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

ITEM: 3.60
(ID # 28466)
MEETING DATE:
Tuesday, August 26, 2025

FROM : TLMA - AVIATION

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY (TLMA)/AVIATION: Approval and Consent to Sublease with Sale of Aircraft Storage Hangar between All Inside AV Storage, Inc. and Crosson, LLC, and Bill of Sale of Hangar between 7092020 LLC and Crosson, LLC, Jacqueline Cochran Regional Airport, CEQA Exempt pursuant to State CEQA Guidelines Sections 15301 and Section 15061(b)(3), District 4. [$850 Total Cost - TLMA Aviation 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 Sections 15301 and Section 15061(b)(3);
2. **Approve** the Consent to Sublease with Sale of Aircraft Storage Hangar between All Inside AV Storage, Inc. ("Sublessor") and Crosson, LLC ("Sublessee"), relating to the real property located on Jacqueline Cochran Regional Airport at 56-850 Higgins Dr., Thermal, CA 92274, as more specifically set forth in the attached Sublease;
3. **Approve** the Consent to Bill of Sale of Hangar between 7092020, LLC ("Seller"), and Crosson, LLC ("Buyer"), as more specifically set forth in the attached Bill of Sale;
4. **Authorize** the Chairman of the Board of Supervisors to execute the attached Consent to Sublease with Sale of Aircraft Storage Hangar and Consent to Bill of Sale and authorize the Assistant County Executive Officer/TLMA, or designee, to execute any additional documents necessary to implement the Consent to Sublease with Sale of Aircraft Storage Hangar and Consent to Bill of Sale, subject to approval by County Counsel; and,
5. **Direct** the Clerk of the Board to file the attached Notice of Exemption with the County Clerk and the State Clearinghouse within five (5) working days of approval by the Board.

ACTION:Policy

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:	Medina, Spiegel, Washington, Perez and Gutierrez
Nays:	None
Absent:	None
Date:	August 26, 2025
xc:	Aviation, Recorder, State Clearinghouse

Kimberly A. Rector
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	$ 850	$ 0	$ 850	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: TLMA Aviation Revenue Fund			**Budget Adjustment:** No	
			For Fiscal Year: 2025/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside ("County"), as lessor, and John Obradovich and Betty Obradovich, as lessee, entered into that certain Desert Resort Regional Airport Lease dated June 3, 2003, as amended by that certain First Amendment to Lease, dated September 14, 2004, that certain Second Amendment to Lease, dated September 12, 2006, and that certain Third Amendment to Lease, dated March 17, 2009 (collectively, the "Lease"). On September 12, 2023, John Obradovich and Betty Obradovich assigned their interest in the Lease to All Inside AV Storage, Inc., a California corporation DBA Thermal Aviation ("Lessee" and "Sublessor"). The Lease relates to, among other things, the lease of about 9.45-acres of land at the Jacqueline Cochran Regional Airport ("Leased Premises").

Since August 15, 2020, Sublessor has subleased a 4,500 square feet portion of the Leased Premises ("Subleased Premises"), which contains an aircraft storage hangar identified as Building D, Hangar 2, to 7092020, LLC. Sublessor now desires to enter into a sublease for the Subleased Premises with Crosson, LLC ("Sublessee") ("Sublease"). The termination of the sublease with 7092020, LLC is memorialized in that Lease Cancellation Agreement dated June 5, 2025.

Sublessor and Sublessee now seek the County's consent to the Sublease dated June 5, 2025. Additionally, the parties seek the County's consent to the Bill of Sale between 7092020, LLC, as seller, and Sublessee, as buyer, for the hangar located on the Subleased Premises. Staff recommends approval of the proposed Consents to Sublease and Bill of Sale, as attached, neither of which will impact the terms of the Lease.

Pursuant to the California Environmental Quality Act (CEQA), the Consents to Bill of Sale and Sublease were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines section 15301, Class 1 – Existing Facilities and State CEQA Guidelines section 15061(b)(3), General Rule or "Common Sense" exemption. The proposed project, the Consents to Bill of Sale and Sublease, are related to the assignment 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.

Impact on Citizens and Businesses

The Consents to Bill of Sale and Sublease will assist in the County's effort to increase airport operations which in turn provides increased patron activities for local businesses.

SUPPLEMENTAL:

Additional Fiscal Information

No net County cost will be incurred, and no budget adjustment is necessary. However, the Transportation and Land Management Agency, Aviation Division has incurred costs associated with this transaction. County Counsel and CEQA filing fees to date in the approximate amount of $850 will be reimbursed from the TLMA Aviation Revenue Fund.

County Counsel Review	$ 800
CEQA NOE	$ 50
Total	**$ 850**

ATTACHMENTS:

Attachment A – Consent to Bill of Sale Coupled with Sublease
Attachment B – Lease Cancellation Agreement
Attachment C – Consent to Sublease with Sale of Aviation Hangar
Attachment D – Master Lease
CEQA Notice of Exemption

Aaron Gettis
Aaron Gettis, Chief of Deputy County Counsel 8/14/2025

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

Receipt: 25-262336

Product	Name	Extended
FISH	CLERK FISH AND GAME FILINGS	$50.00
	# Pages	3
	Document #	E-202500770
	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
Balance	$10,662.25
Comment	SST3576S2150

8/27/25, 2:30 PM PST
Gateway Clerk

State of California - Department of Fish and Wildlife

2025 ENVIRONMENTAL DOCUMENT FILING FEE CASH RECEIPT

DFW 753.5a (REV. 01/01/25) Previously DFG 753.5a

RECEIPT NUMBER: 25-262336

STATE CLEARINGHOUSE NUMBER *(If applicable)*

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY	LEAD AGENCY EMAIL	DATE
COUNTY OF RIVERSIDE TRANSPORTATION	JRUIZ@RIVCO.ORG	08/27/2025

COUNTY/STATE AGENCY OF FILING	DOCUMENT NUMBER
RIVERSIDE	E-202500770

PROJECT TITLE

APPROVAL AND CONSENT TO SUBLEASE WITH SALE OF AIRCRAFT STORAGE HANGAR BETWEEN ALL INSIDE AV STORAGE, INC. AND CROSSON, LLC, AND BILL OF SALE OF HANGAR

PROJECT APPLICANT NAME	PROJECT APPLICANT EMAIL	PHONE NUMBER
COUNTY OF RIVERSIDE TLMA AVIATION	JRUIZ@RIVCO.ORG	(951) 955-5746

PROJECT APPLICANT ADDRESS	CITY	STATE	ZIP CODE
4080 LEMON STREET, 14TH FLOOR	RIVERSIDE	CALI	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)	$4,123.50	$
☐ Mitigated/Negative Declaration (MND)(ND)	$2,968.75	$
☐ Certified Regulatory Program (CRP) document - payment due directly to CDFW	$1,401.75	$

☒ 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	AGENCY OF FILING PRINTED NAME AND TITLE
X I Tejeda	Deputy **Isabel Tejeda**

ORIGINAL - PROJECT APPLICANT | COPY - CDFW/ASB | COPY - LEAD AGENCY | COPY - COUNTY CLERK | DFW 753.5a (Rev. 01012025)

FILED / POSTED
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder
E-202500770
08/27/2025 02:30 PM Fee: $ 50.00
Page 1 of 3
Removed: By Deputy

County of Riverside
TLMA Aviation
4080 Lemon Street, 14th Floor, Riverside, CA 92501

NOTICE OF EXEMPTION

July 29, 2025

Project Name: Approval and Consent to Sublease with Sale of Aircraft Storage Hangar between All Inside AV Storage, Inc. and Crosson, LLC, and Bill of Sale of Hangar between 7092020 LLC and Crosson, LLC, Jacqueline Cochran Regional Airport

Project Location: Hangar D02, 56-850 Higgins Dr., Thermal, CA 92274, California.

Description of Project: The County of Riverside ("County"), as lessor, and John Obradovich and Betty Obradovich, as lessee, entered into that certain Desert Resort Regional Airport Lease dated June 3, 2003, as amended by that certain First Amendment to Lease, dated September 14, 2004, that certain Second Amendment to Lease, dated September 12, 2006, and that certain Third Amendment to Lease, dated March 17, 2009 (collectively, the "Lease"). On September 12, 2023, John Obradovich and Betty Obradovich assigned their interest in the Lease to All Inside AV Storage, Inc., a California corporation DBA Thermal Aviation ("Lessee" and "Sublessor"). The Lease relates to, among other things, the lease of about 9.45-acres of land at the Jacqueline Cochran Regional Airport ("Leased Premises").

Since August 15, 2020, Sublessor has subleased a 4,500 square feet portion of the Leased Premises ("Subleased Premises"), which contains an aircraft storage hangar identified as Building D, Hangar 2, to 7092020, LLC. Sublessor now desires to enter into a sublease for the Subleased Premises with Crosson, LLC ("Sublessee") ("Sublease"). The termination of the sublease with 7092020, LLC is memorialized in that Lease Cancellation Agreement dated June 5, 2025.

Sublessor and Sublessee now seek the County's consent to the Sublease dated June 5, 2025. Additionally, the parties seek the County's consent to the Bill of Sale between 7092020, LLC, as seller, and Sublessee, as buyer, for the hangar located on the Subleased Premises

The Consent to Sublease and Consent to Bill of Sale have been identified as a proposed project under the California Environmental Quality Act (CEQA) because a discretionary action by the Riverside County Board of Supervisors is required for approval. The approval of the consent to Bill of Sale and consent to Sublease will not change the existing use of the Subleased Premises, which will not result in any significant environmental impacts or include any mitigation measures.

Name of Person or Agency Carrying Out Project: Riverside County Transportation and Land Management Agency (TLMA) Aviation Division

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 assignment of an existing aircraft storage hangar and does not include a new development or improvements to the Leased Premises. Furthermore, this project would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.

- **Section 15301-Class 1 Existing Facilities Exemption**: 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 consent to a Sublease and Bill of Sale regarding Hangar D02 within the Jacqueline Cochran Regional Airport. The changes are limited to the change in ownership and responsibility for the terms of the Lease. The consent to Sublease 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 consent to Sublease and Bill of Sale and is an administrative function, that is required as part of the terms of the Lease at the existing airport and would result in the continued operation of the airport on the leased premises under modified contractual responsibilities. 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.

Signature: Jose Ruiz Date: 7.29.25

Jose Ruiz
Supervising Development Specialists
County of Riverside TLMA-Aviation Division

Document Root (Read-Only)

Selected Document

2025081380 - NOE - Approval and Consent to Sublease with Sale of Aircraft Storage Hangar between All Inside AV Storage, Inc. and Crosson, LLC, and Bill of Sale of Hangar between 7

Riverside County
Created - **8/29/2025** | Submitted - **8/29/2025** | Posted - **8/29/2025** | Received - **8/29/2025** | Published - **8/29/2025**
Whitney N Mayo

Document Details

Public Agency

Riverside County

Document Type

Notice of Exemption

Document Status

Published

Title

Approval and Consent to Sublease with Sale of Aircraft Storage Hangar between All Inside AV Storage, Inc. and Crosson, LLC, and Bill of Sale of Hangar between 7

Document Description

The County of Riverside (“County”), as lessor, and John Obradovich and Betty Obradovich, as lessee, entered into that certain Desert Resort Regional Airport Lease dated June 3, 2003, as amended by that certain First Amendment to Lease, dated September 14, 2004, that certain Second Amendment to Lease, dated September 12, 2006, and that certain Third Amendment to Lease, dated March 17, 2009 (collectively, the “Lease”). On September 12, 2023, John Obradovich and Betty Obradovich assigned their interest in the Lease to All Inside AV Storage, Inc., a California corporation DBA Thermal Aviation (“Lessee” and “Sublessor”). The Lease relates to, among other things, the lease of about 9.45-acres of land at the Jacqueline Cochran Regional Airport (“Leased Premises”).
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The Consent to Sublease and Consent to Bill of Sale have been identified as a proposed project under the California Environmental Quality Act (CEQA) because a discretionary action by the Riverside County Board of Supervisors is required for approval. The approval of the consent to Bill of Sale and consent to Sublease will not change the existing use of the Subleased Premises, which will not result in any significant environmental impacts or include any mitigation measures.

Attachments (Upload Project Documents)

3.60 - NOE - Approval and Consent to Sublease with Sale of Aircraft Storage Hangar, Crosson, LLC.pdf

Contacts

County of Riverside Transportation Department - Aviation Division - *Jose Ruiz*

4080 Lemon Street 14th Floor
Riverside, CA 92501
Phone : (951) 955-5746
jruiz@rivco.org

Regions

Southern California

Counties

Riverside

Cities

Thermal

Location Details

Other Location Info

Hangar D02, 56-850 Higgins Dr., Thermal, CA 92274, California.

Notice of Exemption

Exempt Status

Categorical Exemption

Type, Section Number or Code Number

15301

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 assignment of an existing aircraft storage hangar and does not include a new development or improvements to the Leased Premises. Furthermore, this project would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.
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 consent to a Sublease and Bill of Sale regarding Hangar D02 within the Jacqueline Cochran Regional Airport. The changes are limited to the change in ownership and responsibility for the terms of the Lease. The consent to Sublease 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.

Exempt Status

Other

Type, Section Number or Code Number

15061(b)(3)

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 assignment of an existing aircraft storage hangar and does not include a new development or improvements to the Leased Premises. Furthermore, this project would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.
In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” Ibid. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See No Oil, Inc. v. City of Los Angeles (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The consent to Sublease and Bill of Sale and is an administrative function, that is required as part of the terms of the Lease at the existing airport and would result in the continued operation of the airport on the leased premises under modified contractual responsibilities. 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.

County Clerk(s)

Riverside

Signature

Title

Date

Outlook

SCH Number 2025081380

From Thomas Hubbard <THOMAS.HUBBARD@lci.ca.gov>
Date Fri 8/29/2025 11:10 AM
To Mayo, Whitney <WMayo@Rivco.org>

CAUTION: This email originated externally from the **Riverside County** email system. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe.

Hello,
Thank you for submitting your notice through CEQA Submit. Your document has been successfully published.

To view your submission, use the following link.
https://ceqasubmit.lci.ca.gov/Document/Index/322439/1

Please contact the SCH with any questions at state.clearinghouse@lci.ca.gov.

Thank you,

Thomas Hubbard | *he/him*
Jr. CEQA Analyst
Governor's Office of Land Use and Climate Innovation
Formerly known as the Governor's Office of Planning and Research
Thomas.Hubbard@lci.ca.gov
lci.ca.gov | Follow us on LinkedIn | Follow us on X

***Note*: No reply, response, or information provided constitutes legal advice.

Confidentiality Notice: The information contained in this email and any attachments is for the exclusive use of the intended recipient(s) and may contain confidential and privileged information. It is the property of the California Governor's Office of Land Use and Climate Innovation. Unauthorized use, disclosure, or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you are not the intended recipient, please notify the sender immediately by return email and destroy all copies of the original message and any attachments.

Attachment A

Consent to Bill of Sale Coupled with Sublease

AUG 2 6 2025 3.60

CONSENT TO
BILL OF SALE COUPLED WITH SUBLEASE

The County of Riverside, a political subdivision of the State of California ("County"), hereby consents to the Bill of Sale Coupled with Sublease ("Bill of Sale"), dated June 5, 2025 between 7092020, LLC (as "Seller") and Crosson, LLC (as "Buyer"), relating to the sale of the aircraft storage hangar known as Building "D", Hangar "2", located at the Jacqueline Cochran Regional Airport, Thermal, California. The Bill of Sale Coupled with Sublease, including exhibits, 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 Left Blank]

[Signatures on Following Page]

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

Date: AUG 2 6 2025

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

By: _____
V. Manuel Perez, Chairman
Board of Supervisors

ATTEST:
Kimberly Rector
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM
Minh C. Tran
County Counsel

By: _____
Ryan Yabko
Deputy County Counsel

[Crosson, LLC Acknowledgement on Following Page].

AUG 2 6 2025 3.60

Crosson, LLC hereby acknowledge, agree and consent to all of the terms set forth in this Consent to Bill of Sale.

BY: _____
Crosson, LLC

Dated: 07/14/2025

EXHIBIT A

BILL OF SALE

(behind this page)

EXHIBIT A

BILL OF SALE COUPLED WITH SUB-LEASE

7092020, LLC hereinafter called the "Seller," hereby sells to Crosson, LLC hereinafter called the "Buyer," and said Buyer hereby purchases from Seller the property described below, upon the following terms and conditions:

1. **RECITALS**. The Seller owns concrete floor structure and steel building labeled as Bldg D , Hangar# 02 at Jacqueline Cochran Regional Airport, (formerly Desert Regional Resorts Airport) Thermal, California, Riverside County, as described on the attached **Exhibit "1"** also described as **Bldg D , Hangar # 02 ,**the sale of which is the subject of this Agreement and which is intended to convey title thereto for the sum of **$ 0 .**

2. **THIS BILL OF SALE IS SUBJECT TO MASTER LEASE AND COUPLED WITH SUB-LEASE**. This Bill of Sale is subject to that certain Master Lease executed by the County of Riverside and All Inside AV Storage, Inc, a California corporation, DBA Thermal Aviation, dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, and September 12, 2023, which instruments affect directly the uses and purposes to which the aforesaid subject personal property may be put. Furthermore, Seller hereby incorporates in this instrument by reference the terms and conditions of that certain "Sub-Lease" executed by the parties hereto on Crosson LLC, . This Bill of Sale shall be enforceable only on the condition that the parties have entered into the aforesaid Sub-Lease.

3. **WARRANTY OF TITLE**. Seller does hereby, for the benefit of Buyer, covenant and agree to warrant and defend title to the aforesaid personal property hereby conveyed, against the just and lawful claims and demands of all persons whomsoever, and Seller further covenants that the aforesaid real property is not subject to liens of any type, including but not limited to liens for unpaid taxes, nor is said personal property subject to a security agreement or financing statement.

