

ATTACHMENT B

**GROUND LEASE AND DEVELOPMENT
AGREEMENT FOR 80 ACRES**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY GROUND LEASE AND DEVELOPMENT AGREEMENT

This Ground Lease and Development Agreement (hereinafter referred to as the “**Lease**”) dated this _____ day of _____, 2025 for reference purposes only, is entered into by and between the **SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY (“SCLAA”)**, a California joint powers authority, (hereinafter referred to as “**Lessor**”) and **AVIATION DEVELOPMENT PARK, LLC**, a California limited liability company, (hereinafter referred to as “**Lessee**”). Lessor and Lessee are sometimes hereinafter referred to individually as a “**Party**” or collectively as the “**Parties**”.

RECITALS

These Recitals are included to assist in interpreting this Lease and to understand the basis upon which certain terms and conditions have been included. It is not intended, nor should it be construed, to supersede or amend the specific terms and conditions of this Lease.

A. The Lessor has previously acquired certain properties which are adjacent to the former George Air Force Base, which is now known as the Southern California Logistics Airport (the “**SCLA**”).

B. The properties so acquired have become part of the SCLA and are subject to certain aeronautical restrictions.

C. Lessee seeks to lease from the Lessor a portion of the real property so acquired by Lessor (hereinafter defined as the “**Ground Lease Area**” and described more fully below) under the terms and conditions set forth in this Lease.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. Ground Lease Area.

(a) Subject to the terms and conditions herein contained, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, that certain real property at the SCLA described as follows:

(1) Approximately Eighty (80) acres of airfield property consisting of Assessor’s Parcel Numbers: 0459-032-39; 0459-032-40; 0459-032-41; and 0459-032-42; located near the northern end of the SCLA, as more specifically described on **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Ground Lease Area**”); and

(2) All appurtenances, access rights, and other rights, privileges, and easements applicable thereto.

2. Development and Improvement of Ground Lease Area.

(a) Lessee shall, at Lessee's sole cost and expense, develop the Ground Lease Area by constructing and thereafter maintaining thereon the improvements described in **Exhibit B**, attached hereto and incorporated herein by this reference (collectively hereinafter the "**Improvements**").

(b) Lessee's development and construction of the Improvements on the of the Ground Lease Area as described in **Exhibit B**, shall be performed in full compliance with the provisions and requirements set forth in this Lease, including without limitation, all of the following:

(1) Conformance with all applicable plans, including, but not limited to the Southern California Logistics Airport Specific Plan.

(2) Completion of the entitlement process for the development of the Improvements through the City of Victorville (the "**City**"), with resulting construction plans and specifications to be submitted to the SCLA Airport Director for review prior to the commencement of construction. Such plans and specifications may be rejected, within a reasonable period of time, if not in conformity with this Lease, the SCLA, and the City standards.

(3) Compliance with all applicable Federal, State, and local laws, ordinances, standards, codes, guidelines, rules, and regulations, including without limitation, the rules and regulations of Lessor and where applicable, the Federal Aviation Administration ("**FAA**") that are or may become applicable to Lessee's development of the Improvements on the Ground Lease Area (collectively hereinafter, "**Applicable Laws**").

(4) Lessee shall construct the Improvements using properly licensed and insured contractors and in full compliance with all applicable prevailing wage laws and public bidding requirements.

(5) Lessee shall require the issuance of a Faithful Performance Bond and a Payment Bond for any Improvement work performed on the Ground Lease Area as follows:

BOND REQUIREMENTS - A Faithful Performance Bond benefiting the Lessor in the amount of one hundred twenty-five percent (125%) of the bid amount and a Payment Bond in the amount of one hundred twenty-five percent (125%) of the bid amount. Bonds must be issued by an admitted surety insurer in the State of California. When a contract for constructing the Improvements is signed, the successful bidder shall provide, within ten

(10) working days, the Faithful Performance and Payment Bonds in the amounts set forth herein.

(c) Lessee shall, at Lessee's own cost and expense, comply with all Applicable Laws and the requirements of all governmental authorities which are binding upon and applicable to Lessee and/or the Lessee's development or construction of the Improvements, whether those Applicable Laws and requirements are now in force or are subsequently enacted. If the approval or issuance of permits by any Federal, State, or local governmental agency is required for the lawful use of the Ground Lease Area or any portion of thereof, Lessee shall procure and maintain such approvals and/or permits prior to the commencement of and throughout the Term (as hereinafter defined) of this Lease.

(d) Following Lessee's development and improvement of the Ground Lease Area in accordance with the requirements set forth in this Lease, Lessee shall use the Ground Lease Area as a commercial aircraft parking and service area. Lessee shall not change the use of the Ground Lease Area without first obtaining the written consent of Lessor.

3. Right to Terminate for Development. INTENTIONALLY OMITTED.

4. Ownership of Improvements and Fixtures.

(a) Improvements. During the Term of this Lease, Lessee's development, including all Improvements constructed by Lessee on or about the Ground Lease Area, shall be owned and maintained by Lessee. Upon the expiration or termination of this Lease, said Improvements shall become the sole property of Lessor.

(b) Trade Fixtures and Personal Property. Any and all trade fixtures, specialized equipment, signs, movable trailers, and other personal property used by Lessee on the Ground Lease Area shall remain Lessee's sole property and Lessee shall remove the same within thirty (30) days after the expiration or termination of this Lease, provided any damages caused by such removal are repaired by Lessee.

5. Term.

(a) The term of this Lease shall be for a period of Twenty (20) years (the "**Initial Term**") commencing on February 1, 2025, (the "**Commencement Date**") and expiring on January 31, 2045, (the "**Expiration Date**") unless sooner terminated or extended as hereinafter provided.

(b) Option to Extend Term. Upon expiration of the Initial Term, Lessee shall have the option to renew this Lease for two (2) additional five (5) year terms (each an “**Option Term**”), provided that: (i) Lessee is in good standing and otherwise in full compliance with all of the terms and conditions of this Lease; (ii) Lessee provides Lessor written notice of its desire to renew at least three hundred sixty-five (365) days prior to the expiration of the then applicable Term; and (iii) Lessor confirms in writing Lessee’s exercise of its Option Term. Only one (1) Option may be exercised at a time by Lessee. Upon confirmation of such exercise by Lessor, all references to the Expiration Date following any such exercise of the Options shall mean January 31, 2050, and January 31, 2055, respectively. All further references to the Term of this Lease shall mean and include the Initial Term and any confirmed Option Term.

6. Rent.

(a) Monthly Base Rent. During the first (1st) year of the Term, Lessee shall pay to Lessor a monthly base rent of Fourteen Thousand Eight Dollars and Ninety Cents (\$14,008.90) (the “**Monthly Base Rent**”). Commencing on February 1, 2026, the Monthly Base Rent shall be increased by three percent (3%), and on each annual anniversary of the Commencement Date thereafter during the Term, the then-current Monthly Base Rent shall be increased by an additional three percent (3%). All further references to the Monthly Base Rent shall mean and include any such increased amount as calculated under the provisions of this paragraph.

(b) Waiver of Monthly Base Rent. Notwithstanding the foregoing, Lessor acknowledges that the Lessee will entitle the Improvements, perform the construction thereof, and market the Ground Lease Area, for an anticipated duration of one (1) year. Therefore, Lessor agrees and consents to waiving the Monthly Base Rent during the first (1st) twelve (12) months of the Term, provided the following three (3) conditions are satisfied:

(1) Condition 1. Lessee completes the entitlement process by May 31, 2025.

(2) Condition 2. Lessee begins construction of the Improvements no later than June 30, 2025.

(3) Condition 3. Lessee completes construction of the Improvements and all items listed on **Exhibit B** no later than January 1, 2026.

If Condition 1, Condition 2, and Condition 3 are not satisfied timely, all waived Monthly Base Rent will be due and payable to Lessor in a lump sum on February 1, 2026.

(c) Payment for Maintenance of Gravel Taxilane. Lessor shall maintain the aircraft access route (the "Gravel Taxilane") as depicted on **Exhibit A** which connects Taxiway Echo to the Ground Lease Area. In acknowledgment of the upkeep and maintenance provided by Lessor to the Gravel Taxilane, Lessee shall reimburse Lessor fifty percent (50%) of the annual maintenance cost, up to a maximum of Ten Thousand Dollars (\$10,000) per year. The reimbursement amount shall be computed or determined based on the Lessor's actual labor and equipment expense.

(d) Payment. Monthly Base Rent shall be payable in advance and without demand to:

Southern California Logistics Airport Authority
Attn: Airport Director
18374 Phantom West
Victorville, California 92394

or at such other place as Lessor may designate in writing from time to time. Lessee shall also pay to Lessor within thirty (30) days of presentation of an invoice, such other charges as it may incur for use of facilities and services at the SCLA which shall be charged in accordance with the SCLA Rules and Regulations (which are attached hereto as **Exhibit C** and incorporated by this reference), as such may be amended from time to time by Lessor.

7. Security Deposit. Lessee shall deposit with the Lessor upon execution hereof the sum of Fourteen Thousand Eight Dollars and Ninety Cents (\$14,008.90) as security for Lessee's faithful performance of Lessee's obligations hereunder (the "**Security Deposit**"). If Lessee fails to pay rent or other charges due hereunder, fails to pay any utility or service provider, or otherwise defaults with respect to any provision of this Lease, the Lessor may use, apply or retain all or any portion of said deposit for payment of any rent or other charges in default or for the payment of any other sum to which the Lessor may become obligated by reason of Lessee's default, or to compensate the Lessor for any loss or damage which the Lessor may suffer thereby. At all times during the Term hereof, Lessee must maintain at a minimum the amount of Security Deposit specified in this Section.

8. Fee Reimbursements. Upon receipt of an invoice from Lessor, Lessee shall promptly reimburse Lessor for its share of any fees or costs incurred by Lessor that are related to this Lease, including but not limited to escorting or providing utilities to the Ground Lease Area, taxes, permits, or fees associated with maintaining or repairing the Ground Lease Area and the Gravel Taxilane. In no event shall Lessor be liable for any charges or fees used or supplied upon or in connection with Lessee's use of [the Ground Lease Area](#) and Lessee shall indemnify, defend, and hold harmless Lessor against any liability on account thereof.

9. Late Charge. Lessee hereby acknowledges that late payment by Lessee to Lessor of any installment of rent or any other sums due hereunder will cause Lessor to

incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any installment of rent, or any other sum due from Lessee is not received by the Lessor within ten (10) days after such amount is due, whether or not any notice of default or other notice has been given, Lessee shall pay to the Lessor a charge equal to six percent (6%) of the amount past due (the "**Late Charge**"), in addition to the payment of the past due amount itself. The Parties hereby agree that such Late Charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee, and no more than one (1) Late Charge shall be assessed per month.

10. Brokerage Commission. Lessor and Lessee represent and affirm to each other that they have not had any dealings with any real estate brokers, finders or agents and no commissions or fees are payable by either Party in connection with this Lease.

11. Holding Over. In the event Lessee, with Lessor's prior written consent, holds over and continues in possession of the Ground Lease Area, or any part thereof, after the Expiration Date, such occupancy shall be considered a month-to-month tenancy subject to all the terms and conditions of this Lease in effect on the day immediately preceding the Expiration Date, except that the Monthly Base Rent for any such holdover period shall be increased to one hundred fifty percent (150%) of Monthly Base Rent then currently in effect. If Lessee, without Lessor's prior written consent, holds over or continues in possession of the Ground Lease Area, or any part thereof, after the Expiration Date of this Lease, such occupancy shall be deemed a tenancy at sufferance, permitting the Lessor to immediately commence eviction proceedings without notice to Lessee.

12. Right to Relocate. INTENTIONALLY OMITTED.

13. Easements; Quiet Enjoyment. Lessee agrees that the Ground Lease Area shall be subject to the outstanding easements and rights-of-way, if any, that are of record as of the date of this Lease and further to the right of entry in favor of the United States Air Force ("**Air Force**") for purposes of environmental remediation under the Comprehensive Environmental Response, Compensation, and Liability of 1980 (CERCLA). Lessor shall use best efforts to ensure the quiet use and enjoyment of the Ground Lease Area by Lessee. Unreasonable interference by Lessor or the Air Force in the quiet enjoyment of the Ground Lease Area by Lessee such that it results in a material financial detriment to Lessee and Lessee being unable to continue its business functions in a reasonably commercial manner, shall entitle Lessee to terminate this Lease.

14. Use of Ground Lease Area.

(a) The Ground Lease Area is to be used by Lessee as a commercial aircraft parking and service area, as depicted on **Exhibit D**, and for the development and improvement of the Ground Lease Area, inclusive of all related and ancillary business operations and logistical functions, and for no other purpose, unless otherwise agreed to in writing by Lessor.

(1) In the event the use restrictions described in the immediately preceding paragraph are violated and such violation continues for a period of ninety (90) days following Lessee's receipt of written notice of such violation, or there is a discontinuation of all business operations on the Ground Lease Area for a period in excess of twelve (12) months without Lessor's prior written approval, Lessee shall be deemed in violation of this Lease and Lessor shall be entitled to terminate this Lease.

(2) Lessee agrees to comply with all Applicable Laws in connection with its use of the Ground Lease Area, to keep the Ground Lease Area in a clean, sanitary, and safe condition, and to use commercially reasonable precautions to prevent damage, or injury to the Ground Lease Area.

(b) Acceptance of Ground Lease Area. Lessee acknowledges that it has satisfied itself by its own independent investigation that the Ground Lease Area is suitable for its intended use, and that neither Lessor nor the Lessor's agent(s) have made any representation or warranty as to the present or future suitability of the Ground Lease Area for the conduct of Lessee's business. Lessee's taking possession or use of the Ground Lease Area for any purpose shall constitute Lessee's acceptance of the Ground Lease Area "as-is" in its existing condition.

(c) Notice of Presence of Asbestos and Lead-Based Paint. Lessee, its successors, and assigns are warned that the Ground Lease Area may contain asbestos materials and lead-based paint materials. No warranties, either expressed or implied, are given with regard to the quantity, location, or condition of the asbestos containing materials or the lead-based paint materials. Lessee, its successors, and assigns, shall be deemed to have relied solely on their own judgment in assessing the overall condition of all or any portion of the Ground Lease Area, including any asbestos hazards or lead-based paint hazards or concerns. Lessee acknowledges that Lessee was given every opportunity to inspect the Ground Lease Area to assess the risk, if any, from asbestos containing material or lead-based paint materials.

(d) Lessor assumes no liability for damages for personal injury, illness, disability or death to Lessee or to Lessee's successors, assigns, employees, invitees, or any other persons subject to Lessee's control or direction, or to any person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition or any activity causing or leading to contact of any kind whatsoever with asbestos or lead-based paint on the Ground Lease Area, whether Lessee, its successors or assigns has or have properly warned or failed to properly warn

the individuals injured. Lessee, its successors and/or assigns, further agree to comply with all federal, state, and local laws relating to asbestos and lead-based paint in their use and occupancy of the Ground Lease Area.

