

**COUNTY OF EL DORADO  
AIRPORT GROUND LEASE  
#119-L1411**

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This Agreement, made and entered into on \_\_\_\_\_, by and between the COUNTY OF EL DORADO, a political subdivision of the State of California, hereinafter called "COUNTY", and Richard Terkeurst, an individual, hereinafter called "LESSEE".

**WHEREAS**, COUNTY owns and operates the public airport at Georgetown, California, hereinafter referred to as "AIRPORT"; and

**WHEREAS**, LESSEE wishes to construct improvements at said AIRPORT; and

**WHEREAS**, COUNTY, pursuant to Government Code Sections 25350-25575 and 50470-50478 and El Dorado County Ordinance Code Sections 3.08.021, COUNTY hereby leases to LESSEE the real property at the Georgetown Airport, on the following terms and conditions:

**NOW, THEREFORE**, COUNTY and LESSEE agree as follows:

**1. PREMISES:**

COUNTY hereby leases to LESSEE and LESSEE hereby leases from COUNTY, for and in consideration of rents, covenants and agreements hereinafter set forth, the "Premises" described as follows and more particularly described in Exhibit "A," attached hereto and incorporated herein by reference:

**Hangar Space #H-08 - Georgetown Airport**

**2. TERM:**

The initial term of this Lease shall be for ten (10) years (Initial Term) commencing upon execution hereof by Board of Supervisors (Commencement Date) and ending ten years thereafter. Upon expiration of the Initial Term, LESSEE shall have the right of first refusal to an additional two (2) ten (10) year lease options under such terms and conditions as may be agreed upon at such time.

**3. CONSIDERATION:**

In consideration of the rights and privileges herein granted, LESSEE shall pay to COUNTY an annual rental fee as established by resolution of County of El Dorado Board of Supervisors which is in effect at each annual lease payment date. The annual lease payment at the commencement of this Lease of 3,000 square feet is \$0.044 per square foot per month for an annual rounded total of **One Thousand Five Hundred Eighty-Four Dollars (\$1584.00)**. Payments shall be made to:

County of El Dorado  
Community Development Agency  
Administration and Finance Division - Airports Administration  
2850 Fairlane Court  
Placerville, CA 95667

or

Airports Office  
3501 Airport Road Suite 1  
Placerville, CA 95667

Said lease is due and payable as follows:

- A. Upon commencement date, LESSEE shall pay a pro-rated lease payment for the time period from the commencement date to June 30, next succeeding.
- B. On or before each July 1 thereafter, LESSEE shall pay the annual lease payment for the next succeeding fiscal year.
- C. On or before July 1, at the commencement of the fiscal year during which this Lease terminates, LESSEE shall pay the prorated portion of the annual lease payment for the time period from July 1 to the termination date of said Lease.

**4. LATE FEE AND PENALTY:**

All lease payments and/or fees not paid by the date due shall be considered delinquent and a late charge of ten percent (10%) per month on the delinquent amount may be assessed.

**5. USE OF PREMISES:**

The Premises are leased herein for the sole purpose of storage, care and maintenance of LESSEE'S aircraft and for uses normally incidental thereto. 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 conduct business or any commercial activity upon the Premises herein, including but not limited to any commercial activities or those activities normally or actually conducted by fixed base operators upon Airport premises). 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.

**6. IMPROVEMENTS CONSTRUCTION:**

LESSEE shall be permitted at LESSEE'S sole cost and expense, to construct or cause to be constructed on the Premises a hangar fifty feet by sixty feet (50' x 60'), in the manner and according to the terms and conditions specified in this Section (Hangar). LESSEE will be responsible for all aspects of construction, including site preparation, the removal, if necessary, of any buildings or other structures located on the Premises, the installation or relocation of any utilities, and obtaining any and all necessary permits, including building permits.

LESSEE shall, at LESSEE'S own cost and expense, engage a licensed contractor, architect, or engineer to prepare plans and specifications for the Hangar and shall submit such plans and specifications for approval to the Airport Operations Supervisor at least sixty (60) days prior to commencement of construction. LESSEE shall provide three copies of:

- A. Drawings and materials in the form of final plans and elevations sufficient to convey the architectural design to COUNTY.
- B. A statement of estimated construction costs for the Hangar and improvements prepared by the engaged contractor, architect, or engineer.

