

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



ITEM: 3.56
(ID # 18040)

MEETING DATE:
Tuesday, January 25, 2022

FROM : TLMA - AVIATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Consent to Assignment of Sublease between John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 and Duane R. Tims at Hemet-Ryan Airport, CEQA Exempt; District 3. [\$1,700 Total Cost - TLMA Aviation 100%] (Clerk to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. **Find** that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities exemption, and Section 15601(b)(3), "Common Sense" exemption;
2. **Approve** the attached Consent to the Assignment of Sublease between John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 (Assignor), and Duane R. Tims (Assignee), relating to that certain Sublease, dated January 1, 2011, between Bachelor Mountain Group, LLC, a California limited liability company and Assignor;
4. **Authorize** the Chairman of the Board of Supervisors to sign the attached Consent to Assignment of Sublease on behalf of the County;
5. **Authorize** the Assistant County Executive Officer/TLMA Director, or designee, to execute any additional documents necessary to implement the consent to the Assignment of Sublease and consent to Bill of Sale, subject to approval by County Counsel; and
6. **Direct** the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) working days of approval by the Board of Supervisors.

ACTION: Policy

Charissa Leach, TLMA Director

1/6/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 25, 2022
xc: TLMA-Aviation, Recorder

Kecia R. Harper
Clerk of the Board
By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,700	\$0	\$1,700	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: TLMA Aviation Revenue Fund 100%			Budget Adjustment:	No
			For Fiscal Year:	2021/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside, Transportation and Land Management Agency (“County”) received a request to consent to an Assignment of Sublease (“Assignment”) between John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 (“Assignor”), and Duane R. Tims, an individual (“Assignee”), relating to the leased premises located at the Hemet-Ryan Airport at 4710 W Stetson Ave, Hemet, CA 92545.

The original lease was between the County (as Lessor) and Bachelor Mountain, LLC (as Lessee), a California limited liability company (“Bachelor Mountain”) dated September 15, 2009 (“Lease”) and related to the lease of approximately 6.56 acres of vacant land (“Premises”). Bachelor Mountain (as sublessor) and John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 (“sublessee”) entered into that certain Sublease, dated January 1, 2011, relating to the Premises (“Sublease”). The Sublease is subject to the Lease. Assignor entered into that certain Assignment of Sublease with Assignee (“Assignment”), dated December 17, 2021, the effectiveness of which is subject to the written consent and approval by the County pursuant to Section 26 of the Lease which attached hereto as Attachment B. The Consent to Assignment of Sublease is attached hereto as Attachment A.

Pursuant to the California Environmental Quality Act (“CEQA”), the Consent to Assignment of Sublease and Consent to Bill of Sale were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and State CEQA Guidelines 15061(b)(3), General Rule or “Common Sense” exemption. The proposed project, the Consent to Assignment of Sublease is related to the subletting of existing facilities, and no expansion of an existing use will occur. In addition, it can be seen with certainty that there is no possibility that the proposed project may have a significant effect on the environment since it is merely a continuation of existing use.

Staff recommends approval of the proposed Consent to Assignment which has been approved as to form by County Counsel.

Impact on Citizens and Businesses

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

The Consent to Assignment of Sublease will assist in the County's effort to increase airport operations, which in turn provides increased patron activities for local businesses.

SUPPLEMENTAL:

Additional Fiscal Information

No net County cost will be incurred and no budget adjustment is necessary, however, the Transportation and Land Management Agency, Aviation Division has incurred costs associated with this transaction. County Counsel and Facilities Management costs to date in the approximate amount of \$1,700 will be reimbursed from the TLMA Aviation Revenue Fund.

County Counsel Review	\$ 1,000
CEQA NOE	\$ 700
Total	\$ 1,700

Attachments:

- Attachment A – Consent to Assignment of Sublease
- Attachment B – Lease
- CEQA Notice of Exemption
- Site Map



Jason Farin, Principal Management Analyst 1/19/2022



Gregory L. Priamos, Director County Counsel 1/10/2022

Attachment A
Consent to Assignment of Sublease

CONSENT TO ASSIGNMENT OF SUBLEASE

(John R. Pickering and Evelyn C. Pickering, Trustees of the Pickering Family Trust
dated April 4, 1987)

The County of Riverside, a political subdivision of the State of California hereby consents to the assignment of John R. Pickering and Evelyn C. Pickering, Trustees of the Pickering Family Trust dated April 4, 1987, as assignor ("Assignor"), for their interest as sublessee in that certain Sublease (defined below) to Duane R. Tims, an individual ("Assignee"), as set forth in the Assignment of Sub-Lease, dated December 17, 2021, attached hereto as Attachment "A" and incorporated herein by this reference ("Assignment"). Pursuant to the Assignment, the Assignor transferred and assigned to Assignee all of Assignor's rights, title, interest and obligations ("Rights and Obligations") under that certain Sublease Agreement – Land Only Hemet Ryan Airport dated January 1, 2011 ("Sublease") between Bachelor Mountain Group, LLC, a California limited liability company ("Sublessor") and Assignor (collectively "Sublessee"). The Sublease pertains to that certain area of land where Building 14-5 is located within the Bachelor Mountain Group Leasehold, as more particularly depicted in Attachment "B" and incorporated herein by this referenced ("Depiction").

The Sublease is subject to that certain Lease (Hemet-Ryan Airport) by and between the County of Riverside, (as Lessor) and Bachelor Mountain Group, LLC (as Lessee) dated September 15, 2009, relating to the lease of approximately 6.56 acres of vacant land, located at the Hemet-Ryan Airport ("Bachelor Mountain Leasehold"), as more fully described in Exhibit "A" to the Lease.

In reliance upon the assumption by Assignee of all Rights and Obligations under the Sublease as set forth in the attached Assignment, the County does hereby approve and consent to the assignment of the Rights and Obligations under the Sublease by Assignor to Assignee and Assignee's assumption thereof. Approval and consent hereof by the County shall not be construed to relieve or release (i) Assignor from its duty to comply with any obligations under the Sublease, and (ii) Assignee from its duty to comply with any obligations under the Lease.

Date: JAN 25 2022

COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

By: 
Jeff Hewitt, Chairman
Board of Supervisors

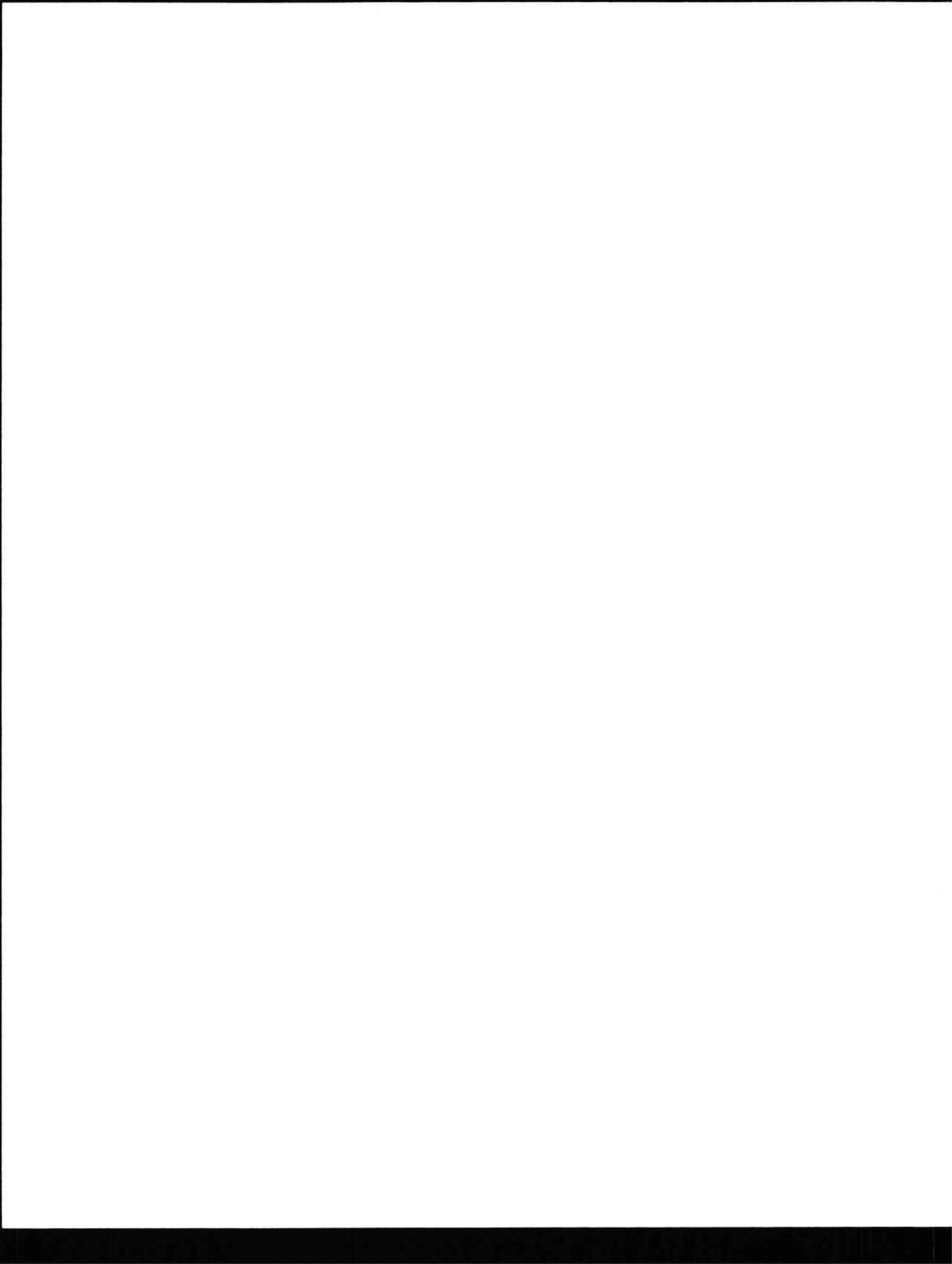
ATTEST:

Kecia Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM
Gregory P. Priamos, County Counsel

By: 
Ryan Yabko
Deputy County Counsel



Attachment A
Assignment of Sub-Lease

(attached behind)

ASSIGNMENT OF SUB-LEASE

The undersigned (ASSIGNOR), John R. Pickering and Evelyn C. Pickering, Trustees of the Pickering Family Trust dated April 4, 1987, hereby transfers and assigns to Duane R. Tims, an individual (ASSIGNEE), all rights, title and interest of the undersigned under that certain sub-lease dated January 1, 2011 , pertaining to the premises described as that area of land where hangar number 14-5 is located within the Bachelor Mountain Group, LLC leasehold, at the Hemet Airport, City of Hemet, County of Riverside, State of California. Said sub-lease is attached hereto as Exhibit "A". The execution of this Assignment and the transfer of all rights, title and interest herein are contingent upon the acceptance and approval of BACHELOR MOUNTAIN GROUP LLC, a California limited liability company and the County of Riverside, a political subdivision of the State of California.

Assignor: PICKERING FAMILY TRUST DATED April 04, 1987

Name: John R. Pickering
JOHN R. (JACK) PICKERING, Trustee

Date: 12/17/21

Name: Evelyn C. Pickering
EVELYN C. PICKERING, Trustee

Date: 12-17-21

ACCEPTANCE AND AGREEMENT

(ASSIGNEE), an Individual, named in the foregoing Assignment, hereby accepts said Assignment and hereby agrees to keep, perform and be bound by all of the Terms, Covenants and Conditions in said sub-lease on the part of the sub-lessee therein to be kept and performed to all intent and purpose as though the undersigned was the original sub-lessor thereunder.