15. Ownership of Improvements at Lease Expiration. Throughout the Term, the Improvements on the Ground Lease Area shall be owned by Lessee. Upon the expiration or termination of this Lease, the Improvements shall become the sole property of Lessor, at no expense to Lessor. Any and all fixtures, specialized equipment, signs, and personal property used by Lessee on the Ground Lease Area shall remain Lessee's sole property and Lessee shall have the right to remove the same within thirty (30) days after the expiration or termination of this Lease, provided any damages caused by such removal are repaired and or reimbursed to the Lessor by Lessee. Any and all trade fixtures, specialized equipment, signs, and personal property left on or about the Ground Lease Area following expiration of the thirty (30) day period shall become the sole property of Lessor. Upon demand of Lessor, Lessee shall cause the execution of any documents reasonably requested by Lessor to evidence the transfer of title to such items.

16. Waste or Nuisance. Lessee shall not commit or permit the commission by others of any waste on the Ground Lease Area. Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance on the Ground Lease Area nor shall Lessee use or permit the use of the Ground Lease Area for any unlawful purpose.

17. Taxes and Other Charges. Lessee shall pay when due and prior to delinquency all taxes, assessments, and other charges, as applicable, including, but not limited to, possessory interest taxes levied or imposed by any governmental entity on the possessory interest of Lessee in the Ground Lease Area and/or any improvements on the Ground Lease Area and the personal property, trade fixtures, appliances, and leased equipment placed by Lessee in, on, or about the Ground Lease Area, during the Term of this Lease or any extension thereof. Lessee recognizes that the interests of Lessee in this Lease may be subject to the imposition of a possessory interest tax by the San Bernardino County Assessor, and Lessee agrees to pay such tax amount as may be so levied with respect to the possessory interest of Lessee in the Ground Lease Area under this Lease. Lessee further acknowledges that in the event the Ground Lease Area is subject to possessory interest tax pursuant to California Health and Safety Code Section 33673, the Ground Lease Area shall be assessed in the same manner as privately owned property and Lessee shall pay taxes upon the assessed value of the Ground Lease Area and not merely the assessed value of its leasehold interest.

18. Compliance with Air Force and FAA Requirements. Any use, occupancy or activity of Lessee on the Ground Lease Area which may result in either the receipt by Lessor of a notice of default from either the Air Force or the FAA, shall be deemed to be a default of Lessee under this Lease if not cured prior to the expiration of the notice and cure period specified in Section 32 below. The response of Lessor following receipt of any such notice of default or breach from the Air Force and/or the FAA shall not waive, stay, or otherwise mitigate or remedy the default of Lessee to Lessor under this Lease. Lessee shall have the right to participate in any proceeding between the Air Force, the

FAA, and Lessor for the resolution of an alleged default, breach, or other dispute of the Parties.

19. Insurance. Lessee shall procure and maintain for the duration of the Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with Lessee's operation and use of the Ground Lease Area. The cost of such insurance shall be borne by the Lessee. Coverage shall be at least as broad as:

(a) Commercial General Liability Insurance ("CGL"). Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products completed operations, property damage, bodily injury and personal and advertising injury with limits no less than Five Million Dollars (\$5,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence.

(b) Property Insurance. INTENTIONALLY OMITTED

(c) Commercial Vehicle Liability Insurance. ISO Form Number CA 00 01 covering any auto (Code 1), or if Lessee has no owned autos, hired (Code 8) and non-owned (Code 9), with limit no less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

(d) Workers' Compensation Insurance. Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Lessee has no employees, it may certify or warrant to Lessor that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage may be waived by the Risk Manager.

(e) Lessee may use Umbrella or Excess Policies to provide the liability limits as required in this Lease. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and noncontributory, additional insured, Self-Insured Retentions, indemnity and defense requirements. The Umbrella and Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying CGL insurance. No insurance maintained by the Additional Insureds, whether primary or excess, and which also apply to loss covered hereunder, shall be called upon to contribute to a loss until Lessee's primary and excess policies are exhausted.

(f) If the Lessee maintains broader coverage and/or higher limits than the minimum limits shown above, the Lessor requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance

proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Lessor.

(g) The insurance policies are to contain, or be endorsed to contain the following provisions:

(1) Additional Named Insureds. Notwithstanding any inconsistent statement in any required insurance policies or any subsequent endorsements attached thereto, the protection offered by the commercial general liability policy described in subsection (a) above shall bear an endorsement whereby it is provided that, the Southern California Logistics Airport Authority ("Lessor"), the City of Victorville, the City Attorney, the Victor Valley Economic Development Authority, the United States Air Force, and their respective officers, officials, employees, servants, volunteers, agents, and independent contractors are named as Additional Insureds. General Liability coverage can be provided in the form of an endorsement to the Lessee's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 2038; and CG 20 37 if a later edition is used).

(2) Waiver of Subrogation Rights. Lessee hereby grants to the Southern California Logistics Airport Authority ("Lessor"), the City of Victorville, the City Attorney, the Victor Valley Economic Development Authority, the United States Air Force, and their respective officers, officials, employees, servants, volunteers, agents, and independent contractors a waiver of any right to subrogation which any insurer of said Lessee may acquire against the Southern California Logistics Airport Authority, the City of Victorville, the City Attorney, the Victor Valley Economic Development Authority, and the United States Air Force. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Lessor has received a waiver of subrogation endorsement from the insurer.

(3) For any claims related to this Lease, the Lessee's coverage shall be primary and noncontributory and at least as broad as ISO CG 20 01 04 13 as respects the Southern California Logistics Airport Authority ("Lessor"), the Victor Valley Economic Development Authority, the City of Victorville, the City Attorney and the United States Air Force and their officers, officials, employees, volunteers, contractors, and subcontractors. Any insurance or self-insurance maintained by the Southern California Logistics Airport Authority ("Lessor"), the Victor Valley Economic Development Authority, the City of Victorville, the City Attorney and the United States Air Force and their officers, officials, employees, volunteers, contractors, and subcontractors shall be in excess of the Lessee's insurance and shall not contribute with it, and Lessor's coverage shall be primary and noncontributory for any claims unrelated to this Lease.

20. Proof of Insurance Coverage.

(a) Lessee shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of

insurance required by this Lease and furnish to Lessor certificates of said insurance on or before the Commencement Date.

(b) Each insurance policy required by this Lease shall provide that coverage should not be canceled, except with written notice to the Lessor.

(c) Lessee shall furnish the Lessor with original certificates of insurance and amendatory endorsements, or copies of applicable policy language effecting coverage required by this Lease and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. All certificates, endorsements and copies or Declarations and Endorsements are to be received and approved prior to the Commencement Date and before Lessee takes occupancy or permits any work on the Ground Lease Area to commence. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them.

21. Personal Property at Risk of Lessee. All personal property which Lessee maintains at the Ground Lease Area shall be at the risk of Lessee only. Except for the grossly negligent, reckless, or unlawful intentional acts of Lessor, its agents, employees, guests or invitees, Lessor shall not be liable for any damage to any property of Lessee or for any damage to Lessee's property in moving the same to or from the Ground Lease Area.

22. Utilities and Other Services.

(a) If needed, Lessee shall contract with and pay the applicable provider, whether the provider is the Lessor or other party, all charges for water, gas, electricity, sewer, waste disposal, or other utilities used or supplied upon or in connection with its use of the Ground Lease Area and shall indemnify, defend, and hold harmless Lessor against any liability on account thereof. Lessee shall obtain separate metering devices for utility services, as applicable. Lessee agrees to promptly reimburse the Lessor upon receipt of an invoice, its proportionate share of the actual cost of utility services from any common utility service, which may have been paid by Lessor. In addition to the amount of the utility bill that the Lessor may have paid, Lessee shall pay to Lessor a three percent (3%) administrative fee for any pass-through billing processed. In no event shall Lessor be liable for any interruption or failure in the supply of any such utilities to the Ground Lease Area.

(b) Consent to Energy Use Data Disclosure. By executing this Lease, Lessee hereby consents to disclosure of its energy usage data as required for Lessor to comply with California Public Resources Code section 25402.10 and the implementing regulations of the California Energy Commission (20 Cal. Code Regs. Sections 1680 through 1685). Strictly for the purposes of ensuring such compliance, including any required public disclosure of aggregated energy use, Lessee agrees to provide such energy usage data directly to Lessor and/or authorizes Lessor to obtain the required energy usage data directly from Lessee's utility providers upon request without the need to execute any further authorizations or consent forms. Lessee's consent and authorization is deemed given upon the execution of this Lease and shall continue to be in effect throughout the Term or any extension thereof.

23. Signs. Lessee shall not post, install, erect, or operate any sign, placard, poster, or other device on any part of the Ground Lease Area without the prior written permission of Lessor. Such signs as may from time to time be permitted by the Lessor shall be made, posted, maintained and removed (and any damage caused by such removal shall be repaired), at Lessee's own cost and expense. Lessor shall have the right to remove unauthorized signs at Lessee's expense. Lessee shall be responsible for all costs associated with the purchase and installation of any required Building Standard Suite Signage in accordance with local codes.

24. Liens. Lessee shall not suffer or permit any liens to stand against the Ground Lease Area, or any part thereof, by reason of any work, labor, services, or materials done for, or supplied to Lessee or anyone holding the Ground Lease Area or any part thereof through or under Lessee. If any such lien shall at any time be filed against the Ground Lease Area, Lessee shall cause such lien to be discharged of record sixty (60) days after the date that Lessee receives notice of the filing. Notwithstanding the above, in any bona fide dispute between Lessee and any third party concerning work done by the third party on or for the Ground Lease Area, and as a result of the dispute the third party files a lien against the Ground Lease Area, then, in lieu of obtaining the discharge of the lien within the sixty (60) day period, Lessee, at its option, may either file suit against the third party, a part of the suit being to judicially negate or remove the lien or Lessee may file an appropriate bond or other device allowed by law to remove the lien.

25. Inspection by Lessor. Lessee shall permit Lessor, or its agents, representatives, or employees to enter the Ground Lease Area and the Improvements upon, except in the event of an emergency, at least twenty-four (24) hours prior notice and at mutually agreeable, reasonable times for the purpose of inspecting the Ground Lease Area and the Improvements erected thereon to determine whether Lessee is complying with the terms of this Lease, for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in the Ground Lease Area, or for the purpose of performing Lessor's duties under this Lease.

26. Assignment and Subletting.

(a) Lessee shall not cause, or permit, by operation of law or otherwise, any assignment, encumbrance, or transfer of this Lease or any estate or interest therein without the prior written consent of Lessor and subject to the provisions of Section 26(b) below.

(b) Lessee shall not sublet the Ground Lease Area or any part thereof without the prior written consent of Lessor. Any consent to a sublease or assignment shall be conditioned upon the proposed sublessee or assignee demonstrating to Lessor its ability to perform and complete the obligations of Lessee under this Lease, as determined by objective standards of financial capability, creditworthiness, and experience required for such performance. In addition, if Lessee's proposed sublease or assignment arrangement will result in any increased rents or profits accruing to Lessee in excess of the Monthly Base Rent due to Lessor under this Lease, such consent shall further be conditioned upon Lessor receiving fifty percent (50%) of the excess amount thereof. An assignment or subletting shall not relieve Lessee of any of its obligations or liabilities under this Lease: both Lessee and any subsequent assignees will be deemed to be bound hereunder. The Lessor's consent to any such assignment, transfer or subletting shall not constitute consent to any further assignment, transfer, or subletting.

(c) The provisions of this Section 26 are not intended, nor should they be construed to prevent Lessee from allowing such independent contractors onto the Ground Lease Area who are involved in Lessee's normal operations on the Ground Lease Area (such as repair and maintenance personnel, janitorial personnel, and similar personnel). Additionally, nothing in this Section 26 should be construed to prevent subcontractors of Lessee from conducting their work on the Ground Lease Area in conjunction with the normal operations conducted by Lessee as permitted by this Lease. To the extent that Lessor must grant its consent for Lessee's subcontractors to enter the Ground Lease Area for the above-described purposes, consent is hereby deemed to be granted.

27. Indemnification.

(a) To the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor, the City of Victorville, the Victor Valley Economic Development Authority, and each of their respective officers, officials, employees, directors, agents, volunteers, independent contractors and assigns, (collectively hereinafter, the "**Indemnified Parties**"), from and against any and all claims, actions, suits, proceedings, demands, losses, judgments and costs and expenses, including attorneys' fees, (collectively hereinafter "**Claims**") for any personal injuries, deaths, or property damage (including property owned by Lessor) arising out of or resulting from Lessee's performance of this Lease, except to the extent such Claims are caused by the sole negligence or willful misconduct of the Indemnified Parties.

(b) Lessor does not and shall not waive any rights that it may have against Lessee under this Section because of the acceptance by or deposit with the Lessor of any insurance policy or certificate required under this Lease. The provisions of this Section 27 shall apply regardless of whether said insurance policies are determined to be applicable to the Claims.

(c) The provisions of this Section 27 shall survive the expiration or termination of this Lease.

28. Lessor's Environmental Representations.

(a) Except as otherwise provided in Section 14 hereof, Lessee shall not be held responsible or deemed liable by the Lessor for any hazardous environmental condition on the Ground Lease Area which existed prior to Lessee's occupancy of the Ground Lease Area.

(b) Except as provided Section 14, Lessor represents that to the best of its actual knowledge the Ground Lease Area is free from any violations of law or regulations pertaining to occupational hazards and environmental conditions or Hazardous Materials as defined in Section 29 of this Lease. In the event that any hazardous environmental conditions exist on the Ground Lease Area as of the Commencement Date which result in a loss to Lessee and which were caused by Lessor, or parties or entities within the control of, or under contract with Lessor, then Lessor shall indemnify Lessee for any such loss. Lessor shall indemnify Lessee from hazardous environmental conditions or violations caused directly by Lessor, its employees, agents, or licensees subsequent to the Commencement Date.

(c) Lessee shall be solely responsible for obtaining, at its sole cost and expense, any environmental permits required for its operation under this Lease.

29. Compliance with Environmental Laws.

(a) The words and phrases set forth below shall have the following definitions:

(1) **"Hazardous Materials"** means and includes any material that because of its quality, concentration or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment. Hazardous Materials include hazardous wastes, toxic substances, petroleum products and motor fuels and similar substances and materials, including all substances and materials defined as hazardous or toxic substances or materials under California Health and Safety Code Section 25501(n) or other similarly applicable state, federal or local Environmental Laws, as hereinafter defined.

(2) **“Environmental Laws”** means and includes the various health and safety laws and regulations of state, federal and local agencies pertaining to the manufacture, use, storage, disposal, release, and reporting relating to Hazardous Materials.

(b) Following the Commencement Date, Lessee shall not cause or permit any Hazardous Materials to be used, generated, manufactured, produced, stored, brought upon, or released in violation of Environmental Laws, on, under or about the Ground Lease Area, or transported to and from the Ground Lease Area, by Lessee, its agents, employees, contractors, or invitees in violation of any Environmental Laws. Lessee shall indemnify, defend, and hold harmless Lessor, the Victor Valley Economic Development Authority, and the City of Victorville from any damage, cost, expense, liability, fine, or penalty resulting from any unauthorized discharge, emission, spill, storage, release, disposal, or use of any Hazardous Materials to the extent caused by Lessee, its officers, agents, employees, contractors, or invitees, in violation of Environmental Laws. This obligation of Lessee shall survive the Expiration Date or earlier termination of this Lease and shall apply whenever the Lessor incurs cost or liability arising from any use or activity of Lessee relating to Hazardous Materials during Lessee’s occupancy of the Ground Lease Area.