The plans and specifications for the Hangar shall be submitted for approval to County of El Dorado, Community Development Agency, Development Services and Building Services Division concurrent with the submittal to Airports Operations Supervisor for approval. After approval of the documents described in Section 6 (A) of this Lease by the Airport Operations Supervisor and the applicable County departments, any material change in the plans or specifications for the Hangar must be resubmitted for approval by the Airport Operations Supervisor and other applicable County departments. The Airport Operations Supervisor shall give written notice to LESSEE of any objections the Airport Operations Supervisor may have to any proposed changes within twenty (20) days after a written statement of the proposed changes has been given to Airport Operations Supervisor by LESSEE. Minor changes in work or materials need not be approved by the Airport Operations Supervisor, but a copy of the altered plans and specifications reflecting those changes shall be given to the Airport Operations Supervisor. For the purposes of this Section, "minor change" means one that does not materially change the exterior appearance, internal plan, location on the premises, or result in a change in the cost of construction of more than Ten Thousand Dollars (\$10,000.00). Upon completion of Construction LESSEE shall provide to COUNTY as-built plans depicting all of the improvements required by the Section.

**7. CONTRACTOR:**

All work required in the construction of the Hangar, including any site preparation work and utility installation work, as well as actual construction work on the Hangar, or any other improvements, shall be performed under the direction and supervision of a competent contractor(s) or agent(s) licensed and in good standing under the laws of the State of California. Such contractor(s) may be an employee of LESSEE and shall be properly licensed to perform the work pursuant to the State Contractor's License Act (Business and Professions Code Section 7000 et seq.) and shall possess a Class 'A' license or equivalent combination of classes required by the categories and type of work included in the plans.

- A. LESSEE shall record a Notice of Completion promptly within the time specified by law for the recording of that notice; and
- B. LESSEE shall settle and discharge all liens of record claimed by persons who supplied either labor or materials for the construction of the Hangar or any other improvements.

The Hangar or any other improvements shall be constructed, all work on the Premises shall be performed, and all buildings or other improvements on the Premises shall be erected in accordance with all valid laws, ordinances, statutes, policies, regulations, and orders of all federal, state, county, or local governmental agencies or entities having jurisdiction over the Premises. The issuance of a valid final Certificate of Occupancy by proper governmental agencies or entities that entitles LESSEE to occupy and use the structure or other improvements shall be evidence that any structure or other improvement erected on the Premises has been constructed in full compliance with all such valid laws, ordinances, regulations, and orders. All work performed on the Premises pursuant to this Lease, or authorized by this Lease, shall be done in a good workmanlike manner and only with new materials of good quality and high standard.

**8. TIME FOR COMPLETION:**

LESSEE shall cause the Hangar to be completed and ready for occupancy not later than one hundred and eighty (180) days after commencement of its construction. LESSEE may be provided reasonable relief from these time lines for any delays in construction or commencement of construction caused by the act of any public enemy, acts of God, the elements, war, war defense conditions, litigation, strikes, walkouts, or other causes beyond LESSEE'S control. LESSEE shall, however, use reasonable diligence to avoid any such delay and resume construction as promptly as possible after the delay.

**9. MECHANICS' LIENS:**

No reference to the Mechanic's Lien Law made in this Lease shall be construed to be an agreement or acknowledgement that such law applies to the improvements constructed pursuant to this Lease, or that such improvements are, or are not, public works. Tenant shall pay or cause to be paid, the total cost and expense of all works of improvement. No such payment shall be construed as rent.

At all times during the term of this Lease, LESSEE shall keep the premises and all improvements now or hereafter located on the Premises free and clear of any and all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises.