4. **REVERSION OF PROPERTY TO MASTER LESSEE**. The aforesaid Sub-Lease, with which this Bill of Sale is coupled provides for a sub-lease period of approximately 9 years, terminating June 30, 2033, with a 10-year option, during which time the Buyer hereto, subject to certain conditions precedent, may sell, rent, assign, convey, hypothecate, or encumber the personal property subject to is instrument, provided further, that upon the expiration of said Sub-Lease or the Master Lease of 30 years, terminating June 30, 2033, with a 10-year option lease period, whichever shall first occur, the personal property subject to this Bill of Sale shall revert to the Master Lessee hereunder, or to Master Lessee's assignee, or to the County of Riverside, which reversion shall be governed by the terms and conditions of the aforesaid Master Lease and all of the aforesaid amendments thereto and the terms and conditions of the aforementioned Sub-Lease between Sub-Lessor and Sub-Lessee. Provided further that in accordance with the aforesaid Sub-Lease, Buyer hereunder shall not sell, rent, assign, hypothecate or encumber the personal property subject to this instrument except upon the express written consent of the county of Riverside and Master Lessee or his assignee hereunder, which consent shall not be unreasonably withheld.

5. **TAX CLAUSE**. During the aforementioned period of possession of Buyer of the personal property, Buyer shall be solely responsible for the payment of the personal property and/or possessory interest taxes and all other taxes levied upon the specific structure by the County of Riverside and/or all other lawfully constituted taxing authorities, and said responsibility shall include real property taxes which may be assessed to Sub-Lessor, to Sub-Lessor's successor, or to Buyer in connection with the subject property.

6. **BUYER'S RIGHT TO TRANSFER PROPERTY AND SURVIVAL OF SUB-LEASE.**

a. **RIGHT TO TRANSFER.** Master Lessee and Sub Lessor hereby consents to and agrees that Buyer may convey, assign, or transfer Buyer's interest in or to the subject personal property to one or more individuals; provided however, that such conveyance, assignment, or transfer includes the aforementioned sub-lease and shall be subject to the prior written approval of the Master Lessee and County of Riverside. Subject to the .provisions contained in this Paragraph 6 (a) Buyer may proceed to convey, assign or transfer all of part of his/her interest in the subject property

on the same terms and conditions offered to Master Lessee; provided, however, that Buyer shall not, except with Master Lessee permission, convey, lease, rent or sell any portion of the premises to any commercial operations for the purpose of doing any business at Jacqueline Cochran Regional Airport (Thermal) other than if said sale is to the aforesaid Master Lessee.

b. **SURVIVAL OF SUB-LEASE**. Subject to the provision of the aforesaid Master Lease, Buyer's rights, including the right of possession and all other rights not in conflict with the terms and conditions of the aforesaid Lease and amendments thereto, and all of the Buyer's obligations and duties under the aforementioned Sub-Lease and the Master Lease and amendments thereto, shall remain in effect, notwithstanding a termination of the aforesaid Master Lease, or an assignment or a transfer of the Seller's rights, duties and obligations hereunder, prior to the expiration of the aforementioned Sub-Lease, provided that the Buyer (as Sub-Lessee under the aforementioned Sub-Lease) has fully and faithfully performed the terms and conditions that it is required to perform under the aforementioned Sub-Lease and Master Lease and amendments thereto, and it otherwise is not in default hereunder.

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

SELLER:

7092020 LLC
7299 Perimeter Road South
Suite 200
Seattle, WA 98108

BUYER:

CROSSON LLC
124 W Pine Street,
Missoula, MT 59802

or such other addresses as from time to time shall be assigned by the respective parties.

8. TERMS. The terms of this Bill of Sale shall be governed by and construed in accordance with the laws of the State of California and the parties hereto stipulate to the jurisdiction of the Riverside County Courts.

9. DISPUTES/DAMAGES. In the event it is necessary to enforce or interpret any provision herein contained, the matter shall be submitted to binding arbitration conducted by the American Arbitration Association ("AAA") who shall be selected by mutual agreement of the parties. The Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with the laws of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement. The parties hereby agree to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law and are giving up any rights to have the dispute litigated in a court or jury trial, as well as judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. Your agreement to this arbitration provision is voluntary.

IN WITNESS WHEREOF, this Bill of Sale is executed on JUNE 5/7, 2025.

SELLER:

JUDY GALFANO

7092020, LLC, Judy Galfano, Trustee

Signature

RYAN L BELL
NOTARY PUBLIC
COMMISSION EXPIRES
166426
6-19-25
STATE OF WASHINGTON

BUYER: (counter signed)

Crosson, LLC, Chase Englehart, Manager

Signature

LESSEE:

All Inside AV Storage, Inc,

A California Corporation, DBA Thermal Aviation

Daniel Obradovich, President

IN WITNESS WHEREOF, this Bill of Sale is executed on June 5th, 2025.

SELLER: (counter signed)

7092020, LLC, Judy Galfano, Trustee

Signature

BUYER:

Chase Englehart

Crosson, LLC, Chase Englehart, Manager

Signature

LESSEE:

All Inside AV Storage, Inc,

A California Corporation, DBA Thermal Aviation

Daniel Obradovich, President

The COUNTY of Riverside hereby consents to the foregoing Bill of Sale.

LESSOR:

COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

By: _____ By: _____

Chairman, Board of Supervisors

Date: _____

ATTEST:

_____

Clerk of the Board

By: _____

Deputy

FORM APPROVED:

_____

County Counsel

By: _____

Deputy

ACKNOWLEDGMENT

STATE OF IDAHO)
: ss.
County of Blaine)

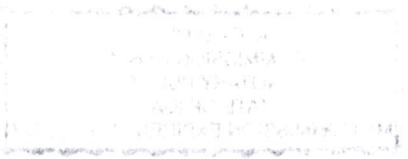
On the 5th day of June, 2025, before me, the undersigned Notary Public, personally appeared Chase Englehart, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same.

IN WITNESS WHEREOF, I have set my hand and seal the day and year as above written.

ALEX D MILLS
COMMISSION # 66041
NOTARY PUBLIC
STATE OF IDAHO
MY COMMISSION EXPIRES AUG. 3, 2027

Notary Public for Idaho

Residing at Ketchum, ID
Commission Expires: Aug 3, 2027



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Riverside }

On June 18 2025 before me, Sarah Marie Jackson Notary,
Date *Here Insert Name and Title of the Officer*

personally appeared Daniel Barnard Obradovich,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SARAH MARIE JACKSON
Notary Public - California
Riverside County
Commission # 2514144
My Comm. Expires Mar 11, 2029

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

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Sarah M Jackson
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Bill of Sale - Chase Englehart conter signed

Document Date: June 5 and June 18 2025 Number of Pages: 1

Signer(s) Other Than Named Above: Chase Englehart and Judith Galfano

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

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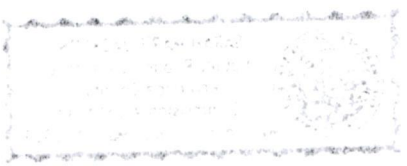

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Riverside }

On June 18 2025 before me, Sarah Marie Jackson Notary,
Date *Here Insert Name and Title of the Officer*

personally appeared Daniel Barnard Obradovich,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SARAH MARIE JACKSON
Notary Public - California
Riverside County
Commission # 2514144
My Comm. Expires Mar 11, 2029

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

WITNESS my hand and official seal.

Signature Sarah M Jackson
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Bill of Sale Judith Galfano Carter Signed

Document Date: June 5th and 18 2025 Number of Pages: 1

Signer(s) Other Than Named Above: Chase Englehart and Judith Galfano

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

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DESCRIPTION 1-A

THAT PORTION OF THE FOLLOWING DESCRIBED LAND, WHICH IS INCLUDED WITHIN THE LEASED PREMISES AS SET OUT IN THE LEASE OR MEMORANDUM

THAT PORTION OF THE EAST HALF OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 3 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENUE 56 (AIRPORT BOULEVARD), SAID POINT BEING THE NORTHEAST CORNER OF SAID SECTION 20;

THENCE SOUTH 00° 00' 12" EAST, A DISTANCE OF 1,967.78 FEET TO THE CENTERLINE INTERSECTION OF VIC HIGGINS DRIVE AND AVENGER BOULEVARD;

THENCE NORTH 89° 58' 40" WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 462.70 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE CONTINUING NORTH 89° 59' 40" WEST ALONG THE CENTERLINE OF AVENGER BOULEVARD, A DISTANCE OF 668.58 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND LIBERATOR LANE;

THENCE SOUTH ALONG THE CENTERLINE OF LIBERATOR LANE, A DISTANCE OF 658.00 FEET;

THENCE EAST, A DISTANCE OF 178.00 FEET;
THENCE SOUTH, A DISTANCE OF 85.00 FEET;
THENCE EAST, A DISTANCE OF 80.00 FEET;
THENCE SOUTH, A DISTANCE OF 185.00 FEET;
THENCE EAST, A DISTANCE OF 150.00 FEET;
THENCE NORTH, A DISTANCE OF 285.00 FEET;

THENCE EAST, A DISTANCE OF 260.58 FEET TO THE CENTERLINE OF WARHAWK WAY;

THENCE NORTH 00° 00' 20" WEST, A DISTANCE OF 643.00 FEET TO THE CENTERLINE INTERSECTION OF AVENGER BOULEVARD AND WARHAWK WAY, THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 30.00 FEET.
ALSO EXCEPTING THEREFROM THE WESTERLY 30.00 FEET.

ALSO EXCEPTING THEREFROM THE EXISTING COUNTY MAINTENANCE AREA LOCATED AT THE NORTHEASTERLY CORNER OF THE SUBJECT PROPERTY.

Attachment B

Lease Cancellation Agreement

LEASE CANCELLATION AGREEMENT

JACQUELINE COCHRAN REGIONAL AIRPORT

WHEREAS, All Inside AV Storage, Inc., a California Corporation, DBA Thermal Aviation, hereinafter Sublessor, and 7092020 LLC, herein after Sublessee, as entered into that certain Sublease dated 08/15/2020, attached hereto as Exhibit A, and by this reference incorporated herein, relating to land located at Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport), Riverside County, California; and

WHERAS, Sublessor improved the land with a 4,500 square foot aircraft storage hangar; and

WHEREAS, Sublessor sold the improvements to Sublessee; and

WHEREAS, Sublessee has subsequently sold the improvements to a third party

WHEREAS, Sublessor and Sublessee find it in their mutual best interests to cancel the Lease;

NOW, THEREFORE, the parties hereto for good and valuable consideration do mutually agree to cancel the Lease effective the date of execution of this agreement by all parties.

SUBLESSEE

Date: 6/5/2025

By: _____

7092020 LLC, Judy Galfano, Trustee

RYAN L BELL NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 6-19-25 166426

Date: 6/18/25

SUBLESSOR

By: All Inside AV Storage, Inc.,
a California Corporation, DBA Thermal Aviation

_____

Daniel Obradovich, President

STATE OF WASHINGTON
COMMISSION EXEMPT
DEPT.

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California
County of Riverside }

On June 18, 2025 (Date) before me, Sarah Marie Jackson Notary (Here Insert Name and Title of the Officer),

personally appeared Daniel Barnard Obradovich (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SARAH MARIE JACKSON
Notary Public - California
Riverside County
Commission # 2514144
My Comm. Expires Mar 11, 2029

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

WITNESS my hand and official seal.

Signature Sarah M Jackson
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lease Cancellation

Document Date: June 5th and June 18th 2025 Number of Pages: 1

Signer(s) Other Than Named Above: Judith Galfano

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

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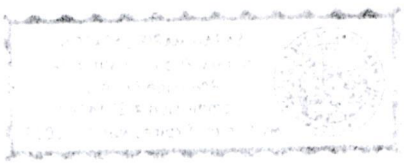

Attachment C

Consent to Sub-Lease with Sale of Aviation Hangar

AUG 2 6 2025 3.60

CONSENT TO SUBLEASE

(Jacqueline Cochran Regional Airport)

The County of Riverside, a political subdivision of the State of California ("County"), hereby consents to that certain Sublease with Sale of Aviation Hangar dated June 5 2025, by and between All Inside AV Storage, Inc., a California corporation DBA Thermal Aviation (as sublessor), and Crosson, LLC (as sublessee), a copy of which is attached hereto as Exhibit "A" ("Sublease"). The Sublease pertains to real property located within Jacqueline Cochran Regional Airport in Thermal, California, as more particularly depicted and described on Exhibit "B" to the Sublease.

The Sublease is subject to that certain Lease Desert Resorts Regional Airport dated on or about June 3, 2003 by and between the County (as lessor) and All Inside AV Storage, Inc. (as lessee), as amended by that certain First Amendment to Lease Jacqueline Cochran Regional Airport dated on or about September 14, 2004, that certain Second Amendment to Lease Jacqueline Cochran Regional Airport dated September 12, 2006, and that certain Third Amendment to Lease Jacqueline Cochran Regional Airport dated March 17, 2009 (collectively, "Lease") relating to the lease of approximately 9 acres of vacant land, located at the Jacqueline Cochran Regional Airport (formerly known as the Desert Resorts Regional Airport), as more fully described in Exhibit "A" to the Lease.

Consent hereof by the County to the Sublease shall not relieve or release All Inside AV Storage, Inc. from its duty to comply with any and all obligations, covenants and conditions required under the Lease.

[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 Sublease as of the date set forth below.

Date: AUG 2 6 2025

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

By: _____

V. Manuel Perez, Chairman
Board of Supervisors

ATTEST:
Kimberly Rector
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM
Minh C. Tran,
County Counsel

By: _____
Ryan Yabko
Deputy County Counsel

AUG 2 6 2025 3.60

EXHIBIT "A"
SUBLEASE
(Attached on following page)

SUB-LEASE WITH SALE OF AVIATION HANGAR

All Inside AV Storage, Inc., a California Corporation, DBA Thermal Aviation herein called Sub-Lessor, sub-leases to Crosson, LLC herein called Sub-Lessee, the property described below, upon the following items and conditions.

RECITALS

Sub-Lessor leases from the County of Riverside, approximately nine (9) acres located at the Jacqueline Cochran Regional Airport, (formerly Desert Regional Resorts Airport), Thermal, in the County of Riverside, State of California.

This and other sub-leases entered into by the Sub-Lessor are intended to conform with, be compatible with, and be subject to the terms and conditions of the Master Lease dated April 24, 2003, executed June 3, 2003, and amended September 14, 2004, and September 12, 2006, and March 17, 2009, and September 12, 2023 between the County of Riverside as Lessor, and All Inside AV Storage, a California Corporation, DBA Thermal Aviation, as Lessee which lease and amendments thereto shall be called the "Master Lease" and the County of Riverside shall be called the "County."

By separate document entitled, "Bill of Sale," a copy of which is attached hereto as **Exhibit "A,"** Sub-Lessor intends to convey, assign or transfer to Sub-Lessee its (Sub-Lessor's) interest in certain facilities and improvements it owns within the premises sub-leased hereunder.

DESCRIPTION

The premises sub-leased hereby are located within Desert Resorts Regional Airport generally, and within the area leased from County by Sub-Lessor consisting of nine (9) acres and as more particularly shown on **Exhibit "B,"** attached thereto and by this reference, made a part of this sub-lease. The portion of the nine acres being sub-leased is that portion of land occupied in **Building** D **Hangar #** 02 as depicted in **Exhibit "B."** In addition to the forgoing during the term of this lease Sublessor grants to Sublesee the right to ingress and ingress over that portion of the leasehold premises of Sublessor held under the Master Lease and a license to use the taxiway areas as designated by Sublessor.

USE

The premises are sub-leased hereby for the purposes of aircraft storage.

TERM

The term of this sub-lease, subject to any provisions in the Master Lease that may be applicable and take precedence, shall be for a period equal to the portion of thirty (30) years remaining under the Master Lease and terminating on June 30, 2033. Sub-Lessor has an option to extend the term for an additional ten (10) years, as provided in the Master Lease. If the Sub-Lessor extends the lease with the County for the additional ten years, this Sub-Lease shall extend as well for the additional ten years. Nothing in this Sublease shall be interpreted to obligate or require the Sublessor to so extend the term of the Master Lease and Sublessor or its successors and assigns may or may not so extend the term of the Master Lease in its sole and absolute discretion

RENT

Sub-Lessee shall pay to Sub-Lessor the sum of $ 215.00 per month, payable in advance, on the first day of each month.

The monthly rent shall be subject to adjustment as of the dates and in the amounts as described in Section 5, paragraphs (d) and (e) of the Master Lease. In no event shall any adjustment be a negative adjustment.

The monthly rent is due and payable on or before the first of the appropriate month during the term of this lease agreement and shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent, lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.

ADDITIONAL OBLIGATIONS OF SUB-LESSEE

Sub-Lessee shall, during the terms of this sub-lease;

Observe and comply with all rules, regulations and laws which govern and are in effect adopted by Sublessor or the County of Riverside. Maintain premises and equipment in a clean, orderly, neat and safe condition.

Pay for all utilities, including trash disposal and a pro rata share of Sublessor's cost of maintaining and insuring the Project, as determined by Sublessor.

SUB-LESSOR'S RESERVED RIGHTS

Sub-Lessor and County, or either duly authorized agents, shall have the right to enter the sub-leased premises for inspections, repairs or for any other reasonable cause.

IMPROVEMENTS, REPAIRS & SIGNS

Sub-Lessee shall not make any improvements, repairs or modifications, paint the exterior of the hangar or install any signs without prior written approval of Sub-Lessor.

INSURANCE

Sub-Lessee shall, during the term of this sub-lease, procure and maintain the following described insurance coverage and limits as indicated.

a. Procure and maintain comprehensive Airport Commercial General Liability Insurance coverage that shall protect Lessee from claims for damages for personal injury, including accidental and wrongful death, as well as from claims for property damage, which may arise from Lessee's use of the leased premises or the performance of its obligations hereunder, whether such use or performance be by Lessee, by a subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall name Sublessor and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds with respect to this sublease and obligations of Sublessee hereunder. Such insurance shall provide for limits of not less than $1,000,000, per occurrence.

b. Furnish Sublessor and the County of Riverside with Certificates of Insurance showing that such insurance is in full force and effect, and that additional insureds are named as required in (a) above. Further, said certificates shall contain the covenant of the insurance carrier that 30 days written notice will be given to the County of Riverside and Sublessor prior to cancellation or reduction in coverage of such insurance.

c. The foregoing notwithstanding, this sublease is subject to Section 20 of the Master Lease and Sub-Lessee shall procure and maintain additional coverages specified therein as may be required by County from time to time.

