

FBO AIRPORT USE AGREEMENT

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3 THIS AGREEMENT, entered into by and between EL DORADO
4 COUNTY, a political subdivision of the State of California,
5 hereinafter referred to as "County", having its principal place
6 of business at 360 Fair Lane, Placerville, California 95667, and
7 JAMES F. MCKEEHAN doing business as DAEDALUS AIRCRAFT, having
8 its principal place of business at P. O. Box 1449, Georgetown,
9 California 95634, and hereinafter referred to as "FBO".

W I T N E S S E T H:

10
11 WHEREAS, County owns and operates the public airport
12 facilities at Georgetown California, hereinafter referred to as
13 "Airport"; and

14 WHEREAS, FBO wishes to conduct certain commercial
15 activities at said airport in his privately owned hangar,
16 including aircraft maintenance and repair services and the sale
17 of aircraft parts and supplies to patrons of the Georgetown
18 Airport; and

19 WHEREAS, a written agreement is required for these
20 commercial activities pursuant to El Dorado County Ordinance
21 Sections 18.04.010 et seq; and,

22 WHEREAS, pursuant to Government Code Sections 50470 -
23 50478, and El Dorado County Ordinance Section 3.08.021, County
24 may lease space H-2 at said airport for such commercial
25 activities and may charge a fee for such lease and for
26 permitting said activities by FBO; and

27 WHEREAS, County hereby finds that the terms and conditions
28 as set forth hereinbelow are beneficial and necessary to promote

1 the welfare and convenience of the public using the airport and
2 otherwise satisfy Section 18.08.020 of the El Dorado County
3 Ordinance Code.

4 NOW THEREFORE, IT IS HEREBY AGREED:

5 1. AUTHORIZED ACTIVITIES: FBO is hereby authorized to perform
6 the following:

7 a. To engage in the sale of aviation supplies and aircraft
8 parts and aircraft maintenance, repair, alteration, and service
9 pursuant to a validly issued Certificate under the applicable
10 Federal Aviation Regulation.

11 b. FBO may conduct other activities which are reasonably
12 necessary to the proper conduct and operation by FBO for the
13 commercial activities authorized by this agreement. It is
14 specifically understood by the parties hereto that this
15 provision does not authorize the conduct of a separate business
16 of any kind, type or description without further written
17 approval and agreement by County.

18 2. LEASED PREMISES:

19 The space leased to FBO herein is that as designated in
20 Exhibit "A", incorporated herein by reference and attached
21 hereto, consisting of approximately Three Thousand Six Hundred
22 (3,600) square feet of which is ground with FBO's personal
23 improvements.

24 3. TERM: This agreement shall become effective on the date of
25 execution by County and shall continue in full force and effect
26 for a period of (15) years from such date, subject to earlier
27 termination as described herein. FBO shall have an option to
28 extend this lease for an additional five (5) years provided that

1 he notifies County in writing of his intention to extend within
2 sixty (60) days of the termination of the first fifteen (15)
3 year period.

4 4. CONSIDERATION: FBO agrees to make the following payments to
5 County in consideration for the rights granted and space leased
6 to FBO under this agreement:

7 a. FBO shall be required as a condition of this agreement
8 to provide to the public through the term stated herein and in
9 a manner satisfactory to the County, those services and
10 necessary equipment and facilities as follows:

11 (1) The repair and maintenance of aircraft pursuant
12 to Federal Aviation Regulations, Part 43, Part 65 and Part 91
13 for fair and reasonable prices;

14 b. FBO shall further pay to County as and for rent of the
15 hangar and ground space leased herein, consisting of
16 approximately sixty feet by sixty feet (3600) square feet of
17 that certain publicly owned real property at airport as
18 indicated on Exhibit "A", the amount set forth below. The
19 rental payment for the leased premises described in this
20 subparagraph shall be per the following schedule:

21 (1) Three cents (\$.03) a square foot or One Hundred
22 Eight Dollars (\$108.00) per month.

23 (2) The minimum rent shall be One Hundred Eight
24 Dollars (\$108.00).

25 (3) Said rental shall be paid no later than the tenth
26 (10th) day of the month for which the space is being rented.
27 County shall not be required to send a monthly statement.

28 (4) It is understood that the hangar building is and

1 remains the property of FBO.

2 5. REMOVAL OF TENANT IMPROVEMENTS: FBO shall, upon the
3 expiration or earlier termination of this lease, remove Hangar
4 H-2. Upon termination or expiration of this lease, improvements
5 of a permanent nature placed upon the leased premises, such as
6 concrete pads, gravel or other site preparation, shall become
7 the property of County without charge to the County. FBO shall
8 remove the hangar at FBO's sole obligation and expense. If FBO
9 fails to remove said hangar within sixty (60) days after
10 termination or expiration of this agreement, County may, in its
11 discretion, after notice to FBO of its intent to do so, cause
12 said hangar to be removed and the costs for storage, removal and
13 additional rental thereof shall be paid by FBO.

14 6. INSURANCE AND INDEMNITY: FBO or his assignee shall
15 maintain, at their own expense during the term hereof, insurance
16 with respect to the (business, the premises and all activities,
17 on or about or in connection with the premises performance of
18 this agreement of the types and in the minimum amounts described
19 generally as follows:

20 A. Full Workmen's Compensation and Employers' Liability
21 Insurance covering all employees of FBO (or his assignee) as
22 required by law in the State of California.

