AIRPORT HANGAR RENTAL AGREEMENT

This airport hangar rental agreement ("Agreement") is made and entered into this first day of December 2022 ("Effective Date") by and between the COUNTY OF YUBA, a political subdivision of the State of California, hereinafter designated "Lessor," and Jeff Gallagher herein called "Lessee".

1. **PREMISES.** County hereby rents to Lessee, and Lessee hereby rents from County, that certain hangar designated as Hangar No. 6 the "Premises", located at the Yuba County Airport ("Airport"), and more particularly described in Exhibit "B" attached hereto. This Agreement for rental of the Premises is for the principal purpose of the storage of Lessee's aircraft which is identified as a 1980 Cessna 182Q, Registration No. 4743N and any incidental aviation related uses associated therewith.

2. **TERM.** The term of this Agreement shall be five (5) years commencing on the Effective Date, with payment due no later than the 10th of every month. See section 3.2 for late charge and interest.

3. **CONSIDERATION.**

3.1 Lessee hereby agrees to pay as rent for said premises the sum of One hundred forty dollars and 00/100 ($140.00), payable without deduction, setoff, prior notice, or demand, on or before the first day of each calendar month during the term hereof. Said rental shall be paid in lawful money of the United States of America and shall be paid to Lessor at the address set forth herein for notices, or to such other person or persons, or at such other places, as Lessor may designate in writing. Rent for any period less than a calendar month shall be pro rata portion of the monthly installment. The monthly rent shall be subject to annual increases based on the Consumer Price Index (CPI) for national averages, all products as published by the U.S. Department of Commerce, an appraisal, or other means designated by the Yuba County Board of Supervisors and shall become effective thirty (30) days after the fee schedule is adopted by the Board of Supervisors or approximately July 1.

3.2 **Late Charge and Interest**

3.2.1. In the event rent is not received by the 10th of the month, Lessor shall be assessed a late fee of $50.00 and unpaid interest fee based upon the fee schedule set forth every July by the Yuba County Board of Supervisors under the Administrative Services – Code Section 13.00.030. All sums of money required to be paid by lessee to County under this Agreement shall bear interest at the rate established by the Board of Supervisors and shall apply from the due date until the date same is paid in full. If payment remitted by check or note or other instrument is presented for payment to the appropriate institution or individual, and if said funds are insufficient, payment will be subject to a $35.00 reprocessing fee.

3.3 **Security Deposit**

3.3.1 Simultaneously with the execution of this Agreement, Lessee shall deposit with Airport a security deposit in the amount of One hundred forty dollars ($140.00). The security deposit will be held by Airport without interest as security for the full and faithful performance by Lessee of its obligation hereunder, and may be co-mingled with other monies of Airport. In the event of default by Lessee, Airport may use all or any part of the security deposit for the payment of any unpaid rent or for any other monies owed by Lessee to Airport. Upon the termination of this Agreement, any portion of the security deposit not so used or applied shall be returned to Lessee, provided Lessee faithfully performs its obligations hereunder, by mail within a reasonable time after the termination of this Agreement. The security deposit shall not be applied by Lessee toward the last month's rent. Proof of payment of the deposit is required for any remission.

3.4 **Taxes and Assessments.**

3.4.1 **Obligation to Pay**. Lessee is responsible for and shall pay all real and personal property taxes (including any tax levied on a possessory interest, as defined in California Revenue and Taxation Code Section 107 or successor statute, if applicable), general and special assessments, and other charges of every description, levied on or assessed against the Premises, personal property located on the land or improvements, the leasehold estate, or any subleasehold estate, falling due during the term of this Agreement. It shall be conclusively presumed that any aircraft stored at the Premises pursuant to this Agreement shall be considered "habitually situated" therein as that term is defined in Revenue and Taxation Code section 5362. Lessee shall make all such payments directly to the assessing authority, before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of law for their nonpayment.

3.4.2 **Proration for Partial Year.** Any imposition of fee schedule referred to in Section 3.2.1 above relating to a fiscal period of a taxing authority, a part of which period is included within the term of this Agreement and a part of which is included in a period of time before the Effective Date or after the termination of this Agreement, shall be paid by Lessee as above but shall be prorated with County.

3.4.3 If Lessee contests any such tax, assessment or charge, Lessee may withhold or defer payment, or pay under protest, but shall protect County and the Premises from any lien by adequate surety bond or other appropriate security.

