

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



ITEM: 3.35  
(ID # 19167)

MEETING DATE:

Tuesday, August 02, 2022

FROM : TLMA - AVIATION:

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Approval of Consent to Office and Hangar Sublease Agreement, between TRM CA Holdings LLC, a Delaware limited liability company, as Sub-Lessor, and Coulson Aviation USA Inc., an Oregon corporation, as Sub-Lessee, at Jacqueline Cochran Regional Airport, CEQA Exempt. District 4. [\$2,500 Total Cost - TLMA Aviation Revenue Fund 100%] (Clerk of the Board to file the Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. **Find** that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and Section 15601 (b)(3);
2. **Approve** the Consent to Office and Hangar Sublease Agreement, between TRM CA Holdings LLC, a Delaware limited liability company, as Lessor, and Coulson Aviation USA Inc., an Oregon corporation at Jacqueline Cochran Regional Airport;
3. **Authorize** the Chair of the Board of Supervisors to execute the Consent to Office and Hangar Sublease Agreement at Jacqueline Cochran Regional Airport between TRM CA Holdings LLC, a Delaware limited liability company, as Sub-Lessor, and Coulson Aviation USA Inc., an Oregon corporation, as Sub-Lessee; and
4. **Direct** the Clerk of the Board to file the Notice of Exemption with the County Clerk within Five (5) days of approval by the Board of Supervisors.

**ACTION:Policy**

  
Charissa Leach, TLMA Director

5/19/2022

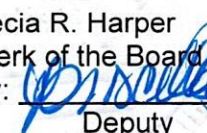
  
Aaron Gettis, Deputy County Counsel

7/20/2022

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: August 2, 2022  
xc: TLMA-Aviation, Recorder

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 2,500	\$ 0	\$ 2,500	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> TLMA Aviation Revenue Fund 100%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 2021/22 – 2026/27	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The County of Riverside, as the Lessor, and Signature Flight Support Corporation, a Delaware corporation ("Signature Flight"), as Lessee, entered into that certain First Amended Lease, dated November 2, 2010 ("Lease"), pursuant to which Signature Flight leased approximately 14.87 acres of improved land, including, but not limited to a maintenance hangar, and an office building commonly referred to as the "flight services building", all located at the Jacqueline Cochran Regional Airport in Thermal, California ("Leased Premises"). The term of the Lease is set to expire on January 31, 2034. On November 19, the County of Riverside consented to the Bill of Sale of assets and Assignment and Assumption of the Lease between Signature Flight and TRM CA Holdings, LLC, a Delaware limited liability company, doing business as Ross Aviation ("Ross Aviation").

Pursuant to Section 27 of the Lease, Lessee cannot assign, or sublet any of its rights, duties and obligations to the Lease without the written consent of the County being first obtained. Ross Aviation has requested consent to Sublease a portion of the Leased Premises to Coulson Aviation USA, Inc., an Oregon corporation ("Coulson"). The portion leased by Coulson will consist of a maintenance hangar of approximately 25,200 square feet, and an office building of approximately 8,000 square feet commonly referred to as the "flight services building", and approximately 115,000 square feet of ramp space ("Subleased Premises"). The attached Office and Hangar Sublease Agreement between Ross Aviation, as Sub-Lessor, and Coulson as Sub-Lessee, will be for a term of three years with one (1) option to renew the Sublease by an additional three (3) years, commencing retroactively on April 1, 2022. Per the Sublease, Coulson will have the permitted use of operating their general administrative office in the office building, and may maintain and store aircraft and helicopters in the hangar space. Coulson will be also providing tenant improvements to the office space which include carpet replacement, new paint, and the relocation of non-demising walls.

Pursuant to the California Environmental Quality Act (CEQA), the project was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301,



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Class 1 – Existing Facilities exemption, and State CEQA Guidelines 15061(b)(3), General Rule or “Common Sense” exemption. The proposed project, the Consent to Office and Hangar Sublease Agreement involving existing facilities where 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 and will only have administrative and operational impacts.

The TLMA – Aviation Division recommends approval and Consent to Office and Hangar Sublease Agreement, which has been reviewed and approved as to form by County Counsel.

**Impact on Residents and Businesses**

Wildfires are a growing concern in Southern California, and Coulson is a private company that partners with Cal Fire and local governments to provide fire suppression services. They are a global leader in aerial fire suppression services with a fleet custom designed heavy aircraft such as Hercules C-130s, Sikorsky S-61 helicopters, Boeing Chinook CH-47 helitankers, Sikorsky Black Hawk UH-60 helitankers, and custom-converted Boeing 737 Fireliners. Residents and businesses benefit from the supplemental fire protection services that Coulson provides.

**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 \$2,500 will be reimbursed from the TLMA Aviation Revenue Fund.

County Counsel Review	\$ 2,000
CEQA NOE	\$ 500
<b>Total</b>	<b>\$ 2,500</b>

**Attachments:**

Consent to Office and Hangar Sublease Agreement  
Office and Hangar Sublease Agreement  
Master Lease – First Amended Lease  
CEQA NOE  
Aerial Image

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Jason Farin, Principal Management Analyst 7/27/2022



## CONSENT TO OFFICE AND HANGAR SUBLEASE AGREEMENT

TRM CA HOLDINGS LLC, a Delaware limited liability company, doing business as ROSS AVIATION ("Sublessor"), and COULSON AVIATION USA LLC, a Oregon corporation ("Sublessee") entered into an Office and Hangar Sublease Agreement ("Sublease"). The Sublease pertains to that certain real property located within the Jacqueline Cochran Regional Airport ("Airport") and consists of approximately 8,000 square feet of office space, 25,200 square feet of hangar and approximately 115,000 square feet of ramp space, located at 56850 Higgins Dr, Thermal, CA 92247, as more particularly described in Exhibit A of the Sublease

The Sublease is subject to that certain First Amended Lease (Jacqueline Cochran Regional Airport), dated November 2, 2010, executed by and between the County of Riverside ("County"), a political subdivision of the State of California, as Lessor, and Signature Flight Support Corporation, predecessor-in-interest to Sublessor, as Lessee ("Lease"). The Lease pertains to that certain real property located within the Jacqueline Cochran Regional Airport, County of Riverside, State of California ("Airport"), as more particularly described in Exhibit "A" of the Lease, and consists of approximately 14.87 acres of improved land, including, but not limited to a maintenance hangar of approximately 25,200 square feet, and an office building of approximately 8,000 square feet commonly referred to as the "flight services building" (collectively, "County Owned Improvements"), all located at the Airport. The form Agreement is attached hereto as Exhibit "B".

The County does hereby consent to the Sublease subject to all rights, terms, and obligations of the Ground Lease.

