maintenance.
- 2) Cleaning vehicles with biodegradable solvents and soaps, in designated areas only.
- 3) Routine daily inspections of vehicles.

**Material Loading, Unloading, and Access Areas:**

- 1) Insure all personnel are trained and or have proper license.
- 2) Restrict material-handling areas to trained personnel only.
- 3) Inspect equipment monthly to insure it is in proper working order and notify the responsible party if not.

**Existing Structural Controls (to reduce pollutants in storm water):**

- 1) Monthly inspections of all aircraft tie downs, auto parking lots, streets and hangar areas.
- 2) Daily spot inspections done during routine airport safety inspections.

**Existing Non-Structural Controls (to reduce pollutants in storm water):**

- 1) Use of dirt roads restricted to airport employees for inspections and maintenance.
- 2) Monthly inspections of all drains, inlets, flood control berms for unauthorized water runoff.

**Methods of On-Site Disposal of Significant Materials:**

- 1) All hazardous materials are disposed of in State approved sites or recycled. No hazardous materials are disposed of on the airport.

**Methods of On-Site Storage of Significant Materials:**

- 1) Aviation fuels are stored in above ground and under ground tanks or in fuel trucks.
- 2) Motor vehicle oils are stored inside buildings.
- 3) All pesticides and fertilizers are stored in building or on covered concrete slabs.

**Activities that Generate Significant Quantities of Dust or Particulates (unpaved access roads or emissions from industrial processes):**

- 1) All main access roads and parking lots are paved. Some airport maintenance roads are dirt but rarely used.
- 2) There are no significant industrial processes on the airport.
- 3) Dirt roads are restricted to airport personnel only.

## Pollutant Lists

The airport is required to list any pollutants that have a reasonable potential to be present in the storm water discharge in significant quantities. The definition of significant quantities varies depending on the material. In general, a significant quantity of material larger than that consumed within a normal day's operations or a quantity resulting in spills beyond the immediate clean-up capabilities of the individual charged with the use of the materials. For regulated substances, a significant quantity is a "reportable" quantity of those substances. An estimate of the annual quantities of these pollutants in the discharge is also required. List substances and quantities in the following table (Table 3-1) and retain a copy in the SWPPP documentation.

POLLUTANT LIST

TABLE 3-1

Date	Pollutant Present	Use	Quantity Estimate
10/1	Aviation Fuels	20,000 gal. annually	
10/1	Motor oils	300	
10/1	Anti Freeze	Ground vehicles	No significant
10/1	Engine oil	Aircraft and Ground vehicles	Spill history

## Airport Size

Airport Size (acres or square feet): 2,363 Acres

Impervious Area (acres or Square Feet): 35.5 Acres

Percentage of Impervious Area (Impervious area/total area x 100): 1.5%

## Significant Spills or Leaks:

Table 3-2 should be used to record the lists described above.

## Summary of Sampling Data:

Record the sampling event(s) information on Table 3-3 and include only a one-page summary from the sampling data report package.

## Airport Size

Airport Size (acres or square feet): 2,363 acres

Impervious Area (acres or Square Feet): 45. Acres Amendment-10-26- 50.75 acres



**Percentage of Impervious Area** (Impervious area/total area x 100): 2. % - 2.1%

**Significant Spills or Leaks:** Table 3-2 should be used to record the lists described above.

**Summary of Sampling Data:** Record the sampling event(s) information on Table 3-3 and include only a one-page summary from the sampling data report package.

**SAMPLING EVENT RECORDS TABLE 3-3**

Date Sampled	Outfall Sampled	Analysis Performed	Analysis Method	Sampling Team
Nov. 98	1			Tom Turner

## **STORM WATER MANAGEMENT CONTROLS**

This section of the SWPP describes storm water management controls, which are appropriate for the identified potential pollutant sources at the facility

The regulations require the following descriptions and information to be included in the storm water management control portion of the SWPPP:

- Prevention Maintenance and Inspections
- Good Housekeeping
- Spill Prevention and Response
- Storm Water Management Practices
- Sediment and Erosion Prevention
- Employee training

### **Preventative Maintenance**

The preventative maintenance program should include the following:

- Identification of the equipment and systems targeted for the PM program
- Periodic inspections of identified equipment and systems
- Appropriate adjustments, repair, or replacement of parts
- Record keeping documenting inspections and follow-up action

Documentation and retention of records is a critical element of a good preventative maintenance and inspection program. A tracking and follow-up procedure is recommended to ensure that an appropriate response to the inspection findings has been made. All inspection documentation and records must be maintained with the SWPPP for a period of 5 years, Table 4-1 should be used to record inspection and maintenance activities, and any corrective actions implemented.

### **Good Housekeeping**

#### **Written Protocol**

The protocols should be developed to meet the site-specific requirements of the airport.

The protocols should cover:

- 1) Daily inspections of tie down areas to look for leaks and spills.
- 2) Notices sent to F.B.O.s and aircraft owners to correct any problems.
- 3) Vehicle and equipment washing to be done in designated areas only.
- 4) No hangars, equipment storage or maintenance facilities are allowed to be hosed out. All oil and fuel will be cleaned by using oil absorbent materials or biodegradable

solvents or soaps, then disposed of properly.

- 5) Drip pans and 100 pounds of absorbent material stored at each F.B.O. site near fuel storage and maintenance areas.
- 6) Drums and tanks containing used oil are to store in a covered area with retention.
- 7) The County and each co-Permittees will train all personnel on the proper handling of hazardous materials. List of agency's to notify if a spill occurs.
- 8) The designated airport representative will inspect the airport monthly to include co-Permittees areas to insure compliance with the S.W.P.P.P.
- 9) All unpaved roads restricted to necessary traffic.
- 10) All vehicle fueling to take place on paved areas to simplify clean up if a spill occurs. Also keeps cost down.

**A protocol document should be included with the SWPPP document; Table 4-3 can be used for this purpose. Spill Prevention and Response**

Table 4-4 will be used to record the spill control and countermeasures established by the airport. Please add any additional documentation relating to spill prevention countermeasures and control to this document.

See Protocols and Management Practices

### **Emergency Response Coordinator**

The designated person will be named below. This information should be kept on file as part of the SWPPP documentation.

Designated Individual:	<u>Tom Turner</u>	
Title:	<u>Airport Manager</u>	
Phone:	<u>(909) 351-0700 x 358</u>	24-hour Phone: <u>909-412-3049</u>
Alternate:	<u>Paul Hardin</u>	
Title:	<u>Airport Operation</u>	
Phone:	<u>(909) 358-5164 24-hour</u>	24 hour Phone: <u>909-416-8958</u>

## **Storm Water Management Practices**

- 1) Daily inspections of tie down areas to look for leaks.
- 2) Notices sent to lessees, aircraft and equipment owners to inform them of problems that need correcting.
- 3) Vehicle and equipment washing be done in designated areas. All loose oil needs to be wiped from all surfaces before washing.
- 4) No hangars, equipment storage, or maintenance facilities will be hosed out with water. All oil and fuel leaks will be cleaned up with liquid absorbent materials or biodegradable solvents and soap, then disposed of properly.
- 5) Drip pans of 100lbs. of liquid absorbent material stored at the airport near fueling facilities and maintenance areas.
- 6) Drums and tanks containing used oil, solvents, and coolants checked weekly for material levels. All full containers to be closed and secured to prevent overfilling.
- 7) The County and each Co-Permittee will train personnel in the proper handling, identification, and clean-up practices (List of agencies to notify when a spill does occur, etc.).
- 8) The designated airport representative to inspect the airport monthly to include Co-Permittees' leaseholds and notify responsible parties not in compliance with storm water plan.
- 9) All non-paved roads to be restricted to only necessary traffic.
- 10) All vehicle fueling is to take place on concrete or asphalt to simplify clean up if a spill does occur.
- 11) All hazardous material spills must be reported to airport management, County Health, and County Fire Dept. to insure immediate and proper clean-up and disposal. Liquid absorbent material is stored at the airport.
- 12) All equipment inspected monthly.
- 13) Routine maintenance to repair leaks and preventive<sup>4</sup> scheduled maintenance to prevent leaks.
- 14) Drip pans installed under areas where leaks may occur.
- 15) Scheduled preventive maintenance.

- 16) Cleaning vehicles with only biodegradable solvents and soaps, in designated areas only.
- 17) Routine daily inspections on vehicles.
- 19) Insure all personnel are trained and /or have proper licensing.
- 20) Restrict material handling areas to trained personnel only.
- 21) Inspect equipment monthly to insure it is working properly and that the responsible party is noticed so that repair can be made on faulty equipment.
- 22) Require catch basins to be designed into all future construction projects where applicable.
- 23) Rip-rap all applicable outfalls, embankments and drain ditches.
- 24) Keep Cracks in parking lots and tie downs filled with crack fillers.

#### **SEDIMENT CONTROL AND EROSION PREVENTION**

- 1) Seed embankments where applicable to prevent erosion.
- 2) Monitor Sediment in basins and ditches; test annually and clean.

#### **AMENDMENT SHEET**

DATE	PURPOSE OF CHANGE	PAGES AMENDED	SIGNATURE
3-11-93	ADDED RUNWAY & TAXIWAY	7.B - 14	
10-26-98	ADDED TAXIWAY "F"	7.B - 14	
10-26-98	INCREASE SIZE, RETENTION BASIN TO 11 ½ ACERS.		

#### **EMPLOYEE TRAINING SCHEDULE**

**TABLE 4 - 5**

Workshop Topic	Dates	Personnel Attending

#### **EMPLOYEE TRAINING**

Training should be recorded on Table 4 - 5.

## NON-STORM WATER DISCHARGES

The California General Permit requires non-storm water discharges to be eliminated prior to the implementation of the SWPPP on October 1, 1992. The airports must certify that there are no non-storm water discharges present in the storm water drainage system. All airports in the group must certify and monitor outfalls for dry weather discharges.

The certification page, for non-storm water certification, is provided in the "Non-Storm Water Discharge Screening and Detection Manual." This page should be signed and a copy inserted into the SWPPP documentation. All forms filled out while surveying and evaluating outfalls should also be inserted into this section of the SWPPP document. A record of methods used, dates, and time conducted should be listed on the form.

For methods of detection and screening for non-storm water discharges, the SWPPP Committee should refer to the above referenced document for complete guidance.

If certification is not feasible, due to the inability to eliminate the non-storm water discharge because of the need for significant structural changes, the airport must notify the Regional Board prior to the October 1, 1992 deadline. This notification should include a summary of why the extension in eliminating non-storm water discharges is required and a schedule indicating when non-storm water discharges will be eliminated. The schedule is subjected to modification by the regional board. This is also required if the airport has applied for an NPDES permit for a non-storm water discharge and has not yet received approval. If the airport is unable to eliminate the non-storm water discharge, then a schedule for elimination of the discharge must be submitted to the Regional Board for approval. In no case will the Board allow for the elimination of non-storm water discharges to take longer than 3 years from the date of the NOI submittal.

## COMPLIANCE

### Inspection

An annual inspection of the airport will be conducted by the Regional Board to verify elements of the SWPPP are accurate and have been implemented. The inspection may yield comments, which require a response to comments by the board and are required to be retained as part of the SWPPP. As listed under Section 311 of the Clean Water Act this SWPPP is considered a report that shall be available to the public.

Amendments to the SWPPP are required to include the signature and title of the person responsible for preparation of the SWPPP and the date.

## **AVIGATION EASEMENT**

WHEREAS, DESERT RESORTS AVIATION, LLC, a California limited liability company, hereinafter called "Grantor", is the Lessee under that certain Lease dated \_\_\_\_\_, 2006 and naming the County of Riverside as Lessor (hereinafter the "Lease"); and

WHEREAS, pursuant to the Lease, Grantor owns a leasehold estate in certain unimproved property located at the Jacqueline Cochran Regional Airport, County of Riverside, State of California, more particularly on Exhibit "A" attached hereto and incorporated herein by this reference (Grantor's leasehold estate in the property described on Exhibit "A" shall hereinafter be referred to as the "Servient Tenement"); and

WHEREAS, a condition of the Lease requires that the lessee grant to the County an avigation easement over the Servient Tenement in favor of the County for its operation of the Jacqueline Cochran Regional Airport.

NOW, THEREFORE, For valuable consideration, receipt of which is hereby acknowledged, Grantor, for itself, its heirs, administrators, executors, successors, lessees, sublessees and assigns, and for its licensees, invitees, and any other persons or entities taking authority under it, or under any of the above, present and future, hereby grants and conveys to the COUNTY OF RIVERSIDE, the owner/operator of the Jacqueline Cochran Regional Airport, (hereinafter being referred to as "Grantee"), for the use and benefit of Grantee itself, its heirs, administrators, executors, successors, lessees, sublessees and assigns, and for the use and benefit of its licensees, invitees, and any other persons or entities taking authority under it, or under any of the above, present and future, an Avigation Easement and Right-of-Way ("Avigation Easement") for the free and unobstructed passage of aircraft ("aircraft" being defined for the purposes of



this instrument as any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, by whomsoever owned and operated) landing upon, taking off from, or maneuvering about Jacqueline Cochran Regional Airport, in and through that portion of the airspace above the surface of the Servient Tenement ("Easement Area"). The Avigation Easement granted herein shall be appurtenant to the property which is the site of the Jacqueline Cochran Regional Airport, which property is fully described in Exhibit "B" attached hereto and incorporated herein by this reference (hereinafter the "Dominant Tenement").

To have and to hold said Avigation Easement and all rights appertaining thereto unto Grantee, itself, its heirs, administrators, executors, successors, lessees, sublessees, assigns, licensees, invitees, and any other persons or entities taking authority under it, or under any of the above, present and future, until the earlier of the termination of the Lease, or the Dominant Tenement ceasing to be used for airport purposes, it being understood and agreed that these covenants and agreement shall run with the land.

The Easement Area shall consist of that portion of the airspace above the surface of the Servient Tenement, beginning at a height above said surface specified by the Federal Aviation Administration (FAA) upon submittal of a Form 7460-1 to the FAA, prior to the construction of each building, as specified in Federal Airport Regulation (FAR) Part 77 and extending upward to that elevation above the surface of the Servient Tenement that is necessarily and reasonably used by aviators landing on, taking off from or maneuvering above Grantee's airport, being the Dominant Tenement.

Grantor for itself, its heirs, administrators, executors, successors, lessees, sublessees and assigns, and for its licensees, invitees, and any other persons or entities taking authority under it, or under any of the above, present and future, agrees not to construct or permit the construction or growth of any structure, tree or other object that

obstructs or interferes with the use and enjoyment of the rights herein granted, or other object that obstructs or interferes with the use of the rights herein granted or that creates electrical interference with radio communication between any installation within said airport and aircraft, or which causes difficulty for pilots to distinguish between airport lights and other lights, or which impairs visibility in the vicinity of said Jacqueline Cochran Regional Airport, or which otherwise endangers the landing, take-off or maneuvering of aircraft, or to perform any other act which interferes with the use and enjoyment of the rights herein granted. Grantor, for itself, its heirs, administrators, executors, successors, lessees, sublessees and assigns, and for its licensees, invitees, and any other persons or entities taking authority under it, or under any of the above, present and future, agree that Grantor, its heirs, administrators, executors, successors, lessees, sublessees and assigns, and its licensees, invitees and any other persons or entities taking authority under it, or under any of the above, present and future shall have the obligation to mark and light as obstructions to air navigation any building, structure, tree or other object now upon or that may in the future be constructed upon the Servient Tenement in accordance with applicable governmental regulations.

The rights herein granted shall include the right to cause in the Easement Area such noise, sound or shock waves, vibrations, odors, fumes, dust, fuel particles, smoke, light, thermal waves, air quality changes and other results transmitted from the operation of aircraft of all types now known or hereafter designed and used for navigation of or flight in the air, by reason of any use ancillary or incidental to the operation of the Dominant Tenement and by reason of any operational incidental effects thereof including such as may occur in and from take-off, landing and approach patterns into and from the Dominant Tenement.

Grantor, for itself, its heirs, administrators, executors, successors and assigns, does hereby waive, remise and release any right or cause of action which it may now

have or which it may have in the future against Grantee, its successors and assigns, due to such noise, sound or shock waves, vibrations, odors, fumes, dust, fuel particles, smoke, light, thermal waives, air quality changes and other results in said airspace that may be caused or may have been caused by the operation of aircraft of all types now known or hereafter designed and used for navigation of or flight in the air, by reason of any use ancillary or incidental to the operation of the Dominant Tenement and by reason of any operational incidental effects thereof including such as may occur in and from take-off, landing and approach patterns into and from the Dominant Tenement. Said waiver and release shall include, but shall not be limited to claims, known or unknown, for damages for physical or emotional injuries, discomfort, inconvenience, property damage, death, interference with use and enjoyment of property, diminution of property values, nuisance or inverse condemnation or for injunctive or other extraordinary or equitable relief. Grantor, for itself, its heirs, administrators, executors, successors and assigns, agrees that Grantee shall have no duty to avoid or mitigate such damages by, without limitation, setting aside or condemning buffer lands, rerouting air traffic, erecting sound or other barriers, establishing curfews, noise or other regulations.