TERMINATION BY SUB-LESSOR

Sub-Lessor shall have the right to terminate this Sub-Lease.

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessee as a debtor.

In the event that Sub-Lessee makes a general assignment, or sub-lessee's interest hereunder is assigned involuntarily or by operation of law for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this Sub-Lease.

In the event of the abandonment of, or the discontinuance of the use of, the sub-leased premises by Sub-Lessee.

In the event Sub-Lessee fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessee shall have 30 days in which to correct its breach or default after written notice hereof has been served on it by Sub-Lessor.

In the event that the lease premises are rendered unfit for Sub-Lessee's use and cannot be restored within a reasonable time.

TERMINATION BY SUB-LESSEE

Sub-Lessee shall have the right to terminate this Sub-Lease;

In the event a petition is filed for voluntary or involuntary bankruptcy, for the adjudication of Sub-Lessor as a debtor.

In the event that Sub-Lessor makes a general assignment for the benefit of creditors.

In the event of any act which operates to deprive Sub-Lessee of the ability to perform its duties under this lease.

In the event of the abandonment of, or the discontinuance of, the use of the leased premises by Sub-Lessor.

In the event Sub-Lessor fails to perform, keep or observe any of its duties or obligations hereunder, provided, however, that Sub-Lessor shall have 30 days in which to correct its breach or default after written notice hereof has been served on it by Sub-Lessee.

In the event that the leased premises are rendered unfit for Sub-Lessor's use and cannot be restored within a reasonable time.

HOLD HARMLESS

Sub-Lessee shall indemnify and hold Sub-Lessor and County, their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted on any act or omission of Sub-Lessee, its officers, agents, employees, subcontractors and independent contractors for property damage, bodily injury, or death (Sub-Lessee's employees included) or any other element of damage or any kind or nature in any way connected with or arising from its use and responsibilities in connection therewith of the leased

premises, or the condition thereof, and Sub-Lessee shall defend at its expense, including attorney fees, Sub-Lessor, County, its officers, agents, employees and independent contractors in any legal action based on any alleged acts or omissions.

ASSIGNMENT

Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties and obligations hereunder to any person or entity without the written consent of Sub-Lessor and County being first obtained.

BINDING ON SUCCESSORS

Sub-Lessee, his heirs, assigns and successor in interest shall be bound by all the terms and conditions contained in this sub-lease, and all of the parties thereto shall be jointly and severely liable hereunder.

EMPLOYEES AND AGENTS OF SUB-LESSEE

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

COMPLIANCE WITH LAW

Sub-Lessee shall observe all statutes, rules, regulations, ordinances, and orders relating to the use of the sub-leased premises enacted or promulgated by County, the State of California, the United States of America and the agencies thereof.

WAIVER OF PERFORMANCE

No waiver by Sub-Lessor at any time of any of the terms and conditions of his sub-lease shall be deemed or construed as a waiver at any time thereafter of the same or any other terms and conditions contained herein or of the strict and timely performance of such terms and conditions.

SEVERABILITY

The invalidity of any provision in this sub-lease as determined by a court of competent jurisdiction shall in no way effect the validity of any other provisions hereof.

NOTICES

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

SUB-LESSOR:

All Inside AV Storage, Inc, a California Corporation,
DBA Thermal Aviation
84-401 Cabazon Center Dr.
Indio, CA 92201

SUB-LESSEE:

Crosson LLC
124 W Pine Street
Missoula, MT 59802

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

VENUE

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

TAXES

Sub-Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Sub-Lessee recognizes and understands that this Sub-Lease will create a possessory interest subject to property taxation and that Sub-Lessee will be subject to the payment of property taxes levied on such interest.

TOXIC MATERIALS

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

FREE FROM LIENS

Sub-Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Sub-Lessee, in, upon or about the sub-leased premises, and which may be secured by a mechanic's, materialmen's, or other lien against the sub-leased premises or County's interest therein, and will cause such lien to be fully discharged and released at the time the performance of any obligation secured by such lien natures or becomes due, provided, however, that if Sub-Lessee desires to contest any such lien provided that it either pays the lien or obtains a bond to allow release of said lien, and then it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Sub-Lessee shall forthwith pay and discharge said judgment.

DISPUTES/DAMAGES

In the event it is necessary to enforce or interpret any provision herein contained, or to recover any rent due or to recover possession of the Premises for any default or breach of the Agreement, the matter shall be submitted to binding arbitration conducted by the American Arbitration Association ("AAA") who shall be selected by mutual agreement of the parties. The Arbitrator shall comply with, and the decision of the Arbitrator shall be rendered in accordance with, the law of the State of California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California Law, but shall not have the power to award punitive damages. The parties agree to be bound by the decision of the Arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues. The Arbitrator's decision shall be rendered within 30 days following submission of the matter at issue, but the failure to comply with this provision shall in no way invalidate any decision or award as may be rendered more than 30 days after submission.

Judgment upon the decision rendered by the Arbitrator may be entered in any court having proper jurisdiction or applications may be made to such court for judicial acceptance of the award and an Order of Enforcement.

You are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California Law, and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. You are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to Arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

MASTER LEASE/SURVIVAL OF SUB-LEASE

a. Sub-Lessee acknowledges and agrees that it shall be bound, and shall otherwise be subject to all of the terms and conditions contained in the Master Lease.

b. In the event the Master Lease is terminated, Sub-Lessee agrees to keep, observe and perform all of the terms and conditions of the Master Lease on the part of the Sub-Lessor to be kept, observed and performed, and Sub-Lessee's right to possession shall remain in effect pursuant to the Master Lease, to all intents and purposes as though Sub-Lessee was the original Lessee thereunder; provided, however, that such assumption and agreement shall pertain only to the sub-leased premises and not to the entire leased premises under the Master Lease, and Sub-Lessee, among other things, shall make rental payments to County in an amount equal to such payments which Sub-Lessee is required to pay Sub-Lessor under this sub-lease.

CONSENT BY COUNTY

The parties hereto understand and agree that this Sub-Lease shall not be enforceable by either unless and until consent has been obtained from County in writing.

IN WITNESS WHEREOF, this Sublease is executed on June 5th, 2025.

SUB-LESSOR:

~~All~~ Inside AV Storage, Inc., a California Corporation, DBA Thermal Aviation

Daniel Obradovich, President

SUB-LESSEE:

CE
5/5/25

~~Chase Engelhart~~, Manager

Chase Englehart

The COUNTY of Riverside hereby consents to the foregoing Sub-Lease.

LESSOR:

COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

By: _____ By: _____

Chairman, Board of Supervisors

Date: _____

ATTEST:

_____

Clerk of the Board

By: _____

Deputy

FORM APPROVED:

_____

County Counsel

By: _____

Deputy

ACKNOWLEDGMENT

STATE OF IDAHO)
: ss.
County of Blaine)

On the 5th day of June, 2025, before me, the undersigned Notary Public, personally appeared Chase Englehart, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same.

IN WITNESS WHEREOF, I have set my hand and seal the day and year as above written.

Notary Public for Idaho

ALEX D MILLS
COMMISSION # 66041
NOTARY PUBLIC
STATE OF IDAHO
MY COMMISSION EXPIRES AUG. 3, 2027

Residing at Ketchum, ID
Commission Expires: Aug 3, 2027

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California
County of Riverside

On June 18th, 2025 (Date) before me, Sarah Marie Jackson, Notary (Here Insert Name and Title of the Officer),

personally appeared Daniel Barnard Opradovich (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SARAH MARIE JACKSON
Notary Public - California
Riverside County
Commission # 2514144
My Comm. Expires Mar 11, 2029

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

WITNESS my hand and official seal.

Signature Sarah M Jackson
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Sublease with Sale of Aviation Hangar

Document Date: June 5th and June 18 2025 Number of Pages: 1

Signer(s) Other Than Named Above: Chase Englehart

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

©2019 National Notary Association

Attachment D

Master Lease

LEASE

DESERT RESORTS REGIONAL AIRPORT

The COUNTY OF RIVERSIDE, herein called County, Leases to John Obradovich and Betty Obradovich, Husband and Wife, herein called Lessee, the property described below under the following terms and conditions:

1. Recitals.

(a) County owns approximately nine acres (9 acres) of vacant land at the Desert Resorts Regional Airport, County of Riverside, California.

(b) County desires to lease said property to Lessee for the construction of a facilities necessary for conducting the business of a Limited Fixed Base Operator, including executive hangars, storage hangars, fueling station and other aviation related buildings.

(c) Lessee desires to lease said property from the County, for the construction of facilities necessary for conducting the business of a Limited Fixed Base Operator, including executive hangars, storage hangars, fueling station and other aviation related buildings.

2. Description. The premises leased hereby are located within the Desert Resorts Regional Airport, 56-580 Higgins Drive, Thermal, California and consist of approximately nine acres (9 acres) of vacant land, being described in Exhibit A attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Leased Premises."

3. Term. This Lease shall commence the first day of the month following execution by all parties thereto and terminate thirty years (30 years) thereafter, a term of thirty-years (30-years). Lessee shall have an option to extend the term for an additional ten years (10 years) as provided in 3(b) below.

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

JUN 0 3 2003 3.1

(b) Option to Renew. With respect to the Leased Premises and subject to the provisions of paragraphs 5, 8 12(c), 17 and 18 hereof, and provided that Lessee, at the time of exercising the option, is in full compliance with the terms of this Lease, Lessee shall have the option to extend the term of this Lease on the same terms and conditions for an additional ten (10) years. Lessee will notify County in writing of its intention to exercise the option to extend not more than twelve (12) months prior to nor less than six (6) from the expiration date of the initial term.

4. Use.

(a) The Leased Premises is leased hereby for the following purposes provided appropriate governmental approvals and permits are obtained:

(1) Building, maintenance, repair, overhaul and modification of all types of automatic flight systems, instruments, radio and other electronic equipment, propellers and all other aircraft components;

(2) Upholstering of aircraft,

(3) Financing, leasing, renting and insuring of aircraft,

(4) Providing a self-service fueling station,

(5) Providing aircraft storage inside hangar buildings,

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

5. Rent.

(a) Commencing upon the first day of the month after lease execution, Lessee shall pay to Lessor as base rent for the use and occupancy of the Leased Premises, monthly rent equal to two thousand nine hundred eighty-eight dollars ($2,988.00) per month (Base Rent). Said rent is due and payable in advance on the first of each month. The rent shall be considered delinquent, if not paid by the 15th of the month. If the monthly rent becomes delinquent, lessee will be charged a

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

(b) During construction of the Leased Premises, Lessee shall have a monthly rent equal to one thousand four hundred ninety four dollars ($1,494.00) per month for a period not to exceed twelve (12) months from the date of Lease execution by all parties. Rent shall then be paid as described in paragraph 5(a) above.

(c) In addition to the basic rent required herein, Lessee shall pay to County a fuel flowage fee, or cause such fee to be paid to County as hereinafter provided, in an amount equal to five percent (5%) of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee. The term "total net price" shall mean the net price per unit of such fuel and lubricants, excluding taxes imposed thereon by any government or agency thereof, multiplied by the total number of units of such fuel and lubricants received. Lessee reserves the right of selecting its own fuel and lubricant suppliers, and Lessee's agreement with any such suppliers shall contain a provision therein obligating such suppliers upon written request by County to submit a duplicate invoice for any fuel and lubricant deliveries made to Lessee within thirty (30) days following each such delivery and such agreement may contain a provision therein obligating such suppliers to submit payment to County in connection therewith. Such invoice shall indicate the type of products delivered, the date of delivery, the quantity delivered, the per-unit cost, the total extended cost, and the invoice number. In the event such agreement does not contain a provision for either submission of invoices or payments to County, Lessee shall be obligated to submit such invoices or payments to County, or both if applicable. In the event such agreement contains such provisions and the supplier fails or refuses to properly and timely submit any invoices to County, or submit any payments if required to do so, Lessee, upon County's written request, shall make a separate accounting of such fuel and lubricant deliveries or submit payment to County in connection therewith, or both. Notwithstanding provisions of this Paragraph 5 (a)

upon written request from County, Lessee shall make a separate accounting of such fuel and lubricant deliveries.

(d) Beginning July 1, 2005 and every fifth (5^{th}) year thereafter, the Base Rent shall be one-twelfth (1/12) of eight percent (8%) of the appraised fair market value of the land value portion of the Leased Premises. The appraised fair market value shall not include the value of the improvements placed on the premises. In no event will application of this paragraph result in a monthly rental amount lower than the most previous monthly rental amount. A property appraisal for this purpose is to be performed by an independent certified appraiser, knowledgeable in aviation appraising, in good standing with the American Institute of Real Estate Appraisers and to be procured and paid for by the County. Once established, said rent shall be adjusted annually in the manner set forth in Paragraph 5 (e) below.

(e) Consumer Price Index. Beginning July 1, 2004 and at each July 1^{st} thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in 5(d) above, the rent shall be adjusted by the percentage change, in the Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange County, California Area index for the twelve month period ending two months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly rental amount lower than the most previous monthly rental amount.

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

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

(b) Operate the Leased Premises and the facilities thereon in a progressive and efficient manner, charging fair and reasonable prices for each unit or service, said prices being competitive with prices charged by other fixed based operators at the Desert Resorts Regional Airport and other County airports. Upon request from County, Lessee shall furnish County with a schedule of all prices for each unit or service offered for sale or lease to the general public.

(c) Not engage in the painting of aircraft (other than small 'spot painting' jobs in connection with repair(s) within any building unless, or until, it has established therein a regular paint shop which is adequately enclosed and vented, and has been inspected and approved, in writing, by representatives of the Federal Aviation Administration and County's Fire and Building and Safety Departments, and all applicable permits have been obtained.

(d) Provide aviation fuel for sale to the general public, unless Lessee is precluded from providing such fuel due to causes beyond its control relating to its suppliers' fuel shortages, work stoppages (excluding Lessee's employment force), acts of God, acts of war, civil disorders or other similar acts.

(e) The Lessee shall observe the Taxiway Object Free Area adjacent to their leasehold to allow the passage of taxiing aircraft. The Taxiway Object Free Area boundary for Taxiway A is seventy-five feet (75') from the centerline of the taxiway.

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

8. On-Site Improvements

(a) Lessee, at its expense, shall construct, or cause to be constructed,

improvements described in a plot plan, approved by County, showing the location and dimensions of all planned improvements. Improvements will include executive hangars, storage hangars, a self-service fueling station, other aviation-related buildings, associated landscaping and improvements in accordance with County requirements.

Within two months of lease execution, Lessee shall submit a plot plan to the Economic Development Agency showing the location and dimensions of all planned improvements. Upon approval of the layout by the Economic Development Agency, Lessee shall submit plans to the County for building permits. Construction of said improvements shall commence within thirty days (30 days) following issuance of the requisite permits by the County.

The site may be developed in phases subject to the approval of the Economic Development Agency, provided that all construction is completed within five years of lease execution. In the event Lessee fails to complete all phases of the development in the time allotted, either party shall have the option of reducing the size of the leasehold by the amount of land in any phase in which development activity has not commenced. For the purpose of this agreement development activity shall mean activity that will result in the start of construction of the buildings approved for that phase and the completion of those buildings within a reasonable time.

Said option shall be exercised by notifying the other party in writing within thirty days (30 days) after the end of the fifth year (5th year) of the lease term. Upon delivery of such notice the undeveloped phase(s) of the leasehold so identified (the "Returned Phase(s)") will revert to the County and this Lease will be amended accordingly to reflect the reduced acreage and rent.

Any such amendment shall include easements, satisfactory to County, through Lessee's initial phase(s) providing access to Taxiway A from the Returned Phase(s) (the "Taxiway Easement"). Provided however, County shall make provision in any lease of a Returned Phase to a third party (the "Third Party Lease") that prior to use by

the Third Party Lessee of the Taxiway Easement the Third Party Lessee shall reimburse Lessee for a proportionate share of the cost to improve the area of approximately 150 feet by 260 feet, less the area allocated to the plane wash area and fueling station, leading to Taxiway A (the "Delivery Apron", Exhibit G).

Upon completion of the improvements to the Delivery Apron, Lessee shall provide to County a statement and supporting invoices evidencing the total cost to improve the Delivery Apron, less the cost of plane wash area and fueling station, (the "Improvement Cost"). The Third Party shall reimburse the Lessee that portion of the Improvement Cost equal to the portion of the Leased Premises being leased by the Third Party Lessee. (By way of example: If the Leased Premises totals five acres, and the Third Party Lessee is leasing a phase totaling one acre, the Third Party Lessee would reimburse Lessee 20% of the Improvement Cost.)

Lessee shall obtain performance, material and labor payment bonds in the amounts required by law and determined by County and shall furnish County with copies thereof prior to the commencement of such construction.

(b) All improvements to be at Lessee's sole cost. Lessee to pay for construction of any required utility extensions and hookups and any access road improvements. All improvements are to be submitted to County for approval prior to start of any construction.

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

(d) No later than thirty days (30 days) following completion of each phase, Lessee shall submit two (2) sets of record (as-built) drawings to County.

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

9. Off-Site Improvements

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

(b) County shall provide the following off-site improvements to serve the site: (1) water, (2) sewer, and (3) a paved access road. Connections to these off-site improvements shall be the sole cost and responsibility of Lessee as described in paragraph 9(c). Additionally, Lessee shall be responsible for any improvements beyond those listed in this paragraph, including, but not limited to, electricity, telephone and gas service.

(c) It is understood by the parties hereto that utility services are available in the general vicinity of the Leased Premises and it is the intention, as part of the Airport Master Plan, to have all utilities underground at some future date. It is further understood by the parties that in order for the on-site improvements required in Paragraph 8 herein to be fully usable and operational, Lessee, at its expense, shall extend and/or connect, or cause to be extended and/or connected, to such utility

service facilities that may be required or desired by Lessee in the use, operation and maintenance of such on-site improvements. After such extensions and/or connections have been made, Lessee shall be responsible for payment for the use of such utility services, without limitation, all electricity, gas, telephone and water.