Assignee: DUANE R. TIMS, an individual

Name: Duane Rims
DUANE R. TIMS

Date: 12/17/21

ACCEPTANCE BY BACHELOR MOUNTAIN GROUP LLC, a California limited liability company

Name: Lloyd B. Cliff
LLOYD B. CLIFF, MANAGING MEMBER

Date: 12-17-21

CONSENT TO SUBLEASE

The County of Riverside, a political subdivision of the State of California (Lessor) hereby consents to the foregoing Sublease with Consent of Sublessor, for Hangar 5, Building 14-2, between Bachelor Mountain Group, LLC as Sublessor, and John R. Pickering and Evelyn C. Pickering, Trustees of the Pickering Family Trust dated April 4, 1987, as Sublessee, without however waiving the restrictions contained in the Master Lease, between the County of Riverside, as Lessor, and Bachelor Mountain Group, LLC, as Lessee, dated September 15, 2009, described as six and 56/100 (6.56) acres of land at the Hemet-Ryan Airport, with respect to any future assignments thereunder, and without releasing the Sublessor under said Sublease from any obligations that are not performed by John R. Pickering and Evelyn C. Pickering, Trustees for the Pickering Family Trust dated April 4, 1987, and otherwise accepts the Sublessee, John R. Pickering and Evelyn C. Pickering, Trustees of the Pickering Family Trust dated April 4, 1987, under said Sublease.

Date: 6/7/11

ATTEST:
KECIA HARPER-IHEM, Clerk
By *Theresa (Pamela)*
DEPUTY

COUNTY OF RIVERSIDE
A political subdivision of the State of California

By: *Bob Buster*
Chairman, Board of Supervisors

BOB BUSTER

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

By: *Anita C. Willis*
Anita C. Willis, Deputy

SUBLEASE AGREEMENT – LAND ONLY
HEMET-RYAN AIRPORT

This Sublease Agreement ("Sublease") is entered into as of 1 JANUARY 2011, by and between Bachelor Mountain Group, LLC ("Sub-Lessor"), and JOHN R PICKERING EVELYN C PICKERING TRUSTS OF THE PICKERING FAMILY TRUST AGRMT DTD APRIL 4, 1987 ("Sub-Lessee"). In consideration of the payment of rent and the performance of the covenants and conditions hereinafter contained, the parties mutually agree as follows:

1. Recitals.

(a) This Sublease, notwithstanding its designation, is a Sublease subject to the terms and provisions of a certain "Master Lease", dated June 4, 2009, between the County of Riverside, as Lessor, and Bachelor Mountain Group, LLC as Lessee, consisting of approximately 6.56 acres of land and as such terms and provisions may now or hereafter be in effect through any amendment to or replacement or substitution for said Master Lease. Sub-Lessee agrees to abide by the provisions of said Master Lease, as amended, substituted or replaced. A copy of said Master Lease shall be maintained at Sub-Lessor's offices as set forth in Section 1(b) hereof and may be inspected by Sub-Lessee during normal business hours.

(b) Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Sublease or by law to be served on or given to either party to this Sublease by the other party shall be in writing, and shall be deemed duly served and given when personally delivered to the party to whom it is directed or any managing employee of that party or, in lieu of personal service, when deposited in the United States mail, first class postage prepaid, addressed to Sub-Lessor at 27755 Tangelo Ave., Hemet, California 92544 or to Sub-Lessee at the address set forth in Section 30 of this Sublease. Either party may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

2. Description. "Premises" refers to the area of land where hangar number 14-5 is located within the Bachelor Mountain Group, LLC leasehold, located at Hemet-Ryan Airport in the County of Riverside, California and consist of approximately 1530 square feet, as more particularly shown on Exhibit A, attached hereto and by this reference made a part of this Sublease.

3. Use. The premises are leased hereby for the purpose of maintaining said hangar therein for aircraft storage and aircraft supporting equipment in connection therein. No other use will be permitted without first obtaining written permission from Sub-Lessor. The aircraft to be stored in the premises is described as follows:

Make & Model: LIGHTSEY/PICKERING HATZ CB-1
Identification Number: NX 1279

Should the aircraft stored in the hangar be replaced with another aircraft owned by Sub-Lessee or with a Sub-Lessee's aircraft, Sub-Lessee agrees to notify Sub-Lessor within ten (10) days and supply Sub-Lessor with the Make, Model and Identification of the replacement aircraft. In addition, Sub-Lessee shall provide, or shall cause Sub-Lessee to provide, all required Certificates of Insurance, endorsements and any other documentation required herein with respect to the replacement aircraft being stored in the hangar.

4. Term. The term of this Sublease shall commence on 1 JANUARY 2011 and shall continue thereafter for a term that is co-terminus with the Sub-Lessor's occupancy rights under the Master Lease, including any extensions thereof, and subject to any provisions of the Master Lease that may be applicable and take precedence.

5. Basic Rent.

(a) Sub-Lessee shall pay to the Sub-Lessor the sum of \$ 95.⁰⁰ per month, which is the current basic monthly rent paid by Sub-Lessee.

(b) The basic month rent is due and payable on or before the first day of the appropriate month during the term of the Sublease Agreement and shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent, Sub-Lessee will be charged a late fee equivalent to ten

percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

(c) Should Sub-Lessee remain in possession pursuant to this Sublease for one (1) year or more, the rent specified shall be increased on July 1 of every year thereafter by the same percentage as the increase in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Index, for the twelve (12) month period ending three (3) months prior to the anniversary date. Nothing herein shall be deemed to provide for any reduction in the existing amount of current rent.

(d) Beginning on July 1, 2015 and every fifth (5th) year thereafter, the annual rent amount shall be adjusted in accordance with paragraph 6 (b)(1) of the Master Lease. Once established, said rent shall be adjusted annually in the manner set forth in paragraph 5(c) herein above. The adjustments shall be limited to the Subleased Premises and shall exclude any and all capital improvements constructed by Sub-Lessee. In no event shall any adjustment be a negative adjustment.

6. Security Deposit.

Prior to the commencement date of this Sublease, Sub-Lessee shall deposit with Sub-Lessor the sum of \$ - - as security for the full and faithful performance of each and every term, provision, covenant and condition of the Sublease. Said security deposit shall be remitted by either cash or cashier's check. Sub-Lessor agrees to refund the security deposit or to render an accounting of Sub-Lessor's complete or partial use thereof within fourteen (14) days following Sub-Lessee's surrender of the Premises.

7. Improvements.

(a) No alterations, improvements or installations of fixtures of any kind whatsoever shall be undertaken by Sub-Lessee, unless Sub-Lessee has first obtained written approval thereof from Sub-Lessor and County. Sub-Lessee understands and agrees that such improvements, alterations and installations of fixtures may be subject to County Ordinance numbers 348 and 457, as well as other applicable County Ordinances, and that Sub-Lessee shall fully comply with

such ordinances prior to the commencement of any construction in connection therewith.

8. Restrictions.

(a) Sub-Lessee shall not use the Subleased premises or store any personal property therein or thereon, for the purpose of conducting any activity upon or within the Hemet-Ryan Airport premises for which any form of remuneration is expected or received unless such activity is permitted under a separate agreement or Sublease between Sub-Lessor and Sub-Lessee.

(b) Sub-Lessee shall not fuel or defuel an aircraft inside or upon the Subleased premises or within twenty-five (25) feet of any hangar. Sub-Lessee shall not store any highly volatile materials including, but not limited to, paint products and aviation fuels, within or outside of the Subleased premises; provided, however, that Sub-Lessee may store fuel in his/her aircraft's fuel tanks.

9. Ingress and Egress. Sub-Lessee shall be permitted ingress and egress to and from the Subleased premises through established gates and/or over such routes as are designated by Sub-Lessor.

10. Utilities. Sub-Lessor shall provide, or cause to be provided, all water and electrical services as may be required in the use of the Subleased premises; provided, however, that Sub-Lessee shall pay to Sub-Lessor for all such electrical service, upon accounting and billing therefore by Sub-Lessor to Sub-Lessee. Sub-Lessee shall provide and pay for all other utility services that it may require or desire in his/her use of the Subleased premises.

11. Maintenance. Sub-Lessee shall maintain the Subleased premises in a neat, safe, orderly and attractive manner during the term of this Sublease. Sub-Lessee shall deposit all waste, rubbish and debris in receptacles provided by Sub-Lessor in the vicinity of the hangars; provided, however, that crank case drainages and other liquids shall be removed from the airport premises.

12. Inspection of Premises. Sub-Lessor, through its duly authorized agents, shall have, at any time during normal business hours, the right to enter the Subleased premises for the purpose of inspecting, monitoring and evaluating

the obligations of Sub-Lessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this Sublease.

13. Quiet Enjoyment. Sub-Lessee shall have, hold and quietly enjoy the use of the Subleased premises so long as he/she shall fully and faithfully perform the terms and conditions that he/she is required to do under this Sublease.

14. Compliance with Government Regulations.

(a) Sub-Lessee shall, at Sub-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 Subleased premises. The final judgment, decree or order of any Court of competent jurisdiction, or the admission of the Sub-Lessee in any action or proceedings against Sub-Lessee, whether Sub-Lessee be a party thereto or not, that Sub-Lessee has violated any such statutes, regulations, rules, ordinances, or orders, in the use of the Subleased premises, shall be conclusive of that fact between Sub-Lessor and Sub-Lessee.

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

15. Termination by Sub-Lessor. Sub-Lessor shall have the right to terminate this Sublease forthwith:

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

(b) In the event that Sub-Lessee makes a general assignment, or Sub-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 Subleased premises by Sub-Lessee.

(d) In the event Sub-Lessee fails or refuses to perform, keep or observe any of Sub-Lessee's duties or obligations hereunder except his/her rental obligations; provided, however, that Sub-Lessee shall have thirty (30) days

in which to correct Sub-Lessee's breach or default after written notice thereof has been served on Sub-Lessee by Sub-Lessor.

(e) In the event Sub-Lessee fails, or refuses, to meet his/her rental obligations, or any of them, hereunder or as otherwise provided by law.

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

17. Eminent Domain. If any portion of the Subleased premises shall be taken by eminent domain and a portion thereof remains which is usable by Sub-Lessee for the purpose set forth in Paragraph 2 herein, this Sublease 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 Sub-Lessor reserves the right to terminate this Sublease 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 Subleased premises are taken by eminent domain, or such part is taken so that the Subleased premises are rendered unusable for the purposes set forth in Paragraph 2 herein, this Sublease shall terminate. If a part or all of the Subleased premises be so taken, the compensation awarded upon such taking shall be paid to the parties hereto in accordance with the values attributable to their respective interests in such eminent domain proceedings.

18. Continuation of Sublease After Abandonment. Even though Sub-Lessee has abandoned the Subleased premises, this Sublease shall continue in effect for so long as Sub-Lessor does not terminate Sub-Lessee's right to

possession, and Sub-Lessor may enforce all of its rights and remedies under this Sublease, including, but not limited to, the right to recover rent as it becomes due hereunder. For the purpose of this Paragraph 17, acts of maintenance or preservation or efforts by Sub-Lessor to relet the premises, or the appointment of a receiver or initiative of Sub-Lessor to protect its interest under this Sublease do not constitute a termination of Sub-Lessee's right to possession.

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

(a) Workers' Compensation: If Sub-Lessee has employees as defined by the State of California, Sub-Lessee shall maintain Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of Sub-Lessor and the County of Riverside, including an All States Endorsement if applicable, and provide a Borrowed Servant/Alternate Employer Endorsement if applicable. If Sub-Lessee does not have employees, Sub-Lessee will provide Sub-Lessor and County with a written statement to that effect.