Date: AUG 02 2022

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

By: Jeff Hewitt  
Jeff Hewitt, Chairman  
Board of Supervisors

APPROVED AS TO FORM

County Counsel

By: Wesley Stanfield  
Wesley Stanfield  
Deputy County Counsel

ATTEST:  
KECIA HARPER  
Clerk of the Board

By: Yvonne Raso  
Yvonne Raso  
Deputy

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**OFFICE AND HANGAR SUBLEASE AGREEMENT  
("Lease")**

<b>CUSTOMER:</b>	<b>Coulson Aviation USA, Inc.</b> <b>Coulson Unical LLC</b> (jointly, " <b>LESSEE</b> ") <i>Address for Notice:</i> 4890 Cherry Creek Road, Port Alberni, BC, Canada V9Y 8E9 <i>Attn:</i> Chief Financial Officer <i>Telephone:</i> 250-724-7600 <i>Email:</i> <a href="mailto:Alexandra.pontbriand@coulsongroup.com">Alexandra.pontbriand@coulsongroup.com</a>
<b>ROSS AVIATION:</b>	<b>TRM CA Holdings, LLC – dba Ross Aviation – Thermal ("LESSOR")</b> <i>Address for Notice:</i> 86400 Lightning St., Thermal, CA 92274 <i>Attn:</i> General Manager <i>Telephone:</i> <i>Email:</i> <a href="mailto:LThew@rossaviation.com">LThew@rossaviation.com</a> and <a href="mailto:enewman@rossaviation.com">enewman@rossaviation.com</a>
<b>AIRPORT/ AIRPORT AUTHORITY:</b>	Jacqueline Cochrane Regional Airport (TRM)/ Riverside County
<b>EFFECTIVE DATE:</b>	April 1, 2022
<b>COMMENCEMENT DATE:</b>	Upon the earlier of LESSEE's lawful occupancy of the Premises or March 31, 2022
<b>EXPIRATION DATE:</b>	March 31, 2025
<b>RENEWAL TERMS:</b>	One three-year renewal term
<b>OFFICE SPACE:</b>	Approximately 8000 square feet of office space to be located in the Hangar
<b>HANGAR SPACE:</b>	Approximately 25,200 square feet of hangar space located at 56850 Higgins Dr, Thermal, CA 92247, and approximately 115,000 square feet of ramp space adjacent to the Hangar
<b>INITIAL MONTHLY RENT:</b>	\$20,000.00
<b>INITIAL MONTHLY COMMON AREA MAINTENANCE FEE:</b>	\$1,000.00
<b>SECURITY DEPOSIT:</b>	\$20,000.00

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<b>PERMITTED BUSINESS USE:</b>	<p>Office Space: General administrative office use in connection with LESSEE's business operations.</p> <p>Hangar Space: Maintenance and storage of aircraft and helicopters owned or controlled by LESSEE in its firefighting business.</p>
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LESSOR grants to LESSEE a lease to the Office Space and Hangar Space located at the address and consisting of approximately the square footage set forth on the cover page of this Lease (the "Premises"), as more particularly described in the attached Exhibit A, upon the terms and conditions contained in this Lease. LESSOR further grants LESSEE the right to use in common with others the lobbies, driveways, access ways, roads, loading areas, walkways, public areas, ramp and other common areas serving the Premises located on the property leased by LESSOR from the Airport Authority on which the Premises is located (the "Property") under the ground lease between LESSOR and the Airport Authority (the "Ground Lease"), all upon the terms and conditions contained herein.

1. **TERM:** The term of this Lease will commence on the Effective Date and will expire on the Expiration Date set forth on the cover page (the "Term"). If a renewal term is indicated on the cover page, LESSEE will have the option to renew the Term for the additional terms set forth on the cover page, if any. Renewal terms are exercisable by sending LESSOR notice of LESSEE's intent to renew at least six (6) months' prior to expiration of the then current Term. Any renewal term will be deemed to be part of the "Term" under this Lease. Notwithstanding the foregoing, LESSEE may terminate this Lease at any time upon six (6) months' prior written notice to LESSOR.
2. **RENT:**
  - (a) **BASE RENT; COMMON AREA MAINTENANCE FEES:** Subject to increases set forth in paragraph 2(c) and paragraph 2(d), LESSEE will pay the Base Rent and Common Area Maintenance Fees set forth on the cover page on or before the first day of each month of the Term commencing on the Commencement Date set forth on the cover page hereto. The Common Area Maintenance Fee is determined by LESSOR based on LESSEE's proportionate share of the cost to operate, manage and maintain the Property, including maintenance, repair, cleaning, landscaping, security, insurance and utilities (other than any utilities paid directly by LESSEE) costs and taxes (other than state or federal income taxes of LESSOR) ("Operating Costs"), which determination will be final. LESSEE's proportionate share will be based on the percentage square feet the Premises are to the entire Property, whether or not LESSOR has tenants leasing other areas of the Premises. LESSEE will also be responsible for payment of any applicable Airport fees and other governmental taxes or fees applicable to the Premises and this Lease.
  - (b) **PAYMENTS:** All installments of Rent must be delivered by electronic funds transfer to a bank account as designated by LESSOR in writing, or at such other place as may be designated in writing from time to time by LESSOR, in lawful money of the United States without any prior demand and without deduction or offset for any cause whatsoever. Base Rent and Common Area Maintenance Fees will be prorated on a per diem basis for any partial month period during the Term.
  - (c) **ADJUSTMENTS:** Base Rent on each anniversary of the Effective Date during the Term (the "Adjustment Date") by the change from the prior year in the Consumer Price Index, All Urban Consumers (CPI-U), all items, not seasonally adjusted, as published by the Bureau of Labor Statistics (BLS), or by 3%, whichever is greater. Common Area Maintenance Fees will be adjusted on each Adjustment Date for increases in LESSOR's estimated Operating Costs for the applicable year, provided that no such increase will be greater than 5% in any year. LESSOR will notify LESSEE of each increase in the Base Rent and Common Area Maintenance Fee by delivering a written statement setting forth the new amount of Base Rent and Common Area Maintenance Fees. LESSOR's notice of Common Area Maintenance Fee increases may be given after the effective date of the increase since each Index or estimated increase in cost to operate, manage and maintain the Property may not be available on the Adjustment Date. In this case, LESSEE will continue paying



the Base Rent and Common Area Maintenance Fees payable during the preceding period and shall pay LESSOR the necessary Base Rent and Common Area Maintenance Fee adjustment for the months elapsed between the Adjustment Date and LESSOR's notice of such increase within thirty (30) days after receipt of LESSOR's notice.

- (d) *ADJUSTMENT FOR RENEWAL TERM*: Rent during the renewal term set forth on the cover page hereto that LESSEE exercises shall be equal to the fair market rental value of the Premises ("FMV"), as determined by LESSOR based on prevailing market conditions for comparable office space and for hangar space on the Property. If LESSEE timely objects in writing to LESSOR's determination of the FMV, LESSOR and LESSEE shall promptly meet and attempt to agree upon the FMV for the renewal term. If LESSOR and LESSEE are unable to agree on the FMV for the renewal term within ten (10) days of receipt by LESSEE of LESSOR's determination of FMV, LESSOR and LESSEE shall each, at its cost, appoint a competent and impartial commercial real estate appraiser with at least ten (10) years' full-time commercial real estate experience in the geographical area of the Premises to set the FMV for the renewal term. If either LESSOR or LESSEE does not appoint an appraiser within ten (10) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall conclusively determine the FMV for the renewal term. If two (2) appraisers are appointed by LESSOR and LESSEE as stated in this paragraph, they shall each determine FMV and the average of such determinations shall be conclusive and binding upon LESSOR and LESSEE as the Rent during the renewal term (subject to subsequent adjustment pursuant to paragraph 2(c)). LESSOR and LESSEE shall each pay one-half of any fees or costs of the appraisers, provided that if the FMV determination is within 1% of LESSOR's original determination of FMV, then LESSEE shall pay all of such fees and costs.
- (e) *SECURITY DEPOSIT*: On the Effective Date, LESSEE will pay to LESSOR the security deposit set forth on the cover page of this Lease to secure LESSEE's performance under this Lease. Prior to commencement of any construction of the TI (as defined below), LESSEE will pay to LESSOR the Construction Deposit determined pursuant to paragraph 3(b) below. LESSOR may apply such security deposit and, as applicable, Construction Deposit to satisfy whatever damages, losses and/or expenses LESSOR may suffer or incur as a result of LESSEE's failure to pay Rent or any other amount due under this Lease or LESSEE's breach of any of the other obligations set forth in this Lease, or in the case of the Construction Deposit, complete the TI or make payments when due to any contractors or subcontractors. If LESSOR uses or applies all or any portion of such security deposit or Construction Deposit, LESSEE must within ten (10) days after written request therefor, deposit monies with LESSOR sufficient to restore the security deposit or Construction Deposit, as applicable, to the full amount required by this Lease. LESSOR is not required to pay interest on the security deposit or Construction Deposit and may commingle the security deposit and Construction Deposit with its other funds, to the extent permitted by applicable law. The security deposit does not excuse LESSEE from paying last month's Rent when it is due and payable. LESSOR will return the security deposit, less any amounts withheld to compensate LESSOR for any damages, losses and/or expenses caused by LESSEE or LESSEE's breach of its obligations under this Lease, within sixty (60) days of the expiration or termination of this Lease. LESSOR will return the Construction Deposit, less any amounts withheld to compensate LESSOR for any damages, losses and/or expenses caused by LESSEE or LESSEE's breach of its obligations with respect to the TI under this Lease, within sixty (60) days of the completion of the TI.
- (f) *OTHER RENT*: All charges payable by LESSEE under this Lease, including Base Rent, Common Area Maintenance Fees or and any other amounts payable to LESSOR for costs incurred on LESSEE's behalf shall be deemed additional Rent payable hereunder and will be paid without offset