(d) Upon commencement of construction of Phase I, Lessee shall, at its sole cost, install in-ground electrical service per the plans and specifications of the Imperial Irrigation Districts' Master Electrical Plan for Desert Resorts Regional Airport (Underground for County of Riverside S/O Airport Blvd. @ Vic Higgins Conduit Layout) dated 12/13/01 along Warhawk Way on the eastern boundary of the Leased Premises (Exhibit E). Upon commencement of construction of Phase III, Lessee shall pay the cost of in-ground electrical conduit along Avenger Blvd adjacent to the northern border of the Leased Premises. Lessee shall pay the cost of Imperial Irrigation District electrical extension charges as required to provide electrical service to the Leased Premises (Exhibit E).

(e) Lessee will provide an electrical service easement, at no cost, for the benefit of Hi-Tech Aviation, Inc., hereinafter HTA, and John Kamburoff. The location of said easement will be identified in the Phase I development site plan approved by County.

(f) Lessee agrees to provide at Lessee's cost, at a location to be agreed upon by Lessee and County, a transformer pad and electrical service line for power to the existing hangar owned by HTA, at the southwest corner of the Leased Premises, commonly known as the "MIG Museum".

(g) In place of the existing water service to HTA, Lessee will make water service available, at the same rate that Lessee pays for water, to HTA until such time as HTA establishes water service along Liberator Lane. Lessee will install a sub-meter to properly measure the amount of water used by HTA and bill HTA every three months for the amount of water provided.

(h) Lessee will allow John Kamburoff to use the electrical service easement and transformer pad to provide power to his leasehold. John Kamburoff will be responsible for any cost associated with bringing electrical service to his leasehold from the transformer pad.

(i) Lessee shall be allowed to remove 4,000 cubic yards of soil from County property as identified in Exhibit F, (the "Development Soil"). The Development Soil shall be moved at Lessee's cost. Lessee will determine to its satisfaction that the Development Soil designated can be efficiently extracted and moved by grading scrapers. After removal of the Development Soil, lessee shall pay the cost to insure that the extraction site is returned to a stable condition with appropriate dust control measures in place. Lessee shall be responsible for returning Taxiway A to its original condition prior to movement of the Development Soil and for the repair of any damage caused by Lessee's in moving the Development Soil.

(j) Lessee shall obtain, or cause to be obtained performance, material and labor, and payment bonds in the amounts required by law and determined by County and shall furnish County with copies thereof prior to the commencement of such off-site improvements.

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

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

12. County's Reserved Rights.

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

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

opinion of County, would limit usefulness of the Desert Resorts Regional Airport or constitute a hazard to aircraft.

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

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

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

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

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

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

16. Discrimination or Segregation

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

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

(c) Lessee assures that it will undertake an affirmative action program as required by 49 CFR, Part 21, to insure that no person shall on the grounds of race creed, color, national origin, or sex be excluded from participating in any employment

activities covered in 49 CFR, Part 21, with respect to its use of the Leased Premises. Lessee further assures that no person shall be excluded on these grounds from participating in or receiving services or benefits of any program or activity covered herein with respect to its use of the Leased Premises. Lessee further assures that it will require that its subcontractors and independent contractors provide assurance to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their subcontractors and independent contractors, as required by 49 CFR, Part 21, to the same effect with respect to their use of the Leased Premises.

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

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

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

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

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

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

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

18. Termination by Lessee. Lessee shall have the right to terminate this Lease in the event County fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that County shall have thirty (30) days in

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

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

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

(a) Workers Compensation. Workers Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less that $1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and Waiver of Subrogation in favor of all Agencies, Districts, Special Districts, and Departments of the

County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives.

(b) Airport Commercial General Liability. Airport Commercial General Liability Insurance coverage including, but not limited to, premises liability, contractual liability, products and completed operations, contingent liability, non-owned hull liability, personal and advertising injury and, if liquor is sold, liquor law liability covering claims which may arise from or out of Lessee's performance of its obligations hereunder. Policy shall name all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than $3,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Such insurance will include Medical Payments for a limit of $5,000 and Fire Legal Liability for a limit of $300,000.

(c) Vehicle Liability. If Lessee's vehicles or mobile equipment are used in the performance of the obligations under this Lease, then Lessee shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. The policy shall name all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives. This coverage may be included in the Airport Commercial General Liability policy.

(d) Aircraft Hull and Liability Insurance. Aircraft hull coverage for the full replacement value of all aircraft owned or operated by the Lessee in the Leased Premises and the contents thereof. The policy will be endorsed to include all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed

officials, agents or representatives as Additional Insureds. Lessee may elect to self-insure or un-insure the hull portion of the coverage required herein; however, if Lessee elects not to acquire commercial insurance for the hull, Lessee agrees to hold the County of Riverside harmless and not make any claim against the County of Riverside for loss or damage to the hull of his aircraft for any reason whatsoever regardless of any negligence of the County that may have contributed to said loss or damage. Aircraft Liability Coverage and commercial general liability insurance including, but not limited to, premises liability and contractual liability with a limit of liability for bodily injury (including death) and property damage of at least $1,000,000 with a per seat limit of not less than $100,000. Coverage will apply to all owned aircraft and all non-owned or hired aircraft operated by the Lessee.

(e) Products Liability Insurance. If Lessee provides maintenance and repair services under the terms of this Lease, Lessee shall provide Products Liability Insurance including completed operations not otherwise covered by the Airport Commercial General Liability policy with a limit of not less than $1,000,000 any one occurrence combined single limit and in the annual aggregate.

(f) Hangars Keepers Liability Insurance (Ground Coverage). If applicable, Lessee shall provide Hangar Keepers Liability Insurance providing coverage for aircraft in the care, custody or control of the Lessee with a limit equal to the replacement value of all aircraft hulls controlled by the Lessee while on the ground; however, in no event, shall the limit of liability be less than $1,000,000.

(g) Hangars Keepers Liability Insurance (Flight Coverage). If applicable, Lessee shall provide Hangar Keepers Liability Insurance providing coverage for aircraft in the care, custody or control of the Lessee with a limit equal to the replacement value of the highest valued hull that may be flight tested by the Lessee; however, in no event, shall the limit of liability be less than $1,000,000.

(h) Pollution Liability Insurance. If Lessee provides aircraft fueling service, they shall provide Pollution Liability Insurance covering gradual,

sudden and accidental pollution including first party clean up with a limit of no less than $1,000,000.

(i) Property (Physical Damage):

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

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

(j) General Insurance Provisions – All Lines:

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

(2) Insurance deductibles or self-insured retentions must be declared by the Lessee's insurance carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. Failure of the Lessee's carriers to declare deductibles or self-insured retentions to the County shall waive any obligation of the County, as an additional insured, to honor said deductibles or self insured retentions in the event of Lessee's insolvency. Upon notification of deductibles or self insured retentions unacceptable to the County, and at the election of

the County's Risk Manager, Lessee's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects this Lease with the County; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(3) Cause Lessee's insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; or 2) if requested to do so in writing in the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or, if requested, certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Lessee shall not commence operations until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or, if requested, policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

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

and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(l) Course of Construction Insurance. During construction of the planned improvements, Lessee shall purchase and maintain or cause to be maintained All Risk Builder's Risk insurance (Completed Value Form) including earthquake and flood for the entire Project, and shall include coverage for materials and supplies located offsite but earmarked for the Project. Policy shall also include as insured property scaffolding, falsework, and temporary buildings located on the Project site, and the cost of demolition and debris removal. Policy shall name all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured, and provide a Waiver of Subrogation in favor of the County.

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

21. Insurance for Fuel Suppliers. Lessee shall also require suppliers of fuel to procure, maintain, show evidence and comply will all requirements of insurance as follows:

(a) Workers' Compensation. Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include

Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and Waiver Of Subrogation in favor of the Lessee and all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives.

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

(c) Vehicle Liability. Supplier shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the Lessee, all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

(d) Pollution Liability Insurance. The Supplier shall provide Pollution Liability Insurance covering gradual, sudden and accidental pollution including first party clean up with a limit of no less than $5,000,000.

(e) General Insurance Provisions – All lines: Lessee shall cause Supplier's insurance carrier(s) to furnish the Lessor and the County of Riverside with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Lessee and the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, the Supplier's Agreement shall terminate forthwith, unless the Lessee and the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect.

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

The Supplier's insurance company(s) shall agree and the Certificate(s) of Insurance and policies shall so covenant that coverage provided by them shall be construed as primary insurance, and the Lessee's and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

22. Insurance for Sub-Lessees. Lessee shall require each of it Sub-Lessees to meet all insurance requirements imposed by the Lessee. These requirements, with

the approval of the County's Risk Manager, may be modified to reflect the activities associated with the Sub-Lessee.

23. Indemnifications and Hold Harmless.

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

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

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

With respect to any action or claim subject to indemnification herein by Lessee, Lessee shall, at its sole cost, have the right to use counsel of their own choice and shall have

the right to adjust, settle, or compromise any such action or claim without the prior consent of County provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Lessee's indemnification to County as set forth herein.

Lessee's obligation to defend, indemnify and hold harmless County shall be subject to County having given Lessee written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Lessee's expense, for the defense or settlement thereof. Lessee's obligation hereunder shall be satisfied when Lessee has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

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

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

24. Assignment. Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall not be unreasonably withheld. In the event of any transfer as provided in this Paragraph, Lessee expressly understands and agrees that it shall remain liable with respect to any and all the obligations and duties contained in this Lease.

25. Right to Encumber/Right to Cure.

(a) Lessee Right to Encumber. Notwithstanding provisions of Paragraph 24 herein, County does hereby consent to and agree that Lessee may encumber or assign, or both, for the benefit of a lender, herein called Encumbrancer, this Lease, the leasehold estate and the improvements thereof by a deed of trust, mortgage or other security-type instrument, herein called trust deed, to assure the payment of the promissory note of Lessee if the Encumbrancer is an established bank, savings and loan association or insurance company, and the prior written consent of County shall not be required:

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

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

Any Encumbrancer described in Paragraph 25(a)(2) above, which is the transferee under the provisions of Paragraph 25(a)(1) above, shall be liable to perform the

obligations and duties of Lessee under this Lease only so long as such transferee holds title to the leasehold.

Any subsequent transfer of this leasehold hereunder, except as provided for in Paragraph 25(a)(2) above, shall not be made without the prior written consent of County and shall be subject to the conditions relating hereto as set forth in Paragraph 24 herein.

Lessee shall give County prior notice of any such trust deed and shall accompany such notice with a true copy of the trust deed and note secured thereby.

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

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

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

26. Estoppel Certificate. Each party shall, at any time during the term of the Lease, within ten (10) days of written Notice (or as soon as reasonably possible) from

the other party, execute and deliver a statement in writing certifying that this Lease is unmodified and in full force and effect, or if modified, stating the nature of such modification. The statement shall include other details requested by the other party as to the date to which rent and other charges have been paid, and the knowledge of the other party concerning any uncured defaults with respect to obligations under this Lease and the nature of such defaults, if they are claimed. Any such statement may be relied upon conclusively by any prospective purchaser, Encumbrancer, or Sublessee of the Demised Premises, the building or any portion thereof.

27. Toxic Materials. County has no actual knowledge of the Premises ever having been used as a waste dump, of the past or present existence of any above or below ground storage tanks on the Premises, or of the current existence on the Premises of asbestos, transformers containing PCB's or any hazardous, toxic or infectious substance whose nature and/or quantity of existence, use, manufacture or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare.

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

During the term of this Lease and any extensions thereof, Lessee shall not violate any federal, state, or local law, or ordinance or regulation relating to industrial hygiene or to the environmental condition on, under or about the Leased Premises including, but not limited to, soil, air, and groundwater conditions. Further, Lessee, its successors, assigns and Sublessee shall not use, generate, manufacture, produce, store or dispose of on, under, or about the Leased Premises or transport to or from the Leased Premises any flammable explosives, asbestos, radioactive materials, hazardous

wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Lease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

28. National Pollution Discharge Elimination System (NPDES) Permit. Lessee acknowledges, understands and agrees that it shall comply with California State Water Resources Control Board general permit requirements relating to storm water discharges associated with activities such as aircraft rehabilitation, mechanical repairs, fueling, lubrication, cleaning, painting and deicing. Lessee further acknowledges, understands and agrees that it shall participate as a co-permittee under said general permit, participate in the Desert Resorts Regional Airport Storm Water Pollution Prevention Plan (SWPPP) as noted in Exhibit "D" including with out limitation, the Best Management Practices, Best Available Technology Economically Achievable, and Best Convention Pollutant Control Technology.

29. Free from Liens. Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Lessee, in, upon, or about the Leased Premises, and which may be secured by a mechanics, materialmen's or other lien against the Leased Premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation

secured by such lien matures or becomes due; provided however, that if Lessee desire to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or is so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.

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

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

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

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

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

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

36. Attorney's Fees. In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award rendered in such litigation or arbitration.

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

COUNTY	LESSEE
County of Riverside	John Obradovich and
Economic Development Agency	Betty Obradovich
3525 Fourteenth Street	48-200 Casitas Drive
Riverside, CA 92501	La Quinta, CA 92253
Attn: Assistant County Executive Officer/EDA	

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

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

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

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

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

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

42. FAA Consent to Lease. Lessee acknowledges that Desert Resorts Regional Airport was transferred to the County by the Federal Government and, as such, may require FAA consent to the Lease.

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

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

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Date: _____

LESSEE

JOHN OBRADOVICH and BETTY OBRADOVICH,

Husband and Wife

By: _____
John Obradovich

By: _____
Betty Obradovich

Date: 4-24-03

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors
JOHN TAVAGLIONE

ATTEST:

NANCY ROMERO

Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

WILLIAM C. KATZENSTEIN, County Counsel

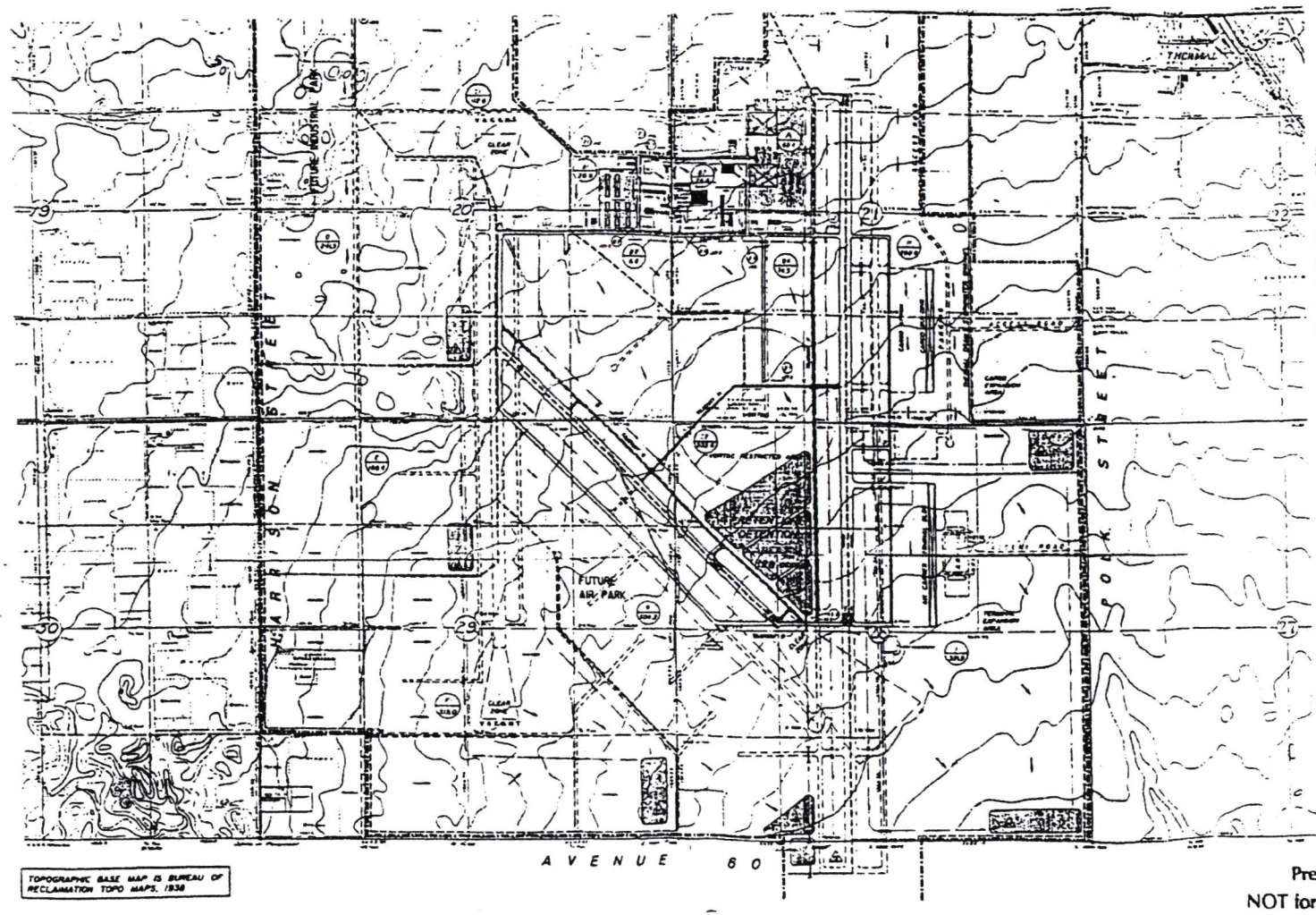
JOE S. RANK, Assistant County Counsel

By: _____ 5/13/03
Attorneys for County

(SEAL)

Attachments:

1. Exhibit A – Leased Premises
2. Exhibit B – Federally Required Lease Provisions
3. Exhibit C – Minimum Standards For Fixed Based Operators
4. Exhibit D – Storm Water Pollution Prevention Plan
5. Exhibit E – Imperial Irrigation District Underground Conduit Layout Plan
6. Exhibit F – Development Soil
7. Exhibit G – Delivery Apron