(c) Without limiting the foregoing, if the presence of any Hazardous Material on, under or about the Ground Lease Area caused by Lessee, its agents, employees, contractors, or invitees results in an unpermitted, unscheduled or unauthorized release or contamination of the Ground Lease Area by such Hazardous Material at any time during the Term or any extension thereof, then Lessee shall, at its sole cost and expense, promptly take all actions necessary to return the Ground Lease Area to a condition that is consistent with any and all Environmental Laws.

(d) Lessee shall immediately notify Lessor of the occurrence of any of the following events: (i) receipt by Lessee of any notice of violation from any governmental entity regarding the application of Environmental Laws to the Ground Lease Area or the investigation or enforcement by such governmental entity of any such Environmental Laws in connection with Lessee’s occupancy or use of the Ground Lease Area, and (ii) unpermitted, unscheduled or unauthorized release of any Hazardous Material on the Ground Lease Area which may occur at any time during the Term or any Option Term.

(e) To the extent Lessee may conduct any use or activity on the Ground Lease Area which includes the use, handling, transport, or disposal of any Hazardous Materials in quantities which exceed the threshold amounts authorized under California Health and Safety Code Section 25507, Lessee shall, at its sole cost and expense, prepare and submit to the City of Victorville (or designated local Certified Unified Program Agency “CUPA”) for approval, renewal or amendment, as applicable, a Business Plan for the Ground Lease Area, as the term “Business Plan” is described under California Health and Safety Code Section 25504.

(f) Notwithstanding any of the foregoing, in the event Lessee, its agents, employees, contractors, or invitees, fails to use and maintain the Ground Lease Area in accordance with the provisions of this Section 29, Lessor and/or the City of Victorville shall have the right, but not the obligation, to enter the Ground Lease Area and undertake remedial action as necessary in order to ensure that the Ground Lease Area is in compliance with all Environmental Laws. In such event, Lessee shall reimburse Lessor and/or the City of Victorville for all reasonable sums incurred by it for such remediation activities.

30. Surrender of Ground Lease Area. On the Expiration Date, or upon the date of any earlier or later termination of this Lease as may be provided for herein, Lessee shall surrender and deliver the Ground Lease Area and any Improvements constructed thereon to the Lessor clean, free of debris, and in reasonable operating condition.

31. Compliance with Laws. Lessee shall comply with all Applicable Laws, including without limitation the SCLA and FAA Rules and Regulations. Lessee agrees to abide by and conform to the SCLA Rules and Regulations attached hereto as **Exhibit C** and incorporated herein by this reference and as such as may be amended or modified from time to time by the SCLAA, and to cause its officers, agents, employees, suppliers, shippers, customers, and invitees to so abide and conform. Lessor shall have the right, from time to time, to modify, amend, and enforce said rules and regulations. In addition, Lessee agrees to abide by the Selected FAA Rules and Regulations attached hereto as **Exhibit E** and incorporated herein by this reference, as such may be amended from time to time, and to cause its officers, agents, employees, suppliers, shippers, customers, and invitees to so abide and conform. The Lessor shall not be responsible to Lessee for the noncompliance with said rules by other lessees or tenants or their officers, agents, employees, suppliers, shippers, customers, and/or invitees. The judgment of any court of competent jurisdiction, or the admission of Lessee in a proceeding brought against Lessee by any government entity, that Lessee has violated any such Applicable Laws (except where such admission may be the basis for settlement) shall be conclusive as between the Lessor and Lessee and shall constitute grounds for declaration of default, breach, forfeiture, and termination of this Lease by the Lessor. Lessor shall not be responsible to Lessee for the non-compliance with said rules by other tenants, their agents, employees, and invitees.

32. Default of Lessee.

(a) In the event Lessee should default in the performance of any covenant or condition of this Lease (excluding the payment of Monthly Base Rent or other amounts due hereunder or failure to develop the Ground Lease Area) and such default is not cured or removed within thirty (30) days after service of written notice of default upon Lessee of such default in the performance of any covenants and conditions, Lessor shall have the right and option to terminate this Lease and/or exercise the remedies set forth in Section 33, without prejudice to any claim for arrears of rent or breach of covenant. Notwithstanding the foregoing, if Lessee, prior to the expiration of such thirty (30) day period for default diligently commences to cure such default but is unable to do so within

the thirty (30) day period, then Lessee shall not be in default provided that Lessee continues to make a diligent effort to cure the default. Any statutory notice required as part of any eviction action or similar type of proceeding may be included with any notice of default given pursuant to this Section and the Lessor need not declare a default and have such default remain uncured prior to delivery of such statutory notice.

(b) Failure to pay the Monthly Base Rent or any other amounts within ten (10) business days after Lessee receives written notice from Lessor that such amount is overdue shall be deemed a default under this provision. Lessee shall cure such default within ten (10) business days after service of written notice.

(c) In the event of default, the Improvements and all construction, other improvements, and facilities on or about the Ground Lease Area shall become the sole property of Lessor.

33. Remedies of Lessor. In the event of any breach of this Lease by Lessee and following the expiration of any cure periods provided in Section 32, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such breach, do any of the following:

(a) Terminate Lessee's right to possession of the Ground Lease Area by any lawful means, in which case this Lease shall terminate, and Lessee shall immediately surrender possession of the Ground Lease Area to Lessor. This may involve Lessor filing an unlawful detainer action and receiving a court order for Lessee to vacate the Ground Lease Area. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default, including, but not limited to:

(1) the cost of repairing or restoring damages to the Ground Lease Area caused by Lessee;

(2) the cost of removal of Lessee's Improvements, fixtures, and other contents of the Ground Lease Area;

(3) the costs associated with past or future brokerage commissions and marketing expenses and other costs payable by Lessor in connection with the recovery of possession of the Ground Lease Area; and

(4) reasonable attorneys' fees; and court costs, as well as: (i) the worth at the time of award by the court having jurisdiction thereof of the unpaid rent which had been earned at the time of termination; and (ii) the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the unexpired balance of the term after the time of such award may exceed the amount of such rental loss for the same period that Lessee proves could be reasonably avoided.

(b) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of California.

34. Default of Lessor. In the event Lessor should default in the performance of any covenant or condition of this Lease and such default is not cured or removed within thirty (30) days after service of written notice of default upon Lessor, then Lessee shall have the right and option to pursue all remedies available to it under law or equity. If Lessor, prior to the expiration of such thirty (30) day period for a default, diligently commences to cure such default, but is unable to do so within the thirty (30) day period, then Lessor shall not be in default provided that Lessor continues to make a diligent effort to cure the default. In the event of an uncured default Lessee shall have all remedies available at law or in equity for any default or breach of this Lease by Lessor.

35. Force Majeure-Unavoidable Delays. If the performance of any act required by this Lease to be performed by either Party is prevented or delayed by reason of an act of God; strike; lockout; labor disputes; inability to secure materials; lack of goods, products, or materials; unreasonably restrictive governmental regulations or laws; or by actions of governmental entities (as to Lessor, not including those under Lessor's control) particularly actions requiring environmental clean-up activities in compliance with Federal regulations; or by other cause (except financial inability) that is beyond the reasonable control of the Party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. However, nothing contained in this Section 35 shall excuse the prompt payment of any amounts due from one Party to the other as required by this Lease or the performance of any act rendered difficult solely because of the financial condition of the Party required to perform the act.

36. Notices. Any and all notices or demands required or permitted to be given hereunder must be personally delivered; or mailed by registered or certified mail, return receipt requested; or sent by a nationally recognized overnight courier, addressed as follows:

To Lessor: Southern California Logistics Airport Authority
18374 Phantom West
Victorville, CA 92394
Attn: Airport Director

With copies to: Green, de Bortnowsky, LLP
30077 Agoura Court, Suite 210
Agoura Hills, CA 91301
Attn: Andre de Bortnowsky

To Lessee: Aviation Development Park, LLC
958 SVL Box
Spring Valley Lake, CA 92395
Attn: Craig Garrick

or at such other address or addresses that either Party may hereafter designate in writing to the other. Any notice or demand which is mailed by registered or certified mail as provided above shall be deemed to be effective and given for all purposes three (3) business days following the time of deposit thereof, postage prepaid, in the United States mail.

37. Memorandum of Lease for Recording. Neither Party shall record this Lease without the written consent of the other. However, Lessor and Lessee shall, at the request of either at any time during the Term or any extension thereof, execute a memorandum or "short form" of this Lease for purposes of, and in a form suitable for, being recorded. The memorandum or "short form" of this Lease shall describe the Parties, set forth a description of the Ground Lease Area, specify the Term of this Lease, including the possibility of the Option Terms, and shall incorporate this Lease by reference.

38. No Condemnation of the Ground Lease Area. INTENTIONALLY OMITTED.

39. Maintenance. Lessee shall at all times during the Term hereof and until the Ground Lease Area is surrendered to Lessor upon the expiration or termination of this Lease, keep and maintain the Ground Lease Area in good and substantial order and repair, and shall undertake all necessary repair and maintenance of the Ground Lease Area and any Improvements constructed thereon. Lessee shall be responsible for all operating expenses associated with maintaining the Ground Lease Area, including, but not limited to: cleaning; preventative maintenance; repair; all regularly required inspections and servicing; landscape maintenance; etc. Lessee also agrees throughout the Term to supply copies of all life safety related certifications and/or inspection records to the Lessor in a timely manner, if such systems are constructed.

40. Damage or Destruction of Ground Lease Area. Unless occasioned by the negligence or intentionally unlawful act of Lessee, if, during the Term of this Lease or any renewal thereof, any portion of the Ground Lease Area shall be damaged by fire or other catastrophic event, so as to render such portion of the Ground Lease Area untenable, the obligations under this Lease shall be immediately suspended while such portion of the Ground Lease Area remains untenable. In the event of such damage, the Lessee shall give Lessor notice of such untenable conditions and the Lessor shall elect in its sole discretion, whether to repair the Ground Lease Area or to cancel this Lease with respect thereto. It shall notify Lessee in writing of its election within thirty (30) days after such damage. In the event Lessor elects to repair the Ground Lease Area, the work or repair shall begin promptly and shall be carried on without unnecessary delay. In the event the Lessor elects not to repair the Ground Lease Area or portion thereof, the Lease shall be deemed canceled as of the date of damage with respect to the applicable portion. Such damage shall not extend the Lease Term.

Notwithstanding anything in this paragraph to the contrary, if the Ground Lease Area is rendered inadequate for Lessee to conduct its normal operations in or upon the Ground Lease Area (or such portion of the Ground Lease Area which is still tenantable), and it is reasonably anticipated that the damages shall not be repaired or otherwise resolved, within sixty (60) days of the date the damage occurred, then Lessee, at its sole and exclusive option, may immediately terminate this Lease. Additionally, irrespective of whether Lessee remains in possession and occupancy of the Ground Lease Area or elects to terminate this Lease, rent payable under this Lease shall abate during the period that the Ground Lease Area is not totally useable by Lessee. The abatement shall be pro rata in proportion to the ratio that the amount of space which Lessee is actually able to occupy and from which it is able to conduct operations bears to the total Ground Lease Area. Lessee shall continue to make all other payments during this period, including taxes.

41. Miscellaneous.

(a) One (1) or more waivers of any provision of this Lease by Lessor shall not be construed as a waiver of a subsequent breach of the same provision and Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent or similar act by Lessee.

(b) The construction of any improvements on the Ground Lease Area shall be approved by Lessor and performed by Lessee in compliance with all provisions of this Lease.

(c) If either Party to this Lease shall bring any action, suit, counterclaim, appeal, arbitration, or mediation for any relief against the other, declaratory or otherwise, to enforce the terms hereof or to declare rights hereunder (collectively, an "**Action**"), the losing Party shall pay to the Prevailing Party a reasonable sum for attorneys' fees and costs incurred in bringing and prosecuting such Action and/or enforcing any judgment, order, ruling, or award (collectively, a "**Decision**") granted therein, all of which shall be deemed to have accrued on the commencement of such Action and shall be paid whether or not such Action is prosecuted to a Decision. Any Decision entered in such Action shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such Decision. The court or arbitrator may fix the amount of reasonable attorneys' fees and costs on the request of either Party. For the purposes of this paragraph, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post judgment motions and collection actions; (2) contempt proceedings; (3) garnishment, levy, and debtor and third-party examinations; (4) discovery; and (5)

bankruptcy litigation. “**Prevailing Party**” within the meaning of this paragraph includes, without limitation, a Party who agrees to dismiss an Action upon the other Party’s payment of the sums allegedly due or performance of the covenants allegedly breached, or who obtains substantially the relief sought by it. Nothing contained in this Section shall be interpreted to mean that Lessor has agreed to arbitrate any dispute which may arise hereunder.

(d) This Lease can be modified, supplemented, amended, or rescinded only by a writing expressly referring to this Lease and signed by the authorized representatives of the Parties.

(e) If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby. Unless otherwise expressly provided herein, any approval or consent of Lessor required hereunder shall not be unreasonably withheld or delayed. This Lease shall be binding upon and inure to the benefit of and be enforceable by the respective successors of the Parties hereto. The Section headings in this Lease are for purposes of reference only and shall not limit or define the meaning hereof.

(f) This Lease contains the entire understanding and agreement of the Parties, supersedes all prior understandings and agreements, and cannot be changed orally. This Lease shall be construed in accordance with the laws of the State of California. Time is of the essence.

(g) This Lease shall be of no force or effect unless executed by both Parties. Each person executing this Lease for the respective Parties expressly represents and warrants that he or she has the authority to enter into leases on behalf of and bind the entity on whose behalf this Lease is executed.

(h) This Lease may be executed by the Parties in counterparts, and when executed by each of the Parties, each counterpart shall be deemed to be a part of the same instrument.

[END OF PAGE – SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the dates set forth below.

LESSEE
AVIATION DEVELOPMENT PARK, LLC

Craig Garrick
Chief Executive Officer/Manager

Date

LESSOR
SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY (“SCLAA”)

Keith C. Metzler
Executive Director

Date

ATTEST

Jennifer Thompson
SCLAA Secretary

Date

APPROVED AS TO FORM:

Andre de Bortnowsky
SCLAA Legal Counsel

Date

RISK MANAGER

Sandra Bostick

Date

EXHIBIT A

GROUND LEASE AREA

Approximately Eighty (80) acres / 3,484,800 square feet of airfield property assembled under Assessor's Parcel Numbers: 0459-032-39; 0459-032-40; 0459-032-41; and 0459-032-42, located near the northern end of the SCLA, as depicted on **Exhibit A-1**.

Taxiway Echo

Exhibit A-1

N Perimeter Rd

N Perimeter Rd

N Perim

Topaz Rd

Topaz Rd

Topaz Rd

Gravel Taxilane

Victorville Airport Graveyard

Ground Lease Area
+/- 80 Acres / 3,484,800 Sq Ft

APN 0459-032-39

APN 0459-032-42

APN 0459-032-40

APN 0459-032-41

Avalon Ave

N Perimeter Rd

Nichols Rd

Helendale Rd

Helendale Rd

Helendale Rd

Google Earth

Image © 2024 Airbus



1000 ft

EXHIBIT B

DEVELOPMENT AND IMPROVEMENT OF GROUND LEASE AREA

Subject to the terms and conditions of the Lease, Lessor and Lessee hereby affirm and acknowledge that the following items of work shall represent the development and Improvements contemplated for the Ground Lease Area within this Lease.