Executed this 5<sup>TH</sup> day of September 15, 2006 at Palm Desert,  
California

GRANTOR:

Desert Resorts Aviation, LLC  
a California limited liability company

By: Matthew V. Johnson  
Matthew V. Johnson  
Its: Managing Member  
Date: 9/15/6

**EXHIBIT "A"**

**(Legal Description of Leasehold Estate)**

EXHIBIT "A"

PARCEL "A"

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE WEST LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF RECORDS OF SURVEY AT PAGE 32, RECORDS OF SAID COUNTY, AND A DISTANCE OF 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

THENCE SOUTH  $00^{\circ}10'33''$  EAST ALONG SAID WEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 951.97 FEET TO AN ANGLE POINT SHOWN ON SAID RECORD OF SURVEY;

THENCE SOUTH  $44^{\circ}57'52''$  EAST ALONG THE SOUTHWEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 1254.13 FEET TO THE SOUTH LINE OF SAID PARCEL OF LAND;

THENCE NORTH  $89^{\circ}59'21''$  WEST ALONG THE WESTERLY PROLONGATION OF SAID SOUTH LINE, A DISTANCE OF 2092.75 FEET;

THENCE NORTH  $00^{\circ}10'57''$  WEST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO THE INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

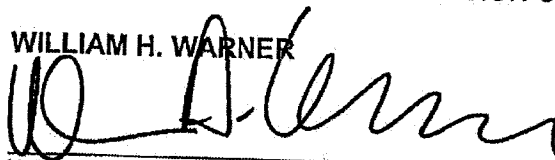
THENCE NORTH  $89^{\circ}49'03''$  EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE POINT OF **BEGINNING**.

(CONTAINS 60.00 ACRES)

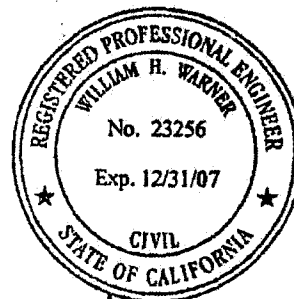
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER



WILLIAM H. WARNER, R.C.E. 23256

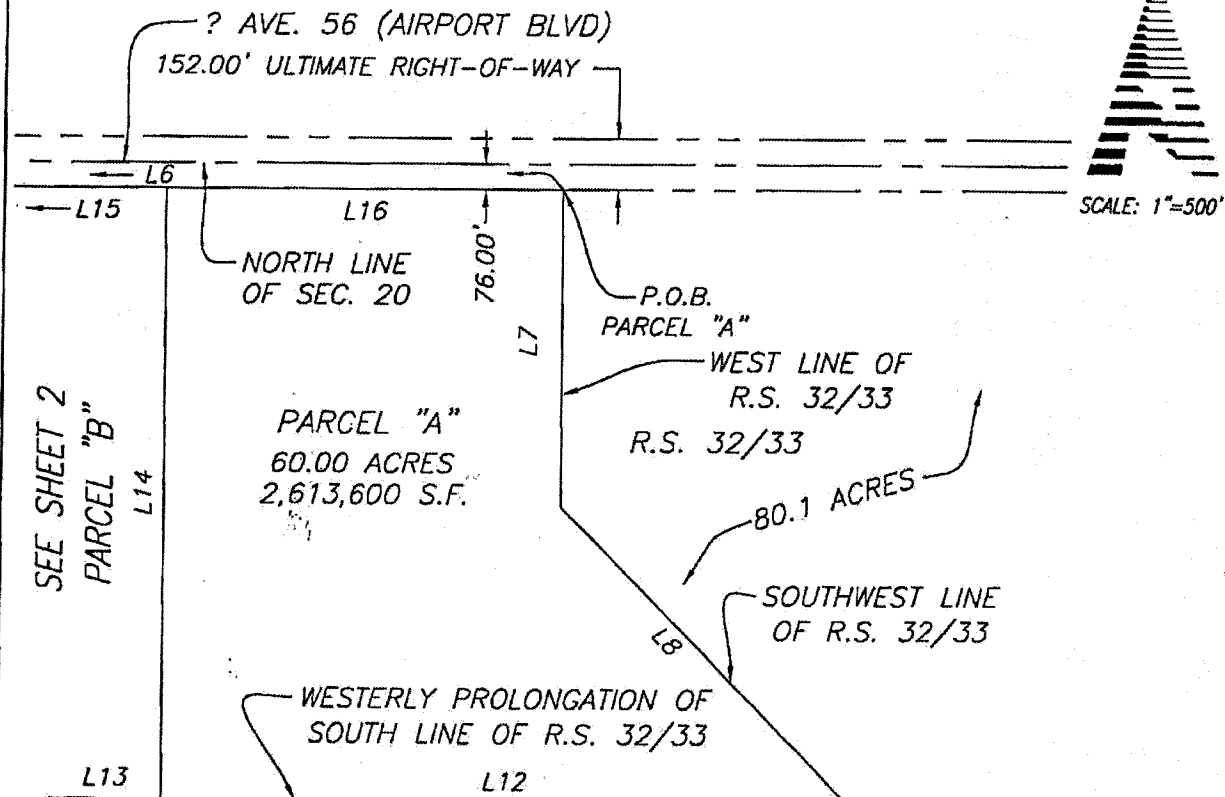


6/11/06  
DATE

# EXHIBIT "B"

SHEET 1 OF 2

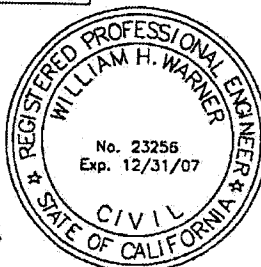
POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



LINE TABLE		
LINE	BEARING	LENGTH
L6	N89°49'03"E	3102.23'
L7	N00°10'33"W	951.97'
L8	N44°57'52"W	1254.13'
L9	N89°59'21"W	2433.37'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'

SOUTH LINE OF  
R.S. 32/33

- PROPOSED BOUNDARY
- EXISTING CENTERLINE
- PROPOSED ULTIMATE RIGHT-OF-WAY
- LOT LINE PER LOT LINE ADJUSTMENT NO. 3843, RECORDED JUNE 27, 1996, AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION, BASED ON  
RECORD INFORMATION

*William H. Warner*  
WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0602-015C

**EXHIBIT "B"**

**(Airport Property Map)**



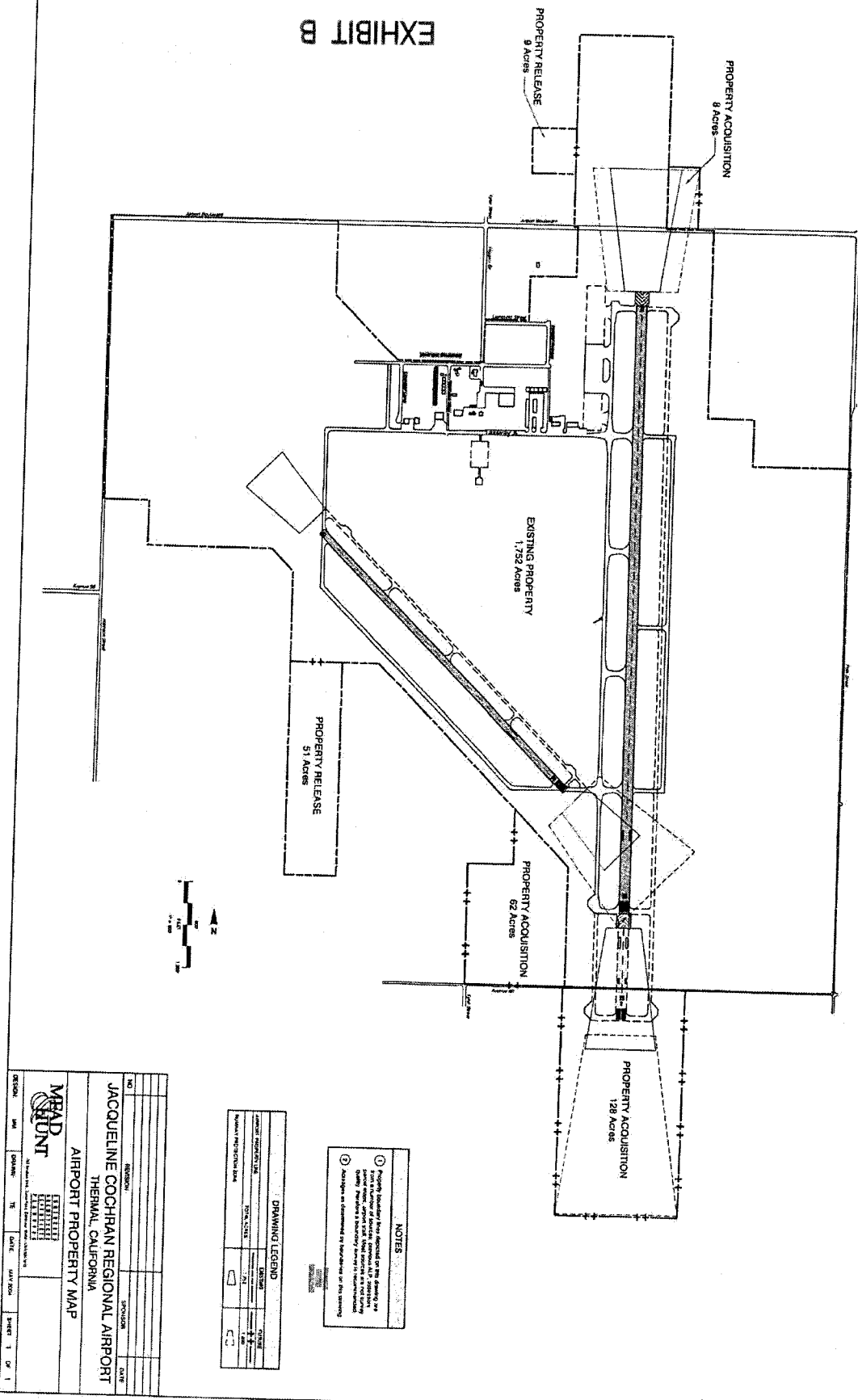


EXHIBIT B

FIGURE 5.3

STATE OF CALIFORNIA)

)ss.

COUNTY OF RIVERSDIE)

On September 15, 2006, before me, Faith Jordan, Notary Public  
personally appeared Matthew V. Johnson personally known to me ~~(or proved to me on~~  
~~the basis of satisfactory evidence)~~ to be the person whose name is subscribed to the  
within instrument and acknowledged to me that he executed the same in his authorized  
capacity, and that by his signature on the instrument the person or the entity upon behalf  
of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature

  
\_\_\_\_\_

**FIRST AMENDMENT TO GROUND LEASE  
JACQUELINE COCHRAN REGIONAL AIRPORT**

The COUNTY OF RIVERSIDE, herein called County, and DESERT RESORTS AVIATION, LLC, a California limited liability company, herein called Lessee, enter into this First Amendment to Ground Lease (this "Amendment") under the following terms and conditions:

1. Recitals.

(a) County and Lessee are parties to a Ground Lease dated by Lessee on September 15, 2006 and dated by County November 14, 2006 (the "Ground Lease") covering approximately one hundred sixty-nine 46/100 (169.46) acres of land located at the Jacqueline Cochran Regional Airport described in Exhibit "A-1" and depicted on Exhibit "A-2" to the Ground Lease.

(b) County and Lessee desire to amend the Ground Lease on the terms and conditions hereinafter set forth.

2. Amendments.

(a) The third grammatical paragraph of Paragraph 4 of the Ground Lease is hereby amended to read in full as follows:

"During the month of November of each year of the term of the Lease and any extension thereof HITS will make available to the County, on the two leaseholds, for two four day periods, 6,000 parking spaces for County's use in connection with an air show or other aviation related event. County shall indemnify, defend and hold harmless Lessee and **HITS, Inc. and any other approved sublessee or assignee** and the officers, employees, agents and representatives of each of them from any liability, damage, cost, expense, fee, penalty or action whatsoever, including without limitation attorneys' fees, costs of investigations, defense costs and any settlements or awards, including, but not limited to, property damage, bodily injury, death or any other element of any kind or nature whatsoever and resulting from any reason whatsoever arising from or out of the provision of parking under this Paragraph 4."

(b) Paragraph 19(a) of the Ground Lease is hereby amended by deleting the words "Subject to the provisions of Paragraph 20(i)," from the beginning of that paragraph.

(c) Paragraph 19(b) of the Ground Lease is hereby amended by deleting the words "Subject to the provisions of Paragraph 20(i)," from the beginning of that paragraph.

(d) The first grammatical paragraph of Paragraph 23(a) of the Ground Lease is hereby amended by changing the words "Notwithstanding provisions of Paragraph 23 herein" to "Notwithstanding provisions of Paragraph 22 herein".

3. Ground Lease Otherwise Unchanged. Except as modified by this Amendment, the Ground Lease shall remain unmodified.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

4. Construction of Amendment. Bold type is used in this Amendment to help the reader find the language that has been added to the Ground Lease. It is not intended to have any special meaning, and this Amendment shall be interpreted as if no words appear in bold type. The parties hereto negotiated this Amendment at arms length and with the advice of their respective attorneys, and no provisions contained herein shall be construed against County solely because it prepared this Lease in its executed form.

Date: 12/12/06

DESERT RESORTS AVIATION, LLC  
a California limited liability company

By: Matthew V. Johnson  
Matthew V. Johnson, Managing Member

Date: JAN - 9 2007

COUNTY OF RIVERSIDE

By: John Tavaglione  
Chairman, Board of Supervisors  
JOHN TAVAGLIONE

ATTEST:

NANCY ROMERO, Clerk of the Board

By: C. Lopez  
Deputy

(SEAL)

FORM APPROVED:

JOE S. RANK, County Counsel

By: Gordon V. Woo 12/27/06  
Deputy



U.S Department  
of Transportation  
**Federal Aviation  
Administration**

Western-Pacific Region  
Airports Division

Federal Aviation Administration  
P.O. Box 92007  
Los Angeles, CA 90009-2007

**AUG 25 2006**

Robin Zimpfer  
Assistant County Executive Officer/EDA  
Economic Development Agency  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

Dear Ms. Zimpfer:

**Jacqueline Cochran Regional Airport  
Riverside County  
Land-Use Change Authorization**

This letter is in response to Riverside County's request for a land-use change for a parcel of airport land at Jacqueline Cochran Regional Airport containing approximately 229.46 acres from the requirement that the land be used for aeronautical purposes.

This letter communicates the Federal Aviation Administration (FAA)'s authorization for a land-use change at Jacqueline Cochran Regional Airport for approximately 229.46 acres of land, described in the attached Land-Use Change Authorization, so the land may be used for revenue-producing purposes. Income produced from the fair market value rental or leasing of the land, which is not needed for aeronautical purposes, will benefit the airport and civil aviation by enhancing the airport's ability to be as self-sustaining as possible.

The FAA authorization does not represent a land release or the waiver of any other federal requirements. The land subject to the Land-Use Change Authorization remains part of the federally obligated airport. By accepting the land-use change, Riverside County agrees to abide its existing agreements with the FAA including the conditions and requirements stipulated in the Land-Use Change Authorization.

**Follow-up Action**

Enclosed are two FAA-approved Land-Use Change Authorizations, which have been signed by the FAA approving official. Please return one Land-Use Change Authorization after the two enclosed documents are executed, showing the original signature of the County official authorizing acceptance of the land-use change for the Riverside County.

**EXHIBIT F**

SECOND AMENDMENT TO GROUND LEASE  
JACQUELINE COCHRAN REGIONAL AIRPORT

The COUNTY OF RIVERSIDE, herein called County, and DESERT RESORTS AVIATION, LLC, a California limited liability company, herein called Lessee, enter into this Second Amendment to Ground Lease (this "Amendment") under the following terms and conditions:

1. Recitals.

(a) County and Lessee are parties to a Ground Lease dated by Lessee on September 15, 2006, and dated by County on November 14, 2006, (the "Ground Lease"), and amended on January 9, 2007, by First Amendment to Ground Lease, covering approximately one hundred sixty-nine 46/100 (169.46) acres of land located at the Jacqueline Cochran Regional Airport described in Exhibit "A-1" and depicted on Exhibit "A-2" to the Ground Lease.

(b) County and Lessee desire to amend the Ground Lease on the terms and conditions hereinafter set forth.

2. Amendment.

Paragraph 40 of the Ground Lease is hereby amended to read in full as follows:

"Jacqueline Cochran Regional Airport was transferred to the County by the Federal Government and, as such, will require Federal Aviation Administration, hereinafter FAA, review of the use specified in Paragraph 4. County will obtain written authorization from the FAA for a land-use change for 229.46 acres, including the 169.46 acres described in Exhibits A-1 and A-2 attached hereto, from the requirement that the land be used for aeronautical purposes.

An authorization letter signed by the FAA, on August 25, 2006, and accepted by County on the same date as this Second Amendment, is attached hereto as Exhibit F and incorporated herein by this reference. The revenue producing purposes authorized by

the FAA are described in Exhibit A to the Land-Use Change Authorization letter as an Equestrian Center."

3. Ground Lease Otherwise Unchanged. Except as amended by the First Amendment to Ground Lease and by this Second Amendment to Ground Lease the Ground Lease shall remain unmodified.

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

Date: \_\_\_\_\_

2/21/7

DESERT RESORTS AVIATION, LLC  
a California limited liability company

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

Matthew V. Johnson, Managing Member

Date: \_\_\_\_\_

APR 10 2007

COUNTY OF RIVERSIDE

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

Chairman, Board of Supervisors  
JOHN TAVAGLIONE

ATTEST:

NANCY ROMERO, Clerk of the Board

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

Deputy

FORM APPROVED:

JOE S. RANK, County Counsel

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


Deputy



Please return the one fully executed Land-Use Change Authorization to:

Tony Garcia  
FAA Airports Division  
P.O. Box 92007  
Los Angeles, CA 90009-2007

Sincerely,

  
Mark A. McClardy  
Manager, Airports Division

cc: Harry Oliver



U.S Department  
of Transportation

Federal Aviation  
Administration

Western-Pacific Region  
Airports Division

Federal Aviation Administration  
P.O. Box 92007  
Los Angeles, CA 90009-2007

**Land-Use Change Authorization  
Jacqueline Cochran Regional Airport**

Riverside County, the owner and operator of the public Airport located in Thermal, Riverside County, California, requested a land-use change from the federal obligation for a portion of land at Jacqueline Cochran Regional Airport (Airport), Thermal, CA, that requires that it be used for aeronautical purposes.

