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B-02
CH-01

**FIXED BASE OPERATOR
AIRPORT LEASE AGREEMENT # 689-L0811**

THIS AGREEMENT, entered into by and between **EL DORADO COUNTY**, a political subdivision of the State of California, hereinafter referred to as "County," having its principal place of business at 360 Fair Lane, Placerville, California 95667, and Joe and Doralee Stancil, DBA, Stancil Enterprises Inc., having its principal place of business at County Hangar CH-01, suite 3 and Building B-02, suite 2, 3501 Airport Road, Placerville Ca, 95667, and hereinafter referred to as "FBO" (Fixed Base Operator),

WHEREAS, County owns and operates the public airport facilities at Placerville, California, hereinafter referred to as "Airport"; and,

WHEREAS, FBO wishes to conduct certain commercial activities at said airport including aircraft sales, detailing, maintenance and flight instruction to the patrons of the Aviation Community.

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

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

WHEREAS, County hereby finds that the terms and conditions as set forth hereinbelow are beneficial and necessary to promote the welfare and convenience of the public using the airport and otherwise satisfy Section 18.08.020 of the El Dorado County Ordinance Code.

NOW, THEREFORE, IT IS HEREBY AGREED:

1. **LEASE OF PREMISES:** The COUNTY hereby leases to FBO, and FBO leases from COUNTY, the premises designated in Exhibit "A," incorporated herein by reference and attached hereto, consisting of a 3,000 square foot hangar commonly designated as County hangar CH-01, office space designated as building B-02 which is approximately 564 square feet and approximately 880 square feet of undeveloped land which is currently occupied

by an existing modular office and six (6) parking spaces. Said premises are hereinafter referred to as the "Leased Premises" or the "Premises." Referred to as County hangar CH 01, suite 3, and building B-02, Suite 2 and adjacent land as described above, at 3501 Airport Road, Placerville CA, 95667. This Lease is pursuant to the terms hereinbelow set forth

2. **TERM:** The term of this lease shall be five (5) years, commencing on March 1, 2008, or when signed by the Chairman of the County of El Dorado, Board of Supervisors and shall continue in full force and effect until February 29, 2012; or such subsequent date as signed by the Board Chair. FBO shall have the option to extend this lease for an additional two (2) five year terms provided that he/she notifies County in writing of his/her intention to extend within sixty (60) days in advance of ending of the prior term. Lessee shall have the option to renegotiate the conditions of such additional terms under such terms and conditions as may be agreed upon at such time. This lease shall become effective on the specified date only if by that date all of the following are satisfied:

- a. The FBO shall execute and deliver a copy of this lease to County;
- b. The FBO shall deliver to County the security deposit required in Paragraph 15 in a form acceptable to County by the effective date of this lease.
- c. FBO shall submit to County evidence, acceptable to County, of all insurance required to be in effect on the effective date of this lease;
- d. The first month's rent under this lease shall be paid to County.

If FBO fails to comply with any of the conditions set forth in this Paragraph by the proposed effective date of this lease, then this lease shall not go into effect and shall be null and void and of no force and effect.

3. **AUTHORIZED ACTIVITIES:** FBO is hereby authorized to engage in the following activities on the Leased Premises pursuant to this Lease, subject to the restrictions contained in this Lease:

A. Primary Activities:

1. The sale of aircraft, aircraft maintenance, repair, detailing and flight instruction, pursuant to validly issued Certificate(s) under the applicable Federal Aviation Regulations.

B. All aircraft sales, maintenance, repair, and servicing, flight instruction and related activities, and all

Incidental Uses, shall be performed only within, and confined to, the Leased Premises, and shall not be performed in areas of the airport outside of the Leased Premises except for emergency repairs and aircraft retrieval. No painting of aircraft or parts shall be allowed to take place on the leased premise.

