

## LAND LEASE – COMMERCIAL

This Lease is made by and between the COUNTY OF GLENN, a political subdivision of the State of California (hereinafter "COUNTY"), and \_\_\_\_\_, (hereinafter "LESSEE"). COUNTY AND LESSEE are sometimes collectively referred to herein as the "PARTIES" and singularly, a "PARTY."

### 1. PREMISES

COUNTY does hereby rent and LESSEE does hereby hire and take from COUNTY that certain real property and improvements, commonly known and referred to as \_\_\_\_\_, The premises are outlined in black on Exhibit "A" (hereinafter "Leased Premises"). LESSEE also has the right of ingress and egress to such Leased Premises.

### 2. TERM

The term of this Lease shall be XX (XX) years, commencing \_\_\_\_\_, and expiring on \_\_\_\_\_, hereafter "Lease Term", at an agreed monthly rent of approximately \$X.XX per square foot per month at the sum of \$X.XX (amount in words) per month for the term (\_\_\_\_\_ to \_\_\_\_\_). LESSEE and COUNTY agree to this rent without regard to whether per square foot rent is more or less than the prescribed amounts above (i.e., a rounding error).

The rent shall be adjusted annually, every July 15th beginning during the second year of the lease and each July 15th thereafter using the rate of April to April change in the Consumer Price Index (CPI) for All Urban Consumers San Francisco-Oakland-San Jose, California. In no event will the annual rental increase be more than seven percent (7%) due to increases in the CPI. In the event the CPI rate decreases, the annual rate will remain the rate of the previous year.

If on any rental adjustment date there shall not exist a CPI in the same format as recited herein, the parties shall substitute the Consumer Price Index for all Urban Consumers provided such index has been so revised or changed in such a way as to affect the direct comparability of such revised or changed index published by the Bureau of Labor Statistics or similar or successor governmental agency as may then be in existence and most nearly equivalent thereto (i.e.: the Wholesale Price Index). If the parties are unable to agree on a successor index in the event the aforesaid index is no longer reporting, then the parties shall have the option to terminate the lease if an agreement cannot be reached. Rent is due and shall be paid in advance on the 1st day of each and every month during the term of this Lease, commencing \_\_\_\_\_. Rent not received by the fifteenth (15th) of the month shall be assessed a ten percent (10%) late payment penalty.

### 3. USE

The Leased Premises shall be used for \_\_\_\_\_.

### 4. PROHIBITED USES

The Leased Premises shall not be used for any other use not expressly allowed in Section 3 of this Lease.

### 5. IMPROVEMENTS TO PREMISES

If any improvements are proposed by the LESSEE, LESSEE shall submit a written description of the proposal to the Airport Manager together with two sketches drawn to scale. The Airport Manager will review the proposal and provide written comments with a recommendation and forward the same to the County Administrative Officer for review.

**6. CONDITIONS OF CONSTRUCTION**

Before construction is commenced on the Leased Premises, and before any building materials have been delivered to the Leased Premises by LESSEE or under LESSEE's authority, LESSEE shall comply with all the following conditions or procure COUNTY's written waiver of the condition or conditions specified in the waiver:

- A. Provide COUNTY with plans and specifications and four (4) copies of the site plan.
- B. Notify COUNTY of LESSEE's intention to commence the work of improvement at least ten (10) days before commencement of any such work or delivery of any materials. COUNTY shall have the right to post and maintain on the Leased Premises any notices of non-responsibility provided for under applicable law.
- C. Furnish COUNTY with a true copy of LESSEE's contract with the general contractor and with evidence of the general contractor's financial condition for COUNTY's approval. The contract shall give COUNTY the right but not the obligation to assume LESSEE's obligations and rights under that contract if LESSEE should default.
- D. LESSEE shall comply with all applicable codes, ordinances, or regulations, and requirements for permits and approvals, including, but not limited to or restricted to a grading permit, building permit, zoning and planning requirements, and approvals from various governmental agencies and bodies having jurisdiction.
- E. LESSEE shall require from the contractor:
  - 1. Certificates of insurance evidencing coverage for "Builder's risk";
  - 2. Evidence of Worker's Compensation Insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against COUNTY or the Leased Premises; and
  - 3. Evidence that contractor has paid or caused to be paid all premiums for the coverage described in this sub-paragraph and premiums sufficient to ensure maintenance of all insurance during the anticipated course of the work.