or deduction with the next monthly installment of Base Rent, unless this Lease provides otherwise. The Base Rent, Common Area Maintenance Fees and any such additional charges or costs shall sometimes be referred to together as "Rent."

- (g) **PAYMENT DEFAULT:** If LESSEE fails to pay Rent or other amounts payable hereunder when due and such failure continues for five (5) business days after written notice thereof from LESSOR to LESSEE ("Cure Period"), any due and unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum, or the maximum interest rate allowed under the laws of the state in which the Premises is located, whichever is less, from the date following the Cure Period until it is paid in full.

3. **PREMISES CONDITION; IMPROVEMENTS; REPAIR; LESSEE TI:**

- (a) LESSOR will deliver the Premises in broom clean condition with all utilities in good working order. By occupying the Premises, LESSEE accepts the Premises in its as-is condition as of the date of such occupancy. LESSEE shall have access to the Premises 24 hours per day, seven days a week, subject to LESSOR's written security procedures and requirements provided to LESSEE, if any. Upon expiration or termination of this Lease, LESSEE will peaceably surrender the Premises and restore the Premises and return the Premises in its present condition, ordinary wear and tear excepted.
- (b) LESSOR hereby agrees that LESSEE shall, at its sole cost and expense, complete the improvements to the Premises described in Exhibit B attached hereto, as may be updated from time to time after the date hereof upon the mutual written agreement of LESSOR and LESSEE (the "TI"). Upon execution and delivery of this Lease, payment of the first month's Rent and the security deposit set forth on the cover page hereto and delivery of the certificates of insurance required by paragraph 16 and required prior to performing the TI or installing any furniture or fixtures, LESSEE shall have non-exclusive access to the Premises reasonably necessary to complete the TI and to install LESSEE's furniture and permitted fixtures and equipment. The TI shall be completed by a licensed contractor reasonably acceptable to LESSOR within the time periods agreed to by LESSOR in writing. Prior to the commencement of any work, (i) such contractor must provide proof of liability insurance that names LESSOR as an additional insured and that contains such coverage and deductible amounts as are reasonably acceptable to LESSOR and as may be required by the Airport Authority, and (ii) for any TI estimated to cost more than \$100,000 to complete or that will alter the floor plan of the Premises, LESSEE must deposit an amount equal to {25}% of the total construction costs for the TI (the "Construction Deposit") with LESSOR to hold as security for LESSEE's obligations to complete the TI. If LESSEE fails to timely pay any such Construction Costs when due, LESSOR may deduct such amounts from the Construction Deposit pursuant to paragraph 2(e) above and pursue all rights and remedies available to it. The final plans and designs, construction agreement and construction schedule, and any change orders, must be approved in advance of commencement of any construction, or any work relating to a change order, by LESSOR, which approval will not be unreasonably withheld. LESSEE shall be solely responsible for obtaining all necessary consents, authorizations, permits and approvals required to complete the TI, and shall complete the TI in a good and workmanlike manner, in compliance with all applicable laws, building codes, ordinances, rules and regulations, including those required by the Ground Lease or the Airport Authority. LESSEE agrees and acknowledges that the Term shall commence on the Commencement Date set forth on the cover page hereto, whether or not the TI is complete as of such date. Any other improvements to the Premises not set forth on Exhibit B shall require LESSOR's prior written



approval. LESSOR agrees to negotiate with LESSEE in good faith a reasonable rent allowance in partial consideration for LESSEE's completion of such TI.

- (c) LESSOR will have no liability to LESSEE whatsoever for any claims, actions, losses, penalties, costs, loss of revenue or other damages of any kind resulting from or arising out of any delays in the construction of the TI or failure to obtain required permits or required approvals which cause a delay in the construction of Premises.
  - (d) LESSEE agrees not to install any fixtures or make any alterations, additions or improvements to the Premises without prior written approval of the LESSOR, such approval to be within the reasonable business discretion of LESSOR. All fixtures installed or additions and improvements made to the Premises, specifically excluding furniture and LESSEE's trade fixtures, will, upon completion of additions and improvements, become LESSOR's property and remain in the Premises at the termination of this Lease however terminated, without compensation or payment to the LESSEE, unless otherwise agreed to in writing by LESSEE and LESSOR.
4. **PERMITTED USE:** The Premises shall be used only for the purposes set forth on the cover page hereto in connection with the lawful operations of LESSEE in its business ("Business"). No commercial activities of any kind whatsoever shall be conducted by LESSEE in, from or around the Hangar, except for incidental activities related to its Business. LESSEE shall take reasonable steps to ensure the safe and proper conduct and demeanor of its employees, contractors and invitees. LESSEE shall not store any parts or service equipment, lumber, metal, machinery, liquids or other materials inside or outside of the Hangar Space other than equipment, machinery, parts, prototypes and inventory stored inside the Hangar Space for use in LESSEE's Business. Notwithstanding the foregoing, in no event shall LESSEE be permitted to engage in any of the following activities:
- (a) Welding of any type;
  - (b) Hot work of any kind involving flames, fires or torches; or
  - (c) Painting, unless LESSEE installs and maintains a paint booth that meets the requirements of local, state and federal laws, rules, ordinances and regulations, including the Airport Authority, OSHA, the Environmental Protection Agency and the State of California.
5. **FIRE AND SAFETY.** LESSEE shall be solely responsible for the cost of maintaining at all times during the Term any and all fire or other safety measures or systems based on power upgrades or the activities of LESSEE in the Hangar Space as otherwise required by LESSOR or the Airport Authority, fire marshal or other governmental or regulatory body or entity.
6. **PARKING:** LESSEE's employees, officers, directors and invitees shall be entitled to utilize the unreserved parking spaces designated by LESSOR in writing at no additional cost to LESSEE, subject to any reasonable and nondiscriminatory rules and regulations LESSOR may adopt with respect to parking areas that it deems appropriate.
7. **COMPLIANCE WITH LAWS:** LESSEE agrees to and will at all times during the Term, comply with all applicable laws, rules, ordinances and regulations established by, or orders or decrees of, federal, state, local or territorial governmental agencies, including the Occupational Safety and Health Act, the Americans with Disabilities Act and other laws regulating health, safety or employment, with Part 107 (Airport Safety) and Part 139 (Airport Security) of the Federal Aviation Regulations and with any requirements, programs, policies or procedures established by the Transportation Security Agency or the



Airport Authority regarding access to or security at the Airport, or rules, regulations, programs, policies or procedures which the Airport Authority may adopt from time to time with respect to the Airport or the Premises. LESSEE will be solely responsible, at LESSEE'S sole cost and expense, for obtaining and maintaining at all times during the Term all licenses, permits, authorizations and use approvals from the Airport Authority and any governmental entity needed for the conduct of LESSEE's operations and use of the Premises.