Location	Description	Notes
80 Acres	Construction must begin by June 30, 2025, and be completed by January 1, 2026.	
80 Acres	Clear, grub, and set the final grade of the Ground Lease Area.	
80 Acres	Construct soil-cement pavement sections of adequate structural design to allow for parking Boeing 777 aircraft.	
80 Acres	Soil-Cement pavement shall either be capped with a minimum of Two (2) inches of asphalt or a suitable liquid asphalt emulsion.	
80 Acres	Modify or reconstruct Air Operations Area ("AOA") fencing as needed to accommodate the development and maintain security per SCLA requirements.	
80 Acres	Construct utilities, as may be needed.	
80 Acres	Other related improvements as approved.	

The Lessor hereby consents to the Lessee performing said development and consulting Improvements on the Ground Lease Area upon Lessor receiving and approving detailed plans describing the development and Improvements Lessee desires to construct on the Ground Lease Area. The development and Improvement work on the Ground Lease Area must be approved in writing by Lessor prior to any work being performed.

EXHIBIT C

SCLA RULES AND REGULATIONS

Exhibit C

Southern California Logistics Airport

Rules and Regulations

Amended

April 17, 2007

SOUTHERN CALIFORNIA LOGISTICS AIRPORT RULES AND REGULATIONS

RULES AND REGULATIONS FOR THE USERS OF SOUTHERN CALIFORNIA LOGISTICS AIRPORT; ESTABLISHING FEES FOR THE VARIOUS USES; DEFINING TERMS; PROHIBITING OR LIMITING CERTAIN ACTIVITIES; FIXING PENALTIES FOR VIOLATIONS; AND PROVIDING FOR AMENDMENTS TO THESE RULES AND REGULATIONS AS MAY BE NEEDED FROM TIME TO TIME

SECTION 1. SHORT TITLE:

1.1 These Rules and Regulations shall be referred to as the Southern California Logistics Airport (SCLA) Rules and Regulations. It may be amended by a majority vote by the Board of the Southern California Logistics Airport Authority (SCLAA).

SECTION 2. APPLICABILITY:

2.1 These Rules and Regulations apply equally to every Airport User. The Airport Operating Manual or Specifications, as applicable, adopted in accordance with FAR Part 139, and the Airport Policies and Procedures Manual are hereby made by reference a part of these Rules and Regulations.

SECTION 3. RESPONSIBILITIES:

3.1 Management: It shall be the responsibility of the Airport Director to fairly and impartially administer these Rules and Regulations.

3.2 Users: It shall be the responsibility of every Airport User, pilot or other, to become familiar with the SCLA Rules and Regulations and to obey those Rules and Regulations. Current copies of these Rules and Regulations will be maintained reflecting any amendments and will be posted at the SCLA Administrative Office and at Million Air. Additional copies will be provided by the SCLA Airport Director through the SCLA Administrative Office to any Airport User who requests such copy.

SECTION 4. DEFINITIONS:

For the purposes of these Rules and Regulations, the following definitions and meanings shall apply unless otherwise specified:

4.1 “Air Operations Area” or “AOA” means the area upon which aircraft are able to operate and includes the runways, taxiways, taxi lanes, apron area, and the vehicle and personnel gates that lead to these areas.

4.2 “Air Carrier” means any person who undertakes directly, by lease, or other arrangement, to engage in air transportation of persons or things. An “Air Carrier” operates in various categories, under authority or certification by the FAA and holds a current FAA certificate to transport air passengers or property for hire.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT RULES AND REGULATIONS

- 4.3 “Aircraft” means a device that is used, or is intended to be used, for flight in the air. “Aircraft” includes airplanes, helicopters and gliders, and lighter than air devices such as blimps or balloons, but does not include hang gliders.
- 4.4 “Aircraft Owner” shall mean a Person who holds title to an Aircraft.
- 4.5 “Aircraft Operator” shall mean the Person who is operating or controlling an Aircraft while said Aircraft is on Airport property.
- 4.6 “Aircraft Storage” shall have the same meaning as “Stored Aircraft”.
- 4.7 “Airport” means the SCLA, its buildings and facilities, all lands owned and or controlled by the SCLAA contiguous to the airport, including airspace above such land and the designated approaches thereto.
- 4.8 “Airport Director” means that person so appointed by the SCLAA or his designated representative.
- 4.9 “Airport Master Security Program” or “Airport Security Program” means the Security Program, which is the responsibility of an Airport Operator pursuant to TSA 1542.
- 4.10 “Airport Operations and Security Department” or means the Airport Operations and Security Department of the Southern California Logistics Airport.
- 4.11 “Airport Security Areas” or “Secure Areas” means Air Operations Areas, roadways, and common Air Carrier areas within terminal facilities (i.e. baggage makeup areas), excluding exclusive leasehold structural areas, to which public access is limited or denied under Airport Master Security Program.
- 4.12 “Airport Security Coordinator” or “ASC” means an individual appointed by the Airport Director, charged with the responsibility to implement and enforce the Airport Master Security Program, employed by the City of Victorville and under the direction of the Airport Director, or the Airport Security Coordinator’s designated representative.
- 4.13 “Airport Tenant” means an individual, partnership, corporation or other business entity, and its agents, employees, representatives, and subtenants which occupies or controls all or part of Airport areas, buildings or other facilities which they lease from the Southern California Logistics Airport Authority.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT RULES AND REGULATIONS

- 4.14 “Airport Tenant Security Program” shall have the same meaning as set forth in TSA1542.113, entitled “Airport Tenant Security Programs.”
- 4.15 “Airport User” means any Person who uses the Southern California Logistics Airport, including but not limited to, Airport Tenants and subtenants, Fixed Base Operators, Air Carriers, Aircraft Owners, Aircraft Operators, Commercial Operators, passengers, and their employees, agents, representatives, agents, successors and assigns.
- 4.16 “Authorized Person” means an individual authorized with a Personnel Identification Badge issued by the Airport Security Coordinator, or his designated representative, to have unescorted access authority to Airport Security Areas.
- 4.17 “Air Traffic” means Aircraft operating in the air or on an Airport surface, exclusive of loading ramps or parking areas.
- 4.18 “Air Traffic Clearance” means an authorization issued by Air Traffic Control personnel for an Aircraft to proceed under specified traffic conditions within controlled airspace.
- 4.19 “Air Traffic Control” or “ATC” shall mean the Air Traffic Control of the Southern California Logistics Airport.
- 4.20 “Airworthy Condition” means a condition wherein an Aircraft can take flight under its own power. See definition of “Non-Airworthy Aircraft” below.
- 4.21 “Autorotation” means a rotorcraft flights condition in which the lifting rotor is driven entirely by action of the air when the rotorcraft (helicopter) is in motion.
- 4.22 “Balloon” means a lighter-than air aircraft, which is not engine-driven.
- 4.23 “Based Aircraft,” means Aircraft that are parked on the Airport for thirty (30) days or longer and are not part of an aircraft storage program.
- 4.24 “Ceiling” means the height above the earth's surface of the lowest layer of clouds or obscuring phenomena, that is reported as “broken,” “overcast,” or “obscuration,” and is not classified “thin” or “partial”.
- 4.25 “City” means the City of Victorville.
- 4.26 “Commercial Operator” means any Person who, for compensation or hire, engages in the carriage of persons, property, or mail in air commerce, or engages in other aerial activity such as flight instruction, aerial photography, fire fighting, agricultural aviation activities, or traffic surveillance.

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- 4.27 “Criminal History Records Check (CHRC)” means a fingerprint-based criminal history records check as described in 49 CFR § 1542.
- 4.28 “Commercial Use” means use of SCLA for revenue-producing commercial activities.
- 4.29 “Dismantled Aircraft” means an Aircraft which has been disassembled to a point where it is not reasonable to assume that said Aircraft can be reassembled and placed in an Airworthy Condition.
- 4.30 “Driving Permit” means a permit issued by the Airport Director or his designee in order for an Individual to operate a Vehicle on the Airport.
- 4.31 “Escort” means an Authorized Person or Authorized Persons accompanying, monitoring, directing and controlling the actions of an Individual or Individuals who are not displaying Personnel Identification Badges, and/or who are not otherwise Authorized Persons, within Airport Security Areas. The Authorized Person(s) performing an Escort must be displaying valid Personnel Identification Badges, must be accompanying the Individual or Individuals for performance of direct job duties and must ensure that those Individuals who are being escorted remain within sight and sound at all times.
- 4.32 “Executive Director” means the Executive Director of the Southern California Logistics Airport Authority.
- 4.33 “FAA” means the Federal Aviation Administration of the United States Government or any federal agencies succeeding to its jurisdiction.
- 4.34 “Fixed Base Operator” means any Person who rents, leases, or owns facilities located on SCLA, who by virtue of his specific type of aviation or aviation related activity, requires the occupancy of a site with contiguous aircraft apron and direct access to the Aircraft Operation Area, and who engages in a business activity providing aviation sales or service, including but not limited to any of the following:
1. Selling and/or servicing new and used Aircraft and component parts;
 2. Aircraft maintenance and repairs;
 3. Sales and/or repair of avionics;
 4. Aviation training (including ground or flight instruction);
 5. Aerial photography;

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6. Air ambulance service;
 7. Aircraft agricultural operations (crop dusting, spraying, or the application of seed, fertilizers, pesticides, defoliants, etc);
 8. Aircraft rental, charter, leasing;
 9. Aircraft Storage;
 10. Fuel and oil sales and servicing; and
 11. Aircraft servicing or ground handling including cargo handling, baggage handling, lavatory service, water service, air starts, ground power, or other elements related to aircraft handling.
-
- 4.35 "Flight Visibility" means the average forward horizontal distance from the cockpit of an Aircraft in flight, at which prominent unlighted objects may be seen and identified by day, and prominent lighted objects may be seen and identified by night.
 - 4.36 "Ground Visibility" means prevailing horizontal visibility near the earth's surface.
 - 4.37 "Helicopter" means a rotor driven aircraft (rotorcraft) that, for its horizontal motion, depends primarily on its engine-driven rotors.
 - 4.38 "IFR" means Instrument Flight Rules covering meteorological conditions below the minimums for flight under visual (VFR) conditions.
 - 4.39 "Individual" means a natural person.
 - 4.40 "Maintenance" means inspection, overhaul, repair, preservation, and the replacement of parts, including preventive maintenance.
 - 4.41 "Movement Area" means the runways, taxiways, and other areas of the Airport, which are utilized for taxiing, takeoff, and landing of Aircraft. The Movement Area does not include parking and loading ramps. Entry into the Movement Area requires ATC approval.
 - 4.42 "Night" means the time between the end of evening civil twilight and the beginning of morning civil twilight as published in the American Air Almanac, converted to local time.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT RULES AND REGULATIONS

- 4.43 “Non-Airworthy Condition” means when an Aircraft cannot take flight under its own power as a result of being in disrepair or in the process of being disassembled.
- 4.44 “Notice of Violation” means a written notification of non-compliance with these Rules and Regulations, issued by the Airport Director or his designated representative.
- 4.45 “Person” means an individual, firm, partnership, corporation, company, association, joint-stock association, or governmental entity, and includes a trustee, receiver, assignee, or similar representative of any of them.
- 4.46 “Personnel Identification Badge” means a Personnel Identification Badge issued to an Individual by the Southern California Logistics Airport for purposes of granting that Individual unescorted access authority to the Restricted Area.
- 4.47 “Ramp” means an improved surfaced area reserved exclusively for the parking and taxiing of Aircraft.
- 4.48 “Restricted Area” means all areas or facilities accessible only by Authorized Persons or Persons under Escort, and including all Ramp areas and the Aircraft Operations Area (AOA).
- 4.49 “Roadway” means that portion of an area improved or designed or ordinarily used for vehicular travel. A roadway on the Airport Operations Area is called a vehicle service road (“VSR”).
- 4.50 “Runway” means an improved surfaced area reserved exclusively for the landing and taking off of Aircraft.
- 4.51 “Scheduled Air Carrier” means any Person providing scheduled passenger or cargo service from the Airport in accordance with a published schedule and having at least one scheduled departure per day, or no less than five scheduled departures per week, and operating under authority of the Federal Aviation Administration and the Airport.
- 4.52 “Security Perimeter” means the portion of the Airport that is enclosed by fencing, walls or other barriers, and to which access is controlled through designated entry points.
- 4.53 “SCLA” means Southern California Logistics Airport.
- 4.54 “SCLAA” means Southern California Logistics Airport Authority.

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- 4.55 “Security Devices” means equipment installed or placed by or under the direction of the Southern California Logistics Airport Authority, or designated representative, to monitor or control entrances to and exits from Airport Security Areas. “Security Devices” include, but are not limited to, bells, sirens, communication equipment, locks and corresponding keys, emergency exits, electronic access control and other security equipment.
- 4.56 “Security Identification Display Area” or “SIDA” shall have the same meaning as set forth in TSA1542.205. Before being granted unescorted access to the SIDA, Individuals must undergo a Criminal History Record Check and employment history verification.
- 4.57 “Security Screening Area” means an access point, including entrances and exits, to the Airport Security Areas, Secure Areas and the Sterile Areas, where Vehicles, equipment, Individuals, and belongings are inspected prior to entrance.
- 4.58 “Sterile Area” means an area to which access is controlled by the inspection of Individuals and property in accordance with FAA and TSA requirements.
- 4.59 “Stirling Airport International” or “SAI” means SCLA’s development partner.
- 4.60 “Stored Aircraft” means aircraft that are parked at/on airport property and are part of an aircraft storage program.
- 4.61 “Taxiway” means an improved surfaced area reserved exclusively for use by aircraft to proceed to and from ramp and runway areas.
- 4.62 “Traffic Pattern” means the traffic flow that is prescribed for aircraft landing at or taking off from SCLA.
- 4.63 “Unnecessary Noise” means any engine noise that is greater than the level produced when the engines are at idle except when required for taxiing of the aircraft, takeoff or landings.
- 4.64 “Vehicle” means every device in, upon or which any Individual or property is or may be transported or drawn upon a roadway, excepting devices moved by human power or used exclusively upon stationary rails or tracks. A bicycle shall be considered a vehicle under all portions of these Rules and Regulations, which govern right-of-way.
- 4.65 “Vehicle Owner” means a person who holds the legal title of a vehicle.
- 4.66 “Vehicle Service Road” or “VSR”. (See Roadway.)
- 4.67 “VVEDA” means the Victor Valley Economic Development Authority.

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- 4.68 “VFR” means Visual Flight Rules covering meteorological conditions, above those requiring flight under IFR conditions.
- 4.69 “Word Construction”: The following construction applies throughout these Rules and Regulations:
1. Words importing the singular include the plural,
 2. Words importing the plural include the singular; and,
 3. Words importing the masculine gender include the feminine and the neutral gender.

SECTION 5. NECESSITY:

- 5.1 These Rules & Regulations are enacted to protect the health, safety and peace, and to promote the welfare and convenience of the general public using SCLA, or affected by activities related to the Airport by providing for the orderly conduct of activities on, or related to, the Airport. The use of the Airport or any of its facilities in any manner shall create an obligation on the part of the Airport User to obey all of the rules and regulations herein provided.