**7. PROTECTION OF COUNTY AGAINST COST OR CLAIM**

LESSEE shall pay, or cause to be paid, the total cost and expense of all works of improvements, as that phrase is defined in the mechanic's lien law in effect at the place of construction when the work begins. No such payment shall be construed as rent. LESSEE shall not suffer or permit to be enforced against the Leased Premises or any part of it any mechanic's, materiel man's, contractor's, or sub-contractor's lien arising from any work of improvement, however it may arise. LESSEE shall defend and indemnify COUNTY against all liability and loss of any type arising out of work performed on the Leased Premises by LESSEE, together with reasonable attorney's fees and all costs and expenses incurred by COUNTY in negotiating, settling, defending, or otherwise protecting against such claims.

**8. NOTICE OF COMPLETION**

On completion of the work of improvement, LESSEE shall file, or cause to be filed, a notice of completion. LESSEE hereby appoints COUNTY as LESSEE 's attorney-in-fact to file the notice of completion on LESSEE's failure.

**9. OWNERSHIP OF IMPROVEMENTS DURING TERM**

All buildings and improvements constructed on the Leased Premises by LESSEE as permitted or required by this Lease shall, during this Lease Term, be and remain the property of LESSEE; provided, however, that LESSEE shall have no right to waste, destroy, demolish or remove the improvements except as expressly provided in this Lease; and provided, further, that LESSEE 's rights and powers with respect to the improvements are subject to the terms and limitations of this Lease. COUNTY and LESSEE covenant for themselves, and all persons claiming under or through them, that the improvements are real property. All buildings and improvements existing on the

Leased Premises, as of the date of this Lease are COUNTY's property, free of all claims to or against them by LESSEE or any third person.

**10. OWNERSHIP OF IMPROVEMENTS AT TERMINATION**

Except as specified in Section 13 of this Lease, all buildings and improvements placed or constructed on said Leased Premises as part of said project, as well as any and all other alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or placed in or on said Leased Premises by LESSEE or any other person, shall be considered part of the real property of said Leased Premises and on expiration or sooner termination of this Lease, or the exercised option, shall remain on said Leased Premises and become the property of COUNTY free and clear of any liens or encumbrances whatsoever and without the payment of any consideration therefore. The transfer of ownership contemplated by this section shall occur regardless of any holdover by LESSEE.

**11. REMOVAL OF FIXTURES**

At the normal expiration of the Lease Term, provided LESSEE is not in default, LESSEE shall have the right to remove any and all trade fixtures, provided all resultant injuries to the Leased Premises and remaining improvements, except for ordinary wear and tear, are completely remedied and LESSEE complies with COUNTY's reasonable requirements respecting the resultant appearance. Any such items not so removed within thirty (30) days of termination shall become the property of COUNTY free and clear of any liens or encumbrances whatsoever and without payment of consideration therefore.

**12. NO SUBORDINATION**

COUNTY shall not subordinate the fee title to the Leased Premises to any security transaction to enable LESSEE to obtain financing for the new improvements. The Leased Premises are now and shall remain free and clear of any liens, encumbrances or other LESSEE obligations to third person.

**13. UTILITIES**

LESSEE shall pay quarterly, in arrears, for all gas, heat, light, power, telephone service, garbage disposal, storm and sanitary sewer services, and water, plus all other services supplied to the Leased Premises, including installation and connection of such services from the main source thereof, including COUNTY meters, and hold harmless the COUNTY therefore.

**14. POSSESSORY INTEREST TAX**

Pursuant to Section 107.6 of the State Revenue and Taxation Code the COUNTY hereby gives notice that the property interest to LESSEE under this Lease may be subject to property taxation as a possessory interest and the LESSEE acknowledges that it shall be subject to payment of property tax if a possessory interest tax is levied on the property interest.

**15. ALTERATIONS AND ADDITIONS**

Except as otherwise provided by Section 6 of this Lease, LESSEE shall not make any alterations or improvements to or erect any additional structures on the Leased Premises without prior written consent of COUNTY. Any alterations or additions approved by COUNTY shall be constructed at the sole expense of LESSEE.

**16. COMPLIANCE WITH RULES, REGULATIONS AND LAWS**

In the use and occupancy of the Leased Premises and in the conduct of all business, activities and transactions thereon, LESSEE will comply with all applicable laws, ordinances, rules, regulations and orders of the COUNTY or any governmental subdivision, body or authority, including all federal, state and municipal laws and ordinances and all rules and regulations of the Federal

Aviation Agency and the County of Glenn rules and regulations concerning the operations of the \_\_\_\_\_ Airport and environs.

**17. STORAGE OF MATERIALS AND EQUIPMENT**

No materials, supplies, products, equipment or other personal property shall be stored or permitted to remain on any portion of the Leased Premises outside of COUNTY approved buildings or structures without COUNTY's prior written consent. LESSEE shall store personal property items, supplies, materials and combustibles inside the buildings in a safe, neat and sanitary manner. LESSEE shall provide, or cause to be provided, adequate enclosures, screened areas and/or suitable covered metal receptacles within the Leased Premises for the short-term accumulation and storage of solid waste, such as rubbish, trash, garbage, sludge, discarded machinery or parts and any other solid industrial wastes. Such enclosures and/or screened areas shall be designed in such a way as to prevent, odors, fumes, attraction of pests, and dispersal of wastes due to wind or water runoff and shall be serviced regularly by qualified waste removal and disposal services.