**8. LESSEE MAINTENANCE AND REPAIR:**

- (a) LESSEE will maintain and keep the Premises in good operating condition and repair, and free from waste, nuisance or debris, ordinary wear and tear excepted, and shall not use, keep or permit to be used or kept any foul or noxious gas or substance in or on the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to LESSOR by reason of noise, odors and/or vibrations or in a manner which will in LESSOR's reasonable judgment damage the Premises or any part thereof. LESSEE will promptly repair any damage to any portion of the Premises (interior or exterior), or any other part of the Property, caused by LESSEE or its employees, agents, contractors or invitees, or any other person on, in or about the Premises. Without limiting the foregoing, LESSEE will be responsible for non-capital repairs and maintenance to the following with respect to the Premises: (1) floor covering and/or raised flooring; (2) interior partitions; (3) interior doors and locks; (4) the interior side of demising walls; (5) electronic, phone and data cabling and related equipment that is installed by or for the benefit of LESSEE located in the Premises; (6) supplemental air conditioning units; (7) maintenance of any restroom or kitchen located within Premises, including hot water heaters, plumbing, dishwashers, ice machines and similar facilities; and (8) alterations performed by or on behalf of LESSEE. Prior to performing any maintenance or repairs, LESSEE must give written notice to LESSOR describing the necessary maintenance or repair. Upon receipt of such notice, LESSOR may elect either to perform any such repair obligations, or require that LESSEE perform such repairs by using contractors approved by LESSOR. If LESSOR makes such election, it must give written notice to LESSEE within one (1) day following notice from LESSEE of the necessary maintenance or repair work. All such work will be performed at LESSEE's expense and in accordance with all applicable laws, regulations, and ordinances, including building codes and Airport rules and regulations. LESSEE will not permit mechanic's or other liens to be placed upon the Premises or LESSEE's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of LESSEE, including the TI.
- (b) LESSEE will be responsible for obtaining and maintaining routine janitorial services, including vacuuming and trash removal, reasonably adequate to keep the Premises in a neat, clean and orderly condition.
- (c) LESSEE agrees to promptly report any damage to the Premises after the Commencement Date.

**9. LESSOR MAINTENANCE AND REPAIR:**

- (a) LESSOR will repair and maintain, at its expense, the HVAC and other building systems serving the Premises, excluding security and safety systems which shall be LESSEE's responsibility, and the exterior structural elements of the Premises, as well as the parking and all common areas serving the Premises, in good working condition and repair, ordinary wear and tear excepted. LESSEE shall promptly give LESSOR written notice of any repair or maintenance work required by LESSOR pursuant to this Paragraph 9(a), after which LESSOR shall commence such repair or maintenance work within three (3) days of receipt of such notice (or as soon as practicable if it is not possible to



commence such repair or maintenance work within three (3) days of receipt of such notice) and shall thereafter diligently prosecute the repair or maintenance work to completion, with all work to be completed within a reasonable period of time. LESSEE may perform any repairs or maintenance work which LESSOR has failed to perform or complete in the time frames set out in the previous sentence and LESSOR shall reimburse LESSEE, upon demand, for the reasonable costs and expenses incurred by LESSEE in connection with such repairs and maintenance work. In the event of an emergency (being defined as an imminent threat of personal injury to LESSEE's employees, agents or invitees, or material damage to LESSEE's equipment or other property at the Premises), LESSEE shall have the right to make such temporary, emergency repairs as may be reasonably necessary to prevent such personal injury to LESSEE's employees, agents or invitees, or such material damage to the equipment or property of LESSEE situated in the Premises, provided LESSEE has no reasonable alternative and has notified LESSOR of such emergency by telephone (with subsequent written notice as soon as practicable) and LESSOR has failed to initiate emergency repairs within twelve (12) hours of such notification. LESSOR shall reimburse LESSEE, upon demand, for the reasonable costs and expenses incurred by LESSEE in connection with such emergency repairs. If any such defect(s) render all or substantially all of the Premises untenable, during the period from the date LESSEE provides notice of the defect(s) until the Premises are again tenable, the Rent shall be reduced and abated in proportion to the amount of floor area of the Premises which is rendered untenable as a result of such defect(s). If LESSOR is required to perform any maintenance or repair due to the negligence or fault of LESSEE or its employees, agents or invitees, LESSOR may charge the reasonable cost of such repairs to LESSEE as additional Rent due in its entirety with the next monthly Rent payment.

**10. UTILITIES:**

- (a) LESSEE is responsible for all costs of its own utilities, internet, phone and data lines, as well as costs of its internal office needs (i.e., copying machines, office equipment, etc.).
- (b) Water; HVAC: LESSOR will supply water and furnish heating, ventilation, air-conditioning (where available) and electricity for the Premises in commercially reasonable amounts for the permitted uses of the Premises.
- (c) Electricity. With respect to that portion of the Premises that are separately metered, LESSEE shall pay the supplier of electricity directly for its electrical usage, and for the avoidance of doubt not for usage of other tenants of LESSOR, and LESSOR shall have no responsibility therefor; provided, however, that if LESSOR is currently being billed by the supplier, LESSOR may, at its option, continue to pay the bill and bill LESSEE for its electrical usage (and LESSEE shall pay the amount shown in LESSOR's bill within 30 days) or cause the supplier to bill LESSEE directly (and LESSEE shall cooperate with LESSOR in obtaining such direct billing). With respect to that portion of the Premises that are not separately metered, LESSOR shall pay the supplier of electricity and shall allocate electricity charges among LESSEE for its electrical usage and other parties sharing the same meter. LESSOR's allocation shall be final. LESSOR shall bill LESSEE for its share of electricity on a monthly basis and LESSEE shall pay the amount shown on such invoice within 30 days. Notwithstanding the foregoing, LESSOR may install a separate meter for the Premises at any time. LESSEE shall be responsible for the cost of any power upgrades needed by LESSEE to conduct its Business on the Premises.



- (d) **No Liability.** Neither LESSOR nor its agents, affiliates or contractors shall be liable for any damages caused as a result of its failure to supply utilities to the Premises, unless such failure is due to its gross negligence or intentional misconduct.
11. **SIGNAGE:** LESSEE, at LESSEE's expense, shall be entitled to building top or "eyebrow" signage on Hangar in such location and of such size and design as approved by LESSOR and the Airport Authority. LESSEE shall not place any other exterior signs on the Premises without LESSOR's prior written consent which consent shall not be unreasonably withheld.
12. **HAZARDOUS SUBSTANCES:**
- (a) Except as may be necessary in the reasonable operation of LESSEE's Business and with prior notice to and approval by LESSOR, LESSEE will not generate, transport, transfer or store any hazardous materials or wastes, including state and federally defined hazardous materials, substances, chemicals and waste (collectively, "hazardous substance") on the Premises. LESSOR agrees that LESSEE may store aviation fuel, oil, waste fuel, cleaning chemicals and hydraulic fluids for use in the operation of its Business on the Premises in accordance with all environmental laws. LESSEE will use reasonable care in dealing with any hazardous substance and will comply with all applicable environmental laws, regulations or rules of any governmental entity or any environmental compliance program of LESSOR or the Airport Authority (collectively, "environmental law").
- (b) In the event of any noncompliance with environmental law or a leak, spill, release or discharge of a hazardous substance on, at or from the Premises as a result of LESSEE's operations or use of the Premises or the Property or caused by its employees, contractors, agents or invitees (a "LESSEE Spill"), LESSEE will promptly notify LESSOR. As soon as possible, but no later than twenty-four (24) hours, after discovery of an incident, LESSEE shall submit a written report to LESSOR, identifying the source or cause of the noncompliance or spill, release or discharge (including the names and quantities of any hazardous substance involved) and the method or action required to correct the problem. LESSEE will cooperate with LESSOR or its designated agents or contractors with respect to the investigation and correction of such problem and shall be solely responsible for providing any notice to any federal, state or local governmental authority required by applicable laws and to the Airport as a result of such incident. LESSEE shall provide LESSOR with copies of any notice or other communication received from any governmental authority and of LESSEE's response thereto.
- (c) If any LESSEE Spill occurs on, at or from the Premises, and except to the extent provided in clause (d) below, LESSEE will undertake all actions, at its sole cost and expense, necessary to contain, clean up, remove and remediate such LESSEE Spill in accordance with all applicable laws and requirements of any government agency and shall further return the Premises or Property to the condition existing prior to the introduction of any such hazardous material to the Premises or the Property. LESSEE will prepare a written plan detailing the actions it will take to contain, clean up, remove and remediate any LESSEE Spill ("remediation action plan"). The remediation action plan will be subject to LESSOR's prior review and approval. LESSEE will also obtain any necessary approval from the Airport Authority. LESSEE will provide evidence reasonably acceptable to LESSOR that any such LESSEE Spill has been cleaned up, removed and remediated in full compliance with applicable environmental laws or any order or requirement of any local, state or federal governmental agency or authority, including if applicable, a no further action or other similar determination for the governmental agency with jurisdiction over the incident.