This 2006 authorization made by the Federal Aviation Administration (FAA), pursuant to the provisions contained in Title 49 United States Code (USC) Section 47101 et seq and the criteria in FAA Order 5190.6A, Paragraph 4-18.d, hereby grants to Riverside County, a government body established under the laws of the State of California, an authorization to use airport property at Jacqueline Cochran Regional Airport for revenue-producing purposes from other than aviation uses. An airport purpose for this property is defined as revenue-producing land that may be used for non-aviation, commercial purposes and that is subject to fair market value rates and charges. Notwithstanding, this authorization does not prevent its use for aviation purposes or the restoration of the property to aeronautical uses.

The County is requesting authorization from the FAA for a land-use change for a portion of land as more particularly described in Exhibit A that is subject to the conditions and restrictions set forth in a Quitclaim Deed and Grant Agreements since the portion of land is not presently needed for aviation purposes.

The County will subsequently lease or rent the land that is subject to this land-use change for revenue-producing purposes. The fair market value income will be derived from leasing and renting, which will help make the airport as self-sustaining as possible. The proceeds from the leasing and renting property will be used exclusively for the improvement, development, and operations of the Airport and airport system, in accordance with the Riverside County certification dated and attached hereto as Exhibit B.

The FAA has determined that the portion of land herein described in Exhibit A is not presently needed for an aeronautical purpose and may be used to earn revenue from other uses. The FAA is authorized to approve a land-use change to permit airport land to serve a revenue-producing purpose on the condition that it produce income equal to its fair market value. Notwithstanding, the land-use change is not a release, as defined by the FAA, and does not relieve Riverside County

of any of the obligations it assumed under the Quitclaim Deed and Grant Agreements with the Federal government. The property affected by this authorization is airport land and this land-use change authorization does not alter its status as airport property.

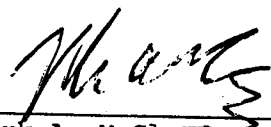
In consideration of the benefits to accrue to the Airport and to civil aviation, the FAA hereby authorizes a land-use change for the portion of land at Jacqueline Cochran Regional Airport, containing a total area of 229.46 acres, more or less, and more particularly described in Exhibit A, so it may be leased or rented for revenue-producing purposes and earn fair market value income. This authorization is granted without waiver of any other rights and interests reserved to the FAA at the Airport.

In addition, this land-use change authorization is subject to the following conditions and requirements:

1. Riverside County will include in all agreements for use of the land subject to this land-use change authorization the provisions contained in Exhibit C. The provisions should be incorporated into or appended to lease and rental agreements for the use of property subject to this land-use authorization.
2. Riverside County will retain sufficient rights and interests over future use of the land use to ensure that the property will only be used for purposes that are compatible with and do not interfere with airport and aircraft operations.
3. Riverside County will ensure that development on the land subject to this land-use change are evaluated in accordance with Title 14 Code of Federal Regulations Part 77 before a project is approved by the County. The County will require that FAA Form 7460-1, Notice of Proposed Construction or Alteration, be submitted and an FAA determination received before granting approval to proceed with construction of improvements or structures above ground level.
4. Riverside County will update the Airport Layout Plan to show the boundary of airport property subject to this land-use change as well as the location and nature of all existing and proposed improvements on the property.
5. The Runway Protection Zone is an integral part of the airport and in accordance with airport design needs has a clear and lasting airport purpose. Therefore, the RPZ remains part of the airport, serving a required airport purpose, and is not included in this land-use change authorization. The RPZ shall remain free of structures nor used for public gathering of people.

(Signatures follow)

The FAA has caused this Authorization to be executed on  
the 25 day of AUGUST, 2006.

By:   
Mark A. McClary  
Manager, Airports Division  
Western-Pacific Region  
Federal Aviation Administration

FORM APPROVED  
COUNTY COUNSEL

\*\*\*\*\*

APR 02 2007

BY 

Riverside County

Acceptance by Riverside County of the terms and conditions of the 2006  
land-use change authorization affecting certain lands at Jacqueline  
Cochran Regional Airport owned by Riverside County;

On behalf of Riverside County, the undersigned official hereby  
acknowledges the acceptance of the terms and conditions of the  
Authorization for the governing body of the Riverside County.

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

**Exhibit A**

**Legal Description for Portion of Airport Land**

The affected portion of land is approximately 229.46 acres.

The metes and bounds legal description and plot plan  
follow on the next page

**EXHIBIT "A"**

**PARCEL "A"**

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE WEST LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF RECORDS OF SURVEY AT PAGE 32, RECORDS OF SAID COUNTY, AND A DISTANCE OF 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

THENCE SOUTH 00°10'33" EAST ALONG SAID WEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 951.97 FEET TO AN ANGLE POINT SHOWN ON SAID RECORD OF SURVEY;

THENCE SOUTH 44°57'52" EAST ALONG THE SOUTHWEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 1254.13 FEET TO THE SOUTH LINE OF SAID PARCEL OF LAND;

THENCE NORTH 89°59'21" WEST ALONG THE WESTERLY PROLONGATION OF SAID SOUTH LINE, A DISTANCE OF 2092.75 FEET;

THENCE NORTH 00°10'57" WEST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO THE INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

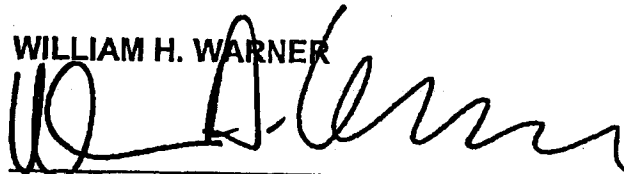
THENCE NORTH 89°49'03" EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE POINT OF BEGINNING.

(CONTAINS 60.00 ACRES)

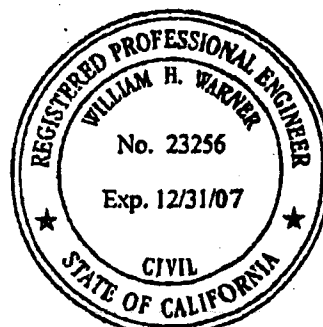
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER



WILLIAM H. WARNER, R.C.E. 23256



6/1/06  
DATE

## EXHIBIT "B"

SHEET 1 OF 2

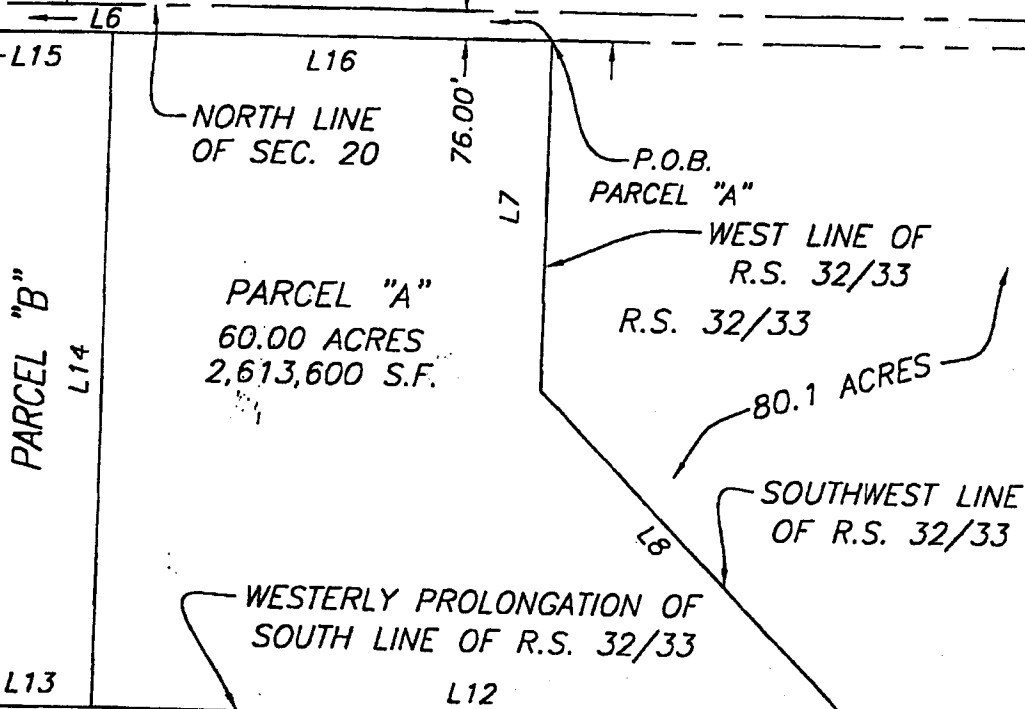
POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.

? AVE. 56 (AIRPORT BLVD)  
152.00' ULTIMATE RIGHT-OF-WAY



SCALE: 1"=500'

SEE SHEET 2  
PARCEL "B"

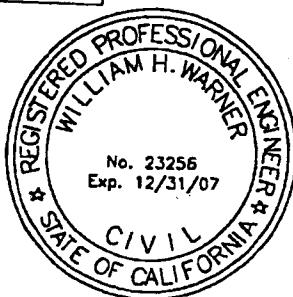


LINE TABLE

LINE	BEARING	LENGTH
L6	N89°49'03"E	3102.23'
L7	N00°10'33"W	951.97'
L8	N44°57'52"W	1254.13'
L9	N89°59'21"W	2433.37'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'

SOUTH LINE OF  
R.S. 32/33

- PROPOSED BOUNDARY  
 - - - - - EXISTING CENTERLINE  
 - - - - - PROPOSED ULTIMATE  
 RIGHT-OF-WAY  
 - - - - - LOT LINE PER LOT LINE  
 ADJUSTMENT NO. 3843,  
 RECORDED JUNE 27, 1996,  
 AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION, BASED ON  
RECORD INFORMATION

WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0602-015C

**EXHIBIT "A"**

**PARCEL "B"**

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF PARCEL 11 OF LOT LINE ADJUSTMENT NO. 3843 RECORDED JUNE 27, 1996 AS INSTRUMENT NO. 239254, OFFICIAL RECORDS OF RIVERSIDE COUNTY;

**THENCE** SOUTH  $89^{\circ}48'47''$  EAST ALONG THE NORTH LINE OF SAID PARCEL 11, A DISTANCE OF 630.10 FEET TO THE TRUE POINT OF BEGINNING;

**THENCE** NORTH  $00^{\circ}01'27''$  EAST ALONG A LINE PARALLEL WITH AND DISTANT 660.00 FEET EASTERLY FROM, AS MEASURED AT RIGHT ANGLES, THE WEST LINE OF SAID SECTION 20, A DISTANCE OF 660.00 FEET;

**THENCE** NORTH  $89^{\circ}58'33''$  WEST A DISTANCE OF 584.00 FEET TO A LINE PARALLEL WITH AND DISTANT 76.00 FEET EASTERLY FROM, AS MEASURED AT RIGHT ANGLES, SAID WEST LINE SAID SECTION 20;

**THENCE** NORTH  $00^{\circ}01'27''$  EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 3874.43 FEET;

**THENCE** NORTH  $44^{\circ}55'15''$  EAST A DISTANCE OF 19.76 FEET TO A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

**THENCE** NORTH  $89^{\circ}49'03''$  EAST ALONG LAST SAID PARALLEL LINE A DISTANCE OF 1892.80 FEET;

**THENCE** SOUTH  $00^{\circ}10'57''$  EAST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO A POINT ON THE WESTERLY PROLONGATION OF THE SOUTH LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 32 OF RECORDS OF SURVEY AT PAGE 33, RECORDS OF SAID COUNTY;



Exhibit A

THENCE NORTH 89°59'21" WEST ALONG LAST SAID LINE A DISTANCE OF 340.62 FEET;

THENCE SOUTH 00°11'13" WEST A DISTANCE OF 2722.90 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL 11 OF SAID LOT LINE ADJUSTMENT;

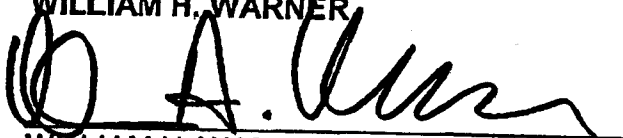
THENCE NORTH 89°48'47" WEST ALONG SAID NORTH LINE OF SAID PARCEL 11, A DISTANCE OF 981.00 FEET TO THE TRUE POINT OF BEGINNING.

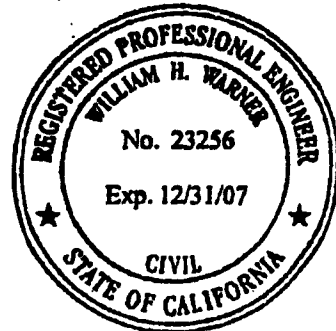
(CONTAINS 169.46 ACRES)

SEE EXHIBIT "B" ATTACHED

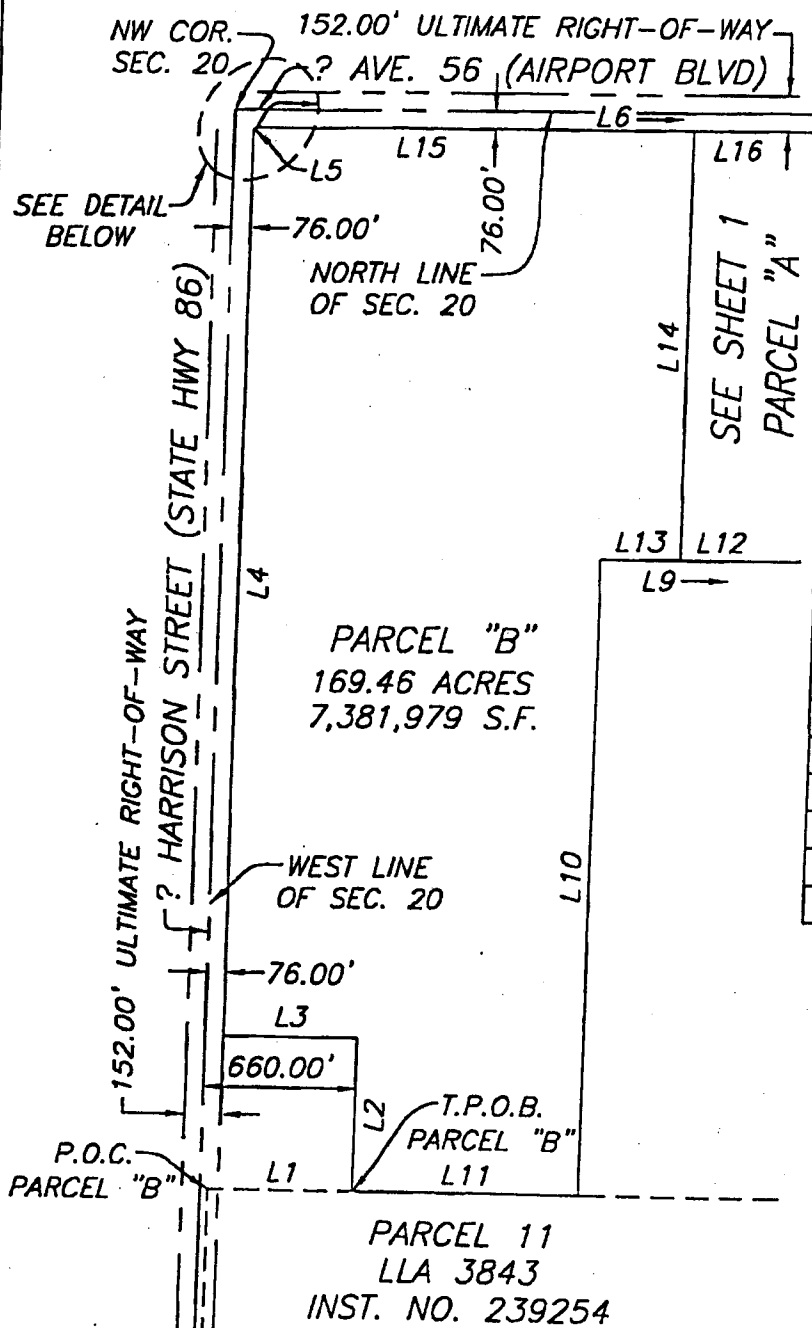
PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER

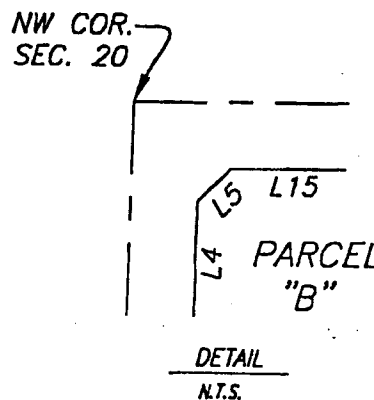
  
WILLIAM H. WARNER, R.C.E. 23256



  
DATE

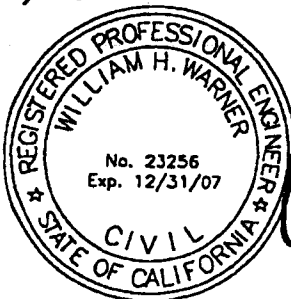


LINE	BEARING	LENGTH
L1	N89°48'47"W	630.10'
L2	N00°01'27"E	660.00'
L3	N89°58'33"W	584.00'
L4	N00°01'27"E	3874.43'
L5	N44°55'15"E	19.76'
L6	N89°49'03"E	3102.23'
L9	N89°59'21"W	2433.37'
L10	N00°11'13"E	2722.90'
L11	N89°48'47"W	981.00'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'



PARCEL 11  
LLA 3843  
INST. NO. 239254  
REC. 6/27/96

\_\_\_\_\_ PROPOSED BOUNDARY  
 - - - - - EXISTING CENTERLINE  
 \_\_\_\_\_ PROPOSED ULTIMATE  
 RIGHT-OF-WAY  
 - - - - - LOT LINE PER LOT LINE  
 ADJUSTMENT NO. 3843,  
 RECORDED JUNE 27, 1996,  
 AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION, BASED ON  
RECORD INFORMATION.

WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0602-015C

### BUILDING AND FACILITY LEGEND

Symbol	Description
1	Runway
2	Taxiway
3	Grass
4	Water
5	Aviation Fuel Storage
6	Aviation Fuel Distribution
7	Aviation Fuel Dispensing
8	Aviation Fuel Storage
9	Aviation Fuel Distribution
10	Aviation Fuel Dispensing
11	Aviation Fuel Storage
12	Aviation Fuel Distribution
13	Aviation Fuel Dispensing
14	Aviation Fuel Storage
15	Aviation Fuel Distribution
16	Aviation Fuel Dispensing
17	Aviation Fuel Storage
18	Aviation Fuel Distribution
19	Aviation Fuel Dispensing
20	Aviation Fuel Storage
21	Aviation Fuel Distribution
22	Aviation Fuel Dispensing
23	Aviation Fuel Storage
24	Aviation Fuel Distribution
25	Aviation Fuel Dispensing
26	Aviation Fuel Storage
27	Aviation Fuel Distribution
28	Aviation Fuel Dispensing
29	Aviation Fuel Storage
30	Aviation Fuel Distribution
31	Aviation Fuel Dispensing
32	Aviation Fuel Storage
33	Aviation Fuel Distribution
34	Aviation Fuel Dispensing
35	Aviation Fuel Storage
36	Aviation Fuel Distribution
37	Aviation Fuel Dispensing
38	Aviation Fuel Storage
39	Aviation Fuel Distribution
40	Aviation Fuel Dispensing
41	Aviation Fuel Storage
42	Aviation Fuel Distribution
43	Aviation Fuel Dispensing
44	Aviation Fuel Storage
45	Aviation Fuel Distribution
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47	Aviation Fuel Storage
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49	Aviation Fuel Dispensing
50	Aviation Fuel Storage
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52	Aviation Fuel Dispensing
53	Aviation Fuel Storage
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55	Aviation Fuel Dispensing
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57	Aviation Fuel Distribution
58	Aviation Fuel Dispensing
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63	Aviation Fuel Distribution
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65	Aviation Fuel Storage
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89	Aviation Fuel Storage
90	Aviation Fuel Distribution
91	Aviation Fuel Dispensing
92	Aviation Fuel Storage
93	Aviation Fuel Distribution
94	Aviation Fuel Dispensing
95	Aviation Fuel Storage
96	Aviation Fuel Distribution
97	Aviation Fuel Dispensing
98	Aviation Fuel Storage
99	Aviation Fuel Distribution
100	Aviation Fuel Dispensing

## EXHIBIT A

### UNDEVELOPED

RUNWAY DATA									
Runway 12.00					Runway 11.00				
Runway	Length	Width	Surface	Grade	Runway	Length	Width	Surface	Grade
1	1000	100	Asphalt	0.00	1	1000	100	Asphalt	0.00
2	1000	100	Asphalt	0.00	2	1000	100	Asphalt	0.00
3	1000	100	Asphalt	0.00	3	1000	100	Asphalt	0.00
4	1000	100	Asphalt	0.00	4	1000	100	Asphalt	0.00
5	1000	100	Asphalt	0.00	5	1000	100	Asphalt	0.00
6	1000	100	Asphalt	0.00	6	1000	100	Asphalt	0.00
7	1000	100	Asphalt	0.00	7	1000	100	Asphalt	0.00
8	1000	100	Asphalt	0.00	8	1000	100	Asphalt	0.00
9	1000	100	Asphalt	0.00	9	1000	100	Asphalt	0.00
10	1000	100	Asphalt	0.00	10	1000	100	Asphalt	0.00
11	1000	100	Asphalt	0.00	11	1000	100	Asphalt	0.00
12	1000	100	Asphalt	0.00	12	1000	100	Asphalt	0.00
13	1000	100	Asphalt	0.00	13	1000	100	Asphalt	0.00
14	1000	100	Asphalt	0.00	14	1000	100	Asphalt	0.00
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33	1000	100	Asphalt	0.00	33	1000	100	Asphalt	0.00
34	1000	100	Asphalt	0.00	34	1000	100	Asphalt	0.00
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39	1000	100	Asphalt	0.00	39	1000	100	Asphalt	0.00
40	1000	100	Asphalt	0.00	40	1000	100	Asphalt	0.00
41	1000	100	Asphalt	0.00	41	1000	100	Asphalt	0.00
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43	1000	100	Asphalt	0.00	43	1000	100	Asphalt	0.00
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53	1000	100	Asphalt	0.00	53	1000	100	Asphalt	0.00
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82	1000	100	Asphalt	0.00	82	1000	100	Asphalt	0.00
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99	1000	100	Asphalt	0.00	99	1000	100	Asphalt	0.00
100	1000	100	Asphalt	0.00	100	1000	100	Asphalt	0.00

**Exhibit B**

**Riverside County Certification  
Dated June 30, 2006**

**Riverside County certification accepting the land-use change authorization from the Federal Aviation Administration for approximately 229.46 acres of land at Jacqueline Cochran Regional Airport and declaring that all proceeds received by the County and the Airport from the leasing and renting shall be used and applied to the Airport for its improvement, development, operation, and maintenance and used exclusively for airport purposes.**

**The certification follows on the next page**



June 30, 2006

Exhibit B

Economic &  
Community  
Development



Housing



Housing  
Authority



Redevelopment  
Agency



County Service  
Areas



Workforce  
Development



Edward-Dean  
Museum  
& Gardens



Aviation



County Fair &  
National Date  
Festival

Mr. Anthony Garcia  
Airports Compliance Specialist # AWP-620.1  
U.S. Department of Transportation  
Federal Aviation Administration  
Western Pacific Region, Airports Division  
P.O. Box 92007  
Los Angeles, CA 90009-2007

RE: Certification of Use of Lease Revenues  
Equestrian Center Ground Leases  
Jacqueline Cochran Regional Airport  
Thermal, California

Dear Mr. Garcia:

The County of Riverside has negotiated two ground leases at Jacqueline Cochran Regional Airport for the purpose of establishing an Equestrian Center. One is for sixty (60) acres with HITS, Inc., and the other is for 169.42 acres with Desert Resorts Aviation, LLC. These leases will be sent to you by separate cover with a request that you find the permitted use contained in the leases consistent with the County of Riverside's Grant Assurances to the Federal Aviation Administration and the United States of America.

The purpose of this letter is to certify that all revenues received from these leases by the County of Riverside will be deposited into a separate Airports operating account and be expended for the capital or operating costs of the County's airports in accordance with applicable Federal law and FAA policy.

Sincerely,  
RIVERSIDE COUNTY  
ECONOMIC DEVELOPMENT AGENCY

Daryl Shippy  
Airports Manager  
Aviation Division

(760) 863-8247  
[dshippy@co.riverside.ca.us](mailto:dshippy@co.riverside.ca.us)

cc: Robin Zimpfer  
Deanna Lorson  
Colby Cataldi

**Exhibit C**

**Lease and Use Agreement Provisions**

The instrument used by Riverside County to lease or rent real property described in the land-use change authorization shall include the following covenants, conditions, restrictions and reservations.

Lease And Use Agreement provisions follow on the next page

## Exhibit C

### Lease and Use Agreement Guide

1. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

The (contractor, tenant, concessionaire, lessee) assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the (tenant, concessionaire, lessee) or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

(The airport sponsor shall insert the third paragraph above in all airport contracts, leases, subcontracts, subleases and other agreements at all tiers, AC 150/5100-15A.)

(Additional information regarding civil rights and Disadvantaged Business Enterprise obligations can be obtained from the FAA Civil Rights Office.)

2. The airport owner/sponsor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the (lessee, licensee, permittee, etc.) and without interference or hindrance.
3. The airport owner/sponsor reserves the right, but shall not be obligated to the (lessee, licensee, permittee), to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the (lessee, licensee, permittee, etc.) in this regard.
4. This (lease, license, permit, etc.) shall be subordinate to the provisions and requirements of any existing or future agreement between the airport owner/sponsor and the United States, relative to the development, operation, or maintenance of the airport. Failure of the (lessee, licensee, permittee) or any occupant to comply with the requirements of any existing or future agreement between the lessor and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of (lessee's, licensee, permittee's) rights hereunder.
5. There is reserved to the airport owner/sponsor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the (leased, licensed, permitted) premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.
6. The (lessee, licensee, permittee) agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the (leased, licensed, permitted) premises or in the event of any planned modification or alteration of any present or future building or structure situated on the (leased, licensed, permitted) premises.
7. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit any natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the (lessee, licensee, permittee).



8. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agrees for itself, its successors and assigns that it will not make use of the (leased, licensed, permitted) premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby (leased, licensed, permitted) and cause the abatement of such interference at the expense of the (lessee, licensee, permittee).

9. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of U.S. Code 40103 (e) and 47107(a)(4).

**This requirement only applies to aeronautical commercial activities and does not need to be included in agreements with non-aeronautical lessees or tenants.**

10. This (lease, license, permit) and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or nonexclusive use of the airport by the United States during a time of war or national emergency.

11. The (lessee, licensee, permittee) will furnish services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

**(In accordance with Grant Assurance #22.b, this provision must be included in any agreement, contract, lease, license, permit to engage in any aeronautical activity at the airport.)**

12. The (lessee, licensee, permittee) will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass an airfield safe driving instruction program when offered or required by the airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

FIRST AMENDMENT TO SUBLEASE  
JACQUELINE COCHRAN REGIONAL AIRPORT

DESERT RESORTS AVIATION, a California limited liability company, herein called Sublessor, and HITS, INC., a Delaware Corporation, herein called Sublessee, enter into this First Amendment to Sublease (this "Amendment") under the following terms and conditions:

1. Recitals.

(a) Sublessor and Sublessee are parties to a Sublease dated by Sublessee on December 8, 2006, dated by Sublessor on December 12, 2006, and Consented to by Master Lessor County of Riverside on January 9, 2007, covering approximately one hundred sixty-nine 46/100 (169.46) acres of land located at the Jacqueline Cochran Regional Airport described in Exhibit "A" and depicted on Exhibit "B" to the Sublease.

(b) Paragraph 40 of the Master Lease for the 169.46-acres requires the County of Riverside to obtain written authorization from the Federal Aviation Administration, hereinafter FAA, for a land-use change for 229.46 acres, including the 169.46 acres subleased.

(c) County received a Land-Use Change Authorization letter signed by the FAA on August 25, 2006, and accepted County on the same date as this First Amendment.

(d) County, Sublessor and Sublessee desire to amend the Sublease on the terms and conditions hereinafter set forth.

2. Amendment.

"Exhibit 'D' – Land Use Change Authorization" is added to the "Attachments" section of the Sublease. The Land-Use Change Authorization letter signed by the FAA on August 25, 2006, and accepted by County on the same date as this First Amendment, is attached hereto as Exhibit "D", and incorporated by this reference into the Sublease.

3. Sublease Otherwise Unchanged. Except as amended by this First Amendment, the Sublease shall remain unmodified.

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

Date: 2/21/7

SUBLESSOR  
DESERT RESORTS AVIATION, LLC  
a California limited liability company

By: Matthew V. Johnson  
Matthew V. Johnson, Managing Member

Date: \_\_\_\_\_

SUBLESSEE  
HITS, INC.  
a Delaware corporation

By: \_\_\_\_\_  
Thomas G. Struzzieri, President

By: \_\_\_\_\_  
Marc A. Nagelberg, Vice President

CONSENT TO FIRST AMENDMENT:

Date: APR 10 2007

COUNTY OF RIVERSIDE

By: John T. Tavgliione  
Chairman, Board of Supervisors  
JOHN TAVAGLIONE

ATTEST:  
NANCY ROMERO, Clerk of the Board

FORM APPROVED:  
JOE S. RANK, County Counsel

By: Samuel Hernandez  
Deputy

By: Gordon V. Ubo 4/2/07  
Deputy

FIRST AMENDMENT TO SUBLEASE  
JACQUELINE COCHRAN REGIONAL AIRPORT

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

Date: \_\_\_\_\_

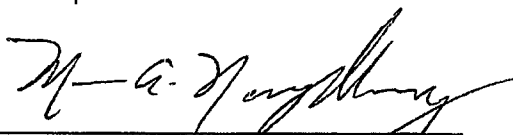
SUBLESSOR  
DESERT RESORTS AVIATION, LLC  
a California limited liability company

By: \_\_\_\_\_  
Matthew V. Johnson, Managing Member

Date: February 26, 2007

SUBLESSEE  
HITS, INC.  
a Delaware corporation

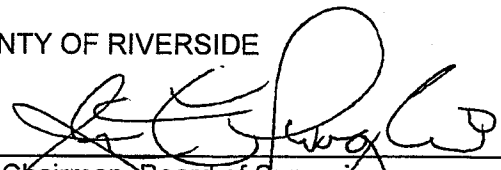
By:   
Thomas G. Struzzieri, President

By:   
Marc A. Nagelberg, Vice President

CONSENT TO FIRST AMENDMENT:


Date: APR 10 2007


COUNTY OF RIVERSIDE

By:   
Chairman, Board of Supervisors  
JOHN TAVAGLIONE

ATTEST:  
NANCY ROMERO, Clerk of the Board

FORM APPROVED:  
JOE S. RANK, County Counsel

By:   
Deputy

By:  4/2/07  
Deputy



U.S Department  
of Transportation  
**Federal Aviation  
Administration**

Western-Pacific Region  
Airports Division

Federal Aviation Administration  
P.O. Box 92007  
Los Angeles, CA 90009-2007

**AUG 25 2006**

Robin Zimpfer  
Assistant County Executive Officer/EDA  
Economic Development Agency  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

Dear Ms. Zimpfer:

**Jacqueline Cochran Regional Airport  
Riverside County  
Land-Use Change Authorization**

This letter is in response to Riverside County's request for a land-use change for a parcel of airport land at Jacqueline Cochran Regional Airport containing approximately 229.46 acres from the requirement that the land be used for aeronautical purposes.

This letter communicates the Federal Aviation Administration (FAA)'s authorization for a land-use change at Jacqueline Cochran Regional Airport for approximately 229.46 acres of land, described in the attached Land-Use Change Authorization, so the land may be used for revenue-producing purposes. Income produced from the fair market value rental or leasing of the land, which is not needed for aeronautical purposes, will benefit the airport and civil aviation by enhancing the airport's ability to be as self-sustaining as possible.

The FAA authorization does not represent a land release or the waiver of any other federal requirements. The land subject to the Land-Use Change Authorization remains part of the federally obligated airport. By accepting the land-use change, Riverside County agrees to abide its existing agreements with the FAA including the conditions and requirements stipulated in the Land-Use Change Authorization.

**Follow-up Action**


Enclosed are two FAA-approved Land-Use Change Authorizations, which have been signed by the FAA approving official. Please return one Land-Use Change Authorization after the two enclosed documents are executed, showing the original signature of the County official authorizing acceptance of the land-use change for the Riverside County.

**EXHIBIT "D"**

Please return the one fully executed Land-Use Change Authorization to:

Tony Garcia  
FAA Airports Division  
P.O. Box 92007  
Los Angeles, CA 90009-2007

Sincerely,

  
Mark A. McClardy  
Manager, Airports Division

cc: Harry Oliver



U.S Department  
of Transportation  
**Federal Aviation  
Administration**

Western-Pacific Region  
Airports Division

Federal Aviation Administration  
P.O. Box 92007  
Los Angeles, CA 90009-2007

**Land-Use Change Authorization  
Jacqueline Cochran Regional Airport**

Riverside County, the owner and operator of the public Airport located in Thermal, Riverside County, California, requested a land-use change from the federal obligation for a portion of land at Jacqueline Cochran Regional Airport (Airport), Thermal, CA, that requires that it be used for aeronautical purposes.

This 2006 authorization made by the Federal Aviation Administration (FAA), pursuant to the provisions contained in Title 49 United States Code (USC) Section 47101 et seq and the criteria in FAA Order 5190.6A, Paragraph 4-18.d, hereby grants to Riverside County, a government body established under the laws of the State of California, an authorization to use airport property at Jacqueline Cochran Regional Airport for revenue-producing purposes from other than aviation uses. An airport purpose for this property is defined as revenue-producing land that may be used for non-aviation, commercial purposes and that is subject to fair market value rates and charges. Notwithstanding, this authorization does not prevent its use for aviation purposes or the restoration of the property to aeronautical uses.