Preliminary
NOT for Construction

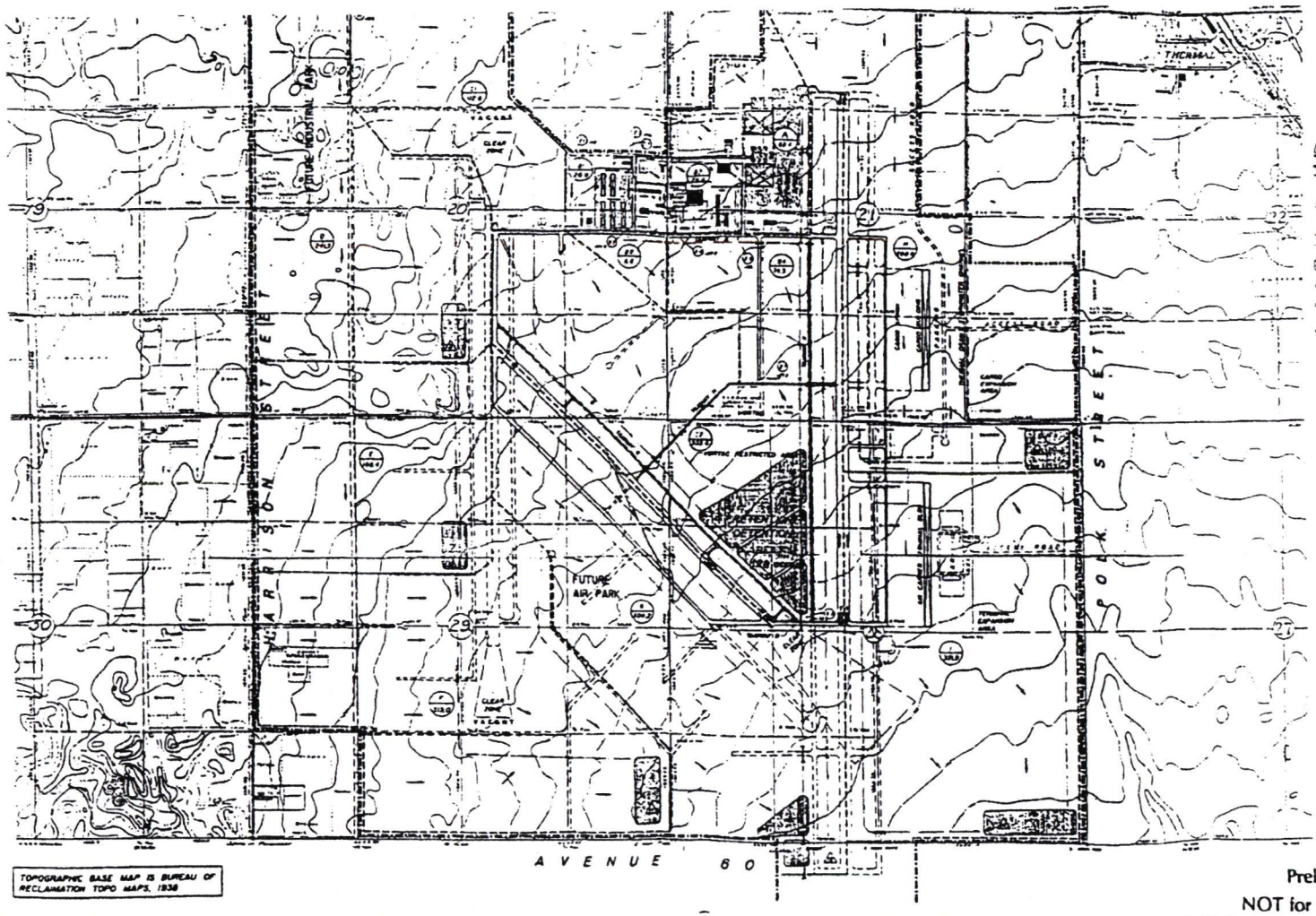
Underground Service Alert
Call TOLL FREE
1-800
422-4133

Coachella Valley Engineers
TEL(619)360-4200
FAX(619)360-4204

COUNTY OF RIVERSIDE

THERMAL AIRPORT DRAINAGE MASTER PLAN

SHEET NO. 1 OF 1 SHTS.



TOPOGRAPHIC BASE MAP IS BUREAU OF RECLAMATION TOPO MAPS, 1938

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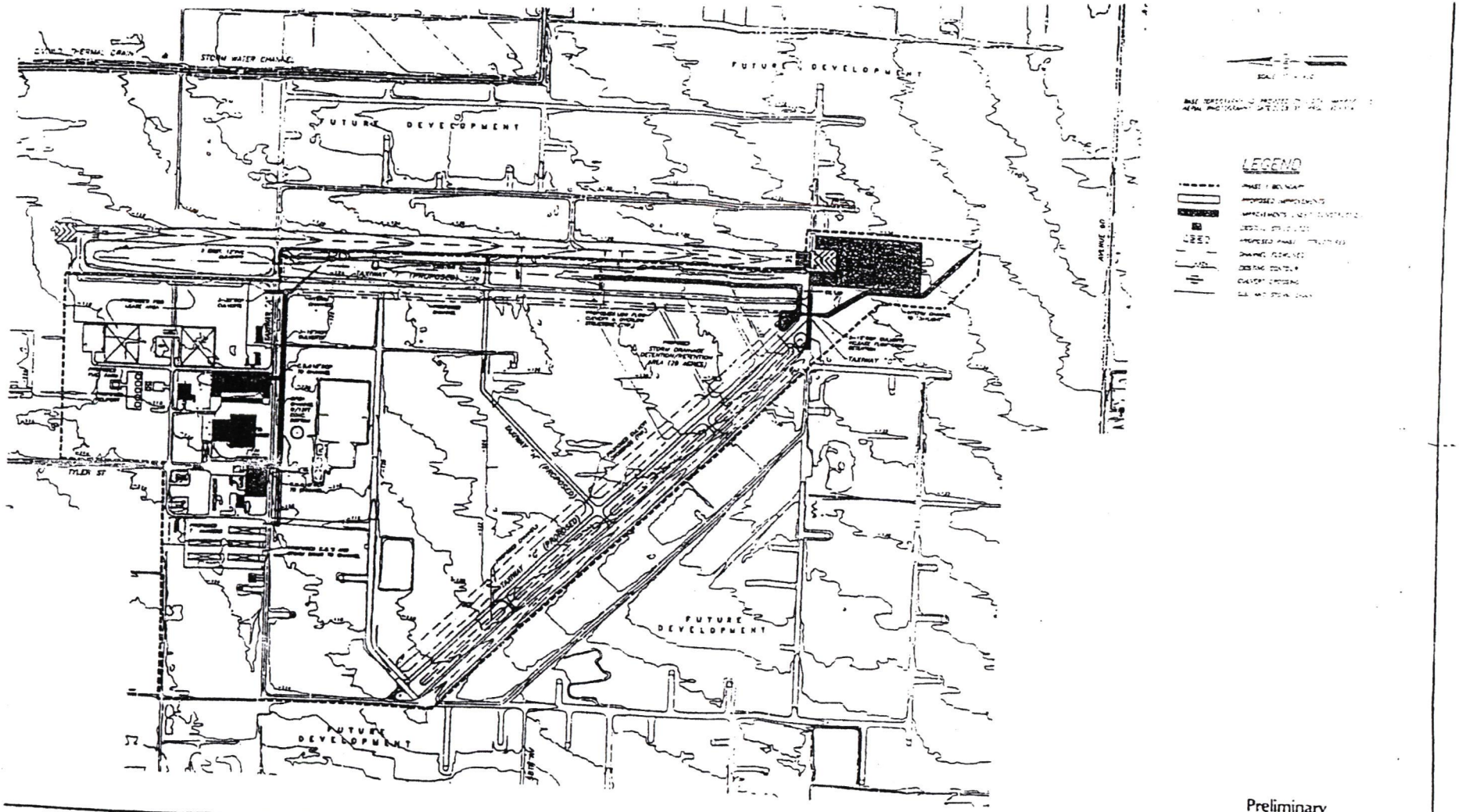
Coachella Valley Engineers
77-899 Wolf Road, Suite 106, Bermuda Dunes, CA 92203
TEL(619)360-4200
FAX(619)360-4204

COUNTY OF RIVERSIDE

THERMAL AIRPORT
DRAINAGE
MASTER PLAN

SHEET NO. 1



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1-800
422-4133

SEAL

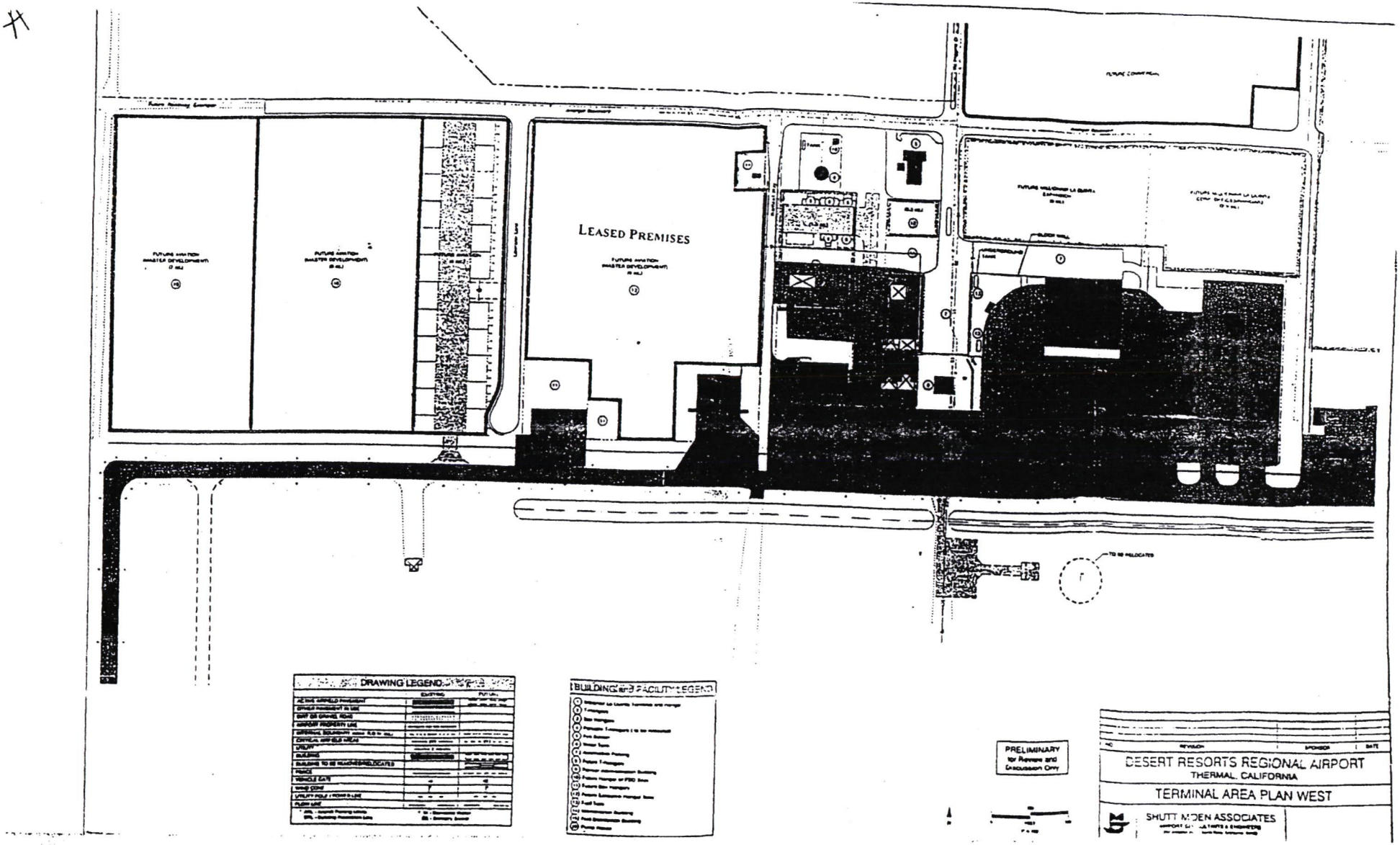
APPROVED BY

Coachella Valley Engineers
77-899 Wolf Road, Suite 108, Palm Desert, CA 92211
TEL(619)360-4200
FAX(619)360-4204

COUNTY OF RIVERSIDE

THERMAL AIRPORT
DRAINAGE MASTER PLAN
PHASE I DEVELOPMENT

SHEET No.
2


LEASED PREMISES
DRAWING LEGEND
BUILDING AND FACILITY LEGEND
PRELIMINARY
for Review and
Discussion Only
DESERT RESORTS REGIONAL AIRPORT
THERMAL, CALIFORNIA
TERMINAL AREA PLAN WEST
SHUTT MOEN ASSOCIATES