23 B. Comprehensive Public Liability Insurance (Bodily Injury
24 and Property Damage) of not less than Three Hundred Thousand
25 Dollars (\$300,000) combined single limit per occurrence (claim
26 made), including but not limited to endorsements for the
27 following coverages: Personal injury; premises-operations;
28 products and completed operations.

1 C. Comprehensive Automobile Liability Insurance (Bodily
2 Injury and Property Damages) on owned, hired, leased and
3 nonowned vehicles used in connection with FBO's business of not
4 less than One Hundred Thousand Dollars (\$100,000) combined
5 single limit per occurrence.

6 D. Contractor will not be servicing planes other than his
7 own until he notifies the County Airports Operations Supervisor.
8 Thereupon, he will provide hangarkeepers liability insurance in
9 the amount of Fifty Thousand Dollars (\$50,000) per occurrence.

10 E. Contractor may at some point allow rental of his
11 facilities to another individual. If this is done, an
12 endorsement to his liability policy for contractual liability
13 must be added. Again, this will be based on notification to the
14 Airports Operations Supervisor.

15 F. Any services to be offered that are not reflected in
16 this agreement in the future must be negotiated with the County,
17 It is understood that those changes may require increased
18 conditions by the County of El Dorado.

19 **Additional Insureds:** The insurance required under B and C
20 above shall include the County of El Dorado, its officers and
21 employees and each of them, as additional insureds except with
22 regard to occurrences that are the result of their sole
23 negligence.

24 **Primary Coverage:** The insurance required under B, C and D
25 (where applicable) above shall provide that it is primary
26 coverage with respect to FBO, the County of El Dorado, and all
27 other additional insureds.

28 **Cancellation Notice:** The insurance required above shall

1 provide that no cancellation or material change in any policy
2 shall become effective except upon thirty (30) days' prior
3 written notice to the County of El Dorado at the office of the
4 El Dorado County Risk Manager, 330 Fair Lane, Placerville,
5 California 95667.

6 **Premium Payments:** The insurance companies shall have no
7 recourse against the County of El Dorado, its officers and
8 employees or any of them for payment of any premiums or
9 assessments under any policy issued by a mutual insurance
10 company.

11 **Proof of Insurance Requirements:** FBO shall furnish proof
12 of coverage satisfactory to the El Dorado County Risk Manager as
13 evidence that the insurance required above is being maintained.

14 **Policy Deductibles:** FBO shall be responsible for all
15 deductibles in all of FBO's insurance policies. The amount of
16 deductibles for an insurance coverage required herein shall be
17 reasonable and subject to County's approval.

18 **Contractor Obligations:** FBO's indemnity and other
19 obligations shall not be limited by the foregoing insurance
20 requirements and shall survive the expiration of this agreement.

21 **Material Breach:** Failure of FBO to maintain the insurance
22 required by this paragraph, or to comply with any of the
23 requirements of this paragraph, shall constitute a material
24 breach of the entire agreement.

25 **Commencement of Performance:** FBO shall not commence
26 performance of this contract unless and until compliance with
27 each and every requirement of this paragraph is achieved.

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1 Indemnity

2 FBO shall indemnify and defend the County of El Dorado
3 against and hold it harmless from any and all loss, damage and
4 liability for damages, including attorneys' fees and other costs
5 of defense incurred by County, whether for damage to or loss of
6 property, or injury to or death of person, including properties
7 of County and injury to or death of County's officers, agents
8 and employees, which shall in any way arise out of or be
9 connected with FBO's operations hereunder, unless such damage,
10 loss, injury or death shall be caused solely by the negligence
11 of County.

12 7. INSPECTION OF PREMISES: FBO represents that he has
13 inspected the premises and that he accepts the condition of same
14 and fully assumes all risks incident to the use thereof. County
15 shall not be liable to FBO for any damages or injuries to the
16 property or person of FBO, his agents, employees, passengers,
17 guests or business visitors, as a result of conduct by FBO of
18 any activities or operations at the Airport or upon the leased
19 premises herein due to the condition of the leased premises.

20 8. BUILDING MAINTENANCE: FBO shall be liable for any damage to
21 the existing County owned grounds resulting from the acts or
22 omissions of FBO or his officers, agents, or employees, except
23 for ordinary wear and tear.

24 Upon expiration of this agreement, FBO shall surrender to
25 County the ground premises in good condition, except for those
26 items that FBO has the right to remove or is obligated to
27 remove. All other alterations and improvements to grounds shall
28 remain on the premises and the lease premises shall be

1 surrendered to the County in good condition.

2 9. IMPROVEMENT OF SPACE TO COMMERCIAL STANDARD: FBO agrees
3 that within one hundred eighty (180) days of the execution of
4 this lease, FBO shall construct or cause to be constructed a
5 sixty feet by sixty feet (60' x 60') hangar as approved by the
6 El Dorado County Community Development Department for operation
7 of a commercial activity in said hangar. Failure to complete
8 said improvements and obtain a Certificate of Occupancy within
9 said time shall be grounds for termination pursuant to paragraph
10 14a. FBO herein acknowledges that he has previously

11 contacted the Community Development Department and is advised of
12 the required improvements.