4. **COMPLIANCE WITH LAWS**. FBO will not use or occupy, or permit any portion of the Leased Premises to be used or occupied, (a) in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement, now or after the date of this Lease affecting the Leased Premises; or, (b) in any manner or for any business or purpose, except as expressly authorized under this Lease, that creates risks of fire or other hazards, or that would in any way violate, suspend, void, or increase the rate of fire or liability or any other insurance or any kind at any time carried by County upon all or any part of the Leased Premises. FBO will comply with all requirements relating to the use, condition, or occupancy of the Leased Premises, and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the Leased Premises. The cost of such compliance will be borne by FBO. Without limiting the foregoing, FBO represents, warrants and covenants to County that:

- (a) FBO and the Premises will remain in compliance with all applicable laws, ordinances, and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment.
- (b) With respect to the use of any hazardous materials for which a hazardous materials business plan is required, including aircraft repair, FBO shall prepare and submit a hazardous materials business plan to the appropriate governmental agencies.
- (c) Any spills or hazardous wastes occurring while under control and possession of FBO, which are not caused by the negligence or willful misconduct of County, shall be solely the responsibility of FBO.
- (d) FBO will promptly notify County, in writing, if FBO has or acquires notice or knowledge that any hazardous material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Leased Premises. If any hazardous material is found on the

Leased Premises, other than being used or stored in compliance with all applicable laws and regulations, FBO, at its own cost and expense, will immediately take such action as is necessary to detain the spread of and remove the hazardous material to the complete satisfaction of County and the appropriate governmental authorities.

- (e) FBO will immediately notify County and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Leased Premises or compliance with environmental laws. FBO will promptly supply County with copies of all notices, reports, correspondence, and submissions made by FBO to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, and any other local, state, or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to environmental laws. FBO will promptly cure and have dismissed with prejudice any such actions and proceeding to the satisfaction of County.
- (f) All activities undertaken by FBO under this Lease or on the Leased Premises shall be in full compliance with all applicable laws and regulations, including, but not limited to, all applicable FAA regulations. FBO shall observe faithfully all rules and regulations affecting use of Airport, whether established by County, the State of California, or the United States, or by any other governmental agencies thereof having jurisdiction over said premises. FBO agrees to conduct activities authorized herein, and ground operations on the Airport in accordance with proper rules and regulations of all authorities having jurisdiction over such operations and activities and provide proof of all necessary licenses, certificates, or other approvals required by governmental agencies, including, but not limited to, any appropriate or applicable FAA certificates for the activities to be conducted hereunder and a valid County business license.

5. **CONSIDERATION:** As consideration for the lease of the Leased Premises from County, in addition to the performance of all other covenants and conditions in this Lease, FBO agrees to and shall comply with the

following:

A. Rent: FBO shall pay to County as and for rent of the Leased Premises the amount of **Fifteen Hundred Seventy-Four dollars and 54 cents (\$1,574.54)** per month during the term of this Lease. Rent shall be payable monthly in advance, commencing on the effective date of this Lease.

The monthly rent shall be due on the first day of each calendar month during the term of this lease. A late charge of **6%** or **Ninety-Four Dollars (\$94.44)** shall be charged if the rent payment is not received by the 10th day of the month. If the effective date of this lease is other than the first day of a calendar month, the first month's rent shall be due on the effective date of the lease and shall be prorated to the beginning of the following month. In that event, the final rent payment shall be prorated to the termination date of the lease.

Said rental amount shall be adjusted beginning on the first day of the second year of the lease and every subsequent year thereafter at a rate equivalent to the increase of the "Consumer Price Index" of the then current rental amount. Under no circumstances shall the outcome of calculation of the "Consumer Price Index" result in a reduction in rent.

B. Covenant to Operate: The County has determined that entering into this Lease is in the public interest in that, among other things, it is in the public interest to ensure the availability to the public of those services listed as Primary Activities authorized under Section 4 of this Lease. FBO acknowledges that County is entering into this Lease not simply to allow the uses permitted by the Lease, but to secure for the public interest the availability of the aviation related services identified as Primary Activities. Therefore, FBO is not only authorized, but required to conduct the Primary Activities throughout the term of this Lease. In addition to the performance of all other covenants and conditions in this Lease, FBO agrees to and shall provide to the public through the term stated herein, those services and necessary equipment and facilities as follows:

- (i) The sale of aircraft to the Aviation Community.