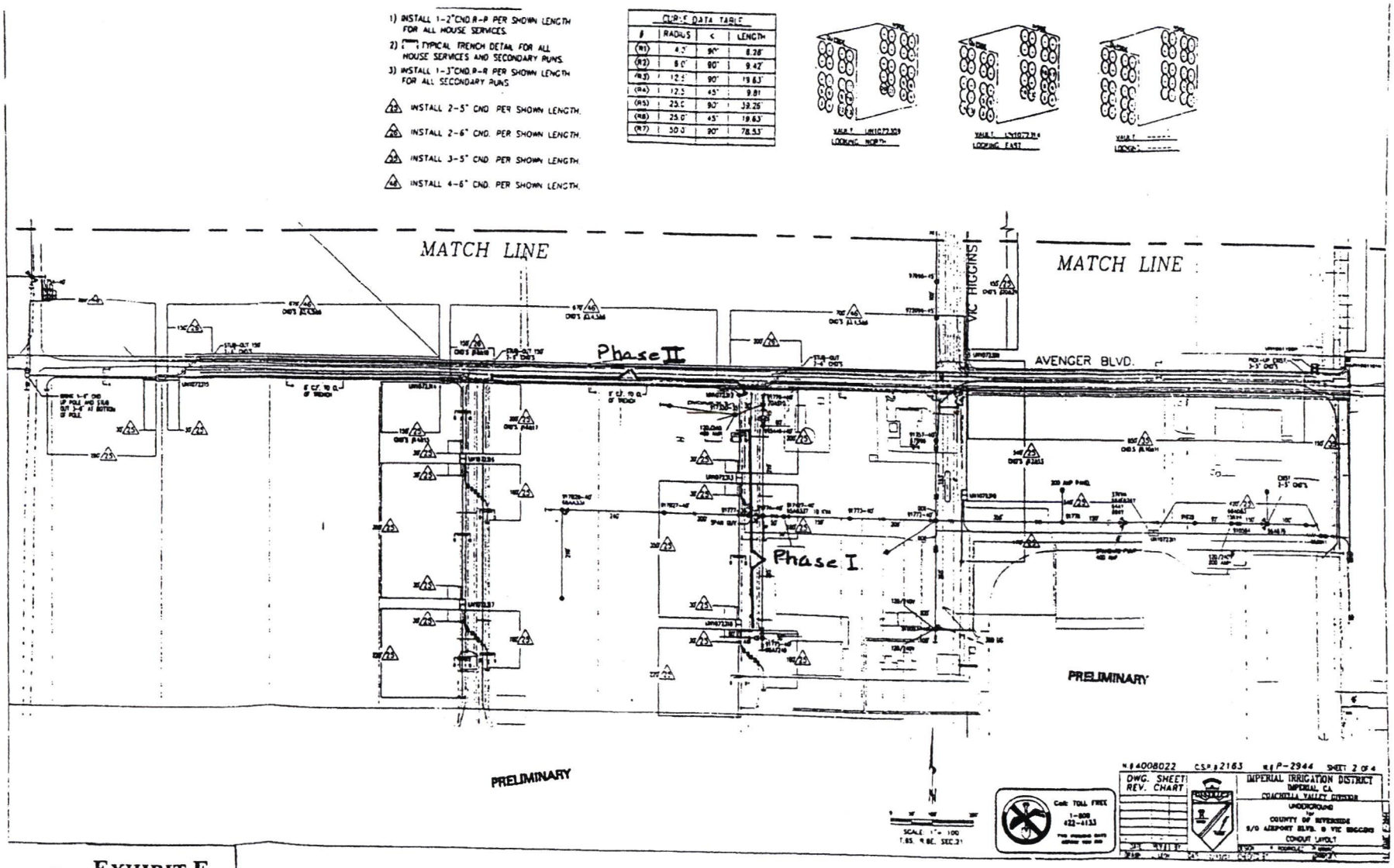
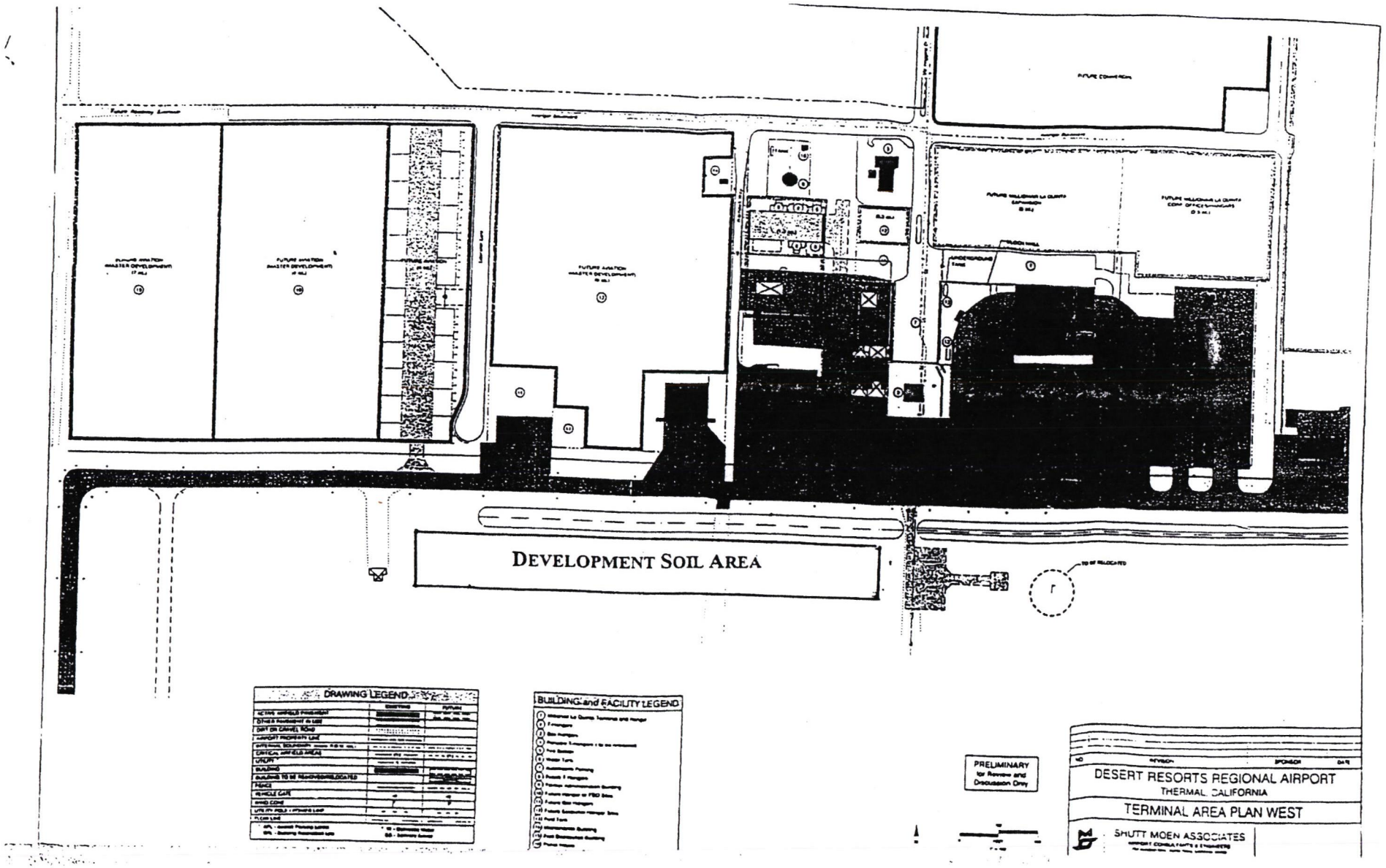
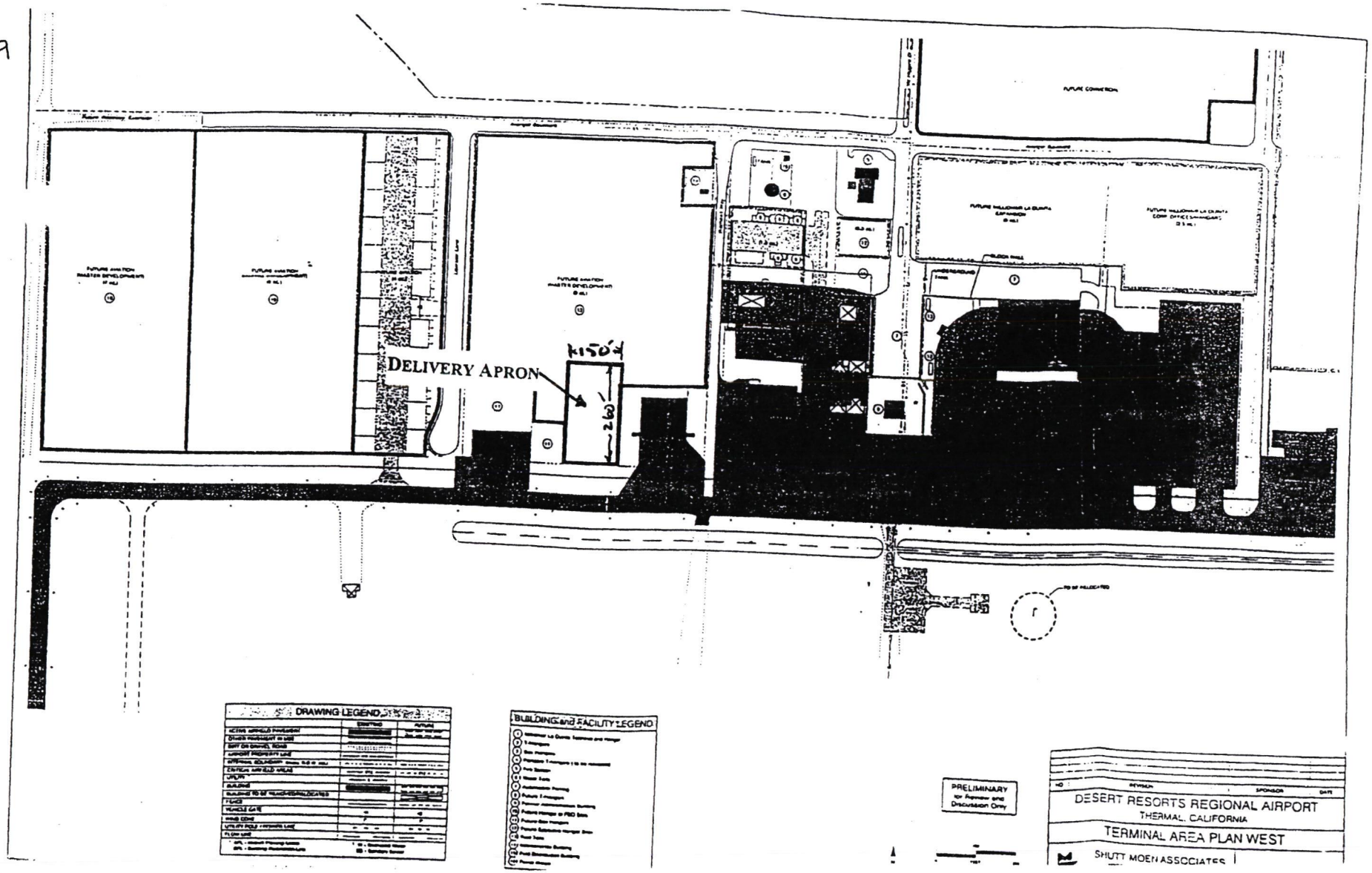

1) INSTALL 1-2"CND.R-P PER SHOWN LENGTH FOR ALL HOUSE SERVICES.
2) TYPICAL TRENCH DETAIL FOR ALL HOUSE SERVICES AND SECONDARY RUNS.
3) INSTALL 1-3"CND.R-R PER SHOWN LENGTH FOR ALL SECONDARY RUNS.
INSTALL 2-5" CND. PER SHOWN LENGTH.
INSTALL 2-6" CND. PER SHOWN LENGTH.
INSTALL 3-5" CND. PER SHOWN LENGTH.
INSTALL 4-6" CND. PER SHOWN LENGTH.
CURVE DATA TABLE
| RADIUS | Δ | LENGTH
(R1) | 4.0' | 90° | 6.28'
(R2) | 6.0' | 90° | 9.42'
(R3) | 12.5' | 90° | 19.63'
(R4) | 12.5' | 45° | 9.81'
(R5) | 25.0' | 90° | 39.25'
(R6) | 25.0' | 45° | 19.63'
(R7) | 50.0' | 90° | 78.53'
MATCH LINE
MATCH LINE
VIC HIGGINS
AVENGER BLVD.
Phase II
Phase I
PRELIMINARY
PRELIMINARY
Call TOLL FREE 1-800 422-4133
DWG. SHEET REV. CHART
IMPERIAL IRRIGATION DISTRICT
IMPERIAL CA.
COACHELLA VALLEY DIVISION
UNDERGROUND
OF
COUNTY OF RIVERSIDE
S/O AIRPORT BLVD. & VIC BIGGINS
CONDUIT LAYOUT
SHEET 2 OF 4

EXHIBIT E


DEVELOPMENT SOIL AREA
DRAWING LEGEND
BUILDING and FACILITY LEGEND
PRELIMINARY
for Review and
Discussion Only
DESERT RESORTS REGIONAL AIRPORT
THERMAL, CALIFORNIA
TERMINAL AREA PLAN WEST
SHUTT MOEN ASSOCIATES

G


DELIVERY APRON
±150'
260'
DRAWING LEGEND
BUILDING and FACILITY LEGEND
PRELIMINARY
for Review and
Discussion Only
DESERT RESORTS REGIONAL AIRPORT
THERMAL, CALIFORNIA
TERMINAL AREA PLAN WEST
SHUTT MOEN ASSOCIATES

FEDERALLY REQUIRED LEASE PROVISIONS

1. The Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease agreement for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, the County of Riverside, herein called the County, shall have the right to terminate the lease agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

4. The Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof, and in the event of such noncompliance, the County shall have the right to terminate this lease agreement and the estate thereby created without liability therefore or, at the election of the County or the United States, either or both said Governments shall have the right to judicially enforce these Provisions.

6. The Lessee agrees that it shall insert the above five provisions in any sublease agreement by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises herein leased.

7. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Par 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The County reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.

9. The County reserves the right, but shall not be obligated to the Lessee, to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.

10. This lease agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation, or maintenance of the airport.

11. There is hereby reserved to the County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on the Desert Resorts Regional Airport.

12. The Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

13. The Lessee, by accepting this lease agreement, expressly agrees for itself, its successors and assigns that it will neither erect nor permit the erection of any structure or object, nor permit the growth of any tree, on land leased hereunder with a height that exceeds the height limitation formula specified in Part 77 of the Federal Aviation Regulations without first obtaining the approval of the DOT and the County, which approval can be sought by submitting FAA Form 7460-1 (copy attached). In the event that the aforesaid covenants are breached, the County reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee.

14. The Lessee, by accepting this lease agreement, agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner, which might interfere with the landing and taking off of aircraft from Desert Resorts Regional Airport or otherwise constitute a hazard. In the event that the aforesaid covenant is breached, the County reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the Lessee.

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 USC 1349a)

16. This lease agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of said airport or the exclusive or non-exclusive use of the airport by the United States during time of war or national emergency.

Minimum Standards for Fixed Base Operators

Riverside County Airports

RIVERSIDE COUNTY

EDA

ECONOMIC DEVELOPMENT AGENCY

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

Adopted January 30, 2001

EXHIBIT C

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I. INTRODUCTION

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

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

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

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

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

II. DEFINITIONS

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

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

AIRPORT - Includes the following six (6) airports owned by Riverside County: Blythe, Chiriaco Summit, Desert Center, Desert Resorts Regional, French Valley, and Hemet Ryan, and its environs, such as, the property, buildings, facilities, and improvements within the exterior

boundaries of each airport as it now exists or as it may hereafter be extended, enlarged, or modified.

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

ALP - Airport Layout Plan

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

CEQA - California Environment Quality Act

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

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

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

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

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

FUEL - FAA authorized aviation fuel, including jet fuel

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

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

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

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

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

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

Prospective lessees should begin the process by requesting a meeting with County staff. The purpose of the initial meeting is to introduce staff, show the available sites, and answer any questions. At the conclusion of this meeting the prospective lessee will be asked to submit a Lease Application and proposal.

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

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

B. Airport Layout

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

C. Signs

All signs (commercial, traffic, services, advertising, etc.) must receive written approval from the EDA Executive Director or Designee prior to their placement. The request for approval should include the size, location, and design of sign. All outdoor advertising shall comply with County Ordinance No. 348 and applicable federal and state laws. FAA Form 7460-1, *Building Design,*

Construction, and/or Alteration, must be submitted to the FAA Western Pacific Region for review and determination, with a copy of the form sent to the EDA Executive Director.

D. Building Design, Construction, and/or Alterations

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

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

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

E. Inspections

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

F. Flying Clubs

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

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

G. Waiver from Minimum Standards

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

H. Civil Rights

All individuals using the County operated airports must comply with all the provisions of the Federal Civil Rights Act of 1964. The tenant or prospective tenant shall ensure there shall be no discrimination in the availability of any services or commodities based on race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition, or marital status.

I. Insurance

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

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

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

J. Lot Size

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

K. Outdoor Storage

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

L. Maintenance

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

IV. SCOPE OF SERVICES

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

Table A - FULL SERVICE FBO

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

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

Table B - AIRCRAFT MAINTENANCE

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

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
	200 SF	Office storage room
Automobile parking	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
CERTIFICATION:		
Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43	
PERSONNEL:		
Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations
HOURS OF OPERATION:		
Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours
EQUIPMENT:		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
INSURANCE:		
Refer to Appendix A		

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

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

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

Table D - FLIGHT INSTRUCTION

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

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER
LOT SIZE: 500 SF (not necessarily contiguous)		
Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	
PERSONNEL:		
Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction
HOURS OF OPERATION:		
Business Hours	Available for appointment for at least 40 hrs/week	
EQUIPMENT:		
Aircraft	One (1) single-engine aircraft	Available for flight training
INSURANCE:		
Refer to Appendix A		

Table E - AIRCRAFT SALES AND LEASING

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

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER
LOT SIZE: 150 SF		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 50 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings
CERTIFICATION:		
New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer	
Aircraft available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate	
PERSONNEL:		
Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
HOURS OF OPERATION:		
Business Hours	Available for appointment at least 40 hrs/week	
EQUIPMENT:		
	Minimum equipment required shall be determined during lease negotiations.	
INSURANCE:		
Refer to Appendix A		

Table F - AIRCRAFT STORAGE

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

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER
LOT SIZE: 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
PERSONNEL:		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)
HOURS OF OPERATION:		
Minimum via phone contact	5 days/week, 8 hrs/day	
INSURANCE:		
Refer to Appendix A		
ADDITIONAL GUIDELINES:		
The County and Full Service FBOs shall possess the right to provide and operate the public aircraft storage areas unless circumstances warrant otherwise. No business activities shall be operated from storage areas.		

Table G - AGRICULTURAL APPLICATION

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

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER
LOT SIZE: ½ acre or 21,780 SF		
Apron, tie-down area	6,000 SF	Storage
Building space	400 SF	For offices, lobby, public phone, and restrooms
Chemical storage	400 SF	
Automobile parking	Minimum of five (5) parking spaces, with landscaping as required by Ord. 348	For number of employees per shift and average number customers
Landscaping	Specific plans to be determined during lease negotiations	Required around vehicle parking, sidewalks, and buildings
CERTIFICATION:		
Permits and certificates	Must be submitted to EDA Executive Director or Designee prior to operations.	
Renewals	Furnished to EDA Executive Director or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615
PERSONNEL:		
Staff	Minimum number to be determined during lease negotiations.	
Certification & training	Personnel must be knowledgeable about the safe handling of poisons and agricultural chemicals and the proper disposal of substances intended to be used in operations.	
HOURS OF OPERATION:		
Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
EQUIPMENT:		
To be determined during lease negotiations.		
INSURANCE:		
Refer to Appendix		

Table G - AGRICULTURAL APPLICATION (continued)

REQUIREMENT	MINIMUM STANDARD	PURPOSE / OTHER

ADDITIONAL GUIDELINES: Storage and containment of Hazardous Materials

a. Comply with California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979.

b. Comply with County Ordinance No. 546, Division VIII-Fire Protection Requirement Buildings; and Division XIV-Fire Protection Requirements relating to storage of flammable or combustible liquids used as motor fuel.

c. Comply with the 1982 Uniform Fire Code Article 80-Hazardous Materials (section 80.107, 80.108, 80.109, and 80.111); and Article 86-Pesticides storage (all sections).

d. Comply with all hazardous waste regulations which can be found in Title 22 of the California Administrative Code and the California Health and Safety Code.

e. Submit a waste management plan addressing the items mentioned below with an explicit clause stating that the applicant shall be held responsible for the safe and proper cleanup of any hazardous waste spills.

f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit.

g. If hazardous wastes are treated and/or stored more than 90 days, or disposed or on-site, a hazardous waste facility must be obtained from the State Department of Health.

h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following:

1. Tanks and/or containers shall be of sound construction and compatible with waste stored (Title 22, California Administrative Code, Sections 66508, 67242, and 67247).
2. Tanks and/or containers shall be designed, constructed, maintained, and operated to minimize the possibility of fire, explosion, or any unplanned sudden, or non-sudden release of hazardous waste or any constituents to the soil, air, or surface waste which could threaten human health or the environment (Title 22, California Administrative Code, Sections 67241, 67243, 67244, 67257, and 67259).
3. Storage of on-site hazardous waste containers shall be in a structure that will prevent the contamination of the environment with hazardous waste. Design of the structure shall be submitted to the EDA Executive Director or Designee and Hazardous Material Division prior to construction.
4. If hazardous wastes or materials are to be stored underground, applicant must comply with County Ordinance No. 617 by completing the reporting form and obtaining the proper permits.
5. Underground tanks shall be of proper design and construction with approved monitoring systems. Records shall be maintained concerning operations, inspections, and monitoring pursuant to County Ordinance No. 617.
6. The applicant must take steps to minimize the quantity, toxicity, or other hazards of the waste generated. Such steps shall be submitted in writing to EDA Executive Director or Designee.
7. The facility shall be in compliance with all statutes, regulations, and ordinances pertaining to the management of hazardous waste.
8. Operator must submit a Letter of Credit or Performance Bond covering any clean-up or fines imposed caused by the actions or the operator.