Should LESSEE fail to pay and discharge or cause the Premises to be released from any such lien or claim of lien within twenty (20) days after service on LESSEE of written request from COUNTY to do so, COUNTY may pay, adjust, compromise, and discharge any such lien or claim of lien on any terms and in any manner COUNTY may deem appropriate. In the event LESSEE fails to pay and discharge or cause the Premises to be released from any such lien or claim of lien, LESSEE shall, reimburse COUNTY for the full amount paid by COUNTY in paying, adjusting, compromising, and discharging that lien or claim of lien, including any attorneys' fees or other costs expended by COUNTY, and late fees and penalty charges, as appropriate, as shown in COUNTY'S then current Schedule of Fees, together with interest at the then maximum legal rate from the date of payment by COUNTY to the date of repayment of LESSEE.

LESSEE shall have the right to contest, oppose, or object in good faith to the amount or the validity of any liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the premises, provided that written notice of the contest, opposition, or objection must be given to COUNTY at least five (5) days prior to LESSEE making or filing the contest, opposition, or objection. LESSEE shall be responsible for and shall pay all costs and expenses in any contest or legal proceeding instituted by LESSEE. In no event shall COUNTY be subjected to any liability for costs or expenses connected to any contest, and LESSEE agrees to indemnify and hold COUNTY harmless from any such costs and expenses. Furthermore, no such contest, opposition, or objection shall be continued or maintained unless LESSEE has provided to COUNTY such further written assurances as COUNTY may require within ten (10) days of COUNTY'S written request. The duty to indemnify and hold the COUNTY harmless specifically includes the duties to defend set forth in Section 2778 of the California Civil Code.

**10. LESSEE'S CONTRACTORS BONDS:**

LESSEE or LESSEE'S contractor shall, prior to construction, provide a performance and payment bond in the amount of estimated construction costs. The use of a cash deposit, pledged savings account, or time certificate will be acceptable in lieu of a performance or payment bond. For the purpose of this Lease, this is construed to mean a negotiable instrument issued by a National or State insurance company or bank doing business within the State of California in a form acceptable to COUNTY. Cancellation of the performance or payment bond, cash deposit, pledged savings account, or time certificate for whatever reason shall forthwith terminate this Lease.

The bonds required by the Section shall name COUNTY as an additional obligee. The performance bond shall also secure performance of a one (1) year warranty against defects in materials and workmanship. The bonds shall be on County's approved forms, which will be provided to LESSEE upon request.

Once LESSEE has obtained a final Certificate of Occupancy and provided all contractors final lien releases to COUNTY, COUNTY shall release the performance and the payment bonds to LESSEE within thirty (30) days of a written request by LESSEE.

**11. LESSEE'S CONTRACTORS INDEMNITY:**

Lessee shall include the following Section in its Agreement with its contractor:

To the fullest extent allowed by law, contractor shall defend, indemnify, and hold COUNTY and its officers, directors, and employees harmless against and from any and all claims, suits, losses, damages, and liability for damages, including attorney's fees and other costs of defense brought for or on account of injuries to or death of any person, including but not limited to, workers and the public, or on account of injuries to or death of COUNTY employees, or damage to property, or any economic, consequential or special damages which are claimed or which shall in any way arise out of or be connected with contractor's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of COUNTY, contractor, subcontractors or employees of any of these, except for the active, or sole negligence of COUNTY, its officers and employees, or where expressly prescribed by statute. The duty to indemnify and hold harmless COUNTY specifically includes the duties to defend set forth in Section 2778 of the Civil Code.

**12. LESSEE'S CONTRACTORS INSURANCE:**

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

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of contractor as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage: premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors' liability.
- C. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required in the event motor vehicles are used by contractor in performance of its contracted work for LESSEE.
- D. Explosion, Collapse and Underground coverage is required when the scope of work includes XCU exposures.
- E. The insurance will 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 the Risk Management Division.
- F. County of El Dorado, its officers, officials, employees, and volunteers shall be included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all general and excess liability insurance policies. Proof that COUNTY is named additional insured shall be made by providing the Risk Management

Division with a certified copy, or other acceptable evidence, of an endorsement to contractor's insurance policy naming COUNTY as additional insured.

G. In the event contractor cannot provide an occurrence policy, contractor shall provide insurance covering claims made as a result of performance of its contracted work for LESSEE for not less than three (3) years following completion of performance of its contracted work for LESSEE.