**18. ENVIRONMENTAL CONSIDERATIONS**

- A. LESSEE shall not commit, or suffer to be committed, any waste upon the Leased Premises, or any nuisance or other act or thing, which may disturb the quiet enjoyment of the use of \_\_\_\_\_ Airport or surrounding property. LESSEE shall ensure that no untreated liquid waste from any type of operation will enter the airport storm drainage system or sanitary system.
- B. LESSEE shall at all times comply with all applicable laws, rules and regulations of federal, state or local governmental agencies, including, but not limited to, the County of Glenn and responsible Regional Air and Water Quality Control Boards. LESSEE shall not permit any activity which directly or indirectly produces objectionable or unlawful amounts or levels of air pollution (gases, particulate matter, odors, fumes, smoke, or dust), water pollution, noise, glare, heat emissions, electronic or radio interference with navigational and communication facilities for the operation of the Airport and for its use by aircraft, trash or refuse accumulation, vibration, prop-wash, or jet blast, or which is hazardous or dangerous by reason or risk of explosion, fire or harmful emission. Any waste oil storage tanks shall be in approved containers and in accordance with environmental and fire protection regulations.
- C. Hazardous Substances. The term "Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, or hazardous waste, pollutant or contaminant which is or during the term of this Lease becomes regulated by any local governmental authority, the State of California, or the United States government, including, but not limited to any, material or substance which is defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under local, State, or federal law and as determined by the City of Willows Fire Department. Except in strict compliance with all government approvals, applicable laws and regulations pertaining to Hazardous Materials, and in accordance with the provisions of this Lease, LESSEE shall not cause or permit the presence, use, handling, generation, emission, release, discharge, storage, or disposal of any Hazardous Materials on, under, in or about the Leased Premises, excepting the presence of any Hazardous Materials on, under, in or about the Leased Premises as of the date of this Lease or the migration to or seepage of Hazardous Materials from surrounding or adjacent property; and shall not cause or permit the transportation of any such materials.

**19. HAZARDOUS MATERIALS TO OR FROM THE PREMISES**

LESSEE shall at all times notify COUNTY of any Hazardous Materials present, used, generated, handled, emitted, released, discharged, stored or disposed of on or from the Leased Premises. Notwithstanding the foregoing, notice shall not be required for Hazardous Materials present on the Leased Premises in reasonable quantities which are commonly used in machining facilities

including, but not limited to, cleaning materials, motor oils, and hydraulic fluids provided such Hazardous Materials are used and disposed of in accordance with law, or for materials which are first designated as Hazardous Materials after expiration of the term of this Lease. LESSEE shall also institute operating procedures designed to handle Hazardous Materials consistent with prudent industry practice, including evidence of a licensed agent removal service. COUNTY shall have the right to inspect the Leased Premises on 24-hours prior notice for compliance with the provisions of this Section.

## **20. INDEMNIFICATION BY LESSEE**

LESSEE shall indemnify, protect, defend, and hold harmless COUNTY and COUNTY's successors and assigns, officers, directors, employees, agents, sublessees and assignees, from and against all liability, and foreseeable consequential damages, penalties, expenses and costs of any required or necessary remediation, repair, removal, clean up or detoxification, of the Leased Premises and surrounding properties, and from and against the preparation of any clean up, remediation, closure or other required plans, whether such action is required or necessary during or following the term of this Lease, to the full extent that the same is attributable to the use, handling, generation, emission, release, storage, discharge or disposal of hazardous material by LESSEE, its agents, employees, and contractors.

- A. Indemnification Survives Lease. The indemnification provisions of the foregoing shall survive the termination of this Lease.
- B. No Warranty of Current Condition. COUNTY makes no representation or warranty, express or implied, as to the physical condition of the Leased Premises, including, but not limited to the condition of the exterior or interior of the structure, ground, soil, surface water or groundwater, the geology, the presence of known and unknown faults, the presence of any Hazardous Materials or other kinds of contamination or pollutants of any kind in the air, soil, groundwater or surface water, or the suitability of the Leased Premises for the construction and use of the improvements thereon.

