

ORIGINAL

**COUNTY OF EL DORADO
AIRPORT PROPERTY LEASE AGREEMENT
No. 560-L0311**

THIS AGREEMENT is made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California (hereinafter referred to as "County") and **STEVEN P. BONAK, a sole proprietorship**, doing business as **PLACERVILLE AVIATION**, whose principal place of business is 3501 Airport Road, Suite 3, Placerville, CA 95667 (hereinafter referred to as "Lessee").

WITNESSETH

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

WHEREAS, Lessee wishes to conduct commercial activities including aviation related sales, services and supplies at the Placerville Airport; and

WHEREAS, a written agreement is required for these commercial activities pursuant to El Dorado County Ordinance Section 18.04.010 ET esq.; and

WHEREAS, pursuant to Government code Sections 50470 – 50478, and the El Dorado County Ordinance Section 3.08.021, County may lease space PC-1 at said Airport for such commercial activities and may charge a fee for such lease and for permitting said activities by Lessee; and

WHEREAS, County finds that the terms and conditions as set forth herein below 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. **AUTHORIZED ACTIVITIES** - Lessee is hereby authorized to perform the following:
 - A. to engage in the sale of pilot supplies and aircraft parts and supplies
 - B. to provide, pursuant to and in accordance with a validly issued FAA Certificate under the applicable Federal Aviation Regulation, aircraft rental and flight instruction, including, but not limited to, private, single, multi-engine land and instrument training
 - C. the sale of aircraft

- D. air taxi service (FAE Part 135)
- E. to provide aircraft maintenance, repair, alterations, and services
- F. Lessee may conduct other activities, which are reasonably necessary to the proper conduct and operation by Lessee, for the commercial activities authorized by this Lease. It is specifically understood by the parties hereto that this provision does not authorize the operation of a separate business of any kind, type or description without further written approval and agreement by the County.

- 2. **LEASED PREMISES** – The space leased to the Lessee herein is as designated in Exhibit "A", incorporated herein by reference and attached hereto.
- 3. **TERM** – The term of this Lease shall be for thirty (30) years commencing on the date of execution hereof and ending on September 15, 2033. Said agreement may be canceled by either party by giving 30 days written notice in accordance with paragraph 20 herein below.

In addition, Lessee shall have the option to Lease the subject Premises for two (2) additional ten (10) year terms after the initial Lease expiration date of September 15, 2033. Such option(s) shall be on the same terms and conditions as provided for herein for the initial term. Lessee shall notify County in writing approximately sixty (60) days prior to the expiration of the first thirty (30) year term and each additional ten (10) year term thereafter, should Lessee elect to exercise said option(s).

- 4. **CONSIDERATION** – Lessee shall be required as a condition of this agreement to provide to the public, through the term stated herein and in a manner satisfactory to the County, all those services and necessary equipment and facilities required to provide the activities authorized in paragraph one herein above. County shall not obstruct or in any way unduly interfere with the business activities of the Lessee.

- 5. **PAYMENT** – Lessee shall pay to County as and for rent of the space leased herein, the amount set forth below. The rental payment for the leased Premises described herein shall be per the following schedule:

- A. Lessee agrees to pay to County as rent the sum of **Ninety-Six Dollars (\$96.00)** per month for the period of September 15, 2003 to November 30, 2003, payable on the first day of each and every month commencing on October 1, 2003. Commencing on December 1, 2003, Lessee agrees to pay to County as rent the sum of **Six Hundred Seventy-Two Dollars (\$672.00)** per month, and each and every month thereafter.

- B. Said rental amount shall be adjusted on September 15, 2005, and every subsequent year thereafter at a rate of three (3%) of the then current rental amount.
6. **POSSESSORY INTEREST** – Lessee is hereby placed on notice, pursuant to Revenue and Taxation Code section 107.6, that this Lease may create a property interest that may be subject to property taxation, if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on that interest.
7. **REMOVAL OF TENANT IMPROVEMENTS** - Upon termination or expiration of this Lease, improvement of a permanent nature placed upon the leased Premises, such as concrete pads, gravel or other site preparation shall become the property of County without charge to the County. Lessee shall remove any unattached improvements at Lessee's sole obligation and expense. If Lessee fails to do so within thirty (30) days after termination or expiration of this Lease, County may, in its discretion, after providing notice to Lessee of intent to do so, cause said improvements to be removed and the cost for storage, removal, and additional rental thereof shall be paid by Lessee.
8. **INSURANCE** - Lessee shall at the time of lease approval and annually thereafter, provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Lessee maintains insurance that meets the following requirements:
- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Lessee as required by law in the State of California.
- B. Commercial General Liability Insurance for airports of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverages: personal injury; premises-operations; products and completed operations; blanket contractual; independent contractor's liability; aircraft sales demonstration.
- C. Aircraft Liability Insurance of not less than \$1,000,000 combined single limit per occurrence on owned, hired, leased and non-owned aircraft, including but not limited to endorsements for student pilot instruction and renter pilot liability (for student/renter pilot a minimum of \$100,000 per passenger / \$300,000 per occurrence is acceptable).
- D. Automobile liability insurance of not less than \$500,000 each accident.
- E. Hangar-keeper's Liability Insurance of not less than \$75,000. In the event Lessee sells airplanes on consignment, Lessee shall carry Hangar-keeper's Liability Insurance in the amount of the total value of the airplanes in stock.

