

COUNTY OF EL DORADO
AIRPORT GROUND LEASE
#XXX-XXXX

This Airport Ground Lease for Hangars (“Lease”), made and entered into upon the date signed by the Airport Director, by and between the COUNTY OF EL DORADO, a political subdivision of the State of California, hereinafter called “COUNTY,” and _____, hereinafter called “LESSEE.”

WITNESSETH:

COUNTY, pursuant to Government Code Sections 25350-25575 and 50470-50478 and County of El Dorado Ordinance Code Section 3.08.021, hereby leases to LESSEE the real property at the _____ Airport, described in Exhibit “A” attached hereto and made a part hereof, on the following terms and conditions:

1. PREMISES:

COUNTY hereby leases to LESSEE and LESSEE hereby leases from COUNTY, for and in consideration of rents, covenants, and agreement hereinafter set forth, the “Premises” described as follows and more particularly described in Exhibit “A” hereto:

Hangar Space # _____, _____ Square Footage, _____ Airport (“Airport”)

2. TERM:

The term of this Lease shall be for ten (10) years commencing upon execution hereof by the Airport Director and ending ten years thereafter (“Initial Term”). Upon expiration of the Initial Term, LESSEE shall, if not then in default under this Lease, have an option extend the term of this Lease for two additional successive ten (10) year Terms measured from the original expiration date of this Lease, subject to the same terms and conditions as stated in the most current Ground Lease Template then in use by the County. Any extension of the Initial Term must be approved by the Board of Supervisors consistent with Government Code section 25537. If LESSEE desires to use this option, LESSEE shall notify COUNTY in writing no later than ninety (90) days before the expiration of the ten (10) year term(s). If LESSEE fails to provide COUNTY notice within that time, that will constitute a waiver of the right to exercise that option.

3. CONSIDERATION:

In consideration of the rights and privileges herein granted, LESSEE shall pay to COUNTY a rental fee for [insert type of hangar as it is listed in the fee resolution] as established by resolution of the County of El Dorado Board of Supervisors **which is in effect at the commencement of this Lease.** The annual lease payment at the commencement of this Lease shall be XXXXXXXXXXXXXXXXXXXX Dollars and XXXXX Cents (\$XXX.XX) (Base Rent). The payment of said rent is subject to all of the following:

A. Billing and Payment. LESSEE shall pay the then-applicable rent, including any adjustments made by this section, in advance on or before the first (1st) of July annually during the term of this Lease. If COUNTY authorizes LESSEE to hold over consistent with Section 22 below, LESSEE shall pay in advance on a monthly basis a prorated share of the annual rent due for each holdover period, due on the first day of each calendar month. Upon commencement date, LESSEE shall pay a prorated portion of the annual lease payment for the time from the commencement date to the next succeeding June 30. All payments shall be made in lawful money of the United States of America, without deduction or offset, to County to the following address:

County of El Dorado
Chief Administrative Office
Airports Division
2850 Fairlane Court
Placerville, CA 95667
or Airports Operations Office

- B. Prorated Rent.** For purposes of this lease, pro-rated rent will be calculated by multiplying 1/365 of the annual rent by the number of days in the partial year for which the LESSEE has or had the right to occupy the premises. If this Lease is terminated by COUNTY, COUNTY shall within forty-five (45) days of the date of termination, pay a prorated refund for any annual rental amounts actually paid for that year back to the LESSEE for the partial year that the LESSEE did not have the right to occupy the premises.
- C. Rent Adjustment.** Base Rent payable under this Ground Lease shall be subject to annual adjustments as set forth herein. Commencing on July 1st following the first anniversary of the Rent Commencement Date, and on each July 1st thereafter during the Term of this Ground Lease (each an "Adjustment Date"), the Base Rent shall automatically increase by two and one-half percent (2.5%) over the Base Rent in effect immediately before the Adjustment Date.
- a. **Calculation and Notice.** At least thirty (30) days before each Adjustment Date, COUNTY shall provide LESSEE with written notice setting forth all of the following: (i) the current Base Rent, (ii) the calculation of the 2.5% increase, and (iii) the new Base Rent effective as of the upcoming Adjustment Date. Failure by COUNTY to timely provide such notice shall not constitute a waiver of COUNTY'S right to collect the increased Base Rent.
 - b. **Compounding Effect.** The parties acknowledge and agree that the annual 2.5% increase shall be compounded annually, meaning each year's increase shall be calculated based on the Base Rent as increased by all prior adjustments.
- D. Late Payment Charge.** LESSEE acknowledged that late payment of the annual rent will cause COUNTY to incur costs not contemplated by this Lease, the exact amount of which is difficult to ascertain. Therefore, if any annual rent is not received by COUNTY within five (5) days after the date due, LESSEE shall pay to COUNTY a late charge equal to ten percent (10%) of the overdue amount. The parties agree that this late charge represents a fair and reasonable estimate of the costs COUNTY will incur by reason of late payment by LESSEE. COUNTY'S acceptance of any late charge shall not constitute

a waiver of LESSEE's default with respect to the overdue amount or prevent COUNTY from exercising any of the rights and remedies available to COUNTY under this Lease.