The FBO will carry on its business to perform the above-referenced required services diligently and continuously at the Leased Premises through the term of this Lease so as to make available the services listed as Primary Activities and will keep the premises open for business on all normal business days.

Failure by the FBO to provide the services specified in this section for a period exceeding thirty (30) business days per year during the term of this Lease shall be grounds for termination of this Lease by County.

6. **HOLDING OVER:** If FBO holds over following expiration of the lease with the consent of County, FBO's occupancy shall be month to month and FBO's occupancy of the leased premises after expiration shall be subject to compliance with all of the terms of this lease including, but not limited to, payment of the monthly rent.

7. **INSURANCE:** FBO, at FBO's sole cost, shall maintain in full force and effect at all times during the term of this lease the insurance coverages set forth as Exhibit "B" attached hereto and incorporated herein by this reference. The coverages set forth in Exhibit "B" shall apply from the effective date of this lease to the expiration of the lease. Evidence of the coverages required by Exhibit "B" shall be furnished to County by the effective date of this lease. FBO further agrees that all other terms and conditions contained in Exhibit "B" constitute terms and conditions of this lease and shall be enforceable as such.

(a) FBO at this time does not conduct maintenance and flight instruction activities, but does intend to in the future. Prior to conduct of these future activities FBO shall present insurance coverage's satisfactory to the County of El Dorado for these activities.

In the event an insurer providing any of the required coverages gives notice of cancellation of any of the coverages by reason of non-payment of premiums or for any other reason, FBO shall provide to County evidence of the reinstatement of the coverage not less than five (5) business days prior to the stated date of cancellation. County shall notify FBO upon receipt of any notice of cancellation.

8. **INDEMNIFICATION:** The FBO shall defend, indemnify and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees and the public, or damage to property or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the FBO's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the FBO, subcontractor(s) and employee(s) or any of these, except for the sole or active negligence of the County, its

officers and employees, or as expressly prescribed by statute. This duty of FBO to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778. FBO's obligation to observe and perform this covenant will survive the end of this Lease.

9. **INSPECTION OF PREMISES:** FBO represents that it has inspected the premises and that it accepts the condition of same and fully assumes all risks incident to the use thereof. County shall not be liable to FBO for any damages or injuries to the property or person of FBO, its agents, employees, passengers, guests or business visitors, as a result of conduct by FBO of any activities or operations at the Airport or upon the Leased Premises herein or due to the condition of the Leased Premises.

10. **MAINTENANCE OF LEASED PREMISES.** The County, at its sole cost and expense, shall repair and maintain the exterior (*i.e.* the roof, doors, and exterior walls) of the existing County-owned building (hangar) on the Leased Premises as may be required after completion of tenant improvements as described in section 12, TENANT IMPROVEMENTS. Except as expressly provided immediately above, FBO, at its sole cost and expense, shall maintain the Leased Premises including, without limitation, the interior of said hangar together with the surrounding Leased Premises, in a safe, sanitary, neat and orderly condition. FBO, at its sole cost and expense, shall make repairs, restorations, and replacements to those portions of the Leased Premises for which it has maintenance responsibilities, as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of FBO, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements will be in quality and class equal to the original work or installations. If FBO fails to make those repairs, restorations, or replacements, County may make them at the expense of FBO and the expense will be collectible as additional rent due and payable by FBO within fifteen (15) days after delivery of a statement for the expense.

FBO shall be liable for any damage to the existing County owned building and grounds if the damage results from the acts or omissions of FBO or its officers, agents, or employees, except for ordinary wear and tear. FBO shall keep areas in which operation is authorized free and clear of all weeds, rocks, debris, hazardous or other

material which could cause damage to aircraft, buildings, persons or automobiles.

