

**COUNTY OF EL DORADO
AIRPORT GROUND LEASE FOR
PORTABLE HANGARS
12-53401**

This Airport Ground Lease for Portable Hangars (“Lease” or “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 **Stancil Enterprises, Inc. and Sierra Investment Group, Inc.**, 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 Placerville 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 # H-27 Placerville Airport

2. TERM:

The initial term of this Lease shall be for ten (10) years commencing upon execution hereof by the Board of Supervisors and ending ten years thereafter. Upon expiration of the foregoing 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 a rental fee based on the single engine tie down rate as established by resolution of the 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 2,350 square feet is \$.044 per square foot per month for a rounded total of **One Thousand Two Hundred Forty-One Dollars (\$1,241)** per year. Payments shall be made to:

County of El Dorado
Department of Transportation
Airports Administration
2850 Fairlane Court
Placerville, CA 95667

or
Airports Office

Said rental is payable as follows:

- A. Upon commencement date, LESSEE shall pay the annual lease payment for the time period from the commencement date to July 1, next succeeding.
- B. On each July 1, LESSEE shall pay the annual lease payment for the next succeeding fiscal year.
- C. On July 1, at the commencement date 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 of delinquency may be assessed.

5. USE OF PREMISES:

The Premises are leased herein for the sole purpose of storage of LESSEE'S aircraft, 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 rent hangar to others, conduct business or any commercial activity upon the Premises herein, including but not limited to any commercial activities, e.g., rental of hangar to others, for hire or profit, or those 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. 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 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, 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.

7. HOLD HARMLESS/INDEMNIFICATION:

LESSEE shall, at LESSEE'S sole expense, indemnify, protect, defend, and hold harmless COUNTY 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, 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 to persons in or upon the Premises arising from any cause except that caused solely by or primarily by COUNTY, its employees or agents, and LESSEE hereby waives all claims in respect thereof against COUNTY.

8. FIRE HAZARD:

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

9. MAINTENANCE & REPAIR:

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.

10. ALTERATIONS:

No structure or other improvements for which the plans, specifications and proposed location have not first received the written approval of COUNTY and are in accordance with Exhibit "B," Board of Supervisors Policy F-9 (incorporated herein and made by reference a part hereof), and any other applicable building regulation shall be constructed or maintained on the Premises. 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 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.

11. 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.

12. LESSEE'S OBLIGATIONS TO COMPLY:

- A. The intent of Board of Supervisors Policy F-5, **Hangar Allocation Policy**, and of this Lease is to provide hangar space to those who have an aircraft but no hangar. In the event LESSEE no longer occupies hangar and rents hangar to others the 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 6 above.
- 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 Operations 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.

13. 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 5 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 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 the County of El Dorado Assessor's Office. LESSEE shall submit the Change in Ownership Statement to the 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 the 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.

14. 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 Placerville 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.

15. NOTICES:

Except as otherwise expressly provided by law, 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: Stancil Enterprises, Inc. and
Sierra Investment Group, Inc.
Attention: Joe Stancil Jr.
3820 Thorson Drive
Placerville, CA 95667

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

COPY TO: Department of Transportation
Aviation
P.O. Box 85
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.

16. 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).

17. 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.

18. 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, 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

1. 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, 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.

2. 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; and (3) that 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.

3. 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 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, 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. For the purposes of the FAA required covenants, COUNTY shall be the "sponsor" and LESSEE or its successor in interest shall be the lessee, licensee, permittee or other similar party.

LESSEE and its officers, agents, employees, 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, 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.

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

C. DESIGNATION

LESSEE shall be responsible for compliance with Sections (18)(A) and (18)(B).

D. TERMINATION

COUNTY shall have the right to terminate this Agreement as provided herein if LESSEE fails to comply with any of the above mentioned applicable laws, standards, or criteria.

19. 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 thirty (30) days after written notice of the default has been given by the non-defaulting party. If the default cannot reasonably be cured within thirty (30) days, the defaulting party shall not be in default of this Agreement if it commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

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 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 this 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.

21. ADDITIONAL GROUNDS FOR TERMINATION:

Notwithstanding Sections 19 and 20 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.

22. TERMINATION:

Upon 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, 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. LEASE ADMINISTRATOR:

The COUNTY officer or employee with responsibility for administering this Lease is Robert S. Slater, P.E., Assistant Director of Transportation, Department of Transportation, or successor.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first below written.