- F. Lessee, upon completed repair operations or for student pilot instruction, agrees to: (1) fly only aircraft when its owner has requested him to do so; (2) visually inspect the owner's insurance policy to ensure that coverage is in force allowing him to do so or, (3) fly aircraft for which his own insurance policy(s) covers his operation of such aircraft, (4) fly only aircraft for which he is fully licensed and qualified.
- G. Lessee hereby agrees that County may, through resolution by its Board of Supervisors, determination by the County Risk Manager, or revised permitted activities, increase or otherwise amend or change the insurance coverage requirements as set forth herein above.
- H. Lessee shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- I. The insurance shall be issued by an insurance company acceptable to El Dorado County Risk Management or be provided through partial or total self-insurance likewise acceptable to El Dorado County Risk Management.
- J. Lessee agrees that the insurance required above shall be in effect at all times during the term of this Lease. Lessee agrees to provide, at least thirty (30) days prior to the cancellation or expiration date of an insurance policy or certificate, evidence of insurance coverage as provided for herein for not less than the remainder of the term of the lease, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the County and Lessee agrees that no work or services shall be performed prior to the giving of such approval. In the event Lessee fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this lease upon the occurrence of such event.
- K. The certificate of insurance must include a provision stating that:
1. 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.
 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured under B and C above.
- L. Lessee's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials,

employees or volunteers shall be in excess of the Lessee's insurance and shall not contribute with it.

- M. Any deductibles or self-insured retentions 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 respects the County, its officers, officials and employees; or Lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
 - N. 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.
 - O. 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.
 - P. Lessee shall be responsible for all deductibles in all of Lessee's insurance policies. The amount of deductibles for an insurance coverage required herein shall be reasonable and subject to the County's approval.
 - Q. Lessee's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration or termination of this lease.
 - R. In the event Lessee cannot provide an occurrence policy, Lessee shall provide insurance covering claims made as a result of performance of this Lease for not less than three (3) years following completion of this Lease.
 - S. The Certificate of Insurance shall meet additional standards as may be determined by the contracting County department, either independently or in consultation with the County's Risk Manager, as essential for protection of the County.
9. **INDEMNIFICATION** – Lessee 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 attorneys' fees and other costs of defense incurred by the County, whether for damage to or loss of property, or injury to or death of person, including properties of County and injury to or death of County's officers, agents and employees, which shall in any way arise out of or be connected with Lessee's operations hereunder, unless such damage, loss, injury or death shall be caused solely by the negligence of the County.

10. **INSPECTION OF PREMISES** – Lessee represents to have inspected the Premises and accepts the condition of same and fully assumes all risks incident to the use thereof. County shall not be liable to Lessee for any damages or injuries to the property or person of Lessee, Lessee's agents, employees, passengers, guests or business visitors, as a result of conduct by Lessee of any activities or operation at the Airport or upon the leased Premises herein due to the condition of the leased Premises.
11. **LEASED SITE MAINTENANCE** – Lessee shall be liable for any damage to the existing County-owned grounds resulting from the acts or omissions of Lessee or their officers, agents, or employees, except for ordinary wear and tear. Lessee 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.

Upon expiration of this Lease, Lessee shall surrender to County the Premises in good condition, except those items that Lessee has the right to remove or is obligated to remove. All other alterations and improvements shall remain on the Premises and the leased Premises shall be surrendered to the County in good condition.