SECTION 6. BASED AIRCRAFT:

- 6.1 Any Person desiring to base an Aircraft at SCLA shall register such Aircraft at the Airport Operations and Security Department as soon as possible but not later than 24 hours after the arrival of the Aircraft. If a change in ownership occurs while the Aircraft is based at the Airport, the new Aircraft Owner shall re-register the Aircraft with the Airport Operations and Security Department, again, no later than 24 hours after the change in ownership occurred.
- 6.2 Except as specifically set forth in an Airport land or facility sublease, Aircraft in a Non-Airworthy Condition shall not be permitted to remain on the Airport in excess of five (5) days without the express prior written permission of the Airport Director. Such Aircraft shall be removed from the Airport or stored at the Aircraft Owner’s expense.

SECTION 7. AIRCRAFT STORAGE AND PARKING:

- 7.1 Aircraft shall only be stored or parked at places as set forth in such Person’s sublease or as may be authorized by the Airport Director, and such storage or parking shall be at the sole risk of the Aircraft Owner and/or Aircraft Operator, and without any responsibility to SCLAA, VVEDA or Stirling Airport International, or any of their officers, employees, agents or representatives, for any loss of, or damage to the Aircraft while so stored or parked. The Aircraft Owner and/or the Aircraft Operator shall be responsible for the tying-down and/or securing of his Aircraft. The Aircraft Owner and/or Aircraft Operator shall likewise be responsible for any liability arising from or caused by his

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Aircraft or his activities. All Airport Tenants desiring to store Aircraft at SCLA must notify the Airport Director in writing prior to the Aircraft arriving at SCLA.

SECTION 8. COMMERCIAL ACTIVITY:

8.1 No Person shall utilize SCLA for any revenue-producing commercial activities without the express written permission of SCLAA or its designated representative, and obtaining a City of Victorville Business License for such activities, and paying the fees and charges established for such use or license.

SECTION 9. AIRPORT FEES:

9.1 Funding for Airport operations and capital improvements is derived through various types or classes of Airport User Fees. Airport User fees are specifically established to compensate the Airport for the use, maintenance and repair of Airport facilities, as well as to minimize the need for on-going general taxpayer support.

9.2 A schedule of rates and charges for the use of the Airport and its facilities may be found as Attachment A to these Rules and Regulations.

9.3 Any Aircraft Owner or Aircraft Operator who fails to pay any fee duly charged for Aircraft owned or controlled by him shall have such Aircraft subject to impounding until the fees are paid, along with any impound fees, or until the Aircraft is sold for charges.

SECTION 10. HOURS OF OPERATION:

10.1 SCLA shall be open for public use at all hours of the day and night, subject to any restrictions imposed by the Airport Director due to inclement weather, condition of the landing area, presentation of special events, construction or repair activities, or similar causes. The control tower is open 24 hours a day, 7 days a week. The Airport is attended from 6:00 A.M. to 10:00 P.M. daily by Million Air. Services may be obtained from Million Air during said hours at telephone number (760) 246-7794 or UNICOM (122.85 MHz).

SECTION 11. UNATTENDED AIRCRAFT:

11.1 No Aircraft shall be left unattended on the Airport unless properly secured or within a hangar. Aircraft Owners and/or Aircraft Operators of Aircraft left so unattended shall be liable for damage to other Aircraft or property resulting from the failure to adequately secure or tie down the Aircraft.

SECTION 12. MAINTENANCE:

12.1 Unless otherwise authorized by the Airport Director, or specified as a permitted use in an Airport facility or land sublease, no Aircraft or Vehicle maintenance, other than that which is required to remove damaged Aircraft from the Runway or Taxiway(s), or that which is necessary to replace a flat tire, shall be

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performed at SCLA except in areas specifically designated by the Airport Director for that purpose.

SECTION 13. EQUIPMENT REQUIREMENTS:

13.1 Every Aircraft using SCLA shall be equipped with a fully functional, two-way radio, except when operating into or from the Airport under an FAA waiver for radio maintenance. The ATC frequency is 118.35 MHz and the ground control frequency is 124.45 MHz. Weather and traffic advisories are broadcast on 109.40 MHz. No fixed-wing Aircraft equipped with a tailskid shall operate on any paved surface of SCLA.

SECTION 14. ACCIDENTS:

14.1 Every Person involved in, or witnessing an Aircraft operating accident on the Airport shall report promptly the details of such accident to the Airport Director, ATC, or FAA.

14.2 In addition, the Aircraft Owner and/or the Aircraft Operator, including pilot, shall report fully to the California Division of Aeronautics the details on any accident in which there is death or injury, or in which damage to the property of others exceeds \$400.00.

14.3 The Aircraft Owner and/or the Aircraft Operator of an Aircraft which is damaged or wrecked in an accident shall be responsible for the prompt removal of the Aircraft as directed by the Airport Director.

14.4 Where the Aircraft Owner and/or Aircraft Operator of an Aircraft which is damaged or wrecked in an accident is unable to arrange for removal of such disabled or wrecked Aircraft, the Airport Director shall have the authority to move, or arrange the removal of, the Aircraft when released (if applicable) by the FAA or the National Transportation Safety Board (NTSB).

14.5 No liability shall be incurred by the SCLAA, SAI, VVEDA, the Airport Director or any of their officers, employees, agents, successors and assigns, for damage aggravated by, or resulting from, removal of an Aircraft pursuant to Section 14.4 of these Rules and Regulations.

SECTION 15. NOISE:

15.1 No Person shall operate any Aircraft in flight or on the ground in such a manner as to cause Unnecessary Noise as determined by applicable Federal or State or local laws and regulations.

SECTION 16. RESTRICTED AREAS:

16.1 Restricted Areas include those areas leased to the Army National Training Center, Advanced Unmanned Systems-Concept Exploration, Southern California Aviation, Victorville Aerospace LLC, Army Reserve, or other area that has direct access to the AOA. No Person shall enter any Restricted Area

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except (a) employees or invitees of the leaseholder, (b) Persons duly authorized by the Airport Director, including, but not limited to, Authorized Persons who have received Personnel Identification Badges, or (c) security or fire-fighting personnel.

- 16.2 Every Person who has access to a restricted area shall close and lock the door, gate or other device immediately after it has been used unless it is under surveillance of a Person who is responsible for controlling entry at that access point.
- 16.3 Every Airport Tenant whose premises have total or limited access to any Restricted Areas shall prevent access to the Restricted Areas by Persons who are not authorized to have such access.
- 16.4 The Airport Director's staff is authorized to close and lock any door, gate or other device permitting access to a Restricted Area that is found open or unlocked and unattended.
- 16.5 Every Person to whom a key, code or access device has been issued by the Airport Security Director, or his designated staff, shall use the key, code or access device to enter a Restricted Area only in accordance with any conditions of issuance and only at Restricted Area access points.
- 16.6 Except where authorized by the Airport Director and subject to any conditions of issuance, no Person shall:
 1. Loan or give to another Person a key, code or access device issued to him; or
 2. Have possession of, or use for any purpose, a key, code or access device that was issued to him by a Person not having authority to do so.

SECTION 17. ANIMALS:

- 17.1 No Person shall willfully and knowingly allow or permit any animal owned, possessed, or harbored by him to enter the Airport unless the animal is leashed or restricted in such manner as to be under control, or is in a shipping container, or is otherwise under physical restraint, nor shall any Person allow or permit such animal except "special assistance animals" (i.e. guide dog) to enter any Airport building without the approval of the Airport Director.

SECTION 18. ACCESS TO RUNWAYS AND TAXIWAYS:

- 18.1 No Person shall enter upon any Runway or Taxiway, or the movement area as defined by FAA, without the express consent of the Air Traffic Control Tower representative.

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SECTION 19. STARTING ENGINES:

19.1 No Person shall start any Aircraft engine at SCLA:

1. Unless a competent operator is at the controls;
2. Unless the Aircraft is equipped with adequate brakes fully applied or the wheels are securely blocked with blocks or chocks that can be removed safely (Skid equipped helicopters do not have brakes or chocks);
3. When the Aircraft is in such a position that the propeller slipstream or jet blast can cause damage to, or interfere with the operation of, other Aircraft, Vehicles, mobile equipment, hangars, shops, other buildings, or can cause injury to passengers, spectators, or other personnel; and
4. When the Aircraft is within 50 feet of any building without prior written consent.

SECTION 20. ENGINE RUN-UPS:

20.1 No Person shall conduct an aircraft engine run-up beyond idle anywhere on the Airport other than in areas designated by the Airport Director (with the exception of helicopters, which routinely operate with engines beyond idle as part of normal operations).

20.2 Persons who want to conduct an engine run-up beyond idle shall first call ATC on the ground control frequency, 124.45 MHz, and request clearance to one of the two engine run-up areas. ATC will advise the Airport User, given the current wind direction, to proceed to one of two designated engine run-up areas.

20.3 ATC will make the final determination of which engine run-up area should be used.

20.4 The Person requesting the engine run-up beyond idle will conduct the engine run-up in the area designated by ATC and he shall exercise the necessary caution to ensure no damage is created by the engine run-up.

SECTION 21. TAXIING:

21.1 Only those personnel that have training and are qualified to taxi a particular type of Aircraft are permitted to taxi Aircraft at SCLA.

21.2 No Person shall taxi any Aircraft into, out of, or within any hangar or other building on or adjacent to the Airport.

21.3 No Person shall taxi any Aircraft across the double yellow lines on the edge of Taxiways and the apron.

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21.4 Nor shall any Person move any Aircraft under its own power on the Airport unless that Person is in full control of such aircraft, and has assured himself that there is no danger of collision with other Aircraft, Vehicles, equipment, buildings, or other obstacles. Aircraft shall be taxied at a safe speed.

SECTION 22. DUMPING REFUSE:

22.1 No Person shall place, deposit, or dump any garbage, cans, bottles, papers, ashes, sewage, carcass of any dead animal, offal, trash rubbish, debris or any other refuse in any location on the Airport except in containers designed for such purposes.

SECTION 23. FIREARMS:

23.1 No Person shall shoot any projectile from a firearm or other device, into, on, or across any portion of the Airport, nor have in his possession, or under his control, any firearm which is not unloaded and securely wrapped and boxed for shipment, or explosive or explosive device; provided,

23.2 However, that this Section does not apply to peace officers, military personnel, or Airport security guards who are acting in the performance of their duties as such. Firearms on Airport property are pre-coordinated with ASCs when possible.

SECTION 24. TRAFFIC PATTERN:

24.1 Every Aircraft before landing and after takeoff shall be flown as directed by ATC.

SECTION 25. TAKE-OFFS AND LANDINGS:

25.1 No aeronautical activity shall be conducted at SCLA except in conformance with current Federal Aviation Regulations, State of California law and regulations, and these Rules and Regulations.

25.2 All initial takeoffs shall commence at the end of the Runway unless cleared by the ATC Tower.

25.3 Due to the complex mix of Aircraft that utilize SCLA, there is need to limit those type of aircraft and aerial activities that represent a potential hazard to normal flight operations. The following aircraft and aerial activities are restricted from operating at SCLA except in emergency situations or with prior approval of the Airport Director:

1. Hot Air Balloons;
2. Hang Gliders;
3. Parachutists;

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4. Radio Controlled Aircraft;
5. Ultra Light Aircraft;
6. Gliders; and
7. Motorized Lighter than Air Aircraft.

SECTION 26. AIRCRAFT FUELING AND DEFUELING:

- 26.1 In accordance with the regulations from the National Fire Protection Association (NFPA), Uniform Fire Code (UFC), and the Department of Transportation (DOT) the following rules and regulations must be observed while fueling aircraft:
- 26.2 All fuel servicing must be done outside of any building or hangar. (NFPA 407 3-10).
- 26.3 Aircraft shall be located a minimum of fifty (50) feet away from any building openings, doors, windows, etc.
- 26.4 During fuel handling, no passenger shall be permitted in or on the Aircraft unless a cabin attendant is stationed at or near the cabin door.
- 26.5 Fueling shall not be done while an on-board engine is operating (“hot fueling”) without the permission of the Airport Director and then, it shall only be permitted when representatives of the Fire Department are standing by. Exception is allowed for A.P.U. operation on large aircraft. (NFPA 407 3-5.1)
- 26.6 Equipment other than Aircraft service equipment shall not be permitted within fifty (50) feet of an Aircraft during fueling or defueling. (NFPA 407 3-5.1)
- 26.7 No open flames, smoking, battery chargers, or any material or device which is likely to cause a spark shall be in use within fifty (50) feet of an Aircraft or fueling truck during fueling or defueling operation. (NFPA 407 3-7, 3-8). Exception is allowed for Ground Power Units.
- 26.8 All hoses, funnels and appurtenances used in fueling or defueling activities shall be equipped properly with grounding and bonding devices to prevent possible static ignition of volatile liquids or vapors. Such grounding and bonding devices shall be used during all fueling and defueling activities.
- 26.9 Refueling vehicles, fuel hoses and defueling equipment shall be maintained in a safe, sound, operational and non-leaking condition.

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- 26.10 Gravity (hand) fueling may not be accomplished with any container having a capacity greater than five (5) US gallons. (NFPA 407 3-2.3)
- 26.11 All portable fuel containers must be approved and marked so as to identify the product contained therein. (UFC)
- 26.12 Any fuel transported by privately owned vehicles, not specifically designed for the transport of flammable liquids and appropriately placarded, are limited to a maximum of 20 U.S. gallons in an approved and marked container. (DOT and UFC)
- 26.13 Portable fuel containers shall be kept in approved locations, at least fifty (50) feet from any building, and secured in a cabinet or locker marked "Flammable." (UFC)
- 26.14 Every Person engaged in aircraft fuel handling shall exercise due care to prevent the overflow of tanks and spilling of fuel. Fuel spills are a fuel operator's responsibility.
- 26.15 Where there has been a fuel spill or leak, no Person shall start the engine of any Aircraft in close proximity until the spill or leak has been cleaned up. In event such spills or leaks are over 10 ft. in any direction, or over 50 sq. ft. in area, or continues to flow, or are otherwise a hazard to persons or properties, the SCLA Fire Department & Haz-Mat shall be notified.
- 26.16 In addition, all fuel storage on the Airport shall be regulated by NFPA 407, the UFC, and be approved by the City of Victorville Fire Chief or his designee.

SECTION 27. VEHICLE OPERATIONS:

- 27.1 No Person shall travel on any portion of the Airport except upon the roads, walks, or places provided for the particular class of traffic, nor occupy the roads or walks in such manner as to hinder or obstruct their proper use.
- 27.2 Unless escorted by an Authorized Person who is authorized to drive on the AOA, no Person shall operate a Vehicle on the Airport without successfully passing the SCLA driving test, being issued a Personnel Identification Badge, and possessing a valid state driver's license, with the exception of the Airport ARFF, or Law Enforcement.
- 27.3 No Person shall operate a powered industrial vehicle without a Driving Permit on the Ramps, Taxiways, Runways or designated Roadways. An exception will be made for employees working within the exclusive leaseholders premises as authorized by the Airport Director.