13 10. PERIODIC COST OF LIVING ADJUSTMENT: The minimum monthly
14 rent provided for above shall be subject to adjustment on the
15 commencement of the fifth (5th) year of the term and every fifth
16 (5th) year thereafter ("the adjustment date") as follows:

17 The San Francisco-Oakland-San Jose Consumer Price Index for
18 all urban commerce, the composite index, based upon 1982-
19 1984=100, published by the United States Department of Labor,
20 Bureau of Labor Statistics ("Index"), which is published for the
21 month nearest the date of the commencement of the term
22 ("Beginning Index"). If the Index published nearest the
23 adjustment date ("Extension Index") has increased over the
24 Beginning Index, the minimum monthly rent for the following five
25 (5) years shall be set by multiplying the minimum monthly rent
26 set forth above by a fraction, the numerator of which is the
27 Extension Index and the denominator of which is the Beginning
28 Index. In no case shall the minimum monthly rent be less than

1 the minimum monthly rent set forth above.

2 If the Index is changed so that the base year differs from
3 that used as of the month immediately preceding the month in
4 which the term commences, the Index shall be converted in
5 accordance with the conversion factor published by the United
6 States Department of Labor, Bureau of Labor Statistics. If the
7 Index is discontinued or revised during the term, such other
8 government index or computation with which it is replaced shall
9 be used in order to obtain substantially the same result as
10 would be obtained if the Index had not be discontinued or
11 revised.

12 11. UTILITIES: FBO will pay for any and all utilities, e.g.,
13 water, sewer, garbage, telephone, etc., together with all fees,
14 charges, and penalties, including but not limited to any service
15 charges, connection or installation fees, related thereto.

16 12. ASSIGNMENT: It is understood that FBO may sublease, or
17 assign the commercial aspects of this agreement, the leased
18 premises or any portion thereof, any privilege or right granted
19 hereunder, by any manner whatsoever with the prior written
20 consent of County. Said consent of County shall not be withheld
21 arbitrarily without cause. If FBO, without securing prior
22 written approval of County, attempts to effect such a transfer,
23 assignment, or if a transfer occurs by operation of law, County
24 may terminate this agreement upon thirty (30) days notice to FBO
25 without further liability to FBO and such assignment, transfer,
26 or sublease shall be void.

27 13. COMPLIANCE WITH RULES AND REGULATIONS: FBO shall observe
28 faithfully all rules and regulations affecting use of Airport,

1 whether established by County, the State of California or the
2 United States, or by any other governmental agencies thereof
3 having jurisdiction over said premises. FBO agrees to conduct
4 activities authorized herein, and ground operations on, at or
5 near the Airport in accordance with proper rules and regulations
6 of all authorities having jurisdiction over such operations and
7 activities.

8 14. REQUIRED COVENANTS: FBO further covenants to perform the
9 following:

10 a. To operate the premises leased herein for the use and
11 benefit of the public, and

12 (1) To furnish said services and products on a fair,
13 equal, and not unjustly discriminatory basis to all users
14 thereof, and

15 (2) To charge fair, reasonable, and not unjustly
16 discriminatory prices for each unit or service; provided, that
17 the Lessee may be allowed to make reasonable and
18 nondiscriminatory discounts, rebates, or other similar types of
19 price reductions to volume purchasers.

20 b. FBO for himself, his heirs, personal representatives,
21 successors in interest, and assigns, as a part of the
22 consideration hereof, does hereby covenant and agree that in the
23 event facilities are installed, constructed, maintained, or
24 otherwise operated on the said property described in this
25 agreement for a purpose for which a DOT program or activity is
26 extended or for another purpose involving the provision of
27 similar services or benefits, FBO shall maintain and operate
28 such facilities and services in compliance with other

1 requirements imposed pursuant to Title 49, Code of Federal
2 Regulations, DOT, Subtitle A, Office of the Secretary, Part 21,
3 Nondiscrimination in Federally-Assisted Programs of the
4 Department of Transportation-Effectuation of Title VI of the
5 Civil Rights Act of 1964, and as said Regulations may be
6 amended.

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

25 d. That in the event of breach of any of the above
26 nondiscrimination covenants, County shall have the right to
27 terminate the agreement and to reenter and repossess said land,
28 and hold the same as if said agreement had never been made or

1 issued. This provision does not become effective until the
2 procedures of 49 Code of Federal Regulations, Part 21 are
3 followed and completed including expiration of appeal rights.

4 e. Non-compliance with the aforementioned four (4)
5 provisions, (a) through (d), inclusive shall constitute a
6 material breach hereof and in the event of such non-compliance,
7 County shall have the right to terminate this agreement and any
8 interest or estate hereby created without liability therefor or
9 at the election of County or the United States either or both
10 said governments shall have the right to judicially enforce
11 provisions.

12 f. FBO agrees that it shall insert the above five
13 provisions in any agreement by which said FBO grants a right or
14 privilege to any person, firm or corporation to render
15 accommodations and/or services to the public on the premises
16 herein leased.