12. **IMPROVEMENT OF SPACE TO COMMERCIAL STANDARDS** - Within one hundred eighty (180) days of execution of this agreement, Lessee shall complete construction of a 9,600 square foot building upon the leased premises. Construction of said facility shall meet all existing building codes and requirements as required by the County of El Dorado Building Department. Lessee shall be responsible for all costs associated with said construction, including, but not limited to, building materials, permits, fees, hook-ups and other costs associated with the constructions of said building. Said facility shall include, but not be limited to, office space, storage rooms, meeting rooms and an ADA restroom.
13. **LEASEHOLD DEED OF TRUST** – Lessor acknowledges that Lessee has applied for a Small Business Administration (SBA 504 loan) loan for the construction of the facility described in paragraph 12 herein above. The terms of said SBA 504 Loan require the Lessor's consent to a Leasehold Deed of Trust. The terms of said consent are more fully outlined in Exhibit "B" attached hereto and by reference made a part hereof.
14. **LICENSURE** – Lessee shall obtain and maintain current, a Business License for the operation of a commercial business within the County of El Dorado. Lessee shall also obtain and maintain current any and all other necessary licenses, certificates, or other approvals required by governmental agencies, including any appropriate or applicable FAA certificates for the activities to be conducted hereunder.

15. **UTILITIES** – Lessee shall pay for any and all utilities, e.g., electricity, gas, sewer, garbage, and telephone service, together with all fees, charges, and penalties, including but not limited to any service charges, connection or installation fees, related thereto. County shall provide and pay for water.
16. **ASSIGNMENT** – It is understood that Lessee may not sub-lease or assign the commercial aspects of this Lease, the leased Premises or any portion thereof, any privilege or right granted hereunder, by any manner whatsoever without the prior written consent of County. Said consent of County shall not be withheld arbitrarily without cause. If Lessee, without securing prior written approval of County, attempts to effect such a transfer, assignment, or if a transfer occurs by operation of law, County may terminate this Lease upon thirty (30) days written notice to Lessee without further liability to Lessee and such assignment, transfer or sub-lease shall be void.
17. **COMPLIANCE WITH RULES AND REGULATIONS** – Lessee shall observe faithfully all rules and regulations affecting use of the Airport, whether established by the County, the State of California, or the United States, or by any other governmental agencies thereof having jurisdiction over said Premises. Lessee agrees to conduct activities authorized herein, and ground operations on, at, or near the Airport in accordance with proper rules and regulations of all authorities having jurisdiction over such operations and activities.
18. **REQUIRED COVENANTS** – Lessee further covenants:
- A. To operate the Premises leased herein for the use and benefit of the public, and
 - 1. To furnish said services and products on a fair, equal, and not unjustly discriminatory basis to all users thereof, and
 - 2. To charge fair, reasonable, and not unjustly discriminatory prices for each unit or services; 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. That Lessee, Lessee's heirs, personal representatives, successors in interest, and assigns, agree that in the event facilities are installed, constructed, maintained, or otherwise operated on the Premises described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, 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. That Lessee, Lessee's heirs, personal representatives, successors in interest, and assigns agree:
1. That no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
 2. That as to the construction of any improvements on, over, or under such land and the furnishings 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;
 3. That Lessee 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, 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.
- D. That in the event of breach of any of the above nondiscrimination covenants, County shall have the right to terminate this Lease and to re-enter and repossess said Premises, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of Title 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 Lease and any interest or estate hereby created without 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. Lessee agrees that it shall insert the above five (5) provisions in any agreement by which said Lessee 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.

- G. Lessee assures that it will undertake an affirmative action program as required by Title 14, Code of Federal Regulations, Part 152, Subpart E. Lessee 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. Lessee assures that it will require that its covered sub-organizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by Title 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 seems fit, regardless of the desires or view of Lessee and without interference or hindrance.
- I. County reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
- J. There is hereby reserved to County, its successor and assigns, for the use and benefit of the public, a right-of-flight for the passage of aircraft in the airspace above the surfaced 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. Lessee 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 Premises leased hereunder above the 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 Premises leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee.
- L. Lessee by accepting this Lease 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 the 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 interferences at the expense of the Lessee.
- M. This Lease 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, affecting 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 time of war or national emergency.

- N. Lessee agrees to provide and maintain directly or by agreement, sufficient fixtures and equipment to meet the public demand for services offered and authorized hereby.
- O. Lessee 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.
- P. Lessee agrees to conform to all rules, regulations, and ordinances, adopted by the County or other applicable governmental bodies, including, but not limited to, any safety, health and sanitary codes.
- Q. Lessee agrees to demonstrate evidence and provide proof of all necessary licenses, certificates, or other approvals required by governmental agencies, including any applicable FAA certificates for the activities to be conducted hereunder, and a valid County business license.
- R. Lessee agrees to post in a plainly visible location, the operating hours of the business and an emergency telephone number of the business.

19. **NON-EXCLUSIVE USE**

- A. It is understood by Lessee 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 no limited to, those specific activities and operations authorized for Lessee 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 208 of the Federal Aviation Act of 1958.
- C. It is further agreed and understood by the parties, this Lease shall be subordinate to the provisions of any existing or future agreement between the County and the United States, relative to the development, operation or maintenance of the Airport.