-- LESSEE --

Stancil Enterprises, Inc.
A California Corporation

Dated: _____

By: _____

Joseph E. Stancil Jr.
President

Dated: _____

By: _____

Doralee A. Stancil
Vice President

Sierra Investment Group, Inc.
A California Corporation

Dated: _____

By: _____

Joseph E. Stancil Jr.
President

Dated: _____

By: _____

Doralee A. Stancil
Vice President

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

Board of Supervisors
"COUNTY"

ATTEST:
Suzanne Allen de Sanchez,
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

SITE PLAN

PLACERVILLE AIRPORT - WEST END

Exhibit A

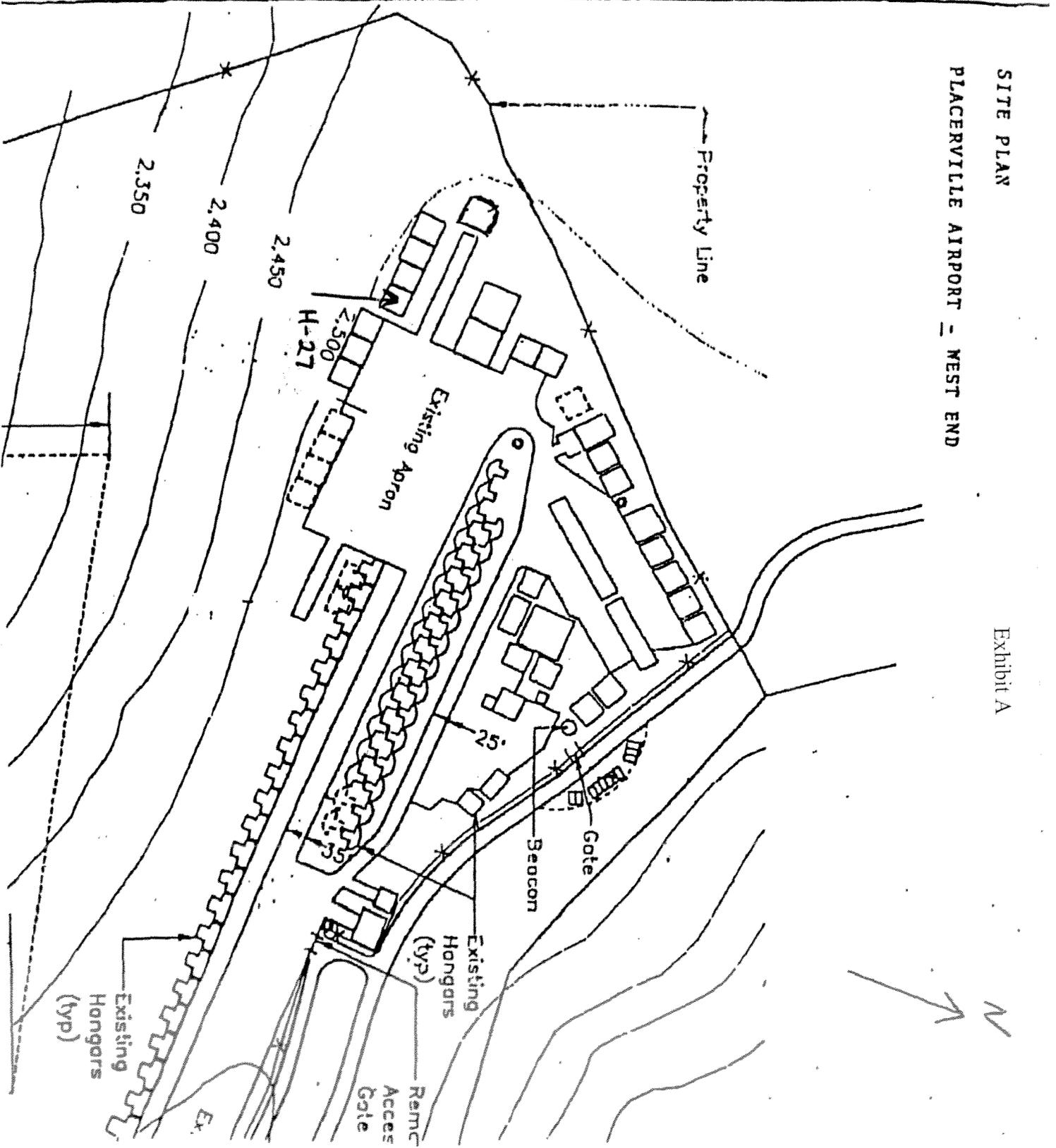




EXHIBIT "B"

COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject: AIRPORTS - PORTABLE HANGER COLOR	Policy Number F-9	Page Number: 1 of 2
	Date Adopted: 10/19/1993	Revised Date:

BACKGROUND:

The practice of having a standard color for privately owned hangars at both Placerville and Georgetown Airports was established at approximately the time hangar agreements without reversion were allowed under the Airport Land Use Agreement for Portable Hangars. Placerville Airport has had the green color since approximately 1975. Georgetown Airport users chose a beige color in 1989 when the first hangars of that type were constructed. This has not been a written policy, but in most cases was followed as being in the best interest of the Airports.

