

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 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

relating to storm water discharges associated with activities such as aircraft rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further acknowledges, understands and agrees that it shall participate as a co-permittee under said general permit, participate in the Jacqueline Cochran Regional Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D", attached hereto and by this reference made a part of this Lease, including without limitation, the Best Management Practices, Best Available Technology Economically Achievable, and Best Convention Pollutant Control Technology.

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

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

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

30. Right of First Refusal. Providing Lessee faithfully performs all of the conditions and covenants contained herein, and is not in default of the Lease at the

date of expiration, and further providing County offers the Leased Premises for lease at any time during the twelve (12) months subsequent to said expiration, Lessee, its successor, or assigns shall have the first right of refusal to enter into a new lease agreement with County under the final terms being offered by County to any prospective lessee. Issuance of a Request for Proposals or Bid or similar issuance does not constitute an offering of lease terms. County shall provide Lessee written notice by United States mail that the Leased Premises are available for lease and the terms of said lease, and Lessee shall have thirty (30) days from the postmark of said notice to give written notice of acceptance of the proposed lease under the terms and conditions contained in said notice. Should Lessee fail to notify County of acceptance of said lease agreement within the thirty (30) days set forth herein, Lessee shall be deemed to have rejected said offer to lease, and County shall be released from any further obligation hereunder.

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

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

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

34. Attorney's Fees. In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the

successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award rendered in such litigation or arbitration.

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

COUNTY

County of Riverside
Economic Development Agency
P.O. Box 1180
Riverside, CA 92502-1180
Attn: Assistant County Executive Officer/EDA

LESSEE

Desert Resorts Aviation, LLC
Matthew V. Johnson,
Managing Member
45-445 Portola Avenue, Suite 5
Palm Desert, CA 92260

Whenever any Party herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger or by mail postage prepaid, to the address set forth in this Agreement or by facsimile transmission.

Service of any such communication shall be deemed to be made on the date of the actual receipt if personally delivered. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. Communications transmitted by facsimile transmission shall be deemed delivered upon telephonic confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via courier or mail. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

Any Party hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional parties to whom, all communications are thereafter to be made.

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

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

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

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

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

40. FAA Consent to Lease. Jacqueline Cochran Regional Airport was transferred to the County by the Federal Government and, as such, will require FAA

review of the use specified in Paragraph 4. County will obtain written confirmation from the FAA that the use contemplated herein is consistent with the grant assurances made by County to the FAA.

41. Entire Lease. This Lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written in connection therewith. This Lease may be changed or modified only upon the written consent of the parties hereto.

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42. Construction of Lease. The parties hereto negotiated this Lease 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: 9/15/6

DESERT RESORTS AVIATION, LLC

a California limited liability company

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

Date: NOV 14 2006

COUNTY OF RIVERSIDE

By: Bob Buster
Chairman, Board of Supervisors
BOB BUSTER

ATTEST:

NANCY ROMERO, Clerk of the Board

By: Nancy Romero
Deputy

(SEAL)

FORM APPROVED:

JOE S. RANK, County Counsel

By: Gordon V. Ubo 11/01/06
Deputy

Attachments:

1. Exhibit A-1 – Legal Description
2. Exhibit A-2 – Survey
3. Exhibit B – Federally Required Lease Provisions
4. Exhibit C – Minimum Standards
5. Exhibit D – Storm Water Pollution Prevention Plan
6. Exhibit E - Avigation Easement

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;

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.

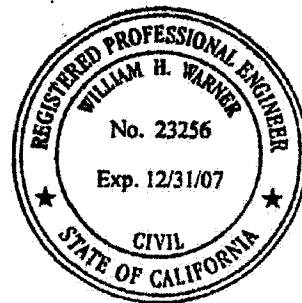
(CONTAINS 169.46 ACRES)

SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER


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

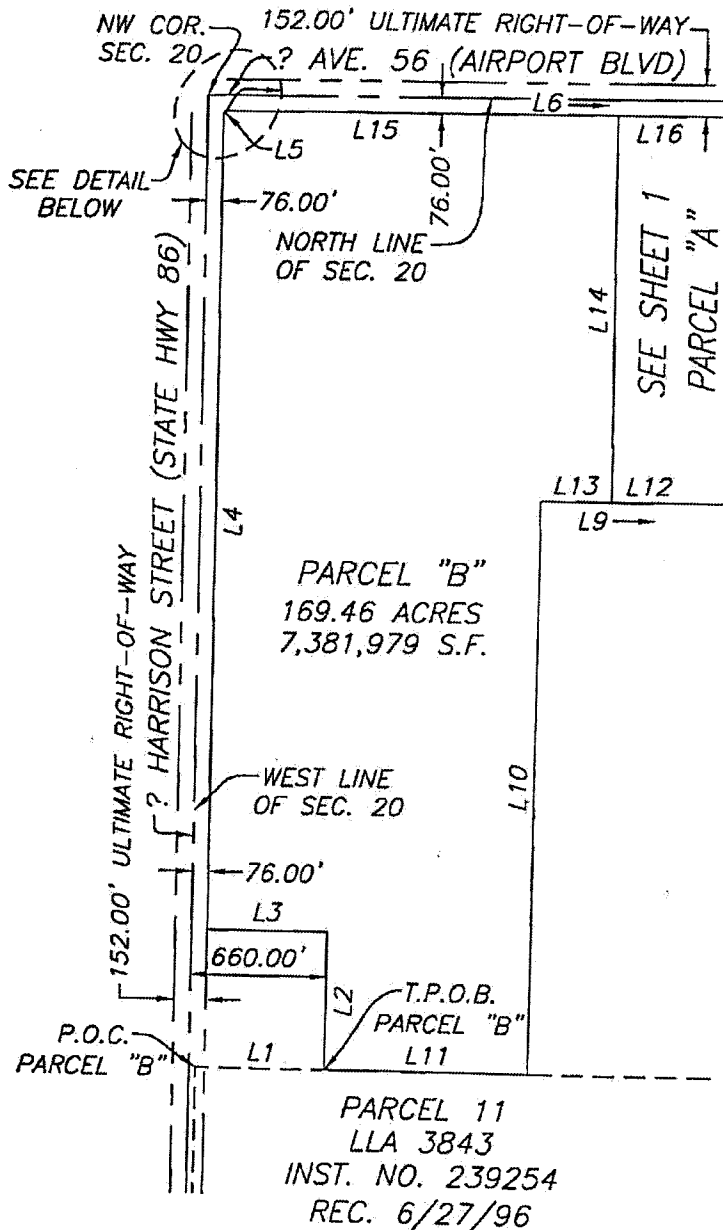


6/1/06
DATE

EXHIBIT "B"

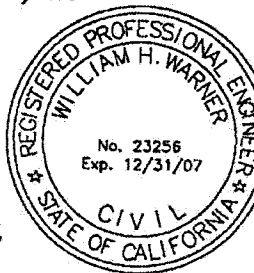
SHEET 2 OF 2

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

FEDERALLY REQUIRED LEASE PROVISIONS

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

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

EXHIBIT B

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

S:\EDCOM\AIRPORTS\Documents\Lease - Exhibit B - JCRA FAA Federally Required Lease Provisions.doc

EXHIBIT B

Minimum Standards for Fixed Base Operators

Riverside County Airports



**County of Riverside
Economic Development Agency**
5555 Arlington Avenue
Riverside CA 92504
Phone: (909) 351-0700
Fax: (909) 688-6873

Adopted January 30, 2001

EXHIBIT C

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I. INTRODUCTION

Riverside County is the owner (sponsor) of the following six airports in Riverside County: Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan. The Riverside County Economic Development Agency (EDA) is the county agency responsible for operation of the County's airports.