20. **SURETY BOND** – Lessee agrees that it will, at its own expense, as of the effective date of this agreement, obtain and deliver to County, a valid surety bond issued by a surety company acceptable to the County in the amount of One Thousand Five Hundred Dollars (\$1,500.00). Said surety bond shall be

kept at the Lessee's own expense in full force and effect during the term of this agreement to ensure faithful performance by Lessee of all the covenants, terms and conditions herein, including, but not limited to, the payment of consideration as provided for herein. Said surety bond shall provide that the surety company issuing said bond shall give the County notice in writing at least forty-five (45) days prior to cancellation of or material change in said bond.

Lessee hereby agrees that County may, through its Board of Supervisors or determination of the County's Risk Manager, amend, increase, or change the Surety Bond requirements as set forth herein above.

21. **TERMINATION** – This Lease may be terminated as follows:

- A. Should Lessee fail to observe any provisions of this Lease, written notice of such delinquency shall be given by County; if such delinquency continues uncured by Lessee for thirty (30) days after receipt of such notice, County may elect to terminate this Lease.
- B. Notwithstanding the provisions of subparagraph (A) above, County shall have the right to terminate this Lease in its entirety immediately upon the happening of any of the following events.
 1. Filing of a petition, voluntarily or involuntarily, for the adjudication of Lessee as bankrupt;
 2. Any general assignment of Lessee for the benefit of creditors;
 3. The occurrence of any act which operates to deprive Lessee permanently of the ability to perform the duties under this agreement;
 4. The abandonment or discontinuance of operations or services at the Airport by Lessee for a period of thirty (30) days or more;
 5. Failure to comply with the insurance requirements herein;
 6. If at any time during the term or extension thereof, Lessee is no longer authorized by the Public Utilities Commission or any regulatory agency having jurisdiction over Lessee or Airport to engage in the activities and operation authorized herein, including flight or flight-related activities at, to, and from the Airport. No waiver by County at any time of any of the terms, conditions, or covenants of this Lease 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 the strict and prompt performance thereof by Lessee.

7. Use of the Lessee's surety bond to meet the financial obligation(s) of Lessee to the County.

C. Lessee may cancel this Lease and terminate all of its obligations hereunder at any time that Lessee is not in default in its payments to County hereunder, by giving County thirty (30) days advance written notice, to be served as hereinafter provided upon default by County in the performance of any covenant or agreement herein required to be performed by County. Failure by County to remedy such default for a period of sixty (60) days after receipt of written notice from Lessee to remedy same shall relieve Lessee of its obligations hereunder and this Lease shall terminate automatically thereupon.

22. **NOTICES** – Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party, County or Lessee, to whom it is directed or any managing employee of such party, or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, address to:

COUNTY: County of El Dorado
c/o Airports Operations Manager
360 Fair Lane, Placerville, CA 95667

Telephone: (530) 622-0459

LESSEE: Steven P. Bonak, dba
Placerville Aviation
3501 Airport Road, Suite 3
Placerville, CA 95667

Telephone: (530) 622-1125

Either party, County or Lessee, may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

23. **AMENDMENTS** – This Lease may be amended, extended or otherwise modified at any time upon mutual written consent of the parties.

24. **BINDING ON HEIRS AND SUCCESSORS** – This Lease shall be binding on and shall insure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, County and Lessee, hereto.

25. **TIME OF ESSENCE** – Time is expressly declared to be the essence of this Lease.
26. **WAIVER** – The waiver of any breach of any of the provisions of this Lease by County shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or of another provision of this Lease.
27. **SOLE AND ONLY AGREEMENT** – This instrument constitutes the sole and only agreement between County and Lessee respecting the Premises and correctly sets forth the obligations of County and Lessee to each other as of its date. Any agreements or representations respecting the Premises or their leasing by County to Lessee not expressly set forth in this instrument are null and void.
28. **SEVERABILITY** – If any provision, clause or part of this Lease, or the application thereof under certain circumstances, is held invalid, the remainder of this agreement or the application of such provisions, clauses, or parts under other circumstances shall not be affected thereby.
29. **CALIFORNIA FORUM AND LAW** – Any dispute resolution action arising out of this Lease, 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.
30. **ATTORNEY'S FEES** – Should any litigation be commenced between County and Lessee concerning the Premises, this Lease, or the rights and duties of either County or Lessee in relation thereto, the party, County or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in the litigation which shall be determined by a court in such litigation or in a separate action brought for that purpose.
31. **LEASE ADMINISTRATION** – The County officer or employee with responsibility for administering this Lease is the Manager of Airports, Parks and Grounds of the General Services Department, or successor.

