

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



ITEM: 3.30
(ID # 19206)

MEETING DATE:
Tuesday, July 12, 2022

FROM : TLMA - AVIATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Consent to Assignment and Bill of Sale between Gregory G. and Rebecca J. Pilette and MCTC, LLC, at French Valley Airport; CEQA Exempt; District 3. [\$1,000 Total Cost - TLMA Aviation Revenue Fund 100%]

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 and Section 15061(b)(3);
2. **Approve** and Consent to the Assignment between Gregory G. and Rebecca J. Pilette (Assignor) and MCTC, LLC, a California limited liability company (Assignee), assigning Assignor's interest as sublessee under that certain Sublease Dated October 1, 2018, between Murrieta Executive Air Park MEA, LLC, a California limited liability company (as sublessor) and Assignor (as sublessee), as more specifically set forth in the attached Assignment, relating to the premises located at 37600 Sky Canyon Drive, Murrieta, California 92563;

Continued on page 2

ACTION:Policy

Aaron Gettis

Aaron Gettis, Deputy County Counsel 6/30/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Hewitt
Nays: None
Absent: Perez
Date: July 12, 2022
xc: TLMA-Aviation, Recorder

Kecia R. Harper
Clerk of the Board
By: *Brianna Smith*
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

3. **Approve** and Consent to Bill of Sale for hangar known as Unit No. 9 (Hangar 1E), located within the French Valley Airport at 37600 Sky Canyon Drive, Murrieta, California 92563 as more specifically set forth in the attached Bill of Sale between Gregory G. and Rebecca J. Pilette, (Seller), and MCTC, LLC, a California limited liability company (Buyer);
4. **Authorize** the Chairman of the Board of Supervisors to execute the attached Consent to Assignment and Consent to Bill of Sale;
5. **Authorize** the Assistant County Executive Officer/TLMA, or designee, to execute any additional documents necessary consent to the assignment of Sublease and consent to the sale of hangar, subject to approval by County Counsel; and
6. **Direct** the Clerk of the Board to file the attached Notice of Exemption with the County Clerk within five (5) working days of approval by the Board.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,000	\$ 0	\$ 1,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: TLMA Aviation Revenue Fund			Budget Adjustment: No	
			For Fiscal Year: 2022/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Transportation and Land Management Agency – Aviation Division has received a request to consent to an Assignment of Sublease between Gregory G. and Rebecca J. Pilette (Assignor) and MCTC, LLC, a California limited liability company (Assignee) and also to consent to a hangar sale on the assigned subleased premises.

The Sublease pertains to that certain Unit No. 9 (also identified as Hangar No. 1E) located within the French Valley Airport in Murrieta, California, as more particularly depicted on Exhibit B to the Sublease (see Attachment A). The Sublease was entered into between Murrieta Executive Air Park MEA, LLC, a California limited liability company (MEA) and Assignor on October 1, 2018. The Sublease is subject to that certain Lease (French Valley Airport) dated September 11, 2001 between the County of Riverside (as Lessor) and MEA (as Lessee), as amended by that certain First Amendment to Lease dated March 24, 2004, and that certain Second Amendment to Lease dated June 27, 2006, and that certain Third Amendment to Lease

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dated February 7, 2017 (collectively, Lease), relating to the lease of approximately 152,460 square feet of vacant land, located at French Valley Airport.

The Assignor and Assignee, entered into the certain Assignment dated May 10, 2022 (Assignment) relating to the Sublease. A copy of the Assignment is attached as Exhibit A (See Attachment A). Assignee has also acquired from the Assignor Unit No. 9 (also identified as Hangar No. 1E) located on the subleased premises, the sale of which is memorialized in that certain Bill of Sale dated May 10, 2022 (Bill of Sale) attached as Exhibit A (See Attachment B). The Assignment and Bill of Sale require County approval pursuant to the Lease. Assignee will not change the existing use of the subleased premises. The Assignment and Bill of Sale will not impact the terms of the Sublease.

Pursuant to the California Environmental Quality Act (CEQA), the Consent to Assignment 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 and the Consent to Bill of Sale, is related to the subletting of property involving 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 and proposed Consent to Bill of Sale, each attached. Each Consent has been approved as to form by County Counsel.

Impact on Citizens and Businesses

The Assignment and Bill of Sale 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 \$1,000 will be reimbursed from the TLMA Aviation Revenue Fund.

County Counsel Review	\$ 500
CEQA NOE	\$ 500
Total	\$ 1,000

Attachments:

- Attachment A – Consent to Assignment of Sublease
- Attachment B – Consent to Bill of Sale

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- Attachment C – Master Lease and Amendments
- Notice of Exemption



Jason Farin, Principal Management Analyst 7/6/2022

Attachment A
Consent to Assignment of Sublease

CONSENT TO ASSIGNMENT

(Gregory G. and Rebecca J. Pilette, Hangar 1E)

The County of Riverside hereby consents to the assignment of the Gregory G. and Rebecca J. Pilette's ("Assignor"), interest as sublessee in that certain Sublease (defined below) to MCTC, LLC, a California limited liability company ("Assignee"), as set forth in the Assignment, dated May 10, 2022, attached hereto as Exhibit "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 dated October 1, 2018, between Murrieta Executive Air Park MEA, LLC ("MEA"), and Gregory G. and Rebecca J. Pilette ("Sublease"). The Sublease pertains to that certain Unit No. 9 (identified as Hangar 1E) located at French Valley Airport in Murrieta, California, as more particularly depicted in Exhibit "B" to the Sublease. Amicorp Enterprises, Inc., a California corporation, was the original Sublessee under the Sublease.

The Sublease is subject to that certain Lease (French Valley Airport) by and between the County of Riverside, (as Lessor) and MEA (as Lessee) dated September 11, 2001, as amended by that certain First Amendment to Lease dated March 24, 2004, that certain Second Amendment to Lease dated June 27, 2006, and that certain Third Amendment to Lease dated February 7, 2017 (collectively the Lease), relating to the lease of approximately 152,460 square feet of vacant land, located at the French Valley Airport.

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) MEA from its duty to comply with any obligations under the Lease.

[Remainder of Page Intentionally Blank]

[Signature on Following Page]


7.12.22 3.30

Date: 7/12/2022

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

By: 
Jeff Hewitt, Chairman
Board of Supervisors

ATTEST:
Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
County Counsel



By: 
Ryan Yabko
Deputy County Counsel

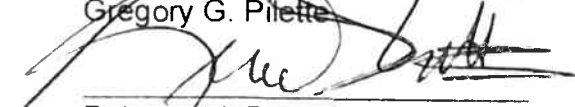
Exhibit A
Assignment Agreement

ASSIGNMENT OF SUBLEASE

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, Gregory G. Pilette and Rebecca J. Pilette (collectively, "Assignor"), hereby transfer and assign to MCTC LLC, all rights, title and interest of undersigned under that certain 2018 Sublease Agreement between Assignor, as sublessee, and Murrieta Executive Air Park MEA, LLC, as sublessor, pertaining to premises described as Murrieta Executive Air Park - Unit 9, consisting of approximately 1/12 acre, 3600 square feet of land improved with one metal construction hangar identified as Hangar 1E at French Valley Airport, County of Riverside, State of California. The execution of the Assignment and transfer of all rights, title, and interest herein are contingent upon Acceptance and Approval by the County Board of Supervisors.

Dated: 5-10-22



Gregory G. Pilette


Rebecca J. Pilette

ACCEPTANCE AND AGREEMENT

The undersigned, MCTC LLC, a California limited liability company, assignee named in the foregoing Assignment, hereby accepts said Assignment and hereby agrees to assume, perform and be bound by all the terms, covenants and conditions in said Sublease Agreement on the part of the sublessee therein to be kept and performed to all intents and purposes as though the undersigned assignee was the original sublessee thereunder.

Dated: 5-10-22

MCTC LLC

By: 

Anthony Chapparone Jr
Its Manager

**Exhibit B
Sublease**

SUBLEASE

This Sublease is made effective July 7, 2004 ("Commencement Date"), by and between Murrietta Executive Air Park MEA, LLC, a California Corporation, ("MEA" or "Sublessor"), and Amicorp Enterprises, Inc., a California Corporation, ("Sublessee").

RECITALS

1. Sublessor is the tenant under a Lease effective October 1, 2001 (the "Lease" or "Master Lease"), by and between MEA as Lessee and the County of Riverside ("County"), as Lessor, covering an approximately 4 acre portion of the French Valley Airport ("Airport"). A copy of the Master Lease is attached hereto as Exhibit "A" and made a part hereof.
2. Sublessor intends to sublease to Sublessee a portion of the premises covered by the Master Lease and has obtained or will obtain permission from the County to sublease to Sublessee. The legal description of such portion is attached hereto as Exhibit "B" and made a part hereof. Sublessee intends to sublease such portion from Sublessor.

AGREEMENT

1.0 Premises. Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor upon the terms and conditions hereinafter set forth, those certain premises ("Premises"), Unit No. Nine (9) located at the Airport, including the real property described in Exhibit "B" and the area outlined on Exhibit "C" attached hereto and made a part hereof, said Premises being a portion of the premises currently leased to Sublessor under the Master Lease, to include the right to use certain portions of the Common Area as hereinafter further provided. "Common Area" is defined as any portion of the property referred to in Paragraph 3.2.

2.0 Term. This Sublease shall commence on the first day of the month following execution by all parties thereto, and shall terminate September 30, 2031 in accordance with the Master Lease. If the Sublessor exercises the option to extend the Master Lease for ten (10) years as provided by Paragraph 3. (b) of the Master Lease, then the Sublessee shall have the option to extend this sublease for a period of ten (10) years to coincide with the Master Lease.

3.0 Use. The principal authorized use of the Premises is private, personal hangar facility and office use, and use related thereto or associated with such private, personal occasional non-aviation related use as may be approved by Sublessor in its sole and absolute discretion and by the County, all as set forth in Paragraph 4 of the Master Lease; as may be further restricted elsewhere in this Sublease and by the Rules and Regulations attached hereto as Exhibit "D" and made a part hereof by reference ("Rules and Regulations"), all as set forth below.

3.1 Authorized Use. Sublessee is authorized to use the Premises for activities attendant to its private and personal hanger operation as may be approved by Sublessor and by the County, and in accordance with the provisions of the Master Lease and this Sublease, and not in conflict with the Sublessor.

3.2 Non-Exclusive Use. Sublessor grants to Sublessee, its employees, officers, patrons, and guests jointly in common with others entitled to the use thereof, a non-exclusive license to use the roadways and other Common Areas on the Airport, including use of the landing area and the right of aircraft ingress and egress between the Premises and landing area, to include those areas immediately contiguous to the Premises, as further depicted on Exhibit "C".

4.0 Rent and Charges.

4.01 Initial Rent. Beginning on the Commencement Date, Sublessee shall pay initial rent of \$164.06 (One Hundred Sixty-four Dollars and Six Cents) per month to be paid quarterly to the Sublessor at the office of Sublessor without reduction, abatement, deduction, offset or any prior demand therefor in advance of the first day of each quarter of the term hereof and subject to adjustment, which shall equal one 16th of the amount due from Sublessor to County under the Master Lease. Payments will be made to the office of the sublessor at 2262 Rutherford Road, Suite 103, Carlsbad, CA 92008.

4.02. Non-Aviation Related Use License. If Sublessee desires/or wishes to obtain a license from the County authorizing a non-aviation related use, in accordance with Paragraph 4 of the Master Lease, prior to issuance of such license. Any such non-aviation use must first be approved by Sublessor prior to Sublessee making application to the County for such non-aviation related use.

4.03. Annual Adjustment. The rent shall be adjusted commencing one year from the Commencement Date, and each year thereafter during the term, including any extension thereof, as provided in the Master Lease.

5.0 Utilities. Unless separately metered or billed to Sublessee, Sublessee shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services used on or for the subleased Premises, including a pro rata share of the Common Area utilities.

5.01 Common Area Payments. Sublessee shall pay on a one-sixteenth pro rata basis, all charges for all maintenance, landscaping, sweeping to include security, common area insurance, management, and other Common Area costs to keep the Common Area in pristine condition on/or for the subleased Premises, including around the exterior of the Premises. Sublessee's estimated portion of all utilities, common area sweeping, landscaping charges and other common area charges billed by Sublessor to maintain the Common Area, ("Common Area Charges") not otherwise paid by Sublessee are less than

the actual Common Area Charges, Sublessee shall promptly pay the amount due to Sublessor. If the Common Area Charges for the previous year actually paid by Sublessee are more than the Actual Common Area Charges, Sublessee shall be credited with the amount of the difference which shall be applied to reduce the ensuing year's Common Area Charges.

6.0 Late Payments. If Sublessee shall fail to pay when due, any rent, amounts or charges payable by Sublessee under this Sublease or the Master Lease, then:

6.01 Interest on Past Due Obligations. Such unpaid amount shall bear interest, including common area payments, from the due date to the date of payment at the lesser of one percent (1%) per month or the maximum rate allowed under the applicable usury law.

6.02 Late Charges. Sublessee shall pay to Sublessor an additional sum of ten percent (10%) of any amount which remains due and unpaid 20 days after the due date. Sublessee acknowledges that late payment by Sublessee to Sublessor will cause Sublessor to incur costs not contemplated by this Sublease, including but not limited to processing and accounting charges, and late charges which may be imposed upon Sublessor, and that the exact amount of such costs is extremely difficult and impracticable to fix. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublessor will incur by reason of late payment by Sublessee.

7.0 Use Conditions.

7.01 Non-Exclusive Use. To the extent granted to Sublessor in the Master Lease, Sublessor grants to Sublessee, its employees, officers, patrons and guests jointly and in common with others entitled to the use thereof, a non-exclusive license to use the roadways and other common areas of the Airport, including the use of the landing area.

7.02 Compliance with Rules, Regulations, Ordinance, Codes and Law. Sublessee shall at Sublessee's sole cost and expense at all times during the term of this Sublease or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, codes and laws which have been or may be promulgated by Sublessor, the County, and the Rules and Regulations attached hereto, or other jurisdictions that relate to the Premises and the use of the facilities of the Airport including all fire regulations, safety regulations, noise control regulations and security regulations. Such rules, regulations, ordinances, codes, Rules and Regulations and laws are hereby made a part of this Sublease and Sublessee's failure to keep and observe the rules and regulations shall constitute a breach of the terms of this Sublease in like manner as if the same were contained herein. Sublessor and the County reserve the right to amend or supplement the rules, regulations, ordinances, codes and laws and to adopt additional rules, regulations, ordinances, codes and laws applicable to the Premises, to Sublessee's use of the Premises,

and the use of the facilities of the Airport. Sublessor shall have no obligation to Sublessee as a result of the violation of any such rules by any other person. Sublessee shall at all times obey the statues, codes, ordinances, laws and regulations of the United States of America, the State of California, the County and any other governmental entity having jurisdiction, as the same may from time to time be amended during the term of this Sublease.

7.03 Security. Sublessee will acquaint itself with the County's security plan and all Federal Aviation Administration and other security requirements and shall at all times fully abide by the same. If Sublessor or the County is fined for any breach of security as a result of Sublessee's negligence or failure to abide by applicable security requirements, Sublessee shall reimburse Sublessor or the County, as appropriate, for such fine immediately upon demand. Sublessee shall similarly be responsible for the negligence or non-compliance of any of its assignees, subtenants or their licensees, invitees or guests.