3.4.4 **Proof of Compliance**. Upon the request of County, Lessee shall furnish to County receipts or other appropriate evidence establishing payment of any applicable tax, assessment or charge. Lessee may comply with this requirement by retaining a tax service to notify County payment of any applicable tax, assessment or charge.

4. **USE OF PREMISES.**

4.1 **Use of Hangar.** The Premises shall be used and occupied by Lessee principally for the storage of aircraft for recreational use. There must be at least one airworthy aircraft in each hangar. No other commercial activity of any kind whatsoever shall be conducted by Lessee in or around the Premises. Lessees of hangars without airworthy aircraft are subject to lease cancellation and eviction. Lessee shall not use the Premises for sleeping or temporary living quarters. Lessee shall keep the Premises clean and free of debris at all times and shall not do anything on the Premises that will cause damage to the Premises or unreasonable annoyance to owners or occupants of adjacent properties. Upon termination of this Agreement, Lessee shall immediately surrender possession of the Premises and shall remove the Aircraft and all other property therefrom, leaving the Premises in the same condition as when received, ordinary wear and tear and improvements made by Lessee excepted. Lessee shall be liable for any and all damage to the Premises caused by Lessee's use, including, without limitation, bent or broken interior walls, damage to unsealed floors due to fuel oil spillage, or doors damaged due to Lessee's improper or negligent operation.

4.2 **Compliance with Laws.** In utilizing the Premises during the term of this Agreement, Lessee shall comply with all applicable statutes, ordinances, rules and regulations established by any federal, state, county or local government agency.

4.3 **Waste Disposal.** Lessee shall dispose of all industrial waste in accordance with all applicable regulations and laws of those governmental agencies having jurisdiction or authority thereover. Lessee shall ensure that all solid waste materials are placed in appropriate covered containers designed for use with the type of waste involved, which shall remain covered, and locked, and that such containers remain located on the Premises and not moved from their location for any reason. Lessee shall cooperate with County to provide for the proper separation of waste to maximize recycling.

4.4 **Hazardous Materials.**

(a) For the purpose of this Section 4.4, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 180 I et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §9601 et seq.), Section 25117 of the California Health & Safety Code, Section 25316 of the California Health & Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other federal, state or local environmental laws, ordinances, rules or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after the Effective Date.

(b) Any Hazardous Materials brought upon, kept or used in or about the Premises or the Airport by Lessee, its agents, employees, contractors or invitees, shall be necessary or useful to

Lessee's business and shall be used, kept and stored in a manner that complies with all laws, statutes, ordinances, rules, regulations, orders, requirements, and policies of any and all governmental agencies and authorities applicable to any such Hazardous Materials ("Hazardous Materials Laws").

(c) If the presence of any Hazardous Materials on the Premises results in any contamination of the Airport, or otherwise results in the release or discharge on, under or from the Premises of Hazardous Materials, Lessee shall promptly take all actions at its sole expense as are necessary to return the Airport to the condition existing prior to the introduction of any such Hazardous Materials to the Airport or to otherwise remove and/or abate the release or discharged Hazardous Materials; provided that County's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Airport, will not unreasonably interfere with the use and enjoyment of other portions of the Airport, and will be performed in accordance with all Hazardous Materials Laws.

(d) Upon the termination of this Agreement, Lessee shall surrender the Premises to County free of any and all Hazardous Materials and in compliance with all Hazardous Materials Laws. This indemnification shall survive the termination or expiration of this Agreement.

4.5 **Billboards and Signs.** Lessee shall not construct, install, maintain, nor allow upon the Premises any billboards, signs, banners or like displays which may be placed in or upon any building or structure in such manner as to be visible from the outside thereof, except with the prior written consent of County.

4.6 **Waste: Nuisance.** Lessee shall not use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to owners or occupants of adjacent properties. Lessee shall not use the Premises for sleeping, washing clothes, cooking or the preparation of food, manufacture or mixing of anything that might emit any odor or objectionable noises or lights onto adjacent properties. Lessee shall not do anything on the Premises that will cause damage to the Premises.