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

LESSEE: PLACERVILLE AVIATION

Date: 4/23/03

By: *Steven P. Bonak*
Steven P. Bonak, Owner

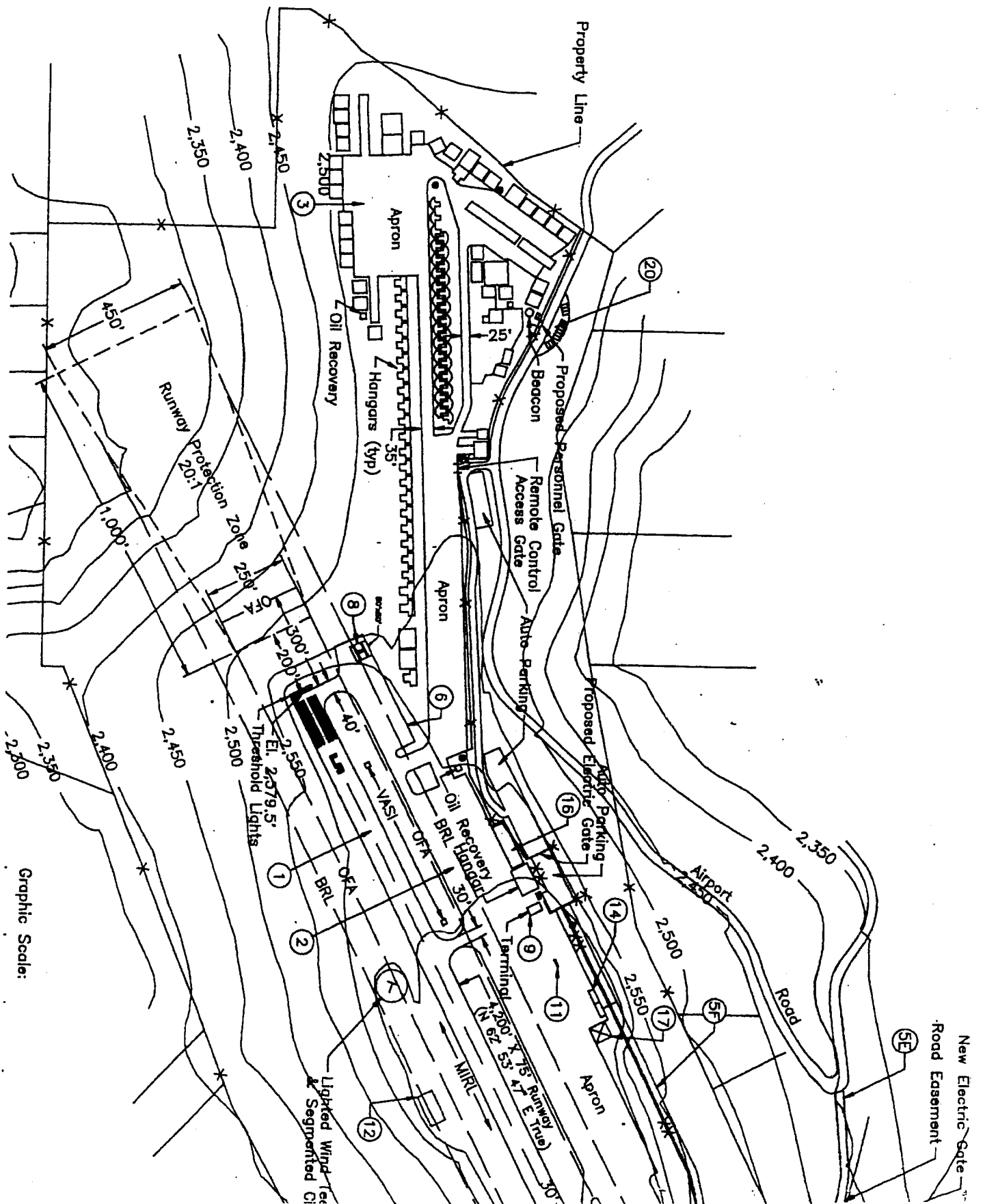
COUNTY: COUNTY OF EL DORADO

Date: September 9, 2003 By: *Helen K. Baumann*
Helen K. Baumann, Chairman
Board of Supervisors

ATTEST:
DIXIE L. FOOTE, Clerk of the
Board of Supervisors

By: *Dixie L. Foote*
Dated: 9-9-03
Deputy Clerk

EXHIBIT "A"



Graphic Scale:

EXHIBIT "A"