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- 27.4 Persons who employ Individuals at the Airport shall be responsible to provide training for powered industrial vehicles and equipment, and for maintaining all training materials and records relating to the employee's duties.
- 27.5 SCLA requires that employers "certify" that training and evaluations have been completed and maintained in the employee's files up to 180 days upon separation of employment, and are available for inspection by the FAA, TSA and the Airport Operations and Security Department upon request.
- 27.6 Motor-vehicle traffic shall yield the right-of-way to Aircraft.
- 27.7 Every vehicle, excluding ARFF and construction vehicles operating within the Movement Area, shall have a flashing yellow beacon and carry a 2-way radio or be escorted by a vehicle so equipped. Construction vehicles must be identified with an orange and white flag and a 2-way radio or be escorted by an authorized vehicle so equipped.
- 27.8 Any accident, involving a motor vehicle, which results in a fatality or injury, or in property damage, shall be reported by the driver, or his representative, to the Airport Director.
- 27.9 No Person shall operate any motor vehicle on the airport in excess of 25 miles per hour except emergency vehicles responding to an emergency situation, or emergency vehicles involved in training or drills with prior ATC coordination. On passenger loading ramps, around parked Aircraft, and in areas immediately adjacent to hangars, speed shall not exceed ten (10) miles per hour.
- 27.10 Vehicles shall not be parked on the Airport other than in the manner and locations indicated by posted traffic signs and markings.
- 27.11 Unattended Vehicles may be parked only in designated Airport vehicle parking lots.
- 27.12 Vehicles parked other than specified in "27.10" and "27.11" above, may be moved by Airport personnel, and in such event a towing charge will be levied prior to releasing the Vehicle from impound. Neither SCLAA, VVEDA, the City, nor any of their respective officers, employees, agents, or designated representatives shall be liable for damages sustained by such Vehicles during said movement.
- 27.13 Motor vehicles shall not be driven on or across Runways or other portions of the Movement Area without permission from ATC Tower to do so. Two-way radio communications with Ground Control (on frequency 124.45) shall be required between the ATC Tower and such vehicles. Exceptions may be granted during maintenance activities as long as two-way radio

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communications control is maintained with at least one vehicle controlling the activity. ARFF vehicles may contact the ATC tower on the fire net per operational agreement.

27.14 Motor vehicles shall not be driven or parked upon, or within fifty (50) feet of Aircraft parking areas, ramp areas, or aprons without express approval of the Airport Director. Exceptions: aircraft support, airport maintenance, emergency vehicles, or fuel or service vehicles.

27.15 No Person may operate a motor vehicle or Aircraft in or on any portion of the Airport while under the influence of alcohol or drugs.

27.16 No Vehicle shall be operated on the Airport unless the Vehicle has been registered to drive on the Airport with Airport Operations. To register a Vehicle to drive on the Airport requires: a) proof of ownership, b) proof of vehicle registration with the Department of Motor Vehicles for State of California, or the Department of Motor Vehicles for another State; and c) proof of insurance as set forth in Section 37 of these Rules and Regulations.

27.17 Vehicles passing through electronic access perimeter security gates are required to stop just past the gate and wait for the gate to fully close before continuing. Vehicle operators should ensure no unauthorized persons enter the AOA while the gate is closing. Vehicle entry procedure is one vehicle per gate activation unless the vehicles following are under Escort.

SECTION 28. FIRE HAZARDS:

28.1 No Person shall light or smoke any cigarette, cigar, pipe, or similar object in the following Airport areas:

- i. Within any hangar, or fuel handling or fuel storage areas;
- ii. Inside any Aircraft (whether or not such Aircraft are parked or stored) or within fifty (50) feet thereof;
- iii. Within fifty (50) feet of any "No Smoking" sign posted;
- iv. Within any Vehicle operating on the AOA;
- v. Within any building on the Airport.

28.2 No Person may use flammable liquids, solvents, or substances to clean any Aircraft, engine, part, or accessory thereof, within any hangar or building except a building specially designed for that purpose and approved in writing by the Airport Director. Such approval shall only be granted when the Airport Director approves the ventilation provisions, fireproofing, and fire-extinguishing equipment.

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- 28.3 No Person shall light or use any open flame for any purpose in any hangar or other building on the airport without the prior written consent of the Airport Director and Fire Chief.
- 28.4 No Person shall operate any welding or cutting equipment (electric or gas) anywhere on the Airport without prior written approval of the Airport Director and the SCLA Fire Department. A welding permit is required and may be obtained at the fire station.
- 28.5 No Person shall clean or degrease any Aircraft or part thereof except at or in a maintenance station properly equipped for such purposes, or in a space designated or authorized by the Airport Director.
- 28.6 No Person shall store or stock any material or substance, or lease or permit such activities in or on the Airport in such a manner, or of such nature, as to constitute a fire hazard. No Person shall keep, store or discard any flammable liquid, gas, signal flare, or other flammable material in any hangar, shop, building, room, enclosure, or other place on the Airport except in areas specially designated by the SCLA Fire Department for such purpose.
- 28.7 Lessees of hangars, shops, or other Airport areas shall provide suitable metal receptacles with hinged lids for the storage of oily waste, rags, and other similar rubbish. The lessee shall remove all such materials at frequent intervals.
- 28.8 Every lessee shall maintain his leased area clean and reasonably free of oil, grease, waste, other flammable materials and weeds.
- 28.9 Lessees shall provide, and maintain in proper working order, adequate and readily accessible fire extinguishers. Each such extinguisher shall bear a suitable tag, which indicates the most recent date of inspection or servicing. SCLA Fire Department shall approve all extinguishers, their type, and location.
- 28.10 No Person shall move, relocate, or otherwise disturb any wheeled fire extinguisher on the Airport without the permission of the SCLA Fire Department unless specifically for emergency use.
- 28.11 All fires on the Airport, regardless of size, even if extinguished, shall be immediately reported to the SCLA Fire Department without delay.

SECTION 29. FUEL SALES:

- 29.1 No Person shall deliver aviation fuels or lubricants to, or dispense such fuel from, at, or upon the Airport without a lease or permit from the Airport Director.

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- 29.2 For the right, privilege and concession of making deliveries of all types of aviation fuels and lubricants, and other fuels, to any Person or location at or upon the Airport, other than to a central fuel person or location at or upon the Airport, other than to a central fuel service stand provided by the Airport, there is levied against such lease or permit holder, a flowage fee of ten cents (.10) for each gallon of fuel so delivered.
- 29.3 No fuel shall be stored anywhere on the Airport except approved by the Airport Director and the SCLA Fire Department.

SECTION 30. SECURITY:

- 30.1 Though not required, SCLA operates under the guidelines established by FAR Part 139 "CERTIFICATION AND OPERATIONS SERVING CERTAIN AIRCRAFT OPERATORS." To this end, SCLA has prepared and implemented a security program that parallels the requirements contained in TSA 1542. This program includes the following elements: Personnel Identification Badging, controlled access to the Air Operations Area (AOA), driver licensing for personnel operating on the AOA, Vehicle registration, and perimeter security. All personnel operating at SCLA are required to abide by the SCLA Airport Master Security Program.
- 30.2 Personnel Identification Badges. Only those Individuals that have a need to be on the AOA will be issued a Personnel Identification Badge and granted unescorted access to the AOA and Restricted Areas. Individuals that require access must apply for a Personnel Identification Badge at the Airport Operations and Security Department. Lost or stolen Personnel Identification Badges must be reported to the Airport Operations and Security Department immediately. The application process includes:
1. A ten-year employment/education or unemployment history verification check, with five years verified by the Individual's former employer(s), and
 2. A CHRC, which is information gathered from the Federal Bureau of Investigation, provided to SCLAA after submitting a Live Scan Fingerprint to the Transportation Clearing House.
- 30.3 Fingerprints are collected by the Airport Security Coordinator, or his designated representative, at the expense of the Individual's employer.
- 30.4 A Fingerprint-based Criminal History Records Check as described in TSA 1542.209 is required before authorized unescorted access to the Airport is granted. The results of the CHRC will be among the determining factors as to whether the issuance of a Personnel Identification Badge is granted.

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- 30.5 Identification for Authorized Persons contains the Individual's photograph, name, company name, expiration date, identification number and color blocks that indicate authorized access areas granted to the badge holder.
- 30.6 Individuals who have a need to be within the Airport Operations Area (AOA) are required to attend an Airport Familiarization and Security Identification Display Area (SIDA) class and will be required to display a Personnel Identification Badge while operating in such areas.
- 30.7 The Airport Badging Office issues Non-Driving Identification Badge and Identification Badges with Driving Permit, upon completion of a SIDA Class and AOA Drivers Training and satisfactory score upon completion of a written test. Driving permits will be determined and issued in accordance with the applicant's job related duties on the airport.
- 30.8 The Airport Security Coordinator will confirm or deny an applicant's request for a badge based on verification of the CHRC and the employment/education or unemployment history verification check, with five years verified by the employer, and the need of the applicant to access the AOA. If a Personnel Identification Badge is warranted, the Airport Security Coordinator, or his designated representative, will issue the Badge.
- 30.9 All Personnel Identification Badges issued by the Airport Operations and Security Department are the property of Southern California Logistics Airport Authority and MUST be returned upon expiration, separation of employment (for any reason), when the job function no longer requires Personnel Identification Badge, and upon demand of staff from the Southern California Logistics Airport. Any misuse or willful failure to return a Personnel Identification Badge is punishable by fine as dictated in the Airport Rules and Regulations. Personnel Identification Badges are non-transferable and must be used only by the Individual to whom they are issued.
- 30.10 No Individual shall enter the AOA of the Airport without a Personnel Identification Badge unless the Individual is accompanied by an Authorized Person with a Personnel Identification Badge who shall be fully responsible for the unbadged person being escorted. Fire department personnel responding to an emergency wearing uniforms or other identifying clothing, shall not be required to wear an identification badge.
- 30.11 No Authorized Person shall Escort any Individual who is not in the performance of job-related duties and who requests access to the Airport as a visitor without the consent and approval of the Airport Director. Person(s) denied access to the Airport by Airport security officers, must abide by the decision of the security officers under the direction of this rule. Visitor Escort must be conducted during normal business hours of the Airport

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Operations and Security Department, unless prior approval of the Airport Director has been established

- 30.12 Authorized Persons shall always prominently display their Personnel Identification Badge while on the AOA. Failure to prominently display an issued Personnel Identification Badge while on the AOA shall constitute a violation for which a fine shall be assessed as set forth in Section 43, PENALTIES AND APPEALS.
- 30.13 Individuals who do not display a Personnel Identification Badge, and who are not under Escort by an Authorized Person displaying a Personnel Identification Badge, shall immediately be reported to the Airport Director and shall be escorted off the AOA by the Airport Director or his staff.
- 30.14 Authorized Persons who have been issued a Personnel Identification Badge and are involved in an accident while operating on the AOA will be asked to submit to a drug-screening test. Authorized Persons who refuse to submit to the drug-screening test will be considered as having failed the test and the Authorized Person will be considered to be under the influence of drugs or alcohol.
- 30.15 Controlled Access to the AOA. Any Airport Tenant that has direct access to the AOA, should, because of their immediacy of access, be considered part of the AOA. These Airport Tenants shall therefore take measures to protect access to the AOA. As required by TSA 1542.113 Airport Tenant Security Programs, the Airport Tenant must assume responsibility for specified security measures of the Secure Area, AOA, or SIDA. Airport Tenants are encouraged to develop individual security programs designed to meet the needs of their particular businesses. In all cases such security programs *must be approved* in writing by the Airport Director.
- 30.16 While on the AOA, customers and clients of the Airport or Airport Tenants must be under Escort at all times. Failure to provide an Escort may constitute the issuance of a Notice of Violation that could result in sanctions. See Section 43, PENALTIES AND VIOLATIONS for a discussion on the scope of fines/penalties associated with violations of the Airport Security Program.
- 30.17 The Airport Operations and Security Department administers the licensing program for drivers on the AOA. This program involves a study element that describes the procedures for driving on the AOA at SCLA. A written test will be administered and all applicants must pass the test in order to receive a license to drive on the AOA.
- 30.18 Vehicle Registration for driving on the AOA. All Vehicles that operate on the AOA must be registered with the Airport Operations and Security

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Department. All Vehicles that operate on the AOA will be issued a Radio Call Sign that must be utilized while on the AOA. Airport Standard Operating Procedure No. 200-01 describes the Radio Call Sign Procedure.

- 30.19 Perimeter Security. The Airport is surrounded by an eight-foot (8') high chain link fence. Barbed wire is placed atop this fence. There are numerous locked gates that access the Airport perimeter. Airport Tenants that are situated on the immediate perimeter of the AOA must employ secured personnel doors.
- 30.20 All Persons that operate on the Airport are charged with the responsibility of maintaining the security of the Airport. To this end, Persons who observe breeches in security are to call said incidents to the attention of the Airport Operations and Security Department.
- 30.21 A Person's responsibility under Section 30.20 includes breeches to the procedural elements of the Airport Security Program, as well as the physical elements of the Airport Security Program (perimeter fence, vehicle gates, etc.).
- 30.22 The issuance under this Section of either (i) a Personnel Identification Badge, or (ii) a Personnel Identification Badge with Driving Permit to drive on the AOA, shall be conditioned upon the express consent of the Individual to whom the badge is issued, to a drug and alcohol screening in the event that such Individual is involved in an accident while on Airport property.
- 30.23 In the event that an Individual to whom a Personnel Identification Badge or Personnel Identification Badge with Driving Permit has been issued (a) tests positive for the use of a controlled substance not prescribed by a physician or has a blood alcohol content equal to or in excess of .08, or (b) refuses to consent to a drug and alcohol screening, then such Individual's Personnel Identification Badge and/or Driving Permit shall be revoked by the Airport Director.
- 30.24 A Personnel Identification Badge and/or Driving Permit which has been revoked under Section 30.23 of these Rules and Regulations will remain revoked until the Individual's employer petitions the Airport Director in writing, to have said Individual's Personnel Identification Badge and/or Driving Permit reinstated.
- 30.25 Reinstatement of a Personnel Identification Badge and/or Driving Permit which has been revoked under Section 30.23 of these Rules and Regulations remains the prerogative of the Airport Director; however, reinstatement will not be unreasonably withheld.

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30.26 Reinstatement of a Personnel Identification Badge and/or Driving Permit which has been revoked under Section 30.23 of these Rules and Regulations will depend on, as a minimum, the employer's verification of a negative drug test as part of a return to duty test. Any Individual who has verified positive drug test results on two drug tests will not be permitted to thereafter work or drive on the AOA, regardless of whether such Individual is accompanied by an Individual properly in possession of a Personnel Identification Badge and/or Permit.

SECTION 31. AIRPORT SECURITY AREAS:

- 31.1 Unauthorized Entry and Exit: No Person shall seek entry to or exit from Airport Security Areas except through designated entrances and exits. No Individual shall seek entry to or exit from Airport Security Areas over, under or through fencing, walls, window, air or other vents.
- 31.2 Only Authorized Persons, or those Individuals under Escort, shall have access by any means to Airport Security Areas.
- 31.3 A Person performing an Escort must, at all times, be in a position to actively monitor, direct and control the movements and actions of the accompanied Individual(s).
- 31.4 No Individual shall enter/exit or allow another Individual to enter/exit into Airport Security Areas except by using his Personnel Identification Badge. No Individual shall follow another Individual into an Airport Security Area without first using his or her Personnel Identification Badge through any electronic access installed at the entry/exit point. This provision does not apply to an Individual under Escort
- 31.5 No Individual shall drive a Vehicle into Airport Security Areas unless the Individual has used his or her Personnel Identification Badge to open any electronic access installed at the entry point. No Individual shall allow other Vehicles to follow or tailgate in Airport Security Areas. This provision does not apply to Vehicles under Escort.
- 31.6 No Person shall tamper with or in any way hamper the effective operation of Security Devices.
- 31.7 Security of Access Points: No Person shall leave open, propped or unsecured any door, gate or access point leading to or allowing access to Airport Security areas. No Person shall hold, prop or cause a door, gate or access point to be open beyond the period of time allowed by a Security Device unless an Authorized Person attends the door. When an Authorized Person is attending a security door, he or she must be physically present at the door and must use his or her Personnel Identification Badge to activate additional time for the door to be open.