4.7 **Access: Locks: Keys:** Combinations: Lessee shall comply with all reasonable regulations and directives of County regarding access to the Premises. County may enter the Premises without permission of, or supervision by, Lessee for inspection or emergency purposes (i.e. fire, burglary, flooding, criminal activity, or other catastrophe) determined reasonably necessary by County or required by law, including but not limited to five-year fire sprinkler inspections, maintenance work that requires entrance by County, or any other reason to lawfully enter the Premises. County shall subsequently notify Lessee of any entry for emergency purposes and the reason for the entry if the Lessee was not present at such entry. County reserves the right to limit Lessee's access to the Airport or the Premises, or both, due to any terrorist threat, civil unrest, any unsafe condition, or for the safety and protection of persons and property. County shall not be responsible for Lessee's inability to access the Airport or the Premises due to events or acts beyond the control of County. Lessee shall utilize

County furnished set of locks for securing the Premises if available. If unavailable, Lessee shall furnish County's Airport Management, or designee, with a duplicate set of keys or lock combination for the locks securing the Premises. County shall secure keys and lock combinations from access or exposure by unauthorized individuals and will notify Lessee immediately in the event of any compromise of keys and lock combinations. If utilizing County provided locks, the Lessee shall notify the County immediately in the event of any compromise of keys and lock combinations.

4.7.1. **Controlled Gate Access:** Lessee will be issued one (1) gate access card at no charge with the execution of this Hangar Rental Agreement to be used solely by the Lessee for vehicle access to the hangar area. Access cards are not transferrable. Additional cards are available for legitimate access needs by application to the Airport Manager and paying the appropriate card fee as determined by the Board.

4.7.2. **Padlock:** A padlock shall be provided by the Airport and shall be the only lock used by Lessee to secure premises. Lessee shall not lock the Hangar with any other lock than that supplied by Airport, nor shall Lessee use any other method or device to restrict access to the Hangar. The Airport Manager shall hold a master key to the Hangar lock. If lock is lost or damaged, Lessee agrees to pay for its replacement at a cost of $30.00.

4.8 **Requests from Airport Management, or Designee.** Lessee shall cooperate with any reasonable request from County's Airport Management, or designee, regarding use or operations at the Airport.

5. MAINTENANCE, ALTERATIONS.

5.1 **As-Is Condition.** Lessee hereby acknowledges that neither County nor anyone acting for or on behalf of County, has made any representation, warranty or promise to Lessee concerning the physical aspects or condition of the Premises or improvements, the feasibility, desirability or convertibility of the Premises into any particular use, the conditions of the soil, ground water, or surface waters or the presence or absence of any toxic waste or hazardous substances or material, and that by entering into this Agreement has not relied on any representation, statement or warranty of County, or anyone acting for or on behalf of County, and that all matters concerning the Premises shall be independently verified by Lessee, and that Lessee shall rent the Premises on Lessee's own examination thereof, AND THAT LESSEE IS LEASING THE PREMISES IN "AS IS" PHYSICAL CONDITION AND "AS IS" STATE OF REPAIR. Lessee hereby waives and County hereby disclaims all warranties of any or kind of description, including, without limitation, those of fitness for particular purpose, lessee ability, habitability and use. Lessee hereby expressly waives any and all claims for damages or for rescission or cancellation of the Agreement because of any representations made by County or by any agent of County. Lessee acknowledges that it has had sufficient time to conduct all inspections, reviews and studies of the Premises that Lessee may deem necessary. Lessee hereby

expressly assumes the risk that adverse physical conditions and the full extent thereof, may not be revealed by Lessee's inspections, reviews and studies of the Premises.

5.2 **Maintenance of Premises**. Throughout the term of this Agreement, Lessee shall, at Lessee's sole cost and expense, maintain the Premises in first class condition and repair, provided, however, that County shall maintain the structural components of the hangar, including doors and door mechanisms.

5.3 **Alterations**. Lessee shall not make any alterations, modifications, or changes to the structure of the hangar or to the Premises without County's prior written consent. Any alterations made shall remain on and be surrendered at the expiration or sooner termination of the Agreement, provided, however, that County may, at County's sole election, demand the removal from the Premises of all fixtures and improvements or of certain fixtures or improvements or both as specified in the notice provided for below. A demand to take effect at the normal expiration of the term shall be effected by notice given at least thirty (30) days before the expiration date. A demand to take effect on any other termination of the Agreement shall be effected by notice given in or concurrently with notice of such termination or within sixty (60) days after such termination. Lessee shall comply with the notice before the expiration date for normal termination, and within thirty (30) days after the notice for other terminations.