4. USE OF PREMISES:

- A. Federally Obligated.** The Premises are located on federally obligated airport property that is subject to FAA grant assurances made by the COUNTY in accepting federal funding for the airport. A copy of the current FAA Grant Assurances can be found at the FAA's website at https://www.faa.gov/airports/aip/grant_assurances, which are hereby incorporated by reference into this Lease. LESSEE'S use of the Premises is subordinate to COUNTY'S federal obligations and conditional on LESSEE'S compliance with federal law. The Premises are subject to inspection by the Federal Aviation Administration ("FAA") and COUNTY for compliance with FAA regulations and policies governing the use of federally obligated airport property.
- B. Aeronautical Use Only.** LESSEE shall use the premises primarily for aeronautical use only, as defined by the FAA. The Premises are leased herein for the sole purpose of non-commercial storage, care, and maintenance of LESSEE'S aircraft. LESSEE shall not store any non-aeronautical items in the hangar unless that use is in compliance with FAA Policy on the Non-Aeronautical Use of Airport Hangars.
- C. Operable Aircraft Requirement.** To comply with the Aeronautical use restriction under FAA regulations, the Premises must house an operational aircraft.
- D. Residential Use Prohibited.** Residential use of the Premises is prohibited by the FAA. Residential use includes any overnight occupation of the Premises that is not directly related to the care, maintenance, or operation of LESSEE'S aircraft.
- E. All Commercial Activity Prohibited.** Unless expressly provided for herein or by other written agreement with COUNTY, nothing in this Lease shall be construed to grant LESSEE the right to rent Premises, including use of a hangar on the Premises, to others, conduct business or any commercial activity upon the Premises herein, including, but not limited to, those activities normally or actually conducted by fixed base operators upon Airport property. The storage of an aircraft used in LESSEE'S trade or business shall not be deemed a "commercial activity" and such aircraft shall be deemed to be "LESSEE'S aircraft" for purposes of this Section.

5. INSURANCE:

LESSEE shall provide proof of a policy of insurance satisfactory to COUNTY'S Risk Management Division and documentation evidencing that LESSEE maintains insurance that meets the following minimum requirements:

- A. General Liability Insurance** with minimum coverage limits of \$1,000,000 is required for all individuals leasing a hangar. This Liability Insurance may be insurance that a tenant carries under various insurance policies. Whether this coverage is extended from an aircraft/aviation policy (I.1.a) or a stand-alone policy, it must include coverage for bodily injury and property damage arising out of the use of the hangar. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured.

- B.** Aircraft/Aviation Liability Insurance of \$1,000,000 per occurrence for bodily injury and property damage for aircraft operated and/or stored on the Premises. This coverage can be obtained by an endorsement from an aircraft liability policy or a separate General Liability policy. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured.
- C.** Motor Vehicle Liability Insurance of not less than \$100,000 bodily injury limits per person, \$300,000 bodily injury limits per occurrence, and \$50,000 for damage to the property of other people for motor vehicles used on COUNTY'S premises. The personal auto limit can be achieved by purchasing a policy with required limits or an umbrella policy increasing the limit to at least the required amount.
- D.** The COUNTY contract administrator may, in his or her discretion, temporarily allow LESSEE to operate at the Airport without providing Aircraft liability insurance if LESSEE provides notice that LESSEE'S aircraft is undergoing maintenance or rehabilitation pursuant to a written plan described in Section 11.C. below, or during a transition allowance period as described in Section 11.A below. If LESSEE intends to use motor vehicles on the Airport during that period, LESSEE must continue to meet all applicable insurance requirements for the operation of motor vehicles at the Airport. COUNTY shall provide that notice in writing and that notice will be effective 60 days after sent by the COUNTY. COUNTY shall revoke this temporary authorization if COUNTY concludes that LESSEE has failed to make continuous progress or procure another operational aircraft consistent with Section 11 below.
- E.** LESSEE shall furnish a certificate of insurance satisfactory to COUNTY'S Risk Management Division as evidence that the insurance required above is being maintained.
- F.** The insurance shall be issued by an insurance company acceptable to COUNTY'S Risk Management Division or be provided through partial or total self-insurance likewise acceptable to COUNTY'S Risk Management Division.
- G.** LESSEE agrees that the insurance required herein shall be in effect at all times during the term of this Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, LESSEE agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Lease, or for a period of not less than one (1) year or not less than six (6) months for auto insurance. New certificates of insurance are subject to the approval of COUNTY'S Risk Management Division, and LESSEE agrees that the Lease shall not commence prior to the giving of such approval. In the event LESSEE fails to keep in effect at all times insurance coverage as herein provided, COUNTY may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.
- H.** The certificates of insurance must include provisions stating that:
 - 1 The insurer will not cancel the insured's coverage without 30-day prior written notice to COUNTY; and
 - 2 The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured, on an additional insured endorsement for