- (d) Notwithstanding anything to the contrary in this paragraph 12, LESSEE hereby appoints LESSOR as its agent for the removal or remediation, at LESSOR's election, of any LESSEE Spills. LESSEE agrees to cooperate fully with LESSOR in connection with such removal or remediation. Any LESSEE spill, and any hazardous waste resulting from such spill, and the removal or remediation thereof, will be at LESSEE's sole cost and expense, and, at LESSOR's option, be disposed of as LESSEE's waste under LESSEE's generator id number, which LESSEE must provide if required by regulation for the event. If LESSEE does not yet have a generator id number, LESSEE must obtain one as quickly as possible; provided that LESSEE hereby appoints LESSOR as LESSEE's attorney-in-fact for the purpose of obtaining a generator id number in LESSEE's name if LESSEE fails to do so. LESSEE must reimburse LESSOR for all costs, including any overhead, administrative costs, and attorneys' fees, incurred in connection with the removal or remediation of such spill within ten (10) days of demand. Any such amount will be deemed additional License Fees under this Agreement.
- (e) If LESSEE, after notice from LESSOR, fails to comply with or perform any of its obligations pursuant to this paragraph 12, LESSOR may, but will not be obligated to, perform such obligations and LESSEE must pay LESSOR within ten (10) days of demand for LESSOR's costs therefor, including any overhead, administrative costs, and attorneys' fees. Any such amount will be deemed additional License Fees under this Agreement.
- (f) In addition to LESSEE's indemnification obligations set forth in paragraph 13 below, LESSEE shall indemnify, defend and hold harmless LESSOR, and its affiliates, and each of their respective shareholders, directors, officers, employees, agents, representatives and contractors, from and against any and all claims, demands, liabilities, judgments, costs, fines, penalties or expenses (including, without limitation, diminution in value of the Premises or the Property, any lien placed on the Premises or the Property, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, damages arising from any adverse impact on marketing of the Premises or the Property, and sums paid in settlement of claims, actual attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of (a) LESSEE's violation of any environmental law pertaining to the use or storage of hazardous substances at the Premises or the Property, (b) the presence, use, storage, treatment, disposal, spill, release or discharge of hazardous substances at, on or from the Premises or as a result of LESSEE's operations or use of the Premises or Property during the term of this Agreement or (c) any LESSEE Spill. The indemnification of LESSOR by LESSEE pursuant to this paragraph 12(f) includes, without limitation, costs incurred in connection with any investigation of site conditions (i.e., professional fees) or any cleanup, remedial, removal, or restoration work required by the Airport Authority, any federal, state or local governmental agency or political subdivision or deemed advisable by LESSOR because of hazardous substance present in the soil or ground water on or under the Premises or the Property. This paragraph 12 will survive termination or expiration of this Agreement.
13. **INDEMNIFICATION:** LESSEE agrees to indemnify LESSOR and shall hold LESSOR harmless against any and all loss, claim, damage demand, penalty, lien, suit or action of any kind, including claims based on property damage, personal injuries and death, and including reasonable attorney's fees and other costs of defense thereof ("Losses"), in any way resulting from the acts or omissions of LESSEE, its agents, employees, contractors, invitees or representatives, or arising out of LESSEE's use of the Premises or LESSEE's breach of any provision of this Lease, except to the extent Losses are the result of the negligence or willful misconduct of LESSOR, its agents, employees, contractors, invitees, tenant's or customers.



LESSOR agrees to indemnify LESSEE and shall hold LESSEE harmless against any and all Losses to the extent resulting from the negligence or willful misconduct of LESSOR, its agents, employees, contractors, invitees or representatives, excluding any Losses that are the result of the acts, omissions, negligence or willful misconduct of LESSEE, its agents, employees, contractors, invitees, tenant's or customers.

This paragraph 13 shall survive termination or expiration of this Lease.

14. **WAIVER OF CONSEQUENTIAL DAMAGES; JURY TRIAL:** NOTWITHSTANDING ANYTHING CONTAINED IN THIS LEASE TO THE CONTRARY, UNDER NO CIRCUMSTANCES WILL LESSOR OR LESSEE BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS, LOSS OF USE OR DIMINUTION OF VALUE, OR OTHER DAMAGE ARISING UNDER THIS LEASE, EXCLUDING LESSEE'S LIABILITY TO LESSOR PURSUANT TO PARAGRAPH 12(f) or 13 ABOVE OR 20 BELOW AND LESSOR'S LIABILITY TO LESSEE PURSUANT TO PARAGRAPH 13 ABOVE.

LESSOR and LESSEE further knowingly, intentionally and voluntarily waive any right to a trial by jury in any action or proceeding based upon, or related to, the subject matter of this Lease or the use and occupancy of the Premises. LESSEE acknowledges that it has been represented (or has had the opportunity to be represented) in the signing of this Lease and in the making of this waiver by independent legal counsel, selected of its own free will, and that LESSEE has had the opportunity to discuss this waiver with counsel. LESSEE further acknowledges that it has read and understands the meaning and ramifications of this waiver provision, as evidenced by its signature below.

15. **LESSEE:** LESSEE is solely responsible for the conduct of all employees, agents, contractors, customers or others on the Premises at the invitation of LESSEE.
16. **INSURANCE:** LESSEE shall maintain the following insurance, at its sole cost and expense, from an insurer admitted in the state in which the Airport is located having or reinsuring with a reinsurer having a minimum rating of or equivalent to A:VIII in Best's Insurance Guide:
- (a) Worker's Compensation – applicable statutory limits.
  - (b) Employer's Liability – minimum of \$1,000,000.
  - (c) Airport Premises Liability – including bodily injury liability and property damage liability with minimum limits of \$5,000,000 per occurrence.
  - (d) Vehicle Liability, including airside liability for vehicles driven airside, for owned and non-owned or hired and unlicensed vehicles – minimum of \$1,000,000 per occurrence combined single limit (\$5,000,000 for trucks larger than one ton) – driven on the Premises or the Property. Proof of such policy will be required before issuing any vehicle gate cards.
  - (e) Property Insurance covering any business personal property, including trade fixtures, tenant improvements and betterments, tools, equipment, furniture and all other personal property of LESSEE located on the Premises in the amount of the full replacement cost thereof.



All policies of insurance required hereunder shall provide continuing coverage for acts or omissions and shall include, as applicable, the following coverages: (i) premises/operations; (ii) independent contractors; (iii) broad form contractual in support of the indemnity section of this Lease; and (iv) personal injury liability.