(b) Airport General Liability: If Sub-Lessee Subleases one or more hangars, Sub-Lessee shall maintain Airport General Liability insurance coverage, including but not limited to, premises liability, contractual liability, and personal and advertising injury covering claims or occurrences which may arise from or out of Sub-Lessee's performance of its obligations hereunder. If Sub-Lessee uses the hangar for their aircraft (does not Sublease) and Sub-Lessee's Aircraft Liability coverage does not cover Premises Liability, Sub-Lessee shall procure and maintain Airport General Liability insurance as described herein. Policy shall name Sub-Lessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, its respective directors, officers, Board of Supervisors,

employees, elected or appointed officials, agents or representative as Additional Insureds. Policy's limit of liability shall not be less than \$1,000,000 per occurrence and in the aggregate if applicable.

(c) **Vehicle Liability:** If Sub-Lessee's vehicles or mobile equipment enter the operating area of the Hemet-Ryan Airport, then Sub-Lessee shall maintain liability insurance for all owned, non-owned or hired vehicles used in an amount not less than \$500,000 per occurrence combined single limit. Policy shall name Sub-Lessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, its respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representative as Additional Insureds.

(d) **Aircraft Hull and Liability Insurance:** Aircraft hull coverage for all aircraft owned by Sub-Lessee insured on a replacement value basis, or at a minimum, hull coverage on an agreed value basis, including all equipment and contents thereof. Sub-Lessee may elect to self-insure the hull, equipment and contents of Sub-Lessee's owned aircraft providing Sub-Lessee submits to Sub-Lessor and County of Riverside a letter, signed by the legal owner, stating that the owner has elected to self insure the aircraft hull, equipment and contents and agrees to indemnify and hold harmless the Sub-Lessor and the County of Riverside for any incidents, accidents or events that may give rise to a claim or lawsuit from any cause or nature whatsoever regardless of any negligence of the Sub-Lessor or County of Riverside that may have contributed to said loss or damage.

Sub-Lessee shall provide Aircraft Liability insurance for all owned and non-owned aircraft operated by the Sub-Lessee in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury, including death and property damage and coverage shall include, but is not limited to airport premises liability and contractual liability. The policy will be endorsed to include Sub-Lessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, its respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representative as Additional

Insureds. If Sub-Lessee maintains premises liability coverage under a separate policy, Sub-Lessee is not required to maintain premises liability within the Aircraft Liability coverage.

(e) General Insurance Provisions – All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an AM BEST rating of not less than an A:VIII (A:8), unless such requirements are waived in writing by the County's Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.

2. The Sub-Lessee's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self insured retentions exceed \$50,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County's Risk Manager before the commencement of operations under this Agreement. Upon notification of deductibles or self-insured retention's unacceptable to the County of Riverside, and at the election of the County's Risk Manager, Sub-Lessee's carriers shall either; a) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the County of Riverside, or b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. Sub-Lessee shall cause its insurance carrier to furnish Sub-Lessor and County of Riverside with either a) a properly executed original Certificate of Insurance and certified original copies of Endorsements effecting coverages as required herein, and/or b) if requested to do so in writing by the County's Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Sub-Lessor and County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such

insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Sub-Lessor and County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsement and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect.

Sub-Lessee shall not commence operations under this Sublease until the Sub-Lessor has been furnished original Certificate(s) of insurance and certified original copies of endorsements and, if requested, certified original policies of Insurance including all endorsements and any and all other attachments as require 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.

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

5. County of Riverside's Reserved Rights – Insurance: County of Riverside reserves the right to adjust the monetary limits of insurance coverage as required in Paragraph 18 herein every fifth year during the term of this Sublease; provided, however, that any adjustment herein shall not increase the monetary limits of insurance for the preceding five (5) years in excess of fifty percent (50%). The foregoing notwithstanding any adjustments to the monetary limits in the year _____ will not exceed twenty-five percent (25%) of the previous year's limits.

6. Sub-Lessee shall pass down and cause to be maintained the insurance obligations contained herein to all tiers of Sub-Lesseees and subcontractors working under this Agreement, if any.

7. Sub-Lessee shall notify Sub-Lessor and County of Riverside and Sub-Lessor and County of Riverside shall notify Sub-Lessee if any claim made by a third party or any incident or event that may give rise to a claim arising from this Sublease.

20. Hold Harmless.

(a) Sub-Lessee represents that he/she has inspected the Subleased premises, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. Sub-Lessor shall not be liable to the Sub-Lessee, his/her agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the Subleased premises; provided, however, that such dangerous conditions are not caused by the sole negligence of Sub-Lessor, its officers, agents or employees.

(b) Sub-Lessee shall indemnify and hold harmless Sub-Lessor and all Agencies, Districts, Special Districts and Departments of the County of Riverside, its respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever based or asserted upon any services, or activities of Sub-Lessee, its officers, employees, subcontractors, agents or representatives, if any, arising out of or in any way relating to this Agreement, including, but not limited to, property damage, bodily injury, or death of any other element of any kind or nature whatsoever, and resulting from any reason whatsoever arising out of or from the performance of Sub-Lessee, its officers, agents, employees, subcontractors, Sub-Lessee's agents or representatives from this Sublease.

Sub-Lessee shall defend at its sole cost and expense, all costs and fees, including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards of Sub-Lessor and all Agencies, Districts, Special Districts and Departments of the County of Riverside, its respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

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

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

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Sub-Lessee's obligations to indemnify and hold harmless the Sub-Lessor and the County of Riverside herein from third party claims.

21. Assignment.

(a) Except as provided in Paragraph 21(b) below, Sub-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 Sub-Lessor being first obtained.

(b) Sub-Lessee may sublet the Subleased premises provided that such subletting: (1) is in writing, copy of which shall be forwarded to Sub-Lessor and County upon execution thereof, (2) includes a provision therein subjecting the Sublease(s) to the terms and conditions of this Sublease, and (3) shall be in a format previously approved by Sub-Lessor.

22. Toxic Materials. During the term of this Sublease and any extensions thereof, Sub-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 above the Subleased premises including, but not limited to, soil and ground water conditions. Further, Sub-Lessee, its successors, assigns and Sublease, shall not use, generate, manufacture, produce, store or

dispose of on, under or about the Subleased premises or transport to or from the Subleased 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 Sublease, 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 promulgate pursuant to said laws.

23. Free From Liens. Sub-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 Sub-Lessee, in, upon, or about the Subleased premises, and which may be secured by a mechanics', materialman's or other lien against the Subleased premises or Sub-Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Sub-Lessee desires to contest any such lien, he/she 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 if so stayed, and said stay thereafter expires, then and in such event, Sub-Lessee shall forthwith pay and discharge said judgment.

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

25. Binding on Successors. Sub-Lessee, his/her 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.

26. Waiver of Performance. No waiver by Sub-Lessor at any time of any of the terms and conditions of this Sublease 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.

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

28. 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 Sublease 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.

29. Attorneys' Fees. In the event of any litigation or arbitration between Sub-Lessee and Sub-Lessor to enforce any of the provisions of this Sublease 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 attorneys' 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.

30. 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:

SUB-LESSOR

Bachelor Mountain Group, LLC
27755 Tangelo Ave.
Hemet, CA 92544

SUB-LESSEE

JOHN R. PICKERING
2777 BANYAN TREE LA.
HEMET, CA 92545

Or to such other addresses as from time to time shall be designated by the respective parties.

31. Permits, Licenses and Taxes. Sub-Lessee shall secure, at his/her expense, all necessary permits and licenses as he/she may be required to obtain, and Sub-Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Sub-Lessee recognizes and understands that this Sublease may create a possessory interest subject to property taxation and that Sub-Lessee may be subject to the payment of property taxes levied on such interest.

32. 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 Sublease.

33. Sub-Lessor's Representative. Sub-Lessor hereby appoints the Lloyd Cliff of Bachelor Mountain Group, LLC or his designee as its authorized representative to administer this Sublease.

34. Agent for Service of Process. It is expressly understood and agreed that in the event Sub-Lessee is not a resident of the State of California or he/she 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, Sub-Lessee shall file with Sub-Lessor upon his/her execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business address, as his/her agent for the purpose of service of process in a court action arising out of or based upon this Sublease and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Sub-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 Sub-Lessee may be personally served with such process out of this County and that such service shall constitute valid service upon Sub-Lessee. It is further expressly understood and agreed that Sub-

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.

35. Entire Sublease. This Sublease 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 Subleases, agreements and understandings, oral or written, in connection therewith. This Sublease may be changed or modified only upon written consent of the parties hereto.

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

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Dated: 2/2/2011

SUB-LESSEE

By: John R. Pickering and Evelyn C. Pickering

Printed Name: JOHN R. PICKERING
EVELYN C. PICKERING

Dated: 03/01/2011

SUB-LESSOR

BACHELOR MOUNTAIN GROUP, LLC

By: Lloyd Cliff

Lloyd Cliff, Managing Member

Dated: 5/16/11

COUNTY OF RIVERSIDE

(as Landowner & Lessor under the
Master Ground Lease to Bachelor
Mountain Group, LLC dated 6/4/09)

By: Lisa Brandl

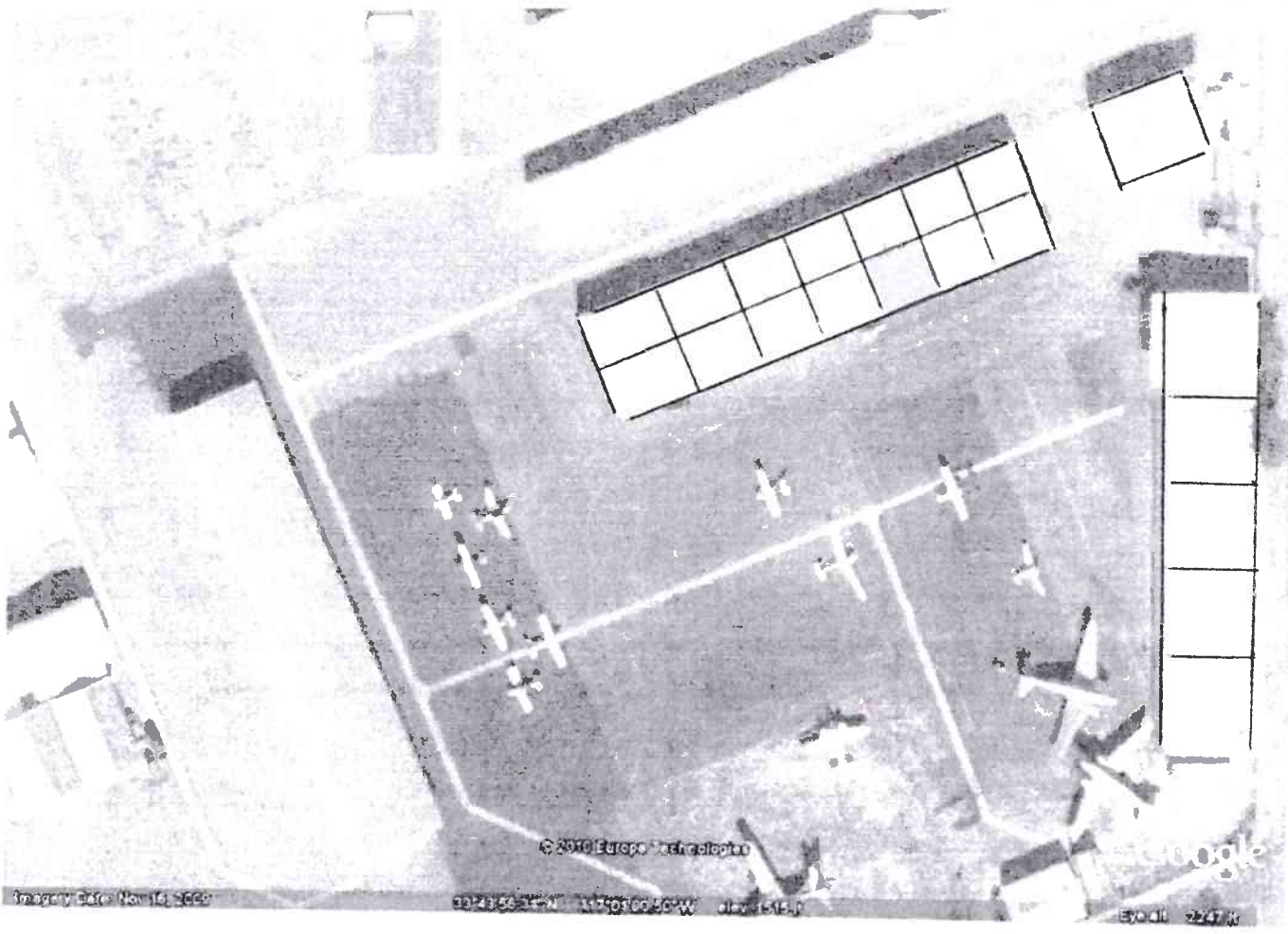
Lisa Brandl
Managing Director, EDA

Attachments:

- Exhibit A – Subleased Premises
- Exhibit B – Federally Required Lease Provisions

FORM APPROVED COUNTY COUNSEL

BY: Anita C. Willis 5-16-11
ANITA C. WILLIS DATE



Imagery date: Nov 10, 2009

32°43'53.12"N 117°01'00.40"W Alt: 615 ft

EV041 22473

**FEDERAL AVIATION ADMINISTRATION
MANDATORY 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

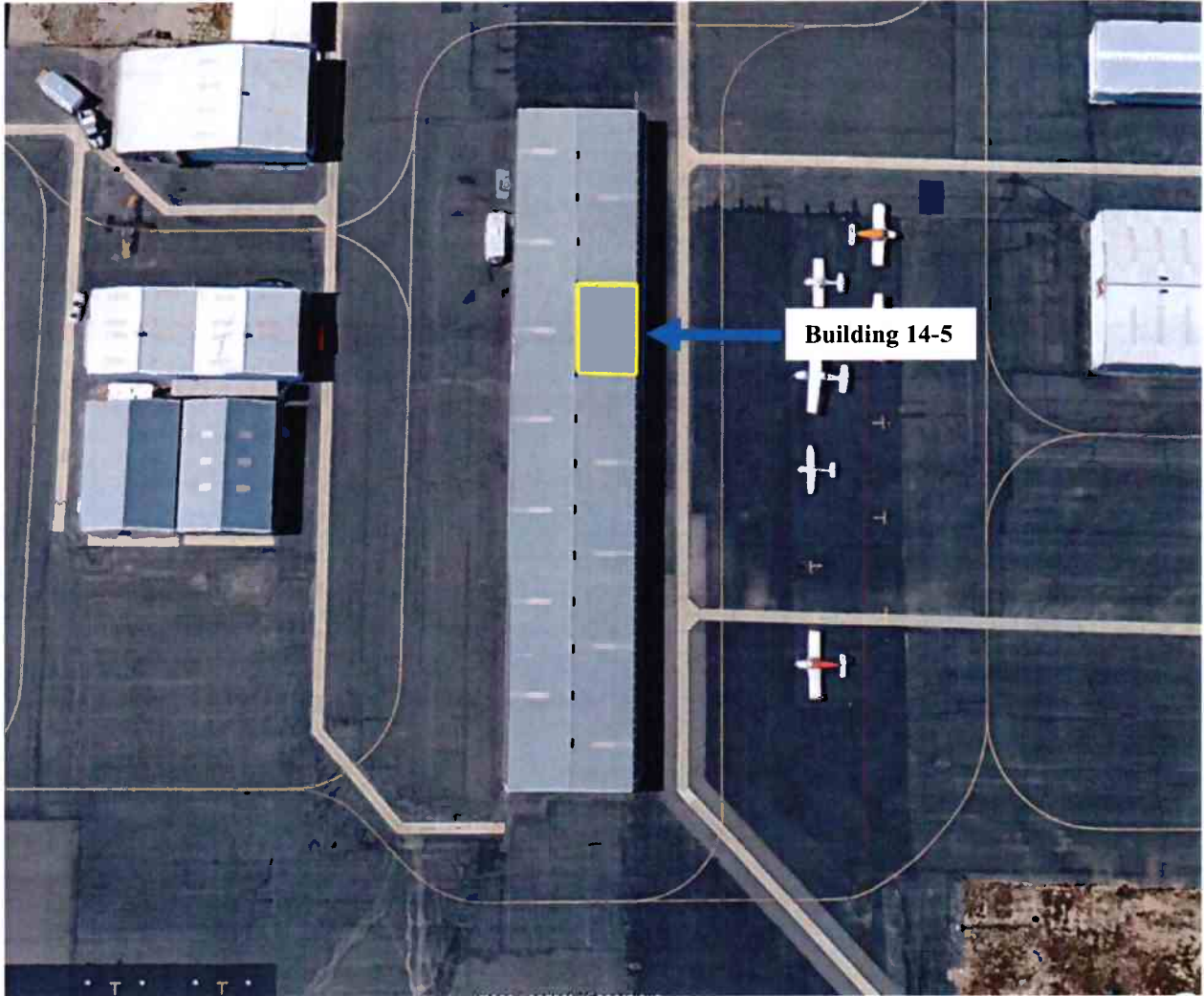
reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

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 French Valley Airport.

12. The Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
13. The Lessee, by accepting this lease agreement, expressly agrees for itself, its successors and assigns that it will neither erect nor permit the erection of any structure or object, nor permit the growth of any tree, on land leased hereunder with a height that exceeds the height limitation formula specified in Part 77 of the Federal Aviation Regulations without first obtaining the approval of the DOT and the County, which approval can be sought by submitting FAA Form 7460-1 (copy attached). In the event that the aforesaid covenants are breached, the County reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee.
14. The Lessee, by accepting this lease agreement, agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from French Valley 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.

Attachment B
Depiction of Hangar



Attachment B
Lease

BACHELOR MOUNTAIN GROUP

LEASE

HEMET-RYAN AIRPORT

The COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called the County, leases to Bachelor Mountain Group, LLC, a California limited liability company, herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns and operates the Hemet-Ryan Airport. County relies upon fixed based operators to provide aeronautical and aviation oriented services to the general public. The use, convenience and safety of the public require that the services be provided by competent, trained and licensed personnel, using proper tools and equipment and operating in sanitary, convenient spaces.

(b) The provisions herein are intended, and are to be construed, to assure a consistently high level of service responsive to the public needs.

(c) Lessee is a related entity with the Lessee under that certain Lease dated November 14, 2000, between the County of Riverside and Hemet-Ryan Aviation, Inc., the Lease consisting of 24 acres of improved land and two hangars each consisting of approximately 20,250 gross square feet and commonly known as Hangar 4 and Hangar 5. Said Lease shall terminate upon the execution of this Lease, and the following other leases: the Relocated Sublessees Lease, the Hangar No. 5 Lease; and the Hemet-Ryan Aviation, Inc, FBO Lease, each between the County and Hemet-Ryan Aviation, Inc., Lease; all referenced in Section 1(d).

(d) Concurrently with this Lease, County and Hemet-Ryan Aviation, Inc., a related entity with Lessee, will enter into three (3) other leases, all referenced in the Settlement Agreement between County and Hemet-Ryan Aviation, Inc. dated April 7, 2009: 1) a four (4) year lease for Relocated Sublessees and 2) a four (4) year lease for Hangar No. 5; and 3) a thirty (30) year lease for approximately 4.68 acres of land which will be used to operate a full service FBO. All of the foregoing leases shall be executed at the same time this Lease is executed.

(e) A condition precedent to the of approval and execution of this Lease and the aforementioned leases by the County is that Hangar No. 4 be completely vacated by Hemet-Ryan Aviation, Inc., including any tenants, lessees, or other related entities, and possession thereof shall be returned to the County on or before June 4, 2009.

2. Description. The premises leased hereby consists of two parcels of land totaling approximately 6.56 acres within the Hemet-Ryan Airport, which airport is located 4200 Waldon Weaver Road, Hemet,

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BACHELOR MOUNTAIN GROUP

1 California, 92545, as more particularly shown on Exhibit A, attached hereto and by this reference made a part of
2 this Lease. Said property is hereafter referred to as the "Leased Premises." County and Lessee herein
3 acknowledge that Lessee has no fee title interest in or to the Leased Premises.

4 3. Term. This Lease shall commence on June 4, 2009, and terminate on June 3, 2039, a term of
5 thirty (30) years.

6 With respect to the Leased Premises and subject to the provisions of Sections 5, 8 10(b), 17 and 18
7 hereof, and provided that Lessee, at the time of exercising the option, is in full compliance with the terms of this
8 Lease, Lessee shall have the option to extend the term of this Lease for a period of ten (10) years. Lessee will
9 notify County in writing of its intention to exercise the option to extend not more than twelve (12) months or
10 less than six (6) months from the expiration date of the initial term. Lessee shall remain in compliance with all
11 terms of the Lease in order to exercise the option.

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

14 4. Non Exclusive Right. It is understood and agreed that nothing herein contained will be
15 construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the
16 Federal Aviation Act of 1958 (49 U.S.C. 1349a).

17 5. Use. Lessee shall perform the services of a "Limited Service Fixed Base Operator" in
18 accordance with the Minimum Standards for Fixed Base Operators Riverside County Airports, and as amended
19 from time to time, attached hereto and incorporated herein by this reference as Exhibit C. The Leased Premises
20 may be used for the following purposes and no other without the written consent of County:

21 Providing aircraft storage and storage of related aviation tools and aviation equipment inside hangar buildings.

22 The Leased Premises shall not be used for any purpose other than those described above
23 without first obtaining the written consent of County, which consent shall not be unreasonably withheld. The
24 County's approval of any change in the Use of the Leased Premises may, at County's sole election, place
25 additional specific requirements on Lessee including, but not limited to, the types, limits of liability and
26 conditions of insurance provided under this Lease.

27 6. Rent.

28 (a) Base Rent: Lessee shall pay to County as Base Rent for the use and occupancy of
the Leased Premises a monthly rent equal to three thousand one hundred eighty-eight and 60/100 (\$3,188.16)
dollars, which is based upon the approximate acreage set forth in Section 2 herein. Upon completion of a
survey of the leased premises, the rent shall be adjusted in accordance with the actual acreage at the initial rate
of four hundred eighty six dollars and No cents (\$486.00) per acre, which is subject to future adjustment as
further set forth herein. That rent amount shall be adjusted on August 1, 2009 to reflect the increase in the

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1 consumer price index for the year ending July 1, 2009, as further described in 6(b)(2) below.

2 Said Base Rent is due and payable in advance on the first of each month of the term of
3 the Lease. The rents shall be considered delinquent, if not paid by the 15th of the month. If the rents become
4 delinquent, Lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount,
5 exclusive of late fees, for each month that rent is delinquent.

6 (b) Rental Adjustments:

7 (1) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth
8 (5th) year thereafter, that portion of the monthly Base Rent for the Land shall be adjusted to one-twelfth (1/12)
9 of eight percent (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value
10 shall be for the Land only and shall not include the value of the Improvements or other structures placed on the
11 Leased Premises by Lessee. In no event will application of this paragraph result in a monthly Base Rent
12 amount for the Land which is lower than the highest previous monthly Base Rent for the Land.

13 The aviation fair market value for the Land will be established by a property appraisal
14 performed by an independent appraiser, knowledgeable and experienced in the valuation of aviation property
15 within the southern California Counties of Riverside, San Bernardino, San Diego and Los Angeles. The
16 appraiser shall be certified by, and be in good standing with the Appraisal Institute of Chicago IL with a current
17 designation of "MAI" and the appraisal shall be conducted in strict compliance with the Uniform Standards of
18 Professional Appraisal Practice ("USPAP"). In the event that the MAI designation ceases to exist, the successor
19 designation as designated by the Appraisal Institute of Chicago IL or its successor organization, if any, shall be
20 utilized.