Aircraft Liability and Hangar Liability policies, but only insofar as the operations under this Lease are concerned.

- I. LESSEE'S insurance shall be primary insurance as respects COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by COUNTY, its officers, officials, employees, or volunteers shall be in excess of LESSEE'S insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to, and approved by, COUNTY. At the option of COUNTY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects COUNTY, its officers, officials, employees, and volunteers; or LESSEE shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to COUNTY, its officers, officials, employees, or volunteers.
- L. The insurance companies shall have no recourse against COUNTY, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. LESSEE'S obligations shall not be limited by the foregoing insurance requirements and shall survive the termination or expiration of this Lease.
- N. In the event LESSEE cannot provide an occurrence policy, LESSEE shall provide insurance covering claims made as a result of performance of this Lease for not less than three (3) years following completion of this Lease.
- O. The certificate of insurance shall meet such additional standards as may be determined by COUNTY, either independently or in consultation with COUNTY'S Risk Management Division, as essential for protection of COUNTY.

6. HOLD HARMLESS/INDEMNIFICATION:

Except as provided below, to the fullest extent allowed by law, LESSEE shall, at LESSEE'S sole expense, indemnify, protect, defend, and hold harmless COUNTY, its officers, officials, employees, and volunteers from any and all claims, demands, suits, actions, and liabilities for any and all loss, damage, and liability for damages, including attorneys' fees and other costs of defense, whether for damage to or loss of property, injury to or death of any person, or economic or consequential loss, arising out of or relating directly or indirectly to the acts or omissions of Lessee, Lessee's officers, agents, contractors, sublessees, guests, invitees, licensees, or employees with respect to: (1) the use or occupancy of the Premises; (2) the obligation to maintain the Premises; (3) any alteration or improvement done to the Premises, including any violation or failure to comply with any applicable laws regarding any improvements or alterations to the Premises, including necessary repairs or correction of any health, fire, or safety condition performed by COUNTY following a breach consistent with Section 21; (4) any action to challenge COUNTY'S approval of the Lease, including actions brought under the California Environmental Quality Act (California Public Resources Code § 21000, et seq.); or (5) any other matter connected to the tenancy created by this Lease.

This clause does not apply to liability, claims, suits, losses, damages or expenses arising from the active negligence or willful misconduct of COUNTY, its officers, officials, employees, and volunteers, or as expressly prescribed by statute.

LESSEE'S obligations pursuant to this Section include the duty to defend set forth in Civil Code Section 2778 and shall survive termination or expiration of this Lease.

The insurance obligations of LESSEE are separate, independent obligations under the Contract Documents, and the provisions of this defense and indemnity are not intended to modify nor should they be construed as modifying or in any way limiting the insurance obligations set forth in this Lease.

7. FIRE HAZARD:

LESSEE shall keep the Premises clear of oil, trash, or other materials that may be deemed a fire hazard.

COUNTY reserves the right to restrict LESSEE from conducting any activity or storing flammable, hazardous, or toxic materials or substances that are not compatible with aeronautical use or which would increase COUNTY'S insurance rate or cause COUNTY'S insurance to be canceled.

8. MAINTENANCE & REPAIR:

LESSEE accepts the Premises in an "as is" condition. LESSEE shall at all times during the term of this Lease, maintain and keep, at LESSEE'S sole cost and expense, the Premises, including any hangar, land, any improvements made to the Premises, and facilities appurtenant thereto, (1) in compliance with all applicable laws; (2) in good order, repair, sanitary, structurally sound, and safe condition; and (3) shall perform all necessary repairs and replacements required to comply with this paragraph. LESSEE understands that COUNTY has no ownership interest in the Hangar, and COUNTY shall have no obligation of any kind to maintain, repair, alter, construct, replace, or improve the Premises, including any hangar, land, any improvements made to the Premises.