Minimum standards are established to promote and attract a professional level of aviation services to the County's airports while safeguarding the public's interest. The Minimum Standards provide a framework that strengthens the relationship between the Sponsor and the Fixed Base Operator (FBO). They offer information, advice and, where necessary, they provide strict regulation so that both the prospective and experienced FBO may have a firmer understanding of the many considerations, which contribute to a safe, successful and useful operation. The standards are intended to be the minimum requirements for those wanting to provide aeronautical services to the public at Riverside County airports. Operators are encouraged to exceed the minimum requirements.

FBOs are responsible for complying with the Minimum Standards and shall be familiar with revisions made to the Standards. All FBOs on the airports must comply with the standards herein as well as all applicable government regulations; however, leases executed prior to August 16, 1988, are exempt until lease renegotiations. The County's airports are subject to federal, state and local rules and regulations. The County has adopted local rules and regulations to implement Federal Aviation Administration (FAA) requirements and to provide for safe and orderly operation on the airports. Local rules and regulations governing airport activities include, but are not limited to, applicable portions of the following:

1. Ordinance No. 576 - Rules and Regulations for Operation of County Airports
2. Fixed Base Operator Minimum Standards
3. County Airport Fueling Standards
4. Special Event Permit Policy
5. Airport Design Standards

Federal and state rules and regulations include, but are not limited to: FAA Grant Assurances; FAA Order 5190.6A - Airport Compliance Requirements; Federal Airport Regulations (FAR's); State Aeronautics Act (PUC § 21000); Government Code § 50470 - 50478; ADA Regulations; the California Environmental Quality Act (CEQA); and the National Environmental Policy Act (NEPA).

II. DEFINITIONS

AERONAUTICAL ACTIVITY - Any activity or service that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

AGREEMENT, LEASE, OR PERMIT - A contractual agreement between the EDA and an entity granting a concession or otherwise authorizing the conduct of certain activities which is in writing, executed by both parties, and enforceable by law.

AIRPORT - Includes the following six (6) airports owned by Riverside County: Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan, and its environs, such as, the property, buildings, facilities, and improvements within the exterior boundaries of each airport as it now exists or as it may hereafter be extended, enlarged, or modified.

AIRPORT SPONSOR - The designated entity or duly authorized representative, appointed by the Board of Supervisors, to manage the operation and development of Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan airports.

ALP - Airport Layout Plan

APPLICANT - A person, persons, firm, partnership, or corporation desiring to acquire the use of a portion of an airport, or to establish or use any facility on an airport for an aeronautical activity or special event and who shall apply in writing and in the manner or form prescribed for authorization to establish such activities.

CEQA - California Environment Quality Act

COUNTY - County of Riverside, the FAA authorized airport sponsor.

EDA - Riverside County Economic Development Agency, the County agency designated to oversee and manage the County airports.

EQUIPMENT - All machinery, together with the supplies, tools, and apparatus necessary for the safe and proper procedure of the activity being performed.

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

FIXED BASE OPERATOR (FBO) - Any person, firm, partnership, corporation, association, limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport Sponsor (the County) to provide specific aeronautical services at an Airport, under strict compliance with such agreement and pursuant to these and all applicable regulations and standards.

FUEL - FAA authorized aviation fuel, including jet fuel

FUEL FARM - Any portion of an Airport, authorized by the Airport Sponsor, as an area in which gasoline or any other type of fuel may be stored.

FULL SERVICE FBO - An FBO which provides certain essential aeronautical services (e.g. aircraft maintenance and repair, flight instruction, fueling of aircraft, transient aircraft parking guidance, positioning of wheel chocks and tie-downs, fireguard for engine starts, baggage handling, standardized ground service and recovery equipment, pilots' lounge, and restrooms), subject to restrictions agreed to during lease negotiations (see Table A below for complete guidelines).

LIMITED SERVICE FBO - An FBO which provides certain of the aeronautical services provided by a Full Service FBO, subject to restrictions imposed by leasehold size requirements and to restrictions agreed to during lease negotiations (see Tables B through H below for complete guidelines).

MINIMUM STANDARDS - The qualifications and criteria set forth herein as the minimum requirements to be met as a condition for an FBO to conduct an aeronautical activity on an EDA sponsored airport.

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

All revenue generating, commercial and/or business activities, at County operated airports are required to secure a lease approved by the County Board of Supervisors (the "Board") prior to commencement of any commercial activity.

Prospective lessees should begin the process by requesting a meeting with County staff. The purpose of the initial meeting is to introduce staff, show the available sites,

and answer any questions. At the conclusion of this meeting the prospective lessee will be asked to submit a Lease Application and proposal.

Upon receipt of a lease application and proposal, County staff will review the proposal and will provide a written response. Once an agreement has been reached on the deal points and development proposal, a lease will be prepared for execution by the lessee. The lease shall be executed in three counterparts and all three copies shall be returned to the County. The County will then schedule the lease for consideration at the next available Board of Supervisors' meeting. ***Please be advised that the County Board of Supervisors is the only entity that can make a binding lease commitment and development may not proceed until the Board has approved the lease.***

Exclusive rights for any aeronautical activity will not be issued at any County airport. This is to ensure that airport patrons are offered competitive market prices for services.

B. Airport Layout

All new leases and new airport development shall comply with the current FAA approved Airport Layout Plan (ALP) for each airport. In addition, Desert Resorts Regional, French Valley, and Hemet Ryan airports have adopted Airport Master Plans and all new development shall comply with those master plans. Lessee proposals that conflict with ALP's and Master Plans will not be approved.

C. Signs

All signs (commercial, traffic, services, advertising, etc.) must receive written approval from the Assistant County Executive Officer / EDA or Designee prior to their placement. The request for approval should include the size, location, and design of sign. All outdoor advertising shall comply with County Ordinance No. 348 and applicable federal and state laws. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA Western Pacific Region for review and determination, with a copy of the form sent to the Assistant County Executive Officer / EDA

D. Building Design, Construction, and/or Alterations

All design, construction and/or alterations shall be in compliance with Airport Design Guidelines. The County reserves the right to review and approve all architectural design of all construction or alterations to be performed on County operated airports.