The County is requesting authorization from the FAA for a land-use change for a portion of land as more particularly described in Exhibit A that is subject to the conditions and restrictions set forth in a Quitclaim Deed and Grant Agreements since the portion of land is not presently needed for aviation purposes.

The County will subsequently lease or rent the land that is subject to this land-use change for revenue-producing purposes. The fair market value income will be derived from leasing and renting, which will help make the airport as self-sustaining as possible. The proceeds from the leasing and renting property will be used exclusively for the improvement, development, and operations of the Airport and airport system, in accordance with the Riverside County certification dated and attached hereto as Exhibit B.

The FAA has determined that the portion of land herein described in Exhibit A is not presently needed for an aeronautical purpose and may be used to earn revenue from other uses. The FAA is authorized to approve a land-use change to permit airport land to serve a revenue-producing purpose on the condition that it produce income equal to its fair market value. Notwithstanding, the land-use change is not a release, as defined by the FAA, and does not relieve Riverside County



of any of the obligations it assumed under the Quitclaim Deed and Grant Agreements with the Federal government. The property affected by this authorization is airport land and this land-use change authorization does not alter its status as airport property.

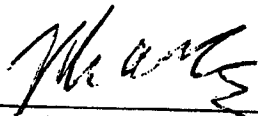
In consideration of the benefits to accrue to the Airport and to civil aviation, the FAA hereby authorizes a land-use change for the portion of land at Jacqueline Cochran Regional Airport, containing a total area of 229.46 acres, more or less, and more particularly described in Exhibit A, so it may be leased or rented for revenue-producing purposes and earn fair market value income. This authorization is granted without waiver of any other rights and interests reserved to the FAA at the Airport.

In addition, this land-use change authorization is subject to the following conditions and requirements:

1. Riverside County will include in all agreements for use of the land subject to this land-use change authorization the provisions contained in Exhibit C. The provisions should be incorporated into or appended to lease and rental agreements for the use of property subject to this land-use authorization.
2. Riverside County will retain sufficient rights and interests over future use of the land use to ensure that the property will only be used for purposes that are compatible with and do not interfere with airport and aircraft operations.
3. Riverside County will ensure that development on the land subject to this land-use change are evaluated in accordance with Title 14 Code of Federal Regulations Part 77 before a project is approved by the County. The County will require that FAA Form 7460-1, *Notice of Proposed Construction or Alteration*, be submitted and an FAA determination received before granting approval to proceed with construction of improvements or structures above ground level.
4. Riverside County will update the Airport Layout Plan to show the boundary of airport property subject to this land-use change as well as the location and nature of all existing and proposed improvements on the property.
5. The Runway Protection Zone is an integral part of the airport and in accordance with airport design needs has a clear and lasting airport purpose. Therefore, the RPZ remains part of the airport, serving a required airport purpose, and is not included in this land-use change authorization. The RPZ shall remain free of structures nor used for public gathering of people.

(Signatures follow)

The FAA has caused this Authorization to be executed on the 25 day of AUGUST, 2006.

By:   
Mark A. McClardy  
Manager, Airports Division  
Western-Pacific Region  
Federal Aviation Administration

FORM APPROVED  
COUNTY COUNSEL

\*\*\*\*\*

APR 02 2007

BY: 

Riverside County

Acceptance by Riverside County of the terms and conditions of the 2006 land-use change authorization affecting certain lands at Jacqueline Cochran Regional Airport owned by Riverside County;

On behalf of Riverside County, the undersigned official hereby acknowledges the acceptance of the terms and conditions of the Authorization for the governing body of the Riverside County.

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

**Exhibit A**

**Legal Description for Portion of Airport Land**

The affected portion of land is approximately 229.46 acres.

The metes and bounds legal description and plot plan  
follow on the next page

**EXHIBIT "A"**

**PARCEL "A"**

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE WEST LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF RECORDS OF SURVEY AT PAGE 32, RECORDS OF SAID COUNTY, AND A DISTANCE OF 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

THENCE SOUTH  $00^{\circ}10'33''$  EAST ALONG SAID WEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 951.97 FEET TO AN ANGLE POINT SHOWN ON SAID RECORD OF SURVEY;

THENCE SOUTH  $44^{\circ}57'52''$  EAST ALONG THE SOUTHWEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 1254.13 FEET TO THE SOUTH LINE OF SAID PARCEL OF LAND;

THENCE NORTH  $89^{\circ}59'21''$  WEST ALONG THE WESTERLY PROLONGATION OF SAID SOUTH LINE, A DISTANCE OF 2092.75 FEET;

THENCE NORTH  $00^{\circ}10'57''$  WEST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO THE INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

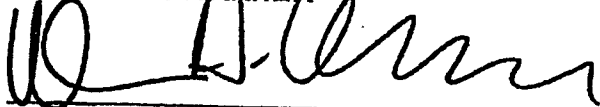
THENCE NORTH  $89^{\circ}49'03''$  EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE POINT OF BEGINNING.

(CONTAINS 60.00 ACRES)

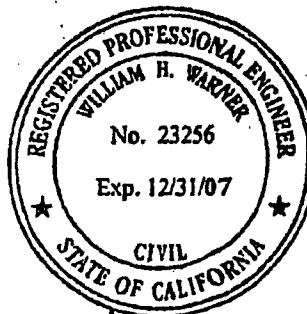
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER



WILLIAM H. WARNER, R.C.E. 23256



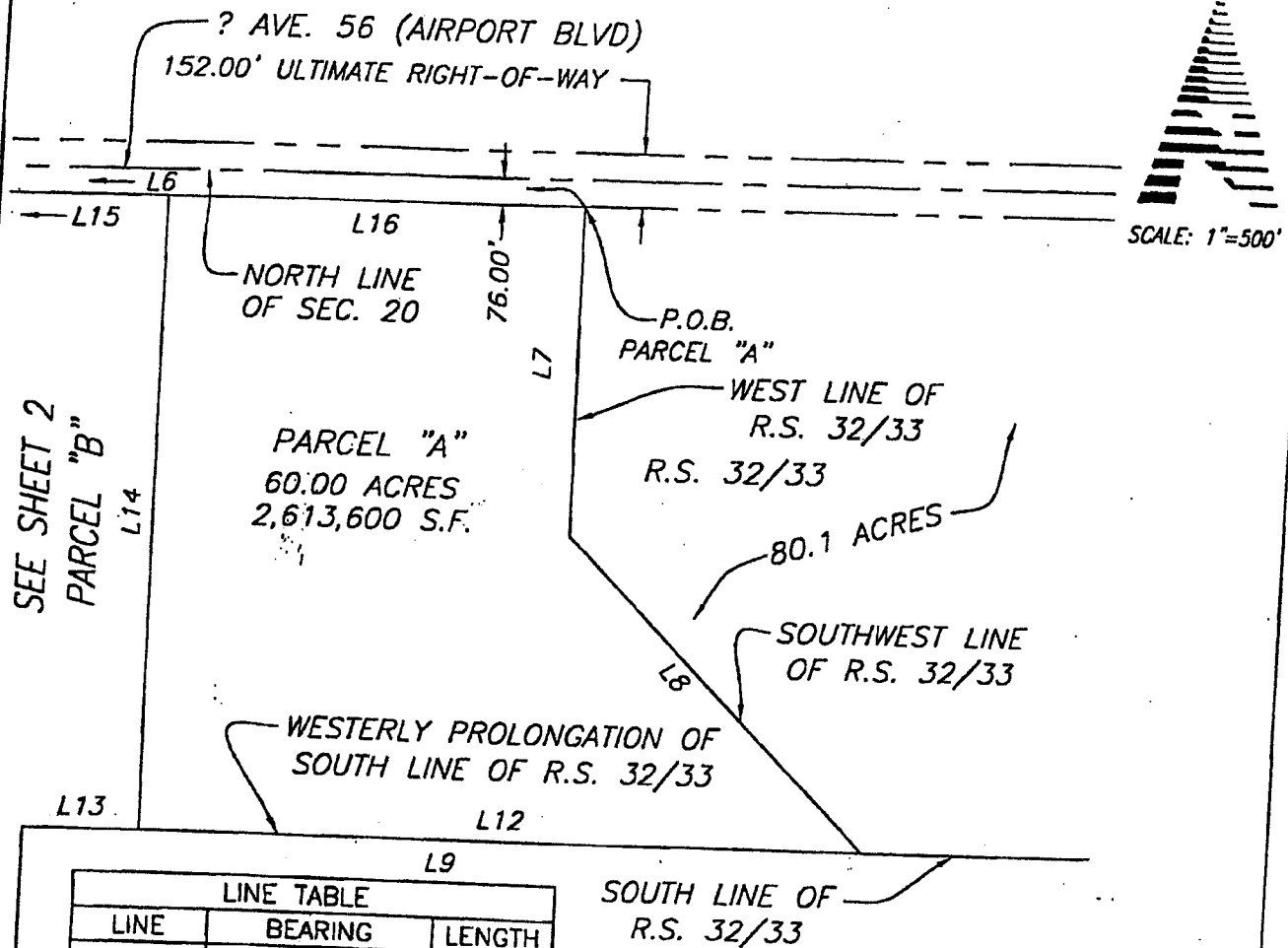
6/1/06  
DATE

EXHIBIT A 1

## EXHIBIT "B"

SHEET 1 OF 2

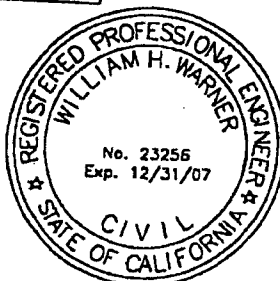
POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



LINE TABLE		
LINE	BEARING	LENGTH
L6	N89°49'03"E	3102.23'
L7	N00°10'33"W	951.97'
L8	N44°57'52"W	1254.13'
L9	N89°59'21"W	2433.37'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'

SOUTH LINE OF R.S. 32/33

- PROPOSED BOUNDARY  
 ——— EXISTING CENTERLINE  
 - - - PROPOSED ULTIMATE RIGHT-OF-WAY  
 - - - LOT LINE PER LOT LINE ADJUSTMENT NO. 3843, RECORDED JUNE 27, 1996, AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY SUPERVISION, BASED ON RECORD INFORMATION

WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0502-015C

**EXHIBIT "A"**

**PARCEL "B"**

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**COMMENCING AT THE NORTHWEST CORNER OF PARCEL 11 OF LOT LINE ADJUSTMENT NO. 3843 RECORDED JUNE 27, 1996 AS INSTRUMENT NO. 239254, OFFICIAL RECORDS OF RIVERSIDE COUNTY;**

**THENCE SOUTH 89°48'47" EAST ALONG THE NORTH LINE OF SAID PARCEL 11, A DISTANCE OF 630.10 FEET TO THE TRUE POINT OF BEGINNING;**

**THENCE NORTH 00°01'27" EAST ALONG A LINE PARALLEL WITH AND DISTANT 660.00 FEET EASTERLY FROM, AS MEASURED AT RIGHT ANGLES, THE WEST LINE OF SAID SECTION 20, A DISTANCE OF 660.00 FEET;**

**THENCE NORTH 89°58'33" WEST A DISTANCE OF 584.00 FEET TO A LINE PARALLEL WITH AND DISTANT 76.00 FEET EASTERLY FROM, AS MEASURED AT RIGHT ANGLES, SAID WEST LINE SAID SECTION 20;**

**THENCE NORTH 00°01'27" EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 3874.43 FEET;**

**THENCE NORTH 44°55'15" EAST A DISTANCE OF 19.76 FEET TO A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;**

**THENCE NORTH 89°49'03" EAST ALONG LAST SAID PARALLEL LINE A DISTANCE OF 1892.80 FEET;**

**THENCE SOUTH 00°10'57" EAST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO A POINT ON THE WESTERLY PROLONGATION OF THE SOUTH LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 32 OF RECORDS OF SURVEY AT PAGE 33, RECORDS OF SAID COUNTY;**

Exhibit A

THENCE NORTH 89°59'21" WEST ALONG LAST SAID LINE A DISTANCE OF 340.62 FEET;

THENCE SOUTH 00°11'13" WEST A DISTANCE OF 2722.90 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL 11 OF SAID LOT LINE ADJUSTMENT;

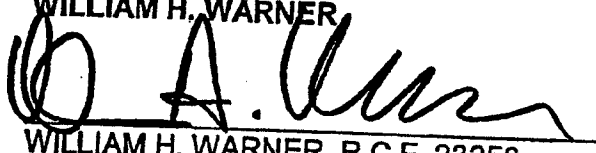
THENCE NORTH 89°48'47" WEST ALONG SAID NORTH LINE OF SAID PARCEL 11, A DISTANCE OF 981.00 FEET TO THE TRUE POINT OF BEGINNING.

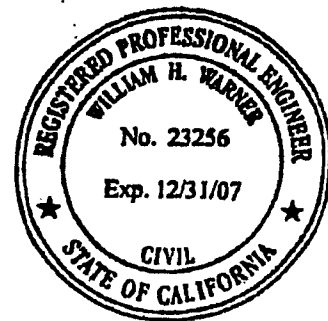
(CONTAINS 169.46 ACRES)

SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER

  
WILLIAM H. WARNER, R.C.E. 23256

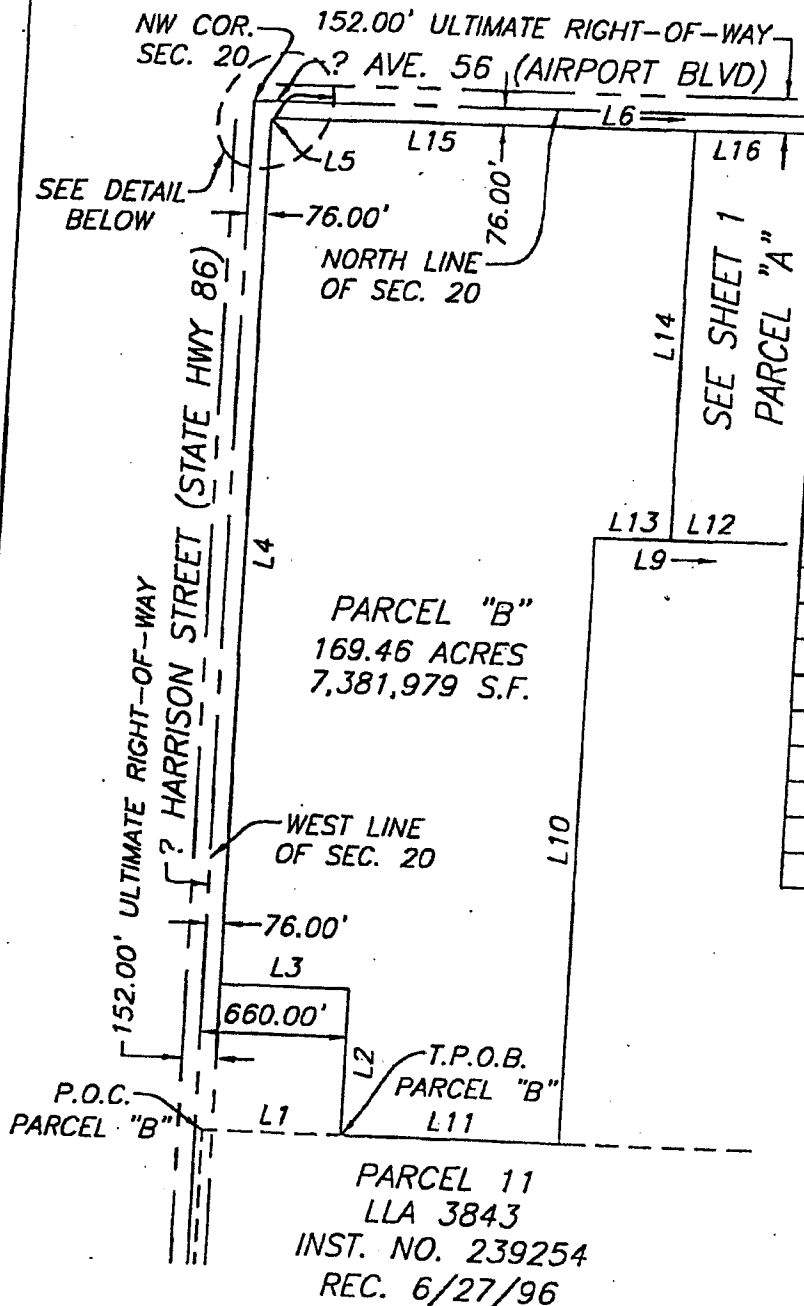


  
DATE

## EXHIBIT "B"

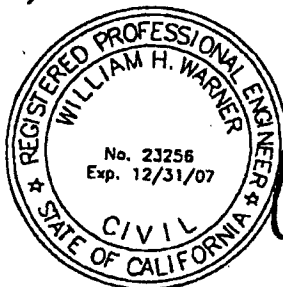
SHEET 2 OF 2

POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°48'47"W	630.10'
L2	N00°01'27"E	660.00'
L3	N89°58'33"W	584.00'
L4	N00°01'27"E	3874.43'
L5	N44°55'15"E	19.76'
L6	N89°49'03"E	3102.23'
L9	N89°59'21"W	2433.37'
L10	N00°11'13"E	2722.90'
L11	N89°48'47"W	981.00'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'

- PROPOSED BOUNDARY
- - - EXISTING CENTERLINE
- - - PROPOSED ULTIMATE RIGHT-OF-WAY
- - - LOT LINE PER LOT LINE ADJUSTMENT NO. 3843, RECORDED JUNE 27, 1996, AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION, BASED ON  
RECORD INFORMATION.

WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0602-015C

EXHIBIT A2



BUILDING AND FACILITY LEGEND	
1. Taxiway	2. Runway
3. Apron	4. Hangar
5. Control Tower	6. Terminal Building
7. Fuel Tank	8. Maintenance Building
9. Air Traffic Control Building	10. Instrument Landing System
11. Obstacle Light	12. Obstacle
13. Obstacle	14. Obstacle
15. Obstacle	16. Obstacle
17. Obstacle	18. Obstacle
19. Obstacle	20. Obstacle
21. Obstacle	22. Obstacle
23. Obstacle	24. Obstacle
25. Obstacle	26. Obstacle
27. Obstacle	28. Obstacle
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93. Obstacle	94. Obstacle
95. Obstacle	96. Obstacle
97. Obstacle	98. Obstacle
99. Obstacle	100. Obstacle

# EXHIBIT A

RUNWAY DATA	
Runway	Width
1	100
2	100
3	100
4	100
5	100
6	100
7	100
8	100
9	100
10	100
11	100
12	100
13	100
14	100
15	100
16	100
17	100
18	100
19	100
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22	100
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99	100
100	100

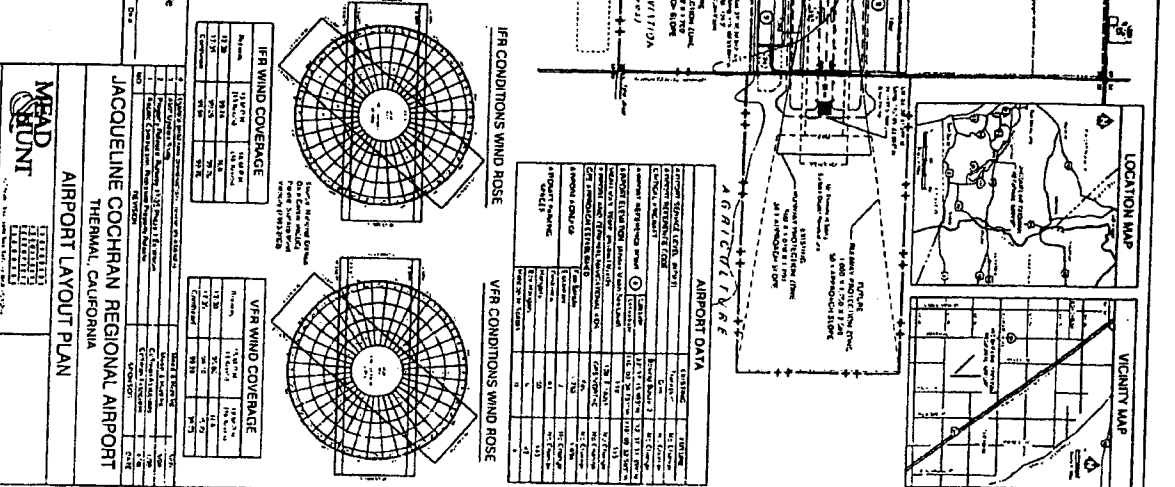
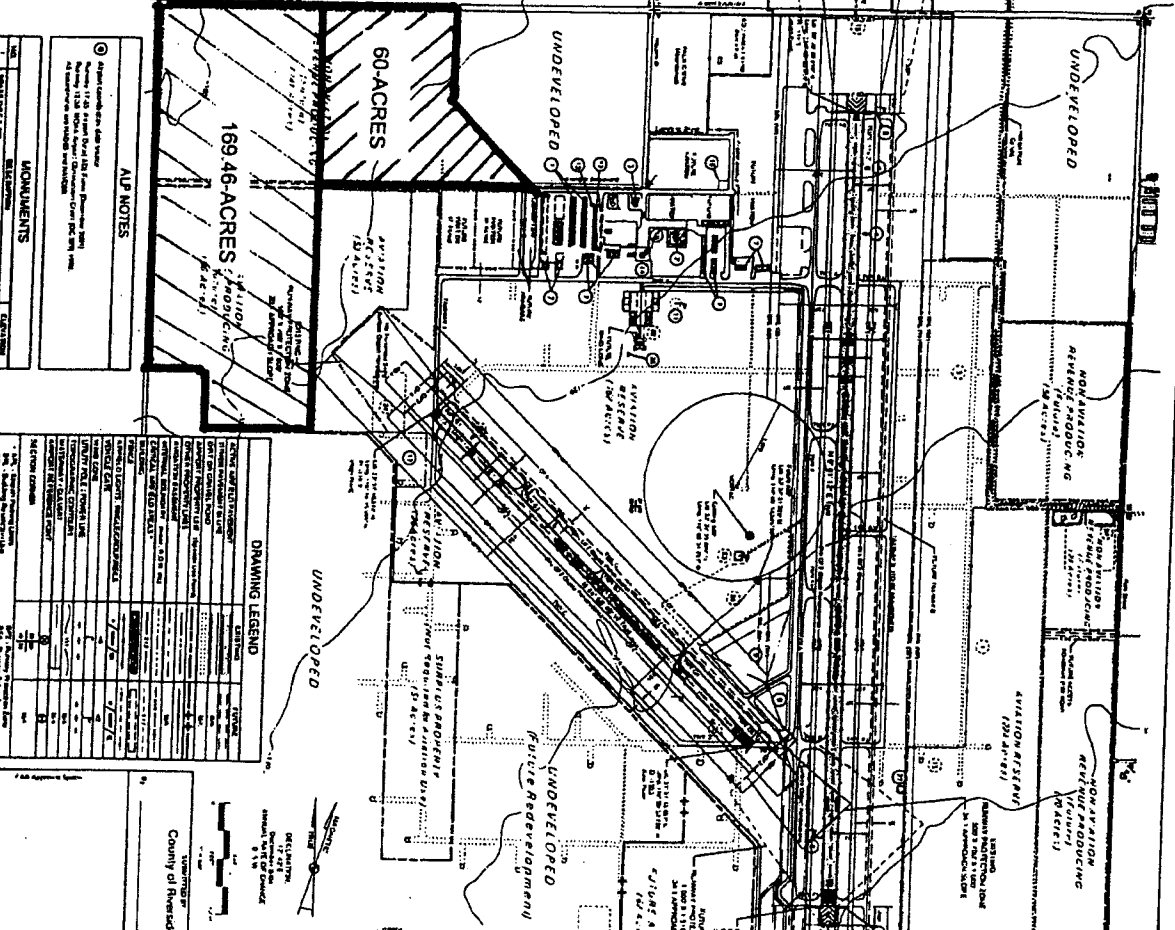


FIGURE 5.1

## EXHIBIT A

BOUNDARIES NOT TO SCALE

**Exhibit B**

**Riverside County Certification  
Dated June 30, 2006**

Riverside County certification accepting the land-use change authorization from the Federal Aviation Administration for approximately 229.46 acres of land at Jacqueline Cochran Regional Airport and declaring that all proceeds received by the County and the Airport from the leasing and renting shall be used and applied to the Airport for its improvement, development, operation, and maintenance and used exclusively for airport purposes.

The certification follows on the next page

RIVERSIDE  
COUNTY



June 30, 2006

Exhibit B

Economic &  
Community  
Development



Housing



Housing  
Authority



Redevelopment  
Agency



County Service  
Areas



Workforce  
Development



Edward-Dean  
Museum  
& Gardens



Aviation



County Fair &  
National Date  
Festival

Mr. Anthony Garcia  
Airports Compliance Specialist # AWP-620.1  
U.S. Department of Transportation  
Federal Aviation Administration  
Western Pacific Region, Airports Division  
P.O. Box 92007  
Los Angeles, CA 90009-2007

RE: Certification of Use of Lease Revenues  
Equestrian Center Ground Leases  
Jacqueline Cochran Regional Airport  
Thermal, California

Dear Mr. Garcia:

The County of Riverside has negotiated two ground leases at Jacqueline Cochran Regional Airport for the purpose of establishing an Equestrian Center. One is for sixty (60) acres with HITS, Inc., and the other is for 169.42 acres with Desert Resorts Aviation, LLC. These leases will be sent to you by separate cover with a request that you find the permitted use contained in the leases consistent with the County of Riverside's Grant Assurances to the Federal Aviation Administration and the United States of America.

The purpose of this letter is to certify that all revenues received from these leases by the County of Riverside will be deposited into a separate Airports operating account and be expended for the capital or operating costs of the County's airports in accordance with applicable Federal law and FAA policy.

Sincerely,  
RIVERSIDE COUNTY  
ECONOMIC DEVELOPMENT AGENCY

*Daryl Shippy*

Daryl Shippy  
Airports Manager  
Aviation Division

(760) 863-8247  
[dshippy@co.riverside.ca.us](mailto:dshippy@co.riverside.ca.us)

cc: Robin Zimpfer  
Deanna Lorson  
Colby Cataldi

**Exhibit C**

**Lease and Use Agreement Provisions**

The instrument used by Riverside County to lease or rent real property described in the land-use change authorization shall include the following covenants, conditions, restrictions and reservations.

Lease And Use Agreement provisions follow on the next page

## Exhibit C

### Lease and Use Agreement Guide

1. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

The (contractor, tenant, concessionaire, lessee) assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the (tenant, concessionaire, lessee) or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

(The airport sponsor shall insert the third paragraph above in all airport contracts, leases, subcontracts, subleases and other agreements at all tiers, AC 150/5100-15A.)

(Additional information regarding civil rights and Disadvantaged Business Enterprise obligations can be obtained from the FAA Civil Rights Office.)

2. The airport owner/sponsor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the (lessee, licensee, permittee, etc.) and without interference or hindrance.
3. The airport owner/sponsor reserves the right, but shall not be obligated to the (lessee, licensee, permittee), to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the (lessee, licensee, permittee, etc.) in this regard.
4. This (lease, license, permit, etc.) shall be subordinate to the provisions and requirements of any existing or future agreement between the airport owner/sponsor and the United States, relative to the development, operation, or maintenance of the airport. Failure of the (lessee, licensee, permittee) or any occupant to comply with the requirements of any existing or future agreement between the lessor and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of (lessee's, licensee, permittee's) rights hereunder.
5. There is reserved to the airport owner/sponsor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the (leased, licensed, permitted) premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.
6. The (lessee, licensee, permittee) agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the (leased, licensed, permitted) premises or in the event of any planned modification or alteration of any present or future building or structure situated on the (leased, licensed, permitted) premises.
7. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit any natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the (lessee, licensee, permittee).

8. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agrees for itself, its successors and assigns that it will not make use of the (leased, licensed, permitted) premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby (leased, licensed, permitted) and cause the abatement of such interference at the expense of the (lessee, licensee, permittee).

9. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of U.S. Code 40103 (e) and 47107(a)(4). This requirement only applies to aeronautical commercial activities and does not need to be included in agreements with non-aeronautical lessees or tenants.

10. This (lease, license, permit) and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or nonexclusive use of the airport by the United States during a time of war or national emergency.

11. The (lessee, licensee, permittee) will furnish services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. (In accordance with Grant Assurance #22.b, this provision must be included in any agreement, contract, lease, license, permit to engage in any aeronautical activity at the airport.)

12. The (lessee, licensee, permittee) will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass an airfield safe driving instruction program when offered or required by the airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

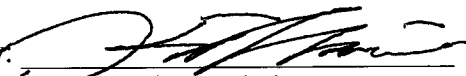
CONSENT TO ASSIGNMENT OF GROUND LEASE AGREEMENT

HITS INC, a Delaware corporation, ("Assignor"), and CHP LAND COMPANY LLC, a Delaware limited liability company ("Assignee") executed that certain Asset Purchase Agreement dated July 3, 2019 ("Agreement"), whereby, among other things, Assignor transferred and assigned to Assignee ("Assignment") all of Assignor's rights, title, interest and obligations ("Rights and Obligations") under that certain Ground Lease (Jacqueline Cochran Regional Airport) dated November 14, 2006 ("Original Lease") and as amended by that certain First Amendment to Ground Lease (Jacqueline Cochran Regional Airport) dated April 10, 2007 (collectively, "Ground Lease"). The Ground Lease pertains to that certain real property located within the Jacqueline Cochran Regional Airport and consists of approximately 60 acres of vacant land, as more particularly described in Exhibit A of the Original Lease.

In reliance upon the Agreement and the assumption by Assignee of all Rights and Obligations under the Ground Lease pursuant to the Assignment, the County does hereby consent to the Agreement and the assignment of the Rights and Obligations 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 Ground Lease.

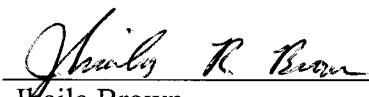
Date: AUG 06 2019

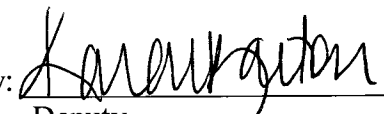
LESSOR  
COUNTY OF RIVERSIDE

By:   
Kevin Jeffries, Chairman  
Board of Supervisors

APPROVED AS TO FORM  
Gregory P. Priamos  
County Counsel

ATTEST:  
KECIA ~~HEM~~ HARPER  
Clerk of the Board

By:   
Naila Brown  
Deputy County Counsel

By:   
Deputy

AUG 06 2019 3.11



RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Wollmuth Maher & Deutsch LLP  
500 Fifth Avenue  
New York, New York 10110  
Attention: Paul R. DeFilippo, Esq.

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**ASSIGNMENT AND CONSENT TO THE ASSIGNMENT OF THE LEASE BETWEEN  
COUNTY OF RIVERSIDE AND HITS, INC. TO  
CHP LAND COMPANY LLC**

**THIS ASSIGNMENT AND CONSENT TO ASSIGNMENT OF LEASE** (this "Assignment and Consent") is made on this \_\_\_\_ day of \_\_\_\_\_, 2019 (the "Closing Date"), by and among (i) HITS, INC., a Delaware corporation, as assignor of the Lease ("Assignor"); (ii) and CHP LAND COMPANY LLC, a Delaware limited liability company, as assignee to the Lease ("Assignee"). The consent thereto of County (as defined below) is provided in the joinder attached hereto.

**RECITALS:**

A. WHEREAS, County of Riverside, a political subdivision of the State of California ("County"), as Lessor, and Assignor, as Lessee, are parties to the Ground Lease (Jacqueline Cochran Regional Airport) dated November 14, 2006 (as amended from time to time, the "Lease"); which Lease is evidenced by that certain Memorandum of Lease dated July 26, 2007 and recorded August 10, 2007 in the Official Records of the County with Document No. 2007-0519161; and

B. WHEREAS, under the Lease, County leases to Assignor certain premises consisting of approximately 60 acres of land at the Jacqueline Cochran Regional Airport, County of Riverside, State of California described in Exhibit A attached hereto (the "Premises"); and

C. WHEREAS, Assignor, Assignee, and Coachella Horse Park LLC, a Delaware limited liability company ("Coachella Horse Park"), an affiliate of Assignee, have entered into an Asset Purchase Agreement dated July 3, 2019 (the "Purchase Agreement" and the closing of the transactions contemplated by the Purchase Agreement, the "Closing" and the date of the Closing, the "Closing Date"), pursuant to which Assignor will transfer substantially all of its assets in California and Arizona (other than its interest in the Lease and the Adjacent Sublease) to Coachella Horse Park, and to assign its interests in the Lease and the Adjacent Sublease, to Assignee; and

D. WHEREAS, in connection with the Purchase Agreement, Assignor wishes to assign to Assignee and Assignee wishes to assume from Assignor the Lease, as of the Closing Date;

E. WHEREAS, Assignor has asked County to consent to the assignment of the Lease to Assignee.

**NOW, THEREFORE**, in consideration of the mutual covenants of the parties hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

County consents to Assignor's assignment of the Lease of the Premises to Assignee, such consent being subject to the following terms and conditions to each of which Assignor and Assignee expressly agree. County's consent to the assignment of the Lease is contained in the joinder attached hereto.

1. Assignment of Lease. Assignor hereby transfers and assigns to Assignee all of its right, title, and interest to and under the Lease effective as of the Closing Date, subject to the covenants and conditions in the Lease. The initial 15-year term of the Lease ends on November 30, 2021. The Lease allows for two additional extensions, the first for an additional 15 years and the second for an additional 10 years. For purposes of Assignee's assumption of the Lease, wherever in the Lease the terms "Lessee" or "HITS" are used, it shall be deemed to mean Assignee. This Assignment and Consent is also conditioned on the assignment of the Sublease dated December 12, 2006 between Desert Resorts Aviation, LLC and Assignor and consented to by County (as amended from time to time, the "Adjacent Sublease"), which Adjacent Sublease is evidenced by that certain Memorandum of Sublease dated July 3, 2007 and recorded August 23, 2007 in the Official Records of the County having Document No. 2007-0543292, to Assignee, with County approval, for an adjacent 169.46 acres (it being agreed that any party shall be entitled to rely on the recordation of an assignment and consent to assignment of such Adjacent Sublease as evidence that the foregoing condition has been satisfied).

2. Rent. Assignee shall be subject to the same rent as set out in Paragraph 5 of the Lease and shall pay the rent directly to County. Rent due under the Lease at the time of the Closing shall be paid by Assignor on or before the Closing Date. After the Closing, Assignee shall be fully responsible for paying all rents and other fees that first accrue under the Lease from and after the Closing Date.□

3. No Waiver of Obligations in the Lease. Except as provided in this Assignment and Consent, neither the giving of this consent nor anything in this Assignment and Consent shall (i) modify, waive, impair or affect any of the covenants, agreements, terms, provisions, obligations or conditions contained in the Lease (except as may be herein expressly provided), (ii) waive any breach thereof, or any rights of County against any person or entity liable or responsible for performance under the Lease, provided, however, County hereby agrees to look only to Assignor, for any liability connected with breaches first arising prior to the Closing Date, (iii) increase or diminish the obligations or the rights of County under the Lease, or (iv) in any way be interpreted as giving Assignee any greater rights than Assignor is extended under the Lease. All covenants, agreements, terms, provisions and conditions of the Lease are mutually declared to be in full force and effect except as otherwise provided herein.