Among the parties, LESSEE shall be solely responsible for all actions, costs and expenses incurred to comply with any and all structural requirements, abatement ordinances, zoning requirements, statutes, rules and regulations imposed by any governmental authority with jurisdiction relating to safety or the abatement of Hazardous Materials found in the Premises or any buildings or facilities constructed thereon, including, without limitation, compliance with requirements, laws or orders for asbestos abatement, lead abatement and seismic retrofit.

LESSEE shall be solely responsible for compliance with any requirements or obligations imposed or arising from the use of the Premises or buildings or facilities constructed thereon relating to the Americans with Disabilities Act ("ADA").

LESSEE shall maintain, free from brush and weeds, an area of ten (10) feet from the exterior walls of said hangar, or of the median point between hangars if there is less than twenty (20) feet between hangars.

COUNTY shall have no obligation to make any repairs to the Premises other than as expressly and specifically set forth in this Lease. LESSEE hereby waives any and all rights provided in Sections 1941 through 1942, inclusive, of the Civil Code of California and hereby waives, to the

extent permissible, any rights other than statutes or laws now or hereafter in effect which are contrary to the obligations of LESSEE under this Lease, or which place obligations upon County in addition to those provided in this Lease.

9. ALTERATIONS:

LESSEE shall not construct or maintain on the Premises any structure, improvement, including, but not limited, to any modifications affecting the use of the Premises (e.g. water line hook-ups or plumbing for appliances), or any material addition to or alteration of any building or structure erected on the Premises unless and until the plans and specifications, including those covering the exterior of the proposed structure, improvement, addition, or alteration, and the proposed location, have first been submitted to, and approved in writing by, the COUNTY Airport Operations Supervisor or successor authority. All improvements, alterations, additions, or modifications must be in accordance with Exhibit "B," Board of Supervisors Policy F-10 (incorporated herein and made by reference a part hereof), and any other applicable building regulation. All improvements, alterations, additions, or modifications must be compatible with aeronautical use of the Premises and consistent with federal laws, FAA regulations, state statutes, and the rules and regulations governing the use of federally obligated airport property.

10. TAXES AND POSSESSORY INTERESTS:

LESSEE understands that the Lease creates a property interest which may be subject to property taxation and that any possessory interests vested in LESSEE or his or her assignees through this Lease make LESSEE or his or her assignees subject to the payment of any property taxes on that property interest pursuant to Revenue and Taxation Code Section 107.6. It is further agreed by and between the parties hereto that COUNTY has informed LESSEE that such property interest, together with any improvements as may be made by LESSEE, as may be created or allowed by this Lease may be subject to property taxation and that LESSEE may be subject to the payment of property taxes levied on such interest(s).

LESSEE agrees to pay all taxes levied upon the Premises and improvements on the Premises, including trade fixtures and inventory not owned by COUNTY and kept on the Premises.

11. LESSEE'S OBLIGATIONS TO COMPLY:

- A. Transition Allowance. In the event LESSEE sells its aircraft and is actively pursuing replacement with another aircraft there shall be a six-month period allowed for occupancy by others for aeronautical use only as defined in Section 4. Written notice of this intent to replace must be provided to the Airports Operations Office within thirty (30) days of beginning of occupancy by others. If another aircraft is not obtained within this six-month period and the hangar is occupied by others, LESSEE shall comply with Section 12, ASSIGNMENT OR SUBLEASING.
- B. Occupying Aircraft. LESSEE shall submit to COUNTY within thirty (30) days of sale, sublease, assignment, or rental of any aircraft stored on the leased property, the Aircraft Registration Number ("N-number") and the name of the registered owner.
- C. Project Aircraft. If LESSEE's aircraft is undergoing maintenance or rehabilitation, LESSEE must demonstrate continuous progress to the satisfaction of COUNTY and the aircraft shall be subject to reasonable inspection by an individual designated by

COUNTY for the purpose of assessing the aircraft's operational status. If LESSEE's aircraft is undergoing maintenance or rehabilitation at the time of the execution of this Lease, LESSEE shall, within 60 days of execution of this Lease, provide a written maintenance plan to an individual designated by COUNTY. LESSEE's plan shall identify measurable benchmarks and a projected schedule for completion of LESSEE's work on the aircraft. Should LESSEE fail to make continuous progress or procure an operational aircraft, the failure to house operable aircraft shall be considered in default of this lease in accordance with Section 19.

- D. LESSEE shall confine its activities to the leased Premises only excepting reasonable ingress and egress and the normal and intended use of the Airport runways and taxiways and other Airport public facilities.

12. ASSIGNMENT OR SUBLEASING:

LESSEE shall not sell, assign, transfer, or make changes to controlling ownership of the lease agreement, in whole or in part, or any interest in the agreement, or any rights or obligations the Lessee has under the agreement to any other person under this Lease, without the prior written consent by COUNTY.