The County reserves the right to review and approve the design and construction methods of all development at the County operated airports. All buildings shall comply with local codes and regulations as to their construction. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA for their review

and assessment with a copy of the form submitted to the Assistant County Executive Officer / EDA.

The County reserves the right to require a Material and Performance Bonds or a Letter of Credit prior to the construction of any facility for the return of funds expended by the County in the event that the applicant defaults on any obligations.

E. Inspections

The County reserves the right to make periodic inspections of the leased premises during reasonable hours to ensure lease compliance and Lessee's adherence with all applicable regulations. County staff, County contractors, the FAA, and/or the State of California may conduct inspections, under this provision.

F. Flying Clubs

All flying clubs located at Riverside County operated airports shall be nonprofit organizations. All rights shall be equally shared between members. No member shall share in profits, earnings, salaries, or other forms of compensation. The Flying Club shall not be engaged in any type of commercial operation. A copy of the Flying Club's Charter and By-laws, or other comparable documents, must be filed with the Aviation Division. Flying clubs must submit annual financial reports and furnish the County with proof of insurance of the types listed on Appendix A.

A minimum of one (1) aircraft, properly certified, is required for a flying club. Flight instruction shall only be offered to club members. The instructor must be a club member or an instructor who is a lessee on the airport for the purpose of flight instruction.

G. Waiver from Minimum Standards

Any tenant or prospective tenant wishing to waive any minimum standard set forth in the approved Minimum Standards must submit a letter to the Assistant County Executive Officer / EDA expressing their hardship to conform with the Minimum Standards. The Assistant County Executive Officer/EDA has the discretion of approving or disapproving the waiver as it would apply to the future viability of the airport, subject to applicable provisions, which may be contained in the tenant's lease approved by the Board. Waivers may be granted on a temporary basis, and may be withdrawn or terminated at the Director's discretion.

H. Civil Rights

All individuals using the County operated airports must comply with all the provisions of the Federal Civil Rights Act of 1964. The tenant or prospective tenant shall ensure

there shall be no discrimination in the availability of any services or commodities based on race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition or marital status.

I. Insurance

The FBO shall procure, maintain and pay premiums during the term of the agreement for insurance of the types and the minimum limits set forth by the County for each aeronautical activity. The FBO shall obtain and maintain insurance (See Appendix A), which contains an endorsement that the "County of Riverside, including its elected officials, officers, employees, and agents" are named as additional insured. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the Assistant County Executive Officer / EDA and/or the County Risk Manager. Each insurance company shall have an A.M. BEST rating of not less than A:VIII (A:8).

Proof of insurance must be submitted to the Assistant County Executive Officer / EDA prior to commencement of operations and upon each insurance renewal. The FBO shall provide either 1) a properly executed original Certificate(s) of Insurance and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the Assistant County Executive Officer / EDA and/or County Risk Manager, provide original Certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Certificate(s) shall contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.

If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be less than two (2) times the occurrence limit. All insurance policies are subject to review by the County's Department of Risk Management. The Assistant County Executive Officer / EDA, upon the advice of the County Risk Manager, reserves the right to increase the limits, or require additional insurance coverage, beyond those set forth in these Minimum Standards, subject to applicable provisions of the tenant's lease.

J. Lot Size

Lot sizes may vary according to the type of operation. If available, aircraft tie-downs and hangar space, as well as automobile parking spaces, may be leased from the County to meet these minimum standards. The number of aircraft, hangar, or automobile parking spaces shall be determined during lease negotiations.

K. Outdoor Storage

No outside storage will be permitted except behind enclosed block walls, screened from public view, or as approved by the Assistant County Executive Officer / EDA.

L. Maintenance

Lessee shall be responsible for the adequate maintenance of leased property and in compliance with all applicable Federal, State and Local health and safety regulations.

IV. SCOPE OF SERVICES

Each aeronautical activity has a separate scope of services. The services required of a Full-Service FBO include the Minimum Standards for all combinations of aeronautical activities. The cumulative effect of the Minimum Standards will not equate to any minimum standard greater than that applicable to the Full-Service FBO.

Table A - FULL SERVICE FBO

Each airport shall have a minimum of one (1) Full Service FBO. Mandatory Requirements: Full Service FBOs shall provide: aircraft maintenance & repair; flight instruction; fueling of aircraft; transient aircraft parking guidance; positioning of wheel chocks and tie-downs; fireguard for engine starts; baggage handling upon request; have available and provide standardized ground service equipment and recovery equipment for aircraft weighing up to 30,000 lbs at FVA, 40,000 lbs at HRA, and 80,000 lbs at DRRA (service and recovery equipment shall include, but not be limited to, wheel chocks, tie-down ropes or chains, aircraft jacks, tow bars, auxiliary power units, and aircraft tugs); pilots' lounge; and restrooms. Optional Requirements: In addition to the required services listed in the preceding sentence, Full Service FBOs may provide: aircraft sales or leasing (including financing), sales of aircraft parts and supplies, radio and avionics sales and repair, aircraft storage hangars and tie-downs, painting and upholstering of aircraft, leasing or renting of automobiles, and operating a restaurant or café.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 3 acres or 130,680 SF		
Hangar area	14,000 SF	For aircraft storage
Outside storage area	30,000 SF	For tie-down or apron parking
Building space	2, 000 SF	For offices, pilots' lounge and briefing area, conference rooms, classrooms, and restrooms
Automobile parking	20 spaces, with landscaping as required by Ordinance 348	For employees per shift and customer parking
Fuel farm	Refer to Fueling Standards	
Landscaping	To be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and/or other responsible agency as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
Staff	Adequate number	For safe and efficient operation of airport and aeronautical activities
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	7 days/week, 10 hrs/day	Or as demand may require
Fueling services	During business hours and emergency situations	One (1) hr response time during non-business hours
<u>EQUIPMENT:</u>		
Aeronautical operations	Refer to tables for equipment required for each activity	
FBOs providing aircraft fueling and servicing	Refer to Airport Fueling Standards	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table B - AIRCRAFT MAINTENANCE

An aircraft airframe, engine, and accessory maintenance and repair FBO shall provide one or a combination of airframe, engine, and accessory overhauls and repair services on aircraft up to and may include business jet aircraft and helicopters. This category shall include the sale of aircraft parts and accessories.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
	200 SF	Office storage room
Automobile parking	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building

CERTIFICATION:

Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43
---------	---

PERSONNEL:

Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations

HOURS OF OPERATION:

Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours

EQUIPMENT:

Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
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INSURANCE:

Refer to Appendix A

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

A radio and avionics repair station FBO engages in the business of and provides a shop for the repair of aircraft avionics, instruments and accessories for general aviation aircraft. This category also includes the sale of new or used aircraft avionics, instruments and accessories.