All policies (other than those described in clauses (a) and (b)) shall (i) include as additional insured's LESSOR and the Airport Authority (hereinafter the "Additional Insured") against liability resulting from any suits, claims, demands, actions or loss, including all costs and expense of litigation, brought or made by reasons of the use and/or occupancy by LESSEE, its agents, employees, licensees, patrons or visitors, of the Premises and of the Airport and any of LESSOR's facilities, and (ii) provide a waiver of subrogation against the Additional Insured's in connection with any claim or damage covered by such policies. Notwithstanding the foregoing, no coverage will be afforded, and the waiver of subrogation provision will not apply, to LESSOR'S negligence or willful misconduct.

**17. EVIDENCE OF INSURANCE:**

- (a) Upon execution hereof, LESSEE shall deliver a Certificate of Insurance, with an insurance company acceptable to LESSOR, evidencing coverages required by paragraph 16 and with any additional requirements under the Ground Lease.
- (b) LESSEE must give LESSOR immediate notification if there should be any changes regarding LESSEE's provided insurance information.
- (c) LESSOR reserves the right to require LESSEE to increase the amount of insurance coverage if LESSOR reasonably determines that LESSEE's existing coverage is inadequate in light of LESSEE's activities or operations or to the extent required by the Airport Authority.

**18. EXEMPTION OF LESSOR FROM LIABILITY; WAIVER.** Neither LESSOR nor any of its agents or contractors will be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or aircraft or other property of LESSEE, LESSEE'S employees, invitees, customers or any other person in or about the Premises, whether such damage or injury is caused by or results from (a) acts of God or other events outside of the reasonable control of LESSOR, including fire, steam, electricity, water, gas, rain, hail, wind, storm, flood or other natural disaster; (b) the breakage, leakage, obstruction or other defects of pipes, accidental discharge of fire suppression system, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising in or about the Premises or from other sources or places or (d) any services provided to LESSEE by LESSOR under this Lease. LESSEE, as a material part of the consideration to LESSOR, hereby assumes all risk of damage to property or injury to or death of persons in, upon or about the Premises from any cause whatsoever and waives all claims against LESSOR and its affiliates, and each of its shareholders, directors, officers, employees, agents, representatives and contractors arising out of any of the foregoing or any other cause related to the Premises or this Lease; provided however that such assumption of risk and waiver of claims does not apply to the gross negligence or intentional misconduct of LESSOR or LESSOR's breach of its obligations under this Agreement.

**19. DELINQUENCY AND DEFAULT:** LESSEE will be in default of this Lease without further notice if LESSEE:

- (a) does not pay the Rent or any other amounts payable by LESSEE to LESSOR within five (5) business days after the date it is due;



- (b) breaches or violates any other provision of this Lease, provided that if such breach is capable of cure, LESSEE will have thirty (30) days after written notice of the breach or violation to cure the same, or if cure will reasonably take longer than thirty (30) days such reasonable period of time to effect cure provided LESSEE diligently commences and pursues completion of the cure (LESSOR will not be required to give notice or opportunity to cure if LESSEE'S failure to perform constitutes a non-curable breach of this Lease);
- (c) vacates or abandons the Premises for more than thirty (30) consecutive days; or
- (d) files a petition in bankruptcy, for reorganization or for an arrangement under the Bankruptcy law or any similar federal or state law, is adjudicated bankrupt or becomes insolvent, is unable to meet LESSEE'S obligations as they become due, makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing.

Any notice required by this paragraph 19 is intended to satisfy any and all notice requirements imposed by law on LESSOR and is not in addition to any such requirement.

20. **REMEDIES; RIGHT TO RELET.** In the event of any such default or breach by LESSEE, LESSOR may at any time thereafter, with or without notice or demand and without limiting LESSOR in the exercise of any right or remedy that it may have by reason of such default or breach, exercise any of the following remedies:

- (a) *Terminate Possession.* LESSOR may terminate LESSEE'S right to possession of the Premises by any lawful means, in which event this Lease will terminate and LESSEE will immediately surrender the Premises to LESSOR. If this Lease is so terminated, LESSOR may at any time thereafter enter the Premises by any lawful means and remove LESSEE, its personal property in accordance with all applicable laws and regulations, at the cost of, and for the account of, LESSEE, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. In this event, LESSOR will be entitled to recover from LESSEE all damages incurred by LESSOR by reason of LESSEE'S default, including the worth at the time of the award (i) of all Rent and other charges that were earned or payable at the time of the termination; (ii) of the unpaid Rent and other charges that would have been earned or been payable after termination until the time of the award and for the balance of the Term (excepting those that LESSEE proves could have been reasonably avoided); as well as any other amount necessary to compensate LESSOR for all the detriment proximately caused by LESSEE'S failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including costs to maintain or preserve the Premises after such default, to recover possession of the Premises, to relicense or relet the Premises, for LESSOR'S reasonable attorneys' fees incurred in connection therewith, and any real estate commissions or other such fees paid or payable; and (v) any additional amount to which LESSOR may be entitled.
- (b) *Perform LESSEE'S Obligations.* LESSOR may cure any such breach (including without limitation causing any required maintenance or repairs to be made or releasing any lien) and be reimbursed by LESSEE for the costs and expenses related thereto within five (5) business days of written demand from LESSOR. Any such amount will be deemed additional Rent hereunder.
- (c) *Maintain Possession.* LESSOR may maintain LESSEE'S right to possession, in which case this Lease will continue in effect whether or not LESSEE will have abandoned the Premises. In this case, LESSOR will be entitled to enforce all of LESSOR'S rights and remedies under this Lease, including the right to recover the Rent as it becomes due hereunder.



- (d) *Other Remedies.* LESSOR may exercise any other remedies available at law or in equity.
  - (e) *Cumulative Remedies.* LESSOR's remedies set forth in this paragraph will be in addition to and not in lieu of all other rights at law or in equity LESSOR may possess.
  - (f) *Right to Relicense or Re-Let.* Should LESSOR elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may, from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relicense or relet the Premises, and thereafter relicense or relet this Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals, and upon such other terms and conditions as LESSOR in its sole discretion may deem advisable; upon each such relicensing or reletting all rentals received by LESSOR from such relicensing or reletting shall be applied, first, to the repayment of any indebtedness other than Rent due hereunder from LESSEE to LESSOR; second, to the payment of any costs and expenses of such relicensing or reletting, including brokerage fees and attorneys fees, and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder, and the residue, if any, shall be held by LESSOR and applied in payment of future Rent as the same may become due and payable hereunder. If such rentals received from such relicensing or reletting during any month are less than that to be paid during that month by LESSEE hereunder, LESSEE shall pay any such deficiency to LESSOR. Such deficiency shall be calculated and paid monthly upon demand. No such re-entry or taking possession of the Premises by LESSOR shall be construed as an election on its part to terminate this Lease unless a written notice of such termination is given to LESSEE or unless the termination thereof is decreed by a court of competent jurisdiction.
21. **NO WAIVER:** No failure by LESSOR to insist upon the strict performance of, or to exercise any right or remedy consequent upon a breach of, any term of this Agreement, and no acceptance of full or partial payment of Rent during the continuance of any such breach, will constitute a waiver at any time thereafter of such breach or the breach of any other term of this Agreement. No failure to demand interest pursuant to paragraph 2(g) with respect to a late payment will constitute a waiver of right to demand payment of such sums as to subsequent payments. Efforts by LESSOR to mitigate the damages caused by LESSEE's breach of this Lease, including LESSOR's performance of LESSEE's obligations hereunder, will not be construed to be a waiver of LESSOR's right to recover damages under this Lease. Nothing in paragraph 20 affects the right of LESSOR to indemnification by LESSEE in accordance with paragraph 13 for liability arising prior to the termination of this Lease.
22. **RIGHT TO ENTER:** LESSOR and its designees will have the right to enter the Premises at any time and from time to time for the purpose of inspecting, ascertaining LESSEE's compliance with the terms of this Lease or applicable laws, showing the Premises to prospective purchasers, lenders, tenants or users, making such repairs or alterations as it may deem necessary or desirable or any other reasonable purpose, provided that LESSOR will not unreasonably interfere with LESSEE'S business conducted within the Premises and LESSOR will provide 24 hours advance notice (excepting emergencies).
23. **HOLDING OVER:** If LESSEE fails to surrender the Premises at the expiration of the Term, with or without consent of LESSOR, said holdover shall result in the creation of a tenancy from month to month at 125% of the monthly Rent in effect for the last month prior to termination hereof, payable on the first day of each month during said month-to-month tenancy. Nothing herein will be construed to grant LESSEE a right to hold over at the expiration of the Term without the express written consent of LESSOR. All other terms and conditions of this Lease will remain in full force and effect and be fully applicable to any month-to-



month tenancy hereunder. LESSEE shall also pay all damages sustained by LESSOR by reason of such hold over.