11. **ALTERATIONS AND IMPROVEMENTS.** FBO shall not make any alterations, additions, or improvements to the Leased Premises, except as noted in section 12, TENANT IMPROVEMENTS, below, without County's prior written consent. Any improvements made shall: meet all existing building codes and regulations as required by the County Building Department, or other County authority; be made with due diligence, in a good and workmanlike manner, and in compliance with all laws and regulations; be promptly and fully paid for by FBO. FBO shall be responsible for all costs associated with alterations additions or improvements, including but not limited to, building materials, permits, fees, hook-ups, and other costs associated with any construction or improvements. Except as otherwise provided in this Lease, all alterations, additions, fixtures, and improvements, whether temporary or permanent in character, made in or upon the Leased Premises by FBO, will immediately become County's property and, at the end of the term of this Lease, will remain on the Leased Premises without compensation to FBO with the exception of trade fixtures. County understands that the modular office that is currently in place is the private property of Lessee and may be removed or left in place at the discretion of Lessee at the termination of this lease. Should the modular building be left in place at termination of this lease it must be in a useable condition. By notice given to FBO no less than ninety (90) days prior to the end of this Lease, County may require that any alterations, additions, fixtures, and improvements made in or upon the Leased Premises be removed by FBO. In that event, FBO will remove the alterations, additions, fixtures, and improvements at FBO's sole cost and will restore the Leased Premises to the condition in which they were before the alterations, additions, fixtures, and improvements were made, reasonable wear and tear excepted. At the time of giving its written approval to any alterations, additions or improvements as required by this section, County may include in such written consent waiver of its right to require removal of the specific alterations, additions or improvements.

12. **TENANT IMPROVEMENTS.** As part of the successful proposal and selection, Lessee offered, and County agrees to allow, Lessee to make the following, minimum, tenant paid, improvements to the leased facilities. Improvements to be completed within six (6) months of commencement of lease.

- a. Apply a urethane sprayed on roof coating which shall have a minimum 10 year guaranteed life to

hangar CH-01.

- b. Apply a suitable insulating material on all non-insulated, exposed interior walls.
- c. Suitably paint the old, existing parts room to match the balance of the interior.
- d. Paint or apply a suitable finish to all interior walls.\
- e. Install additional interior lighting.
- f. Properly paint the exterior walls of hangar CH-01.
- g. Paint existing, County owned, Stancil occupied, office building known as B-02, lessee occupied modular office and hangar CH01 to match. Color to be reviewed and approved by Airport Operations Supervisor.
- h. Clean, paint or stain hangar floor.

13. **MECHANICS' LIENS**. FBO will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Leased Premises, and for all materials furnished for or in connection with the work. FBO will indemnify County against and hold County harmless from all liabilities, liens, claims, costs, and demands on account of the work. If any lien is filed against the Leased Premises, FBO will cause the lien to be discharged of record within ten (10) days after it is filed. If FBO desires to contest the lien, it will furnish County, within the ten-day period, security reasonably satisfactory to County of at least 150% of the amount of the lien, plus estimated costs and interest. If a final, non-appealable judgment establishing the validity or existence of the lien for any amount is entered, FBO will satisfy it at once. If FBO fails to pay any charge for which a lien has been filed, and does not give County such security, or does not so satisfy any such judgment, County may, at its option, pay the charge and related costs and interest (and may apply any security given by FBO), and the amount so paid, together with reasonable attorneys' fees incurred in connection with it, will be immediately due from FBO to County as additional rent. Nothing contained in this Lease is the consent or agreement of County to subject County's interest in the Leased Premises to liability under any lien law. If either County or FBO receives notice that a lien has been or is about to be filed against the Leased Premises, or that any action affecting title to the Leased premises has been commenced on account of work done by or for FBO or labor or materials furnished to or for FBO, it will

immediately give the other written notice of the notice. At least fifteen (15) days prior to the commencement of any work (including without limitation any maintenance, repairs, alterations, additions, improvements, or installation) in or to the Leased Premises, by or for FBO, FBO will give County written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. County will have the right to post notices of non-responsibility or similar notices on the Leased Premises in order to protect the Leased Premises against liens.