7.04 Other Use Restrictions. Sublessee shall not commit or suffer to be committed any waste or any public or private nuisance or any other act or thing which may disturb the quiet enjoyment of any other person or organization at the Airport or upon the Premises or Common Area. Sublessee's method of lighting the Premises and its installation of all exterior light fixtures shall be subject to Sublessor's sole and absolute discretion. Sublessee shall maintain access control to the Premises in conformance with Federal Airport Security regulations, the security plan of the County and other federal and County directives and regulations that may be issued. All motor vehicles parked or operated upon the Premises or Common Area by Sublessee, its officers, employees, guests, patrons, and invitees shall be parked or operated in accordance with the County's and Sublessor's traffic and parking regulations, ordinances and other directives. Sublessee shall at all times maintain the Premises of Sublessee, as well as Common Areas used by Sublessee, in a clean condition, free from any garbage, trash, litter, oil, grease, or any other solvents or any debris not related to the use of the Premises. Any items applicable to the maintenance and support of aircraft, automobiles or related uses to Sublessee's business or office shall not be stored on the exterior of said Premises and shall not be visible from the exterior of the Premises. All maintenance of aircraft shall be at all times for the private, personal use of Sublessee and shall not be for profit, or public use, or sale.

8.0 Maintenance of Premises.

8.01 Delivery. Sublessor agrees to deliver the Premises in working order and Sublessee agrees to accept the Premises in the delivered condition without further additions, modifications or improvements by the Sublessor. Sublessee agrees that Sublessor has made no warranties or representations of any kind respecting the condition of the Premises or utilities located thereon or the use to which the Premises may be put.

8.02 Maintenance Costs. Sublessee at its sole cost and expense shall at all times maintain the Premises and all buildings, structures and improvements thereon in a good state of repair and in a safe, clean, neat and sanitary condition. In the event Sublessee fails to make any repairs required to be made by Sublessee in accordance with the terms of this Sublease, Sublessor shall notify Sublessee of such failure, if within thirty (30) days of such notice, Sublessee has failed to make such repairs, Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Sublessor shall have the option but not the obligation to make such repairs at the expense of Sublessee. Should Sublessor opt to make said repairs, Sublessor shall have the right to charge Sublessee, as additional rent due hereunder upon demand, all costs of Sublessor for making such repairs on a pro rata basis. If Sublessee fails to pay all costs to Sublessor for making repairs, Sublessor shall have the right to lien the property for said costs, to include costs of any suit together with reasonable attorneys fees. Sublessor shall have no liability to Sublessee for any damage, inconvenience or interference with the use of the Premises by Sublessee as a result of the making of any repairs made by Sublessor and the rent shall not be abated by reason thereof.

9.0 Alterations and Improvements. Sublessee shall not install, make, or suffer to be made, any alterations or improvements to the interior or exterior of the Premises or any part thereof without the prior written consent of Sublessor, such consent shall not be unreasonably withheld or delayed. If in accordance with good construction practices, applicable governmental requirements, the special conditions, plans and specifications approved by Sublessor. Sublessee shall comply with all construction and labor regulations of Sublessor and the County and shall provide reasonable insurance coverage required by Sublessor and the County, or other means of surety, to the reasonable satisfaction of Sublessor and the County shall be provided to ensure that, in the event that the Sublessee defaults and is unable to complete construction, there will be funds provided to return the Premises to the original condition and to satisfy any liens for labor and materials that may be brought for work on the Premises. All alterations or improvements performed by Sublessee shall be carried out by licensed contractors and said alterations and improvements shall be carried out in accordance with all applicable laws and regulations. Sublessee shall at Sublessee's sole cost and expense obtain all necessary permits, licenses and authorizations in connection with the construction. Sublessee's work shall be subject to the general inspection of Sublessor and the County. Sublessee shall provide proof satisfactory to Sublessor and the County that Sublessee's contractor will (a) provide warranties for not less than one year against defects in workmanship, materials, and equipment; (b) carry or cause to be carried worker's compensation insurance covering all of the contractor's and its subcontractor's employees; and (c) carry public liability and property damage insurance which names Sublessor as an additional insured and required thirty (30) days prior written notice to Sublessor before any change in or cancellation of coverage becomes effective. The policy or policies shall contain liability limits of not less than One Million Dollars (\$1,000,000) single limit coverage. All improvements, additions to or alterations of the Premises except movable furniture and trade fixtures shall at the termination of this Sublease remain attached to and become part of the Premises and be surrendered to Sublessor in good condition, reasonable use and wear excepted,

or at the option of Sublessor shall be removed by Sublessee and the Premises restored to the same condition which existed prior to the installation of any alterations, additions or improvements. Sublessor shall have the right to post a notice of non-responsibility for liens arising out of any work performed, materials furnished and obligations incurred by Sublessee. Sublessee agrees to advise Sublessor and the County in writing at least ten (10) business days in advance of the date upon which alterations will commence in order to permit Sublessor or County to post such a notice. Sublessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Sublessee. Sublessee shall indemnify, defend and hold Sublessor and County harmless against any claim, demand, liability or expense on account of claims for work done or materials supplied for Sublessee or person claiming under it.

10.0 Relocation of Premises. In the event that the County requires the Premises for other Airport purposes, then the County in the exercise of its commercial business judgment shall first determine whether other reasonably comparable improved property at the Airport reasonably suitable for Sublessee's use is available. If such property is available then Sublessor or the County may, at the County's expense, relocate Sublessee to such property and the parties are unable to agree upon an appropriate rate of rent, the rent shall be established by such arbitrators as may be agreed upon by the parties, or if there is no such agreement then by arbitration conducted pursuant to the then existing rules of the American Arbitration Association. If in the exercise of its commercial business judgment the County determines that other reasonably suitable comparable improved property at the Airport reasonably suitable for Sublessee's use is not available, then the County shall pay to Sublessee the condemnation value of the improvements (condemnation value shall be the market value of the improvements made by Sublessee depreciated on a straight-line basis over the lease term). Except in the case of emergency, if all or any part of the Premises is taken or condemned by the County, the County agrees to provide Sublessee with not less than one hundred eighty (180) days written notice prior to the condemnation date.

11.0 Damage or Destruction. If the improvements to the Premises are damaged or destroyed during the term hereof, Sublessee may repair or rebuild said improvements to the condition immediately prior to the date of damage or destruction, within sixty (60) days after the occurrence of the event causing the damage or destruction. This Sublease shall continue and Sublessee shall diligently complete the repair or rebuilding of said improvements. Sublessee shall apply any insurance proceeds received as a result of damage to the improvements to the repair or replacement of said improvements.

12.0 Condemnation.

12.01 Total Taking. If all the Premises are taken or condemned for a public or quasi-public use, by an entity other than the County, this Sublease shall terminate as of the date of condemnation and Sublessee shall thereupon be released from any liability thereafter occurring hereunder.

12.02 Partial Taking. If any party of the Premises are taken or condemned for a public or a quasi-public use by an entity other than the County and there is such a major change in the character of the property as to prevent Sublessee from using the Premises in substantially the same manner as theretofore used then in such event Sublessee may terminate this Sublease as of the date of condemnation by giving written notice to Sublessor within fifteen (15) days after the date of condemnation. If any part of the Premises are taken or condemned for a public or quasi-public use by entity other than the County and either party does not have the power to terminate this Sublease as hereinabove set forth, then this Sublease shall continue in full force and effect except that as to the part so taken this Sublease shall terminate as of the date of condemnation and the annual rent payable hereunder shall be adjusted so that Sublessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the remaining part after condemnation bears to the value of the Premises at the date of condemnation. In the event that the parties are unable to agree upon an appropriate rate of rent, the rent shall be established by such arbitrators as may be agreed upon by the parties, or if there is no such agreement then by arbitration conducted pursuant to the then existing rules of the American Arbitration Association.

13.0 Assignments and Subleases.

13.01 No portion of the Premises or of Sublessee's interest in this Sublease may be acquired by any other person or entity, whether by sale, assignment, mortgage, sublease, transfer, may be withheld in Sublessor's sole and absolute discretion except as provided in Section 13.02 below. Sublessor has the right to grant or withhold its consent as provided in Section 13.05 below. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Sublease. If Sublessee is a partnership, any cumulative transfer of more than twenty percent (20%) of the partnership interests shall require Sublessor's consent. If sublessee is a corporation, any change in the ownership of a controlling interest of the voting stock of the corporation shall require Sublessor's consent.

13.02 Sublessee Affiliate. Sublessee may assign this Sublease or sublease the Premises without Sublessor's consent, to any corporation which controls, is controlled by or is under common control with Sublessee, or to any corporation resulting from the merger of or consolidation with Sublessee ("Sublessee's Affiliate"). In such case, any Sublessee's Affiliate shall assume in writing all of Sublessee's obligations under this Sublease.

13.03 No Release of Sublessee. No transfer permitted by this Article Thirteen, whether with or without Sublessor's consent, shall release Sublessee or change Sublessee's primary liability to pay the rent and to perform all other obligations of Sublessee under this Sublease. Sublessor's acceptance of rent from any other person is not a waiver of any provision of this Article Thirteen. Consent to one transfer is not a consent to any subsequent transfer. If Sublessee's transferee defaults under this Sublease, Sublessor may

proceed directly against Sublessee without pursuing remedies against the transferee. Sublessor may consent to subsequent assignments or modifications of this Sublease by Sublessee's transferee, without notifying Sublessee or obtaining its consent. Such action shall not relieve Sublessee's liability under this Sublease.

13.04 First Offer to Sublease. At all times during the term of this Sublease, prior to making any transfer of Sublessee's interest other than as provided in Paragraph 13.01 or 13.02, any proposed transfer of the Sublease and the Premises shall first be offered to Sublessor, who shall have three (3) days to accept or reject any offer to sublease or purchase the Sublease and/or Premises. Sublessee shall provide a copy of any offer to purchase the Sublease or Premises immediately upon receipt by Sublessee.

13.05 Sublessor's Consent. Sublessee's request for consent to any transfer described in Section 13.01 shall set forth in writing the details of the proposed transfer, including the name, business of the prospective transferee, financial details of the proposed transfer (e.g., the term of and the rent and security deposit payable under any proposed assignment or sublease), and any other information Sublessor deems relevant. Sublessor shall have the right to withhold consent, or to grant consent, in its sole and absolute discretion based on the following factors: (i) the business of the proposed assignee or sublessee and the proposed use of the Premises; and (ii) Sublessee's compliance with all of its obligations under the Sublease. Sublessor's consent to any such transfer shall not be unreasonably withheld.

13.06 No Merger. No merger shall result from Sublessee's sublease of the Premises under this Article Thirteen, Sublessee's surrender of this Sublease or the termination of this Sublease in any other manner. In any such event, Sublessor may terminate any or all subleases or succeed to the interest of Sublessee as Sublessor under any or all subleases.

14.0 Default.

14.01 Event of Default. Each of the following events shall be an event of default hereunder by Sublessee and a breach of this Sublease: (a) the failure by Sublessee to pay Sublessor any rent or other charges due under this Sublease as and when the same become due; (b) the failure by Sublessee to perform or observe any other agreements, terms, covenants or conditions, or Rules and Regulations attached hereto and made a part hereof, as such Rules and Regulations may be amended from time to time by Sublessor; (c) the filing by or against Sublessee in any court pursuant to any statute of the United States or of any state of a petition in bankruptcy or insolvency or for reorganization or arrangement or for the appointment of a receiver or trustee of all or any portion of Sublessee's property if within thirty (30) days after the commencement of any such proceedings against Sublessee or after such assignment for the benefit of creditors such petition shall not have been dismissed or such assignment shall not have been revoked; (d) the transfer of Sublessee's interest in this Sublease to any person, firm or corporation

whether voluntarily or by operation of law except in the manner expressly permitted in this Sublease; or (e) vacating or abandoning the Premises by Sublessee at any time during the term hereof.

14.02 Sublessor's Remedies. In the event of default as described in section 14.01, Sublessor shall notify Sublessee in writing that Sublessee is in default, and Sublessee will then have a cure period of thirty (30) days from date of notice from Sublessor to cure such an event. Sublessor shall have the following remedies if Sublessee fails to correct default. The remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law. Sublessor can continue this Sublease in full force and effect. Sublessor can enter the Premises and relet them or any part of them to third parties for Sublessee's account. No act by Sublessor in reletting the Premises allowed by this section shall terminate this Sublease. In the event of Sublessee's default and Sublessor's reentering of the Premises, Sublessee agrees to pay Sublessor as an additional item of damages, the cost of repairs, alterations, redecorating, Sublease commissions and Sublessor's other expenses incurred in reletting the Premises to a new tenant.

14.03 Sublessor's Default. In the event Sublessor fails to keep its Master Lease current with the County, to include failure to make any payments of rent to County as and when due, and Sublessee has been making payments directly to Sublessor, Sublessee shall have the right, after giving Sublessor thirty (30) days notice to cure, to make the payments, directly to County. If Sublessor does not cure within the applicable time period, Sublessee shall have the right to enter into a direct Lease with County.

14.04 Attorneys Fees. In the event of any action at law or in equity between Sublessor and Sublessee arising out of or concerning this Sublease or any right or obligation derived therefrom, then in addition to all other relief at law or in equity, the prevailing party shall be entitled to recover from the unsuccessful party reasonable attorneys fees and costs incurred therein by the prevailing party.

15.0 Indemnity and Insurance

15.01 Waiver. This Sublease is made upon the express condition that Sublessee hereby waives all claims against Sublessor for damages to property or for injuries or death to any person or persons from any cause.

15.02 Indemnity. Sublessee hereby agrees to and shall indemnify and defend Sublessor against and hold Sublessor harmless from any and all claims, demands, actions, damages, liability and expense in connection with or for loss of or damage to property or injury or death to any person from any cause whatsoever while in , upon , or about the Premises or any such claims, demands or the like, arising from or out of any occurrence in, upon or at the Premises from or in connection with the occupancy or use by Sublessee of the Premises or any part thereof or from or in connection with the business conducted by

Sublessee in the Premises or occasioned wholly or in part by any act or omission of Sublessee, its agents, contractors, employees, licensees or concessionaires.

15.03 Insurance Coverage. During the term of this Sublease including any extension or renewal thereof, Sublessee at its cost shall at all times maintain in full force and effect comprehensive public liability insurance and property damage insurance (each more particularly described below) upon the Premises and upon all aircraft, and automobiles operated by Sublessee at the Airport.

15.03.01 Hangarkeeper's Liability (Ground Coverage) Should Sublessee's operations include care, custody or custody of aircraft stored on the Premises, Sublessee shall maintain hangarkeeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft for which said custody is assumed while on the ground.

15.03.02 Hangarkeeper's Liability (Flight Coverage) Should Sublessee's operations include care, custody or custody of aircraft stored on the Premises that will be flight tested or used in commercial flight operations, Sublessee shall maintain hangarkeeper's legal liability insurance in an amount sufficient to fully cover the replacement value of all aircraft for which said custody is assumed while on the ground.

15.03.03 Aircraft Liability. Sublessee, and Sublessee's affiliates, sublessees, and licensees, shall maintain aircraft liability insurance which shall provide combined single limit for bodily injury and property damage for all aircraft owned, leased or operated by any of them from the Premises with minimum limits of One Million Dollars (\$1,000,000). Proof of insurance will be required to show that Murrieta Executive Airpark to be named as an additional insured.

15.03.04 Fire Insurance. Sublessee shall maintain fire insurance covering the Premises and all improvements, including protection against perils included within the classification standard fire and extended coverage together with insurance against vandalism and malicious mischief; in an amount sufficient to fully cover the replacement cost of all improvements.

15.04 Other Insurance Requirements. All policies shall name Sublessor, and the County as an additional insured. Insurance shall be with a company or companies satisfactory to Sublessor and the County in the amounts of not less than that specified herein or in minimum amounts as may be subsequently adjusted by Sublessor or the County in the exercise of their commercial business judgment and consistent with airport industry practice for similar kinds of activities. Sublessee shall at all times during the term of this Sublease, including any extension or renewal hereof, provide Sublessor and the County with a certificate from the insurance carrier or carriers insuring Sublessee as

set forth therein. Insurance policies shall not be subject to cancellation except after notice to Sublessor and the county by registered mail at least thirty (30) days prior to such cancellation. Where policies have normal expirations during the term of this Sublease or any extension thereof written evidence of renewal shall be furnished to Sublessor and the County thirty (30) days prior to such expiration.