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SECTION 32. RESPONSIBILITY OF AIRPORT TENANTS:

- 32.1 Adherence to the Security Rules and Regulations: Airport Tenants with access to Airport Security Areas on their leased area shall follow these Rules and Regulations by posting signs, approved by the SCLAA, which prohibit access into the Airport Security Areas. Airport Tenants with access to Airport Security Areas shall at all times keep the access secured or staffed in a manner that prevents unauthorized Individuals from accessing Airport Security Areas. Airport Tenants shall retain keys or other means of access to Airport Security Areas under their control and issue such access only to Authorized Persons.
- 32.2 Airport Tenants with access to Airport Security Areas shall appoint at least one employee of the Airport Tenant as the security contact primarily responsible for the Airport Tenant's leased area which access Airport Security Areas. Airport Tenants shall advise the Airport Security Coordinator in writing of the Individual or Individuals at all times having such responsibility.
- 32.3 Airport Tenants must provide a quarterly employee roster to the Airport Operations and Security Department in the months of January, April, July and October, and immediately notify the Airport Operations and Security Department of employee separation.
- 32.4 Airport Tenants must immediately confiscate Personnel Identification Badges, with or without access media, as well as any keys that would allow access to the Airport, from Individuals upon separation of employment. Any misuse or willful failure to return a Personnel Identification Badge is punishable by fine as dictated in these Rules and Regulations.

SECTION 33. OTHER PROHIBITED ACTS:

- 33.1 Bypassing Security Screening Area: No Individual shall enter a Sterile Area through a Security Screening Area unless first going through equipment that has been installed for inspection of Individuals and their belongings. Armed federal and local law enforcement officers on official duties at the Airport, airport operations and maintenance personnel, and others exempted by the FAA do not have to be inspected, provided they follow FAA and TSA regulations.
- 33.2 Statements Against Aviation Safety or Security: No Person shall make a statement to another so as to indicate that the Person or another may have possession of a firearm, bomb or explosive device while at the Airport.
- 33.3 Interference with Airport Personnel: No Person shall intimidate, threaten, hinder or obstruct Airport Personnel or Airport Security Officers in the performance of his or her official job duties or lessen the ability of such person to perform his or her duties.

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- 33.4 Interference with Flight Operations: No Person shall intimidate, threaten, hinder or obstruct an aircraft crewmember in the performance of his or her official job duties or lessen the ability of such aircraft crewmember to perform his or her duties.
- 33.5 Unattended Baggage: No Person shall leave any bag, luggage, box or container unattended in the terminal areas of the Airport, which are accessible to the public.
- 33.6 Presenting a Weapon at Security Screening Area: No Person shall place firearm(s), explosive device(s), knife/knives or other FAA/TSA prohibited items that could be used as a weapon onto inspection equipment at a Security Screening Area without first declaring such item(s). Only Persons authorized by the TSA may test Security Screening Areas.

SECTION 34. ENFORCEMENT:

- 34.1 Notices of Violation: The Airport Operations and Security Department will conduct inspections and enforce violations of these Rules and Regulations, Minimum Standards, and any permits issued hereunder regarding activities at the Airport. All Personnel Identification Badge holders and persons with access cards will be subject to a Notice of Violation (NOV) when reasonable grounds exist to believe that Rules and Regulations, Minimum Standards or a permit have been violated, either by commission or omission.
- 34.2 NOV's will be monitored and issued by Airport Operations and Security Department personnel or by recommendation from an Authorized Person of Authority. A copy of the NOV will be given to the Personnel Identification Badge holder, or the Person(s) observed committing the violation(s).
- 34.3 The NOV may serve as a notice only or may include a penalty ranging from suspension to revocation. Any violation of a severe nature as determined by the Airport Director will warrant immediate suspension or revocation of the Personnel Identification Badge. Severe violations include, but are not limited to, any violation that may result in property damage, injury, runway incursions, or other safety hazards, or that threatens the environment or public welfare.
- 34.4 The receipt of three (3) NOV's, which have not been appealed or that have been upheld upon appeal, within a twenty-four (24) month period will be considered grounds for revocation of the Personnel Identification Badge.
- 34.5 When an NOV or sanction is issued, a letter indicating as such will be sent to the Individual's employer, advising the employer of the violation.
- 34.6 Upon written request, the Airport Security Coordinator may review and recommend modification of the NOV.

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SECTION 35. SUSPENSIONS:

An Individual's authorization to use a Personnel Identification Badge may be suspended for any of the following reasons:

1. Violation of these Rule and Regulations.
2. Violation of any rule or regulation of SCLAA for which a criminal penalty may be imposed.
3. Violation while on Airport property of any law of the State of California or the United States for which a criminal penalty may be imposed.
4. Actions which interfere with or threaten the operation of the Airport, or the comfort, safety or convenience of passengers, Authorized Person's employed by the City of Victorville, or otherwise constitute just cause for suspension.

35.2 The Airport Director or an Airport Security Coordinator shall issue written notice of the Suspension, which shall state the nature and date of the violation, the length of Suspension, and the date the Suspension shall begin and the Individual's right to have a hearing pursuant to the provisions of Section 43 of these Rules and Regulations. The suspension may be for up to ninety (90) days as determined by the Airport Director or the Airport Security Coordinator.

SECTION 36. REVOCAATION:

36.1 An Individual's authorization to use a Personnel Identification Badge may be revoked for any of the following reasons:

1. Any act that seriously endangers property or Persons or indicates willful or reckless disregard for, and which has an immediate impact on the health, safety or welfare of the public or poses a serious threat to the security of the Airport.
2. A violation warranting Suspension where the Individual has had a previous suspension for the same or similar offense.

36.2 The Airport Director or Airport Security Coordinator shall issue a written notice of Revocation, which shall state the nature and date of violation, the date and Revocation shall begin, and the Individual's right to a hearing pursuant to the provisions of Section 43 of these Rules and Regulations.

SECTION 37. LIABILITY INSURANCE:

37.1 Every Airport User shall carry insurance as required by their lease, sublease or permit to operate on Southern California Logistics Airport and as required

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by State and Federal regulations. Any person operating a vehicle within the fenced area of the Airport, who does not have a lease, sublease, or Operating Permit, is required to have comprehensive automobile insurance with combined single limits for bodily injury and property damage of not less than \$1,000,000.

- 37.2 Airport Users shall provide Certificates of Insurance naming VVEDA, SCLA and Stirling Airports International as Additional Insured's with respect to their lease, sublease or permit. These Certificates of Insurance shall also provide for a 30-day Notice of Cancellation for those policies listed on the Certificate of Insurance.
- 37.3 The Airport User shall formally advise its Insurers that all Vehicles in use with or without valid Airside Vehicle Permits are intended to be operated on that portion of the Southern California Logistics Airport premises known as Airside, and should those Insurers exclude, limit, or otherwise restrict coverage while the Vehicle is on Airside, the Occupant shall obtain and keep in full force and effect at all times, a policy of Aviation Liability insurance covering both license-plated and unlicensed plated Vehicles while on Airside

SECTION 38. ILLEGAL ACTIVITIES: No Person shall:

- 38.1 Take or use any Aircraft, aircraft parts, instruments, or tools pertaining thereto, which are owned, controlled, or operated by any other Person, while such Aircraft, parts, instruments, or tools are stored or otherwise left on SCLA, or within its hangars, building, or facilities, without the written consent of the owner/operator thereof, except upon satisfactory evidence of the right to do so duly presented to the Airport Director, or authorized by him or so ordered by a court of competent jurisdiction.
- 38.2 Land, takeoff, taxi, or otherwise operate any Aircraft on, at, or from SCLA when he knows such Aircraft is not operating properly, or is equipped with any part or safety device which is defective or unsafe. Deviations from this restriction shall only be permitted by specific authorization from the Airport Director and/or FAA if required, or his designated representative.
- 38.3 Operate any Aircraft on or at the Airport, or on any Runway thereof, when the Airport or Runway has been closed to traffic by the Airport Director or other legal authority, or when such closure has been indicated by the placement of an "X" at each end of the closed Runway.
- 38.4 Operate any aircraft on, at, or in the vicinity of SCLA in willful or wanton disregard for the safety of persons or property, whether his own or that of others.

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- 38.5 Engage in the performance of any aerobatics, stunt, or maneuver not necessary to a normal takeoff, landing, normal turn or level flight of the Aircraft, over or within one mile of the exterior boundaries of the airport without the permission of the Airport Director or ATC.
- 38.6 Engage in the sale of any goods, wares, merchandize, or services at or upon the Airport without first having secured from the Airport Director a lease or permit therefore, and paying any required fees for such lease or permit.
- 38.7 Board an aircraft at the Airport without the prior approval of the Aircraft's owner or representative.

SECTION 39. AIRPORT CLOSURE:

- 39.1 The Airport Director is hereby directed and authorized to close the Airport, or portions thereof, or suspend operations related to the landing, takeoff, or taxiing of Aircraft during any period in which he determines that such operations, or their continuance, would be hazardous.
- 39.2 Causes for such closure could include, but would not be limited to, adverse weather conditions, runway maintenance or repairs, runway obstacles, fire, Aircraft or other accident.
- 39.3 The Airport Director or his designee shall immediately notify the Riverside Flight Service Station and issue a NOTAM, advising of the closure.

SECTION 40. THRU-THE-FENCE ACTIVITIES:

- 40.1 Thru-the-fence activities, defined as accessing the Airport from private land outside the airport perimeter for the purpose of utilizing or otherwise benefiting from the Airport, are strictly prohibited.

SECTION 41. SEVERABILITY:

- 41.1 Should any article, section, sub-section, sentence, clause or phrase of these Rules and Regulations be held invalid or unconstitutional for any reason, such decision shall not affect the remaining portion of these Rules and Regulations.
- 41.2 The SCLA Authority hereby declares that it would have adopted these Rules and Regulations and each article, section, sub-section, sentence, clause or phrase, regardless of the fact that any one or more articles, sections, sub-sections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 42. DISMANTLING AIRCRAFT:

- 42.1 No Person shall dismantle an Aircraft of any type outside of a hangar unless they receive prior written approval from the Airport Director. Any Person permitted to dismantle an aircraft outside of a hangar must:

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- 42.2 Submit a written request to the Airport Director describing the type of aircraft to be dismantled, the dismantling procedures to be employed, the procedures for disposing of all dismantled material, toxic material clean up and abatement procedures, and the schedule for dismantling an aircraft.
- 42.3 Conduct all aircraft dismantling within a fenced in area to prevent visual contact with the dismantling activity.
- 42.4 Return the area used for dismantling to its original condition as approved by the Airport Director in his/her sole discretion.
- 42.5 Procure a performance bond to ensure any contamination, remediation of contamination and the dismantling area is returned to its original state. The amount of the bond will depend upon the procedures set forth in the request and the potential exposure and land clean-up cost to the Airport.
- 42.6 Receive the prior approval of the SCLA Fire Department.
- 42.7 Adhere to all City of Victorville, State and Federal environmental regulations.
- 42.8 Upon receipt of the information set forth in 42.1 through 42.7 above, the availability of land to conduct dismantling and other airport operating requirements and/or constraints, the Airport Director will either approve the Aircraft dismantling request by issuing a written Letter of Permit with appropriate indemnities and airport protection provisions to the requesting person or business or deny the request by providing a Letter of Denial to the requestor.

SECTION 43. PENALTIES AND APPEALS:

- 43.1 Fixing penalties for violations: Any Airport User including, without limitation, sublessees, suppliers, contractors, guests, invitees, or others that do not adhere to or violates these Rules and Regulations shall be sanctioned.
- 43.2 Sanctions may include, but are not limited to, a fine paid to the Airport, denial of the use of the Airport for a specified period of time, and/or a referral to the Transportation Security Administration and/or Airport Authority Attorney with a recommendation for criminal prosecution.
- 43.3 In determining the sanctions to be imposed, the Airport Director may take into consideration any mitigating or aggravating factors that may exist including, without limitation, the number of previous violations and the cooperation of the person involved.
- 43.4 Fines shall be assessed from \$100.00 to \$10,000.00 per day per incident depending on the severity of the violation.

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- 43.5 Should an infraction occur, and should the infraction and situation surrounding the infraction warrant, fines will be assessed on a graduated/increasing basis.
- 43.6 All fines assessed to a sublessee, or to a sublessee's suppliers, contractors, guests, invitees, or others, will be added to a Sublessee's monthly rent and subjected to late fees and default provisions as set forth in a Sublessee's land or facility Sublease.
- 43.7 Fines assessed to Airport Users who do not have a land or facility Sublease at SCLA, shall be paid before the Airport User is permitted to use the Airport again.
- 43.8 Continuous violation of these Rules and Regulations shall result in denial to use the Airport. Attachment B provides an example of fines as may be applied.
- 43.9 Removal from Airport Premises: The Airport Director, or his designated representative, may order removal of anyone from the Airport who knowingly and willfully violates any provision of these Rules and Regulations.
- 43.10 Recourse under Tenant's Lease: SCLAA may take action against Airport Tenants under their lease agreements irrespective of any other penalties under these Rules and Regulations.
- 43.11 RIGHTS OF APPEAL: Fines and other sanctions may be appealed to the Executive Director. Requests for appeal must be made in writing to the Executive Director within ten (10) business days from the date the fine was presented to the Airport User.
- 43.12 The Executive Director (or his designated representative) will convene an administrative hearing and shall serve as the hearing officer (the "Hearing Officer"). Failure of any Airport User to properly file an appeal shall constitute a waiver of its right to an administrative hearing and adjudication of the fine or any portion of the total amount of the fine.
- 43.13 The Airport User or other Person in receipt of the fine or sanction shall be provided a written notice of the date, time, and location of the hearing. The notice will include the date, time and nature of the alleged violation.
- 43.14 The hearing shall be conducted in an informal manner and strict rules of evidentiary procedure will not apply. The Hearing Officer may consider any evidence that is reasonably probative and aids in the determination of the facts.
- 43.15 Parties are entitled to be represented by an attorney of their choice, to bring witnesses, and present documentary evidence. Parties have the right to have

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all records or documents relevant to the proceedings provided to them at the cost of reproduction.

43.16 At the conclusion of the appeal hearing, and pursuant to the Hearing Officer's authority, the Airport Director's imposition of sanctions may be upheld, modified or reversed. Parties will be provided with the results of the hearing in writing, including any penalties imposed by the Hearing Officer. The decision of the Hearing Officer is final.

SECTION 44. EFFECTIVE DATE

44.1 These changes contained in the Southern California Logistics Airport Rules and regulations shall be of full force and effective immediately upon filing of same with proof of publication with approval of the Southern California Logistics Airport Authority.