13. **SURRENDER**. Upon expiration of this Lease, FBO shall surrender to County the Premises in good order and condition, ordinary wear and tear excepted. If there is then no default in existence, FBO may remove from the Leased Premises any trade fixtures, equipment, and movable furniture placed in the Leased Premises by FBO, whether or not the trade fixtures or equipment are fastened to the Premises. FBO will not remove any trade fixtures or equipment without County's written consent if the trade fixtures or equipment are used in the operation of the building or if the removal of the fixtures or equipment will impair the structure of the building. Whether or not there is then a default in existence, FBO will remove the alterations, additions, improvements, trade fixtures, equipment and furniture as County has requested in accordance with Section 11. FBO will fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions, and improvements. All trade fixtures, equipment, furniture, alterations, additions, improvements, and other personal property not removed will conclusively be deemed to have been abandoned by FBO and may be appropriated, sold, stored, destroyed, or otherwise disposed of by County without notice to FBO or to any other person and without obligation to account for them. FBO will pay County all expenses incurred in connection with County's disposition of such property, including without limitation the cost of repairing any damage to the Leased Premises caused by removal of such property, and will hold County harmless from loss, liability, or expense arising from the claims of third parties such as lenders whose loans are secured by such property. FBO's obligation to observe and perform this covenant will survive the end of this Lease. All other alterations and improvements shall remain on the premises and the leased premises shall be surrendered to the County in good condition.

14. **UTILITIES**: County will pay for water service to the Leased Premises. FBO shall pay for any and all

other utilities, *e.g.*, electricity, garbage, telephone, *etc.*, together with all fees, charges, and penalties, including but not limited to any service charges, connection or installation fees, related thereto, whether or not billed directly to FBO.

15. **ASSIGNMENT AND SUBLEASE:** FBO shall not assign this Lease in part or in full and FBO shall not sublease all or part of the premises without prior written consent of County. Any attempted assignment or sublease made in violation of this provision shall be void, and upon any such attempt to make any such assignment or sublease, County may terminate this Lease upon thirty (30) days' notice to FBO without further liability to FBO. Assignment of lease shall be subject to the requirements of the "Minimum Standards for Commercial Operators".

16. **REQUIRED COVENANTS:** FBO further covenants to perform the following:

- a. To operate the premises leased herein for the use and benefit of the public, and
 - i. To furnish said services and products on a fair, equal, and not unjustly discriminatory basis to all users thereof, and
 - ii. To charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- b. FBO for himself, his heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are installed, constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, FBO shall maintain and operate such facilities and services in compliance with other requirements imposed pursuant to Title 49, Code of Federal Regulation, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- c. FBO for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that:

- i. 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,
 - ii. that 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 participating in, denied the benefits of, or otherwise be subject to discrimination,
 - iii. that FBO shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- d. That in the event of breach of any of the above nondiscrimination covenants, County shall have the right to terminate the agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said agreement had never been made or issued. This provision does not become effective until the procedures of 49 Code of Federal Regulations, Part 21 are followed and completed including expiration of appeal rights.
- e. Non-compliance with the aforementioned four (4) provisions, a. through d., inclusive shall constitute a material breach hereof and in the event of such non-compliance, County shall have the right to terminate this agreement and any interest of estate hereby created liability therefore or at the election of County or the United States either or both said governments shall have the right to judicially enforce provisions.
- f. FBO agrees that it shall insert the above five provisions in any agreement by which said FBO and County grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased. Nothing in this paragraph authorizes FBO to enter into any such agreement unless otherwise authorized by this Lease.
- g. FBO assures that it will undertake an affirmative action program as required by 14 Code of Federal

Regulations, Paragraph 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 Code of Federal Regulations, Part 152, Subpart E. FBO assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. FBO assures that it will require that its covered sub-organizations provide assurances to FBO that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 Code of Federal Regulations, Subpart E, to the same effort.

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

i. County reserves the right, but shall not be obligated to FBO, 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 FBO in this regard.

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

k. FBO agrees with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

l. FBO by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above actual ground level in excess of twenty (20) feet. In the event the aforesaid covenants are breached, County reserves the right to enter upon the land leased hereunder and to remove the offending structure or

object and cut the offending tree, all of which shall be at the expense of FBO.