17 g. FBO assures that it will undertake an affirmative
18 action program as required by 14 Code of Federal Regulations,
19 Paragraph 152, Subpart E, to ensure that no person shall on the
20 grounds of race, creed, color, national origin, or sex be
21 excluded from participating in any employment activities covered
22 in 14 Code of Federal Regulations, Part 152, Subpart E. FBO
23 assures that no person shall be excluded on these grounds from
24 participating in or receiving the services or benefits of any
25 program or activity covered by this subpart. FBO assures that
26 it will require that its covered suborganizations provide
27 assurances to FBO that they similarly will undertake affirmative
28 action programs and that they will require assurances from their

1 suborganizations, as required by 14 Code of Federal Regulations,
2 Subpart E, to the same effort.

3 h. County reserves the right to further develop or
4 improve the landing area of the airport as it seems fit,
5 regardless of the desires or view of FBO and without interference
6 or hindrance.

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

12 j. There is hereby reserved to County, its successors
13 and assigns, for the use and benefit of the public, a right of
14 flight for the passage of aircraft in the airspace above the
15 surface of the premises herein leased. This public right of
16 flight shall include, but not be limited to, the right to cause
17 in said airspace any noise inherent in the operation of any
18 aircraft used for navigation or flight through the said airspace
19 or landing at, taking off from or operation on the Georgetown
20 Airport.

21 k. FBO by accepting this expressly agrees for itself,
22 its successors and assigns that it will not erect nor permit the
23 erection of any structure or object, nor permit the growth of any
24 tree or the land leased hereunder above actual ground level in
25 excess of twenty (20) feet. In the event the aforesaid covenants
26 are breached, County reserves the right to enter upon the land
27 leased hereunder and to remove the offending structure or object
28 and cut the offending tree, all of which shall be at the

1 the expense of FBO.

2 1. FBO by accepting this agreement agrees for itself, its
3 successors and assigns that it will not make use of the leased
4 premises in any manner which might interfere with the landing
5 and taking off of aircraft from Airport or otherwise constitute
6 a hazard. In the event the aforesaid covenant is breached,
7 County reserves the right to enter upon the premises hereby
8 leased and cause the abatement of such interference at the
9 expense of FBO.

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

16 n. FBO agrees to provide and maintain directly or by
17 agreement sufficient fixtures and equipment to meet public
18 demand for services offered and authorized hereby.

19 o. FBO agrees to provide and maintain directly or by
20 agreement an adequate staff of employees and subcontractors with
21 skills, licenses and certificates appropriate to the activities
22 conducted.

23 p. FBO agrees to maintain accurate and acceptable records
24 of the commercial activities authorized herein which are to be
25 made available for examination by the County upon its request.

26 q. FBO agrees to conform to all rules, regulations, and
27 ordinances, adopted by the County or other applicable
28 governmental bodies, including, but not limited to, any safety,

1 health and sanitary codes.

2 r. FBO agrees to demonstrate evidence and provide proof of
3 all necessary licenses, certificates, or other approvals
4 required by governmental agencies, including any appropriate or
5 applicable FAA certificates for the activities to be conducted
6 hereunder and a valid County business license.

7 15. NON-EXCLUSIVE USE:

8 a. It is understood by the FBO that no right or privilege
9 has been granted which would operate to prevent any other
10 person, firm, or corporation from conducting similar or other
11 commercial activities at said airport, or from operating
12 aircraft on or at the airport, or from performing any services
13 in or on its own aircraft with its own regular employees or
14 other duly authorized commercial operators, including, but not
15 limited, to those specific activities and operations authorized
16 for FBO herein.

17 b. It is understood and agreed that nothing herein
18 contained shall be construed to grant or authorize the granting
19 of any exclusive right forbidden by Section 308 of the Federal
20 Aviation Act of 1958.

21 c. It is further agreed and understood by the parties,
22 this agreement shall be subordinate to the provisions of any
23 existing or future agreement between County and the United
24 States, relative to the development, operation or maintenance of
25 the airport.

26 15. TERMINATION: This agreement may be terminated as follows:

27 a. Should FBO fail to observe any provisions of this
28 agreement, written notice of such delinquency shall be given by

1 County; if such delinquency continues uncured by FBO for thirty
2 (30) days after receipt of such notice, County may elect to
3 terminate this agreement.

4 b. Notwithstanding the provisions of subparagraph (a)
5 above, the County shall have the right to terminate this agree-
6 ment in its entirety immediately upon the happening of any of
7 the following events:

8 (1) Filing of a petition, voluntarily or
9 involuntarily, for the adjudication of FBO as a bankrupt;

10 (2) The making of FBO of any general assignment for
11 the benefit of creditors;

12 (3) The occurrence of any act which operates to
13 deprive FBO permanently of the ability to perform the duties
14 under this agreement;

15 (4) The abandonment or discontinuance of operations
16 or services at the Airport by FBO for a period of thirty (30)
17 days or more;

18 (5) Failure to comply with the insurance requirements
19 herein.

20 (6) If at any time during the term or extension
21 thereof, FBO is no longer authorized by the Public Utilities or
22 any regulatory agency having jurisdiction over FBO or Airport to
23 engage in the activities and operations authorized herein,
24 including flight or flight-related activities at, to, and from
25 the Airport. No waiver by County at any time of any of the
26 terms, conditions or covenants of this agreement shall be deemed
27 or taken as a waiver at any time thereafter of the same or of
28 any other terms, conditions or covenants herein contained, nor

1 of the strict and prompt performance thereof by FBO.