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF EL DORADO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE COUNTY AIRPORT PROPERTY IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 10 NORTH, RANGE 11 EAST, M.D.B.&M. AS DESCRIBED IN BOOK 306 OF THE OFFICIAL RECORDS OF EL DORADO COUNTY AT PAGE 286, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF A HANGAR BUILDING FROM WHICH THE SECTION CORNER COMMON TO SECTIONS 9, 10, 15 AND 16 BEARS NORTH 20 DEG 11' 30" WEST 1393.39 FEET; THENCE ALONG THE OUTSIDE FACE OF SAID HANGER BUILDING THE FOLLOWING FOUR COURSES:

(1) NORTH 27 DEG 33' 48" WEST 80.00 FEET, (2) NORTH 62 DEG 26' 12" EAST 120.00 FEET, (3) SOUTH 27 DEG 33' 48" EAST 80.00 FEET, (4) SOUTH 62 DEG 26' 12" WEST 120.00 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF APN #096-010-11-100

NOTE: THE DESCRIPTION SHOWN ABOVE IS FOR THE PURPOSES OF THIS REPORT ONLY AND WILL NOT BE CREATED FOR A LEASEHOLD POLICY UNTIL SUCH TIME THAT SAID LEGAL IS ATTACHED TO THE LEASE TO BE INSURED.

EXHIBIT "B"

ADDENDUM TO LEASE

This **ADDENDUM TO LEASE** (the "ADDENDUM") is made this 15th day of September, 2003 by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California as Lessor, and **STEVEN P. BONAK**, a sole proprietorship, as Lessee, for the Premises described as **Space 16 located at the Placerville Airport in Placerville, CA**, as more particularly described on the attached diagram (the "Premises").

The following is hereby added to the Lease:

Recitals:

WHEREAS, WESTERN SIERRA BANK ("BANK") is providing a SBA 504 loan to Lessee in the principal sum of **Three Hundred Sixty-five Thousand DOLLARS (\$365,000)**, to be secured by a Leasehold Deed of Trust on the Premises assigned to the U.S. Small Business Administration (SBA").

NOW THEREFORE, it is hereby agreed by the Lessor and Lessee that the following is added to and made a part of the Lease:

LESSOR'S CONSENT – Lessor hereby consents and agrees:

- A. to the Leasehold Deed of Trust in favor of WESTERN SIERRA BANK, assigned to the U.S. SMALL BUSINESS ADMINISTRATION, securing a Note in the sum of **Three Hundred Sixty-five Thousand Dollars (\$365,000)**, (the "SBA 504 Loan");
- B. that so long as the SBA 504 Loan is outstanding:
 1. not to neither modify nor in any way alter the terms of the Lease without the prior written consent of SBA;
 2. not to terminate, or accept any abandonment or surrender of the Lease unless allowed to do so by the terms of the Lease, without the prior written consent of SBA;
 3. to furnish the SBA with written notice of default by the Lessee of any term, condition, or provision of the Lease within 30 days of the date of default and to give the SBA 90 days written notice prior to any exercise of any right to terminate the Lease, initiating of any Notice to Quit, or the filing of any suit or action, including but not limited to, any unlawful detainer action;
 4. for any 90 days written notice of the intent to any exercise of any right to terminate the Lease, initiating any Notice to Quit, or the filing of any suit or action, including but not limited to, any unlawful detainer action, that the BANK and/or the SBA shall have the right, but not the obligation, during the

period of the 90 day notice to cure such default, or, if such default cannot reasonably be cured within such 90 day period, the BANK and/or the SBA shall have such longer time as may be necessary to cure the default; provided that the BANK and/or the SBA commences the cure within such period and continuously and diligently pursues the cure to completion;

5. that Lessor acknowledges and consents to the BANK's and SBA's security interest in the personal property and fixtures described and set forth in its UCC-1 Financing Statement (Exhibit "B-1" hereto), which terms are incorporated by this reference, agrees to distain any interest in said property, and agrees that the SBA, may at any time remove all or any part of said property from the Premises. The entry of the Premises for such removal shall not be deemed entering on, taking possession of, or operating the Premises, for purposes of imposing on SBA any responsibility or obligation for any term, provision, or condition provided in the Lease;

6. that the BANK and/or the SBA shall have the right to acquire the leasehold at foreclosure or by assignment and the unqualified right of assignment or reassignment of the leasehold estate together with the right to exercise any options. Upon any such assignment or reassignment, the BANK and/or SBA assignee shall be released from any obligations under the Lease excepting those accruing during the BANK's and/or SBA's possession of the Lease;

7. in the event the BANK and/or SBA shall exercise any remedy of possession, the BANK and the SBA shall have the right to sublease the Premises subject to the terms and conditions of the Lease;

8. upon the BANK's and/or the SBA's assignment, reassignment, or sublease of the Lease of Premises as provided for herein, the BANK, and/or SBA shall be released from any obligations to accrue under the Lease excepting those accruing during the BANK's and/or the SBA's possession of the Premises, including but not limited to any indemnification or obligation to remove any improvements;