REQUIREMENT

MINIMUM STANDARD

PURPOSE / OTHER

LOT SIZE: 150 SF

Repair station

150 SF

Automobile parking

One (1) space per 150 SF, with landscaping as required by Ord. 348

CERTIFICATION:

Station

Authorized repair station and certified under FAR Part 145

PERSONNEL:

Staff

One (1) FAA certified repairman

Certification & training

Proper certification and training

To comply with all applicable regulations

HOURS OF OPERATION:

Business Hours

Available for appointment for at least 40 hrs/week

EQUIPMENT:

Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.

INSURANCE:

Refer to Appendix A

Table D - FLIGHT INSTRUCTION

A flight instruction FBO engages in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved.

REQUIREMENT

MINIMUM STANDARD

PURPOSE / OTHER

LOT SIZE: 500 SF (not necessarily contiguous)

Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	

PERSONNEL:

Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction

HOURS OF OPERATION:

Business Hours	Available for appointment for at least 40 hrs/week
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EQUIPMENT:

Aircraft	One (1) single-engine aircraft	Available for flight training
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INSURANCE:

Refer to Appendix A

Table E - AIRCRAFT SALES AND LEASING

An aircraft sales and/or lease FBO engages in the sale and/or lease of aircraft to the public. New aircraft sales involve the sale of new aircraft through franchises or licensed dealerships (if required by local, county, or state authority) or distributorship (on either a retail or wholesale basis) of an aircraft manufacturer. Aircraft sales FBOs may also engage in the sale of used aircraft. This can be accomplished through various methods, including matching potential purchasers with an aircraft (brokering), assisting a customer in the purchase or sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. A new aircraft sales and/or leasing FBO must show capability to support maintenance agreements for aircraft sold or leased. A used aircraft sales FBO may also provide such repair, services, and parts as may be necessary to support the operation of aircraft sold. Some requirements may not be appropriate to the sale of used aircraft because of each aircraft's unique operational history. An aircraft sales FBO may also finance aircraft purchases, subject to the applicable licensing requirements.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 150 SF		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 500 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer	
Aircraft available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate	
<u>PERSONNEL:</u>		
Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment at least 40 hrs/week	
<u>EQUIPMENT:</u>		
	Minimum equipment required shall be determined during lease negotiations.	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table F - AIRCRAFT STORAGE

An aircraft storage FBO engages in the construction, rental, and maintenance of conventional hangars or multiple T-hangars.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
<u>PERSONNEL:</u>		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)

HOURS OF OPERATION:

Minimum via phone contact	5 days/week, 8 hrs/day
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INSURANCE:

Refer to Appendix A

ADDITIONAL GUIDELINES:

The County and Full Service FBOs shall possess the right to provide and operate the public aircraft storage areas unless circumstances warrant otherwise. No business activities shall be operated from storage areas.

Table G - AGRICULTURAL APPLICATION

An agricultural application FBO engages in air transportation for hire for the purpose of providing the use of aircraft for agricultural operations such as, but not limited to, crop dusting, seeding, spraying, and bird chasing.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> ½ acre or 21,780 SF		
Apron, tie-down area	6,000 SF	Storage
Building space	400 SF	For offices, lobby, public phone, and restrooms
Chemical storage	400 SF	
Automobile parking	Minimum of five (5) parking spaces, 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

CERTIFICATION:

Permits and certificates	Must be submitted to Assistant County Executive Officer / EDA or Designee prior to operations.	
Renewals	Furnished to EDA Executive Director or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615

PERSONNEL:

Staff	Minimum number to be determined during lease negotiations.
Certification & training	Personnel must be knowledgeable about the safe handling of poisons and agricultural chemicals and the proper disposal of substances intended to be used in operations.

HOURS OF OPERATION:

Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
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EQUIPMENT:

To be determined during lease negotiations.

INSURANCE:

Refer to Appendix

Table G - AGRICULTURAL APPLICATION (continued)

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
ADDITIONAL GUIDELINES: Storage and containment of Hazardous Materials		
<p>a. Comply with California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979.</p> <p>b. Comply with County Ordinance No. 546, Division VIII-Fire Protection Requirement Buildings; and Division XIV-Fire Protection Requirements relating to storage of flammable or combustible liquids used as motor fuel.</p> <p>c. Comply with the 1982 Uniform Fire Code Article 80-Hazardous Materials (section 80.107, 80.108, 80.109, and 80.111); and Article 86-Pesticides storage (all sections).</p> <p>d. Comply with all hazardous waste regulations which can be found in Title 22 of the California Administrative Code and the California Health and Safety Code.</p> <p>e. Submit a waste management plan addressing the items mentioned below with an explicit clause stating that the applicant shall be held responsible for the safe and proper cleanup of any hazardous waste spills.</p> <p>f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit.</p> <p>g. If hazardous wastes are treated and/or stored more than 90 days, or disposed or on-site, a hazardous waste facility must be obtained from the State Department of Health.</p> <p>h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following:</p> <ol style="list-style-type: none"> 1. Tanks and/or containers shall be of sound construction and compatible with waste stored (Title 22, California Administrative Code, Sections 66508, 67242, and 67247). 2. Tanks and/or containers shall be designed, constructed, maintained, and operated to minimize the possibility of fire, explosion, or any unplanned sudden, or non-sudden release of hazardous waste or any constituents to the soil, air, or surface waste which could threaten human health or the environment (Title 22, California Administrative Code, Sections 67241, 67243, 67244, 67257, and 67259). 3. Storage of on-site hazardous waste containers shall be in a structure that will prevent the contamination of the environment with hazardous waste. Design of the structure shall be submitted to the Assistant County Executive Officer / EDA or Designee and Hazardous Material Division prior to construction. 4. If hazardous wastes or materials are to be stored underground, applicant must comply with County Ordinance No. 617 by completing the reporting form and obtaining the proper permits. 5. Underground tanks shall be of proper design and construction with approved monitoring systems. Records shall be maintained concerning operations, inspections, and monitoring pursuant to County Ordinance No. 617. 6. The applicant must take steps to minimize the quantity, toxicity, or other hazards of the waste generated. Such steps shall be submitted in writing to Assistant County Executive Officer / EDA or Designee. 7. The facility shall be in compliance with all statutes, regulations, and ordinances pertaining to the management of hazardous waste. 8. Operator must submit a Letter of Credit or Performance Bond covering any clean-up or fines imposed caused by the actions or the operator. 		

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>
<u>LOT SIZE:</u> 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.
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
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.	
<u>HOURS OF OPERATION:</u>		
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.
<u>EQUIPMENT:</u>		
	To be determined during lease negotiations depending on the type of activity proposed.	
<u>INSURANCE:</u>		
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 preventive4 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 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 waves, 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 15TH 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;

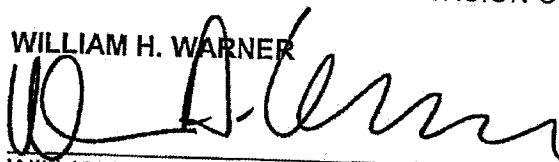
THENCE NORTH $89^{\circ}49'03''$ EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE POINT OF BEGINNING.