4. No Further Consent. This Assignment and Consent shall not be construed either as a consent by County to permitting any other or further subletting of the Premises, whether in whole or in part, or any further assignment of the Lease, or as a waiver of any requirement in the Lease of obtaining County's consent for any further assignment or subletting. Assignee shall not, except as otherwise provided in the Lease assign the Lease or this Assignment and Consent or sublet the

Premises or any part of the Premises without the prior written consent of County, which consent shall not be unreasonably withheld or delayed.

5. No Release. The giving of this Assignment and Consent shall not be deemed or serve to release Assignor from any liability, obligation or duty it may have under the Lease during the term of the Lease unless the Lease is (i) amended, or (ii) the term of the Lease is extended beyond the initial 15 year period under amended terms that change the Lease as it is now written. Accordingly, Assignor shall remain liable and responsible for all rent and other obligations imposed upon Assignor in the Lease in the event Assignee fails to perform under the Lease, but Assignor shall not be liable if the Lease is amended or extended by Assignee for the additional periods provided under the Lease (15 years and 10 years) or for other periods under amended Lease terms.

6. Assignee's Obligation. Assignee for itself and its successors and assigns (i) accepts the Lease as written, (ii) recognizes and assumes all of the covenants, agreements, terms, provisions, obligations and conditions contained in the Lease with respect to the Premises first arising from and after the Closing Date, and (iii) agrees to keep and perform each and every covenant, agreement, term, provision, obligation and condition with respect to the Premises first arising from and after the Closing Date contained in the Lease except as expressly provided by this Assignment and Consent.

7. Indemnification. County shall not be responsible for the payment of any commissions or fees in connection with the assignment of the Lease, and Assignor agrees to indemnify and hold County harmless from and against any claims, liability, losses or expenses, including reasonable attorneys' fees incurred by County in connection with any claims for commission by any broker or agent in connection with the assignment of Lease.

8. Notices. The following mailing addresses apply for purposes of giving notice under this Assignment and Consent and the Lease:

County:

County of Riverside  
Economic Development Agency  
Attn: Vincent Yzaguirre, Assistant Director  
3403 10<sup>th</sup> Street, Suite 400  
Riverside, CA 92501  
[VYzaguirre@rivco.org](mailto:VYzaguirre@rivco.org)

Assignor:

HITS, Inc.  
Attn: Thomas Struzzieri  
319 Main Street  
Saugerties, NY 12477  
[Tom@Hitsshow.com](mailto:Tom@Hitsshow.com)

Assignee:

CHP Land Company LLC  
2371 Outpost Drive  
Los Angeles, CA 90068  
Attn: Steve Hankin  
[Stevehankin1@gmail.com](mailto:Stevehankin1@gmail.com)

9. Execution of Assignment and Consent. The parties agree that this Assignment and Consent may be signed and delivered by scanned and emailed signature and any number of separate counterparts each of which shall be an original and all of which taken together shall constitute one in the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Consent as of the date first written above.

***“County”***

County of Riverside, a political subdivision  
of the State of the California

By: See separate County Executed Consent

**"Assignor"**

HITS, INC.

By: 

Name: Thomas G. Struzzi


Title: President & CEO

STATE OF NEW YORK:

SS:

COUNTY OF ULSTER :

On this 15<sup>th</sup> day of JULY, 2019, before me the undersigned, a Notary Public in and for said State, personally appeared THOMAS G. STRUZZIERI personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she duly executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

JoANNE K. PARISIAN  
Notary Public, State of New York  
No. 4741954  
Qualified in Ulster County  
Commission Expires June 30, 2023

[SIGNATURE PAGE TO ASSIGNMENT AND CONSENT TO THE ASSIGNMENT OF THE  
LEASE BETWEEN COUNTY OF RIVERSIDE AND HITS, INC. TO  
CHP LAND COMPANY LLC]

**"Assignee"**

CHP LAND COMPANY LLC

By: Coachella Equestrian Holdings LLC,  
its Sole Member

By: CHP Show Management Company LLC,  
its Manager

By: 

Name: Steve Hankin

Title: Sole Member

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

STATE OF CALIFORNIA

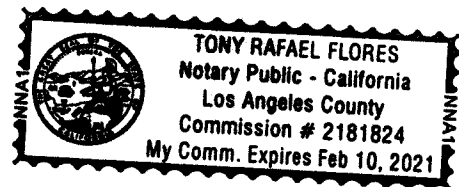
COUNTY OF Los Angeles

On 7-15-19 before me, Tony Rafael Flores (here insert name and title of the officer), personally appeared Steven M. Hankin - who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Tony Rafael Flores (Seal)



[SIGNATURE PAGE TO ASSIGNMENT AND CONSENT TO THE ASSIGNMENT OF THE  
LEASE BETWEEN COUNTY OF RIVERSIDE AND HITS, INC. TO  
CHP LAND COMPANY LLC]

**EXHIBIT "A"**

**PARCEL "A"**

A PORTION OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 8 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE WEST LINE OF THAT CERTAIN 80.1 ACRE PARCEL OF LAND SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF RECORDS OF SURVEY AT PAGE 32, RECORDS OF SAID COUNTY, AND A DISTANCE OF 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

THENCE SOUTH 00°10'33" EAST ALONG SAID WEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 951.97 FEET TO AN ANGLE POINT SHOWN ON SAID RECORD OF SURVEY;

THENCE SOUTH 44°57'52" EAST ALONG THE SOUTHWEST LINE OF SAID PARCEL OF LAND, A DISTANCE OF 1254.13 FEET TO THE SOUTH LINE OF SAID PARCEL OF LAND;

THENCE NORTH 89°59'21" WEST ALONG THE WESTERLY PROLONGATION OF SAID SOUTH LINE, A DISTANCE OF 2092.75 FEET;

THENCE NORTH 00°10'57" WEST ALONG A LINE PERPENDICULAR WITH, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20 A DISTANCE OF 1835.09 FEET TO THE INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT 76.00 FEET SOUTHERLY FROM, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF SAID SECTION 20;

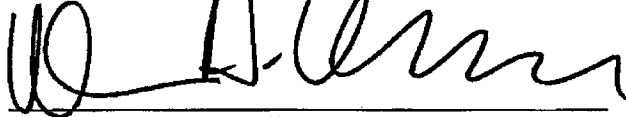
THENCE NORTH 89°49'03" EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE **POINT OF BEGINNING**.

(CONTAINS 60.00 ACRES)

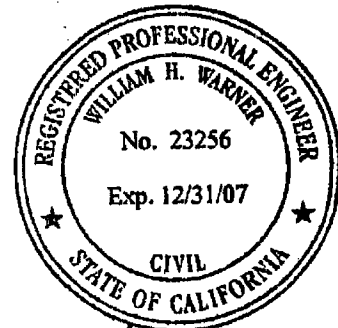
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

**WILLIAM H. WARNER**



WILLIAM H. WARNER, R.C.E. 23256



6/1/06  
DATE



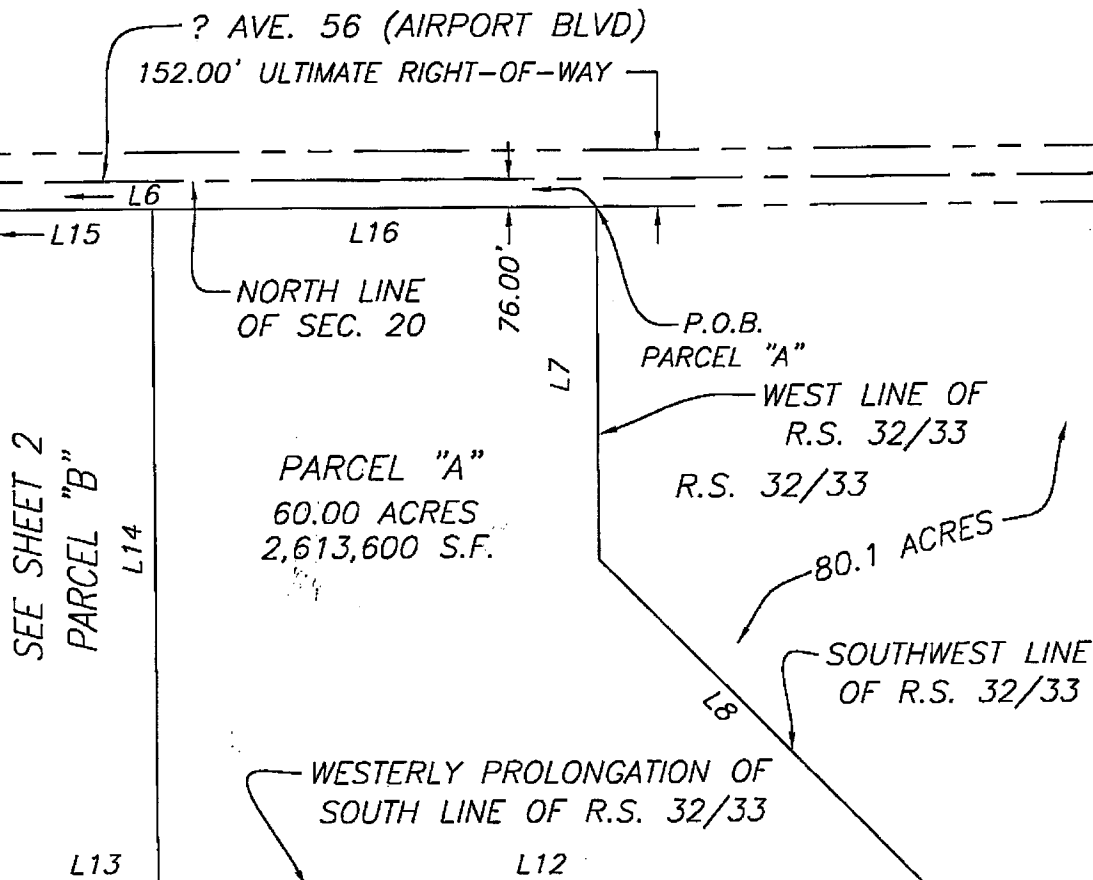
# EXHIBIT "B"

SHEET 1 OF 2

POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



SCALE: 1"=500'

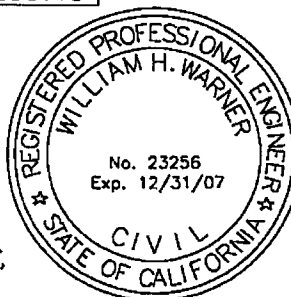


LINE TABLE

LINE	BEARING	LENGTH
L6	N89°49'03"E	3102.23'
L7	N00°10'33"W	951.97'
L8	N44°57'52"W	1254.13'
L9	N89°59'21"W	2433.37'
L12	N89°59'21"W	2092.75'
L13	N89°59'21"W	340.62'
L14	N00°10'57"W	1835.09'
L15	N89°49'03"E	1892.80'
L16	N89°49'03"E	1209.43'

SOUTH LINE OF  
R.S. 32/33

- PROPOSED BOUNDARY
- - - EXISTING CENTERLINE
- - - PROPOSED ULTIMATE RIGHT-OF-WAY
- - - LOT LINE PER LOT LINE ADJUSTMENT NO. 3843, RECORDED JUNE 27, 1996, AS INST. NO. 239254



THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY SUPERVISION, BASED ON  
RECORD INFORMATION

*[Signature]*

WILLIAM H. WARNER, R.C.E. 23256  
LIC. EXP. 12/31/07

0602-015C

## GROUND LEASE JACQUELINE COCHRAN REGIONAL AIRPORT

The COUNTY OF RIVERSIDE, herein called County, leases to HITS, Inc., a Delaware corporation, herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns approximately sixty (60) acres of vacant land at the Jacqueline Cochran Regional Airport, County of Riverside, State of California.

(b) County desires to lease said property to Lessee for the development of an equestrian center and related facilities for horse shows and other equestrian events.

(c) Lessee desires to lease said property for the development of an equestrian center and related facilities for horse shows and other equestrian events.

(d) This lease is contingent upon: (1) cancellation of the 60 acre Lease between the County and Desert Resorts Aviation dated September 13, 2005; (2) cancellation of the 440 acre Lease between County and Desert Resorts Aviation dated November 1, 2005; (3) County and Desert Resorts Aviation, LLC, entering into a Lease for 169.46 acres of land adjacent to this leasehold; and (4) Desert Resorts Aviation, LLC, and HITS, Inc., entering into a Sublease for the 169.46 acres of land.

2. Description. The premises leased hereby are located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California, and consist of approximately sixty (60) acres of vacant land, being described in Exhibit "A-1" and depicted on Exhibit "A-2", both attached hereto and incorporated by this reference herein. Said property is hereafter referred to as the "Leased Premises." County and Lessee hereby acknowledge and agree that: (a) Lessee has no fee title interest in or to the underlying real property subject to this Lease (the Leased Premises); and (b) the

Leased Premises are subject to an Avigation Easement between County and Lessee, attached hereto as Exhibit "E" and incorporated herein by reference.

3. Term. This Lease shall commence the first day of the month following execution by all parties thereto and terminate fifteen (15) years thereafter, a term of fifteen (15) years.

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

(b) With respect to the Leased Premises, provided that Lessee at the time of exercising the option is not in default under the terms of this Lease after applicable notice and opportunity to cure, Lessee shall have the option to extend the term of this Lease for two additional periods. The first option period shall be fifteen (15) years and the second for ten (10) years. Lessee shall notify County in writing of its intention to exercise the first option to extend not more than twelve (12) months or less than six (6) before the expiration date of the initial term and the second option not more than twelve (12) months or less than six (6) before the expiration date of the first option period.

4. Use. The Leased Premises shall be used for the development of an equestrian center and related facilities for horse shows, equestrian events, and non-equestrian events agreed to in writing by the parties from time to time, and for no other purpose without the written consent of County, which consent shall not be unreasonably withheld or delayed. The County's approval of any change in the Use of the Leased Premises may, at County's sole election, place additional reasonable specific requirements on Lessee including, but not limited to, the types, limits, and conditions of insurance provided under this Lease.

As additional consideration for County entering into this Lease, Lessee will make available to the County parking to accommodate 6,000 parking spots (the "Parking Area") during the periods set forth below. The total Parking Area shall be

made available first on the Leased Premises and then on the adjacent 169.46 acres subleased by Lessee in a manner acceptable to County. In connection with the Site Plan specified in paragraph 8 of this Lease, Lessee has provided County with a parking plan which County has reviewed and approved showing the Parking Area (the "Parking Plan"). Lessee will make the site available in accordance with the Parking Plan for County's use as a parking lot by the Wednesday prior to the first day of each weekend selected. County shall not make any permanent improvements to the Parking Area without Lessee's prior permission. County shall restore the Parking Area, at the end of each weekend selected, to the condition in which such Parking Area existed prior to County's use.

Said parking shall be provided to County for two weekends only (defined as Thursday through Monday) during the month of November for each year during the term of this Lease and any extension thereof, solely for County's use in connection with County's annual air show or other aviation related event, or other such event which may County may schedule and conduct at Jacqueline Cochran Regional Airport. The exact dates of the air show and automobile exhibition may vary from year to year and County will notify Lessee of the exact dates of these activities at least one hundred and twenty (120) days in advance of the weekend dates.

County shall indemnify, defend and hold harmless Lessee and its officers, employees, agents and representatives from any liability, damage, cost, expense, fee, penalty or action whatsoever, including without limitation attorneys' fees, costs of investigations, defense costs and any settlements or awards, including, but not limited to, property damage, bodily injury, death or any other element of any kind or nature whatsoever and resulting from any reason whatsoever arising from or out of the provision of parking under this Paragraph 4.

5. Rent. Commencing on January 1, 2007, Lessee shall pay to County a monthly Base Rent for the use and occupancy of the Leased Premises equal to twenty-one thousand seventy-six and 20/100 dollars (\$21,076.20).

Said rent is due and payable quarterly in advance on January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup> of each year. The rent shall be considered delinquent if not paid by the 15<sup>th</sup> of the applicable month. If the monthly rent becomes delinquent, Lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

Beginning July 1, 2016, and on July 1<sup>st</sup> every tenth year thereafter during the term of this Lease or any extension thereof, the monthly Base Rent then in effect shall be adjusted by the percentage change in the Consumer Price Index (CPI), All Urban Consumers, Los Angeles-Riverside-Orange County Area for the ten (10) year period ending three months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, the index most nearly the same as the CPI shall be used to make such calculation. In the event the parties cannot agree on such alternative index, the matter shall be submitted to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of the Arbitration shall be paid equally by the parties.