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

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

o. FBO agrees to provide and maintain directly or by agreement sufficient fixtures and equipment necessary to meet the customary demand for services offered and authorized hereby.

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

17. **NON-EXCLUSIVE USE:**

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

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

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

18. **TERMINATION; CANCELLATION; FORFEITURE**: This agreement may be terminated as follows:

a. Should FBO fail to observe any provisions of this agreement, written notice of such delinquency shall be given by County; if such delinquency continues uncured by FBO for thirty (30) days after receipt of such notice, County may elect to terminate this agreement.

b. Notwithstanding the provisions of subparagraph a. above, the County shall have the right to cancel, terminate or declare a forfeiture of this agreement in its entirety before expiration of its original term, or any extended term, immediately upon the happening of any of the following events:

i. Filing of a petition, voluntarily or involuntarily, for the adjudication of FBO as a bankrupt;

ii. The making of FBO of any general assignment for the benefit of creditors;

iii. The occurrence of any act which operates to deprive FBO permanently of the ability to perform the duties under this agreement;

iv. The abandonment or discontinuance of aviation related operations or services specified in Paragraphs 1a and 1b of this agreement at the Airport by FBO for a period of thirty (30) days or more unless prior written notice is received and written approval by County is provided;

v. Failure to comply with the insurance requirements of paragraph 6 hereinabove and the security deposit provisions of paragraph 15 hereinbelow;

vi. If at any time during the term, FBO is engaged in an activity for which FBO is no longer authorized by any regulatory agency having jurisdiction over FBO or Airport;

vii. Failure of FBO to continue, replenish or renew the security deposit by the next due date for rent payment; provided that County has given FBO notice that County has appropriated all or a portion of the security deposit and the amount appropriated;

viii. Failure by the FBO to pay any rent due within three days following a three day notice to pay such rent or quit the Premises, regardless of whether the County thereafter appropriates the rent due from any security deposit held;

ix. County's right to terminate or cancel under this Paragraph shall be exercised

by delivering written notice of termination or cancellation to FBO. The date of termination or cancellation shall be immediate upon delivery of notice, unless the notice specifies an alternate date of termination or cancellation. No additional notice is required by this Lease other than the three day notice to pay rent or quit in the event of rent due.

No waiver by County at any time of any of the terms, conditions or covenants of this agreement shall be deemed or taken as a waiver at any time thereafter of the same or of any other terms, conditions or covenants herein contained, nor of the strict and prompt performance thereof by FBO.

c. FBO may cancel this agreement and terminate all of its obligations hereunder at any time that FBO is not in default in its payments by County hereunder, by giving County one hundred and twenty (120) days advance written notice to be served as hereinafter provided.

d. Upon default by County in the performance of any covenant or agreement herein required to be performed by County, County shall remedy such default within a period of sixty (60) days after receipt from FBO of written notice to remedy same or FBO may be relieved of its obligations hereunder and this agreement may be terminated by FBO.

e. Costs of Suit: If any legal action or proceeding be brought by either party to enforce any part of this Agreement, the prevailing party shall recover, in addition to all other relief, reasonable attorney's fees and costs.

19. SECURITY DEPOSIT: Not later than the effective date of this lease and/or assignment of this lease, FBO shall deposit with County the sum of One Thousand Five Hundred Seventy-Four Dollars (\$1,574.00) as security for the full and faithful performance by FBO of the terms, conditions, and covenants of the lease. The deposit may be in the form of: cash; a certificate of deposit with a recognized financial institution, payable to County, and in a form acceptable to County; or an unconditional irrevocable letter of credit from a recognized financial institution, in a form acceptable to County which provides for payment upon submittal of a written claim by County stating that FBO has failed to perform its obligations under this agreement, specifying the nature of the breach, and the amount due.

If at any time during the term of this lease FBO defaults in the payment of rent, or any portion of rent, under this lease, County may appropriate and apply any portion of the security deposit reasonably necessary to remedy any such default in the payment of rent.

If at any time during the term of this lease FBO or FBO's agents or employees damage the premises through want of ordinary care or any greater degree of culpability, then County may appropriate and apply any portion of the security deposit reasonably necessary to fund the necessary repair.