H. 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 to COUNTY, its officers, officials, employees and volunteers; or contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

I. Contractor agrees that no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to County of El Dorado, Community Development Agency, at the office of the Administration and Finance Division, 2850 Fairlane Court, Placerville, CA 95667.

J. Contractor agrees that the insurance required herein shall be in effect at all times during the term of its contracted work for LESSEE. In the event said insurance coverage expires at any time or times during the term of its contracted work, contractor shall immediately provide a new certificate of insurance as evidence of the required insurance coverage. In the event contractor 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 Agreement upon the occurrence of such event. New certificates of insurance are subject to the approval of County's Risk Management Division.

K. Certificates shall meet such additional standards as may be determined by County's Transportation Division either independently or in consultation with County's Risk Management Division, as essential for protection of COUNTY.

L. Contractor shall not commence performance of its contracted work unless and until compliance with each and every requirement of the insurance provisions is achieved.

M. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to COUNTY, its officers, officials, employees, or volunteers.

N. Contractor's insurance coverage shall be primary insurance as respects to 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 contractor's insurance and shall not contribute with it.

O. The insurance companies shall have no recourse against County of El Dorado, its officers, agents, employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.

P. Contractor's indemnity and other obligations shall not be limited by the insurance required herein and shall survive the expiration of this Agreement.

Q. Lessee's Agreement with its contractor shall contain all of the provisions of this Section.

**13. 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 requirements:

- A. General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for injury or damage arising out of LESSEE'S use of Premises or Aircraft Liability Insurance of \$1,000,000 per occurrence for aircraft operated on COUNTY'S premises with Liability coverage extended to the hangar Premises.
- B. LESSEE shall furnish a certificate of insurance satisfactory to COUNTY'S Risk Management Division as evidence that the insurance required above is being maintained.
- C. The insurance will 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.
- D. 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. 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.
- E. The certificate of insurance must include provisions stating that:
  1. The insurer will not cancel the insured's coverage without prior written notice to COUNTY; and
  2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, but only insofar as the operations under this Lease are concerned. This provision shall apply to all liability policies except workers' compensation.
- F. 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.
- G. 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.

- H. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to COUNTY, its officers, officials, employees, or volunteers.
- I. 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.
- J. LESSEE'S obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Lease.
- K. 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.
- L. 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.

**14. HOLD HARMLESS/INDEMNIFICATION:**

To the fullest extent allowed by law, LESSEE shall, at LESSEE'S sole expense, indemnify, protect, defend, and hold harmless COUNTY and its officers, directors, agents and employees 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, regardless of the degree of fault or negligence on the part of COUNTY, arising out of or relating directly or indirectly to this Lease, the tenancy created under this Lease, the construction of improvements on the Premises, or the Premises, including without limitation:

- A. The use or occupancy, or manner of use or occupancy, of the Premises by LESSEE;
- B. Any act, error, omission, or negligence of LESSEE, or of any invitee, guest, or licensee of LESSEE;
- C. Any alteration, activities, work, or things done, omitted, permitted, allowed, or suffered by LESSEE in, at, or about the Premises, including the violation of or failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, decrees, or judgments in existence on the effective date of this Lease or enacted, promulgated, or issued after the effective date of this Lease;
- D. Any breach or default in performance of any obligation on LESSEE'S part to be performed under this Lease; and
- E. Any action to challenge COUNTY'S approval of the Lease or use of the Premises by LESSEE, including, but not limited to, any action brought pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000, et seq., or 14 Code of Federal Regulations Part 16, FAA Rules of Practice for Federally Assisted Airport Proceedings.

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.



LESSEE, as a material part of the consideration to COUNTY, hereby assumes all risk of damage to property or injury or death to persons in or upon the Premises and common areas (e.g., activities occurring outside of hangar, including but not limited to taxiways, runways, parking lot, apron, snack bar, grass area, and fuel areas) arising from any cause except for that caused by the active or sole negligence of COUNTY, its officers, employees or agents, and LESSEE hereby waives all claims in respect thereof against COUNTY.

**15. FIRE HAZARD:**

LESSEE shall keep the Premises and common areas clear of oil and trash 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, which would increase COUNTY'S insurance rate or cause COUNTY'S insurance to be canceled.