21 No less than two hundred and forty (240) days prior to the rent adjustment date, County
22 will notify by US Mail, potentially affected Lessees of its intent to issue a Request for Qualifications and
23 Proposal ("RFQP") and submit a copy of the Draft RFQP form it intends to use. It will be the responsibility of
24 the Lessees to establish amongst themselves a process for forming a committee to comment on the Draft RFQP
25 and to select up to two-fifths (2/5) of the appraisers that will be invited to respond to the RFQP. In the event a
26 majority of Lessees participating in the selection process are unable to form a committee, comment on the Draft
27 RFQP, select the designated number of appraisers or give the County written notice thereof within two hundred
28 ten (210) days prior to the rent adjustment date, then County will select all of the appraisers to which the RFQP
is sent. No less than one hundred and eighty (180) days prior to the rent adjustment date, County will give
reasonable consideration to the comments received from the Lessee's Committee and shall issue a Final RFQP
to a minimum of five (5) appraisers meeting the foregoing qualifications. Upon receipt of the responses to the
RFQP, the County shall offer the responses to the Lessee's Committee for viewing and comment for a period of
fourteen (14) days, and after reasonable consideration of the comments made, County shall select the appraiser

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1 pursuant to the County's established guidelines. The cost of the appraisal and related processes shall be borne
2 by the County. The cost, if any, of forming and operating the Lessee's Committee shall be borne by the Lessee
3 Committee members.

4 Once established, the adjusted monthly Base Rent for the Land shall be adjusted
5 annually in the manner set forth in Section 6 (b) (2) below.

6 (2) Consumer Price Index - Beginning July 1, 2010, and at each July 1st thereafter,
7 except for dates coinciding with the appraisals conducted every fifth year as referenced in 6(b) (1) above, the
8 Base Rent shall be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, Los
9 Angeles-Riverside-Orange County Area, for the twelve-month period ending three months before the month of
10 rent adjustment under this paragraph. In no event, will application of this paragraph result in a monthly rental
11 amount lower than the highest previous monthly rental amount.

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

14 (a) Provide the services required of a Limited Service Fixed Base Operator providing
15 aircraft storage as set forth in Exhibit C, and as amended from time to time, attached hereto and by reference
16 incorporated herein;

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

21 (c) Employ and maintain on the Leased Premises sufficient personnel who are trained and
22 skilled in order to competently perform the tasks related to the services being offered;

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

26 (e) Operate the Leased Premises and the facilities thereon in a progressive and efficient
27 manner, charging fair and reasonable prices for each unit or service, said prices being competitive with prices
28 charged by other fixed based operators at Hemet-Ryan Airport and other County airports, and, upon request
from County, Lessee shall furnish County with a schedule of all prices for each unit or service offered for sale
or lease to the general public;

(f) Not engage in the painting of aircraft (other than small 'spot painting' jobs in
connection with repairs) within any buildings, unless or until it has established therein a regular paint shop
which is adequately enclosed and vented, and has been inspected and approved, in writing, by representatives of

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1 the Federal Aviation Administration and County's Fire and Building and Safety Departments, meet all other
2 local, state and federal laws and regulations, and all applicable permits have been obtained. Under no
3 circumstances is painting permitted without the express, written approval of County;

4 (g) Maintain a comfortable clean sanitary restroom facilities for both men and women;
5 such restroom facilities shall be properly and continuously supplied with soap, towels, toilet tissue and any
6 other supplies required by state, federal or local laws and ordinances. Lessee may use portable restroom
7 facilities or facilities serviced by a septic system for a maximum period of four (4) years from the date of lease
8 execution. Within 4 years of Lease execution, Lessee shall connect with the sewer system and install restroom
9 facilities which are properly connected with said sewer system;

10 (h) Observe the Taxiway Object Free Area and the ALP Aircraft Parking Line adjacent to
11 the leasehold to allow the passage of taxiing aircraft. From the centerline of the taxiway A the boundary for the
12 Taxiway Object Free Area boundary and ALP Aircraft Parking Line is sixty-five and 5/10 (65.5) feet;

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

18 (j) On every January 1 and July 1 during the term of this Lease, Lessee shall provide an
19 Aircraft and Sublease Status Report, Exhibit F, attached hereto and by reference included herein, for all
20 subleases and aircraft being stored on the Leased Premises. The report shall be supplied in a form and
21 electronic format acceptable to County and contain at least the following information: Name of the Sublessee
22 (Sublessor's "tenants"), the beginning and ending date of the term of the Sublease, the size of the subleased
23 land, the size of the subleased space, the aircraft storage hangar number/address, the Aircraft Registration
24 Number, the name of the owner of the aircraft, the type of aircraft and indicate whether or not an aircraft is
25 "based" at the airport (aircraft that spend at least three months of the year at this airport are to be identified in
26 the report as "based aircraft"); and certification of compliance with the insurance requirements set forth in
27 Sections 22 and 23 herein; and

28 (k) Provide or cause to be provided, and pay for all utility services that it may require or
desire in its use, maintenance and operation of the Leased Premises.

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

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1 possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes
2 levied on such interest.

3 9. On-Site Improvements

4 (a) Lessee shall not undertake any improvements or alterations to the Leased Premises or
5 improvements thereon without County's written approval.

6 (b) All improvements are to be completed at Lessee's sole cost. Lessee shall pay for
7 construction of any required utility extensions and hookups (including all related fees and charges) and any
8 access road improvements. Plans for all improvements are to be submitted to County for approval prior to start
9 of any construction.

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

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

25 10. Off-Site Improvements

26 (a) It is understood by the parties hereto that utility services are available in the general
27 vicinity of the leased premises, but in order for the on-site improvements required in Section 9 herein to be fully
28 usable and operational, Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or
connected, to any utility service facilities that may be required or desired by Lessee in the use, operation and
maintenance of such on-site improvements. After such extensions and/or connections have been made, Lessee
shall be responsible for payment of the use of such utility services, without limitation, all electricity, gas,
telephone, water and sewer. If necessary, County shall grant right-of-way utility easements to the Lessee for
telephone, electricity, gas, water and/or sewer connections and improvements. After such extensions and/or

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1 connections have been made. Lessee shall be responsible for payment of the use of any utility services, without
2 limitation, all electricity, gas, telephone and water.

3 (b) Lessee shall obtain, or cause to be obtained performance, material and labor, and
4 payment bonds or a County approved Irrevocable Letter of Credit in the amounts required by law and determined
5 by County and shall furnish County with copies thereof prior to the commencement of such off-site
6 improvements.

7 11. Compliance with Law. Lessee shall, at its sole cost and expense, comply with all of the
8 requirements of all governmental agencies now in force, or which may hereafter be in force, pertaining to the
9 Leased Premises, and any improvements hereafter constructed or maintained thereon, and Lessee shall
10 faithfully observe all laws and ordinances now or hereafter in force in the use of the Leased Premises.

11 12. County's Reserved Rights.

12 (a) The Leased Premises are accepted by Lessee subject to any and all existing easements
13 or other encumbrances, and County shall have the right to enter upon the Leased Premises and to install, lay,
14 construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes,
15 connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and
16 appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along
17 the Leased Premises or any part thereof. County also reserves the right to grant franchises, easements, rights of
18 way and permits in, over and upon, along or across any and all portions of said Leased Premises as County may
19 elect; provided, however, that no right of the County provided for in this paragraph shall be executed so as to
20 interfere unreasonably with Lessee's use hereunder, or impair the security of any secured creditor of Lessee.
21 County shall cause the surface of the Leased Premises to be restored to its original condition (as they existed
22 prior to any such entry) upon the completion of any construction by County or its agents. In the event such
23 construction renders any portion of the Leased Premises unusable, the rent shall abate pro rata as to such
24 unusable portion during the period of such construction. Any right of County set forth in this paragraph shall
25 not be exercised unless a prior written notice of thirty (30) days is given to Lessee; provided, however, in the
26 event such right must be exercised by reason of emergency, then County shall give Lessee such notice in
27 writing as is reasonable under the existing circumstances.

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

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

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

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

15 13. Taxiways and Roadways. Lessee grants a non exclusive easement on any and all taxiways and
16 roadways and other routes of access into or within the Airport included in its leased property to the County for
17 the public's ingress and egress to roadways, ramps and runways for the specific purposes of landing, take-off,
18 and taxiing of tenants' or invitee's aircraft, and other authorized airport uses. All such uses shall be in
19 accordance with the laws of the United States of America and the State of California, and the rules and
20 regulations promulgated by their authority with respect to aviation and navigation, and in accordance with all
21 reasonable rules and regulations, applicable ordinances of County.

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

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

16. 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,

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1 ordinances, or orders in the use of the Leased Premises, shall be conclusive of that fact as between County and
2 Lessee.

3 17. Discrimination or Segregation

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

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

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

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

27 (a) In the event a petition is filed for voluntary or involuntary bankruptcy for the
28 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.

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

4 (e) In the event Lessee fails, or refuses, to meet its rental obligations, or any of its
5 obligations hereunder, or as otherwise provided by law.

6 (f) Failure of Lessee to maintain insurance coverage required herein and to provide
7 evidence of coverage to the County.

8 (g) Failure of the Lessee to require all tiers of sublessees and/or contractors to indemnify
9 the County and to have appropriate insurance coverages and/or failure by Lessee to monitor each sublessee
10 and/or contractor for current and correct Certificates of Insurance and required endorsements throughout the
11 term of this lease.

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

18 20. Eminent Domain. If any portion of the Leased Premises shall be taken by eminent
19 domain and a portion thereof remains which is usable by Lessee, in its discretion, for the purposes set forth in
20 Section 5 herein, this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor,
21 or the date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier,
22 and the rent payable hereunder shall abate pro rata as to the part taken; provided, however, in such event County
23 reserves the right to terminate this Lease as of the date when title to the part taken vests in the condemnor or as
24 of such date of prejudgment possession. If all of the Leased Premises are taken by eminent domain, or such part
25 be taken so that the Leased Premises are rendered unusable for the purposes set forth in Section 5 herein, this
26 Lease shall terminate. If a part or all of the Leased Premises be so taken, all compensation awarded upon such
27 taking shall be apportioned between County and Lessee according to law.

28 21. Hold Harmless/Indemnification. Lessee shall indemnify and hold harmless the County of
Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board
of Supervisors, elected and appointed officials, employees, agents and representatives while acting within the
scope of their respective duties (the "Indemnified Parties") from any liability whatsoever, including but not
limited to, property damage, bodily injury, or death, based or asserted upon any services of Lessee, its officers,
employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement and

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

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

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

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

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

16 Lessee shall require each sublessee and/or contractor of every tier to indemnify the County of
17 Riverside as respects any claims arising from their sub-lease and/or contract.

18 22. Insurance. Lessee shall procure and maintain or cause to be maintained, at its sole cost and
19 expense, the following insurance coverages during the term of this Lease. To the extent that policies of
20 insurance with respect to this Lease are in effect at the time of lease execution, Lessee shall adjust its coverage
21 to comply with the terms and conditions of this Lease upon renewal of such policies. Notwithstanding the
22 foregoing, all insurance coverage required pursuant to the terms and conditions of this Lease shall be obtained
23 and effective no later than December 31, 2009. These requirements, with the approval of the County's Risk
24 Manager, may be modified to reflect the activities associated with the Lessee provided that any changes are
25 reasonable in nature and consistent with industry standards. The procurement and maintenance of the insurance
26 required below will not diminish or limit Lessee's obligation to indemnify or hold the County harmless. Lessee
27 agrees to have in place insurance coverage as it is required and applicable. This Section shall not be construed
28 to require Lessee to have all insurance required under this provision, in place from the date of Commencement
of this Lease.