24. **NOTICE:** Any notice to be given under this Lease from one party to the other will be deemed given if it is sent (a) by first class mail, (b) by electronic mail, or (c) by nationally recognized overnight courier, in each case addressed to the other party at the address on the cover page or to such other address as a party has given written notice to the other party of for purposes of providing notice under this Lease. Any notice given in accordance with this paragraph 24 will be deemed given (a) three business days after deposit in the U.S. mail if sent by first class mail, (b) on the day of transmission if sent by electronic mail on a business day, or if not sent on a business day, then on the next business day after the day of transmission, or (c) on the day of receipt specified if sent by overnight courier.
25. **LEGAL FEES.** In the event either party incurs any legal expense in the enforcement of this Lease, including the collection of any amounts due, whether or not a lawsuit or legal proceeding is initiated, the prevailing party will be entitled to reasonable attorneys' fees.
26. **ASSIGNMENT OR SUBLETTING:** LESSEE will not assign any of its rights under this Lease or sublet any or all of the Premises without the prior written permission of LESSOR, which may be withheld at LESSOR's sole discretion. Any assignment of this Lease in violation of this paragraph 26 may be voidable at the option of LESSOR. LESSOR may assign this Lease at any time without LESSEE's consent.
27. **SUCCESSORS & ASSIGNS:** The provisions of this Lease will inure to the benefit of and be binding upon any successors or permitted assigns of the party hereto.
28. **SUBORDINATION:** This Lease is subject and subordinate to the lien of all and any mortgages by LESSOR (which "mortgages" shall include both construction and permanent financing and shall include deeds of trust and similar security instruments) which may now or hereafter encumber the Premises, and to all renewals or modifications thereof, provided that any subordination of this Lease will include a commercially reasonable covenant of nondisturbance of this Lease by the mortgagee so long as LESSEE is not then in default. If any proceedings are initiated for the foreclosure of, or the exercise for the power of sale under any mortgages or in any deed in lieu of foreclosure is exercised, covering the Premises, LESSEE must attorn to and recognize such mortgagees as LESSOR under this Lease.
29. **GROUND LEASE:** This Lease is subordinate to LESSOR's Ground Lease, and LESSEE must adhere to all requirements which LESSOR may impose upon LESSEE by virtue of such Ground Lease, including all applicable directives, rules, regulations, directions and laws of the Airport Authority and local, state and federal entities, including those relating to Airport operations, airfield security and access. For the avoidance of doubt, the following provisions of the Ground Lease shall not apply to LESSEE: Section 2: Description of leased Premises; Section 3: Term; Section 6(a), (b) and (c): Rent and Fuel Flowage Fees; Section 7(a): Operation of FBO; Section 7(b): Open to the public 7 days a week, 9 hours per day; Section 7(l): requirement to provide Aircraft and Sublease Status Report; Section 23: Insurance requirements; Section 26: Condition of the Premises; Section 35: Right of first refusal. Any breach or violation of such terms of the Ground Lease by LESSEE shall be deemed a breach of this Lease. Any termination of such Ground Lease during the Term will void this Lease. LESSOR will have no liability to LESSEE as a result of any termination of the Ground Lease due to any reason other than the breach of the Ground Lease by LESSOR (not including a breach caused by LESSEE or any other tenant).
1. **ENTIRE AGREEMENT:** This Lease and all attached exhibits contain all of the terms, covenants and conditions between the parties concerning the Premises, and shall supersede all prior correspondence, agreements and understanding concerning the Premises, both oral and written. No addition or



modifications of any term or provision of this Lease will be effective unless set forth in writing and signed by both LESSEE and LESSOR

2. **GOVERNING LAW:** The Agreement shall be construed in accordance with the laws of the State in which the Airport is located, without regard to the choice of law principles therein.
3. **RELATIONSHIP OF PARTIES:** The relationship between LESSOR and LESSEE shall always and only be that of a landlord-tenant with respect to the Premises, and nothing set forth herein shall be deemed or construed to render the parties as agents, joint venturers, partners, or employer and employee.
4. **REMEDIES CUMULATIVE:** The rights and remedies with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to either party in law or equity.
5. **SEVERABILITY:** If a provision of this Lease is finally declared void or illegal by any court or administrative agency having jurisdiction over the parties at this Lease, the entire agreement will not be void, but the remaining provisions will continue in effect as nearly as possible in accordance with the original intent of the parties.
6. **AMENDMENT:** No amendment, modification or alteration of the terms of this Lease will be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the Parties hereto.
7. **SECURITY:** LESSEE agrees to (1) lock the doors to the Premises and take other reasonable steps to secure the Premises and the personal property of LESSEE and of all and any of LESSEE's employees, transferees, contractors or licensees, from unlawful intrusion, theft, fire and other hazards; (2) keep and maintain in good working order all locks, smoke detectors, burglar alarms and other security and safety devices installed exclusively for the Premises; and (3) cooperate with LESSOR on safety matters. LESSEE may install security systems for the Premises located within or on the Premises, subject to LESSOR's prior written approval to ensure any such security system does not interfere with other security systems on the Property or the rights of any other tenants of LESSOR. LESSEE acknowledges that any security or safety measures employed by LESSOR are for the protection of LESSOR's own interests; that LESSOR is not a guarantor of the security or safety of LESSEE, its employees, guests, contractors or licensees, or of its property; and that such security and safety matters are the responsibility of LESSEE and the local law enforcement authorities.

[Signatures on Following Page]