**16. MAINTENANCE AND REPAIRS:**

LESSEE shall be responsible for any repairs or damage to AIRPORT premises caused intentionally or by negligence of LESSEE, its agents, employees, contractors subcontractors, invitees or volunteers. LESSEE shall at all times during the term of this Lease and any renewal thereof, maintain and keep, at LESSEE'S sole cost and expense, said hangar, land and all improvements thereon, and all facilities appurtenant thereto, in good order, repair and safe condition and in compliance with all requirements of law. LESSEE shall not make or permit any other person to make any alterations to the Premises without the written consent of COUNTY first obtained. Should COUNTY consent to the making of any alterations to the Premises by LESSEE, subsequent to execution of this Lease, said alterations shall be made at the sole cost and expense of LESSEE by a contractor or other person selected by LESSEE and approved in writing by COUNTY before work commences. Any and all additions to, alterations, or repairs in and about the land and/or improvements which may be required, LESSEE shall observe and comply with all applicable statutes, ordinances, rules, and regulations established by any federal, state, county or local government agency. LESSEE shall maintain 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, free from brush and weeds. If LESSEE fails to keep and maintain the leased Premises and improvements as required herein, COUNTY may at its own discretion following written notification, restore, repair or correct any health, fire, or safety conditions and any expenses incurred by COUNTY shall be payable by LESSEE.

**17. ALTERATIONS:**

No structure or other improvements shall be constructed or maintained on the Premises unless and until the plans, specifications and proposed location have first received the written approval of COUNTY and are in accordance with Exhibit "B," Board of Supervisors Policy F-9 (attached hereto and incorporated herein by reference), and any other applicable building regulation. No material addition to or alteration of any building or structure erected on the Premises shall be commenced unless and until said plans and specifications covering the exterior of the proposed addition or alterations have been first submitted to and approved in writing by COUNTY. For the purposes of this Section, COUNTY Airports Operations Supervisor or successor authority shall be the approval authority for such plans. These requirements are in addition to any applicable building regulations.

**18. 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 Agreement 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.

**19. LESSEE'S OBLIGATIONS TO COMPLY:**

- A. In the event LESSEE no longer occupies hangar and rents hangar to others the rental rate shall automatically be adjusted upwards to the commercial rate in effect at that time or as may be changed from time to time by the Board of Supervisors. In the case of hangars housing multiple aircraft, sharing of a portion of hangar with others will not trigger the increase to the established "commercial rate" as long as LESSEE continuously occupies space in hangar with LESSEE'S aircraft. At the commencement of rental of hangar, or portion thereof, to others, a commercial general liability insurance policy must be provided that includes Hangar Keepers Liability coverage of at least \$75,000 or the value of stored aircraft. All other limits for insurance shall remain in effect as stated in Section 13above.
- B. **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. Written notice of this intent to replace must be provided to the Airport Administration Office within thirty (30) days of beginning of occupancy by others or the lease rate shall be adjusted upwards effective immediately upon occupancy by other than LESSEE. In the event that another aircraft is not obtained within this six-month period and the hangar is occupied by others, the lease rate shall be adjusted upwards without further notice and a revised billing will be provided for the balance of the annual lease period. Additional fees may be paid on a month to month basis but no further billing will be made by COUNTY after initial notice and billing of adjustment.
- C. 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.
- 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.

**20. ASSIGNMENT OR SUBLEASING:**

No one person shall have an interest in more than two land use leases. An interest would be defined as any incident of ownership in the lease; partnership or otherwise. LESSEE shall not transfer, assign, or sublet its rights or interest to any other person under this Lease, without the express written consent of COUNTY first had and received. Such consent may be withheld by COUNTY for any commercially reasonable objection, including where such transfer, assignment, or sublease would result

in a “commercial activity” as described in Section 19 above. Additionally, such consent may be conditioned on LESSEE and its transferee’s agreement to amend the Lease to reflect COUNTY’S standard terms and conditions that are in effect at that time.