## **21. REPAIRS**

- A. COUNTY shall maintain any COUNTY owned structure including outside walls and roof, heating, and electrical systems (excluding internal lights and fixtures), exterior landscaping, interior plumbing (i.e., sanitary sewer obstructions), interior walls, doors, hardware, alarms, internal lights and fixtures, etc., in as good order, condition and repair as they shall be upon the commencement of the term of this Lease. Any addition to the electrical system installed by LESSEE shall remain the responsibility of the LESSEE. COUNTY shall keep drainage ditches and gutters free of debris.
- B. LESSEE shall maintain any LESSEE owned structure including outside walls and roof, heating, and electrical systems (including internal lights and fixtures), exterior landscaping, interior plumbing (i.e., sanitary sewer obstructions), interior walls, doors, hardware, alarms, internal lights and fixtures, etc., in as good order, condition and repair as they shall be upon the commencement of the term of this Lease. LESSEE shall keep drainage ditches and gutters free of debris.

## **22. FREEDOM FROM LIENS**

LESSEE shall not create or permit to be created or to remain, and covenants to remove and discharge promptly, at its cost and expense, all liens, claims, stop notices, encumbrances and charges upon the Leased Premises, or LESSEE's leasehold interest therein which arise out of the use or occupancy of the Leased Premises by LESSEE or anyone using or occupying the Leased Premises with the consent or sufferance of LESSEE, or by reason of labor or materials furnished or claimed to have been furnished to LESSEE for any construction, alteration, addition or repair of any part of the Leased Premises. LESSEE shall give COUNTY a fifteen (15) day notice prior to

commencing any work on the Leased Premises, so that COUNTY shall have a reasonable time within which to post notices of non-responsibility.

**23. HOLDING OVER**

If LESSEE shall hold possession of the Leased Premises after the term of this Lease, LESSEE shall become a LESSEE from month-to-month upon the rate and terms herein specified and shall continue to be such LESSEE until the tenancy shall be terminated by COUNTY on thirty (30) days' notice or until LESSEE shall have given at least thirty (30) days' notice of LESSEE's intention to terminate the tenancy. For any improvements transferred to COUNTY pursuant to paragraph 10, above, the rental rate shall be increased to reflect COUNTY's ownership of those improvements and shall be calculated at the fair market value of the Leased Premises including those improvements.

**24. ABANDONMENT**

LESSEE shall not vacate or abandon the Leased Premises at any time during the term thereof. If LESSEE shall abandon, vacate or surrender the Leased Premises or be dispossessed by process of law, or otherwise, any personal property belonging to LESSEE and left on the Leased Premises shall be deemed to be abandoned and at the option of COUNTY shall become COUNTY's property free from all claims of LESSEE. In the event LESSEE abandons the Leased Premises, COUNTY shall have the option to terminate this Lease by giving LESSEE notice of belief of abandonment pursuant to California Civil Code Section 1951.3 or COUNTY has the remedy described in California Civil Code Section 1951.4, i.e., COUNTY may continue the Lease after breach and abandonment and recover rent as it becomes due, if LESSEE has the right to sublet or assign, subject to reasonable limitations as provided in paragraph 25.

**25. ASSIGNMENT OR SUBLETTING**

LESSEE shall not assign or encumber any interest in this Lease or in the Leased Premises, or sublease all or any part of the Leased Premises, or allow any other person or entity to occupy or use all or any part of the Leased Premises, without COUNTY's written consent, and consent to one assignment or sublease shall not be construed as consent to any subsequent assignment or subleasing.

If LESSEE is a corporation or partnership, any dissolution, merger, consolidation or other reorganization of LESSEE or the sale or transfer of controlling percentage of the capital stock of LESSEE or the sale of twenty five percent (25%) of the value of the assets of LESSEE shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of and the right to vote stock possessing at least twenty five percent (25%) of the total combined voting power of all classes of LESSEE's capital stock issued outstanding and entitled to vote for the election of directors. COUNTY shall not unreasonably withhold consent, but COUNTY may nevertheless condition consent upon such factors as the identity, reputation, financial worth and stability and operating ability of any proposed assignee or sublessee. Unless prior written consent of COUNTY shall have been obtained, any transfer, or attempted assignment or transfer, of this Lease or any interest therein, or any subletting, either by voluntary or involuntary act of LESSEE or by operation of law or otherwise, shall at the option of the COUNTY terminate this Lease, and any such purported assignment, transfer or subletting without such consent shall be null and void.