(CONTAINS 60.00 ACRES)

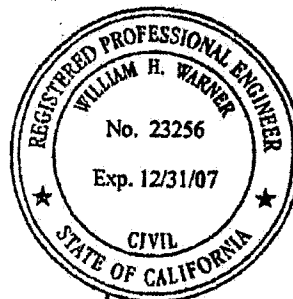
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER



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

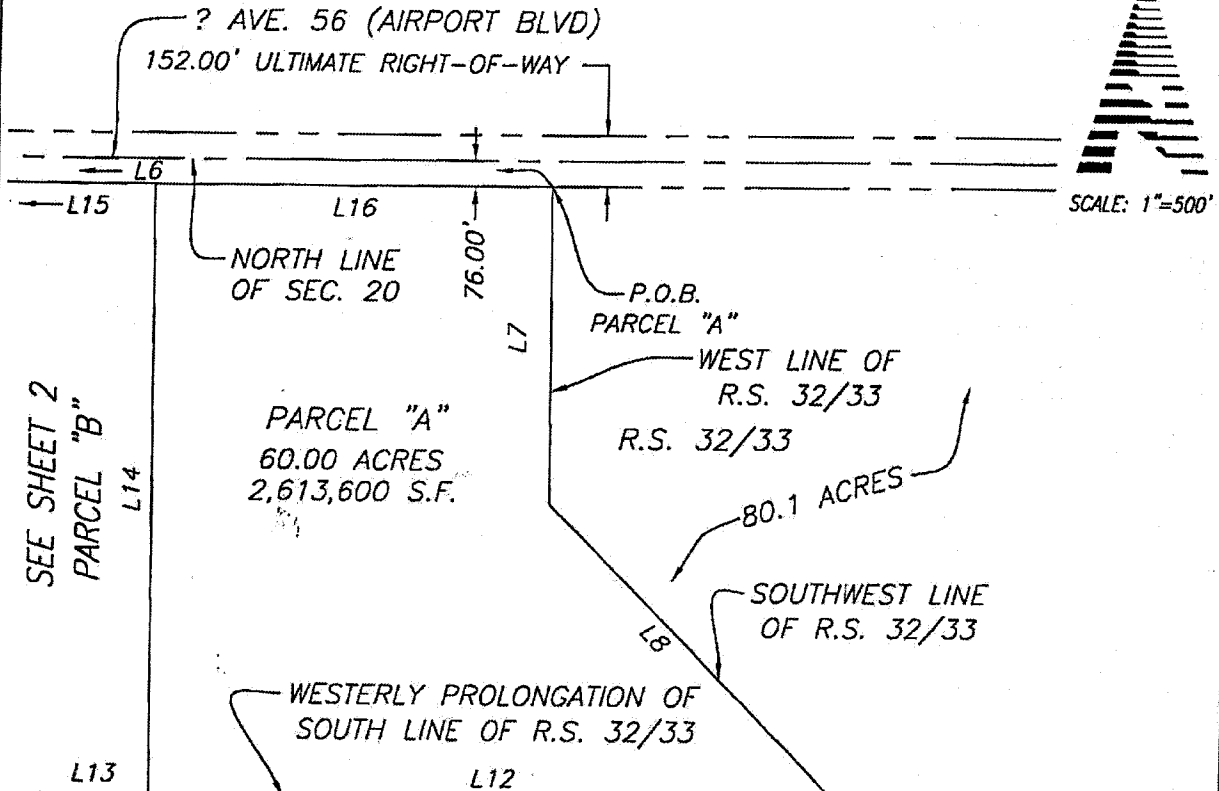


6/1/06
DATE

EXHIBIT "B"

SHEET 1 OF 2

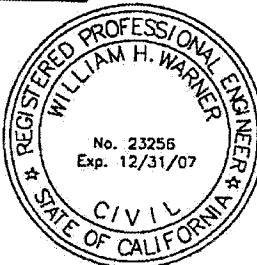
POR. OF SEC. 20, T. 6 S., R. 8 E., S.B.M.



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)