5.4 **Utilities.** Except for electrical services which shall be provided by County, Lessee shall be responsible for the payment of all costs for utility services to the Premises. County shall not be liable for the failure to provide electrical services if it is prohibited from doing so by events or actions beyond its control.

6. PROHIBITION AGAINST ASSIGNMENT AND SUBLETING.

6.1 Lessee shall not assign or transfer, whether voluntarily, involuntarily or by operation of law, its interest in this Agreement or any part hereof. No such assignment or transfer will be valid or binding. An attempted assignment or transfer will be grounds for County's termination of this Agreement. In addition, the parking of aircraft not owned or under exclusive lease by Lessee in the Premises shall constitute a sublease for purpose of this Article.

7. HOLD HARMLESS, DEFENSE, AND INDEMNIFICATION.

7.1 **Definitions.**

"*Parties*," "*Party*," "*County*," and "*Lessee*." "Parties" or "Party," as used in this provision ("Hold Harmless, Defense, and Indemnification") describe the Parties to this Agreement, and do not include third-parties or non-parties to this Agreement. As used in this Agreement, "Parties," "Party," "County," and "Lessee" includes each Party's respective officers, agents, employees, volunteers, elected or appointed officials, or representatives.

"*Claim*" or "*Claims*." As used in this provision ("Hold Harmless, Defense, and Indemnification"), "Claim" or "Claims" include grievances, causes of action legal or equitable or of some other

description, lawsuits or any other demands filed in a court of competent jurisdiction against a party to this Agreement by a third-party or non-party to this Agreement arising out of any party's actions or omissions in relation to this Agreement. This definition of Claims specifically includes claims for attorney's fees.

"*Judgment.*" As used in this provision ("Hold Harmless, Defense, and Indemnification"), Judgments are final judgments filed in a court of competent jurisdiction against a party to this Agreement and in favor of a third-party or non-party to this Agreement, and includes: debts, costs, expenses, damages, liabilities, rights, remedies, awards, fees, injunctive relief, or any other loss, and further includes any costs associated with complying with a court-ordered injunction or other order. This definition of Judgment specifically includes awards of attorney's fees.

7.2 **Hold Harmless.** Lessee will hold County harmless from any Claims brought against County by a third-party or non-party to this Agreement based on an allegation or allegations of Lessee's negligence or misconduct arising under this Agreement.

7.3 **Defense.** When either County or Lessee becomes aware of any Claim against it, it will immediately notify the other party to this Agreement in writing of that Claim. The parties will cooperate in good faith with each other in the investigation and disposition of any Claim (as defined in provision D.3.2). This Defense provision does not require either party to disclose to the other party any documents, records, or communications that would be considered protected, confidential, or privileged under applicable state law. This Defense provision does not limit either party from electing to control its own defense after a Claim has been filed in a court of competent jurisdiction and after consultation with the other party.

7.4 **General Indemnification.** Lessee agrees to indemnify County against all Judgments awarded to the prevailing party or parties arising out of or in connection with the lease by County to Lessee of the Premises, where such Judgment or Judgments are determined by a court of competent jurisdiction to be the result of Lessee's negligence or misconduct.

7.5 **Survival.** The parties' rights and obligations under this provision ("Hold Harmless, Defense, and Indemnification") will survive any termination of this Agreement, subject to any applicable statute of limitations.

8. TERMINATION AND EXPIRATION.

8.1 **Termination for Lessee's Default**. If Lessee fails to pay rent or any other sums to be paid by Lessee hereunder, Lessee shall have thirty (30) days after written notice is given Lessee to cure the default. If any default by Lessee shall continue uncured following notice of default as required by this Agreement, County shall have the right to immediately terminate this Agreement in addition to all other rights and remedies provided by law or equity to which County may resort.

8.2 **Lessee's Duty to Surrender**. At the expiration or earlier termination of the term of The Agreement, Lessee shall surrender to County in as good condition and repair as of the Effective Date, the possession of the Premises.