**ASSIGNMENT**

A. LESSEE shall not have the right to assign this Lease, except by Leasehold mortgage, without the written consent of COUNTY, which shall not be unreasonably withheld. If LESSEE desires to assign the Lease, LESSEE shall comply with the following procedures:

1. LESSEE shall give COUNTY at least sixty (60) days prior written notice of its desire to assign the Lease.
  2. LESSEE shall simultaneously provide COUNTY with the assignee's name, business organization, financial statement, and other documentation as may be requested by COUNTY.
  3. LESSEE shall provide COUNTY with a true copy of the proposed assignment and the proposed assignee shall, in recordable form, expressly assume all the covenants and conditions of this Lease.
  4. LESSEE shall provide COUNTY with copies of any financial agreements, schedule of payments, mortgage or encumbrance on the Leasehold estate.
  5. LESSEE shall pay COUNTY at the time the request to assign is submitted, a deposit of Five Thousand Dollars (\$5,000.00) to offset COUNTY's expenses, including attorney's fee, in evaluating and documenting the assignment. COUNTY shall charge said deposit at the then current hourly rate for staff time charged to the Airport. Any balance of said deposit shall be refunded to LESSEE, and any excess amount charged, excluding said deposit, shall be paid by LESSEE.
- B. COUNTY and LESSEE hereby deem it reasonable for the COUNTY to refuse to consent to a proposed assignment in the following circumstances:
1. COUNTY may object to any proposed assignment if, in the COUNTY's sole opinion, the proposed assignee is not a qualified assignee in terms of financial strength, business experience or reputation or the ability to operate the fixed base operation and provide the required services in a manner consistent with the purposes for which this Lease was granted.
  2. COUNTY may object on any other reasonable grounds. The effective date of the assignment shall not occur until sixty (60) days after the LESSEE's notice of the proposed assignment unless, within that time, COUNTY gives notice of a valid objection or refusal of consent as set forth in subsection A. If COUNTY gives notice of a valid objection and withholds consent, the Lease will not be assigned.

#### **SUBLETTING**

It is understood and agreed that, from time to time, LESSEE may request COUNTY's permission to sublet portions of the Leased Premises and COUNTY shall not unreasonably withhold consent, provided:

- A. Each sublease made shall be subject and subordinate to the right of the COUNTY and the provisions of each sublease shall conform to the provisions of this Lease as far as practicable.
- B. The sublease does not affect an assignment of the Lease as prohibited elsewhere.
- C. LESSEE includes the following information with its request to sublease, the name, address, a true copy of the proposed sublease, and appropriate documentation as evidence the sublessee is qualified to conduct business on the Airport and such sublessee will provide the type of development and services required under the provisions of this Lease.
- D. Sublessee provides insurance coverage(s) as appropriate, in accordance with Lease provision(s), INSURANCE, the same as if the sublessee were a lessee. If LESSEE is in the default of monetary obligations to COUNTY pursuant to this Lease, LESSEE immediately and irrevocably assigns to COUNTY, as security for LESSEE's obligations under this Lease, all rent from any subletting of all or a part of the Leased Premises as permitted by this Lease, and COUNTY, as assignee and as attorney-in-fact for LESSEE, or a receiver for LESSEE appointed on COUNTY's application, may collect such rent and apply it toward LESSEE's obligations under this Lease; except that, until the occurrence of an act of default by LESSEE, LESSEE shall have the right to collect such rent. It is understood and agreed by the parties hereto that the above assignment provisions do not apply to heirs by will.

## **26. COUNTY'S RECAPTURE RIGHT**

### **A. RIGHT OF RECAPTURE**

Despite any other provision of this Lease, LESSEE shall notify COUNTY in writing (Availability Notice) if LESSEE wishes to transfer the Leased Premises or any portion thereof (Subject Space). If LESSEE does not give COUNTY the Availability Notice before delivering a Transfer Notice, the Transfer Notice shall also be the Availability Notice. COUNTY has the option, by written notice to LESSEE (Recapture Notice) within thirty (30) days after receiving any Availability Notice, to recapture the Subject Space as described in the next section. A timely Recapture Notice terminates this Lease as to the Subject Space and LESSEE's obligations regarding the remaining term of this Lease (or, at COUNTY's election, for a shorter period specified in the Availability Notice as the term of the Transfer) and as of the date specified in the Availability Notice. The Recapture Notice shall be void, however, if LESSEE notifies COUNTY, within thirty (30) days after receipt of the Recapture Notice, that LESSEE withdraws the Availability Notice or Transfer Notice. If COUNTY declines or fails timely to elect to recapture the Subject Space, COUNTY shall have no further right under this section to the Subject Space unless it becomes available again after Transfer by LESSEE.