It is the understanding and intent of the parties that in the event of sale of the hangar or sublease, assignment, or other transfer of the interests hereunder, only the balance of the term of this Lease may be transferred or assigned to a successor in interest and that such transfer or assignment requires the written permission of COUNTY to be first obtained. Prior to sale of hangar and assignment of Lease, the prospective buyer must submit to the Airport Operations Office proof of aircraft ownership. LESSEE herein shall at all times remain obligated for performance of the terms hereof.

Upon the transfer of any interest in the subject Lease, including but not limited to a sale or assignment of rights hereunder, LESSEE under this Lease shall complete a Change in Ownership Statement and provide the completed Change in Ownership Statement to County of El Dorado Assessor's Office. LESSEE shall submit the Change in Ownership Statement to County of El Dorado Assessor's Office on or before final approval of the transfer by the Board of Supervisors. Failure to provide the Change in Ownership Statement to County of El Dorado Assessor's Office as provided herein may constitute grounds for the denial of consent to the transfer by the Board of Supervisors.

**21. AIRPORT MAINTENANCE AND IMPROVEMENTS:**

COUNTY reserves the right, but shall not be obligated to LESSEE, to maintain, repair, or improve runways, taxiways, parking area, or any other part of AIRPORT. COUNTY also reserves the right to enter COUNTY property and to grant easements over and under the property covered by this Agreement, together with the right to direct and control all activities of LESSEE related to the maintenance, repair, and improvements covered by this Section. LESSEE waives any and all claims against COUNTY for any loss of profit or increased costs due to COUNTY'S maintenance, repair, or improvements on or about AIRPORT.

**22. COUNTY’S RIGHTS:**

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

- A. COUNTY shall have access, at any time during normal business hours, and at all reasonable times thereafter with notice, except in the case of emergency, during which, or in anticipation of which, COUNTY shall have access at any and all times, 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, regulations and the terms and conditions under this Lease.
- B. The right to enter onto the Premises to serve, post any required notices, or to carry out and enforce all laws.
- C. 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, to include 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.
- D. The right to further develop or improve the Airport as it sees fit without interference or hindrance by LESSEE.

- E. COUNTY has the right, but shall not be obligated to LESSEE, 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.
- F. 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.
- G. During the term of this Lease COUNTY shall have the right, at COUNTY'S obligation and expense, to relocate the leased tract herein to a different location at the Georgetown Airport and to move and install LESSEE'S hangar to such located tract, provided that:
  - 1. LESSEE is given thirty (30) days' notice of such relocation; and
  - 2. COUNTY provides surfacing and improvements at the relocated tract at least equal to the surfacing and improvements at LESSEE'S prior location.

**23. ENCUMBRANCE OF LEASEHOLD ESTATE:**

During the term of this Lease, LESSEE shall not encumber to any institutional lender regulated by state or federal authority, by deed of trust or mortgage or other security instrument, all or any of LESSEE'S interest under this Lease and the leasehold estate hereby created in LESSEE for any purpose or purposes.

**24. EXTENT OF GRANT OF LEASE:**

This Agreement and the Lease herein granted are valid only to the extent of COUNTY'S jurisdiction as a landowner. Acquisition of any other necessary permits or entitlements for use is the responsibility of LESSEE. Nothing contained in this Agreement shall be construed as a relinquishment of any rights now held by COUNTY.

**25. LIABILITY FOR LOSS OR DAMAGE TO COUNTY PROPERTY:**

LESSEE shall be liable for any loss or damage to the Leased Premises resulting from the acts or omissions of LESSEE, its officers, agents, employees, contractors, subcontractors, or volunteers.

**26. NOTICE:**

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either personally served or sent by pre-paid, first class mail to the respective addresses set forth below. Notice shall be deemed received two (2) COUNTY working days from time of mailing if mailed as provided herein.

LESSEE: Richard Terkeurst  
8151 Hwy 193  
Garden Valley, CA 95633

COUNTY: County of El Dorado  
Board of Supervisors  
Attention: Clerk of the Board  
330 Fair Lane  
Placerville, CA 95667

COPY TO: County of El Dorado  
Community Development Agency  
Administration and Finance Division - Aviation  
2850 Fairlane Court  
Placerville, CA 95667

Either party may at any time change its address for notice by giving written notice of such change to the other party in the manner provided in this Section.