PURPOSE:

The purpose of this policy is to formalize an unwritten policy, clarify the colors and provide for an orderly look by maintaining the uniformity of color for the portable hangars on both Placerville and Georgetown Airports.

POLICY:

1. The color of all privately owned hangars erected on Placerville Airport shall be **GREEN**. For the purposes of this policy the color **GREEN** is intended to mean a medium green color common to the existing **GREEN** hangars.
2. The color of all privately owned hangars erected on the Georgetown Airport shall be **BEIGE**. For the purposes of this policy the color **BEIGE** is intended to mean a medium beige/brown color common to the existing **BEIGE** hangars.
3. This policy shall be included in and made part of each privately owned hangar lease under the Airport Land Use Agreement for Portable Hangar, Airport Land



EXHIBIT "B"

COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject: AIRPORTS - PORTABLE HANGER COLOR	Policy Number F-9	Page Number: 2 of 2
	Date Adopted: 10/19/1993	Revised Date:

Use Agreement for Non "T" Portable Hangar and FBO Airport Use Agreement constructed on either Airport.

4. Any request for deviation shall be reviewed, and approved or denied by the El Dorado County Airport Commission.

Primary Department: Department of Transportation/Airports

References: None

EXHIBIT "C"
FEDERAL AVIATION ADMINISTRATION

1. The Permittee for himself, his heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in event facilities are constructed, and maintained, or otherwise operated on said property described in this permit for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Permittee 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.
2. The Permittee for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject 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, (3) that the Permittee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said Regulations may be amended.
3. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.
4. Permittee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Permittee may make reasonable, nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.
5. County reserves the right (but shall not be obligated to Permittee) to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the Permittee in this regard.

6. County reserves the right further to develop or improve the landing area and all publicly owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Permittee, and without interferences or hindrance.
7. County reserves the right to take any action it considers necessary to protect the aerial approaches against obstructions, together with the right to prevent Permittee from erecting, or permitting to be erected, any building or other structure on the airport which in the opinion of County would limit the usefulness of the airport or constitute a hazard to aircraft.
8. During time of war or other national emergency County shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
9. It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.
10. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the airport.
11. The permit shall become subordinate to provisions of any existing or future agreement between the County and the United States of America or any agency thereof relative to the operation, development, or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

EXHIBIT "D"

STORM WATER POLLUTION PREVENTION PLAN REQUIREMENTS, BMP'S

These requirements are intended to enforce compliance with The Placerville Airport Storm Water Pollution Prevention Plan (SWPPP). The **SWPPP is a Federal and State** requirement on all facilities considered to be industrial sites.

The Best Management Practices (BMP's) are the conditions that the plan uses to prevent and eliminate the introduction of pollutants into the Storm Water runoff and drainage areas of the Placerville Airport. The BMP's are not optional and must be adhered to for compliance with the Airport SWPPP. Following are the requirements and procedures that must be met to be in compliance.

REQUIRED BMP's:

1. Aircraft Washing:
 - No degreasing is allowed except by hand, then rags are disposed of in appropriate trash receptacles.
 - All hoses are required to have a nozzle to shut off the flow when not in use.
 - Wash aircrafts on an impervious area at least 200 ft away from any inlet to prevent wash water from entering storm water system.
 - Washing with a rag and bucket is strongly encouraged.
 - Soaps must be bio-degradable.
 - After wash area is dry it must be swept up and contaminates disposed of in appropriate trash receptacles.
 - No washing when rain may be forecasted for the near future.
2. 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.
3. No use of solvents or grease remover is allowed out doors. No engine washing or engine and belly degreasing allowed.
4. 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 up immediately and disposed of off-site.
5. Used oil is to be put into oil recovery site at the Airport (if available) or disposed of off Airport property at a recycler of your choice. No oil dumping on Airport property.
6. Used hydraulic fluids, solvents or batteries are to be disposed of off Airport property at a recycler of your choice. The County does not provide this service.
7. A broom is to be used after servicing to insure that any dirt or debris are not left on any paved or concrete surfaces.
8. Periodic inspections for compliance will be done as required by our Storm Water Permit. The Airports are required by the State Water Quality Control Board to log/report any violations and show evidence in our annual report that the violations were addressed and corrective action was taken.