15.05 Waiver of Subrogation. The parties release each other and their respective authorized representatives from any claims for damage to any person or to the Premises and to the fixtures, personal property, Sublessee improvements and alterations by Sublessor or Sublessee in or on the Premises that are caused by or result from risks insured against under any insurance policy carried by either party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged the other party is relieved of the obligation to obtain a waiver of subrogation right with respect to the particular insurance involved.

16.0 Hazardous Substances. The provisions of this section, which govern Sublessee's obligations with regard to hazardous substances, as defined below, shall survive termination of this Sublease.

16.01 Responsibility for and Definition of Hazardous Substances. Sublessee agrees to indemnify, defend, protect and hold Sublessor free and harmless from and against any and all claims, liability, loss, damage, actions or causes of action, costs and expenses (including attorney's fees) arising from or in connection with the presence of any Hazardous Substances other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date. Furthermore, Sublessee shall, at Sublessee's sole cost and expense, be responsible for the receiving, use, storage, handling, transportation, generation, spillage, migration, discharge, release, and disposition of all hazardous waste, toxic substances, or related materials including, without limitation, gasoline, oil, grease, battery acid, diesel fuel, flammable, combustible, explosive, corrosive, caustic, carcinogenic or radioactive matter, or any other Hazardous Substances to the extent any such are used, stored, brought onto, located on or shipped from within the Premises in connection with Sublessee's occupancy and use thereof, in accordance with all applicable rules, regulations, orders, ordinances, statutes, codes and laws. For purposes of this Sublease, "Hazardous Substances" shall include, but not be limited to petroleum or petroleum related materials and/or substances defined as "hazardous substances", hazardous materials", "hazardous waste" or "toxic substances" in any federal, state or local laws or regulations adopted or publications promulgated pursuant to said laws (hereinafter collectively referred to as the "Laws"). Sublessee shall

at Sublessee's sole cost and expense, comply fully with all requirements of the Laws applicable to Sublessee's use of the Premises and obligations contained herein.

16.02 Cleanup of Hazardous Substances. In the event of a release, leak, spill, or threatened or actual contamination or deterioration of the Premises or groundwater by a Hazardous Substance, other than those which can be shown to have been present in, on or under the Premises prior to the Commencement Date, whether the result of an act or omission of Sublessee or its agents, employees, contractors, licensees, or invitees or any other third parties, Sublessee shall, immediately notify Sublessor, the County, and all appropriate health, safety and environmental regulatory agencies. Sublessee hereby covenants and agrees to implement and complete, at its sole cost and expense, and to the satisfaction of Sublessor and the County, all investigation and remediation measures required by such agency or agencies. If Sublessee fails to take such action Sublessor may, but shall not be obligated to, take such action. In such event, all costs incurred by Sublessor or the County with respect to such cleanup activities shall be for the account of Sublessee and Sublessee shall promptly make reimbursement therefore. Sublessee shall not take any remedial action in response to the presence of any Hazardous Substances in any way connected with the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying the Sublessor and the County of Sublessee's intention to do so and affording Sublessor and the County ample opportunity to appear, intervene or otherwise appropriately assess and protect its interest and respect thereto.

16.03 Hazardous Substances from Subtenants or Assignees. As between Sublessor and Sublessee, Sublessee shall bear responsibility for the presence of any Hazardous Substances as a result of a subtenant's or assignee's activities, whether before, during or after construction, in or around any part of the Premises or the soil, groundwater or soil vapor on or under the Premises. Upon demand by Sublessor, Sublessee shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against Sublessor or the County, whether alone or together with Sublessee or any other person, all at Sublessee's own cost and by counsel to be approved by Sublessor. In the alternative, Sublessor or the County may elect to conduct its own defense at the expense of Sublessee.

16.04 Compliance Regarding Hazardous Substances. Sublessee shall comply and cause all occupants of the Premises to comply with all statutes, codes, regulations, rules, ordinances, orders and other laws governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises, Sublessee's use of the Premises or of the facilities of the Airport. Sublessee acknowledges that the presence of Hazardous Substances may permanently and materially impair the value and use of the Premises.

16.05 Notice Regarding Hazardous Substances. Sublessee shall promptly notify Sublessor and the County if Sublessee knows, suspects or believes that there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the Premises, or that Sublessee or the Premises may be subject to any threatened or pending investigation by any governmental agency under any statute, code, regulation, rule, ordinance, order or other law pertaining to any Hazardous Substance.

16.06 Site Visits, Observations and Testing. Sublessor, the County, and their agents and representatives shall have the right from time to time to enter and visit the Premises to make observations of the Premises, take and remove soil or groundwater samples, and conduct tests. Sublessor is under no duty, however, to visit or observe the Premises or to conduct tests. No site visit, observation or testing by Sublessor shall result in a waiver of any default of Sublessee or impose any liability on Sublessor. In no event shall any site visit, observation or testing by Sublessor be a representation that Hazardous Substances are or are not present in, on or under the Premises or that there has been compliance with any statute, code, regulation, rule, ordinance, order or other law pertaining to Hazardous Substances. Neither Sublessee nor any other party is entitled to rely on any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. Sublessor shall not be obligated to disclose to Sublessee or any other party any report or finding made as a result, or in connection with, any site visit, observation or testing by Sublessor. In each instance, Sublessor shall give Sublessee reasonable notice before entering the Premises.

16.07 Business Response Plan. Sublessee must conform with the Murrieta Executive Airpark "Business Response Plan" on file with the Airport Fire Marchall in accordance with the Health and Safety Code.

17.0 Sublessee Rights and Obligations. Sublessor grants to Sublessee all rights and benefits with respect to the Premises that are granted to Sublessor under the terms of the Master Lease. Sublessee assumes and agrees to perform all obligations and duties with respect to the Premises that have been assumed by Sublessor in the Master Lease. Sublessee shall have the right at any time to take any action required to be taken, but not timely taken, by Sublessor, which may be necessary to prevent or cure a default under the terms of the Master Lease. To the extent that the County fails or refuses to perform its obligations under the Master Lease with respect to the leased Premises, Sublessor shall perform such obligations. Further, Sublessor agrees not to modify or surrender the Master Lease as it relates to this Sublease and the Premises, without the prior consent of Sublessee, and any modification or surrender made without such consent shall be null and void and shall have no effect on the rights of Sublessee under this Sublease.

18.0 Notices. Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties asset forth below:

Sublessor

Murrieta Executive Air Park, LLC
2262 Rutherford Road, Suite 103
Carlsbad, CA 92008
Attn: Kevin Stumm

Sublessee

Amicorp Enterprises, Inc.
2250 North Broadway
Escondido, CA 92026
Attn: Daniel Titcomb

19.0 Taxes. In the event a possessory interest tax or property tax is levied by the appropriate County or State taxing authority, Sublessee shall be solely responsible for payment of Sublessee's pro rata share of such tax.

20.0 Protection of Lenders.

20.01 Subordination. Sublessor shall have the right to subordinate this Sublease to any deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Sublessee shall cooperate with Sublessor and any lender which is acquiring a security interest in the Premises or the Sublease. Sublessee shall execute such further documents and assurances as such lender may require, provided that Sublessee's obligations under this Sublease shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Sublessee shall not be deprived of its rights under this Sublease. Sublessee's right to quiet possession of the Premises during the Sublease Term shall not be disturbed if Sublessee pays the rent and performs all of Sublessee's obligations under this Sublease and is not otherwise in default. If any beneficiary or mortgagee elects to have this Sublease prior to the lien of its deed of trust or mortgage and gives written notice thereof to Sublessee, this Sublease shall be deemed prior to such deed of trust or mortgage whether this Sublease is dated prior or subsequent to the date of said deed of trust or mortgage or the date of recording itself.

20.02 Attornment. If Sublessor's interest in the Premises is acquired by any beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Sublessee shall attorn to the transferee of or successor to Sublessor's interest in the Premises and recognize such transferee or successor as Sublessor under this Sublease. Sublessee waives the protection of any statute or rule of law which gives or purports to give Sublessee any right to terminate this Sublease or surrender possession of the Premises upon the transfer of Sublessor's interest.

20.03 Signing of Documents. Sublessee shall sign and deliver any instrument or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Sublessee has ten (10) days to do so after written request.

20.04 Estoppel Certificates.

20.04.01 Unless Sublessee has entered into a direct lease with the County, upon Sublessor's written request, Sublessee shall execute, acknowledge and deliver to Sublessor a written statement certifying: (i) that none of the terms or provisions of this Sublease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Sublease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Sublessor is not in default under this Sublease (or, if Sublessor is claimed to be in default, stating why); and (v) such other representations or information with respect to Sublessee.

20.04.02 If Sublessee does not deliver such statement to Sublessor within ten (10) days, Sublessor, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Sublease have not been changed except as otherwise represented by Sublessor; (ii) that this Sublease has not been canceled or terminated except as otherwise represented by Sublessor; (iii) that not more than one years Base Rent or other charges have been paid in advance, and (iv) that Sublessor is not in default under the Sublease. In such event, Sublessee shall be estopped from denying the truth of such facts.

20.05 Sublessee's Financial Condition. Unless Sublessee has entered into a direct lease with the County, within ten (10) days after written request from Sublessor, Sublessee shall deliver to Sublessor such financial statements as Sublessor reasonably requires to verify the net worth of Sublessee or any assignee, subtenant, or guarantor of Sublessee. In addition, Sublessee shall deliver to any lender designated by Sublessor any financial statements required by such lender to facilitate the financing or refinancing of the Premises. Sublessee represents and warrants to Sublessor that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this Sublease.

21.0 Time. Time is of the essence.

22.0 Entire Agreement. This Sublease contains all agreements between Sublessor and Sublessee with respect to any matter mentioned herein. This Sublease may be modified only by a writing signed by the parties in interest at the time of the modification.

23.0 Applicable Law. This Sublease shall be governed by the laws of the State of California.

24.0 No Waiver. Sublessor's waiver of any provision of this Sublease shall not be deemed a waiver of any other provision hereof, or of any subsequent breach by Sublessee of the same or

any other provision. Sublessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Sublessor's consent to, or approval of, any subsequent act by Sublessee.

25.0 Partial Invalidity. The invalidity or unenforceability of any provision of this Sublease or the application thereof to any person or circumstances shall in no way affect the validity of any other provision or its application to any other person or circumstances.

26.0 Interpretation. The captions of the Sections of this Sublease are to assist the parties in reading this Sublease and are not a part of the terms or provisions of this Sublease. Whenever required by the context of this Sublease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Sublessee, the term "Sublessee" shall include Sublessee's agents, employees, contractors, invitees, successors or others using the Premises with Sublessee's expressed implied permission.

27.0 Corporate Authority; Partnership Authority. If Sublessee is a corporation, each person signing this Sublease on behalf of Sublessee represents and warrants that he has full authority to do so and that this Sublease binds the corporation. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a certified copy of a resolution of Sublessee's Board of Directors authorizing the execution of this Sublease or other evidence of such authority reasonably acceptable to Sublessor. If Sublessee is a partnership, each person or entity signing this Sublease for Sublessee represents and warrants that he or it is a general partner of the partnership, that he or it has full authority to sign for the partnership and that this Sublease binds the partnership and all general partners of the partnership. Sublessee shall give written notice to Sublessor of any general partner's withdrawal or addition. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a copy of Sublessee's recorded statement of partnership or certificate of limited partnership.

28.0 Joint and Several Liability. All parties signing this Lease as Sublessee shall be jointly and severally liable for all obligations of Sublessee.

29.0 Force Majeure. If Sublessor cannot perform any of its obligations due to events beyond Sublessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Sublessor's control include, but are not limited to, acts of God, war, terrorism, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

30.0 Execution of Lease. This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

31.0 Negotiated Agreement. The parties hereby acknowledge, agree and understand that this Sublease and its wording have been arrived at through a process of negotiation between the parties in which each party participated to the fullest extent desired by that party and that neither party is to be deemed the party who prepared this Lease or the party who caused any uncertainty to exist within the meaning of California Civil Code Section 1654.

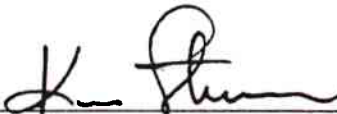
32.0 Intentional Interference. If the Subleasee creates any intentional interference with business and economic opportunities of the Sublessor, the Sublessor will have the right to terminate the Lease.


SIGNATURE PAGE

In witness whereof, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

MURIETTA EXECUTIVE AIR PARK MEA, LLC.
a California limited liability company

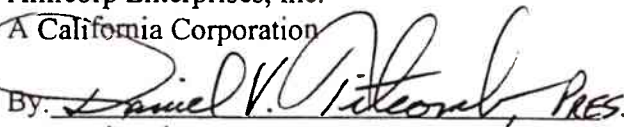
By: 
Kevin Stumm, Vice President

By: 
Russell Erickson, President

Address:
Murrieta Executive Air Park, LLC
2262 Rutherford Road, Suite 103
Carlsbad, CA 92008
Attn: Kevin Stumm

SUBLESSEE:

Amicorp Enterprises, Inc.
A California Corporation

By: 
Daniel Titcomb

Address:
Amicorp Enterprises, Inc.
2250 North Broadway
Escondido, CA 92026
Attn: Daniel Titcomb

Attachment B
Consent to Bill of Sale

CONSENT TO
BILL OF SALE

The County of Riverside, (County) hereby consents to the Bill of Sale (Bill of Sale) dated May 10, 2022, between Gregory G. and Rebecca J. Pilette (Seller), and MCTC, LLC, a California limited liability company (Buyer), relating to the Hangar Unit Number 9 (identified as Hangar 1E) located at French Valley Airport, Murrieta, California. The Bill of Sale is attached hereto as Exhibit A and incorporated herein by this reference.

By consenting to the Bill of Sale, the County neither undertakes nor assumes nor will have any responsibility or duty to Buyer or to any third party to review, inspect, supervise, pass judgment upon or inform Buyer or any third party of any matter in connection with the subject aircraft storage hangar, whether regarding the quality, adequacy or suitability of the subject aircraft storage hangar for Buyer's proposed use, or otherwise. Buyer and all third parties shall rely upon its or their own judgment regarding such matters. The County makes no representations, express or implied, with respect to the legality, fitness, or desirability of the subject aircraft storage hangar for Buyer's intended use.

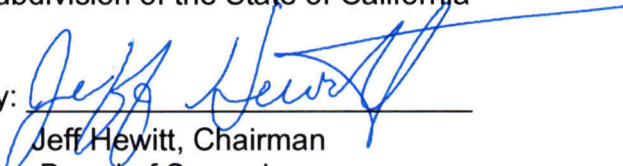
[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the County has caused its duly authorized representative to execute this Consent to Bill of Sale as of the date set forth below.


Date: 7/12/2022

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


By: 
Jeff Hewitt, Chairman
Board of Supervisors

ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
County Counsel

By: 
Ryan Yabko
Deputy County Counsel

[MCTC, LLC Acknowledgement on Following Page]

MCTC, LLC hereby acknowledges, agrees and consents to all of the terms set forth in this Consent to Bill of Sale.

By: 

MCTC, LLC, a California limited liability company

Dated: 6/21/20

EXHIBIT A
BILL OF SALE
(behind this page)

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of May 10, 2022, by and between GREGORY G. PILETTE and REBECCA J. PILETTE (collectively, "Seller"), and MCTC LLC, a California limited liability company ("Buyer").