2 c. FBO may cancel this agreement and terminate all of its
3 obligations hereunder at any time that FBO is not in default in
4 its payments by County hereunder, by giving County thirty (30)
5 days' advance written notice to be served as hereinafter
6 provided upon default by County in the performance of any
7 covenant or agreement herein required to be performed by County.
8 Failure by County to remedy such default for a period of sixty
9 (60) days after receipt from FBO of written notice to remedy
10 same shall relieve FBO of its obligations hereunder and this
11 agreement shall terminate automatically thereupon and the hangar
12 will be removed within sixty (60) days.

13 17. COMMUNICATIONS: All communications pertaining to this
14 agreement shall be directed to FBO at P. O. Box 1449,
15 Georgetown, California 95634, and to County at the offices of
16 the Director of the Department of Transportation, 2441
17 Headington Road, Placerville, California 95667.

18 18. AMENDMENTS: This agreement may be amended, extended or
19 otherwise modified at any time upon mutual written consent of
20 the parties.

21 IN WITNESS WHEREOF, the parties hereto have caused this
22 agreement to be executed by their proper officers, thereunto

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1 duly authorized, and their corporate seals to be affixed
2 hereto, as on the day and year first hereinabove written.

3 COUNTY OF EL DORADO

4 BY Robert E. Dow
5 Chairman, Board of Supervisors

"County" 10/24/89

6 ATTEST:

7 BILLIE MITCHELL, County Clerk
8 and ex officio Clerk to the
9 Board of Supervisors

10 BY Margaret E. Mosley
11 Deputy
12 10/24/89

13 JAMES F. MCKEEHAN dba
14 DAEDALUS AIRCRAFT

James F. McKeehan
"FBO"

15 mckeehan.fbo
16 8-24-89

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EXHIBIT "A"

INSURANCE AND
INDEMNIFICATION REQUIREMENTS

INSURANCE:

FBO shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that FBO maintains the following:

A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of FBO as required by law in the State of California.

B. General Liability Insurance or Comprehensive Liability Insurance (Bodily Injury and Property Damage) of not less than Three Hundred Thousand Dollars (\$300,000) combined single limit per occurrence or claims made, including but not limited to endorsements for the following coverages: personal injury, products, premises - operations, completed operations, renter pilot, and student pilot liability.

C. Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damages) on owned, hired, leased and nonowned vehicles used in connection with FBO's business of not less than Three Hundred Thousand Dollars (\$300,000) combined single limit per occurrence.

D. Hangarkeeper's Liability Insurance in an amount not less than \$50,000 per occurrence.

E. In the event FBO desires to employ services of an independent contractor, then his General Liability Insurance referenced in "B", above, shall be endorsed to provide for Independent Contractor's Liability.

F. FBO, upon completed repair operations, will only test-fly aircraft upon the request of the aircraft's owner. In each such case, FBO agrees to fly only aircraft wherein he has personally inspected an in-force policy of insurance providing coverage for Aircraft Liability.

Additional Insureds: The insurance required under B and C above shall include the County of El Dorado, its officers and employees as additional insureds with respect to work performed under this contract.

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Primary Coverage: The insurance required under B and C above shall provide that it is primary coverage with respect to FBO and the County of El Dorado.

Cancellation Notice: The insurer providing the insurance required above shall provide that no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to the County of El Dorado at the office of the El Dorado County Risk Manager, 415 Placerville Dr., "F", Placerville, California 95667.

Premium Payments: The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Proof of Insurance Requirements: FBO shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.

Policy Deductibles: FBO shall be responsible for all deductibles in all of FBO's insurance policies. The amount of deductibles for an insurance coverage required herein shall be reasonable and subject to County's approval.

Contractor Obligations: FBO's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Material Breach: Failure of FBO to maintain the insurance required by this paragraph, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

Commencement of Performance: FBO shall not commence performance of this contract unless and until compliance with each and every requirement of this paragraph is achieved.

INDEMNITY:

FBO shall indemnify and defend the County of El Dorado against and hold it harmless from any and all loss, damage and liability for damages, including attorney's fees and other costs of defense incurred by County, whether for damage to or loss of property, or injury or death of any person, which shall in any way arise out of or be connected with FBO's operations or performance hereunder, unless such damage, loss, injury, or death shall be caused solely by the negligence of County.

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AGREEMENT TO SUBLEASE LEASE

The County of El Dorado (hereinafter "County") hereby grants to James F. McKeegan, doing business as DAEDALUS AIRCRAFT, (hereinafter "Lessor") permission to sublet Hangar H-2 at the Georgetown Airport to STEPHEN G. CIMMARUSTI, doing business as SKYWAYS FLYING SERVICE, (hereinafter "Sublessee") for the purpose of aircraft maintenance, repair, rental and instruction.

In consideration of the subletting, the parties agree as follows:

1. Sublessee's activities are restricted to aircraft maintenance, repair, rental and instruction.

2. Sublessee shall provide County with a business license from the County of El Dorado and all applicable Federal or State licenses for activities of Sublessee, its employees or contractors, i.e., aircraft mechanics, flight instructors, etc.