ASSIGNMENT

LESSEE may request to assign his or her rights under this Lease to another party by submitting a written request to the Airport Director for approval. LESSEE shall include in that request all the following:

- A. A completed application prepared by LESSEE and ASSIGNEE and payment of any applicable Lease/Assignment application fee.
- B. Documentation demonstrating that ASSIGNEE has provided proof of aircraft ownership to the Airports Operations Office.

The Airports Director will review that request and shall not unreasonably withhold or delay consent but may deny that request if the ASSIGNEE does not satisfy all criteria set forth in this Policy, the Airports Ordinance, and all applicable legal requirements. The assignee will be required to sign an Assignment and Assumption Agreement. If COUNTY consents to the assignment, only the balance of the term of this Lease may be assigned to ASSIGNEE and that assignment does not extend the term of this Lease.

SUBLEASING

LESSEE shall not enter into an agreement with any person to sublet its rights under this Lease, including the right to occupy the Premises or use any hangar or other improvement upon the Premises, unless LESSEE first obtains the written consent of COUNTY to that sublet by executing the attached Consent to Sublease for County Ground Leases (Exhibit X) and complies with this Section. LESSEE shall provide proof to COUNTY that:

- A. SUBLESSEE has been provided a copy of this Lease and has entered into an agreement with LESSEE to comply with such terms;
- B. The term of the agreement with SUBLESSEE does not exceed the Term of this Lease;

C. SUBLESSEE has provided proof of aircraft ownership to the Airports Operations Office.

COUNTY shall not unreasonably delay or withhold consent, but may deny consent for the sublease for any commercially reasonable objection, including if COUNTY concludes that sublease would result in a non-aeronautical use or “commercial activity” as described in Section 4 above. LESSEE understands that such a sublease does not operate or be deemed to operate as a release of LESSEE from LESSEE’s obligations under this Lease, including annual payment of rent.

13. COUNTY’S RIGHTS:

COUNTY reserves to itself and to its successors or assigns hereunder the following rights:

A. The right to have access to the Premises for the purpose of monitoring and evaluating the obligations of LESSEE hereunder to determine if the installation, maintenance, and use of the Premises are in compliance with all federal, state, and local laws and regulations and the terms and conditions under this Lease. COUNTY will provide LESSEE a reasonable opportunity to be present for any inspection. County’s access will be as follows:

- 1 By providing a minimum of five (5) business days written notice before the access to perform any inspection that COUNTY determines is expedient or desirable for the proper enforcement of this Lease. County may provide the notice required by this Section via electronic mail, with read receipt requested if available, or by in any matter described in Section 14 or by posting a Notice of Inspection on the Premises. Notices sent via electronic mail will be deemed given when read receipt is received or personal electronic reply acknowledging receipt is received.
- 2 Without notice at all times in the case of emergency or in anticipation of an emergency as determined by COUNTY.

- B. The right for the use and benefit of the public of flight for the passage of aircraft in the airspace above the surface of the Premises. This right includes, but not be limited to, the right to cause in said airspace any noise inherent in the operation of any aircraft through said airspace or from the taking off from or landing of said aircraft at said Airport.
- C. The right to further develop or improve the Airport as it sees fit without interference or hindrance by LESSEE.
- D. The right to maintain and keep in repair the landing area of the Airport and all publicly owned facilities at said Airport, together with the right to direct and control all activities of LESSEE in this regard. This right does not create any obligation to the LESSEE.
- E. The right to take appropriate action to ensure that terminal airspace that is required to protect instrument and visual operations to the airport (including operations at established minimum flight altitudes) will be cleared and protected by mitigating existing, and preventing future, airport hazards.
- F. In accordance with FAA Grant Assurance No. 27, the right to make available all of the facilities of the Airport usable for landing and takeoff of aircraft of the United States for use by Government aircraft as necessary, and the related right during, or in anticipation of, war or other national or state emergency, to enter into an agreement with the United States Government or the State of California for military, naval, or emergency response

for all or part of the Airport. If any such agreement is executed, the provisions of this lease instrument are suspended to the extent they conflict with that agreement or use.

- G. In the event the Airport or other premises herein leased are rendered totally or partially inaccessible, untenable, or unusable because of the condition thereof, which condition was not caused by COUNTY or its agents, and COUNTY, in its sole discretion, determines that restoration, repair, or further use is not desirable, this Lease shall be automatically terminated upon thirty (30) days' notice to LESSEE. In such event, COUNTY shall owe nothing as a result thereof and all and any costs or expenses of removal of structures as provided for herein are to be borne by LESSEE.
- H. During the term of this Lease, the right, at COUNTY'S obligation and expense, to relocate the leased tract herein to a different location at the Airport and to move and install LESSEE'S hangar to the located tract, provided that:
 - 1. LESSEE is given ninety (90) days' notice of the relocation and provided an opportunity to comment on the proposed location;
 - 2. COUNTY will make every effort to relocate the hangar at a tract that is similar to the previous tract; and
 - 3. COUNTY provides surfacing and improvements at the relocated tract at least equal to the surfacing and improvements at LESSEE'S prior location.