Table H - OTHER AERONAUTICAL ACTIVITIES

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

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

MINIMUM STANDARDS FOR FIXED BASE OPERATORS APPENDIX NO. 1 - INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS (Page One of Two Pages)

ALL LIMITS SHOWN ARE 'PER OCCURRENCE' AND ASSUME THE POLICY LIMIT IS ON A 'COMBINED SINGLE LIMIT' BASIS	Statutory Workers' Compensation Insurance including Employers' Liability including Occupational Disease with a limit of liability	Airport Commercial General Liability Insurance including, but not limited to, premises liability, contractual liability, products and completed operations liability	Fire Legal Liability (Normally Included with Airport Commercial General Liability) with a limit of not	Vehicle Liability Insurance covering all owned, non-owned or hired vehicles	Aircraft Hull and Liability Insurance for full replacement value of the hull and liability with a minimum limit of (Minimum passenger per seat limit of $100,000)	Products Liability Insurance including completed operations not otherwise included in the Airport Commercial General Liability	Hangar Keepers Liability Insurance (Ground Coverage) with a limit of liability equal to the combined hull value of all aircraft in any one hangar and a minimum limit of	(If Applicable) Hangar Keepers Liability Insurance (Flight Coverage) with a limit of liability equal to the combined hull value of all aircraft in any one hangar and a minimum limit of	Pollution Liability Insurance covering gradual, sudden and accidental pollution including first party clean-up with a minimum limit of
Full Service FBO	$ 1,000,000	$ 3,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	Replacement Cost	$ 1,000,000
Aircraft Maintenance	$ 1,000,000	$ 1,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	Replacement Cost	If Applicable
Radio and Avionics Repair Stations and Sales	$ 1,000,000	$ 1,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	Replacement Cost	If Applicable
Flight Instruction	$ 1,000,000	$ 2,000,000	$ 300,000	$ 1,000,000	$ 2,000,000	If Applicable	If Applicable	Replacement Cost	If Applicable
Aircraft Sales, Rental and Leasing *	$ 1,000,000	$ 2,000,000	$ 300,000	$ 1,000,000	$ 2,000,000	$ 1,000,000	$ 1,000,000	Replacement Cost	If Applicable
Aircraft Storage	$ 1,000,000	$ 1,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	If Applicable	$ 1,000,000	Replacement Cost	If Applicable
Agricultural Application**	$ 1,000,000	$ 1,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	If Applicable	If Applicable	Replacement Cost	If Applicable
Other Aeronautical Activities ***	$ 1,000,000	$ 1,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	If Applicable	If Applicable	Replacement Cost	If Applicable
Flying Clubs****	$ 1,000,000	$ 2,000,000	$ 300,000	$ 1,000,000	$ 1,000,000	If Applicable	If Applicable	If Applicable	If Applicable
Special Events	EACH SPECIAL EVENT IS SUBJECT TO REVIEW OF INSURANCE REQUIREMENTS BY THE COUNTY RISK MANAGER								

* Airport Commercial General Liability Insurance must also include Contingent Liability and non-owned Hull Liability. If liquor is sold, Liquor Law Liability must be included.

** Include Agriculture Endorsement on Aircraft Hull and Liability Insurance policy and provide the County with a certified original copy of the endorsement.

*** The limits and coverage required may very depending upon the activity involved.

**** Workers' Compensation is required if Flying Club has employees.

APPENIX No. 1. - INSURANCE REQUIREMENTS (Continued, Page 2 of 2)

Workers' Compensation

1. Policy shall be endorsed to include, if applicable, Borrowed Servant / Alternate Employer.
2. Policy shall be endorsed to 'Waive Subrogation in favor of the County of Riverside'

All Policies (Other than Workers' Compensation)

1. Each policy shall be endorsed to name all Agencies, Districts, Special Districts and Departments of the County of riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.
2. If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be no less than two (2) times the occurrence limit.

All Policies (Including Workers' Compensation)

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the County Risk Manager.
2. Each insurance company shall have an A.M. BEST rating of not less than an; A:VIII (A:8)
3. Provide either 1) a properly executed original Certificate(s) of Insurance and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the County Risk Manager, provide original Certified copies of policies including all endorsements and all attachment thereto, showing such insurance is in full force and effect.
4. Certificates to contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance.
5. Operations shall not commence until the County of Riverside has been furnished evidence of coverage as described in item 3.
6. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.
7. The EDA Director, upon the advise of the County Risk Manager, reserves the right to increase the limits or required additional insurance coverage beyond that set forth herein.

DESERT RESORTS REGIONAL AIRPORT

STORM WATER POLLUTION PREVENTION PLAN

(S.W.P.P.P)

A.A.A.E. CALIFORNIA AIRPORT GROUP
TO COMPLY WITH THE CALIFORNIA STORM WATER GENERAL PERMIT

PERMIT NUMBER W.D.I.D 733S006138

EXHIBIT "D"

NPDES PERMIT REQUIREMENT CHECKLIST

THERMAL AIRPORT

	Initial & Date
NOI & Fee Sent to SWRCB	3/26/92
SWPPP Complete	9/22/92
Monitoring Plan Complete	11/12/92
Group Monitoring Agreement (if appropriate)	A.A.A.E. 5/19/92 MO. 33
Other: Permit # 7 33S006135	

This is to certify that the above mentioned items have been prepared and completed under my direction and supervision in compliance with the NPDES General Industrial/Construction Permit.

Printed Name: Thomas L. Turner

Signature: Thomas L. Turner Date: 2/1/93

Title: Airport Operations & Maintenance Supervisor

SWPPP Certification

"I certify under penalty of law that this document and all attachments were prepared under my direction and supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment." In addition, I certify that the provisions of the permit, including the development and implementation of a Storm Water Pollution Plan and a Monitoring Program Plan, will be complied with.

Printed Name: Tek Tanaka

Signature: Tek Tanaka Date: 2-18-93

Title: Deputy Director of Transportation

1:UDO1:PL.PA:NPDESCHECKLIST.JR

STORM WATER POLLUTION PREVENTION PLAN
INTRODUCTION AND PURPOSE

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

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

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

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

PLANNING AND ORGANIZATION

POLLUTION PREVENTION PERSONNEL

POLLUTION PREVENTION COMMITEE MEMBERS

Airport Manager/Representative: Thomas Turner

DUTIES: Overall compliance; Inspection of airports.

Phone: (909) 351-0700 x 358 24-hour Phone: (909) 412-3049

Designated Individuals

Name: Captain Heally, C.D.F. Fire Title: _____

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

Duties: County fire compliance with permit.

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

Phone: (760) 399-1855 24-hour Phone: _____

Duties: F.B.O. compliance.

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

Name: _____ Title: _____

Phone: _____ 24-hour Phone: _____

Duties:

FACILITY DATA COLLECTION

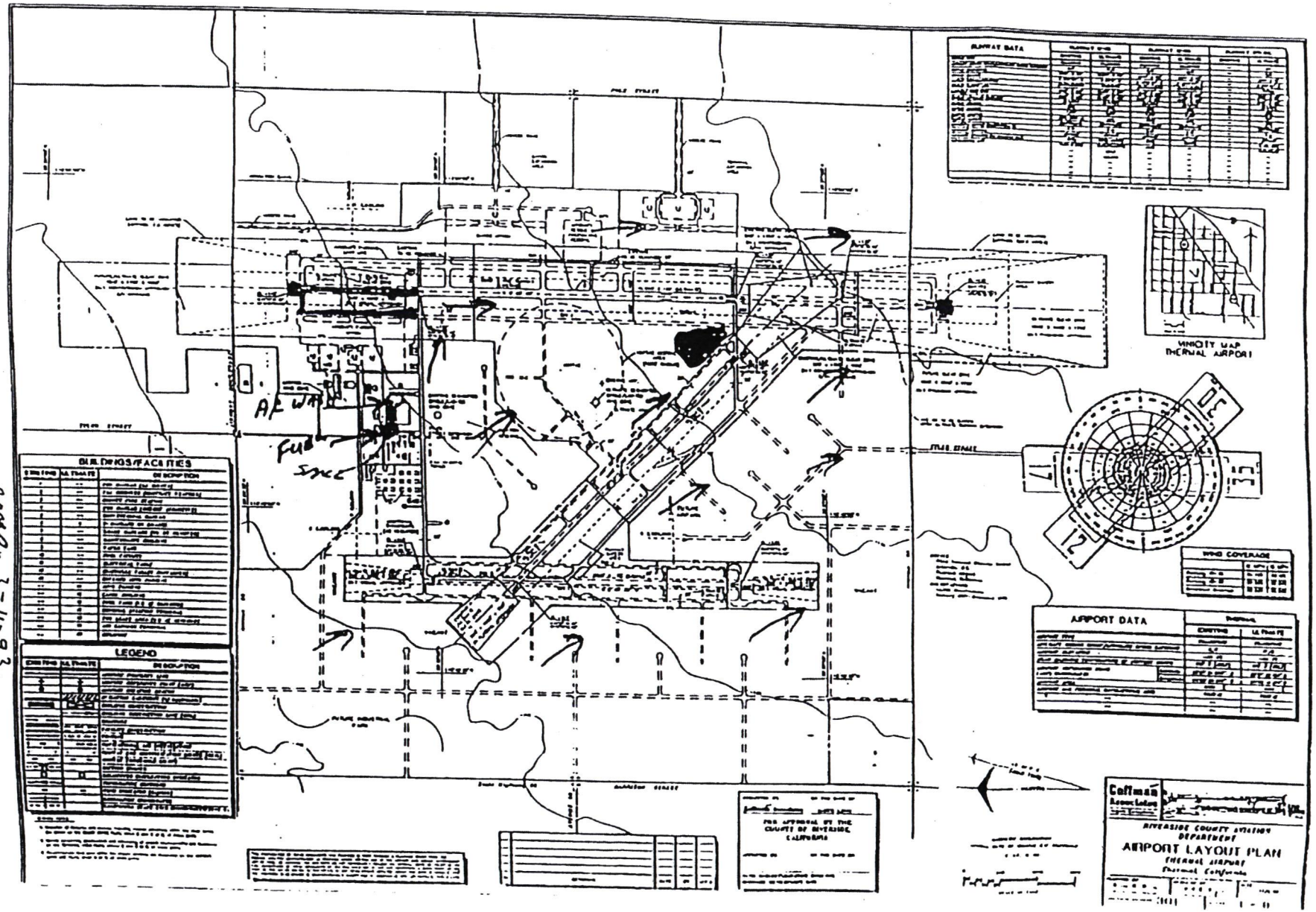
The general permit requires that the following information be gathered in order to determine and evaluate pollution sources:

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

Topographic Map

RETENTION BASIN. FLOW →

THIS AIRPORT HAS NO OUTFALLS. WATER IS TRAPPED IN BASINS.



7.15

ANNOT. 3-1-93.

ADD 10 ACRES.

Description of Significant Material Handling

Significant Materials Treated or Stored

Significant Materials Stored:

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

2) Used motor oil

Significant Materials Disposed:

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

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

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

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

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

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

3) Site clean up completed in Feb.1998

Airport Industrial Storm Water Treatment Facilities:

1) No facilities are now on the airport.

Materials Management Practices:

1) All hazardous material spills must be reported to the airport manager, County Health and County Fire to insure immediate and proper cleanup and disposal. Liquid absorbent material is stored on site.

2) Areas where materials are stored and or have the possibility to spill are inspected monthly, with spot inspections during daily airport inspections

3) Insure material handlers have proper licenses and or training for each product being used.

Equipment Management Practices:

1) All equipment inspected monthly.

2) Routine maintenance to repair leaks and preventive maintenance scheduled to prevent leaks.

3) Drip pans installed under areas where leaks may occur.

Vehicle Management Practices:

1) Scheduled preventative maintenance.

2) Cleaning vehicles with biodegradable solvents and soaps, in designated areas only.

3) Routine daily inspections of vehicles.

Material Loading, Unloading, and Access Areas:

1) Insure all personnel are trained and or have proper license.

2) Restrict material-handling areas to trained personnel only.

3) Insect equipment monthly to insure it is in proper working order and notify the responsible party if not.

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

1) Monthly inspections of all aircraft tie downs, auto parking lots, streets and hangar areas.

2) Daily spot inspections done during routine airport safety inspections.

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

1) Use of dirt roads restricted to airport employees for inspections and maintenance.

2) Monthly inspections of all drains, inlets, flood control berms for unauthorized water runoff.

Methods of On-Site Disposal of Significant Materials:

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

Methods of On-Site Storage of Significant Materials:

1) Aviation fuels are stored in above ground and under ground tanks or in fuel trucks.

2) Motor vehicle oils are stored inside buildings.

3) All pesticides and fertilizers are stored in building or on covered concrete slabs.

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

1) All main access roads and parking lots are paved. Some airport maintenance roads are dirt but rarely used.

2) There are no significant industrial processes on the airport.

3) Dirt roads are restricted to airport personnel only.

Pollutant Lists

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

POLLUTANT LIST

TABLE 3-1

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

Airport Size

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

Impervious Area (acres or Square Feet): 35.5 Acres

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

Significant Spills or Leaks:

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

Summary of Sampling Data:

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

Airport Size

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

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

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

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

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

SAMPLING EVENT RECORDS TABLE 3-3

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

STORM WATER MANAGEMENT CONTROLS

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

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

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

Preventative Maintenance

The preventative maintenance program should include the following:

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

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

Good Housekeeping

Written Protocol

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

The protocols should cover:

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

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

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

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

See Protocols and Management Practices

Emergency Response Coordinator

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

Designated Individual: Tom Turner
Title: Airport Manager
Phone: (909) 351-0700 x 358 24-hour Phone:_____

Alternate: Thomas Turner
Title: Airport Operation & Airport Manager
Phone: (909) 351-0700 x 358 24-hour Phone: _____

Storm Water Management Practices

1) Daily inspections of tie down areas to look for leaks.

2) Notices sent to lessees, aircraft and equipment owners to inform them of problems that need correcting.

3) Vehicle and equipment washing be done in designated areas. All loose oil needs to be wiped from all surfaces before washing.

4) No hangars, equipment storage, or maintenance facilities will be hosed out with water. All oil and fuel leaks will be cleaned up with liquid absorbent materials or biodegradable solvents and soap, then disposed of properly.

5) Drip pans of 100lbs. of liquid absorbent material stored at the airport near fueling facilities and maintenance areas.

6) Drums and tanks containing used oil, solvents, and coolants checked weekly for material levels. All full containers to be closed and secured to prevent overfilling.

7) The County and each Co-Permittee will train personnel in the proper handling, identification, and clean-up practices (List of agencies to notify when a spill does occur, etc.).

8)The designated airport representative to inspect the airport monthly to include Co-Permittees' leaseholds and notify responsible parties not in compliance with storm water plan.

9) All non-paved roads to be restricted to only necessary traffic.

10) All vehicle fueling is to take place on concrete or asphalt to simplify clean up if a spill does occur.

11) All hazardous material spills must be reported to airport management, County Health, and County Fire Dept. to insure immediate and proper clean-up and disposal. Liquid absorbent material is stored at the airport.

12) All equipment inspected monthly.

13) Routine maintenance to repair leaks and preventive4 scheduled maintenance to prevent leaks.

14) Drip pans installed under areas where leaks may occur.

15) Scheduled preventive maintenance.

16) Cleaning vehicles with only biodegradable solvents and soaps, in designated areas only.

17) Routine daily inspections on vehicles.

19) Insure all personnel are trained and /or have proper licensing.

20) Restrict material handling areas to trained personnel only.

21) Inspect equipment monthly to insure it is working properly and that the responsible party is noticed so that repair can be made on faulty equipment.

22) Require catch basins to be designed into all future construction projects where applicable.

23) Rip-rap all applicable outfalls, embankments and drain ditches.

24) Keep Cracks in parking lots and tie downs filled with crack fillers.

SEDIMENT CONTROL AND EROSION PREVENTION

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

AMENDMENT SHEET

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

EMPLOYEE TRAINING SCHEDULE

TABLE 4 – 5

Workshop Topic	Dates	Personnel Attending

EMPLOYEE TRAINING

Training should be recorded on Table 4 - 5.

NON-STORM WATER DISCHARGES

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

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

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

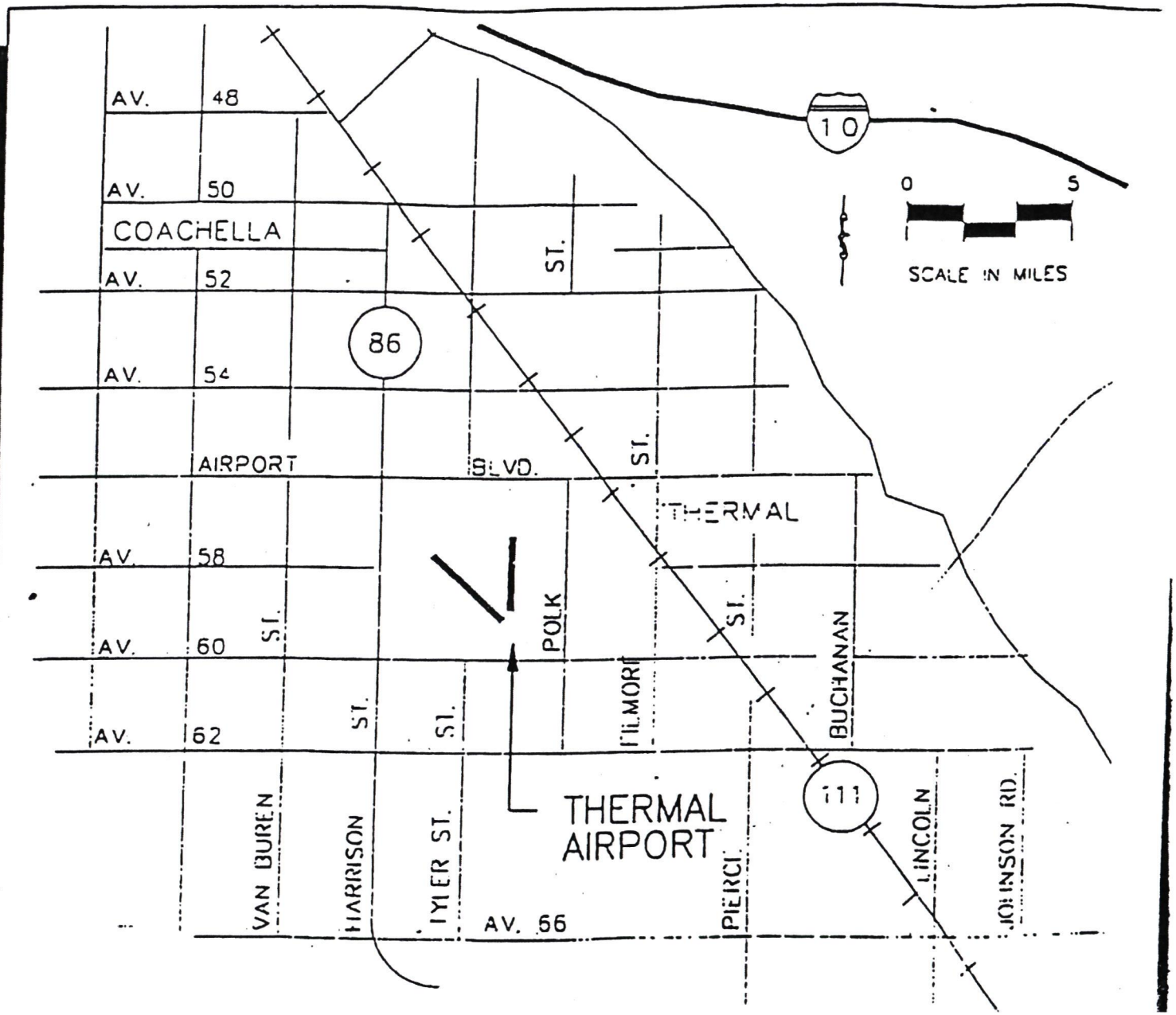
If certification is not feasible, due to the inability to eliminate the non-storm water discharge because of the need for significant structural changes, the airport must notify the Regional Board prior to the October 1, 1992 deadline. This notification should include a summary of why the extension in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