8.3 **Holding Over.** If Lessee shall continue to occupy or possess the Premises after the termination of this Agreement without the consent of County, then unless County and Lessee have otherwise agreed in writing, Lessee shall be a lessee on a month-to-month basis. All the terms, provision and conditions of this Agreement shall apply to this month-to-month tenancy except those terms, provisions and conditions pertaining to the term, and except that the monthly rent shall be immediately adjusted upward upon the expiration or termination of this Agreement to equal three hundred percent (300%) of the monthly rent for the Premises in effect under this Agreement during the month which includes the day immediately prior to the date of the expiration or termination of this Agreement. This month-to-month tenancy may be terminated by County or Lessee upon thirty (30) days' prior notice to the non-terminating Party. No termination of this Agreement shall release Lessee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or date of surrender if it be later.

9. **NOTICES.** Any notice required or permitted to be given under this Agreement shall be in writing. Delivery of such written notice shall be conclusively taken and sufficiently given after deposit in the United States Mail, addressed as follows:

County: Airport Manager	Jeff Gallagher
YUBA COUNTY AIRPORT 1364 Sky Harbor Drive Olivehurst, CA 95961	Jeff Gallagher 3780 Kempton Road Rio Oso, CA 95674

Any Party may at any time change its address for notice by giving written notice of such change to the other Party in the manner provided in this paragraph.

10. **INSURANCE.** Vendor/Contractor/Operator shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work or in connection with products, materials, or services supplied to the Entity and shall include their agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions, Pollution Legal Liability, and Remediation, coverage should be maintained for a minimum of five (5) years after contract completion, as stated in Exhibit A.

10.1. A new Certificate of Insurance shall be issued to the County upon either renewal or replacement of the coverage by either the Lessee or their Broker acting as their Agent.

10.2. The County maintains the right to modify these insurance requirements as approved by Risk Management and County Counsel throughout the duration of this agreement, by providing Lessee notice within thirty (30) days of such change, or upon renewal of the terms of the lease.

11. **SECURITY REQUIREMENTS.** Lessee shall take any and all measures to ensure security on the Lease Premises in compliance with FAA regulations, Transportation Security Administration regulations, and Airport Rules and Regulations, as stated in Exhibit B of this agreement.

12. **MISCELLANEOUS PROVISIONS.**

12.1 **Joint and Several Obligations.** If Lessee consists of more than one person, the obligation of all such persons is joint and several.

12.2 **Captions.** The captions of this Agreement are for convenience and case of reference only and do not define, limit, augment or describe the scope, content or intent of this Agreement.

12.3 **Successors.** Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective Parties.

12.4 **Broker's Commissions. Expenses**. Lessee and County represent and warrant that no brokers have been used with respect to this Agreement.

12.5 **Applicable Law and Forum**. This Agreement shall be construed and interpreted according to California law and any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Yuba.

12.6 **Time of Essence.** Time is of the essence of this Agreement and for each and every provision contained in this Agreement.

12.7 **No Discrimination.** Lessee shall comply with all applicable federal, state and local laws, rules and regulations relating to non-discrimination in employment and services because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition and handicap.

12.8 **No Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

12.9 **Construction of Lease:** Severability. To the extent allowed by law, provisions in this Agreement shall be construed and given effect in a manner that avoids any violation of statute, regulation or law. In the event provision in this Agreement is held to be invalid or void by a court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other term provision in this Agreement.

12.10 **Relationship.** The Parties intend by this Agreement to establish the relationship of Lessor and Lessee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that.

12.11. **Force Majeure:** Neither the County nor Lessee shall be deemed in violation of this Agreement if it is either prevented from performing any of the obligations hereunder by reason of embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental

authority, weather conditions, floods, riots, rebellions, sabotage, or any other circumstances for which it is not responsible or which are not within its control, and the time for performance automatically shall be extended by the period the party is prevented from performing its obligations hereunder. During time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military use, and if such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the provisions of the lease to the United States Government, shall be suspended.

12.12 **Fire Extinguisher:** Airport shall furnish a portable fire extinguisher with a minimum rating of 2A10BC mounted in enclosed Hangars and shall provide for the yearly inspection thereof by a certified fire extinguisher inspector. Lessee shall be billed annually each year for the cost of the inspection. Lessee shall report any use of any fire extinguisher equipment to the Airport Manager. Lessee hereby accepts custody of said fire extinguisher and agrees to replace same if it is found to be missing at any time whatsoever.

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IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement on the date set forth above.