Recitals

WHEREAS, Seller is the owner of certain aircraft hangar and related fixtures (collectively, the "Improvements"), located on certain 3,600 SF space commonly known as Hangar 1E (the "Leased Premises") at Murrieta Executive Air Park (the "Air Park") within the French Valley Airport (the "Airport") at 37170 Sky Canyon Drive, Murrieta, California.

WHEREAS, the Air Park is subject to certain 2001 Lease Agreement between Murrieta Executive Air Park MEA, LLC, a California limited liability company ("MEA"), as lessee and the County of Riverside, as lessor.

WHEREAS, Seller is the sublessee under that certain Sublease Agreement dated December 4, 2018 (the "Sublease") with MEA, as sublessor, for Leased Premises; and

WHEREAS, Seller has agreed to sell and assign to Buyer, and Buyer has agreed to purchase and assume from Seller, all of Seller's right, title and interest in the Improvements and the Sublease (collectively, the "Assets") on the terms set forth herein.

Agreement

NOW THEREFORE, in consideration of the premises and the mutual covenants and promises hereinafter contained, the parties hereto do hereby agree as follows:

1. **Purchase Price.** For the consideration hereinafter described and subject to the terms and conditions contained in this Agreement, Seller hereby agrees to sell, assign, transfer and deliver to Buyer, and Buyer hereby agrees to purchase from Seller, free and clear of any and all liens and encumbrances, the Assets for a total purchase price of Two Hundred Thirty Thousand and No/100 Dollars (\$230,000.00) (the "Purchase Price").

(a) Earnest Money Deposit. No later than three (3) business days after the execution of this Agreement, Buyer shall deposit with a mutually agreeable escrow company ("Escrow Agent") the sum of Five Thousand and 00/100 Dollars (\$5,000.00) ("Deposit"). In the event the Agreement is terminated pursuant to Section 4(b) or Section 5, the Deposit shall be refunded to Buyer.

(b) Balance. No later than two (2) business days before the Closing Date, Buyer shall deliver to Escrow Agent, by wire transfer, the balance of the Purchase Price.

2. **Seller Representations, Warranties and Covenants.** Seller represents and warrants to, and covenants with, Buyer as follows:

(a) Ownership. Seller is the sole owner of the Assets described in the above Recitals.

(b) Sublease. Seller owns a leasehold interest in the Leased Premises pursuant to the Sublease. Seller does not own, and cannot convey to Buyer, any other interest in the Leased Premises. The Sublease is in full force and effect and there is no default by the Seller or MEA thereunder, nor does the Seller have any actual knowledge of the occurrence of any event which but for the passing of time would create a default. All rents and other amounts due and owing under the Sublease have been paid current and will be paid through the Closing Date.

(c) Authority. Seller has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms and conditions. With the exception of the consent of MEA pursuant to the Sublease, Seller need not give any notice to, or obtain any authorization, consent or approval of any governmental agency in order to consummate the transactions provided for in this Agreement.

(d) Broker Fees. Seller has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions provided for in this Agreement for which Buyer could become liable or obligated.

(e) Litigation and Legal Matters. Seller has no actual knowledge of any claims, actions, demands, suits, proceedings or inquiries of, by or before any governmental authority pending or threatened against or affecting the Seller or the Assets that would have a material adverse effect on the Assets.

(f) Insurance. Seller will maintain in full force and effect through the Closing Date the insurance on the Assets now in place. Prior to Closing, Seller will bear the risk of loss of the Assets. Such insurance coverage will be terminated effective as of the Closing Date, and Buyer acknowledges and agrees that the Buyer will be required to purchase separate insurance coverage for the Assets thereafter.

(g) Disclaimer of Representations and Warranties. Other than the representations and warranties expressly set forth in this Section 2, SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THE ASSETS, INCLUDING WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR HABITABILITY, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES.

3. **Buyer Representations, Warranties and Covenants.** Buyer represents and warrants to, and covenants with, Seller as follows:

(a) Organization, etc. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

(b) Authority. Buyer has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer, enforceable in accordance with its terms and conditions. Buyer need not give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order to consummate the transactions provided for in this Agreement.

(c) Broker Fees. Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions provided for in this Agreement for which Seller could become liable or obligated.

(d) Acknowledgment. Buyer hereby expressly acknowledges and agrees that, except to the extent specifically set forth in Section 2, Buyer is purchasing the Assets on an "AS-IS, WHERE-IS, WITH ALL FAULTS" basis, and no other representation or warranty shall be implied at law or in equity. Notwithstanding the foregoing, it is understood and agreed that the Buyer does not assume the liability or responsibility for any environmental condition existing as of the Closing Date and

shall not be responsible for any remediation or obligation to any local, state or federal governmental authority or agency.

4. **Buyer's Contingencies.**

(a) Due Diligence Investigation. Beginning on the date of this Agreement and for a period of fifteen (15) days thereafter (the "Due Diligence Period"), Seller will:

i. furnish Buyer with copies of contracts, books and records, and other existing documents relating to the Sublease, the Leased Premises and the Improvements as Buyer may reasonably request;

ii. grant Buyer and its representatives reasonable access to the Leased Premises and the Improvements; and

iii. allow Buyer to obtain such surveys, title searches, environmental assessments, appraisals, lien searches and any other investigative reports or studies deemed necessary by Buyer to determine and satisfy itself as to the condition of the Sublease, the Leased Premises and the Improvements.

(b) Buyer's Termination Right. Buyer shall have the right to terminate this Agreement if the result of Buyer's due diligence investigation is unsatisfactory in Buyer's reasonable discretion, in which event Buyer shall deliver written notice of such termination to Seller on or before the end of the Due Diligence Period. If Buyer does not terminate this Agreement prior to the end of the Due Diligence Period, Buyer shall be deemed to have satisfactorily concluded its due diligence investigations, and the parties shall proceed to the Closing (as defined below).

5. **Consent.** Buyer shall obtain, at Buyer's sole cost and expense, the consent of MEA to the assignment of the Sublease, and any other consent required in connection with the transaction contemplated herein (collectively, the "Consent"). Seller agrees to cooperate with Buyer in obtaining the Consent. In the event any required consent is refused, either Buyer or Seller may terminate this Agreement.

6. **Closing.**

(a) Closing. The purchase and sale of the Assets shall be consummated (the "Closing") at the offices of the Escrow Agent, within ten (10) days after the end of the later of (i) the last day of the Due Diligence Period, or (ii) the date on which the parties receive the Consent, or such other place, date and time as shall be agreed upon in writing by the parties hereto (the later of such dates being the "Closing Date").

(b) Conditions to Buyer's Obligations. The obligations of Buyer to consummate the transactions provided for herein are subject to the satisfaction of the following conditions at or before the Closing Date:

i. the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of such date; and

ii. Seller shall have complied with its covenants under this Agreement; and

iii. Seller shall have executed and delivered to Escrow Agent the following:

- (A) the Bill of Sale for all Improvements and chattel property owned by Seller and located at the Leased Premises; and
- (B) the Assignment and Assumption of Sublease.

(c) Conditions to Seller's Obligations. The obligations of Seller to consummate the transactions provided for herein are subject to the satisfaction of the following conditions at or before the Closing Date:

i. the representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of such date; and

ii. Buyer shall have executed and delivered to Escrow Agent the following:

- (A) the Purchase Price; and
- (B) the Assignment and Assumption of Sublease.

7. **Expenses.** Buyer and Seller will bear their own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions provided for herein. Buyer and Seller will each pay half of escrow and title fees.

8. **Notices.** All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand, (b) sent by certified mail, or (c) transmitted by email to:

Seller: Gregory Pilette
20151 Big Bend Lane
Huntington Beach, California 92646
Email: hbpilette@gmail.com

Buyer: MCTC LLC
8039 Balboa Avenue, Suite A
San Diego, CA 92111
Email: mark@chapparone.com and tony@chariotsolffiresuvs.com

9. **Governing Law, Jurisdiction, and Attorneys' Fees and Costs.** This Agreement shall be construed under and enforced in accordance with the laws of the State of California, without regard to conflicts of laws principles. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the federal or state courts of the County, and each of the parties consents to the jurisdiction of such courts. In the event a party commences a legal proceeding to enforce its rights under this Agreement, the substantially prevailing party shall be entitled to recover its attorneys' fees and costs from the non-prevailing party.

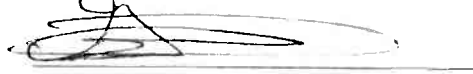
10. **Further Assurances.** The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

11. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be considered one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Seller:

GREGORY G. PILETTE



REBECCA J. PILETTE



Buyer:

MCTC LLC



By: Anthony Chapparone Jr.
Its Manager

Attachment C
Master Lease and Amendments

FV-Land
4 acres

LEASE

(FRENCH VALLEY AIRPORT)

The COUNTY OF RIVERSIDE, herein called County, leases to Murrieta Executive Air Park MEA, LLC, a California Corporation, herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns approximately four (4) acres of vacant land at the French Valley Airport, County of Riverside, California.

(b) County desires to lease said property to Lessee for the construction of aircraft hangars and aviation related buildings.

(c) Lessee desires to lease said property from the County, for the construction of aircraft storage hangars, and aviation related buildings.

2. Description. The premises leased hereby are located within the French Valley Airport, County of Riverside, California, and consist of approximately 152,460 square feet of vacant land, being legally described in Exhibit "A," attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Leased Premises."

3. Term.

(a) This lease shall commence the first day of the month following execution by all parties thereto and terminate thirty (30) years thereafter, term of thirty (30) years.

(b) With respect to the Leased Premises and subject to the provisions of paragraphs 5, 8, 12(c), 17, and 18 hereof, and provided that the Lessee, at the time of exercising of the option, is in full compliance with all the terms of this Lease, the Lessee shall have the option to extend this Lease for a period of ten (10) years.

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

1 4. Use.

2 (a) The Leased Premises is leased hereby for the following purposes:

3 (1) Provide aircraft storage inside hangar buildings.

4 (b) The leased premises shall not be used for any purpose other than in
5 paragraph 4 (a) without first obtaining the written consent of County, which consent shall
6 not be unreasonably withheld.

7 5. Rent.

8 (a) Commencing after the construction rate reduction period, as referred
9 to below in 5b, Lessee shall pay to Lessor as base rent for the use and occupancy of the
10 Leased Premises, monthly rent equal to two thousand six hundred twenty five dollars
11 (\$2,625.00). Said rent is due and payable in advance on the first of each month.

12 (b) During construction of the leased premises, Lessee shall pay a
13 monthly rent equal to one thousand three hundred twelve dollars and fifty
14 cents(\$1,312.50), not to exceed twelve (12) months from the date of Lease execution by
15 all parties. Rent shall then be paid as described in paragraph 5(a) above.

16 (c) Beginning July 1, 2005, and every fifth (5th) year thereafter, the basic
17 monthly rent shall be one-twelfth (1/12) of eight percent (8%) of the appraised fair market
18 land value, excluding Lessee's improvements. A property appraisal for this purpose is to
19 be performed by an independent certified appraiser, mutually acceptable to County and
20 Lessee, knowledgeable in aviation appraising, in good standing with the American Institute
21 of Real Estate Appraisers and to be procured by the County. Once established, said land
22 rent shall be adjusted annually in the manner set forth in Paragraph 5 (d) below.

23 (d) Consumer Price Index. Beginning July 1, 2001 and at each July 1st
24 thereafter, except for dates coinciding with the appraisals conducted every fifth year as
25 referenced in 5(c), the rent shall be adjusted by the percentage change, in the CPI, All
26 Urban Consumers, LA-Anaheim Area for the twelve month period ending two months
27 before the month of rent adjustment under this paragraph. In no event will application of
28 this paragraph result in a monthly rental amount lower than the most previous monthly

1 rental amount.

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

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

9 (b) Employ and maintain on the leased premises sufficient
10 personnel who are trained and skilled in order to competently perform the tasks related to
11 the services being offered.

12 (c) Operate the leased premises and perform services for the use
13 and benefit of the general public without discrimination on the grounds of race, religion,
14 color or national origin or in any manner prohibited by Part 15 of the Federal Aviation
15 Administration Regulations.

16 (d) Operate the leased premises and the facilities thereon in a progressive
17 and efficient manner, charging fair and reasonable prices for each unit or service, said
18 prices being competitive with prices charged by other fixed based operators in the
19 Southern California area. Upon request from County, Lessee shall furnish County with a
20 schedule of all prices for each unit or service offered for sale or lease to the general public.

21 (e) Provide landscaping and janitorial services at its own expense.

22 (f) The Lessee shall observe the Taxiway Object Free Area adjacent to
23 their leasehold to allow the passage of taxiing aircraft. The Taxiway Object Free Area
24 boundary for Taxiway A is one hundred ten (110) feet from the center line of the taxiway.

25 7. Permits, Licenses and Taxes. Lessee shall secure, at its expense, all
26 necessary permits and licenses as it may be required to obtain, and Lessee shall pay all
27 fees and taxes levied or required by any authorized public entity. Lessee recognizes and
28 understands that this lease may create a possessory interest subject to property taxation

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

2 8. On-Site Improvements.

3 (a) Lessee, at its expense, shall construct, or cause to be constructed the
4 following improvements:

5 (1) Within two months of lease execution, Lessee shall submit a
6 plot plan to the Economic Development Agency showing the location and dimensions of
7 all planned improvements. Upon approval of the layout by the Economic Development
8 Agency, Lessee shall submit to the County for building permits. Construction of said
9 improvements shall commence within thirty (30) days after the County approves building
10 permits and be completed within twelve (12) months of Lease execution. The site may be
11 developed in phases subject to the approval of the Economic Development Agency,
12 provided that all construction is completed within twenty four (24) months of Lease
13 execution. Lessee shall obtain performance, material and labor payment bonds in the
14 amounts required by law and determined by County and shall furnish County with copies
15 thereof prior to the commencement of such construction.

16 (b) All improvements to be at lessees sole cost. Lessee shall pay for
17 construction of any required utility extensions and hookups and any access road
18 improvements. Lessee shall pay for all drainage improvements required to comply with
19 French Valley Airport Master Drainage Plan. This Lease is subject to the provisions set
20 forth in **Exhibit "C"**, attached hereto and by this reference made apart of this Lease. All
21 improvements to be submitted to County for approval prior to start of any construction.

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

1 connection therewith.

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

12 9. Off-Site Improvements

13 (a) County and Lessee herein acknowledge that Lessee has no fee title
14 interest in or to the Leased Premises.

15 (b) It is understood by the parties hereto that utility services are available
16 in the general vicinity of the leased premises, but in order for the on-site improvements
17 required in Paragraph 7 herein to be fully usable and operational, Lessee, at its expense,
18 shall extend and/or connect, or cause to be extended and/or connected, to any utility
19 service facilities that may be required or desired by Lessee in the use, operation and
20 maintenance of such on-site improvements. After such extensions and/or connections
21 have been made, Lessee shall be responsible for payment of the use of such utility
22 services, without limitation, all electricity, gas, telephone, water and sewer.

23 If necessary, County shall grant right-of-way utility easements to the Lessee for telephone
24 and/or electricity improvements. After such extensions and/or connections have been
25 made, Lessee shall be responsible for payment of the use of any utility services, without
26 limitation, all electricity, gas, telephone and water.

27 (c) Lessee shall obtain, or cause to be obtained performance, material
28 and labor, and payment bonds in the amounts required by law and determined by County

1 and shall furnish County with copies thereof prior to the commencement of such off-site
2 improvements.