**27. DRUG FREE WORKPLACE:**

LESSEE is aware that COUNTY adheres to and certifies that it will provide a drug free workplace. LESSEE shall notify COUNTY immediately of any unlawful manufacturing, distribution, dispensing, transporting, storing, possession, or use of a controlled substance on AIRPORT property.

**28. NON-EXCLUSIVE RIGHTS:**

This Agreement does not vest in LESSEE an exclusive right within the meaning of either Section 308(a) of the Federal Aviation Act of 1958 [49 U.S.C.A. Section 1349(a)] or the portion of the Surplus Property Act of 1944 which now appears in 50 U.S.C.A. Section 1622(g)(1)(c).

**29. 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, labor strikes, 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.

**30. DEFAULT:**

Either party shall be in default of this Agreement if it fails or refuses to perform any material provision of this Agreement that it is obligated to perform if the failure to perform is not cured within ten (10) days after written notice of the default has been given by the non-defaulting party. If the default cannot reasonably be cured within ten (10) days, the defaulting party shall not be in default of this Agreement if it commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

**31. 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 can terminate this Agreement in accordance with the terms herein or can cure the default at the defaulting party's cost. If the non-defaulting party at any time, by reason of the other party's default, pays any sum or does any act that requires the payment of any sum, the sum paid by the non-defaulting party shall be due from the defaulting

party to the non-defaulting party within ten (10) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate permitted by law from the date the sum was due until finally paid.

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 the Section are in addition to and do not in any manner limit other remedies set forth in particular Sections of this Agreement or by law.

**32. ADDITIONAL GROUNDS FOR TERMINATION:**

Notwithstanding Sections 30 and 31 above, COUNTY shall have the right to terminate this Lease in its entirety immediately upon the happening of any of the following:

A. LESSEE'S making of any general assignment for the benefit of creditors, without the prior written consent of COUNTY as specified in this Agreement; or

B. 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.

**33. TERMINATION:**

Upon expiration or termination of this Lease, improvements of a permanent nature placed upon the leased Premises, such as concrete pads, gravel or other site preparation, shall become the property of COUNTY without charge to COUNTY and, at COUNTY'S option, LESSEE shall remove the hangar at LESSEE'S sole obligation and expense. If LESSEE fails to remove said hangar within one hundred and twenty (120) days after notice from COUNTY, COUNTY may, at its discretion, after written notification to LESSEE of its intent to do so, take ownership of the hangar, cause said hangar to be removed and the costs for storage, removal and additional rental thereof shall be paid by LESSEE, or COUNTY may dispose of said hangar as otherwise allowed by law, including, but not limited to, Civil Code Section 1980 et seq. and Section 1993 et seq.

**34. HOLDING OVER:**

If LESSEE holds over following expiration of Lease with consent of COUNTY, LESSEE'S occupancy shall be as a holdover tenant with a year-to-year term and LESSEE'S occupancy of leased Premises after expiration shall be subject to compliance with all otherwise applicable terms and conditions of this Lease including, but not limited to, payment of the annual lease fees.

County may terminate the holdover period upon ninety (90) days written notice.

**35. SOLE AND ONLY AGREEMENT:**

The Lease contains the entire agreement of the parties with respect to the matters covered by this Lease and no other agreement, statement or promise made by any party or to any employee, officer or agent of any party which is not contained in this Lease shall be binding or valid.

**36. ATTORNEYS' FEES:**

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to court costs, reasonable attorneys' fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorneys' fees (including reasonable value of services rendered by County Counsel) on appeal, if any.