### **B. CONSEQUENCES OF RECAPTURE**

To determine the new Base Rent under this Lease if COUNTY recaptures the Subject Space, the original Base Rent under the Lease shall be multiplied by a fraction, the numerator of which is the Rentable Square Feet of the Leased Premises retained by LESSEE after COUNTY's recapture and the denominator of which is the total Rentable Square Feet of the Leased Premises before COUNTY's recapture. The Additional Rent, to the extent that it is calculated on the basis of the Rentable Square Feet within the Leased Premises, shall be reduced to reflect LESSEE's proportionate share based on the Rentable Square Feet of the Leased Premises retained by LESSEE after COUNTY's recapture. This Lease as so amended shall continue thereafter in full force and effect for the remaining Leased Premises only. Either party may require written confirmation of the amendments to this Lease necessitated by COUNTY's recapture of the Subject Space. If COUNTY recaptures the Subject Space, COUNTY shall, at COUNTY's sole expense, construct any partitions required to segregate the Subject Space from the space retained by LESSEE. LESSEE shall, however, pay for painting, covering, or otherwise decorating the surfaces of the partitions facing the remaining Leased Premises retained by LESSEE. If COUNTY recaptures the Subject Space, COUNTY shall pay LESSEE ten percent (10%) of any Transfer Premium received by COUNTY.

## **27. SIGNS, POSTERS, BUILDINGS AND TOWERS**

- A. No advertising signs, posters or similar devices shall be erected, displayed or maintained in, on, about or above the Leased Premises or the structures thereon without a sign permit and the written approval of the Airport Manager.
- B. No structures erected on the Leased Premises shall exceed the height limit fixed by any COUNTY zoning ordinance or regulations of the Airport or Federal Aviation Authority. LESSEE in its operations shall not unreasonably interfere with the property, interests, operations or activities of the COUNTY or of other LESSEES of the COUNTY.

## **28. TAXES**

LESSEE will pay all fees, taxes, assessments and licenses levied, imposed or required by any governmental subdivision, body or authority on or in respect to any improvements or property placed on the Leased Premises by LESSEE or any person with its permission. The use, occupancy or possessory rights of LESSEE in the Leased Premises:

- A. Any business, activity or transaction conducted thereon by LESSEE;
- B. COUNTY license and permits; and



C. Commercial Operator Permit fee.

**29. WAIVER OF DAMAGES AND INDEMNIFICATION**

COUNTY shall not be liable to LESSEE for any injury or damage that may result to any person or property by or from any cause whatsoever, except as results from acts of the sole negligence on the part of COUNTY, its agents, servants, employees or invitees. Without limiting the generality of the foregoing waiver, it is expressly extended to injury or damage caused by water leakage of any character from the roof(s), wall(s), basement or any part of the property, or caused by gas, oil, electricity or any other cause in or about the Leased Premises or the building(s). LESSEE agrees to hold COUNTY harmless from, and to defend COUNTY against, any and all claims or liability for any death of for injury to any person or damage to any property, whatsoever, occurring in, on or about the Leased Premises.

**30. PAYMENT OF RENT AND SERVICES**

Notwithstanding any other provision of this Lease, all rents shall be paid to County of Glenn Public Works Agency, c/o Airports, by delivering or mailing to the address provided in Section 39.

**31. SECURITY DEPOSIT**

A. On execution of this Lease, LESSEE shall deposit the sum of \$\_\_\_\_\_ (\$amount in words) representing two (2) month's rent in cash as security for the faithful performance of the terms, covenants and conditions of this Lease.

B. If LESSEE is in default, COUNTY can use the security deposit or any portion of it, to cure the default or to compensate COUNTY for all damages or loss sustained by COUNTY resulting from LESSEE's default if the notice requirements, if applicable, have been observed. LESSEE shall immediately, on demand, pay to COUNTY a sum equal to the portion of the security deposit expended or applied by COUNTY as provided in this paragraph so as to maintain the security deposit in the sum initially deposited. Upon final accounting by COUNTY, any balance of said deposit shall be refunded to LESSEE.

**32. HOLD HARMLESS**

A. LESSEE shall save, protect, indemnify, and hold harmless COUNTY, its elective and appointive boards, commissions, officers, agents, and employees from any and all claims, cost or liability of any kind allegedly suffered, incurred or threatened, including personal injury, death, property damage, inverse condemnation, or any combination of these, foreseeable or unforeseeable, arising directly or indirectly from or connected with any acts performed pursuant to this Lease, or any omission to perform, including, but not limited to, claims, costs or liability resulting from: (1) The conduct, negligent or otherwise, of LESSEE, its sublessee(s), assignee(s), or any officer(s), agent(s) or employee(s) of one or more of them; (2) The joint conduct of the COUNTY and LESSEE, regardless of whether the COUNTY is concurrently, active or passively negligent or not negligent at all; or (3) The sole concurrent conduct of any other person or entity. The above promise and agreement in this section is not conditioned or dependent on whether LESSEE or COUNTY has prepared, supplied or approved any plan(s) or specification(s) in connection with this Lease, or has insurance or other indemnification covering any of these matters, or that the alleged damage resulted partly from any negligent or willful misconduct of COUNTY.