3 10. Additional Obligations of Lessee. The Lessee shall maintain the Leased
4 Premises, approaches thereto, and improvements now or hereafter located thereon, in
5 good and sanitary order, condition, and repair, and upon any termination of this Lease,
6 Lessee agrees to surrender said Leased Premises and improvements thereon in such
7 condition, reasonable use and wear thereof and damages by fire, acts of God, war, civil
8 insurrection, or by the elements excepted.

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

14 12. County's Reserved Rights.

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

1 renders any portion of the leased premises unusable, the rent shall abate pro rata as to
2 such unusable portion during the period of such construction. Any right of County set forth
3 in this paragraph shall not be exercised unless a prior written notice of thirty (30) days is
4 given to Lessee; provided, however, in the event such right must be exercised by reason
5 of emergency, then County shall give Lessee such notice in writing as is reasonable under
6 the existing circumstances.

7 (b) County reserves the right to further develop or improve the aircraft
8 operating area of French Valley Airport as it deems appropriate. County reserves the right
9 to take any action it considers necessary to protect the aerial approaches of the French
10 Valley Airport against obstruction, together with the right to prevent Lessee from erecting
11 or permitting to be erected, any building or other structure on the French Valley Airport,
12 which in the opinion of county, would limit the usefulness of the French Valley Airport or
13 constitute a hazard to aircraft.

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

22 (d) Notwithstanding any provisions herein, this lease shall be subordinate
23 to the provisions of any existing or future agreement between County and the United
24 States, relative to the operation or maintenance of the French Valley Airport, the terms and
25 execution of which have been or may be required as a condition precedent to the
26 expenditure or reimbursement to County of Federal funds for the development of said
27 airport.

28 (e) This lease is subject to the provisions set forth in **Exhibit "B"**

1 (Federally Required Lease Provisions), attached hereto and by this reference made a part
2 of this lease.

3 13. Inspection of Premises. County, through its duly authorized agents, shall
4 have, at any time during normal business hours, the right to enter the leased premises for
5 the purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder
6 and for the purpose of doing any and all things which it is obligated and has a right to do
7 under this lease.

8 14. Quiet Enjoyment. Lessee shall have, hold and quietly enjoy the use the
9 leased premises so long as lessee shall fully and faithfully perform the terms and
10 conditions that the lessee is required to do under this lease.

11 15. Compliance with Government Regulations. Lessee shall, at Lessee's sole
12 cost and expense, comply with the requirements of all local, state and federal statutes,
13 regulations, rules, ordinances and orders now in force or which may be hereafter in force,
14 pertaining to the leased premises. The final judgment, decree or order of any Court of
15 competent jurisdiction, or the admission of Lessee in any action or proceedings against
16 Lessee, whether Lessee be a party thereto or not, that Lessee has violated any such
17 statutes, regulations, rules, ordinances, or orders, in the use of the leased premises, shall
18 be conclusive of that fact as between County and Lessee.

19 16. Discrimination or Segregation.

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

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

8 (c) Lessee assures that it will undertake an affirmative action program as
9 required by 49 CFR, Part 21, to insure that no person shall on the grounds of race, creed,
10 color, national origin, or sex be excluded from participating in any employment activities
11 covered in 49 CFR, Part 21, with respect to its use of the leased premises. Lessee further
12 assures that no person shall be excluded on these grounds from participating in or
13 receiving services or benefits of any program or activity covered herein with respect to its
14 use of the leased premises. Lessee further assures that it will require that its
15 subcontractors and independent contractors provide assurance to Lessee that they
16 similarly will undertake affirmative action programs and that they will require assurances
17 from their subcontractors and independent contractors, as required by 49 CFR, Part 21,
18 to the same effect with respect to their use of the leased premises.

19 17. Termination by County. County shall have the right to terminate this lease
20 on 30 days written notice served on Lessee, provided Lessee has not cured or taken
21 affirmative steps to cure the default within said 30 days:

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

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

27 (c) In the event of abandonment of the leased premises by Lessee.
28

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

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

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

9 18. Termination by Lessee(s).

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

17 19. Eminent Domain. If any portion of the leased premises shall be taken by
18 eminent domain and a portion thereof remains which is usable by Lessee for the purposes
19 set forth in Paragraph 4 herein, this lease shall, as to the part taken, terminate as of the
20 date title shall vest in the condemnor, or the date prejudgment possession is obtained
21 through a court of competent jurisdiction, whichever is earlier, and the rent payable
22 hereunder shall abate pro rata as to the part taken; provided, however, in such event
23 County reserves the right to terminate this lease as of the date when title to the part taken
24 vests in the condemnor or as of such date of prejudgment possession. If all of the leased
25 premises are taken by eminent domain, or such part be taken so that the leased premises
26 are rendered unusable for the purposes set forth in Paragraph 4 herein, this lease shall
27 terminate. If a part or all of the leased premises be so taken, all compensation awarded
28 upon such taking shall be apportioned between County and lessee according to law.

1 20. Indemnity. The Lessee covenants to hold County harmless from any and All
2 loss, claims, or damages resulting from Lessee's violation of any term, provision, covenant,
3 or condition of this lease, or the use, misuse, or neglect of said Leased Premises,
4 improvements, and appurtenances, and from all claims arising out of any alleged defective
5 or unsafe condition thereof, except with respect to any claims arising out of the conduct of
6 County. County shall not be liable to Lessee, nor to any other person or entity, for any
7 damage or injury occasioned by any defect in the Leased Premises, its improvements, or
8 appurtenances. Without limiting or qualifying the foregoing, it is agreed that Lessee shall
9 notify County immediately in writing, of any damage or injury to the Leased Premises, its
10 improvements, or to any appurtenances, or to the sidewalk or curb abutting thereon, or as
11 to any other condition which may expose the Lessee or County to public liability. The use
12 of the term Lessee and County in this paragraph also includes their tenants, employees,
13 agents, representatives, and invitees.

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

18 I. Workers Compensation

19 Workers Compensation Insurance (Coverage A) as prescribed by the laws
20 of the State of California. Policy shall include Employers' Liability (Coverage
21 B) including Occupational Disease with limits not less than \$1,000,000 per
22 person per accident. Policy shall be endorsed, if applicable, to provide a
23 Borrowed Servant/Alternate Employer Endorsement and Waiver of
24 Subrogation in favor of the County of Riverside, Special Districts, Directors,
25 Officers, Board of Supervisors, elected officials, employees, agents and
26 representatives.

27 II. Airport Commercial General Liability

28 Airport Commercial General Liability insurance coverage, including but not

1 limited to, premises liability, contractual liability, products and completed
2 operations, contingent liability, personal and advertising injury and, if liquor
3 is sold, liquor law liability covering claims which may arise from or out of
4 Lessee's performance of its obligations hereunder. Policy shall name the
5 County of Riverside, Specials Districts, Directors, Officers, Board of
6 Supervisors, elected officials, employees, agents and representatives as
7 Additional Insureds. Policy's limit of liability shall not be less than \$3,000,000
8 per occurrence combined single limit and \$300,000 in the aggregate. If such
9 insurance contains a general aggregate limit, it shall apply separately to this
10 agreement or be no less than two (2) times the occurrence limit. Such
11 insurance will include Medical Payments for a limit of \$5,000 and Fire Legal
12 Liability for a limit of \$300,000.

13 **III. Vehicle Liability**

14 If Lessee's vehicles or mobile equipment are used in the performance of the
15 obligations under this Lease, then Lessee shall maintain liability insurance
16 for all owned, non-owned or hired vehicles so used in an amount not less
17 than \$1,000,000 per occurrence combined single limit. Policy shall name the
18 County of Riverside, Specials Districts, Directors, Officers, Board of
19 Supervisors, elected officials, employees, agents and representatives as
20 Additional Insureds. This coverage may be included in the Airport
21 Commercial General Liability policy.

22 **IV. Aircraft Hull and Liability Insurance**

23 Aircraft Hull for the full replacement value of all aircraft stored by the Lessee
24 in the Leased Premises and the contents thereof. Policy will be endorsed to
25 include the County of Riverside, Special Districts, Directors, Officers, Elected
26 Officials, employees, agents and representatives as Additional Insureds.
27 Lessee may elect to self-insure or un-insure the hull portion of the coverage
28 required herein; however, if Lessee elects not to acquire commercial

1 insurance for the hull, Lessee agrees to hold the County of Riverside
2 harmless and not make any claim against the County of Riverside for loss or
3 damage to the hull of his aircraft for any reason whatsoever regardless of
4 any negligence of the County that may have contributed to said loss or
5 damage. Aircraft Liability Coverage and commercial general liability
6 insurance including, but not limited to, premises liability and contractual
7 liability with a limit of liability for bodily injury (including death) and property
8 damage of at least \$1,000,000 with a per seat limit of not less than
9 \$100,000. Coverage will apply to all owned aircraft and all non-owned or
10 hired aircraft operated by the Lessee. Policy will be endorsed to include the
11 County of Riverside, Special Districts, Directors, Officers, Elected Officials,
12 employees, agents and representatives as Additional Insureds.

13 V. Products Liability Insurance

14 If Lessee Provides maintenance and repair services under the terms of this
15 Lease, Lessee shall provide Products Liability Insurance including completed
16 operations not otherwise covered by the Airport Commercial General Liability
17 policy with a limit of not less than \$2,000,000 any one occurrence combined
18 single limit and in the annual aggregate.

19 VI. Hangar Keepers Liability Insurance (Ground Coverage)

20 Hangar Keepers Liability Insurance providing coverage for aircraft in the
21 care, custody or control of the Lessee with a limit equal to the replacement
22 value of all aircraft hulls controlled by the Lessee while on the ground
23 however, in no event, shall the limit of liability be less than \$1,000,000.

24 VII. Hangar Keepers Liability Insurance (Flight Coverage)

25 If applicable, Lessee shall provide Hangar Keepers Liability Insurance
26 providing coverage for aircraft in the care, custody or control of the Lessee
27 with a limit equal to the replacement value of highest valued hull that may be
28

1 flight tested by the Lessee however, in no event, shall the limit of liability be
2 less than \$1,000,000.

3 VIII. Property (Physical Damage):

- 4 i. All-Risk real and personal insurance coverage, including earthquake
5 and flood if applicable, for the full replacement cost value of building,
6 structures, fixtures, equipment, improvements/alterations and systems
7 on the premises for property that the Lessee owns or is contractually
8 responsible for. Policy shall include Business Interruption, Extra
9 Expense, and Expediting Expense to cover the actual loss of
10 business income sustained during the restoration period.
- 11 ii. Boiler & Machinery insurance coverage on a full replacement cost
12 value basis. Policy shall provide Business Interruption, Extra
13 Expense, and Expediting Expense coverage as well as coverage for
14 off-premises power failure.

15 IX. Insurance for Sub-Lessee's. Lessee shall require each of its Sub-Lessee's
16 to meet all insurance requirements imposed by the Lessee. These requirements,
17 with the approval of the County's Risk Manager, may be modified to reflect the
18 activities associated with the Sub-Lessee.

19 X. General Insurance Provisions - All lines:

- 20 i. Any insurance carrier providing insurance coverage hereunder shall
21 be admitted to the State of California unless waived, in writing, by the
22 County Risk Manager. Carrier(s) shall have an A.M. BEST rating of
23 not less than an A: VIII (A:8).
- 24 ii. Insurance deductibles or self-insured retentions must be declared by
25 the Lessee's insurance carrier(s), and such deductibles and
26 retentions shall have the prior written consent from the County Risk
27 Manager. Failure of the Lessee's carriers to declare deductibles or
28 self insured retentions to the County shall waive any obligation of the

1 County, as additional insured, to honor said deductibles or self
2 insured retentions in the event of Lessee's insolvency. Upon
3 notification of deductibles or self insured retentions unacceptable to
4 the County, and at the election of the County's Risk Manager,
5 Lessee's carriers shall either: 1) reduce or eliminate such deductibles
6 or self-insured retentions as respects this Lease with the County, or
7 2) procure a bond which guarantees payment of losses and related
8 investigations, claims administration, and defense costs and
9 expenses.

10 iii. Cause Lessee's insurance carrier(s) to furnish the County of Riverside
11 with either 1) a properly executed original Certificate(s) of Insurance
12 indicating coverage as required herein, or 2) if requested to do so in
13 writing by the County Risk Manager, provide original Certified copies
14 of policies showing such insurance is in full force and effect. Further,
15 said Certificate(s) and policies of insurance shall contain the covenant
16 of the insurance carrier(s) that thirty (30) days written notice shall be
17 given to the County of Riverside prior to any material modification,
18 cancellation, expiration or reduction in coverage of such insurance.
19 In the event of a material modification, cancellation, expiration, or
20 reduction in coverage, this Lease shall terminate forthwith, unless the
21 County of Riverside receives, prior to such effective date, another
22 properly executed original Certificate of Insurance, evidencing
23 coverages set forth herein and the insurance required herein is in full
24 force and effect. Lessee shall not commence operations until the
25 County of Riverside has been furnished original Certificate(s) of
26 Insurance as required in this Section. The original Certificate of
27 Insurance shall be signed by an individual authorized by the insurance
28 carrier to do so on its behalf.

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

6 XI. The County of Riverside's Reserved Rights—Insurance

7 If during the term of this Lease or any extension thereof, there is a material
8 change in the scope of services or performance of work; or, there is a
9 material change in the scope of services or performance of work the County
10 of Riverside reserves the right to adjust the types of insurance required
11 under this Lease and the monetary limits of liability for the insurance
12 coverages currently required herein, if; in the EDA's Executive Director's
13 reasonable judgment, upon advise of the County Risk Manager, the amount
14 or type of insurance carried by the Lessee has become inadequate. The
15 Lessee agrees to notify the County of any plan or change of plan for the
16 Lessee's operations and such notification shall occur prior to implementing
17 any such change.

18 22. Hold Harmless.

19 (a) Lessee represents that it has inspected the leased premises accepts
20 the condition thereof and fully assumes any and all risks associated to the use thereof.
21 County shall not be liable to Lessee, its officers, agents, employees, subcontractors or
22 independent contractors for any personal injury or property damage suffered by them
23 which may result from hidden, latent or other dangerous conditions in, on, upon or within
24 the leased premises; provided, however, that such dangerous conditions are not caused
25 by the sole negligence of County, its officers, agents or employees.

26 (b) Lessee shall indemnify and hold County, its elected officials, officers,
27 agents, employees, and independent contractors free and harmless from any liability
28 whatsoever, based or asserted upon any act or omission of Lessee, its officers, agents,

1 employees, subcontractors and independent contractors, for property damage, bodily
2 injury, or death or any other element of damage of any kind or nature, relating to or. in
3 anyway connected with or arising from its use and responsibilities in connection therewith
4 of the leased premises or the condition thereof, and Lessee shall defend, at its expense,
5 including without limitation attorney fees, expert fees and investigation expenses, County,
6 its elected officials, agents, employees and independent contractors in any legal action
7 based upon such alleged acts or omissions. The obligation to indemnify and hold County
8 free and harmless herein shall survive until any and all claims, actions and causes of action
9 with respect to any and all such alleged acts or omissions are fully and finally barred by the
10 applicable statute of limitations.

11 (c) County shall indemnify and hold Lessee, its officers, agents,
12 employees and independent contractors free and harmless from any liability whatsoever,
13 based or asserted upon any act or omission of County, its elected officials, officers, agents,
14 employees, subcontractors and independent contractors, for property damage, bodily
15 injury, or death or any other element of damage of any kind or nature, relating to or. in
16 anyway connected with or arising from its use and responsibilities in connection therewith
17 of the leased premises or the condition thereof, and County shall defend, at its expense,
18 including without limitation attorney fees, expert fees and investigation expenses, Lessee,
19 its, agents, employees, and independent contractors in any legal action based upon such
20 alleged acts or omissions. The obligation to indemnify and hold Lessee free and harmless
21 herein shall survive until any and all claims, actions and causes of action with respect to
22 any and all such alleged acts or omissions are fully and finally barred by the applicable
23 statute of limitations.