Peter R. Soderquist
Airport Director

SOUTHERN CALIFORNIA LOGISTICS AIRPORT RULES AND REGULATIONS

Attachment A

SOUTHERN CALIFORNIA LOGISTICS AIRPORT Airport Rates and Charges

Introduction / Guiding Principles:

- A.1 In establishing a Schedule of Airport Rates and Charges, the Southern California Logistics Airport Authority (the "Airport Authority") is required by federal regulations to ensure that charges are fair, reasonable and non-discriminatory. Further, Airport Rates and Charges are to be reasonably consistent with the rates and charges being applied by other airports for similar types of activities, unless there is a special situation unique to the Southern California Logistics Airport.
- A.2 The Airport Authority fully recognizes the FAA prohibition against the diversion of Airport revenues for non-airport purposes. It is recognized that failure to collect fair and reasonable fees and market-based rents for the use of Airport property, facilities and equipment can be considered a form of Revenue Diversion. The Authority also recognizes the FAA requirement to establish a Schedule of Rates and Charges that will permit the Airport to be as self-sustaining as possible.

Airport User Fees Defined:

- A.3 **Aircraft Landing Fees:** The Southern California Logistics Airport Authority (SCLA) has expended a significant amount of funds to provide aviation facilities for the benefit of aircraft owners and operators. Landing fees are assessed to help offset the cost of operating and maintaining the Airport's runway, taxiway, and aircraft parking ramp areas. Landing fees are based upon the Certified Maximum Gross Landing Weight (MGLW) of the aircraft multiplied by the Airport Authority's established landing fee rate per 1,000 pounds of Certified Maximum Gross Landing Weight.
- A.4 **Commercial Aircraft:** The Airport Authority assesses a landing fee on *each* aircraft landing conducted by an airline or other commercial Air Carrier, operating under FAR Part 121 (airline), Part 129 (international airline), Part 135 (air taxi), or other similar regulation, regardless of the purpose of the landing.
- A.5 **Signatory Landing Fees:** Signatory landing fees are assessed to an airline, or other large (over 75,000 lbs MGLW) commercial aircraft operator having a Signatory Operating Agreement with SCLA. To be eligible for Signatory Operating Agreement status, the operator must have one or more of the following:

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- i. *A lease with the Airport Authority of a ground site having at least 10,000 square feet or more that is used to accommodate the organization's primary base of business on Airport property.*
 - ii. *A lease with the Airport Authority, or an approved sublease, of a building, or part of a building totaling at least 4,000 square feet that is used as the organization's primary base of operations on the Airport.*
 - iii. Commercial Airlines operating under the military Civilian Reserve Air Force (CRAF) program.
- A.6 Non-Signatory Landing Fees: Non-signatory Landing Fees are assessed at a rate of 125% of the Signatory Landing Fee rate for large commercial operators (over 75,000 lbs MGLW) using the Airport who do not have Signatory Operating Agreement status with the Airport Authority, or have an agreement, but do not meet any of the Signatory eligibility criteria specified in paragraph 2 above. *The Non-Signatory Landing Fee is intended to compensate the Airport Authority for the operator's use of the Airport's runway and taxiway areas as well as compensation for the privilege of being able to access the airport to conduct business.*
- A.7 Private Aircraft: The Airport Authority assesses a landing fee on *each* aircraft landing conducted by large private operators (over 75,000 lbs MGLW) operating under FAR Part 91, or other similar regulation, regardless of the purpose of the landing. Landing fees for private aircraft that are operated under FAR Part 91 and are based at the airport under conditions set forth in a long term agreement with the Authority will be charged landing fees as required by that agreement.

Aircraft Parking Fees:
- A8. Signatory Aircraft Parking Fees: Aircraft having Signatory status as defined in A.1 above, are not required to pay parking fees during the time an aircraft is in the loading/ unloading process (24 hour maximum). Signatory Aircraft are also exempt from aircraft parking fees on the weekend, and over national holidays, as long as the weekend/holiday parking occurs in the middle of the loading/unloading process. Signatory Aircraft that are not in the unloading/loading process, and/or use aircraft parking areas in excess of the 24-hour maximum, are required to pay established aircraft parking fees.
- A9. Non-Signatory Aircraft: Non-signatory aircraft are required to pay established aircraft parking fees.

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- A10. Private Aircraft: All private aircraft (both heavy and light) are required to pay aircraft parking fees. Aircraft that are based at the airport under conditions set forth in a long term agreement with the Authority will be charged parking fees as required by that agreement.
- A.11 Aircraft Storage Fees: Aircraft storage fees are charged to aircraft that are stored on areas other than the main parking apron. Fees are payable under one of three different categories: under 50,000 lbs MGTW, narrow body aircraft, and wide body aircraft. Remote aircraft storage is occasioned by the many acres of closed runways and taxiways that make a suitable “hard stand” for aircraft parking. The availability of these areas is directly related to the longevity of these surfaces. As these surfaces fail to be usable for aircraft parking, they will be removed from the inventory of remote parking. The Airport Authority makes no representation that it will maintain these surfaces and those businesses that store aircraft thereon do so at their own risk.
- A.12 Fuel Flowage Fees: A substantial percentage of the fuel dispensed at SCLA is “pre-purchased” by large aircraft operators that enjoy discounts based on the large volumes of fuel these carriers purchase nationally. This pre-purchased fuel is stored in SCLA’s fuel farm to which SCLA assesses a *storage fee*. SCLA also assesses a *flowage fee* on each gallon of fuel delivered from the fuel farm to the aircraft.
- A.13 Fuel flowage and fuel storage fees reflect the intent of the Airport Authority to generate reasonable revenues for the use of the airport’s fuel storage facility, while at the same time, encouraging aircraft operators to use SCLA as a base of operations.
- A.14 All fuel sold at SCLA is subject to the described fuel flowage fees with following exceptions:
1. Non-Signatory Air Cargo Operators: Commercial Air Cargo Operators that are considered Non-Signatory as defined in Section A.1 above and pre-purchase fuel that is stored in the Airport’s fuel farm for use in their aircraft, shall pay *flowage fees* and *storage fees*.
 2. Signatory Cargo Operators: Commercial Air Cargo Operators that meet the requirements of Signatory status as defined in Section A.1 above and pre-purchase fuel that is stored in the Airport’s fuel farm for use in their aircraft shall pay the appropriate *storage fee*.
 3. Non-Commercial Signatory: Based operators (signatory) that are non-commercial (Part 91) will pay the appropriate *storage fee* and a *modified flowage fee* as provided in the operators lease agreement.

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Southern California Logistics Airport Schedule of Rates and Charges

Landing Fees:

Signatory airline (over 75,000 lbs MGLW)	\$.85 per 1,000 pounds MGLW
Non-signatory airline (over 75,000 lbs MGLW)	\$1.06 per 1,000 pounds MGLW
Private aircraft (over 75,000 lbs MGLW)	\$.85 per 1,000 pounds MGLW

Fueling Fees:

(Flowage fee -\$.08 per gal; Storage fee -\$.02 per gallon)

Aircraft Parking Fees: (commercial aircraft)

Signatory airline	\$200.00 per day
Non-signatory airline	\$200.00 per day

Transient Aircraft Tie down Fees: (general aviation aircraft; main ramp)

Single engine	\$ 5.00 per day	\$ 80.00 per month
Multi engine	\$ 10.00 per day	\$120.00 per month
Mid-weight aircraft (12.5K lbs to 25K lbs)	\$ 20.00 per day	\$200.00 per month
Large aircraft (25Klbs to 100K lbs)	\$ 30.00 per day	\$300.00 per month
Narrow body	\$100.00 per day	\$1,000.00 per month
Wide body	\$200.00 per day	\$2,000.00 per month

Wash Rack:

Any aircraft.....\$ 40.00 per hour \$240.00 per day

Live Scan Fingerprint Transmission Fee Per Applicant for Criminal History Records Check:

Call Airport Operations at (760) 243-1915 for Fingerprint transmission fees.

Personnel Identification Badge

Personnel Identification Badge with or without access card.....	\$ 10.00
Lost Personnel Identification Badge	\$ 100.00

(Fees are subject to change)

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Notes:

Parking charges for Signatory Airlines do not apply for the first 24 hours, weekends, or holidays. Transient aircraft tie down fees apply to aircraft remaining overnight. Transient aircraft remaining parked longer than overnight Military aircraft are exempt from paying landing, parking and storage fees.

Definitions:

Signatory –

Having a lease or sublease of a ground site or building space on the Airport in accordance with the Airport Authority's Rates and Charges Policy; or, an airline having a contractual airline operating arrangement with an organization that has such a lease on airport property.

Non-signatory –

Those operators who do not have an On-Airport Lease Agreement with the Airport Authority in accordance with the Rates & Charges Policy.

MGLW – Maximum (certificated) Gross Landing Weight

MGTW – Maximum (certificated) Gross Takeoff Weight

Narrow body aircraft - i.e. B-727; B-737; DC-9; MD-80

Wide body aircraft - i.e. B747; B-777; DC-10; MD-11

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Attachment B

SCLA SCHEDULE OF FINES

- B.1 In most situations, a sanction or fine will be levied upon the employer of the Individual involved in the infraction. All sanctions or fines assessed will be added to the employer's basic monthly rent and subjected to late fees and default provisions as set forth in an Airport Tenant's land or facility sublease. Fines assessed to Airport Users who do not have a land or facility Sublease at SCLA, shall be paid before the Airport User is permitted to use the Airport again. Continuous violation of these Rules and Regulations shall result in denial to use the Airport.
- B.2 The following schedule should be regarded as a suggested schedule of fines. The Airport Director has the sole discretion and authority to levy fines, their amount and final disposition.
- B.3 For minor infractions related to vehicle operations on the AOA such as:
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| Speeding on the AOA. | \$100.00 |
| Operating a vehicle on the AOA without:
Airport Issued I'D Badge or drivers permit, appropriate
markings or two-way radio communication with ATCT. | \$100.00 |
| Runway incursion. | \$500.00 |
| Taxiway incursion. | \$300.00 |
| For negligence resulting in, and failure to correct, FOD | \$100.00 |
- B.4 For breeches in security such as:
- | | |
|---|----------|
| 1. Leaving a perimeter gate unattended. | \$100.00 |
| 2. Failure to accompany non-badged person on the AOA. | \$100.00 |
| 3. Sharing a security code or vehicle gate card. | \$300.00 |
| 4. Bypassing Security. | \$300.00 |
| 5. Sharing a Personnel Identification Badge. | \$300.00 |
| 6. Losing a Personnel Identification Badge. | \$100.00 |
- B.5 For miscellaneous infractions of the Rules and Regulations such as:
- | | |
|---|----------|
| 1. Smoking in a non-approved area. | \$100.00 |
| 2. Parking or storing aircraft in non-approved areas. | \$100.00 |
| 3. Performing aircraft maintenance in unauthorized areas. | \$100.00 |
| 4. Knowingly allow an unsafe condition to exist. | \$300.00 |
| 5. Bringing an unauthorized vehicle on the airport. | \$100.00 |
- B.6 A Federal Aviation Administration (FAA) or Transportation Security Administration (TSA) fine levied at the SCLA may be directly forwarded to a tenant if such tenant action is cause for the FAA/TSA penalty

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A second violation of the above listed offenses will result in the doubling of the applicable fine. A third offense will result in the tripling of the applicable fine and a suspension of privileges until corrective actions are taken and documented.

EXHIBIT D

USE OF GROUND LEASE AREA

The Ground Lease Area is to be used by Lessee for the development of an Eighty (80) acre commercial aircraft parking and service area. Lessee may park and store aircraft and perform certain preventative maintenance required to maintain aircraft in an airworthy condition. Lessee may dismantle, deconstruct, part-out, tear-down and disassemble aircraft on the Ground Lease Area. The following definitions shall serve as a guide to govern Lessee's permitted actions and use of the Ground Lease Area.

Definitions

Dismantling

The orderly removal and salvaging of aircraft assemblies, parts, and components.

Deconstruct

Same as disassemble, part-out, tear-down and dismantling.

Part-Out

Same as dismantling, disassemble, tear-down and deconstruct.

Tear-Down

Same as dismantling, disassemble, part-out and deconstruct.

Disassemble

Same as dismantling, part-out, tear-down and deconstruct.

At no time shall any demolition activities occur on the Ground Lease Area. The definition below shall serve as a guide to govern Lessee's prohibited actions and prohibited use of the Ground Lease Area.

Definition

Demolish

To forcefully tear down, cut up, take apart or otherwise to reduce to smaller components for the purpose of final disposal or recycling. This action includes the removal of insulation and final removal of all residual fuel, oils, and other fluids.

The condition of the Ground Lease Area shall be established resulting from a walk-through inspection attended by both Lessee and Lessor prior to the date Lessee takes possession. The findings of this walk-through inspection shall be memorialized at the time of the walk-through inspection via the SCLA Property Checklist.

EXHIBIT E

SELECTED FAA RULES AND REGULATIONS

EXHIBIT E

SELECTED FAA RULES AND REGULATIONS

LICENSE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

1. The Lessee, for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as 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 property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program 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 requirements imposed by the Non-discrimination Acts and Regulations in the Pertinent List of Non-Discrimination Authorities set forth in Provision 19 hereof (as such may be amended), such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied benefits of , or otherwise subjected to discrimination in the use of said facilities.
2. The Lessee, for himself/herself, his/her heirs, personal representative, successors in interest, and assigns, as 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, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to the Non-Discrimination Acts and Regulations in the Pertinent List of Non-Discrimination Authorities set forth in Provision 19 hereof (as such may be amended).
3. In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate the Lease, and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are allowed and completed including expiration of appeal rights.
4. 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 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 hereof and in the event of such non-compliance, Authority shall have the right to terminate the Lease Agreement, and the estate hereby created without liability therefor, or at the election of the Authority or the United States either or both said Governments shall have the right to judicially enforce provisions.

EXHIBIT E

6. Lessee agrees that it shall insert the above five provisions in any lease/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. Lessee will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the Lessee. This provision obligates the Lessee for the period during which the property is owned, used, or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
8. Nothing in the above Provisions 6 or 7 shall be construed as granting permission or consent for the Lessee to sublease or transfer the premises leased herein.
9. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, 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 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 sub-organizations provide assurance to the Authority, that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
10. The Authority 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.
11. The Authority 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.
12. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Authority and the United States, relative to the development, operation and maintenance of the airport.
13. There is hereby reserved to the Authority, 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 operation on this airport.

EXHIBIT E

14. 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 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.

15. Lessee, by accepting this Lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder which would violate the obstruction height limitations as set forth in Federal Air Regulation (FAR), Part 77. In the event the aforesaid covenants are breached, the Authority reserves the right to enter upon the land leased hereunder and to remove the offending obstruction, all of which shall be at the expense of the Lessee.

16. The Lessee, by accepting this Lease, 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 this airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the Authority reserves the right to enter upon the premises hereby leased and causes the abatement of such interference at the expense of the Lessee.

17. It is understood 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, as amended.

18. This Lease and all the provision 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.

19. The following constitutes the Pertinent List of Non-Discrimination Authorities, which are incorporated herein by this reference as if set forth in full:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR part 21;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

EXHIBIT E

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).