B. Non-Liability of COUNTY for Damages. This Lease is made upon the express condition that COUNTY is to be free from all liability and claim for damages by reason of any injury to any person or persons including, LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon, or in any way connected with the Leased Premises during the term of this Lease or any extension hereof

or any occupancy hereunder, LESSEE hereby covenanting and agreeing to indemnify and save harmless COUNTY from all liability, loss, cost, attorney's fees, and obligations on account of or arising out of any such injuries or losses however occurring.

### **33. BREACH**

After service of ten (10) days written notice thereof by COUNTY on LESSEE any one of the following shall constitute a breach of this Lease by LESSEE:

- A. The appointment a general assignment by LESSEE for the benefit of creditors, or of a Receiver to take possession of all or substantially all of the assets of LESSEE, or
- B. Period of twenty (20) days, or
- C. A default in the performance of any other covenant or condition of this Lease on the part of LESSEE to be performed for a period of twenty (20) days

### **34. INSURANCE**

- A. During the rental term, LESSEE, at LESSEE's sole expense, shall secure and maintain in force such policies of insurance as will protect it from claims for damages or injury resulting from bodily injury, including death, and for the loss or damage to property of others which may arise from operations of this Lease. Such insurance shall contain statements that:
- B. These policies shall also apply to COUNTY, as an Additional Named Insured; (ii) the insurance afforded by these policies applies severally as to each insured, except that the inclusion of more than one insured shall not operate to increase the limit of the company's liability, and the inclusion hereunder of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included; (iii) the insurance shall be primary insurance over any other insurance carried by COUNTY, which other insurance shall be considered excess only; (iv) the above policies specifically include coverage indemnifying COUNTY as set forth in this Lease; (v) the policies may not be canceled, nor the coverage reduced until thirty (30) days after a written notice of such cancellation or reduction in coverage is delivered to COUNTY at the address contained herein; (vi) the insurance companies named herein waive any all rights of subrogation against COUNTY. Such liability insurance shall be written with limits of at least Two Million Dollars (\$2,000,000.00), combined single limits, and shall be written by companies acceptable to COUNTY. The limit of liability insurance coverage shall be adjusted commensurate with inflation and other liability factors upon adoption of resolution of the COUNTY Council of COUNTY. Certificates of Insurance evidencing the above obligations shall be delivered to COUNTY on prior commencement of operations covered by this agreement.
- C. COUNTY, at LESSEE's cost, shall cooperate fully with LESSEE to maximize any recovery following an insured casualty. All policies of fire and extended coverage or other casualty insurance required by subparagraphs (f) and (h) below shall provide that proceeds there under shall be paid to COUNTY and LESSEE as their interests may appear.
- D. All policies required to be maintained by LESSEE pursuant to the terms of this Lease shall be issued by companies authorized to do business in the State of California with a financial rating of at least "A" in the most recent edition of Best Insurance Reports. LESSEE shall pay premiums therefore and shall deliver annually to COUNTY Certificates of Insurance that such policies are in effect. If LESSEE fails or refuses to procure or maintain the insurance coverage required hereunder, or fails or refuses to furnish COUNTY with proof that coverage has been procured and is in full force and paid for, COUNTY shall have the right, at COUNTY's election and without notice to LESSEE, but without any obligation to do so, to procure and maintain such coverage. LESSEE shall reimburse COUNTY on demand for any premiums COUNTY so pays in connection with such procurement.
- E. Fire Insurance: During the Lease Term, LESSEE, at LESSEE's sole expense, shall insure for fire and extended coverage risks all buildings, personal property, improvements, and alterations

in, on, or about the Leased Premises. Such insurance shall be in an amount not less than eighty percent (80%) of insurable, full replacement cost of such buildings and improvements, and shall include vandalism and malicious mischief endorsements. Said fire insurance policies shall contain loss payable endorsements in favor of the parties as their respective interests may appear hereunder. The County of Glenn shall be named as additional insured in such policy or policies.