14. NOTICES:

Except as otherwise expressly provided by law, and as otherwise noted in Section 13 COUNTY RIGHTS above, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party, COUNTY or LESSEE, to whom it is directed or any managing employee of such party or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed to:

LESSEE: [Name and Address]

COUNTY: County of El Dorado
Chief Administrative Office
Airports Division
Attention: Airports Operations Officer
3501 Airport Road, Suite 1
Placerville, CA 95667

Either party, COUNTY or LESSEE, may change its address for purposes of this Section by giving written notice of the change to the other party in the manner provided in this Section. Said notice shall become part of this Lease upon acknowledgment in writing by the other party and no further amendment of this Lease shall be necessary.

15. NON-EXCLUSIVE RIGHTS:

This Lease does not vest in LESSEE an exclusive right within the meaning of either Section 308(a) of the Federal Aviation Act of 1958 [codified at 49 U.S.C. § 40103(e)] or the Surplus Property Act of 1944 [codified at 49 U.S.C. §§ 47151-47153].

16. ACTS OF GOD, WAR/TERRORISM, AND OTHER CASUALTIES:

COUNTY shall not be responsible for monetary losses or damage to personal property, equipment, or materials of LESSEE caused by Acts of God, fire, epidemics, or public enemy including but not limited to acts of war and/or terrorism. LESSEE hereby waives any claims for damages against COUNTY resulting from said acts.

17. NON-DISCRIMINATION AND COMPLIANCE WITH LAWS:

A. General Civil Rights Provisions

In all its activities within the scope of its airport program, LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participation 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 is in addition to that required by Title VI of the Civil Rights Act of 1964. If LESSEE transfers its obligation to another, the transferee is obligated in the same manner as LESSEE.

The above provision obligates the LESSEE for the period during which the property is owned, used or possessed by LESSEE and the airport remains obligated to the Federal Aviation Administration.

B. Clause for Transfer of Real Property Acquired or Improved under the Airport Improvement Program

- a. LESSEE for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. 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 will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

- b. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, COUNTY will have the right to terminate this Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

C. Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the LESSEE, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- 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);
- 49 CFR Part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964) including amendments thereto;
- 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 U.S.C. § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (P.L. 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 of 1990 (42 U.S.C. § 12101, *et seq.*) (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) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38;
- 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.*).

D. Nondiscrimination Requirements/Title VI Clauses for Compliance

During the performance of this contract, LESSEE, for itself, its assignees, and successors in interest (hereinafter referred to as the “LESSEE”), agrees as follows:

1. Compliance with Regulations: LESSEE (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.
2. Nondiscrimination: LESSEE, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national, creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. LESSEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21, including amendments thereto.
3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by LESSEE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by LESSEE of the LESSEE’S obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. Information and Reports: LESSEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by COUNTY or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, LESSEE will so certify to COUNTY or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of a LESSEE’S noncompliance with the non-discrimination provisions of this contract, COUNTY will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the LESSEE under the contract until the LESSEE complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. Incorporation of Provisions: LESSEE will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. LESSEE will take action with respect to any subcontract or procurement as COUNTY or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if LESSEE becomes involved in, or is threatened with litigation by a

subcontractor, or supplier because of such direction, LESSEE may request COUNTY to enter into any litigation to protect the interests of the COUNTY. In addition, LESSEE may request the United States to enter into the litigation to protect the interests of the United States.

E. Compliance with Federal Aviation Administration, State and County Rules and Regulations

LESSEE and its officers, agents, employees, subcontractors, or volunteers agree to abide by all Federal Aviation Administration (FAA) rules and regulations pertaining to the operation of Airport and the use of federally obligated airport property, including all FAA grant assurances as they now exist and may be amended from time to time. Failure to comply with those rules and regulations shall be grounds for immediate termination of this Lease.