24 (d) The specified insurance limits required in Paragraph 21 herein shall
25 in no way limit or circumscribe Lessee's obligations to indemnify and hold County free and
26 harmless herein.

27 23. Assignment. Lessee cannot assign, sublet, mortgage, hypothecate or
28 otherwise transfer in any manner any of its rights, duties or obligations hereunder to any

1 person or entity without the written consent of County being first obtained, which consent
2 shall not be unreasonably withheld.

3 24. Right to Encumber/Right to Cure.

4 (a) Lessee Right to Encumber. Notwithstanding provisions of Paragraph
5 23 herein, County does hereby consent to and agree that Lessee may encumber or assign,
6 or both, for the benefit of a lender, herein called Encumbrancer, this lease, the leasehold
7 estate and the improvements thereof by a deed of trust, mortgage or other security-type
8 instrument, herein called trust deed, to assure the payment of the promissory note of
9 Lessee if the Encumbrancer is an established bank, savings and loan association or
10 insurance company, and the prior written consent of County shall not be required:

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

13 (2) To any subsequent transfer by the Encumbrancer if the
14 Encumbrancer is an established bank, savings and loan association or insurance
15 company, and is the purchaser at such foreclosure sale, or is the assignee under an
16 assignment in lieu of foreclosure; provided, however, that in either such event the
17 Encumbrancer forthwith gives notice to county in writing of any such transfer, setting forth
18 the name and address of the transferee, the effective date of such transfer, and the
19 express agreement of the transferee assuming and agreeing to perform all of the
20 obligations under this lease, together with a copy of the document by which such transfer
21 was made. Any Encumbrancer described in Paragraph 24 (a), which is the transferee
22 under the provisions of Paragraph 24(a), shall be liable to perform the obligations and
23 duties of Lessee under this lease only so long as such transferee holds title to the
24 leasehold. Any subsequent transfer of this leasehold hereunder, except as provided for
25 in Paragraph 24 (a), shall not be made without the prior written consent of County and shall
26 be subject to the conditions relating hereto as set forth in Paragraph 24 herein. Lessee
27 shall give County prior notice of any such trust deed, and shall accompany such notice with
28 a true copy of the trust deed and note secured thereby.

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

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

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

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

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

19 27. National Pollution Discharge Elimination System (NPDES) Permit. Lessee
20 acknowledges, understands and agrees that it shall comply with California State Water
21 Resources Control Board general permit requirements relating to storm water discharges
22 associated with activities such as aircraft rehabilitation, mechanical repairs, fueling,
23 lubrication, cleaning, painting and deicing. Lessee further acknowledges, understands and
24 agrees that it shall participate as a co-permittee under said general permit, participate in
25 the French Valley Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in
26 **Exhibit "D"**, including without limitation, the Best Management Practices, Best Available
27 Technology Economically Achievable, and Best Conventional Pollutant Control Technology."

28 28. Free from Liens. Lessee shall pay, when due, all sums of money that may

1 become due for any labor, services, material, supplies, or equipment, alleged to have been
2 furnished or to be furnished to Lessee, in, upon, or about the leased premises, and which
3 may be secured by a mechanics, materialmen's or other lien against the leased premises
4 or County's interest therein, and will cause each such lien to be fully discharged and
5 released at the time the performance of any obligation secured by such lien matures or
6 becomes due; provided, however, that if Lessee desire to contest any such lien, it may do
7 so, but notwithstanding any such contest, if such, lien shall be reduced to final judgment,
8 and such judgment or such process as may be issued for the enforcement thereof is not
9 promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event,
10 Lessee shall forthwith pay and discharge said judgment.

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

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

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

1 forth herein, Lessee shall be deemed to have rejected said offer to lease, and Lessor shall
2 be released from any further obligation hereunder.

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

7 33. Severability. The invalidity of any provision in this lease as determined by a
8 court of competent jurisdiction shall in no way affect the validity of any other provision
9 hereof.

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

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

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

23 COUNTY

24 County of Riverside
25 Economic Development Agency
26 3525 14th Street
Riverside, CA 92501
Attn: Executive Director

LESSEE

Murrieta Executive Air Park MEA, LLC
2262 Rutherford Road, Suite 103
Carlsbad, CA. 92008
Attn: Kevin Stumm

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

1 37. Paragraph Headings. The paragraph headings herein are for the
2 convenience of the parties only, and shall not be deemed to govern, limit, modify or in any
3 manner affect the scope, meaning or intent of the provisions or language of this lease.

4 38. County's Representative. County hereby appoints the Economic
5 Development Agency's Executive Director or his designee as its authorized representative
6 to administer this lease.

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

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

26 41. FAA Consent to Lease. Lessee acknowledges that French Valley Airport was
27 transferred to the County by the Federal Government and, as such, may require FAA
28 consent to the Lease.

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

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2 43. Construction of Lease. The parties hereto negotiated this lease at arms
3 length and with the advise of there respective attorneys, and no provisions contained
4 herein shall be construed against County solely because it prepared this lease in its
5 executed form.

6
7 COUNTY OF RIVERSIDE

8 Date: SEP 11 2001

(SEAL)

9
10 
Chairman, Board of Supervisors

11 James A. Venable

12 Approved as to Form:

Attest:


13 AUG 13 2001

14 By: J. Blankenship
15 Joe S. Rank, Assistant County Counsel
Deputy


By: 
16 Gerald A. Maloney, Clerk of the Board

17 Murrieta Executive Air Park Mea, LLC

18 Date: July 30, 2001

19 By: 

20 Title: PRESIDENT

21
22 By: 

23 Title: SECRETARY

24
25 Attachments:

- 26 1. Exhibit A - Legal Description
- 27 2. Exhibit B - Federally Required Lease Provisions
- 3. Exhibit C - Minimum Standards
- 4. Exhibit D - Storm Water Pollution Prevention Plan

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

008



FROM: Economic Development Agency

SUBMITTAL DATE:
February 18, 2004

SUBJECT: First Amendment to Lease between the County of Riverside and Murrieta Executive Airpark MEA, LLC, as Lessee, dated September 11, 2001, French Valley Airport, 3rd District

RECOMMENDED MOTION: That the Board of Supervisors:
(1) Approve the First Amendment to Lease; and
(2) Authorize the Chairman to Execute the First Amendment to Lease.

BACKGROUND: On September 11, 2001 the County of Riverside entered into a Lease with Murrieta Executive Air Park MEA, LLC, a California Limited Liability Company, for a four-acre parcel at French Valley Airport for the development of aircraft storage hangars. Lessee has requested that the uses permitted under the Lease be expanded to permit the operation of an FAA authorized aircraft maintenance and repair station in Building 2, Hangars 15 and 16. Lessee would install an oil water separator and floor drains in Hangars 15 and 16 prior to commencement of repair and maintenance operations.

Staff recommends approval of the First Amendment to Lease, which has been reviewed and approved by County Counsel.

FORM APPROVED
COUNTY COUNSEL

MAR 09 2004
BY *Gordon V. Lobo*

Bradley J. Hudson

Bradley J. Hudson
Assistant County Executive Officer/EDA

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

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

C.E.O. RECOMMENDATION:
APPROVE

County Executive Office Signature *Ronda King*

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Venable, Wilson and Ashley
Noes: None
Absent: None
Date: March 23, 2004
xc: EDA, Co.Co., Auditor

Nancy Romero

Nancy Romero
Clerk of the Board
Deputy

Prev. Agn. Ref.: 9/11/01, 3.22 | District: 3rd | Agenda Number:

ATTACHMENTS FILED

2 10

Departmental Conference

Dept'l Recomm.: Policy
Per. Exec. Ofc.: Policy
Consent: Policy
Consent: Policy

1 FIRST AMENDMENT TO LEASE
2 French Valley Airport

3 The County of Riverside, hereinafter County, and Murrieta Executive Air Park
4 MEA, LLC hereinafter Lessee, hereby agree to amend the following paragraphs and
5 subparagraphs of that certain Lease between the parties dated September 11, 2001,
6 attached hereto as Exhibit A, to read as follows:

7
8 Paragraph 4. Use. Add the following subparagraph:

9 (a) (2) Aircraft maintenance and repair by an FAA Authorized Repair
10 Station in Building 2, Hangars 15 and 16.

11 Paragraph 8. On-Site Improvements. Subparagraph (a) add sub-paragraph (2):

12 (2) Prior to commencing maintenance and repair activities, Lessee
13 shall install an oil water separator and floor drains according to plans and
14 specifications approved by County and Eastern Municipal Water District.

15
16 All other provisions of the Lease, as hereby amended, shall remain the same as
17 written in the Lease dated September 11, 2001. The parties hereto negotiated this
18 Lease Amendment at arms length and with the advice of their respective attorneys, and
19 no provisions contained herein shall be construed against the County solely because it
20 prepared this Lease Amendment in its executed form.

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Date: Jan 20, 2004


LESSEE:
Murrieta Executive Air Park MEA, LLC,
a California Limited Liability Company

By: 
Russ Erickson, President

By: 
Kevin Stumm, Secretary

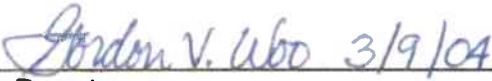
Date: MAR 23 2004

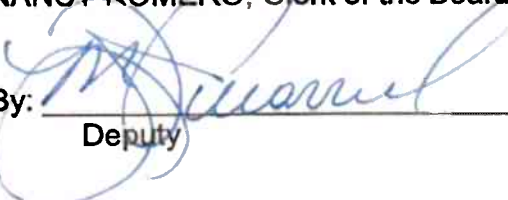
COUNTY OF RIVERSIDE

By: 
Roy Wilson, Chairman
Board of Supervisors

FORM APPROVED:
WILLIAM C. KATZENSTEIN, County Counsel

ATTEST:
NANCY ROMERO, Clerk of the Board

By:  3/9/04
Deputy

By: 
Deputy

(SEAL)

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

414



FROM: Economic Development Agency

SUBMITTAL DATE:
May 15, 2006

SUBJECT: Amendments to Aviation Ground Leases at French Valley Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to Lease between the County of Riverside and Aviation Sales California, Inc., French Valley Jet Center, LLC, and the **Second Amendment to Lease between the County of Riverside and Murrieta Executive Airpark MEA, LLC;**
2. Authorize the Chairman to execute the Amendments to Lease; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Amendments.

BACKGROUND: The Economic Development Agency has received the following Amendments to Lease at French Valley Airport between the County of Riverside and: (1) Aviation Sales California, Inc., as Lessee, First Amendment to Lease to the 3.93-acre Lease dated May 8, 2001; (2) French Valley Jet Center, LLC, as Lessee, First Amendment to Lease to the 4.65-acre Lease dated January 25, 2005; (3) **Murrieta Executive Airpark MEA, LLC,** as Lessee, Second Amendment to Lease to the 3.5-acre Lease dated September 11, 2001, and amended March 23, 2004. (Continued page 2)

Handwritten signature/initials on the left margin.

RZ:JC:DLCC:DS:HO
S:\EDCOM\AIRPORTS\APPRAISAL\2005REAPPRAISAL\F11
Amendments ASC FVJC MEA 080515 doc

Robin Zimpfer
Robin Zimpfer
Assistant County Executive Officer/EDA

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

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

C.E.O. RECOMMENDATION:
APPROVE

FORM APPROVED
COUNTY COUNSEL

County Executive Office Signature

Robin Zimpfer

JUN 13 2006

MINUTES OF THE BOARD OF SUPERVISORS BY *Gordon V. Ito*

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

Ayes: Buster, Tavaglione, Wilson and Ashley
Nays: None
Absent: Stone
Date: June 27, 2006
xc: EDA, Co.Co., Auditor

Nancy Romero
Clerk of the Board
By *[Signature]*
Deputy

Policy
 Policy
 Consent
 Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3/23/04 3.10; 10/11/01 3.22; District: 3rd
6/25/05 3.12; 5/8/01 3.17
Agenda Number:

BACKGROUND (CONTINUED): The Amendments increase the base monthly rent for each Lessee effective July 1, 2005 (see Base Monthly Rents below), and establish the next base rental adjustment date as July 1, 2015. The French Valley Jet Center Lease Amendment provides a procedure for Lessee to have input in the selection of an appraiser for future base rental adjustments.

Base Monthly Rents:

- | | |
|--|------------|
| 1. Aviation Sales California, Inc.: | \$3,994.45 |
| 2. French Valley Jet Center, LLC: | \$4,726.26 |
| 3. Murrieta Executive Airpark MEA, LLC | \$3,557.40 |

Economic Development Agency staff recommends that the Board of Supervisors approve the First and Second Amendments to Lease. County Counsel has reviewed the Amendments to Lease and approved them as to Form.

SECOND AMENDMENT TO LEASE
French Valley Airport

This Second Amendment to Lease ("Amendment:") is entered into by and between the County of Riverside (hereinafter "County"), and Murrieta Executive Air Park MEA, LLC, a California limited liability company, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee are parties to that certain lease (hereinafter the "Lease") approved by the Board of Supervisors of the County of Riverside ("Board") on September 11, 2001, wherein Lessee agreed to lease from County, approximately 3.5 acres of property ("Leased Premises") located at the French Valley Airport; and

B. WHEREAS, the Lease was amended by a First Amendment to Lease approved by the Board on March 23, 2004; and

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

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

1. Recital 1 of the Lease, as well as Board of Supervisor Minutes of March 9, 2004 approving the First Amendment to Lease, incorrectly set forth the acreage of the Leased Premises as four (4) acres, rather than 3.5 acres. The square footage set forth in Paragraph 2 of the Lease sets forth the correct square footage of the Leased Premises. Lessee and County wish to clarify that the Leased Premises consists of 3.5 acres.

2. Paragraph 5 Rent, page 2, subparagraph (a) shall be modified by adding the following at the end of said paragraph 5(a):

"Commencing on July 1, 2005, the monthly rent shall be \$3,557.40."

3. Subparagraph 5 (c), page 2 of the Lease, the date on line 16 shall be changed to July 1, 2015.

4. Subparagraph 5 (d), page 2, is hereby deleted in its entirety and replaced with the following subparagraph:


“(e) Beginning July 1, 2016 and at each July 1st thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in paragraph 5(d) above, the Base Rent shall be adjusted by the percentage change, in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County Area for the twelve month period ending three months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly Base Rent amount lower than the highest previous monthly Base Rent amount.”

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

Dated: 3-8-06

LESSEE:

MURRIETA EXECUTIVE AIR PARK MEA, LLC,
a California limited liability company


By: Kevin Stumm
Its: President and Secretary

[Signature page continues.]

[Signature page continued.]