COMPLIANCE

Inspection

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

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


AV. 48
AV. 50
COACHELLA
AV. 52
AV. 54
AV. 58
AV. 60
AV. 62
AV. 66
AIRPORT
BLVD.
86
10
111
0
5
SCALE IN MILES
ST.
POLK
FILMORE
BUCHANAN
VAN BUREN
HARRISON
TYLER ST.
PIERCE
LINCOLN
JOHNSON RD.
THERMAL
THERMAL AIRPORT

FIRST AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport
(formerly Desert Resorts Regional Airport)

The COUNTY OF RIVERSIDE, herein called County, and John Obradovich and Betty Obradovich, Husband and Wife, herein called Lessee, hereby agree to amend the Lease between the County of Riverside and John Obradovich approved by the Board of Supervisors of the County of Riverside on June 3, 2003, for 9 acres of land at Desert Resorts Regional Airport, County of Riverside, State of California, as follows:

1. Paragraph 9(d), on page 9 of 33, shall be replaced by the following:

(d) Upon commencement of construction of Phase I, Lessee shall, at its sole cost, install in-ground electrical service per the plans and specifications of the Imperial Irrigation Districts' Master Electrical Plan for Desert Resorts Regional Airport (Underground for County of Riverside S/O Airport Blvd. @ Vic Higgins Conduit Layout) dated 12/13/01 along Warhawk Way on the eastern boundary of the Leased Premises (Exhibit E). Lessee shall install at its sole cost in-ground electrical conduit along Avenger Blvd adjacent to the northern border of the Leased Premises upon the following: 1) notification by County that electrical service is needed for the development of property east of Warhawk Way and south of Avenger Boulevard, 2) the Imperial Irrigation District requires the electrical service for the development of any of Lessee's buildings on the Leased Premises 3) prior to completion of the last phase of Lessee's development, as approved by County, but in no event later than five (5) years from lease execution. Lessee shall pay the cost of Imperial Irrigation District electrical extension charges as required to provide electrical service to the Leased Premises (Exhibit E).

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2. Paragraph 22, Insurance for Sub-Lessees on page 22 shall be replaced by the following:

22. Insurance for Sub-Lessees. Lessee shall require each Sub-Lessee to meet all the insurance requirements imposed on Lessee by this Lease. These requirements, with the approval of the County's Risk Manager, may be modified to reflect the activities associated with the Sub-Lessee.

3. All other provisions of the Lease, not otherwise affected by this amendment, shall remain the same.

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

Date: 7-29-04

LESSEE
John Obradovich and Betty Obradovich
Husband and Wife

By: _____
John Obradovich

By: _____
Betty Obradovich

Date: 7-29-04

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors
ROY WILSON

ATTEST:
NANCY ROMERO, Clerk of the Board

By: _____
Deputy
(SEAL)

FORM APPROVED:
WILLIAM C. KATZENSTEIN, County Counsel

By: _____ 8/12/04
Deputy

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SECOND AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport

This Second Amendment to Lease ("Amendment") is entered into by and between the County of Riverside (hereinafter "County"), and John Obradovich and Betty Obradovich, Husband and Wife, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the "Lease") dated June 3, 2003, wherein Lessee agreed to lease from County, approximately 9 acres of property ("Leased Premises") located at the Desert Resorts Regional Airport, now known as the "Jacqueline Cochran Regional Airport"; and

B. WHEREAS, the County and Lessee entered into that certain First Amendment to Lease dated September 14, 2004; and

C. WHEREAS, Lessee desires to lease additional property surrounding the Leased Premises from the County, and

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

NOW, THERFORE, 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. Lessee desires to add the property depicted on Exhibit A to its Lease as described above.

2. Paragraph 2, page 1 shall be modified to read as follows:

"The premises leased hereby are located within the Jacqueline Cochran Regional Airport (formerly the Desert Resorts Regional Airport, 56-580 Higgins Drive, Thermal, California and consist of approximately 9.45 acres of vacant land, as depicted in Exhibit B

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attached hereto and incorporated by reference herein. Said property is hereafter referred to as the "Leased Premises."

3. Paragraph 5 Rent, page 2, subparagraph (a) shall be modified by changing the word "Lessor" in line 23 to "County" and adding the following at the end of said paragraph 5(a):

Commencing as of July 1, 2005 and continuing through June 30, 2015 Lessee shall pay to County for the use and occupancy of the Leased Premises monthly Base Rent according to the following schedule:

July 1, 2005-June 30, 2006 ($351.27 per acre) X (9.45 acres) = $3319.50

July 1, 2006-June 30, 2007 ($371.66 per acre) X (9.45 acres) = $3512.19

July 1, 2007-June 30, 2008 ($393.24 per acre) X (9.45 acres) = $3716.19

July 1, 2008-June 30, 2009 ($416.06 per acre) X (9.45 acres) = $3931.77

July 1, 2009-June 30, 2010 ($440.21 per acre) X (9.45 acres) = $4159.98

July 1, 2010-June 30, 2011 ($479.74 per acre) X (9.45 acres) = $4533.54

July 1, 2011-June 30, 2012 ($522.74 per acre) X (9.45 acres) = $4939.89

July 1, 2012-June 30, 2013 ($569.76 per acre) X (9.45 acres) = $5384.23

July 1, 2013-June 30, 2014 ($620.91 per acre) X (9.45 acres) = $5867.60

July 1, 2014-June 30, 2015 ($676.67 per acre) X (9.45 acres) = $6394.53

On July 1, 2015 and July 1 of every fifth (5th) year thereafter the monthly rent will be adjusted according to the provisions of new paragraph 5(d) as set forth in paragraph 4 of this Amendment."

4. Subparagraph 5 (d), page 4 of the Lease, shall be deleted in its entirety and replaced with the following subparagraph:

"5 (d) Base Rent Adjustment - Beginning July 1, 2015 and on July 1 of every fifth (5th) year thereafter, that portion of the monthly Base Rent for the

Land shall be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current aviation fair market value of the Land. Said aviation fair market value shall be for the Land only and shall not include the value of the Improvements or other structures placed on the Leased Premises by Lessee. In no event will application of this paragraph result in a monthly Base Rent amount for the Land which is lower than the highest previous monthly Base Rent for the Land.

The aviation fair market value for the Land will be established by a property appraisal performed by an independent appraiser, knowledgeable and experienced in the valuation of aviation property within the southern California Counties of Riverside, San Bernardino, San Diego and Los Angeles. The appraiser shall be certified by, and be, in good standing with the Appraisal Institute of Chicago IL with a current designation of "MAI" and the appraisal shall be conducted in strict compliance with the Uniform Standards of Professional Appraisal Practice ("USPAP").

No less than two hundred and forty (240) days prior to the rent adjustment date, County will notify by US Mail, potentially affected Lessees of its intent to issue a Request for Qualifications and Proposal ("RFQP") and submit a copy of the Draft RFQP form it intends to use. It will be the responsibility of the Lessees to establish amongst themselves a process for forming a committee to comment on the Draft RFQP and to select up to two-fifths (2/5) of the appraisers that will be invited to respond to the RFQP. In the event a majority of Lessees participating in the selection process are unable to form a committee, comment on the Draft RFQP, select the designated number of appraisers or give the County written notice thereof within two hundred ten (210) days prior to the rent adjustment date, then County will select all of the appraisers to which the RFQP is sent. No less than one hundred and eighty (180) days prior to the rent

adjustment date, County will give reasonable consideration to the comments received from the Lessee's Committee and shall issue a Final RFQP to a minimum of five (5) appraisers meeting the foregoing qualifications. Upon receipt of the responses to the RFQP, the County shall offer the responses to the Lessee's Committee for viewing and comment for a period of fourteen (14) days, and after reasonable consideration of the comments made, County shall select the appraiser pursuant to the County's established guidelines. The cost of the appraisal and related processes shall be borne by the County. The cost, if any, of forming and operating the Lessee's Committee shall be borne by the Lessee Committee members.

Once established, the adjusted monthly Base Rent for the Land shall be adjusted annually in the manner set forth in Paragraph 5 (d) below."

5. Subparagraph 5 (e), page 3, 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 an increase in the monthly base rent of greater than five percent (5%) nor 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: 6-14-06

LESSEE:

JOHN OBRADOVICH and BETTY OBRADOVICH, Husband and Wife

John Obradovich

Betty Obradovich

Dated: 9-12-06

COUNTY OF RIVERSIDE

By: Bob Buster
Chairman, Board of Supervisors
Bob Buster

(SEAL)

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

By: Gordon V. Ubo 8/22/06
Deputy

ATTEST:
Nancy Romero, Clerk of the Board

By:
Deputy

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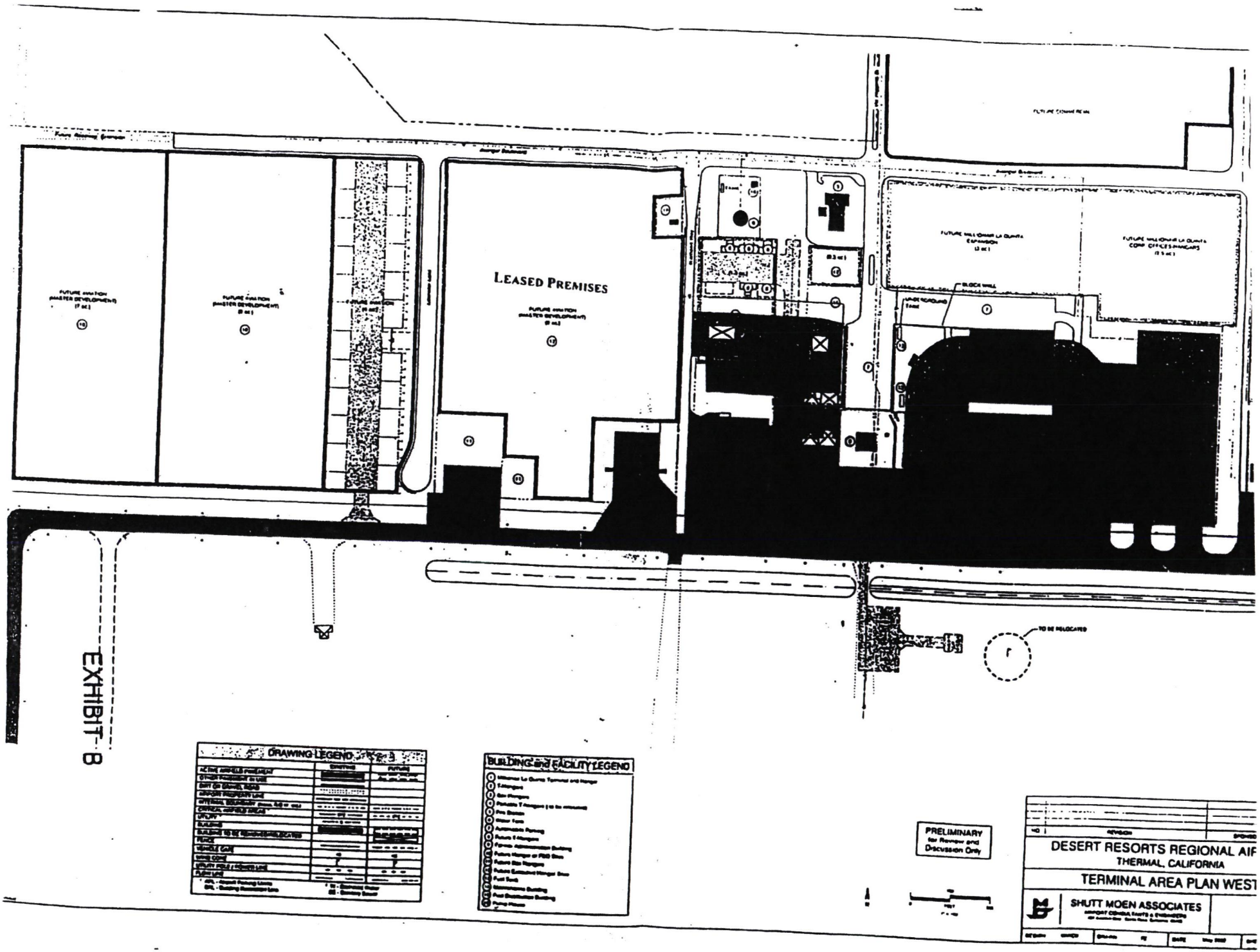
EXHIBIT A

1. 2005 3:35PM HOUSING AUTH CO RIV 9516866873 NO. 0561 P. 5/5


LEASED PREMISES
EXHIBIT B
DRAWING LEGEND
BUILDING and FACILITY LEGEND
PRELIMINARY
for Review and
Discussion Only
DESERT RESORTS REGIONAL AIR
THERMAL, CALIFORNIA
TERMINAL AREA PLAN WEST
SHUTT MOEN ASSOCIATES

THIRD AMENDMENT TO LEASE
Jacqueline Cochran Regional Airport

This Third Amendment to Lease ("Amendment") is entered into by and between the County of Riverside (hereinafter "County"), and John Obradovich and Betty Obradovich, Husband and Wife, (herein called "Lessee"), with reference to the following:

RECITALS

A. WHEREAS, County and Lessee, are parties to that certain lease (hereinafter the "Lease") dated June 3, 2003, and amended by First Amendment to Lease dated September 14, 2004, and Second Amendment to Lease dated September 12, 2006, wherein Lessee agreed to lease from County, approximately 9 acres of property ("Leased Premises") located at the Jacqueline Cochran Regional Airport; and

B. 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:

2. Section 5 (c), page 3, is hereby deleted, and replaced with the following:

(c) Fuel Flowage Fee: Sublessee shall pay to County a fuel flowage fee in an amount established by the Board of Supervisors for the County of Riverside (the "Board") through a County Resolution, a County Ordinance or such other action as the Board may decide from time to time. The fuel flowage fee, the calculation of the fuel flowage fee, the time of payment and the method used to collect and report the amount of fuel transacted by Sublessee shall be subject to periodic review and adjustment by the Board of Supervisors to reflect conditions then existing and the financial needs of the County's airports system. The County may implement any such adjustments in the fuel flowage fee at any time. Such new or adjusted fuel flowage fees shall be effective upon adoption by the County Board of Supervisors. Implementation of the new or adjusted fuel flowage fees shall not be pre-conditioned upon amendment of any existing Lease. As of the date of this Lease Amendment fuel

MAR 17 2009 3.16

flowage fees have been established according to County Resolution No. 2008-362, attached hereto as Exhibit "A" and incorporated by this reference herein. The current fuel flowage fee (which was effective as of July 1, 2008) is assessed at the rate of $0.12 per gallon of fuel sold. The fee is subject to a timely payment discount of $0.02 per gallon applied to payments received within twenty (20) days of the date of invoice. A late fee of ten per cent (10%) shall be assessed to all payments received after the due date (30 days of invoice date) and to any unpaid balance, exclusive of late fees.

All other terms and conditions of the Lease shall remain unchanged.

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

Dated: 1/12/09

LESSEE:

John Obradovich and Betty Obradovich
Husband and Wife

By: _____
John Obradovich

By: _____
Betty Obradovich

Dated: MAR 17 2009

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors
JEFF STONE

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

By: _____ 3/4/09
Deputy

ATTEST:
Nancy Romero, Clerk of the Board

By: _____
Deputy

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EXHIBIT A

Board of Supervisors

County of Riverside

RESOLUTION NO. 2008-362

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

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

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

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

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

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

1. The fuel flowage fee will be assessed at the rate of $0.12 per gallon of fuel sold effective July 1, 2008. Payments shall be due within thirty (30) days of the County's invoice. A timely payment discount of $0.02 per gallon shall be applied to payments

received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

2. Lessee/fuel seller's fuel systems must comply with the County Airport requirements and specifications. The systems must have a meter according to the County's specifications, which allow the County to monitor and record fuel sales on a monthly basis. Lessee/fuel seller shall, at its own expense, be responsible for obtaining and installing the meter. The meter or metering device must be certified on an annual basis by the Riverside County Agricultural Department, Weights and Measures Division, or other service designated by the County. Such annual certification shall be at the expense of lessee.

3. The County shall take readings from the meters of all fuel systems during the first week of each month. The County shall issue an invoice to Lessee based upon the number of gallons of fuel sold during the previous monthly period. The County reserves the right to audit records of Lessee's fuel sales and receipts. Lessee shall make all such records available for inspection upon three (5) days notice from County to Lessee.

4. Lessees shall have the option to continue to pay fuel flowage fees at the former rate of 5% per gallon for the duration of the current lease or sublease.

5. Fuel sellers, prior to being subject to the new fuel flowage fee calculation, shall be required to enter into amendments of their current leases and/or subleases to reflect the provisions of this resolution.

6. Lessees must at all times comply with applicable local, state and federal laws and regulations, including applicable airport regulations established pursuant to Riverside County Ordinance No. 576.2.

7. The County reserves the right to review this Resolution from time to time, and by Resolution, make any and all such revisions as it deems necessary and appropriate.

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE 7/9/08