3. Sublessee agrees to maintain insurance as set forth on Exhibit "A" attached hereto and incorporated by reference herein.


4. Sublessee agrees to be bound by the original covenants and restrictions in that certain Lease by and between County and James F. McKeegan, doing business as Daedalus Aircraft, dated October 24, 1989

5. County retains the right to a thirty (30) day cancellation of the original FBO Lease Agreement if Sublessee conducts other

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1 than permitted activities.


2 DATED: 2/16/93


SCOTT CHADD, Director
Department of Transportation

5 DATED: 12-14-92


JAMES F. MCKEEHAN, Lessee

8 DATED: 12-14-92


STEPHEN G. CIMMARUSTI
Sublessee

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28 lease.agt

Edge of Pavement

60'

34'

8' Even with Coppack Front

STORM DRAIN

P&T

1 1/2" APPROX

11' 6"

H-02

HANGAR

PROPOSED 60x60 DAEDALUS A/C

ROUER METER

P&T

13'

8 1/4"

FUT

60x60

H-01

SCALE 1" = 30'

NOT SCHEDULED - DIMENSIONS

DISTANCES MAY VARY

PROPOSED 60x60 HANGAR
 For
 DAEDALUS AIRCRAFT INC.
 GEORGETOWN AIRPORT
 A-22-89

1 ADDENDUM TO AGREEMENT TO SUBLEASE LEASE

2 On October 24, 1989, the COUNTY OF EL DORADO, a political
3 subdivision of the State of California, hereinafter referred to as
4 "County", and DAEDALUS AIRCRAFT, P.O. Box 1449, Georgetown, CA
5 95634, hereinafter referred to as "FBO", entered into an FBO
6 Airport Use Agreement. On February 16, 1993, County and FBO
7 entered into an Agreement to Sublease Lease of Hangar H-2, at the
8 Georgetown Airport, to STEPHEN G. CIMMARUSTI, a sole proprietor
9 doing business as SKYWAYS FLYING SERVICE, P.O. Box 1741,
10 Georgetown, CA (hereinafter "Sublessee"). Whereby FBO, Sublessee
11 and County now wish to add some additional terms to said Agreement
12 to sublease lease of February 16, 1993, which will expire October
13 23, 2004.

14 W I T N E S S E T H :

15 For and in consideration of the covenants, conditions,
16 agreements and stipulations hereinafter expressed, County, FBO and
17 Sublessee agree as follows:

18 1. Sublessee shall do the quarterly billing and collection
19 of the monthly tiedown fees at the Georgetown Airport. County will
20 provide Sublessee with a complete list of current tiedown tenants
21 and supply Sublessee with the necessary County tiedown agreements.
22 Yellow copy of Agreement will be sent to the Airport Office at the
23 commencement of tenancy. County reserves the right to set all
24 rates and fees.

25 In exchange for said billing and collection, and other duties
26 described below, Sublessee shall retain 100% of the fees for the
27 first ten aircraft in permanent tiedown spaces. The balance of the
28 tiedown fees shall be paid to County on a monthly basis. A list of

1 current tiedown tenants will be submitted to the County on a
2 quarterly basis beginning 10/1/94. Transient Tiedown fee
3 collection is not authorized under this Addendum.

4 2. Sublessee will maintain and manage the picnic campground
5 area at the Georgetown Airport. Sublessee shall be entitled to
6 charge an overnight fee for the use of the picnic campground area
7 to recoup the reasonable rate of refuse disposal and cleanup costs
8 at a rate to be approved by County.

9 3. Sublessee shall maintain and replace as necessary the
10 Nav-aid lighting Globes at the Georgetown Airport. County shall
11 supply all of the bulbs for Nav-aid lights.

12 4. Sublessee shall provide Unicom Advisory services by
13 Unicom radio. A Unicom radio (Mentor Unicom Mod #TR127) shall be
14 provided to Sublessee by County for this stated purpose.

15 5. Sublessee will maintain in a safe, sanitary, neat and
16 orderly condition, the public restrooms next to County Hangar C-1.
17 Annual supplies provided each July by County shall include:

- 18 a. Four (4) cases, 96 roll toilet paper;
- 19 b. six (6) cases multi-fold hand towels;
- 20 c. Two (2) cases hand soap packets;
- 21 d. One (1) case foam disinfectant;
- 22 e. Two (2) gallons all purpose liquid cleaner.

23 6. This addendum shall take effect upon execution by County
24 and shall expire concurrent with the FBO Airport Use Agreement.

25 7. In performing services pursuant to this Agreement, County
26 and Sublessee agree that Sublessee is acting as an independent
27 contractor and not as an officer, agent or employee of the County
28 of El Dorado.

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8. The terms of the FBO agreement and Agreement to Sublease Lease remain in full force and effect, except as amended hereby.

9. County retains the right to a thirty (30) day cancellation of the original FBO Lease Agreement if Sublessee conducts other than permitted activities.