Dated: JUN 27 2006

COUNTY OF RIVERSIDE

By: Bob Buster
Chairman, Board of Supervisors
BOB BUSTER

(SEAL)

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

ATTEST:
Nancy Romero, Clerk of the Board

By: Ardon V. Woo 6/13/06
Deputy

By: Schlemmer
Deputy

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



ITEM
3.19
(ID # 3505)

MEETING DATE:

Tuesday, February 7, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approve Third Amendment to Lease between County of Riverside and Murrieta Executive Air Park MEA, LLC; Consent to Assignment of Subleases and Bill of Sale between William T. Daileda, Trustee of the Daileda Family 1997 Trust dated December 19, 1997 and Bradford McLean; French Valley Airport; CEQA Exempt; District 3, [\$0]

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 and Section 15061 (b)(3);
2. Approve the attached Third Amendment to Lease (French Valley Airport), including exhibits, between County of Riverside, as lessor, and Murrieta Executive Air Park, MEA, LLC, a California limited liability company (MEA), as lessee (Amendment);
3. Approve the attached Consent to Assignment of Sublease (Hangar No. 15) (Consent to Assignment of Sublease (15)) relating to the assignment of William T. Daileda, Trustee of the Daileda Family 1997 Trust dated December 19, 1997 (Daileda), interest as sublessee, under that certain Sublease dated May 1, 2004, between MEA, as sublessor and Daileda, as sublessee, relating to the sublease of 37170 Sky Canyon Drive, Hangar No. 15, also known as Building 2, Hangar E, Murrieta, California, French Valley Airport, (Subleased Property 15), to Bradford McLean and Amy McLean (collectively, McLean);

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

1/26/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: February 7, 2017
xc: EDA

Kecia Harper-Ihem
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	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2016/17	

C.E.O. RECOMMENDATION Approve

RECOMMENDED MOTION Continued:

4. Approve the attached Consent to Assignment of Sublease (Hangar No. 16) (Consent to Assignment of Sublease (16)) relating to the assignment of Daileda's interest as sublessee, under that certain Sublease dated May 1, 2004, between MEA, as sublessor, and Daileda, as sublessee, relating to the sublease of 37170 Sky Canyon Drive, Hangar No. 16, also known as Building 2, Hangar F, Murrieta, California, French Valley Airport,(Subleased Property 16) to McLean;

5. Approve and consent to the sale of Hangar No. 15 (also known as Building 2, Hangar E) and Hangar No. 16 (also known as Building 2, Hangar F) located on Subleased Property 15 and Subleased Property 16 respectively, as more specifically set forth in the attached Commercial Property Purchase Agreement and Joint Escrow Instructions dated April 30, 2016 between Daileda (as seller) and Bradford McLean (as buyer);

6. Authorize the Chairman of the Board of Supervisors to execute the attached Third Amendment to Lease;

7. Authorize the Assistant County Executive Officer to execute the attached Consent to Assignment of Sublease (Unit No. 15), Consent to Assignment of Sublease (Unit No. 16), and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions; and

8. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the Consent to Assignment of Sublease (Unit No. 15), Consent to Assignment of Sublease (Unit No. 16), and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions including, but not limited to, executing subsequent necessary to and relevant documents, subject to approval by County Counsel.

BACKGROUND:

Summary

Amendment of Lease

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

The County of Riverside, as lessor, entered into a Lease with Murrieta Executive Air Park MEA, LLC, a California limited liability company(MEA), as lessee, dated September 11, 2001, and effective October 1, 2001, as amended by that certain First Amendment to Lease dated March 23, 2004, and that certain Second Amendment to Lease dated June 27, 2006, (collectively, Lease), providing for the lease of 4 acres of vacant land at the French Valley Airport, County of Riverside (Leased Premises), and the construction thereon of aircraft hangars and aviation related buildings The Lease has a 30 year term with one 10-year option to extend. MEA has constructed 16 hangars on the Leased Premises. The Lease is attached.

The Lease as currently drafted provides that all improvements constructed on the Leased Premises by MEA are owned by County both during and after the expiration of the Lease term. This provision is atypical in long-term leases as it impacts the financeability of the Lease. Commercial lenders are willing to lend funds only if the collateral for the loan provides adequate security from which the lender can be repaid. As such, County Aviation staff recommend amending the Lease to provide that MEA shall own the improvements constructed on the Leased Premises during the duration of the Lease term, including any extensions. Ownership of all improvements (except for trade fixtures) will revert back to the County upon the expiration or earlier termination of the Lease. The proposed amendment is set forth in the attached Third Amendment to Lease (Amendment). Other than the modification to the ownerships of the improvements, the terms of the Lease shall remain the same. Facilitating debt financing will add value to both the Leased Premises and the French Valley Airport.

Assignment of Sublease

MEA entered into the following Subleases with William T. Daileda and Lynn B. Dalieda, Trustees of the Dalieda Family 1997 Trust dated December 19, 1997 (Original Daileda) which were approved by the County (i) Sublease dated May 1, 2004 and recorded on July 9, 2004 as Instrument No. 2004-0533151 In the Official Records of Riverside County (Official Records), relating to the sublease of 37170 Sky Canyon Drive, Hangar No. 15, also known as Building 2, Hangar E, Murrieta, California, French Valley Airport (Sublease Hanger No. 15), and (ii) Sublease dated May 1, 2004 and recorded on July 9, 2004 as Instrument No. 2004-0533152 in the Official Records, relating to the sublease of 37170 Sky Canyon Drive, Hangar No. 16, also known as Building 2, Hangar F, Murrieta, California, French Valley Airport (Sublease Hangar No. 16). Sublease Hangar No. 15 and Sublease Hangar No. 16 are attached. William T. Daileda, Trustee of the Dalieda Family 1997 Trust dated December 19, 1997 (Daileda), successor in interest to the Original Daileda, desires to assign its interests under Sublease Hangar No. 15 and Sublease Hangar No. 16 to Bradford McLean and Amy McLean, husband and wife as joint tenants (collectively, McLean). Daileda cannot assign its interest as sublessee without the County's prior consent. A copy of the form of Assignment of Sublease and each proposed form of County Consent to Assignment of Sublease is attached.

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

In connection with the assignment of Daileda's interest in Sublease Hangar No. 15 and Sublease Hangar No. 16, Daileda, as seller, and Bradford McLean, as buyer, entered into that certain Commercial Property Purchase Agreement and Joint Escrow Instructions (Purchase Agreement) dated April 30, 2016 relating to the sale of Hangar Nos. 15 and 16 located on the subleased premises. The Purchase Agreement is subject to the consent and approval of the County. Copies of the Purchase Agreement and proposed Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions are attached. McLean will not change the existing use of the subleased premises. The Purchase Agreement will not impact the terms of the Lease.

CEQA

Pursuant to the California Environmental Quality Act (CEQA), the Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions and Amendment were reviewed and determined to be categorically exempt from CEQA under State CEQA Guideline Section 15301, Class 1 – Existing Facilities and State CEQA Guideline Section 15061(b) (3), General Rule or "Common Sense" Exemption. The proposed project consists of the following, (i) the Amendment which amends the existing Lease to provide MEA, as tenant, with ownership of the improvements located on the Leased Premises during the duration of the Lease term impacting the financeability of the Lease, and no expansion of an existing use will occur, and (ii) Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions, which consent to the assignment of sublessee rights under existing subleases relating to the letting of property involving existing facilities and the sale 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 and will not lead to any direct or reasonably indirect physical environmental impacts since the impacts of the Amendment will be purely financial and administrative and the impacts of the Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions, will be administrative and operation related. The environmental impacts of the existing improvements located on the Leased Premises under the existing Lease were already evaluated under CEQA pursuant to the 2010 Master Plan and certified Mitigated Negative Declaration (MND) (SCH No. EDA/CEQA 2010-02). A Notice of Exemption will be filed by staff with the County Clerk within 5 days of the approval of the Amendment, Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions.

Staff recommends that the Board of Supervisors approve the proposed Amendment, Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions. County Counsel has reviewed and approved the aforementioned documents as to form.

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

Impact on Residents and Businesses

The proposed Amendment, Consent to Assignment of Sublease Hangar No. 15, Consent to Assignment of Sublease Hangar No. 16, and Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions will assist in the County's effort to increase airport operations which will in turn provide increased patron activities for local businesses.

SUPPLEMENTAL:

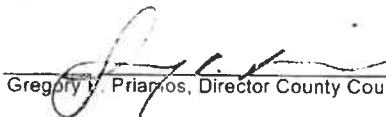
Additional Fiscal Information

There is no net county cost and no budget adjustment required

ATTACHMENTS:

- Attachment A – Lease (including all exhibits and amendments)
- Attachment B – Third Amendment to Lease
- Attachment C – Sublease Hangar No. 15
- Attachment D – Sublease Hangar No.16
- Attachment E – Assignment of Sublease Hangar No. 15
- Attachment F – Assignment of Sublease Hangar No. 16
- Attachment G - Consent to Assignment of Sublease Hangar No. 15
- Attachment H - Consent to Assignment of Sublease Hangar No. 16
- Attachment I - Consent to Commercial Property Purchase Agreement and Joint Escrow Instructions

RF:JWW:TM:JV:mm



Gregory V. Priamos, Director County Counsel 1/26/2017

**THIRD AMENDMENT TO LEASE
(FRENCH VALLEY AIRPORT)**

This THIRD AMENDMENT TO LEASE (French Valley Airport) ("Third Amendment") is made and entered into as of this 2ND day of FEBRUARY, 2017 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County") and MURRIETA EXECUTIVE AIR PARK MEA, LLC, a California limited liability company ("Lessee"). The County and Lessee are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, County owns that certain real property identified as APN 963-030-010, located in the County of Riverside, also known as French Valley Airport, as identified on the Site Map attached hereto as Attachment No. 1 and incorporated herein by this reference ("French Valley Airport")

WHEREAS, the County, as lessor, and Lessee, entered into that certain Lease (French Valley Airport), dated September 11, 2001, and effective October 1, 2001, as amended by that certain First Amendment to Lease dated March 23, 2004, and that certain Second Amendment to Lease dated June 27, 2006, (collectively, "Lease"), providing for the lease of 3.5 acres of vacant land at the French Valley Airport, County of Riverside, legally described in Attachment 2 attached hereto and incorporated herein by this reference (Leased Premises), and the construction thereon of aircraft hangars and aviation related buildings;

WHEREAS, the Lease has a 30 year term with one 10-year option to extend. Lessee has constructed 16 hangars on the Leased Premises. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Lease;

WHEREAS, the Lease as currently drafted provides that all improvements constructed on the Leased Premises by Lessee are owned by County both during and after the expiration of the Lease term. This provision is atypical in long-term leases and impacts the financeability of the Lease;

WHEREAS, in an effort to add value to both the Leased Premises and the French Valley Airport, County and Lessee desire to amend the Lease to provide that Lessee shall own the

improvements constructed on the Leased Premises during the duration of the Lease term, including any extensions, and that ownership of all improvements (except for trade fixtures) will revert back to the County upon the expiration or earlier termination of the Lease, as more specifically set forth below.

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

1. **Recitals**. The Recitals and attachments referenced above are incorporated herein by this reference and adopted by the Parties to be true and correct.
2. **Amendment to Lease**. Section 8 of the Lease is hereby amended to delete Section 8(d) in its entirety and replace with the following:

“8 (d) During the term of this Lease, all improvements, alterations, and fixtures constructed by the Lessee on the Leased Premises shall be owned by Lessee until the Lease is terminated, legally relinquished, abandoned or upon the expiration of Lease including any hold-over period. Upon termination, relinquishment, abandonment or upon the expiration of the Lease (including any hold-over period), legal title to all improvements constructed by the Lessee shall cease to exist, and all interest associated therewith shall revert to the County free and clear of any and all rights to possession and all claims to or against them by Lessee or any third person or entity. At the expiration or earlier termination of this Lease, Lessee shall also surrender to County possession of the Leased Premises and all improvements constructed thereon free and clear of all liens, encumbrances and mortgages. Lessee shall have the full and exclusive use and enjoyment of such improvements, alterations, and fixtures during the term of this Lease. At or prior to the expiration of this Lease, Lessee shall remove, at its expense, such trade fixtures (not including buildings and improvements affixed to the land), and restore the Leased Premises to their original shape and condition in good, safe and sanitary condition, subject to ordinary wear and tear. In the event Lessee does not remove such trade fixtures, they shall become the property of the County for no further consideration

of any kind, and Lessee acknowledges and agrees that County shall have the right to charge Lessee for removal of any trade fixtures that so remain by Lessee upon the expiration or early termination of the Lease. At County's request Lessee shall execute and deliver to County assignments of leases and a quitclaim deed, both in commercially reasonable form and as prepared by County. By the quitclaim deed Lessee shall quitclaim any right, title or interest which Lessee may have or claim to have in the improvements."

3. **Miscellaneous**

a. **Interpretation.** This Third Amendment, when combined with the Lease, sets forth and contains the entire understanding and agreement of the Parties hereto and correctly sets forth the rights, duties and obligations of each to the other as of this date. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this Third Amendment or the Lease.

b. **Waivers; Amendments.** All waivers of the provisions of this Third Amendment and all amendments hereto must be in writing and signed by the appropriate authorized representatives of the County and Lessee. Failure or delay by County in giving notice of any default under this Third Amendment or the Lease shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Third Amendment and in the Lease, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.

c. **Attachments.** Each of the attachments and exhibits attached hereto are incorporated herein by this reference.

d. **Effectiveness of Lease.** Except as modified and amended by this Third

Amendment, all other terms and conditions of the Lease remain unmodified and in full force and effect.

e. **Counterparts**. This Third Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

f. **Effective Date**. The effective date of this Third Amendment is the date this Third Amendment is executed by the County's Chairman of the Board of Supervisors.

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

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

COUNTY:

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

By: _____


John Tavaghtione,
Chairman Board of Supervisors

Date: _____

2.7.17

LESSEE:

MURRIETA EXECUTIVE AIR
PARKMEA, LLC, a California limited
liability company

By: _____

Kevin Stumm,
President and Secretary

Date: _____

ATTEST:


KECIA HARPER-IHEM
CLERK OF THE BOARD

By: _____


Deputy

APPROVED AS TO FORM:
GREGORY P. PRIAMOS, County Counsel

By: _____


Thaila R. Brown,
Deputy County Counsel

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

COUNTY:

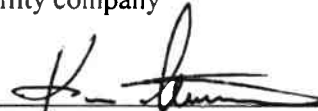
COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: _____
John Tavaglione,
Chairman Board of Supervisors

Date: _____

LESSEE:

MURRIETA EXECUTIVE AIR
PARKMEA, LLC, a California limited liability company

By: 
Kevin Stumm,
President and Secretary

Date: 2-2-2017

ATTEST:

KECIA HARPER-IHEM
CLERK OF THE BOARD

By: _____
Deputy

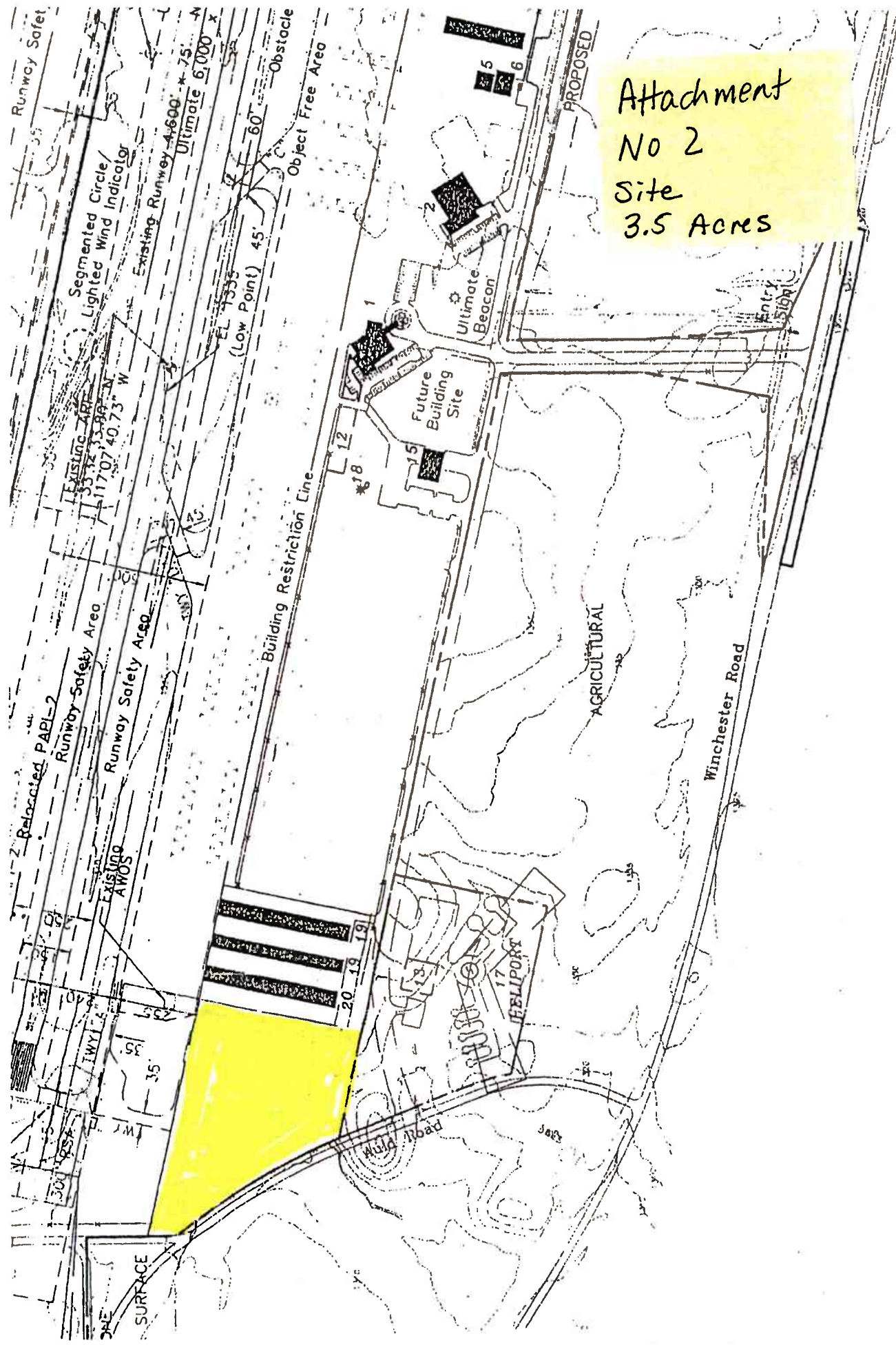
APPROVED AS TO FORM:
GREGORY P. PRIAMOS, County Counsel

By: _____
Jhaila R. Brown,
Deputy County Counsel

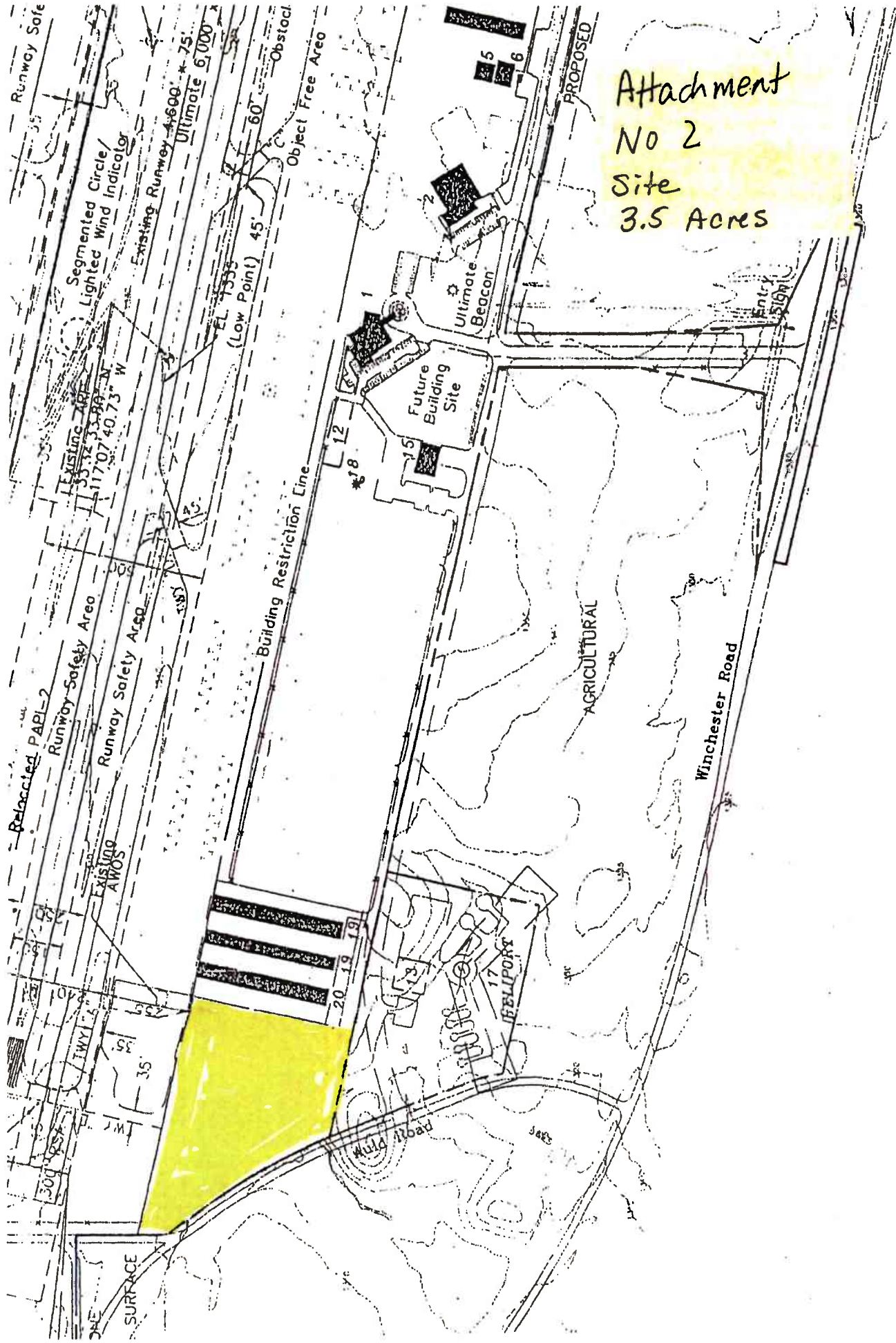
Attachment
No 1
French Valley
Airport



Attachment
No 2
Site
3.5 Acres



Attachment
No 2
Site
3.5 Acres



County of Riverside
TLMA Aviation

FOR COUNTY CLERK USE ONLY	
Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.	
<u>7/12/22</u> Date	<u>BM</u> Initial

NOTICE OF EXEMPTION

June 22, 2022

Project Name: Consent to Assignment and Bill of Sale between Gregory G. and Rebecca J. Pilette and MCTC, LLC, for Hangar 1E at French Valley Airport

Project Number: FM05191011913

Project Location: 37170 Sky Canyon Drive, east of State Route 79, Assessor's Parcel Number (APN) 963-030-010, Murrieta, Riverside County, California, 92563

Description of Project: The Transportation and Land Management Agency – Aviation Division has received a request to consent to an Assignment of Sublease between Gregory G. and Rebecca J. Pilette (Assignor) and MCTC, LLC, a California limited liability company (Assignee) and also to consent to a hangar sale on the assigned subleased premises.

The Sublease pertains to that certain Unit No. 9 (also identified as Hangar No. 1E) located within the French Valley Airport in Murrieta, CA, as more particularly depicted on Exhibit B to the Sublease. The Sublease was entered into between Murrieta Executive Air Park MEA, LLC, a California limited liability company (MEA) and Assignor on October 1, 2018. The Sublease is subject to that certain Lease (French Valley Airport) dated September 11, 2001 between the County of Riverside (as Lessor) and MEA (as Lessee), as amended by that certain First Amendment to Lease dated March 24, 2004, and that certain Second Amendment to Lease dated June 27, 2006, and that certain Third Amendment to Lease dated February 7, 2017 (collectively, Lease), relating to the lease of approximately 152,460 square feet of vacant land, located at French Valley Airport.

The Assignor and Assignee, entered into the certain Assignment dated May 10, 2022 (Assignment) relating to the Sublease. Assignee has also acquired from the Assignor Unit No. 9 (also identified as Hangar No. 1E), consisting of 3,600 square feet located on the subleased premises, the sale of which is memorialized in that certain Bill of Sale dated May 10, 2022 (Bill of Sale). The Assignment and Bill of Sale require County approval pursuant to the Lease. Assignee will not change the existing use of the subleased premises. The Assignment and Bill of Sale will not impact the terms of the Sublease. The Approval of the Assignment and Bill of Sale at French Valley Airport is identified as the proposed project under the California Environmental Quality Act (CEQA). The Approval 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 agreement would result in the continued use of property at French Valley 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 TLMA Aviation

JUL 12 2022 3:30

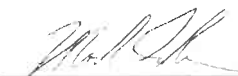
Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or “Common Sense” Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

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 Assignment and Bill of Sale 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 and Bill of Sale.

- **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 an Assignment and Bill of Sale which is an administrative function that would redefine ownership and subsequent responsibilities under the Lease. The approval of the Assignment and Bill of Sale will result in 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 approval of Assignment and Bill of Sale is an administrative function that will result in a change in ownership but would result in the continued operation of the airport on the leased premises. 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:



Mike Sullivan, Senior Environmental Planner
County of Riverside

Date: 6-22-2022

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

**Project Name: Consent to Assignment and Bill of Sale for Hangar 1E at French Valley
Airport**

Accounting String: 525440-40710-1910700000 – FM05191011913

DATE: June 22, 2022

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**

Signature: 

PRESENTED BY: **Jazmine Constantino Casillas, Real Property Agent, TLMA-Aviation**

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -

County of Riverside
Facilities Management
3450 14th Street, 2nd Floor, Riverside, CA 92501

Date: June 22, 2022

To: Cassandra Sandoval, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Facilities Management

Subject: County of Riverside Facilities Management Project # FM05191011913
Consent to Assignment and Bill of Sale for Hangar 1E at French Valley Airport t

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,
3450 14th Street, 2nd Floor, Riverside, CA 92501

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

Attachment

cc: file



Peter Aldana
Riverside County
Assessor-County Clerk-Recorder
2724 Gateway Drive
Riverside, CA 92507
(951) 486-7000
www.rivcoacr.org

Receipt: 22-265360

Product	Name	Extended
FISH	CLERK FISH AND GAME FILINGS	\$50.00
	# Pages	2
	Document #	E-202200654
	Filing Type	7
	State Fee Prev Charged	false
	No Charge Clerk Fee	false
F&G Notice of Exemption Fee		\$50.00
Total		\$50.00
Tender (On Account)		\$50.00
Account#	TRANS	
Account Name	TRANS - TRANSPORTATION DEPT	
Customer Name	MIKE SULLIVAN	
Balance	\$9,080.25	
Comment	951-955-8009	



State of California - Department of Fish and Wildlife
2022 ENVIRONMENTAL DOCUMENT FILING FEE
CASH RECEIPT
 DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

RECEIPT NUMBER: 22-265360
STATE CLEARINGHOUSE NUMBER (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY RIVERSIDE COUNTY TLMA AVIATION	LEAD AGENCY EMAIL MSULLIVAN@RIVCO.ORG	DATE 07/14/2022
COUNTY/STATE AGENCY OF FILING RIVERSIDE		DOCUMENT NUMBER E-202200654

PROJECT TITLE
CONSENT TO ASSIGNMENT AND BILL OF SALE OF SALE BETWEEN GREGORY G. AND REBECCA J. PILETTE AND MCTC, LLC FOR HANGAR IE AT FRENCH VALLEY AIRPORT

PROJECT APPLICANT NAME RIVERSIDE COUNTY TLMA AVIATION	PROJECT APPLICANT EMAIL MSULLIVAN@RIVCO.ORG	PHONE NUMBER (951) 955-8009
PROJECT APPLICANT ADDRESS 3450 14TH ST, 2ND FLOOR,	CITY RIVERSIDE	STATE CA
		ZIP CODE 92501

PROJECT APPLICANT (Check appropriate box)

Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

- Environmental Impact Report (EIR) \$3,539.25 \$ _____
- Mitigated/Negative Declaration (MND)(ND) \$2,548.00 \$ _____
- Certified Regulatory Program (CRP) document - payment due directly to CDFW \$1,203.25 \$ _____
- Exempt from fee
 - Notice of Exemption (attach)
 - CDFW No Effect Determination (attach)
- Fee previously paid (attach previously issued cash receipt copy)

- Water Right Application or Petition Fee (State Water Resources Control Board only) \$850.00 \$ _____
- County documentary handling fee \$ _____ **\$50.00**
- Other \$ _____


PAYMENT METHOD:

Cash
 Credit
 Check
 Other

TOTAL RECEIVED \$ _____ \$50.00

SIGNATURE X <i>H. Vallejo</i>	AGENCY OF FILING PRINTED NAME AND TITLE Deputy
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County of Riverside
TLMA Aviation
3450 14th St, 2nd Floor, Riverside, CA 92501

<small>FOR COUNTY CLERK USE ONLY</small>		
FILED / POSTED		
County of Riverside Peter Aldana Assessor-County Clerk-Recorder		
E-202200654 07/14/2022 10:59 AM Fee: \$ 50.00 Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

June 22, 2022

Project Name: Consent to Assignment and Bill of Sale between Gregory G. and Rebecca J. Pilette and MCTC, LLC, for Hangar 1E at French Valley Airport

Project Number: FM05191011913

Project Location: 37170 Sky Canyon Drive, east of State Route 79, Assessor's Parcel Number (APN) 963-030-010, Murrieta, Riverside County, California, 92563

Description of Project: The Transportation and Land Management Agency – Aviation Division has received a request to consent to an Assignment of Sublease between Gregory G. and Rebecca J. Pilette (Assignor) and MCTC, LLC, a California limited liability company (Assignee) and also to consent to a hangar sale on the assigned subleased premises.

The Sublease pertains to that certain Unit No. 9 (also identified as Hangar No. 1E) located within the French Valley Airport in Murrieta, CA, as more particularly depicted on Exhibit B to the Sublease. The Sublease was entered into between Murrieta Executive Air Park MEA, LLC, a California limited liability company (MEA) and Assignor on October 1, 2018. The Sublease is subject to that certain Lease (French Valley Airport) dated September 11, 2001 between the County of Riverside (as Lessor) and MEA (as Lessee), as amended by that certain First Amendment to Lease dated March 24, 2004, and that certain Second Amendment to Lease dated June 27, 2006, and that certain Third Amendment to Lease dated February 7, 2017 (collectively, Lease), relating to the lease of approximately 152,460 square feet of vacant land, located at French Valley Airport.

The Assignor and Assignee, entered into the certain Assignment dated May 10, 2022 (Assignment) relating to the Sublease. Assignee has also acquired from the Assignor Unit No. 9 (also identified as Hangar No. 1E), consisting of 3,600 square feet located on the subleased premises, the sale of which is memorialized in that certain Bill of Sale dated May 10, 2022 (Bill of Sale). The Assignment and Bill of Sale require County approval pursuant to the Lease. Assignee will not change the existing use of the subleased premises. The Assignment and Bill of Sale will not impact the terms of the Sublease. The Approval of the Assignment and Bill of Sale at French Valley Airport is identified as the proposed project under the California Environmental Quality Act (CEQA). The Approval 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 agreement would result in the continued use of property at French Valley 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 TLMA Aviation

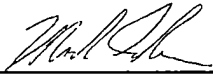
JUL 12 2022 3:30

Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or “Common Sense” Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 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 Assignment and Bill of Sale 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 and Bill of Sale.

- **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 an Assignment and Bill of Sale which is an administrative function that would redefine ownership and subsequent responsibilities under the Lease. The approval of the Assignment and Bill of Sale will result in 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 approval of Assignment and Bill of Sale is an administrative function that will result in a change in ownership but would result in the continued operation of the airport on the leased premises. 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:** 6-22-2022

Mike Sullivan, Senior Environmental Planner
County of Riverside