If on termination of this tenancy FBO fails to leave the premises in a clean condition (*i.e.*, comparable to the condition of the premises at the time County delivered possession to FBO at the commencement of this lease, excepting ordinary wear and tear), then County may appropriate and apply any portion of the security deposit reasonably necessary to put the premises in clean condition.

County agrees to hold the security deposit for FBO, free from the claim of any creditor of County's except a trustee in bankruptcy.

County shall return to FBO the portion of the security deposit remaining after any deductions authorized by this article or otherwise authorized by law, if any, in the following manner. If a deduction has been made only for the nonpayment of rent, the remaining portion, if any, shall be returned not later than two weeks after the date County receives possession of the premises. If a deduction has been made for any other reason authorized by this Paragraph or otherwise authorized by law, the remaining portion, if any, shall be returned not later than 30 days from the date County receives possession of the premises. FBO shall not be entitled to any interest on any portion of the security deposit.

If, during the term of this lease, County applies all or any portion of the security deposit for a purpose authorized by this Paragraph or otherwise authorized by law, FBO agrees to restore the amount of the security so applied by County with the next due payment of rent under this lease.

Alternatively, County may agree to accept a Certificate of Deposit, in an interest bearing account from a recognized financial institution acceptable to County in the amount specified above and made payable to the County of El Dorado, in lieu of the surety bond required herein. Said Certificate of Deposit shall be maintained during the

term hereof for the purpose of ensuring the faithful performance of FBO herein. County may upon prior written notice to FBO apply to proceeds of such Certificate of any obligation owing by FBO pursuant to this agreement and in such event, FBO may be required by County, in its sole discretion, to obtain and provide surety bond or an additional Certificate as a material covenant of this agreement.

If a payment due from FBO under this lease is past due, the County may by written demand thereon obtain such payment. Should County be required to make demand on said bond or should FBO fail to maintain said bond in full force and effect as required herein, then County may terminate this lease immediately by giving written notice for FBO.

20. **COMMUNICATIONS**: All communications pertaining to this agreement shall be directed to FBO at County Hangar CH-02, 3481 Airport Road, Placerville CA, 95667, and to County at Director of General Services, 345 Fair Lane, Placerville, CA 95667.

21. **AMENDMENTS**: This agreement may be amended, or otherwise modified at any time upon mutual written consent of the parties.

22. **POSSESSORY INTEREST PROPERTY TAXATION**: The FBO understands that this FBO Airport Lease Agreement creates a property interest which may be subject to property taxation and that any possessory interests vested in the FBO make the FBO subject to the payment of property taxes levied on that property interest pursuant to Revenue and Taxation Code section 107.6.


20. **COUNTY ADMINISTRATOR**: Pursuant to the El Dorado County Charter, Director of General Services, or successor is designated as administrator of this lease.

23. **VENUE**: Any dispute resolution action rising out of this Agreement, including, but not limited to, litigation, mediation or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. Contractor waives any removal rights it might have under Code of Civil Procedure Section 394.


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

LESSEE: FIXED BASE OPERATOR

Dated: 1/28/08

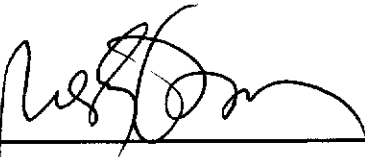
By: 
Joe Stancil Jr.

Dated: 1-28-08

By: 
Doralee Stancil, DBA,
Stancil Enterprises Inc.

LESSOR: COUNTY OF EI DORADO

Dated: 3/25/08


By: 
Chairman

Board of Supervisors
"County"

ATTEST:

Cindy Keck;

Clerk of the Board of Supervisors

By:  Dated: 3/25/08
Deputy Clerk

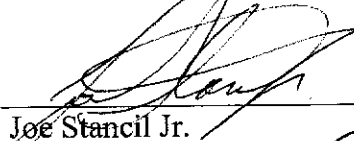
LETTER OF UNDERSTANDING REGARDING HANGAR CH-01
ATTACHMENT "D" TO: Fixed Base Operators Agreement #689-L0810
Between County of El Dorado and Joe and Doralee Stancil, DBA, Stancil Enterprises Inc.