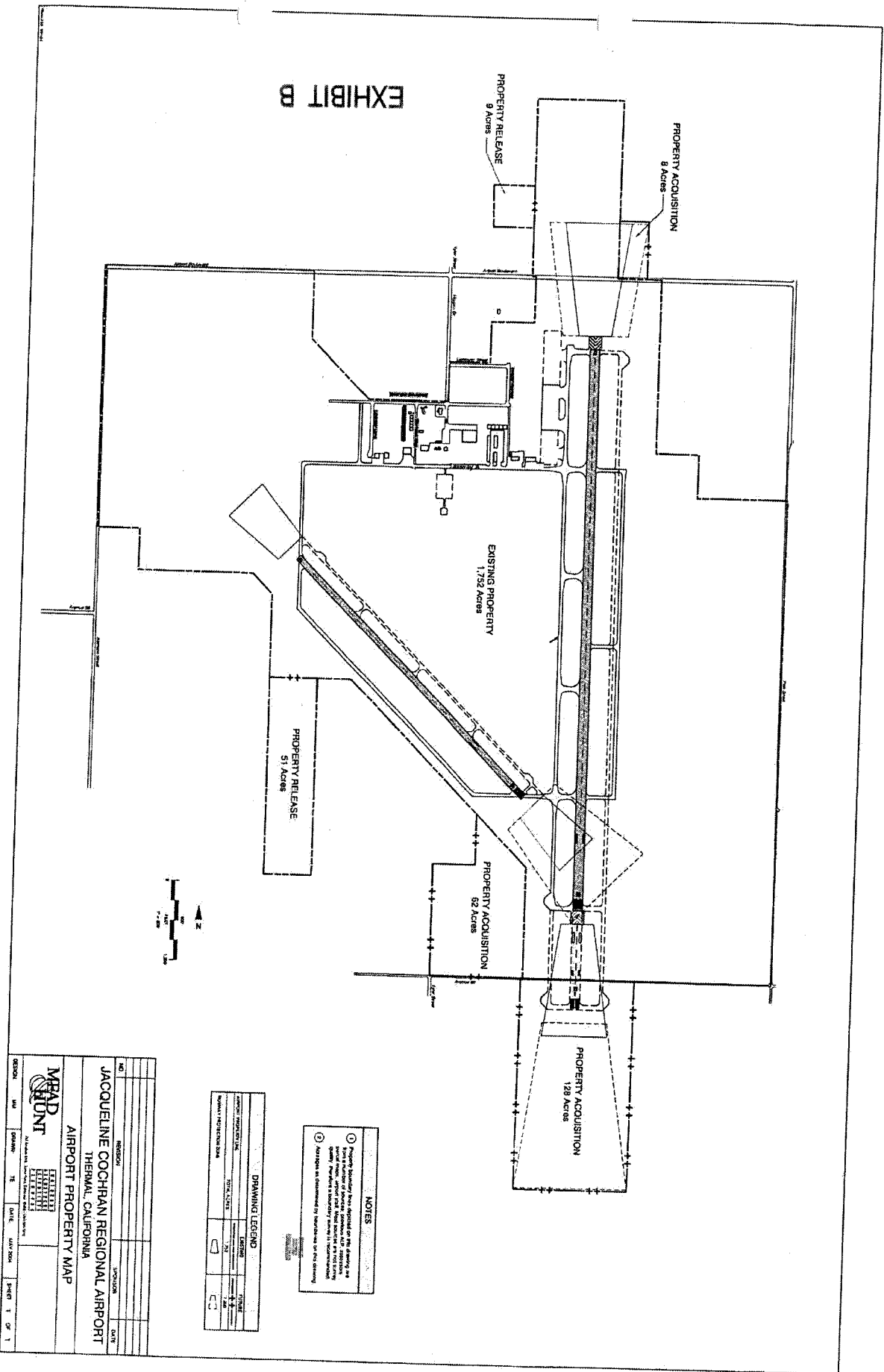


EXHIBIT B

NOTES

1. Property boundaries have been indicated on this drawing and are shown in solid lines. All other lines are shown in dashed lines. All other lines are shown in dashed lines.
2. All other lines are shown in dashed lines.
3. All other lines are shown in dashed lines.

DRAWING LEGEND

SYMBOL	DESCRIPTION
[Symbol]	EXISTING PROPERTY
[Symbol]	PROPERTY ACQUISITION
[Symbol]	PROPERTY RELEASE

MEAD		ADUNT	
JACQUELINE COCHRAN REGIONAL AIRPORT			
THERMAL, CALIFORNIA			
AIRPORT PROPERTY MAP			
DESIGN	DATE	DATE	DATE
100	10/10/00	10/10/00	10/10/00
SHEET 1 OF 1			

FIGURE 5-3

STATE OF CALIFORNIA)

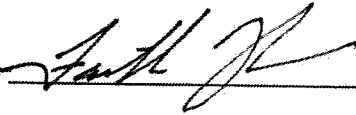
)ss.

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: 12/12/6

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

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
Matthew V. Johnson, Managing Member

Date: APR 10 2007

COUNTY OF RIVERSIDE

By: John T. Favaglione
Chairman, Board of Supervisors
JOHN FAVAGLIONE

ATTEST:
NANCY ROMERO, Clerk of the Board

By: Nancy Romero
Deputy

FORM APPROVED:
JOE S. RANK, County Counsel

By: Gordon V. Ubo 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

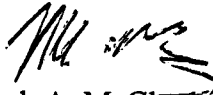
Enclosed are two FAA-approved Land-Use Change Authorizations, which have been signed by the FAA approving official. Please return one Land-Use Change Authorization after the two enclosed documents are executed, showing the original signature of the County official authorizing acceptance of the land-use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

EXHIBIT F

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.

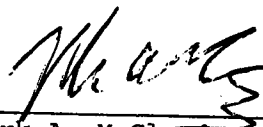
In consideration of the benefits to accrue to the Airport and to civil aviation, the FAA hereby authorizes a land-use change for the portion of land at Jacqueline Cochran Regional Airport, containing a total area of 229.46 acres, more or less, and more particularly described in Exhibit A, so it may be 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. McCluskey
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;

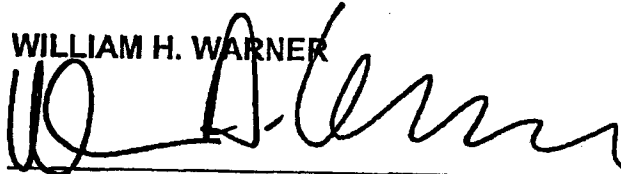
THENCE NORTH 89°49'03" EAST ALONG LAST SAID PARALLEL LINE, A DISTANCE OF 1209.43 TO THE POINT OF BEGINNING.

(CONTAINS 60.00 ACRES)

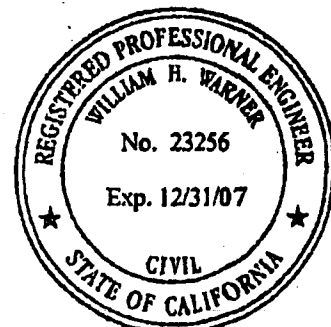
SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER



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



6/1/06
DATE

EXHIBIT A1

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



SEE SHEET 2
PARCEL "B"

NORTH LINE
OF SEC. 20

PARCEL "A"
60.00 ACRES
2,613,600 S.F.

P.O.B.
PARCEL "A"

WEST LINE OF
R.S. 32/33
R.S. 32/33

80.1 ACRES

SOUTHWEST LINE
OF R.S. 32/33

WESTERLY PROLONGATION OF
SOUTH LINE OF R.S. 32/33

SOUTH LINE OF
R.S. 32/33

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'

- 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 2

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.

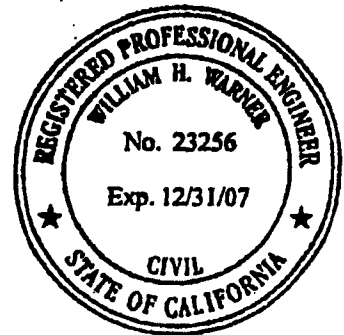
(CONTAINS 169.46 ACRES)

SEE EXHIBIT "B" ATTACHED

PREPARED UNDER THE SUPERVISION OF:

WILLIAM H. WARNER


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



6/1/06
DATE

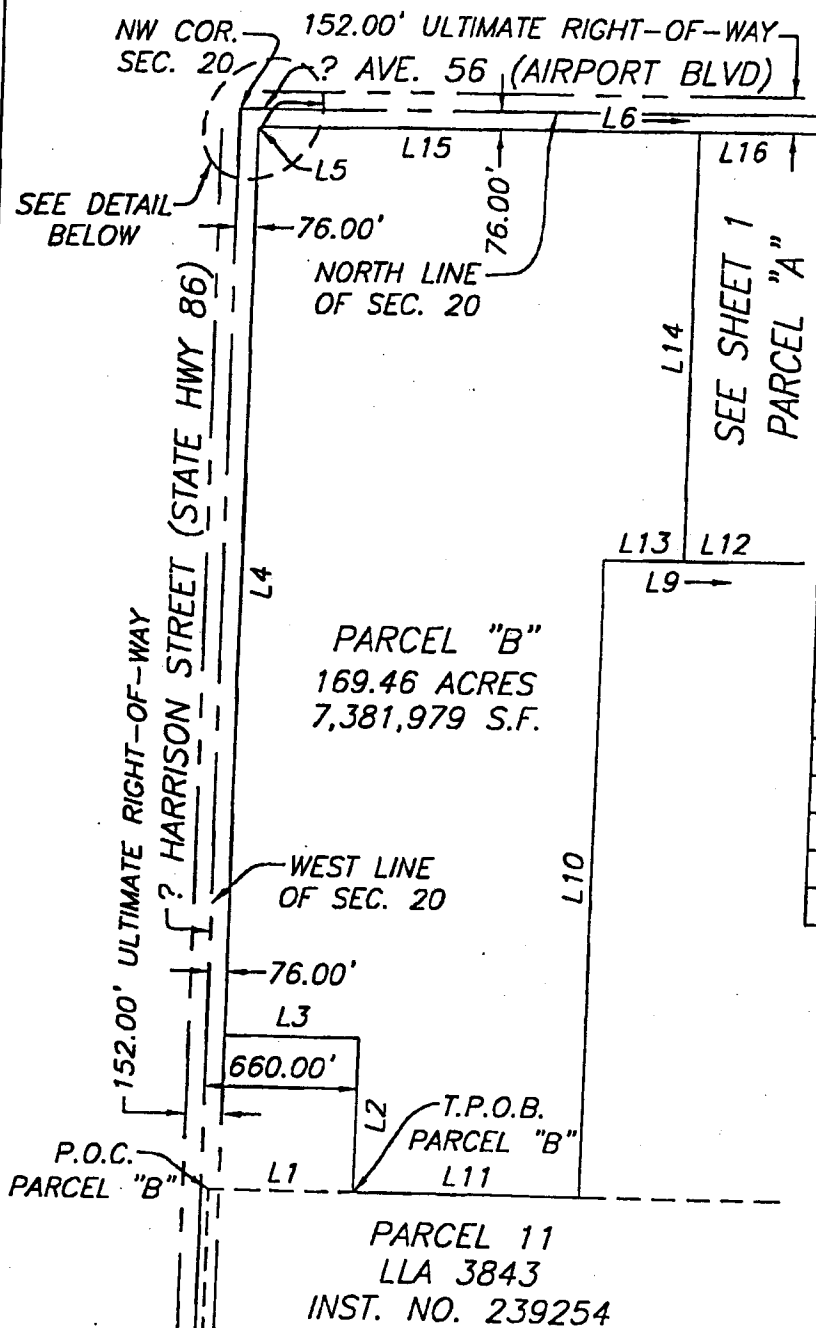
EXHIBIT "B"

SHEET 2 OF 2

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



SCALE: 1"=800'



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'

NW COR.
SEC. 20DETAIL
N.T.S.