9. notwithstanding any provision of the Lease or this Addendum to Lease, any obligation of indemnification by Lessee in favor of Lessor shall not become the obligation of the BANK, the SBA, or any purchaser at foreclosure of the SBA 504 Loan Leasehold Deed of Trust, or any assignee, re-assignee, or sub-lessee of the BANK, the SBA, or any purchaser at foreclosure of the SBA 504 Loan Leasehold Deed of Trust, excepting specifically any indemnification arising from any of said persons/entities possession of the Premises which shall be the obligation solely of such possessor;

10. the SBA shall have the right to any proceeds of any insurance policy covering any damage to the improvements made on the Premises, and

11. the SBA shall have the first right to any condemnation proceeds not to exceed the remaining balance of the SBA 504 Loan.

C. **NOTICES** – Any and all notices shall be in writing and shall be delivered personally, or sent by registered or certified United States mail, postage prepaid, at the addresses set forth below, or at such other address within the United States as may hereafter be designated in writing. The date of personal delivery or the date of mailing, as the case may be, shall be the date of such notice.

WESTERN SIERRA BANK /
SBA U.S. SMALL BUSINESS
ADMINISTRATION:

c/o WESTERN SIERRA BANK
4011 Plaza Goldorado Circle
Post Office Box 1460
Cameron Park, CA 95682

LESSOR:

COUNTY OF EL DORADO
Attn: Airports, Parks & Grounds Division
360 Fair Lane
Placerville, CA 95667

LESSEE:

STEVEN P. BONAK
3501 Airport Road, Suite 3
Placerville, CA 95667

D. Nothing set forth in this Addendum to Lease shall limit or otherwise diminish any provision in the Lease in favor of a "Lender" and the effect of this Addendum is to provide additional benefit to the BANK and the SBA.

E. It is the intent of the parties that the BANK and the SBA be third party beneficiaries of the Amendment to Lease with the right to enforce its terms.

F. This Addendum to Lease may be signed in counterparts each of which shall be deemed as original.

EXHIBIT "B-1"

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Note/SBA Dept (530) 677-9444 # P8-000-982-3

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Western Sierra National Bank
 4011 Plaza Goldorado Circle
 P.O. Box 2300
 Cameron Park, CA 95682

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME PLACERVILLE AVIATION			
OR 1b INDIVIDUAL'S LAST NAME Bonak	FIRST NAME Steven	MIDDLE NAME P.	SUFFIX
1c MAILING ADDRESS 3501 Airport Road, Suite 3 - SPACE 16		CITY Placerville	STATE POSTAL CODE COUNTRY CA 95667 USA
1d TAX ID # SSN OR EIN 345-48-8929	ADD'L INFO RE ORGANIZATION DEBTOR	1e TYPE OF ORGANIZATION	1f JURISDICTION OF ORGANIZATION
			1g ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME			
OR 2b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
2c MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
2d TAX ID # SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e TYPE OF ORGANIZATION	2f JURISDICTION OF ORGANIZATION
			2g ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME Western Sierra National Bank			
OR 3b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
3c MAILING ADDRESS 4011 Plaza Goldorado Cir PO Box 2300		CITY Cameron Park	STATE POSTAL CODE COUNTRY CA 95682

4. This FINANCING STATEMENT covers the following collateral:

All Equipment, Fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).
 This Financing Statement is to be recorded in the real estate records. Some or all of the collateral is located on the following described real estate: (Space 16 located at the Placerville Airport in Placerville, CA) 3501 Airport Road, Suite 3, Placerville, El Dorado County, CA 95667

5. ALTERNATIVE DESIGNATION (if applicable)	LESSOR/LESSOR	CONSIGNEE/CONSIGNOR	HAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		All Dollars	<input checked="" type="checkbox"/> Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
 SBA

TITLE APPLIED FOR: _____

I LEARNED ABOUT THIS JOB OPENING THROUGH (check most appropriate box):

- 1. A FRIEND OR RELATIVE
- 2. A COUNTY EMPLOYEE
- 3. COUNTY EMPLOYMENT ANNOUNCEMENT
- 4. COUNTY'S PERSONNEL OFFICE
- 5. JOB FAIR, AN ORGANIZATION, OR GROUP (Which?): _____
- 6. ADVERTISEMENT (Which paper or magazine?): _____
- 7. WEBSITE (Please specify site): _____
- 8. OTHER MEANS (Please specify): _____

GENDER: Male Female

AGE: Are you 40 years of age or older? YES NO

VETERAN'S PREFERENCE: You may claim: A 5 point preference if you were discharged under other than dishonorable conditions; OR a 10 point preference if you are a service-connected disabled vet, spouse of a totally & permanently disabled vet; or surviving unremarried spouse of a vet who died on active duty or as a result of a disability incurred on active duty.