"COUNTY"

COUNTY OF YUBA

_____

Chair

"LESSEE"

_____

Jeff Gallagher

INSURANCE PROVISIONS APPROVED

_____

Jill Abel, Risk Manager

APPROVED AS TO FORM:
COUNTY COUNSEL

_____

Office of the County Counsel
Yuba County

EXHIBIT A

Insurance Requirements for Airport Hangar Leases

Insurance

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work or in connection with products, materials, or services supplied to the Lessor and shall include their agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions, Pollution Legal Liability, and Remediation, coverage should be maintained for a minimum of five (5) years after contract completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: Insurance Services Officer Form Number CA 0001 covering any auto (Code 1), or if Vendor/Contractor/Operator has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than **$1,000,000** per accident for bodily injury and property damage.

3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. **Pollution Legal Liability and Remediation** and/or Errors & Omissions applicable to the underground or above ground fuel storage tanks, fueling or refueling operations with a limit no less than $1,000,000 per claim or occurrence and $2,000,000 aggregate per policy period of one year. This policy shall include coverage for bodily injury, property damage personal injury and environmental site restoration, including fines and penalties in accordance with applicable EPA or state regulations.

5. **Hangarkeepers Liability** – with a limit not less than $1,000,000 combined single limit per occurrence and $1,000,000 aggregate.

6. **Property Insurance**- Tenant/Lessee shall maintain not less than $1,000,000 Fire Legal liability on all real property being leased, including improvements and betterments owned by the Lessor, and shall name the Lessor as a loss payee. Tenant/Lessee shall also provide fire insurance on all personal property contained within or on the leased premises. The policy must be written on an "all risks" basis, excluding earthquake and flood. The contract

shall insure for not less than (90) percent of the actual cash value of the personal property, and Tenant/Lessee shall name Lessor as an additional insured.

7. **Interruption of Business insurance**- Lessee shall, at its sole cost and expense, maintain business interruption insurance by which the minimum monthly rent will be paid to Lessor for a period of up to (1) year if the premises are destroyed or rendered inaccessible by a risk insured against by a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the Lessor requires and shall be entitled to the broader coverage and/or higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limit of insurance and coverage shall be available to the Lessor.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the Lessor. At the option of the Lessor, the Lessee shall provide coverage to reduce or eliminate such self-insured retentions as respects the Lessor, its officers, officials, employees, and volunteers; or the Lessee shall provide evidence satisfactory to the Lessor guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Lessor.

Other Insurance Provisions
The General Liability, Automobile Liability, Pollution Legal Liability and Remediation, policies are to contain, or be endorsed to contain, the following provisions:

1. **The Lessor, its officers, officials, employees, and volunteers are to be covered as additional insureds** with respect to liability arising out of work or operations performed by or on behalf of the Lessee including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project or use of facilities, **the Lessee's) insurance coverage shall be primary insurance** coverage at least as broad as ISO CG 20 01 04 13 as respects the Lessor, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Lessor, its officers, officials, employees, agents, or volunteers shall be excess of the Vendor/Contractor/Lessee insurance and shall not contribute with it.
3. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Lessor.

The automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Lessee pursuant to the contract. This coverage may also be provided as part of the Pollution Legal Liability and Remediation policy.

If the Airport Liability, General Liability, Pollution Legal Liability and Remediation policy and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Lessee must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. A copy of the claims reporting requirements must be submitted to the Lessor for review.

Accepting of Insurers
Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII if admitted in the State of California. If Pollution Legal Liability and Remediation, Cyber Liability and/or Errors & Omissions coverages are not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an A.M. Best rating of A:X or higher. Exception may be made for the California State Compensation Insurance Fund if not rated.

Verification of Coverage
Lessee shall furnish the Lessor with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the Lessor before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee obligation to provide them. The Lessor reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Waiver of Subrogation
Lessee hereby grants to Lessor a waiver of subrogation which any insurer may acquire against Lessor, its officers, officials, employees, and volunteers, from Lessee by virtue of the payment of any loss Lessee agrees to obtain an endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not the Lessor has received a waiver of subrogation endorsement from the insurer.

The Worker's Compensation policy shall be endorsed with a waiver of subrogation in favor of the Lessor for all work performed by the Lessee, its employees, agents, and subcontractors.