This is a letter of understanding, regarding the Fixed Base Operators Lease #689-L0810 between the County of El Dorado and Stancil Aviation. It is the intent of the County to lease the hangar building, otherwise known as CH-01, to Stancil Enterprises Inc., for the purpose of aviation maintenance, sales and other related activities. This building has been used for these same purposes since the building was constructed more than 30 years ago and is deemed suitable for these same uses without alteration or upgrading.

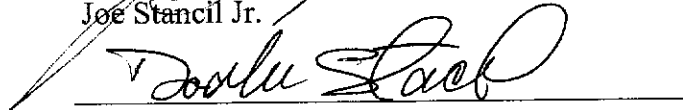
The question has come up about future improvements possibly required by the Building Dept or Fire Dept and it is deemed that the building is "Grandfathered in" since there has been no change in use and is suitable for such use. No known defects are present and the tenant will not be required to remodel or upgrade the existing facilities other than as described and agreed to under section 12. TENANT IMPROVEMENTS, of Fixed Base Operators Agreement #689-L0810 with the County of El Dorado, dated ----- 2007.



David Nicolls, Airport Operations Supervisor



Joe Stancil Jr.



Doralee Stancil

EXHIBIT "B"

INSURANCE REQUIREMENTS

Lessee shall provide proof of a policy of insurance satisfactory to the County and documentation evidencing that Lessee maintains insurance that meets the following requirements.

- A. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- B. In the event Lessee can not provide an occurrence policy, Lessee shall provide insurance covering claims made as a result of performance of this Permit for not less than three (3) years following completion of this Permit.
- C. Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor as required by law in the State of California.
- D. Automobile liability and property damage coverage of not less than \$300,000 combined single limit per occurrence for bodily injury and property damage.
- E. Hangar Keepers Liability of not less than \$75,000 per aircraft or occurrence.
- F. Lessee shall furnish a certificate of insurance satisfactory to County as evidence that the insurance as required above is being maintained.
- G. The insurance shall be issued by an insurance company satisfactory to the County or be provided through partial or total self-insurance likewise acceptable to County.
- H. Lessee agrees that the insurance required above shall be in full force and effect at all times during the term of this Permit. In the event said insurance coverage expires at any time or times during the term of this Permit, Lessee agrees to provide 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 Permit or for a period not less than one (1) year. New certificates of insurance are subject to the approval of County and Lessee agrees that the Lessee shall not commence operations prior to the giving of such approval. In the event the Lessee fails to keep in effect at all times the insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Permit upon the occurrence of such event.

- I. The certificate of insurance must include a provision stating that:
 1. The insurer will not cancel the insured's coverage without 30 days prior written notice, and;
 2. The County of El Dorado, its officers, officials, employee's and volunteers are included as additional insured, but only insofar as the operations under this Permit are concerned. This provision shall apply to all liability policies except Worker's Compensation.
- J. The Lessee's insurance shall be primary insurance as respects the County, its officers, officials employee's and volunteers. Any insurance of self-insurance maintained by the County, its officers, officials, employees and volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
- K. Any deductibles or self-insured retention must be declared to and approved by the County. At the option of the County either the insurer shall reduce or eliminate such deductibles or self-insured retention as respect the County, it officers. Officials, employees; or Lessee shall procure and maintain a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- L. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.
- M. The insurance companies shall have no recourse against the County of El Dorado, its officers, officials, or employees for payment of any premiums or assessments under any policy issued by any insurance company.
- N. Lessee's obligations shall not be limited by the foregoing requirements and shall survive the expiration of this Permit.
- O. The certificate of Insurance shall meet additional standards as may be determined by County, either independently or in consultation with the County's Risk Manager, as essential for protection of the County.
- P. Operator shall test fly only aircraft that the owner has specifically requested Operator to test fly and only after personally inspecting the liability coverage of said aircraft to verify that the appropriate insurance is in full force and effect.