LESSEE and its officers, agents, employees, subcontractors, or volunteers shall carry on their activities and operations at Airport in compliance with federal laws, state statutes, and the rules and regulations governing the use of Airport and all other applicable COUNTY ordinances and regulations, including the following Storm Water Pollution Prevention Plan Requirements:

1. A drip pan sufficient to catch and contain all oil and fluids shall be used at all times while performing any service on the asphalt, dirt or hangar floors.
2. Some type of absorbent material must be readily available to soak up fluids and fuel that may be spilled. If a spill should occur, any residue on the pavement or dirt must be cleaned immediately and disposed of off-site.
3. Tarp asphalt if solvent is used. All oils and fluids are to be kept indoors or under some type of cover.
4. Used oil is to be put into oil recovery stations at the Airport (if available) or disposed of off Airport property at a recycler of your choice. No oil dumping on Airport property.
5. Used hydraulic fluids, solvents or batteries are to be disposed of off-Airport at a recycler of your choice. The County does not provide this service.
6. A broom is to be used after servicing to ensure that any dirt or debris are not left on the paved surfaces.
7. Biodegradable materials are to be used when at all possible. Aircraft washing is to be done only with biodegradable cleaners. All aircraft washing is performed in designated areas so that the wash water does not enter the stormwater system. Washing can also occur inside tenant hangars.
8. Periodic inspections for compliance will be done as required by our Storm Water Permit. We are required by the State Water Resources Control Board to log/report any violations and show evidence in our annual report that the violations were addressed, and corrective action was taken.
9. Continued violations by a commercial operator will require the operator to obtain an individual permit for her/his business at her/his own cost.
10. All maintenance of aircraft or associated equipment must be completed in an indoor space or within a designated maintenance location that is identified in the airport specific SWPPP.

LESSEE and its officers, agents, employees, subcontractors, or volunteers shall observe faithfully all rules and regulations affecting use of Airport.

18. UTILITIES:

LESSEE shall pay all charges for utility services, such as gas, electricity, internet service, or water, to the Premises shall be paid by LESSEE when due, including connection fees, facility or plant expansion fees, monthly service fees and standby charges, to the extent they exist. COUNTY is not and will not be liable for any loss, damage or inconvenience to the LESSEE by reason of shortage, insufficiency, suspension or discontinuance of utility services.

19. DEFAULT:

If either party becomes aware of an event of default, that party shall give written notice of said default to the party in default that shall state the following:

- A. The alleged default and the applicable Agreement provision.
- B. That the party in default has thirty (30) days upon receiving the notice to cure the default (Time to Cure).

If the party in default does not cure the default within thirty (30) days of the Time to Cure, then such party shall be in default and the party giving notice may terminate the Agreement by issuing a Notice of Termination. The party giving notice may extend the Time to Cure at their discretion. Any extension of Time to Cure must be in writing, prepared by the party in default for signature by the party giving notice, and must specify the reason(s) for the extension and the date in which the extension of Time to Cure expires. If the default cannot reasonably be cured within thirty (30) days, the defaulting party shall not be in default of this Lease if it commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

The following shall be events of default under this Lease:

- A. The failure of either Party to perform any material provision of this Lease.
- B. LESSEE'S use of the Premises is not in compliance with FAA regulations and policies governing the use of federally obligated airport property, including using the Premises for non-aeronautical purposes, as set forth in Sections 5 or 18.
- C. LESSEE'S making of any general assignment for the benefit of creditors, without the prior written consent of COUNTY as specified in this Lease.
- D. LESSEE's failure to obtain COUNTY approval of subletting or assignment as set forth in Section 12.
- E. LESSEE intentionally supplying COUNTY with false or misleading information or misrepresenting any material fact on its application or documents, or in its statement to or before COUNTY, or intentional failure to make full disclosure on its financial statement or other documents.
- F. LESSEE becomes delinquent in any Lease payment by more than 30 days.
- G. Bankruptcy, whether voluntary or involuntary, of LESSEE.

20. REMEDIES ON DEFAULT:

At any time after a party is in default and has failed to cure the default within the period provided herein, the party shall be in breach of this Lease. In such an event, the non-defaulting party may

terminate this Lease in accordance with the terms herein or can cure the default at the defaulting party's cost. COUNTY may, but is not obligated to, after 30 days following delivery of written notice of such breach (except for a breach related to the payment of rent), and LESSEE has not initiated and is not in the process of a reasonable cure to said breach, cure such breach at the expense of LESSEE. This includes that if LESSEE is not in compliance with Section 8. COUNTY, with prior notice, may enter the Premises to perform any necessary repair, or correct any health, fire, or safety condition. If COUNTY incurs any expense to cure any such breach, that expense, together with all interest, costs, attorneys' fees, and damages, shall be deemed to be additional rent under this Agreement and shall be due from LESSEE to COUNTY on the first day of the month following the incurrence of such expenses. COUNTY performing necessary repairs or correcting any health fire, or safety condition under this Section is not a waiver of any default, and COUNTY is not liable for any loss or damage resulting from that necessary repair or correction, consistent with Section 8 above.