**37. NON-DISCRIMINATION AND COMPLIANCE WITH LAWS:**

This Agreement shall be subordinate and subject to the terms, conditions, restrictions and other provisions or any existing or future permit, lease and agreement between COUNTY and any federal, State, or local agency governing COUNTY'S control, operation, or maintenance of the AIRPORT, including El Dorado County Code of Ordinances, Title 18 – Airports, or affecting the expenditure of federal funds for the AIRPORT. LESSEE shall be bound by all such terms and conditions, and shall, whenever COUNTY may so demand, execute, acknowledge, or consent to any instrument evidencing such terms, conditions, restrictions, and provisions. Without limiting the foregoing:

A. Non-Discrimination, Affirmative Action, and General Civil Rights Provisions Federal Aviation Administration Assurances

The LESSEE for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involved the provision of similar services or benefits, the LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The LESSEE for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree 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 subjected to discrimination, (3) that the LESSEE shall use the premises in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted programs of the Department of Transportation, and as said Regulations may be amended.

The LESSEE assures that it 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 participation in any activity conducted with or benefiting from Federal assistance. This Provision obligates the LESSEE or its transferee for the period during which Federal assistance is extended to the airport program, except property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the

period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors this Provision binds the contractors from the bid solicitation period through the completion of the contract.

B. Compliance with Federal Aviation Administration, State, and County Regulations

LESSEE and its officers, agents, employees, contractors, subcontractors or volunteers agree to abide by all Federal Aviation Administration (FAA) rules and regulations pertaining to the operation of AIRPORT, said rules being more particularly set forth in Exhibit "C," marked "Federal Aviation Administration," attached hereto and incorporated herein by reference. Failure to comply with said rules and regulations shall be grounds for the termination of this Agreement.

LESSEE and its officers, agents, employees, contractors, subcontractors or volunteers shall carry on their activities and operations at AIRPORT in compliance with federal laws and FAA regulations, state statutes, and the rules and regulations governing the use of AIRPORT and all other applicable COUNTY ordinances and regulations.

LESSEE and its officers, agents, employees, contractors, subcontractors or volunteers shall observe faithfully all rules and regulations affecting use of AIRPORT, including the Storm Water Pollution Prevention Plan and Best Management Practices, in accordance with Exhibit "D," marked "Storm Water Pollution Prevention Plan Requirements, BMP'S", attached hereto and incorporated herein by reference.

C. Designation

LESSEE shall designate in writing to COUNTY the name and title of the officer or member responsible for compliance with Sections (39)(A) and (39)(B).

D. Termination

COUNTY shall have the right to terminate this Agreement upon ten (10) days written notice if any of the above mentioned applicable laws, standards, or criteria are not complied with.

**38. ECONOMIC NONDISCRIMINATION:**

LESSEE shall furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and charge reasonable and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

**39. DISADVANTAGED BUSINESS ENTERPRISES:**

This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23 Subpart F. The LESSEE agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR Part 23 Subpart F.

The LESSEE agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements.



**40. GENERAL PROVISIONS:**

A. Time of Essence: Time is and shall be of the essence in this Agreement and in each and every provision contained in this Agreement.

B. Incorporation of Prior Agreements; Amendments: This Agreement contains all the agreements of the parties with respect to any matter mentioned herein. This Agreement hereby supersedes any agreement previously entered into. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement 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 Agreement shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This Agreement shall be governed by the laws of the State of California and shall be deemed to have been entered into in the County of El Dorado, State of California. Any dispute arising hereunder or relating to this Agreement shall be litigated in the State of California and venue shall lie in the County of El Dorado.

D. Consents: Wherever in this Agreement 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 Agreement; Severability: To the extent allowed by law, the provisions in this Agreement 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 Agreement 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 Agreement.

F. Relationship: The parties intend by this Agreement 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.

**41. 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.

**42. INTERPRETATIONS:**

As this Agreement was jointly prepared by both parties, the language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

**43. COUNTY ADMINISTRATOR:**

The COUNTY Officer or employee with responsibility for administering this Lease Agreement is Ruth Young, Chief Fiscal Officer, Administration and Finance Division, Community Development Agency, or successor.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

--LESSEE--

Dated: \_\_\_\_\_

By: \_\_\_\_\_

**Richard Terkeurst  
"LESSEE"**

--COUNTY OF EL DORADO--

Dated: \_\_\_\_\_

By: \_\_\_\_\_

**Board of Supervisors  
"COUNTY"**

**ATTEST:  
James A. Mitrison,  
Clerk of the Board of Supervisors**

By: \_\_\_\_\_  
**Deputy Clerk**