29 (a) Workers' Compensation. Lessee shall maintain statutory Workers'
30 Compensation Insurance (Coverage A) as described by the laws of the State of California. Policy shall include
31 Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per
32 person per accident. Policy shall be endorsed to provide a Waiver of Subrogation in favor of the County of

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1 Riverside its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board
2 of Supervisors, employees, elected or appointed officials, agents or representatives.

3 (b) Airport General Liability. Lessee shall maintain Airport General Liability
4 Insurance coverage including, but not limited to, premises/operations liability, contractual liability, products and
5 completed operations liability, independent contractor's, personal and advertising injury liability covering all
6 claims or lawsuits of any nature whatsoever which may arise from or out of Lessee's performance under the
7 terms of the lease agreement. Policy shall name all the County of Riverside its Agencies, Districts, Special
8 Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or
9 appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less
10 than \$2,000,000 per occurrence combined single limit and in the annual aggregate as applicable. The policy
11 shall be endorsed to provide Hangar Keeper's Legal Liability Insurance (Ground and In-Flight) providing
12 coverage for aircraft in the care, custody or control of the Lessee. Policy shall include coverage for the Named
13 Insured's use of unlicensed vehicles on Airport Premises. The foregoing policy limits of liability are subject to
14 adjustment by County as provided for in Section 5 above.

15 (c) Vehicle Liability. Lessee shall maintain liability insurance for all owned, non-
16 owned, or hired vehicles used in the performance of this Lease in an amount not less than \$500,000 per
17 occurrence combined single limit. The policy shall be endorsed to name all the County of Riverside, its
18 Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of
19 Supervisors, employees, elected or appointed officials, agents, or representatives. This coverage may be
20 included in the Airport General Liability policy.

21 (d) Aircraft Hull and Liability Insurance.

22 (1) Aircraft Hull. Lessee shall maintain Aircraft hull coverage for the replacement
23 value of all aircraft owned or operated by the Lessee in the Leased premises and the contents thereof. Such
24 policy shall be endorsed to include the County of Riverside, its Special Districts, Directors, Officers, Elected
25 Officials, employees, agents and representatives as Additional Insureds. Lessee may elect to self-insure or un-
26 insure the hull portion of the coverage required herein; however, if Lessee elects not to acquire and maintain
27 commercial insurance for the hull, Lessee agrees to indemnify and hold harmless the County from any and all
28 losses, claims, or damage to any aircraft owned by Lessee and all losses, claims, or damage to any aircraft
where Lessee has agreed under contract to be responsible for any physical damage to the aircraft. Lessee
hereby agrees that this indemnification and hold harmless includes, but is not limited to, losses, claims or
damage to any of Lessee's aircraft caused directly or indirectly by the County.

(2) Aircraft Liability - Lessee shall provide Aircraft Liability insurance for all
owned and non-owned aircraft operated by the Lessee in an amount not less than \$1,000,000 combined single

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1 limit per occurrence for bodily injury, including death and property damage and coverage shall include, but is
2 not limited to, products/completed operations and contractual liability. The policy will be endorsed to name all
3 The County of Riverside, its Agencies, Districts, Special Districts, and Departments, its respective directors,
4 officers, Board of Supervisors, employees, elected or appointed officials, agents or representative as Additional
5 Insureds.

6 (e) All Risk Property Insurance:

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

13 (2) Boiler & Machinery insurance coverage on a full replacement cost value basis.
14 Policy shall provide Business Interruption, Extra Expense, and Expediting Expense coverage as well as
15 coverage for off-premises power failure. Policy shall name the County of Riverside as a Loss Payee and
16 contain a Waiver of Subrogation in favor of the County of Riverside.

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

25 (g) General Insurance Provisions – All Lines:

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

(2) Insurance deductibles or self-insured retentions must be declared by the

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

6 (3) Cause Lessee's insurance carrier(s) to furnish the County of Riverside with
7 either: 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements
8 effecting coverage as required herein; or 2) if requested to do so in writing by the County Risk Manager,
9 provide original Certified copies of policies including all Endorsements and all attachments thereto, showing
10 such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the
11 covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside
12 prior to any material modification of coverage or cancellation of such insurance. In the event of a material
13 modification of coverage or cancellation of such insurance, this Lease shall terminate forthwith, unless the
14 County of Riverside receives, prior to such effective date, another properly executed original Certificate of
15 Insurance and original copies of endorsements or, if requested, certified original policies, including all
16 endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is
17 in full force and effect.

18 All Insurance Certificates submitted to the County of Riverside pursuant to the terms
19 and conditions of this Section shall be addressed as follows:

20 Airport Manager – Insurance Certificates

21 County of Riverside/EDA

22 1325 Spruce Street, Suite 400

23 Riverside, CA 92507

24 The County may change this designation from time to time by notifying Lessee in writing of the new designee
25 and address for submission of insurance certificates and policies.

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

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

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1 insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs
2 shall not be construed as contributory.

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

11 Beginning July 1, 2015, and every fifth year thereafter during the term of this Lease or
12 any extension thereof, County reserves the right to adjust the monetary limits of insurance coverage as required
13 in Section 22.

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

16 23. Insurance for Sublessees and Contractors. Lessee shall require each of its Sublessees and
17 Contractors to meet all insurance requirements imposed by this Lease. These requirements, with the approval
18 of the County's Risk Manager, may be modified to reflect the activities associated with the Sublessee or
19 Contractor. On every sublease or contract the Lessee shall have the Sublessee or Contractor name the Lessee
20 and the County by endorsement as an additional insured and/or have the Sublessee or Contractor provide an
21 endorsement waiving subrogation in favor of the Lessee and the County on every Sublessee's or Contractor's
22 insurance policy, as applicable. Certificates and endorsements evidencing compliance with this section will be
23 provided to the County prior to the Sublessee taking occupancy.

24 24. Acceptance of Leased Premises. Lessee represents that it has inspected the Leased Premises,
25 accepts the "as is" condition thereof, and fully assumes any and all risks associated to the use thereof. County
26 shall not be liable to Lessee, its officers, agents, employees, subcontractors or independent contractors for any
27 bodily injury, personal injury or property damage suffered by them or others which may result from hidden,
28 latent or other dangerous conditions in, on, upon or within the Leased Premises.

25 25. Right to Encumber/Right to Cure.

26 (a) Lessee Right to Encumber. Notwithstanding provisions of Section 25 herein, County
27 does hereby consent to and agree that Lessee may encumber or assign, or both, for the benefit of a lender,
28 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

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1 note of Lessee if the Encumbrancer is an established bank, savings and loan association or insurance company,
2 and the prior written consent of County shall not be required:

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

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

12 Any Encumbrancer described in Section 25(a)(2) above which is the transferee under the
13 provisions of Section 25(a)(1) above shall be liable to perform the obligations and duties of Lessee under this
14 Lease only so long as such transferee holds title to the leasehold.

15 Any subsequent transfer of this leasehold hereunder, except as provided for in Section 25(a)(2)
16 above, shall not be made without the prior written consent of County and shall be subject to the conditions
17 relating hereto as set forth in Section 25 herein. Lessee shall give County prior notice of any such trust deed
18 and shall accompany such notice with a true copy of the trust deed and note secured thereby.

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

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

27 (2) If such default of breach is not so curable, cause the trustee under the trust deed
28 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.

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

4 For the purposes of this Section 26, a change or transfer of 25% or more of the members and/or owners
5 of the Lessee shall be deemed an assignment pursuant to the terms and conditions of this section.

6 Lessee shall submit all documents pertaining to any such transaction referenced in the
7 foregoing paragraph to County for approval prior to entering into such agreements. Lessee will submit executed
8 subleases and all required certificates of insurance and endorsements to insurance policies, as specified in
9 Sections 22 and 23 of this Lease, to County for approval prior to sublessees occupying the subleased premises.

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

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

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

26 County shall be responsible for the removal and remediation of any contamination and/or
27 hazardous materials that may be found to have existed on the site prior to November 14, 2000, the effective date
28 of the Lease between the County and Hemet-Ryan Aviation, Inc., referred in Section 1(d) above. 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,

BACHELOR MOUNTAIN GROUP

1 under or about the Leased Premises including, but not limited to, soil, air, and groundwater conditions. Further,
2 Lessee, its successors, assigns and Lessee shall not use, generate, manufacture, produce, store or dispose of on,
3 under, or about the Leased Premises or transport to or from the Leased Premises any flammable explosives,
4 asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether
5 injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the
6 purpose of this Lease, hazardous materials shall include, but not be limited to, substances defined as "hazardous
7 substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response,
8 Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials
9 Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C.
10 Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California
11 Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety
12 Code; and in the regulations adopted in publications promulgated pursuant to said laws now and in the future.

11 29. National Pollution Discharge Elimination System (NPDES) Permit. Lessee acknowledges,
12 understands and agrees that it shall comply with California State Water Resources Control Board general permit
13 requirements now and in the future relating to storm water discharges associated with activities such as aircraft
14 rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further
15 acknowledges, understands and agrees that it shall participate as a co-permittee under said general permit,
16 participate in the Hemet-Ryan Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit D,
17 including without limitation, the Best Management Practices, Best Available Technology Economically
18 Achievable, and Best Convention Pollutant Control Technology.

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

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

BACHELOR MOUNTAIN GROUP

32. 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.

33. 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.

34. 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.

35. 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.

36. 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.

37. 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. All notices herein which are to be given or which may be given by either party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows or to such other addresses as from time to time shall be designated by the respective parties:

<u>COUNTY</u>	<u>LESSEE</u>
County of Riverside	Bachelor Mountain Group, LLC
1325 Spruce Street, Suite 400	27755 Tangelo Avenue
Riverside, CA 92507	Hemet, CA 92544
Attn: Assistant County Executive	Attn: Lloyd Cliff
Officer/EDA	

Nothing herein contained shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other as hereinabove provided.

WACHELOR MOUNTAIN GROUP

1 38. Section Headings. The section headings herein are for the convenience of the parties only,
2 and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the
3 provisions or language of this Lease. County and Lessee acknowledge that (1) this Agreement and its reduction
4 to final form is the result of extensive good faith negotiations between the parties through their respective
5 counsel; (2) said counsel has carefully reviewed and examined this Lease for execution by said parties, or any of
6 them; and (3) any statute or rule of construction that ambiguities are to be resolved against the drafting party
shall not be employed in the interpretation of this Lease.

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

9 40. Acknowledgment of Lease by County. Upon execution of this Lease by the parties hereto,
10 County shall acknowledge this Lease in such a manner that it will be acceptable by the County Recorder for
11 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.

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

23 42. FAA Consent to Lease. Lessee acknowledges that Hemet-Ryan Airport was transferred to the
24 County by the Federal Government and, as such, may require FAA consent to the Lease. If so required, the
Federal government's approval shall be considered a condition precedent under this Lease.

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

BACHELOR MOUNTAIN GROUP

44. 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.