- 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

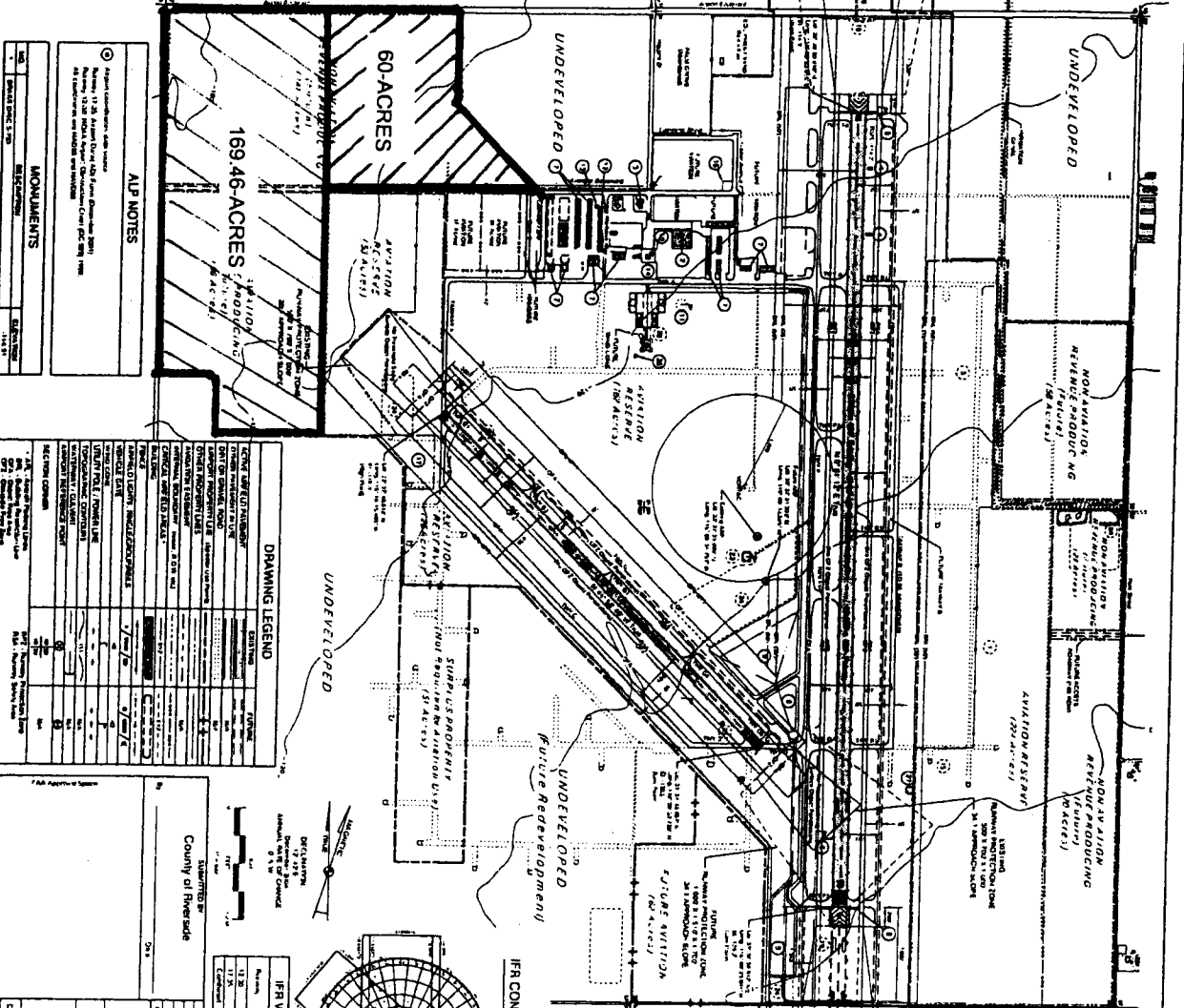
0602-015C

EXHIBIT A2

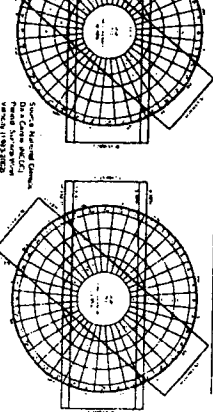
BUILDING AND FACILITY LEGEND	
1. Runway	2. Taxiway
3. Apron	4. Ramp
5. Hangar	6. Control Tower
7. Terminal Building	8. Air Traffic Control Building
9. Fuel Storage Building	10. Maintenance Building
11. Cargo Building	12. Passenger Building
13. Office Building	14. Restaurant
15. Hotel	16. Parking Lot
17. Road	18. Fence
19. Utility Line	20. Water Line
21. Sewer Line	22. Gas Line
23. Telephone Line	24. Cable Line
25. Electric Line	26. Water Tower
27. Fire Station	28. Police Station
29. Hospital	30. School
31. Church	32. Synagogue
33. Mosque	34. Temple
35. Cemetery	36. Park
37. Golf Course	38. Beach
39. Mountain	40. Lake
41. River	42. Ocean
43. Island	44. Peninsula
45. Bay	46. Strait
47. Canal	48. Lock
49. Dam	50. Bridge
51. Tunnel	52. Viaduct
53. Culvert	54. Retaining Wall
55. Embankment	56. Cut
57. Ditch	58. Drainage
59. Floodplain	60. Wetland
61. Forest	62. Field
63. Pasture	64. Orchard
65. Vineyard	66. Olive Groves
67. Palm Trees	68. Coconut Trees
69. Banana Trees	70. Rubber Trees
71. Cocoa Trees	72. Sugar Cane
73. Rice Paddy	74. Wheat Field
75. Corn Field	76. Soybean Field
77. Cotton Field	78. Tobacco Field
79. Hemp Field	80. Marijuana Field
81. Cannabis Field	82. Psychedelic Field
83. Ecstasy Field	84. LSD Field
85. Heroin Field	86. Cocaine Field
87. Crack Cocaine Field	88. Marijuana Hash Field
89. Hashish Field	90. Hashish Brick Field
91. Hashish Lump Field	92. Hashish Bag Field
93. Hashish Roll Field	94. Hashish Pipe Field
95. Hashish Spoon Field	96. Hashish Scale Field
97. Hashish Knife Field	98. Hashish Hammer Field
99. Hashish Hammer Field	100. Hashish Hammer Field

EXHIBIT A

RUNWAY DATA	
Runway	Width
1	150
2	150
3	150
4	150
5	150
6	150
7	150
8	150
9	150
10	150
11	150
12	150
13	150
14	150
15	150
16	150
17	150
18	150
19	150
20	150
21	150
22	150
23	150
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80	150
81	150
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83	150
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90	150
91	150
92	150
93	150
94	150
95	150
96	150
97	150
98	150
99	150
100	150



DRAWING LEGEND	
1. Runway	2. Taxiway
3. Apron	4. Ramp
5. Hangar	6. Control Tower
7. Terminal Building	8. Air Traffic Control Building
9. Fuel Storage Building	10. Maintenance Building
11. Cargo Building	12. Passenger Building
13. Office Building	14. Restaurant
15. Hotel	16. Parking Lot
17. Road	18. Fence
19. Utility Line	20. Water Line
21. Sewer Line	22. Gas Line
23. Telephone Line	24. Cable Line
25. Electric Line	26. Water Tower
27. Fire Station	28. Police Station
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35. Cemetery	36. Park
37. Golf Course	38. Beach
39. Mountain	40. Lake
41. River	42. Ocean
43. Island	44. Peninsula
45. Bay	46. Strait
47. Canal	48. Lock
49. Dam	50. Bridge
51. Tunnel	52. Viaduct
53. Culvert	54. Retaining Wall
55. Embankment	56. Cut
57. Ditch	58. Drainage
59. Floodplain	60. Wetland
61. Forest	62. Field
63. Pasture	64. Orchard
65. Vineyard	66. Olive Groves
67. Palm Trees	68. Coconut Trees
69. Banana Trees	70. Rubber Trees
71. Cocoa Trees	72. Sugar Cane
73. Rice Paddy	74. Wheat Field
75. Corn Field	76. Soybean Field
77. Cotton Field	78. Tobacco Field
79. Hemp Field	80. Marijuana Field
81. Cannabis Field	82. Psychedelic Field
83. Ecstasy Field	84. LSD Field
85. Heroin Field	86. Cocaine Field
87. Crack Cocaine Field	88. Marijuana Hash Field
89. Hashish Field	90. Hashish Brick Field
91. Hashish Lump Field	92. Hashish Bag Field
93. Hashish Roll Field	94. Hashish Pipe Field
95. Hashish Spoon Field	96. Hashish Scale Field
97. Hashish Knife Field	98. Hashish Hammer Field
99. Hashish Hammer Field	100. Hashish Hammer Field



AIRPORT DATA	
1. Runway	2. Taxiway
3. Apron	4. Ramp
5. Hangar	6. Control Tower
7. Terminal Building	8. Air Traffic Control Building
9. Fuel Storage Building	10. Maintenance Building
11. Cargo Building	12. Passenger Building
13. Office Building	14. Restaurant
15. Hotel	16. Parking Lot
17. Road	18. Fence
19. Utility Line	20. Water Line
21. Sewer Line	22. Gas Line
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27. Fire Station	28. Police Station
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31. Church	32. Synagogue
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35. Cemetery	36. Park
37. Golf Course	38. Beach
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97. Hashish Knife Field	98. Hashish Hammer Field
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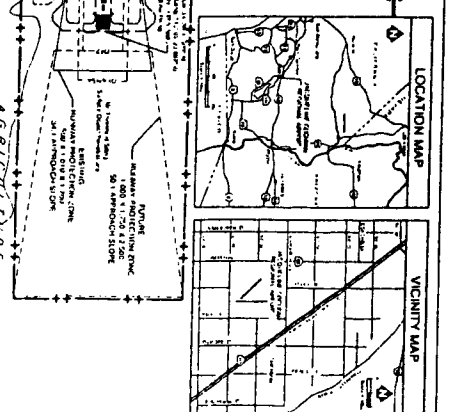


EXHIBIT A BOUNDARIES NOT TO SCALE

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



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

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.

EXHIBIT "D"

SUBLEASE

(Including all amendments)

(behind this page)

SUBLEASE
JACQUELINE COCHRAN REGIONAL AIRPORT

DESERT RESORTS AVIATION, LLC, a California limited liability company, herein called Sublessor, leases to HITS, Inc., a Delaware corporation, herein called Sublessee, the property described below under the following terms and conditions:

1. Recitals.

(a) The County of Riverside, herein called County, owns approximately one hundred sixty-nine and 46/100 (169.46) acres of vacant land at the Jacqueline Cochran Regional Airport, County of Riverside, State of California.

(b) County has leased said property to Sublessor pursuant to that certain Lease of even date herewith between County and Sublessor (the "Master Lease"), a copy of which is attached hereto as Exhibit "C" and incorporated by this reference herein. The Master Lease supersedes the lease previously entered into between County and Sublessor covering the Leased Premises (as hereinafter defined) and certain other land, which prior lease has been terminated. Sublessor desires to sublease the Leased Premises to Sublessee for the development of an equestrian center and related facilities for horse shows and other equestrian events.

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

2. Description. The premises leased hereby are located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California, and consist of approximately one hundred sixty-nine and 46/100 (169.46) acres of vacant land, being described in Exhibit "A" and depicted on Exhibit "B", both attached hereto and incorporated by this reference herein. Said property is hereafter referred to as the