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

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

(b) Operate the Leased Premises and perform services for the use and benefit of the general public without unlawful discrimination on the grounds of race,

religion, color or national origin or in any manner prohibited by any applicable portions of Part 15 of the Federal Aviation Administration Regulations and adhere to and comply with any applicable provisions of Exhibit B, Federally Required Lease Provisions attached hereto and by this reference incorporated herein;

(c) Provide janitorial services for interior, exterior, and grounds at Lessee's own expense;

(d) Maintain comfortable clean sanitary restroom facilities for both men and women; such restroom facilities shall be properly and continuously supplied with soap, towels, toilet tissue and any other supplies required by state, federal or local laws and ordinances;

(e) Maintain the Leased Premises, approaches thereto, and improvements now or hereafter located thereon, in good, safe and sanitary order, condition, and repair, and upon any termination of this Lease, Lessee agrees to surrender said Leased Premises and improvements thereon in such good, safe and sanitary condition, reasonable use and wear thereof and damages by fire, acts of God, war, civil insurrection, or by the elements excepted;

(f) Adhere to and comply with all applicable provisions of Exhibit C, FBO Minimum Standards attached hereto and by this reference incorporated herein; and

(g) Adhere to and comply with the applicable provisions of Exhibit D, Storm Water Pollution Prevention Plan attached hereto and by this reference incorporated herein.

(h) County and Lessee agree to cooperate in efforts to manage wildlife on the Leased Premises that may from time to time pose a hazard to aviation activities at Jacqueline Cochran Regional Airport. Lessee agrees to undertake all measures necessary to prevent the creation of a wildlife attractants, habitat, or hazards and to eliminate and mitigate any such wildlife hazards resulting from Lessee's use of the Leased Premises.

7. Permits, Licenses and Taxes. Lessee shall secure, at its expense, all necessary permits and licenses as it may be required to obtain regarding the construction, operation, maintenance, and termination or abandonment of activities upon the Leased Premises, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Lessee recognizes and understands that this Lease will create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.

8. On-Site Improvements

(a) Lessee, at its expense, shall construct, or cause to be constructed, the improvements described in the site plan approved by the County showing the location and dimensions of all planned improvements (the "Site Plan"). The improvements contemplated by Lessee will include the following: riding rings, barns, pads for tent stabling, paved and unpaved roads, bridges for people and horses, buildings for offices, food and beverage sales and vendors, RV spaces, truck and automobile parking, paddocks and other improvements as Lessee deems reasonably necessary to use on the Leased Premises in the manner contemplated by this Lease.

Within one hundred and twenty (120) days of Lease commencement, Lessee shall submit a full set of construction plans to the County to obtain building permits for all improvements contained in the site plan. County shall have sixty (60) days to provide Lessee with comments and required corrections to the construction plans. Lessee shall have sixty (60) to resubmit corrected construction plans. County shall then have thirty (30) days to issue building permits for the planned improvements. Construction of said improvements shall commence within one hundred and twenty (120) days following issuance of the requisite permits by the County. Development of the Leased Premises shall be completed within twenty-four months of commencement of construction.

(b) All improvements are to be completed at Lessee's sole cost. Lessee shall pay for construction of any required utility extensions and hookups

(including all related fees and charges) and any access road improvements. Plans for all improvements are to be submitted to County for approval in accordance with the County's customary plan-check and building permit procedures prior to start of any construction.

(c) Any improvements, alterations, and installation of fixtures to be undertaken by Lessee shall have the prior written approval of the County after Lessee has submitted to County the proposed site plans, building plans and specifications therefore, in writing. In addition, Lessee understands and agrees that such improvements, alterations, and installation of fixtures may be subject to County Ordinance Nos. 348 and 457, as well as other applicable County ordinances, and that Lessee shall fully comply with such ordinances prior to the commencement of any construction in connection therewith.

(d) All improvements, alterations, and fixtures shall remain or become, as the case may be, the property of County, with the exception of trade fixtures as that term is used in Section 1019 of the Civil Code; provided, however, that Lessee shall have the full and exclusive use and enjoyment of such improvements, alterations, and fixtures during the term of this Lease. At or prior to the expiration of this Lease, Lessee shall remove, at its expense, such trade fixtures and restore said Leased Premises to their original shape and condition as nearly as practicable. In the event Lessee does not so remove such trade fixtures, they shall become the property of the County for no further consideration of any kind, and Lessee shall execute any documents that may be required or necessitated conveying its interest in such improvements, alterations, and fixtures to County.

9. Off-Site Improvements

(a) County shall provide the following off-site improvements to serve the site: (1) water, (2) sewer, and (3) a paved access road. Connections to said off-site improvements shall be the sole cost and responsibility of Lessee as described in paragraph 9(c). Additionally, Lessee shall be responsible for any improvements beyond



those listed in this paragraph, including, but not limited to, electricity, telephone, and gas service.

(b) Lessee shall pay a sewer connection fee for each sewer connection and a monthly sewer service fee to County. The amount of the fees shall be according to the fee schedule in effect at the time of Lease execution. The monthly sewer service fee will be adjusted from time to time and be based upon County's sewer service payments to the Coachella Valley Water District and County's cost of repairing, maintaining, and administering the airport's sewer system.

(c) It is understood by the parties hereto that utility services are available in the general vicinity of the Leased Premises, but in order for the on-site improvements required in Paragraph 8 herein to be fully usable and operational, Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or connected, to such utility service facilities that may be required or desired by Lessee in the use, operation, and maintenance of such on-site improvements. Lessee shall pay all related fees and charges related to such utility extensions and hookups. After such extensions and/or connections have been made, Lessee shall be responsible for payment for the use of such utility services, without limitation, all electricity, gas, telephone and water.

10. Intentionally Omitted.

11. County's Reserved Rights.

(a) The Leased Premises are accepted by Lessee subject to any and all existing easements or other encumbrances, and County shall have the right to enter upon the Leased Premises and to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along the Leased Premises or any part thereof provided such facilities and appurtenances are installed below ground. County also

reserves the right to grant franchises, easements, rights of way and permits in, over and upon, along or across any and all portions of said Leased Premises as County may elect for the above purposes. Notwithstanding the foregoing, no right of the County provided for in this paragraph shall be executed so as to interfere unreasonably with Lessee's use hereunder, or impair the security of any secured creditor of Lessee. County shall cause the surface of the Leased Premises to be restored to its original condition (as they existed prior to any such entry) upon the completion of any construction by County or its agents. In the event such construction renders any portion of the Leased Premises unusable, the rent shall abate pro rata as to such unusable portion during the period of such construction. Any right of County set forth in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is given to Lessee; provided, however, in the event such right must be exercised by reason of emergency, then County shall give Lessee such notice in writing as is reasonable under the existing circumstances.

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

(c) During the time of war or national emergency, County shall have the right to lease the landing area of the Jacqueline Cochran Regional Airport, or any part thereof, to the United States Government for military use and, if such lease is executed, the provisions of this Lease insofar as they are inconsistent with the provisions of such lease to the Government, shall be suspended. In that event, a just and proportionate part of the rent hereunder shall be abated, and the period of such

closure shall be added to the term of this Lease, or any extensions thereof, so as to extend and postpone the expiration thereof unless Lessee otherwise elects to terminate this Lease.

(d) Notwithstanding any provisions herein, and without limiting Lessee's rights to equitable rent abatement and other just compensation, this Lease shall be subordinate to the provisions of any existing or future agreement between County and the United States, relative to the operation or maintenance of the Jacqueline Cochran Regional Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to County of Federal funds for the development of said airport.

(e) This Lease is subject to any applicable provisions set forth in Exhibit "B" (Federally Required Lease Provisions), attached hereto and by this reference made a part of this Lease.

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

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

14. Compliance with Government Regulations. Lessee shall, at Lessee's sole cost and expense, comply with the requirements of all local, state, and federal statutes, regulations, rules, ordinances, and orders now in force or which may be hereafter in force, pertaining to the Leased Premises. The final judgment, decree, or order of any Court of competent jurisdiction, or the admission of Lessee in any action or proceedings against Lessee, whether Lessee be a party thereto or not, that Lessee has

violated any such statutes, regulations, rules, ordinances, or orders in the use of the Leased Premises, shall be conclusive of that fact as between County and Lessee.

15. Discrimination or Segregation

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

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

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

contractors provide assurance to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their subcontractors and independent contractors, to the same effect with respect to their use of the Leased Premises.

16. Termination by County. County shall have the right to terminate this Lease forthwith:

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

(b) In the event that Lessee makes a general assignment, or Lessee's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.

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

(d) In the event Lessee fails or refuses to perform, keep or observe any of Lessee's duties or obligations hereunder; provided, however, that Lessee shall have thirty (30) days in which to correct Lessee's breach or default after written notice thereof has been served on Lessee by County.

(e) In the event Lessee fails, or refuses, to meet its rental obligations, or any of its obligations hereunder, or as otherwise provided by law, subject to the cure rights provided in Paragraph 16(d).

(f) Failure of Lessee to maintain insurance coverage required herein and to provide evidence of coverage to the County, subject to the cure rights provided in Paragraph 16(d).

(g) Failure of the Lessee to require its sublessees and/or general contractor to indemnify the County and to have appropriate insurance coverages and/or failure by Lessee to monitor each sublessee and/or general contractor for current and correct Certificates of Insurance and required endorsements throughout the term of this lease, subject to the cure rights provided in Paragraph 16(d).

17. Termination by Lessee. Lessee shall have the right to terminate this Lease in the event County fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that County shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Lessee; further provided, however, that in the event such breach or default is not corrected, Lessee may elect to terminate this Lease in its entirety or as to any portion of the premises affected thereby, and such election shall be given by an additional thirty (30) day written notice to County.

18. Eminent Domain. If any portion of the Leased Premises shall be taken by eminent domain and a portion thereof remains which is usable by Lessee, in its discretion, for the purposes set forth in Paragraph 4 herein, this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor, or the date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier, and the rent payable hereunder shall abate pro rata as to the part taken; provided, however, in such event County reserves the right to terminate this Lease as to the part taken as of the date when title to the part taken vests in the condemnor or as of such date of prejudgment possession. If all of the Leased Premises are taken by eminent domain, or such part be taken so that the Leased Premises are rendered unusable, in Lessee's sole discretion, for the purposes set forth in Paragraph 4 herein, this Lease shall terminate. If a part or all of the Leased Premises be so taken, all compensation awarded upon such taking shall be apportioned between County and Lessee according to law.

19. Hold Harmless/Indemnification.

(a) Subject to the provisions of Paragraph 20(i), Lessee represents that it has inspected the Leased Premises and accepts the condition thereof and fully assumes any and all risks and or claims of any nature whatsoever associated with the use thereof. County shall not be liable to Lessee, its officers, agents, employees, subcontractors, independent contractors or Sublessees for any personal injury, death or

property damage, construction defects, hidden, latent or other dangerous conditions in, on, upon or within the Leased Premises provided, however, that such circumstances or conditions are not caused by the gross negligence or willful misconduct of County, its officers, agents or employees.

(b) Subject to the provisions of Paragraph 20(i), Lessee shall indemnify, defend and hold harmless County and its directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability, cost, fee, penalty or action whatsoever, including without limitation attorneys' fees, costs of investigations, defense costs and any settlements or awards, including, but not limited to, property damage, bodily injury, death or any other element of any kind or nature whatsoever and resulting from any reason whatsoever arising from or out of the performance or non-performance of Lessee, its officers, agents, employees, subcontractors, Sublessee's agents or representatives, or from the possession, use and/or operations of the Leased Premises during the term of this Lease provided, however, that such is not caused by the gross negligence or willful misconduct of County, its officers, agents or employees.

With respect to any action or claim subject to indemnification herein by Lessee, Lessee shall, at its sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Lessee's indemnification to County as set forth herein. No such adjustment, settlement or compromise may negatively impact County's ownership of the underlying fee simple interest in the Leased Premises, the County's rights under this Lease or the County's ownership and operation of the Jacqueline Cochran Regional Airport and surrounding properties. Lessee's obligation to defend, indemnify and hold harmless County shall be subject to County having given Lessee written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and

reasonable assistance, at Lessee's expense, for the defense or settlement thereof. Lessee's obligation hereunder shall be satisfied when Lessee has provided to County the appropriate form of dismissal relieving County and the Leased Premises from any liability for the action or claim involved.

(c) The specified insurance limits required in Paragraph 20 herein shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County free and harmless herein.

20. Insurance. Lessee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of this Lease. The procurement and maintenance of the insurance required below will not diminish or limit Lessee's obligation to indemnify or hold County harmless.

(a) Workers Compensation. Workers Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B), including Occupational Disease, with limits of not less than \$1,000,000 per person per accident. Policy shall provide a Waiver of Subrogation in favor of County.

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



maintain Occurrence Excess Policy coverage with an aggregate limit of \$7,000,000. Such insurance will include Medical Payments for a limit of \$5,000.

(c) Intentionally Omitted.

(d) Property Insurance.

(i) All-Risk real and personal property insurance coverage, excluding earthquake and flood, for the full replacement cost value of building, structures, furniture and fixtures, equipment, improvements/alterations and all other systems including, but not limited to electronic or non-electronic systems which are on the Leased Premises that the Lessee owns or is contractually responsible for. Policy shall name County as a Loss Payee.

(ii) Intentionally Omitted.

(e) General Insurance Provisions – All Lines.

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

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

(iii) Prior to entering onto the Leased Premises, and prior to the renewal date for each policy of insurance, cause Lessee's insurance carrier(s) to furnish County with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; and 2) if

requested to do so in writing by the Risk Manager of County, provide current original certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to County prior to any cancellation of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Lease shall terminate forthwith, unless County receives, prior to such effective date, a current properly executed original Certificate of Insurance and original copies of endorsements, and if requested, certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect.

Lessee shall not take possession of the Leased Premises until County has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and, if requested, policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

(iv) It is understood and agreed to by the parties hereto, that the Certificates of Insurance and policies shall so covenant and shall be construed as primary insurance, and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(f) Course of Construction Insurance. During construction of the planned improvements, Lessee shall purchase and maintain or cause to be maintained All Risk Builder's Risk insurance (Completed Value Form) excluding earthquake and flood for the entire Project, and shall include coverage for materials and supplies located offsite but earmarked for the Project. Policy shall also include as insured property scaffolding, falsework, and temporary buildings located on the Project site, and the cost of demolition and debris removal. Policy shall name County as an additional insured.

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

(h) Insurance for Sublessees. Lessee shall require each of its Sublessees to carry Commercial General Liability Insurance coverage, which limits shall be not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; provided, however, any Lessee leasing the entire Leased Premises shall be required to meet all insurance requirements imposed on the Lessee by this Lease. These requirements, with the approval of the Risk Manager of County, may be modified to reflect the activities associated with the Sublessee. Copies of Sublessee's Certificates of Insurance and if requested by County, certified copies of policies and all endorsements shall be provided to County upon their receipt by Lessee, or delivered directly to County from the insurance carrier, but in any event, prior to the relevant Sublessee taking possession of the applicable subleased premises.

With regard to County's right to use the Leased Premises or adjacent subleased land for parking during the month of November referred to in paragraph 4 of this Lease, County agrees to provide proof of insurance in a form acceptable to Lessee for the amounts specified above and to name Lessee as an Additional Insured.

(i) Intentionally Omitted.

21. Insurance for Sublessees and Contractors. Lessee shall require the General Contractor to carry Commercial General Liability Insurance coverage, which

limits shall be not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with the General Contractor. On every sublease or contract the Lessee shall have the General Contractor name the Lessee and the County by endorsement as a specifically designated additional insured.

22. Assignment and Subletting. Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall not be unreasonably withheld or delayed.

Lessee shall submit all documents pertaining to any such transaction referenced in the foregoing paragraph to County for approval prior to entering into such agreements. Lessee will submit executed subleases and all required certificates of insurance and endorsements to insurance policies, as specified in paragraphs 19, 20 and 21 of this Lease, to County for approval prior to sublessees occupying the subleased premises.

In the event of any transfer as provided in this Paragraph, Lessee expressly understands and agrees that it shall remain liable with respect to any and all the obligations and duties contained in this Lease.

23. Right to Encumber/Right to Cure.

(a) Lessee's Right to Encumber. Notwithstanding provisions of Paragraph 23 herein, County does hereby consent to and agree that Lessee may encumber or assign, or both, for the benefit of a lender, herein called Encumbrancer, this Lease, the leasehold estate and the improvements thereof by a deed of trust, mortgage or other security-type instrument, herein called trust deed, to assure the payment of the promissory note of Lessee if the Encumbrancer is an established bank, savings and loan association or insurance company, and the prior written consent of County shall not be required:

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

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

Any Encumbrancer described in Paragraph 23(a)(2) above which is the transferee under the provisions of Paragraph 23(a)(1) above shall be liable to perform the obligations and duties of Lessee under this Lease only so long as such transferee holds title to the leasehold.

Any subsequent transfer of this leasehold hereunder, except as provided for in Paragraph 23(a)(2) above, shall not be made without the prior written consent of County and shall be subject to the conditions relating hereto as set forth in Paragraph 24 herein. Lessee shall give County prior notice of any such trust deed and shall accompany such notice with a true copy of the trust deed and note secured thereby.

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

(1) Cure such default or breach if the same can be cured by the payment or expenditure of money provided to be paid under the terms of this Lease;

provided, however, that for the purpose of the foregoing, the Encumbrancer shall not be required to pay money to cure the bankruptcy or insolvency of Lessee; or,

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

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

25. Toxic Materials. County to the best of its ability has no actual knowledge of the Premises ever having been used as a waste dump, nor of the past or present existence of any above or below ground storage tanks on the Premises, nor of the current existence on the Premises of asbestos, transformers containing PCB's or any hazardous, toxic or infectious substance whose nature and/or quantity of existence, use, manufacture or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare.

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

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

26. National Pollution Discharge Elimination System (NPDES) Permit. Lessee acknowledges, understands and agrees that it shall comply with California State Water Resources Control Board general permit requirements now and in the future