Dated: 8/19/2009

Bachelor Mountain Group, LLC
a California limited liability company

By: Randy Cliff
Randy Cliff, Member

By: Lloyd Cliff
Lloyd Cliff, Managing Member

Dated: SEP 15 2009

COUNTY OF RIVERSIDE

By: Jeff Stone
Jeff Stone, Chairman, Board of Supervisors

ATTEST:
KECIA HARPER-IHEM, Clerk of the Board

FORM APPROVED:
PAMELA J. WALLS
County Counsel

By: Quil Eyles
Deputy

By: Synthia M. Gunzel
Deputy
SYNTHIA M. GUNZEL

- (SEAL)
- Attachments:
- Exhibit A – Property Description
- Exhibit B – Federally Required Lease Provisions
- Exhibit C – FBO Minimum Standards
- Exhibit D – Storm Water Pollution Prevention Plan
- Exhibit E – County Resolution No. 2008-362 – Fuel Flowage Fees
- Exhibit F - Aircraft and Sublease Status Report

Final 8-05-09

EXHIBIT A

EXHIBIT 'A'
LEGAL DESCRIPTION
FOR
BACHELOR MOUNTAIN, LLC. LEASE PARCELS 'A' AND 'B'
HEMET-RYAN AIRPORT

PARCEL 'A'

A PARCEL OF LAND LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 18, AS SHOWN BY RECORD OF SURVEY FILED IN BOOK 55 PAGES 69 TO 77 INCLUSIVE, OF MAPS, RECORDS OF RIVERSIDE COUNTY, SAID POINT BEING THE CENTERLINE INTERSECTION OF STETSON AVENUE AND CAWSTON AVENUE;

THENCE NORTH 00°41'51" EAST ALONG THE CENTERLINE OF SAID CAWSTON AVENUE, A DISTANCE OF 855.19 FEET;

THENCE NORTH 89°18'09" WEST, A DISTANCE OF 556.39 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 67°21'02" WEST, A DISTANCE OF 95.20 FEET;

THENCE NORTH 22°37'39" WEST, A DISTANCE OF 316.74 FEET;

THENCE NORTH 67°31'32" EAST, A DISTANCE OF 95.32 FEET;

THENCE SOUTH 22°36'24" EAST, A DISTANCE OF 316.45 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 30,159 SQUARE FEET OR 0.69 ACRES, MORE OR LESS.

THIS DESCRIPTION ALSO BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND THEREBY BEING MADE A PART THEREOF.

SUBJECT TO ALL COVENANTS RIGHTS, RIGHTS OF WAY AND EASEMENTS OF RECORD, IF ANY.

PARCEL 'B'

A PARCEL OF LAND LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 18, AS SHOWN BY RECORD OF SURVEY FILED IN BOOK 55 PAGES 69 TO 77 INCLUSIVE, OF MAPS, RECORDS OF RIVERSIDE COUNTY, SAID POINT BEING THE CENTERLINE INTERSECTION OF STETSON AVENUE AND CAWSTON AVENUE;

THENCE NORTH 00°41'51" EAST ALONG THE CENTERLINE OF SAID CAWSTON AVENUE,
A DISTANCE OF 876.43 FEET;

THENCE NORTH 89°18'09" WEST, A DISTANCE OF 35.76 FEET TO THE **TRUE POINT OF
BEGINNING**;

THENCE NORTH 88°59'46" WEST, A DISTANCE OF 79.27 FEET;

THENCE NORTH 00°40'35" EAST, A DISTANCE OF 244.33 FEET;

THENCE SOUTH 68°52'41" WEST, A DISTANCE OF 319.66 FEET;

THENCE NORTH 21°07'19" WEST, A DISTANCE OF 218.61 FEET;

THENCE NORTH 68°43'55" EAST, A DISTANCE OF 318.21 FEET;

THENCE NORTH 21°16'05" WEST, A DISTANCE OF 93.78 FEET;

THENCE NORTH 68°45'32" EAST, A DISTANCE OF 52.45 FEET;

THENCE NORTH 21°14'28" WEST, A DISTANCE OF 95.05 FEET;

THENCE NORTH 68°52'23" EAST, A DISTANCE OF 40.67 FEET;

THENCE NORTH 21°07'37" WEST, A DISTANCE OF 95.80 FEET;

THENCE NORTH 69°00'44" EAST, A DISTANCE OF 34.16 FEET;

THENCE NORTH 20°59'15" WEST, A DISTANCE OF 95.38 FEET;

THENCE NORTH 68°45'22" EAST, A DISTANCE OF 38.44 FEET;

THENCE NORTH 21°14'38" WEST, A DISTANCE OF 95.42 FEET;

THENCE SOUTH 68°52'14" WEST, A DISTANCE OF 288.91 FEET;

THENCE NORTH 21°03'10" WEST, A DISTANCE OF 136.60 FEET;

THENCE NORTH 68°54'12" EAST, A DISTANCE OF 493.04 FEET;

THENCE SOUTH 21°16'26" EAST, A DISTANCE OF 76.49 FEET;

THENCE SOUTH 00°55'37" WEST, A DISTANCE OF 602.35 FEET;

THENCE SOUTH 89°04'23" EAST, A DISTANCE OF 25.12 FEET;

THENCE SOUTH 00°54'27" WEST, A DISTANCE OF 51.32 FEET;

THENCE SOUTH 68°58'06" WEST, A DISTANCE OF 130.20 FEET;

THENCE SOUTH 19°51'38" EAST, A DISTANCE OF 30.97 FEET;

THENCE SOUTH 85°29'33" EAST, A DISTANCE OF 105.51 FEET;

THENCE SOUTH 00°39'28" WEST, A DISTANCE OF 344.43 FEET TO THE **POINT OF
BEGINNING**.

CONTAINING 255,795 SQUARE FEET OR 5.87 ACRES, MORE OR LESS.

THIS DESCRIPTION ALSO BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND THEREBY BEING MADE A PART THEREOF.

SUBJECT TO ALL COVENANTS RIGHTS, RIGHTS OF WAY AND EASEMENTS OF RECORD, IF ANY.

PREPARED UNDER MY SUPERVISION:

 6/29/09

KEVIN B. COZAD
REGISTERED CIVIL ENGINEER NO. 26159
EXPIRES: 3-31-10

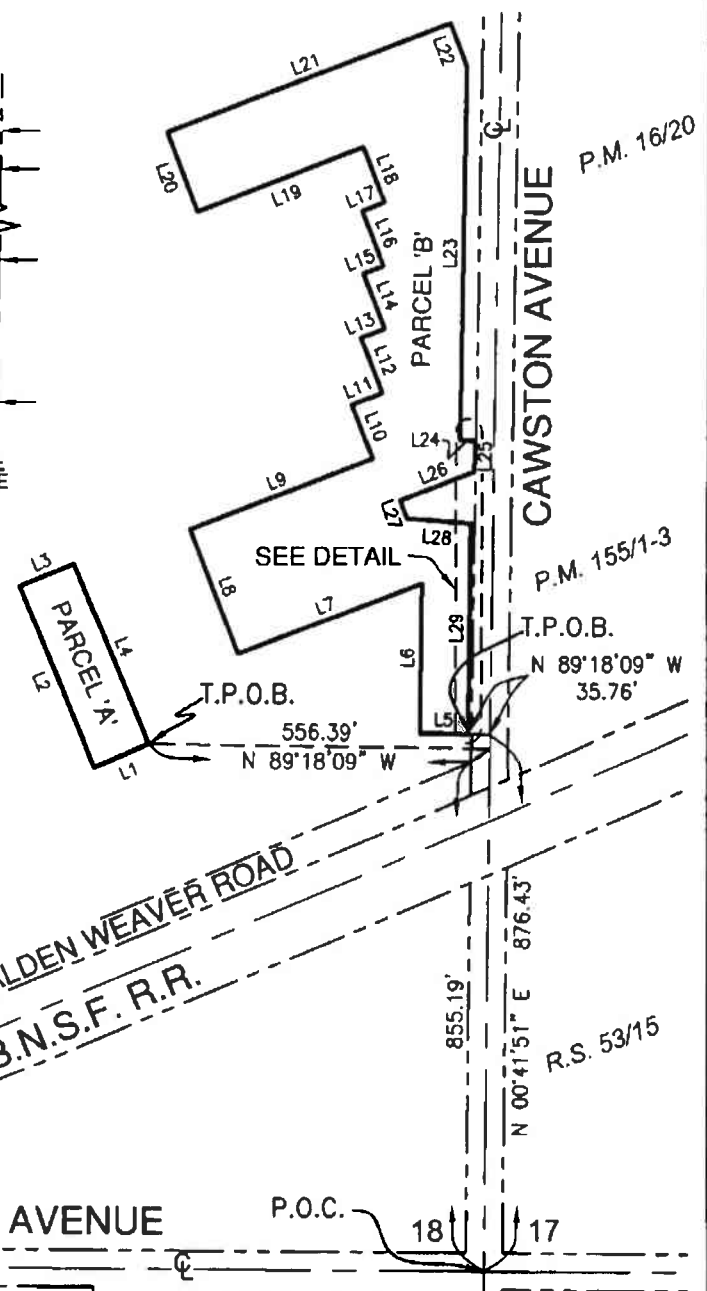
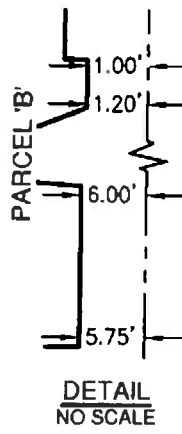


EXHIBIT "B"

BACHELOR MOUNTAIN, LLC. LEASE PARCELS
HEMET-RYAN AIRPORT

T.5S, R.1W, SEC. 18, S.B.M.

LINE	BEARING	DISTANCE
L1	S 67°21'02" W	95.20'
L2	N 22°37'39" W	316.74'
L3	N 67°31'32" E	95.32'
L4	S 22°36'24" E	316.45'
L5	N 88°59'46" W	79.27'
L6	N 00°40'35" E	244.33'
L7	S 68°52'41" W	319.66'
L8	N 21°07'19" W	218.61'
L9	N 68°43'55" E	318.21'
L10	N 21°16'05" W	93.78'
L11	N 68°45'32" E	52.45'
L12	N 21°14'28" W	95.05'
L13	N 68°52'23" E	40.67'
L14	N 21°07'37" W	95.80'
L15	N 69°00'44" E	34.16'
L16	N 20°59'15" W	95.38'
L17	N 68°45'22" E	38.44'
L18	N 21°14'38" W	95.42'
L19	S 68°52'14" W	288.91'
L20	N 21°03'10" W	136.60'
L21	N 68°54'12" E	493.04'
L22	S 21°16'26" E	76.49'
L23	S 00°55'37" W	602.35'
L24	S 89°04'23" E	25.12'
L25	S 00°54'27" W	51.32'
L26	S 68°58'06" W	130.20'
L27	S 19°51'38" E	30.97'
L28	S 85°29'33" E	105.51'
L29	S 00°39'28" W	344.43'



SCALE IN FEET
1" = 300'

LEGEND

- RIGHT-OF-WAY
- CENTER LINE
- TIE LINE
- ▭ PORTION BEING DEDICATED



PREPARED BY:



CIVIL/STRUCTURAL ENGINEERS
MUNICIPAL CONSULTANTS/PLANNERS
SURVEYORS/GPS
151 South Girard Street
Hemet, Co 92544
TEL (951) 652-4454
FAX (951) 786-8942
E-MAIL kbcozad@kbcozad.com

File name: F:\0900700\DWG\0900700PLATS.DWG

EXHIBIT B

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.

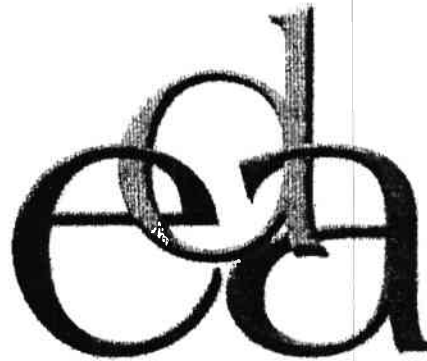
EXHIBIT B

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.

EXHIBIT C

Minimum Standards for Fixed Base Operators

Riverside County Airports



RIVERSIDE COUNTY
Economic Development Agency

**County of Riverside
Economic Development Agency**
1325 Spruce St., Suite 400
Riverside CA 92507
Phone: (951) 955-8916
Fax: (951) 955-6686

Adopted January 30, 2001

EXHIBIT C

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EXHIBIT C

I. INTRODUCTION

Riverside County is the owner (sponsor) of the following five airports in Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran 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 five (5) airports owned by Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran 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, Jacqueline Cochran 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, Jacqueline Cochran 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 JCRA (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>
<u>LOT SIZE:</u> 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.