Dated: 8-15-94

COUNTY OF EL DORADO
By Michael T. Holy
DIRECTOR, DEPARTMENT OF TRANSPORTATION

Dated: 7-20-94

James F. McKeenhan
JAMES F. MCKEEHAN, LESSEE
DAEDALUS AIRCRAFT

Dated: 6-12-94

Stephen G. Cimmarusti
STEPHEN G. CIMMARUSTI dba
SKYWAYS FLYING SERVICES, SUBLESSEE

TRP:ks
6/17/94
sublease.agt

Cancelled

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THIRD ADDENDUM TO FBO AIRPORT USE AGREEMENT

On October 24, 1989 the COUNTY OF EL DORADO, a political subdivision of the State of California, hereinafter referred to as "County", and DAEDALUS AIRCRAFT, P.O. Box 1449, Georgetown, California 95634, hereinafter referred to as "FBO", entered into an FBO Airport Use Agreement. On February 16, 1993 FBO and County subsequently entered into an Agreement to Sublease Lease of Hangar H-02 at the Georgetown Airport, adding additional terms and conditions all to expire October 23, 2009. Whereas FBO and County now wish to further amend the terms and conditions of the FBO Agreement dated October 24, 1989.

W I T N E S S E T H

For and in consideration of the covenants, conditions, agreements and stipulations hereinafter expressed, County and FBO agree that upon the signature and approval of this "Third" Addendum, both parties mutually agree to:

- 1. Increase the total leased premises as described in paragraph 2, page 4 from Three Thousand Six Hundred (3,600) square feet to Four Thousand Eight Hundred (4,800) square feet which will herein be described as approximately Three Thousand Six Hundred (3,600) square feet of hangar site space, One Thousand Two Hundred (1,200) square feet of open ground, and
- 2. Revise paragraph 4, subparagraph b., Consideration, to reflect the increase in cost for the additional leased premises from One Hundred Twenty Six & 55/100 Dollars (\$126.55) per month to One Hundred Sixty Eight & 73/100 (\$168.73) per month beginning June 1, 1995, and
- 3. Revise Exhibit "A" to correctly identify leased

1 premises.

2 4. The additional Twelve Hundred (1,200) square feet of
3 open ground identified in Paragraph 1. above is not a part of the
4 Agreement to Sublease Lease dated February 16, 1993. The
5 additional leased premises remain under the control and custody
6 of Daudalus Aircraft.

7 5. The terms and conditions of the FBO Agreement of
8 October 24, 1989 and subsequent Addenda remain in full force and
9 effect except as amended hereby.

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Dated: 5/19/95

"COUNTY"

COUNTY OF EL DORADO

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By Michael T. Stoby
Director, Department of
Transportation

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Dated: 5/12/95

"FBO"

DAUDALUS AIRCRAFT

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18

By James F. McKeahan
JAMES F. MCKEEHAN

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DAUDALUS.AGR
JA:ks

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EDGE OF PAVEMENT

160'

34'

80'

42'

8' EVEN WITH COPPER FRONT

STORM DRAIN

PIT

H-02

PROPOSED
60x60
DAEDALUS A/C
HANGAR

ROVER
METER

PIT

H-01

FUTURE
60x80

WATER

PIT

EXIST

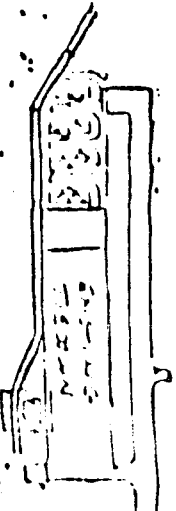
NOT TO SCALE
20x60 Ground Lease
AREA = 1200 SF 5/95

SCALE 1" = 30'

PROPOSED 60x60 HANGAR H-02
FOR DAEDALUS AIRCRAFT INC.

EXHIBIT 'A'

GEORGETOWN AIRPORT



ASSIGNMENT TO FBO AIRPORT USE AGREEMENT

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On October 24, 1989, the County of El Dorado, a political subdivision of the State of California, hereinafter referred to as “County,” and James F. McKeehan dba Daudalus Aircraft, referred to as “FBO,” entered into an FBO Airport Use Agreement on a privately owned hangar designated as H-02 at the Georgetown Airport. On February 16, 1993, and with the consent of the County, Daudalus Aircraft entered into an Agreement to Sublease Lease agreement for the FBO Airport Use Agreement with Stephen G. Cimmarusti dba Skyways Flying Service and further, with an Addendum to Agreement to Sublease Lease, added some additional terms on August 15, 1994. The Agreement to Sublease Lease and Addendum were canceled between Daudalus Aircraft and Skyways Flying Service effective December 3, 1998. A Third Addendum to FBO Airport Use Agreement was executed May 17, 1995, increasing the total leased premises from 3600 square feet to 4800 square feet. This Addendum is still in full force and effect and remains a part of the FBO Airport Use Agreement.

Daudalus Aircraft now wishes to assign the FBO Airport Use Agreement dated October 24, 1989, for hangar space H-02, and with the consent of the County, to Scott P. Herring dba AirFilm.

County and FBO wish to amend said Agreement by this Assignment and to run concurrent with and be subject to all remaining terms and conditions of the FBO Airport Use Agreement.