COUNTY shall also have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). The remedies set forth in this Section are in addition to and do not in any manner limit other remedies set forth in particular Sections of this Lease or by law.

21. SURRENDER OF PREMISES AND ABANDONMENT:

Upon termination or expiration of this Lease, including any authorized holdover consistent with Section 22 below, LESSEE shall surrender the leased Premises to COUNTY in as good as condition as when they were received by LESSEE from COUNTY, subject to reasonable use and wear. COUNTY may dispose of any personal property that are not removed upon the termination or expiration of this Lease in accordance with Civil Code Section 1980 et seq. and Section 1993 et seq. LESSEE may remove, or sell, all fixtures or improvements of a permanent nature that can be removed without irreparable damage, including the Hangar, at LESSEE's sole expense, and restore and repair any damage to the leased Premises caused or occasioned by the removal of the fixtures or improvements within one hundred and twenty (120) days after termination or expiration of the Lease. LESSEE shall comply with all applicable terms of this Lease when performing that repair and restoration, including Sections 8-9. If LESSEE sells any fixture or improvement of a permanent nature, including the Hangar, LESSEE must provide COUNTY proof of that sale, contact information for the Buyer, and shall inform the Buyer that the Buyer must obtain a ground lease with the County before the Buyer may access the Airport. If LESSEE fails to remove all fixtures or improvements, including the Hangar, within that time, all trade fixtures or improvements, including the Hangar, shall be deemed abandoned and COUNTY may, in its sole discretion, remove and dispose of said fixtures or improvements and submit an Invoice to LESSEE for the reasonable costs of that removal and the costs to restore and repair any damage caused or occasioned by the removal of the fixtures. LESSEE shall pay said invoice within thirty (30) days. This section shall survive termination or expiration of the Lease.

22. HOLDING OVER:

LESSEE shall not remain in possession of the Premises after the expiration of the term of this Lease. COUNTY may, by issuing a written notice, authorize LESSEE to holdover as a holdover tenant with a month-to-month term under the same terms and conditions of this Lease,

except Section 2 Term. LESSEE shall pay in advance on a monthly basis a prorated share of the annual rent due for each holdover period consistent with Section 3 above, due on the first day of each month. County may terminate at any time the holdover period upon thirty (30) days written notice.

23. ATTORNEY FEES:

Should any litigation be commenced between COUNTY and LESSEE concerning the Premises, this Lease, or the rights and duties of either COUNTY or LESSEE in relation thereto, the party, COUNTY or LESSEE, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in the litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

24. GENERAL PROVISIONS:

- A. Time of Essence: Time is and shall be of the essence in this Lease and in each and every provision contained in this Lease.
- B. Incorporation of Prior Agreements; Amendments: This Lease contains all the agreements of the parties with respect to any matter mentioned herein. This Lease hereby supersedes any agreement previously entered into. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.
- C. Binding Effect; Choice of Law; Venue: This Lease shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This Lease shall be governed by the laws of the State of California. Any dispute or litigation arising hereunder or relating to this Lease shall be brought in the County of El Dorado.
- D. Consents: Wherever in this Lease consent of one party is required to an act of the other party, such consent shall not be unreasonably withheld or delayed.
- E. Construction of Lease; Severability: To the extent allowed by law, the provisions in this Lease shall be construed and given effect in a manner that avoids any violation of statute, regulations, or law. COUNTY and LESSEE agree that in the event any provision of this Lease is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision of this Lease.
- F. Relationship: The parties intend by this Lease to establish the relationship of lessor and lessee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of lessor and lessee.

25. NO CONTINUING WAIVER:

The waiver by either party of any breach of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach of the same, or of any other provision.

26. INTERPRETATIONS:

This Lease shall be interpreted as if drafted by all parties. No provision of this Lease shall

be construed against any party because that party or its counsel was the sole or principal drafter of the Lease or any provision thereof.

27. LEASE ADMINISTRATOR:

The COUNTY officer or employee with responsibility for administering this Lease is Laura Schwartz, Assistance CAO, or successor.

28. LEGAL ADVICE:

Each party acknowledges that each of them has the right and opportunity to secure the advice and assistance of legal counsel with respect to this Lease and further acknowledges that they understand the terms and conditions of this Lease.

29. AUTHORIZED SIGNATURES:

The parties to this Lease represent that the undersigned individuals executing this Lease on their respective behalf are fully authorized to do so by law or other appropriate instrument. This Lease may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have made and entered into this Lease upon the day and year signed by the Airport Director below.

-- LESSEE --

Dated: _____

By: _____

Name
"LESSEE"

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

Laura Schwartz
Assistant CAO
"COUNTY"