Subcontractors
Lessee shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Lessee shall ensure that Lessor is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

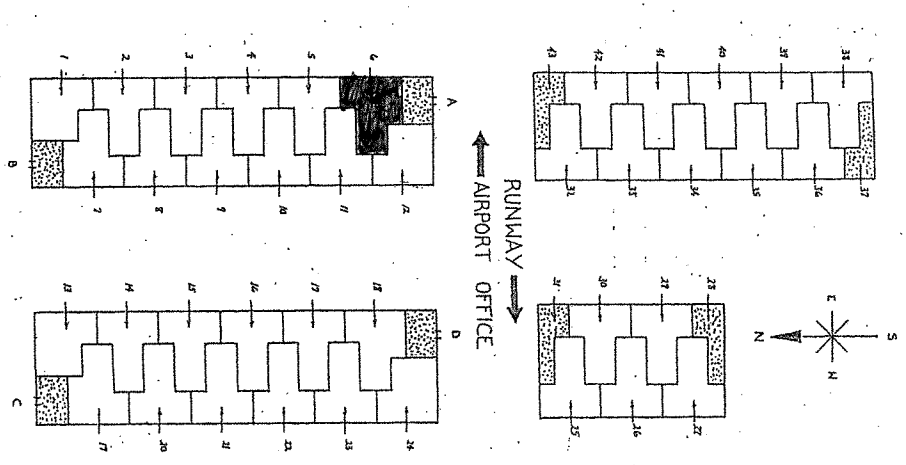
Special Risks or Circumstances
Lessor reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

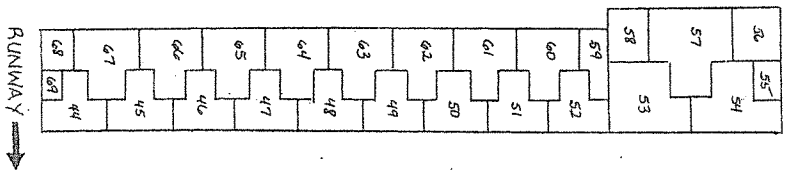
Glossary of Terms

Aviation (Aircraft) Liability: Aviation Liability Insurance is an insurance contract which insures the owner of an aircraft against loss sustained on account of having to pay damages for injuries to persons or property inflicted by or in the operation of such aircraft.

Aviation (Aircraft) Liability Requirements: Minimum requirements vary by state however most states do not have statutory or regulatory requirements.

YUBA COUNTY AIRPORT T-HANGARS





69 T-HANGAR UNITS

CONSISTING OF: 5 TWINS
3 EXECUTIVES
61 SINGLE ENGINE

EXHIBIT C

FEDERAL AVIATION ADMINISTRATION ASSURANCES

A. COMPLIANCE WITH SPONSORS FEDERAL GRANT ASSURANCES: To the extent applicable, Lessee shall comply with all Federal Aviation Administration (FAA) assurances below:

1. The Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenants and agree that in the event facilities are 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, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, COT, 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.

2. The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that, as a covenant running with the land: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the (Lessee, licensee, Lessee, etc. 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.

3. That in the event of breach of any of the above nondiscrimination covenants, the County of Yuba shall have the right to terminate the permit and to reenter and repossess said land and the facilities thereon, and hold the same as if said permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall 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 type of price reductions to volume purchasers-

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the County of Yuba shall have the right to terminate this permit and the estate hereby created without liability therefore or at the election of the County of Yuba or the United States either or both said Governments shall have the right to judicially enforce Provisions.

6. Lessee agrees that it shall insert the above five provisions in any permit 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 permitted.

7. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Par 152, Subpart E, to insure 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 CFR Part 152, Subpart E. The 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. The Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR 152, Subpart E, to the same effort.

a. The County of Yuba 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 the Lessee and without interference or hindrance.

b. The County of Yuba reserves the right, but shall not be obligated to the 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 the Lessee in this regard.

c. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the County of Yuba and the United States, relative to the development, operation or maintenance of the airport.

8. There is hereby reserved to the County of Yuba, 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 the surface of the premises herein permitted. This public right of flight shall include 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 Yuba County Airport.

9. Lessee agrees to comply 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 permitted premises, or in the event of any planned modification or alteration of any present of future building or structure situated on the permitted premises.

10. The Lessee by accepting this Lease 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 the mean sea level elevation of 65 feet. In the event the aforementioned covenants are breached, the owner reserves the right to enter upon the land permitted 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.

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

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. 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 nonexclusive use of the airport by the United States during the time of war or national emergency.