NOW, THEREFORE, this agreement is made on this _____ day of _____, 1999, in Placerville, El Dorado County, California, between James F. McKeehan dba Daudalus Aircraft (hereinafter called “Assignor”), and Scott P. Herring dba AirFilm, 505 N. Smith #103, Corona, California, 91720 (hereinafter called “Assignee”),

WHEREAS, a Lease was executed on October 24, 1989, between the County of El Dorado as Lessor, and Assignor as Lessee, by the terms of which the property generally described as hangar space H-02 at the Georgetown Airport and described more specifically in said Lease, a copy of which is attached hereto and by reference incorporated herein, was leased to

1 Assignor as Lessee for a term of Fifteen (15) years commencing on October 24, 1989, and
2 expires October 23, 2004, with one (1) five-year option, and

3 WHEREAS, Assignor now desires to assign the FBO Airport Use Agreement to Assignee
4 and Assignee desires to accept the assignment now considered "FBO," and

5 WHEREAS, County, Assignor and Assignee desire and agree that this assignment does
6 not include nor in any manner is intended to authorize the Assignee to conduct any activities or
7 provide services formerly allowed in the now terminated "Agreement To Sublease Lease" dated
8 December 14, 1992, as well as the now terminated "Addendum To Agreement To Sublease
9 Lease" dated February 16, 1993, that were formerly a part of the FBO Master Lease being
10 assigned at this time.

11 County and FBO hereby amend the FBO Airport use Agreement by this Assignment of
12 FBO Airport Use Agreement to run concurrent with and be subject to all the terms and
13 conditions of the FBO Airport Use Agreement.

14 **W I T N E S S E T H:**

15 County and FBO, for and in consideration of the covenants, conditions, agreements and
16 stipulations hereinafter expressed, agree as follows:

17 1. Amend Lines 14 through 18, Page 1, to read:

18 WHEREAS, FBO wishes to conduct certain commercial activities at said airport
19 in his privately owned hangar, including development, design and fabrication and
20 sale of original camera equipment to be installed on aircraft.

21 2. Amend Paragraph 1.a., Page 2, AUTHORIZED ACTIVITIES, to read:

22 To engage in the development, design and fabrication and sale of original camera
23 equipment to be installed on aircraft.

24 3. Amend paragraph 1.b., Page 2, to read:

25 FBO may conduct other activities which are reasonably necessary to the proper
26 conduct and operation by FBO for the commercial activities authorized by this
27 agreement. It is specifically understood by the parties hereto that this provision
28 does not authorize the conduct of a separate business of any kind, type or

1 description without further written approval and agreement by County. Aircraft
2 painting incidental to other repairs is permitted providing it be done indoors and
3 in compliance with all local, Federal and State laws.

4 4. Amend Paragraph 4.a.(1), Page 3, CONSIDERATION, to read:

5 The development, design and fabrication and sale of original camera equipment to
6 be installed on aircraft for fair and reasonable prices.

7 5. Amend Paragraph 4., Page 4, CONSIDERATION, to add c. to read:

8 c. FBO understands that the assignment referred to herein creates a property
9 interest which may be subject to property taxation and that any possessory
10 interests vested in the Assignee through this assignment make the Assignee
11 subject to the payment of property taxes levied on that property interest pursuant
12 to Revenue and Taxation Code section 107.6.

13 6. Amend Paragraph 6.B., Page 4, INSURANCE AND INDEMNITY, to read:

14 Comprehensive Public Liability Insurance (Bodily Injury and Property Damage)
15 of not less than Five Hundred Thousand Dollars (\$500,000) combined single limit
16 per occurrence (claims made), including but not limited to endorsements for the
17 following coverages: Personal injury; premises-operations; products and
18 completed operations.

19 7. Delete Paragraph 6.D., Page 5, INSURANCE AND INDEMNITY, to read:

20 8. Add language to Paragraph 8., Page 8, to read:

21 FBO consents to keep its leased premises clean and free of weeds and debris. All
22 parts and material storage will be confined to the interior of hangar unless
23 otherwise approved by County for an exterior fenced storage area.

24 9. Amend Paragraph 13., Page 10, COMPLIANCE WITH RULES AND
25 REGULATIONS, to read:

26 Attached and made a part of this agreement are Exhibit "B," El Dorado County
27 Code Title 18, Exhibit "C," MINIMUM STANDARDS FOR COMMERCIAL
28 AERONAUTICAL ACTIVITIES, and Exhibit "D," an FBO signed copy of

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NOTICE OF INTENT TO COMPLY WITH THE TERMS OF THE GENERAL PERMIT TO DISCHARGE STORM WATER.

10. Amend Paragraph 17., Page 17, COMMUNICATIONS, to read:

All communications pertaining to this agreement shall be directed to FBO at AirFilm, 505 N. Smith #103, Corona, California, 91720, and to the County at the offices of El Dorado County Airports, P.O. Box 85, Placerville, California, 95667.

Except as amended herein, each and every term and condition of the FBO Airport Use Agreement dated October 24, 1989, and Third Addendum to the FBO Airport Use Agreement dated May 17, 1995, shall continue and remain in full force and effect.

Dated: _____

James F. McKeehan
Daudalus Aircraft

Dated: _____

Scott P. Herring
AirFilm

Dated: _____

Chairman, Board of Supervisors or
Director, Department of Transportation

TRP:sln
airfilm.agr