ARE YOU REQUESTING VETERAN'S PREFERENCE POINTS? YES NO IF YES, HOW MANY? 5 POINTS 10 POINTS

TO RECEIVE CREDIT: Submit DD214 COPY-4, VA Disability Award letter, and/or VA Dependent Indemnity Compensation (Veteran's DIC) Award letter, as applicable. Proof NOT accepted after initial notification of examination status. Preference granted only for open recruitments.

INSUFFICIENTLY COMPLETED APPLICATIONS WILL BE REJECTED (i.e. "See attached resume" is unacceptable)
PLEASE READ THE MINIMUM QUALIFICATIONS SECTION OF THE EXAMINATION BULLETIN BEFORE FILLING OUT THIS SIDE

18. EDUCATION: WRITTEN VERIFICATION OF EDUCATION LISTED TO MEET MINIMUM QUALIFICATIONS MUST BE RECEIVED BEFORE APPLICANT CAN BE CERTIFIED TO HIRING DEPARTMENT.

A. Do you possess a High School Diploma or G.E.D.? Yes No

B. NAME AND LOCATION OF COLLEGE OR UNIVERSITY	COURSE OF STUDY	SEMESTER UNITS	QUARTER UNITS	DEGREE	DATE COMPLETED (Optional)

C. BUSINESS, CORRESPONDENCE, TRADE, OR SERVICE SCHOOLS:

COURSE OF STUDY: _____

19. CERTIFICATES, LICENSES, OR PROFESSIONAL REGISTRATION WHICH APPLY TO THIS POSITION: (A COPY MUST BE RECEIVED PRIOR TO APPLICATION BEING CERTIFIED)

DATE ISSUED _____ TYPE OF LICENSE & REGISTRATION NO. _____

DATE ISSUED _____ TYPE OF LICENSE & REGISTRATION NO. _____

19. IF THIS POSITION REQUIRES COMPUTER, TYPING, AND/OR SHORTHAND SKILLS, PLEASE INDICATE: YES NO

Computer YES NO
 Typing YES NO
 Steno YES NO
 _____ WPM
 _____ WPM

EXPERIENCE Begin with your most recent experience. List ALL experience in the last ten years, plus ALL experience relevant to this position, including U.S. Military Service. Give details of the experience that you believe helps you meet the requirements of the position for which you are applying. Show actual time (number hours/days, number of hours/weeks) spent in such experience. If "volunteer," state in the space following salary. Resumes are encouraged, BUT WILL NOT BE ACCEPTED IN LIEU OF ANY PORTION OF THE STANDARD EL DORADO COUNTY APPLICATION. All materials submitted become the property of El Dorado County. You may attach additional sheets if necessary.

PERIOD OF EMPLOYMENT	JOB TITLE AND MOST RELEVANT DUTIES PERFORMED	NAME AND ADDRESS OF EMPLOYER (S)
FROM: _____ TO: _____ TOTAL: _____ YR. _____ MO. <input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <small>If part time, give exact or average hours per week.</small>	TITLE: _____ NO. SUPERVISED _____ SALARY: \$ _____ DUTIES: _____	EMPLOYER: _____ ADDRESS: _____ IMMEDIATE SUPERVISOR: _____ PHONE NO.: _____ REASON FOR LEAVING: _____
FROM: _____ TO: _____ TOTAL: _____ YR. _____ MO. <input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <small>If part time, give exact or average hours per week.</small>	TITLE: _____ NO. SUPERVISED _____ SALARY: \$ _____ DUTIES: _____	EMPLOYER: _____ ADDRESS: _____ IMMEDIATE SUPERVISOR: _____ PHONE NO.: _____ REASON FOR LEAVING: _____
FROM: _____ TO: _____ TOTAL: _____ YR. _____ MO. <input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <small>If part time, give exact or average hours per week.</small>	TITLE: _____ NO. SUPERVISED _____ SALARY: \$ _____ DUTIES: _____	EMPLOYER: _____ ADDRESS: _____ IMMEDIATE SUPERVISOR: _____ PHONE NO.: _____ REASON FOR LEAVING: _____
FROM: _____ TO: _____ TOTAL: _____ YR. _____ MO. <input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <small>If part time, give exact or average hours per week.</small>	TITLE: _____ NO. SUPERVISED _____ SALARY: \$ _____ DUTIES: _____	EMPLOYER: _____ ADDRESS: _____ IMMEDIATE SUPERVISOR: _____ PHONE NO.: _____ REASON FOR LEAVING: _____