**IN WITNESS WHEREOF**, the Parties have duly executed this Lease as of the Effective Date.

**LESSEE: Coulson Aviation USA, Inc.**

**LESSOR: TRM CA Holdings, LLC**

DocuSigned by:  
By: Wayne Coulson  
Name: Wayne Coulson, CEO

DocuSigned by:  
By: Logan Thew  
Name: Logan Thew, Station Manager

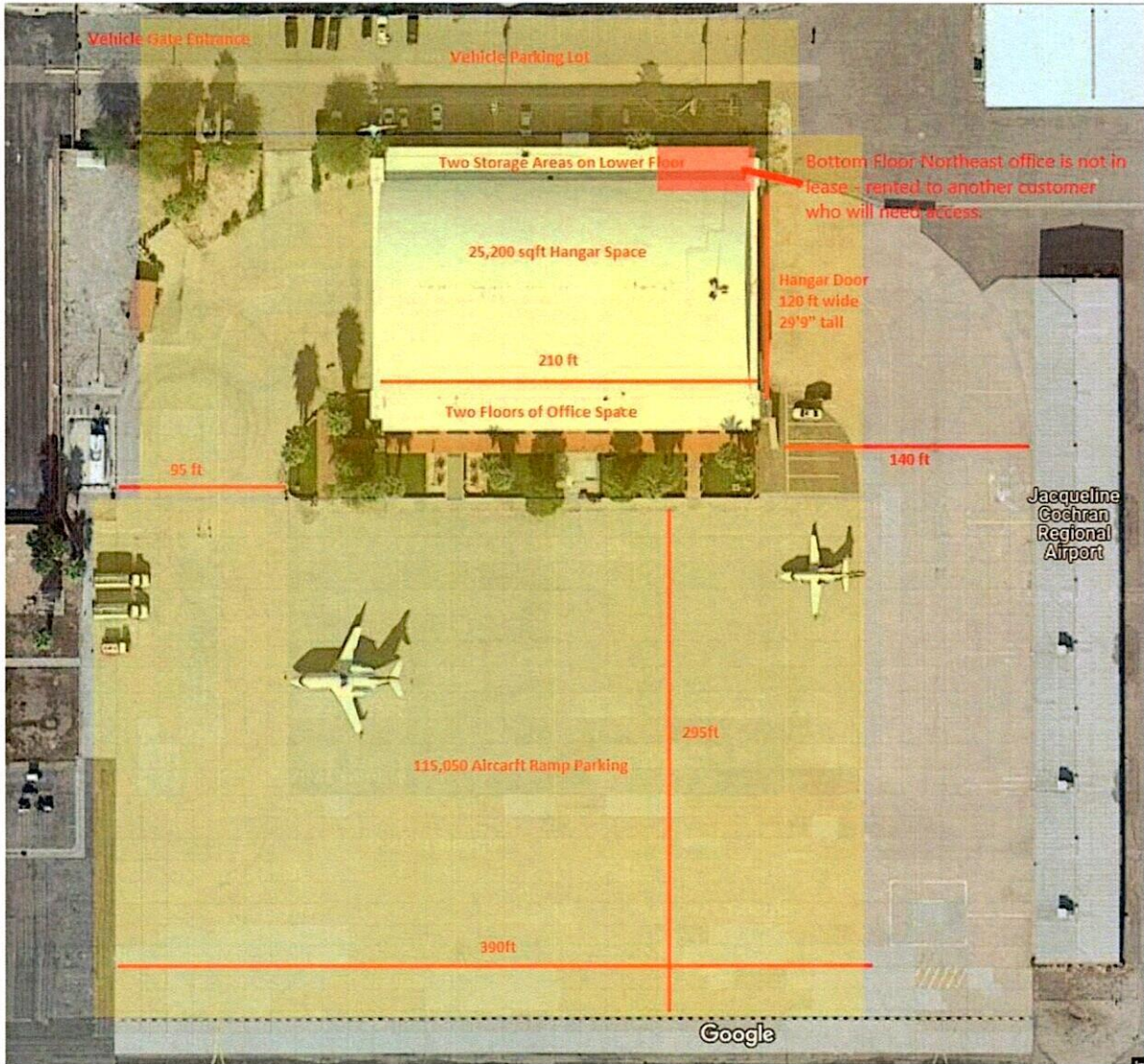
**LESSEE: Coulson Unical LLC**

DocuSigned by:  
By: Wayne Coulson  
Name: Wayne Coulson, CEO



EXHIBIT A

DESCRIPTION OF THE PREMISES



**EXHIBIT B**  
**TENANT IMPROVEMENTS**

**Office Space:**

Carpet replacement

Repainting

Adding or moving non-demising walls

**Hangar Space:**

To be determined



Consent to Office and Hangar Sublease Agreement  
Jacqueline Cochran Regional Airport



56850 Higgins Dr,  
Thermal, CA 92274



County of Riverside  
Facilities Management  
3450 14<sup>th</sup> Street, 2<sup>nd</sup> Floor, Riverside, CA 92501

FOR COUNTY CLERK USE ONLY	
Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.	
8/8/22 Date	PK Initial

## NOTICE OF EXEMPTION

June 15, 2022

**Project Name:** County of Riverside, Approval of Hangar Sublease Agreement with Ross Aviation and Coulson Aviation, Jacqueline Cochran Regional Airport, Thermal

**Project Number:** FM05191011913

**Project Location:** Higgins Drive, adjacent to the northwest of Runway 17-35, west of Highway 111, south of Airport Boulevard, unincorporated community of Thermal, Riverside County, California 92274; Assessor's Parcel Numbers (APN) 759-060-017, 759-070-005

**Description of Project:** The County of Riverside, as County, and TRM CA Holdings, LLC, a Delaware limited liability company (Ross Aviation), as Lessee, entered into that certain First Amended Lease, dated November 2, 2010 (Lease), pursuant to which Signature leases approximately 14.87 acres of improved land, including, but not limited to a maintenance hangar of approximately 25,200 square feet, and an office building of approximately 8,000 square feet commonly referred to as the "flight services building", all located at the Jacqueline Cochran Regional Airport in Thermal, California (Leased Premises). The term of the Lease is set to expire on January 31, 2034.

Pursuant to Section 27 of the Lease, Lessee cannot assign, or sublet any of its rights, duties and obligations to the Lease without the written consent of the County being first obtained. Ross Aviation has requested consent to Sublease a portion of the Leased Premises to Coulson Aviation USA, Inc., an Oregon corporation (Coulson). The portion leased by Coulson will consist of a maintenance hangar of approximately 25,200 square feet, and an office building of approximately 8,000 square feet commonly referred to as the "flight services building", and approximately 115,000 square feet of ramp space (Subleased Premises). The Office and Hangar Sublease Agreement between Ross Aviation, as Lessor, and Coulson as Lessee, will be for a term of three years with one option to renew the Sublease by an additional three years, commencing retroactively on April 1, 2022. Coulson should have the permitted use of operating their general administrative office, and to maintain and store aircraft and helicopters in the hangar space. Coulson will be also providing tenant improvements to the office space which include carpet replacement, new paint, and the relocation of non-demising walls. The approval of the Sublease Agreement at Cochran Airport is identified as the proposed project under the California Environmental Quality Act (CEQA). No additional direct or indirect physical environmental impacts are anticipated.

**Name of Public Agency Approving Project:** Riverside County

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

AUG 02 2022 3.35



**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 is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The 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 would the project involve unusual circumstances that could potentially have a significant effect on the environment. The project is limited to administrative and operation related provisions within the Sublease Agreement which would not result in any physical direct or reasonably foreseeable indirect impacts to the environment. and no significant environmental impacts are anticipated to occur.

- **Section 15301 – Class 1 Existing Facilities Exemption:** This 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 the approval of a three-year Hangar Sublease Agreement at the existing flight services building. The approval of the Sublease Agreement would result in the continued use of the office and hangar at the airport, with minor tenant improvements and no significant physical changes would result. The approval of the agreement will have the same purpose and substantially similar capacity, would be within the flight services building footprint, would be consistent with the existing land use, and would not result in a significant increase in capacity. 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 the Sublease Agreement for a three-year term is an administrative function and would result in the continued operation at 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.

Therefore, 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:** 6-15-2022

Mike Sullivan, Senior Environmental Planner  
County of Riverside

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Approval of Hangar Sublease Agreement with Ross Aviation and Coulson  
at Cochran Regional Airport**

**Accounting String: 525440-40710-1910700000- FM05191011913**

DATE: June 15, 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, Facilities Management

Signature: 

PRESENTED BY: Jose Ruiz, Real Property Agent, TLMA Aviation

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



County of Riverside  
Facilities Management  
3450 14<sup>th</sup> Street, 2<sup>nd</sup> Floor, Riverside, CA 92501

Date: June 15, 2022

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Facilities Management

**Subject: County of Riverside Facilities Management Project # FM05191011913**  
Approval of Hangar Sublease Agreement at Cochran Regional Airport

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

After posting, please return the document to:

Mail Stop #2600

Attention: Mike Sullivan, Senior Environmental Planner,

Facilities Management,

3450 14<sup>th</sup> Street, 2<sup>nd</sup> Floor, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at [msullivan@rivco.org](mailto:msullivan@rivco.org).

Attachment

cc: file