REQUIREMENT

MINIMUM STANDARD

PURPOSE / OTHER

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
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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.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 150 SF		
Repair station	150 SF	
Automobile parking	One (1) space per 150 SF, with landscaping as required by Ord. 348	
<u>CERTIFICATION:</u>		
Station	Authorized repair station and certified under FAR Part 145	
<u>PERSONNEL:</u>		
Staff	One (1) FAA certified repairman	
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	
<u>EQUIPMENT:</u>		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.		
<u>INSURANCE:</u>		
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.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 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	

<u>PERSONNEL:</u>		
Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction

<u>HOURS OF OPERATION:</u>	
Business Hours	Available for appointment for at least 40 hrs/week

<u>EQUIPMENT:</u>		
Aircraft	One (1) single-engine aircraft	Available for flight training

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>
LOT SIZE: 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

CERTIFICATION:

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

PERSONNEL:

Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
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HOURS OF OPERATION:

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

Minimum equipment required shall be determined during lease negotiations.

INSURANCE:

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

PERSONNEL:

Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)
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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>
LOT SIZE: 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 Assistant County Executive Officer/EDA 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>
LOT SIZE: 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	
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	To comply with all applicable regulations
<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		

EXHIBIT D

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) Insect 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: Tom Turner
Title: Airport Manager
Phone: (909) 351-0700 x 358 24-hour Phone: 909-412-3049

Alternate: Paul Hardin
Title: Airport Operation
Phone: (909) 358-5164 24-hour 24 hour Phone: 909-416-8958

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.

EXHIBIT E

EXHIBIT F

2 RESOLUTION NO. 2008-362

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

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

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

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

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

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

- 25 1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold
26 effective July 1, 2008. Payments shall be due within thirty (30) days of the County's
27 invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments
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- received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).
2. Lessee/fuel seller's fuel systems must comply with the County Airport requirements and specifications. The systems must have a meter according to the County's specifications, which allow the County to monitor and record fuel sales on a monthly basis. Lessee/fuel seller shall, at its own expense, be responsible for obtaining and installing the meter. The meter or metering device must be certified on an annual basis by the Riverside County Agricultural Department, Weights and Measures Division, or other service designated by the County. Such annual certification shall be at the expense of lessee.
3. The County shall take readings from the meters of all fuel systems during the first week of each month. The County shall issue an invoice to Lessee based upon the number of gallons of fuel sold during the previous monthly period. The County reserves the right to audit records of Lessee's fuel sales and receipts. Lessee shall make all such records available for inspection upon three (5) days notice from County to Lessee.
4. Lessees shall have the option to continue to pay fuel flowage fees at the former rate of 5% per gallon for the duration of the current lease or sublease.
5. Fuel sellers, prior to being subject to the new fuel flowage fee calculation, shall be required to enter into amendments of their current leases and/or subleases to reflect the provisions of this resolution.
6. Lessees must at all times comply with applicable local, state and federal laws and regulations, including applicable airport regulations established pursuant to Riverside County Ordinance No. 576.2.
7. The County reserves the right to review this Resolution from time to time, and by Resolution, make any and all such revisions as it deems necessary and appropriate.

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 7/18/08
NEAL R. KIPNIS DATE

EXHIBIT F

AIRCRAFT AND SUBLEASE STATUS REPORT

Date: _____

Sublessee	Sublease Start Date	Sublease End Date	Land Area Subleased	Hangar Square Footage	Hangar #	N Number	Owner	Aircraft Type	Status (Based)

I certify that I have in my possession current certificates of insurance for each aircraft, sublessee and contractor required under Sections 7(1), 22, 23 and 26 of this Lease and that copies of these certificates have been sent to County. These certificates may be inspected by County upon 48 hours written notice by County

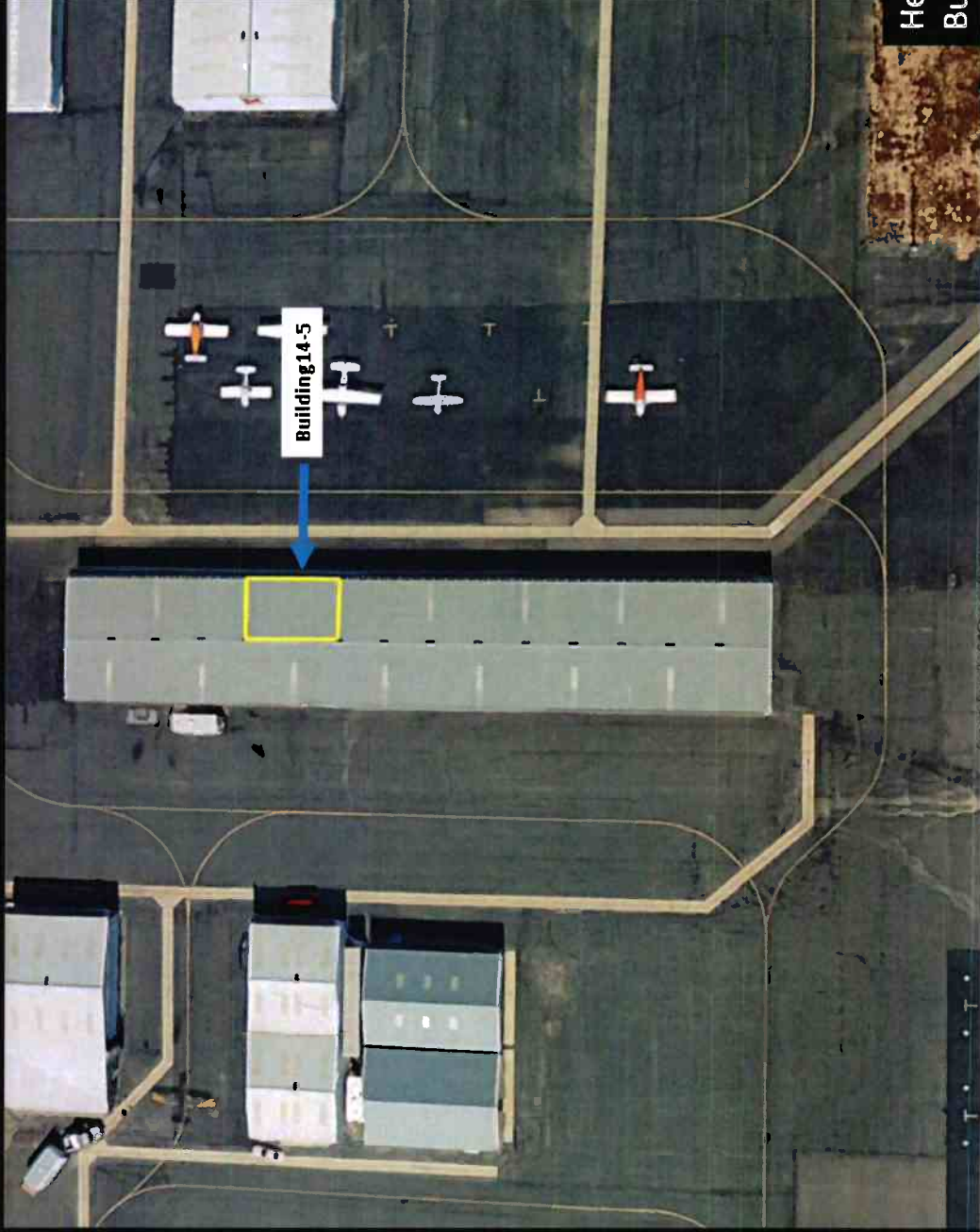
By: _____

Lessee Designated Representative

Date: _____

EXHIBIT F

Consent to Assignment of Sublease (Bachelor Mountain Leasehold)
Pickering to Tims



Hemet Ryan Airport
Building 14-5

County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA 92507

FOR COUNTY CLERK USE ONLY

Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. *PR*

1.31.22 Date Initial

NOTICE OF EXEMPTION

December 22, 2021

Project Name: Consent to Assignment of Sublease between John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 and Duane R. Tims at Hemet Ryan Airport

Project Number: ED1910012

Project Location: 4710 W Stetson Ave, west of South Cawston Avenue, Assessor's Parcel Number (APN) 456-020-002, 456-020-002, Hemet, California, 92545

Description of Project: The Facilities Management Department and TLMA have received a request to consent to an Assignment of Sublease between John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 (Assignor), and Duane R. Tims, an individual (Assignee). relating to the leased premises located at the Hemet-Ryan Airport at 4710 West Stetson Ave, Hemet, California 92545.

The original lease between the County of Riverside (as Lessor) and Bachelor Mountain, LLC (as Lessee), a California limited liability company (Bachelor Mountain) dated September 15, 2009 (Lease), relating to the lease of approximately 6.56 acres of vacant land (Premises). Bachelor Mountain (as sublessor) and John Pickering and Evelyn Pickering, trustees of the Pickering Family Trust Agreement dated April 4, 1987 entered into that certain Sublease, dated January 1, 2011, relating to the Premises (Sublease). The Sublease is subject to the Lease. Assignor entered into that certain Assignment of Sublease with Assignee (Assignment), dated December 17, 2021, the effectiveness of which is subject to the written consent and approval by the County pursuant to Section 26 of the Lease. The approval of the Assignment of Sublease is identified as the proposed project under the California Environmental Quality Act (CEQA). The approval of the Assignment is limited to a contractual obligation and will not result in any direct effects on the environment. The indirect effects of the approval of the agreements would result in the change of ownership at Hemet Ryan Airport, which will also not result in any significant impacts.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Aviation

JAN 25 2022 3.56

Exempt Status: State CEQA Guidelines Section 15301 Existing Facilities Exemption, Section 15061(b) (3), General Rule or “Common Sense” Exemption, Codified under Title 14, Article 5 Sections 15061.

Reasons Why Project is Exempt: The proposed project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor does the project involve any unusual circumstances that could potentially have a significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. The approval of the agreements would have no direct effects on the environment and the indirect effects would result in continuing use of the site in a similar capacity. No significant environmental impacts would occur with the approval of the Assignment of Sublease.

- **Section 15301 –Existing Facilities:** This Class 1 categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The project, as proposed, is limited to the approval of Assignment of Sublease which will allow for the use of an existing Hangar on the premises. The changes are limited to the change in ownership and responsibility for the terms of the Lease. The Consent to Assignment will have the same purpose and substantially similar capacity on the existing facilities at the airport and would be consistent with the existing land use and contractual requirements for the use of the site. Therefore, the project is exempt as it meets the scope and intent of the Categorical Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The consent to the Assignment of Sublease is an administrative function, that is required as part of the terms of the Sublease at the existing airport and would result in the continued operation of the airport on the leased premises under a different owner. No significant direct or indirect environmental impacts would occur. Therefore, in no way, would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 12-22-2021
Mike Sullivan, Senior Environmental Planner
County of Riverside, Facilities Management

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Consent to Assignment of Pickering Sublease to Tims, Hemet Ryan Airport

Accounting String: 537080-22100-1910700000- ED1910012

DATE: December 22, 2021

AGENCY: Riverside County

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: **Mike Sullivan, Senior Environmental Planner, Facilities Management**

Signature: 

PRESENTED BY: **Jose Ruiz, Senior Real Property Agent, TLMA-Aviation**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -

County of Riverside
Facilities Management
3133 Mission Inn Avenue, Riverside, CA 92507

Date: December 22, 2021
To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk
From: Mike Sullivan, Senior Environmental Planner, Facilities Management
Subject: **County of Riverside Facilities Management Project # ED1910012
Consent to Assignment of Pickering Sublease to Tims at Hemet Ryan Airport**

The Riverside County's Facilities Management's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #2600

**Attention: Mike Sullivan, Senior Environmental Planner,
Facilities Management,
3133 Mission Inn Avenue, Riverside, CA 92507**

**If you have any questions, please contact Mike Sullivan at 955-8009 or email
at msullivan@rivco.org.**

Attachment

cc: file