F. Fire or Casualty:

1. Destruction of LESSEE Owned Building. In the event of extensive damage (greater than fifty percent (50%)) to or destruction of buildings or other improvements on the Leased Premises owned by LESSEE as provided in Section 11 of this Lease ("LESSEE Improvements"), LESSEE shall determine whether to repair or replace the LESSEE Improvements. If it is determined to repair or replace the LESSEE Improvements, the proceeds of any insurance policy paid on account of such damage or destruction shall be used to defer the cost of repairing or replacing the LESSEE Improvements. LESSEE shall complete all repairs within a reasonable time. If it is determined not to repair or replace the LESSEE Improvements, LESSEE may terminate this Lease upon written notice to COUNTY within thirty (30) days of such damage or destruction. If LESSEE terminates this Lease pursuant hereto, after deducting any proceeds payable to LESSEE's lender pursuant to the following paragraph, the remaining proceeds of any insurance policy paid on account of such damage or destruction shall be distributed to COUNTY and LESSEE pursuant to the following formula: COUNTY's share shall be the product of the amount of the remaining proceeds multiplied by a fraction, the numerator which is the number of months since the commencement date of this Lease until the date of the casualty causing such damage or destruction, and the denominator of which is four hundred and twenty (420). LESSEE's share shall be the excess of the remaining proceeds after subtracting the COUNTY's share. In the event of termination of the Lease pursuant to this Section 33 (e) (1), LESSEE shall remove the LESSEE Improvements and, restore the COUNTY owned building to its prior condition at LESSEE's sole cost and expense prior to the date of termination of the Lease. All fire and extended coverage insurance policies insuring the LESSEE Improvements may have a loss payable clause in favor of any lender of LESSEE, including, but not limited to, any mortgagee of LESSEE, as such lender's interest may appear.
  2. Destruction of COUNTY Owned Leased Premises. If during the term of this Lease the COUNTY owned Leased Premises, as provided in Section 11 of this Lease, shall be damaged or destroyed to the extent of fifty percent (50%) of its valuation or at a repair cost estimated by the COUNTY Building Official to exceed the sum of Twenty Five Thousand Dollars (\$25,000.00) by fire, the elements, or any other cause, then this Lease shall, at COUNTY's option, cease and become null and void from the date of such damage, or destruction, and LESSEE shall immediately surrender the entire Leased Premises to COUNTY and shall pay rent only to the time of such surrender.
  3. If the COUNTY owned Leased Premises shall be damaged by fire, or other cause, so as to be capable of being repaired within a reasonable time, COUNTY shall have the option to repair the same and during the time that the repairs are being made, COUNTY shall remit to LESSEE a just and fair portion of the rent according to the nature of the damage sustained and according to the extent that LESSEE is deprived of the use of the COUNTY owned Leased Premises. Should the estimated time to repair damage exceed one hundred twenty (120) days, the LESSEE may, at his option, terminate, this Lease. In such event both parties shall be released from further obligations under the terms of this Lease.
- G. Workers' Compensation: LESSEE, at LESSEE's sole expense, must obtain and maintain workers' compensation insurance covering all its employees, and said insurance must be kept in force during the entire term of this Lease.



To LESSEE:

or such other address as may be contained in a notice from either party to the other given pursuant to this section. Notice of registered or certified mail shall be deemed to be given forty- eight (48) hours from the time of postmarking if mailed within the United States (excluding Alaska).

**40. RECORDATION**

Neither party, without the consent of the other, shall cause or permit the original nor any copy of this Lease to be recorded, filed or published in any public place.

**41. LESSEE TO ASSUME ALL UNKNOWN EXPENSES**

Notwithstanding the existence of a provision therefore in this Lease, LESSEE shall assume, pay and be obligated for any and all costs and expenses toward the operation, protection, maintenance of the Leased Premises, known or unknown, expressed or unexpressed, it being the intention of the parties for this to be a triple net lease to COUNTY.

**42. RIGHT OF COUNTY TO ENTER FOR INSPECTION**

COUNTY shall have the right to enter upon the Leased Premises at all reasonable times during the term of this Lease for the purpose of making any inspection it may deem expedient to the proper enforcement of this Lease.

**43. NONDISCRIMINATION**

LESSEE hereby covenants that LESSEE in its use of the Leased Premises and any and all structures, buildings and improvements located here on shall conduct the fixed base operation or any other activity hereafter authorized by the COUNTY on the Leased Premises on a nonexclusive and non-discriminatory basis in all respects with regard to any person, firm or group of persons. LESSEE shall not act in any manner prohibited by Part 15 of the Federal Aviation Regulations and further agrees to be nondiscriminatory also with respect to price or cost of services or goods and in every other fashion.

**44. ENFORCEMENT OF NONDISCRIMINATION CLAUSE**

COUNTY shall have the right to take such action against the LESSEE as the United States Government may direct or request to enforce the terms of the preceding paragraph on behalf of the United States Government or on behalf of any of its citizens or the COUNTY itself.

**45. OTHER OPERATIONS**

It is understood that the use authorized at the \_\_\_\_\_ Airport by this Lease is not given to LESSEE exclusively but may be given to any other LESSEE at the Airport at the sole discretion of the COUNTY.

**46. CONDEMNATION**

If the whole or any substantial part of the Leased Premises shall be taken by any paramount public authority under the power of eminent domain then the term of this Lease shall cease as to the part so taken from the date the possession of that part shall be taken for any public purpose, and from that day LESSEE shall have the right either to cancel this Lease or to continue in the possession of the remainder of the Leased Premises under the term herein provided, except that the square foot rental shall be reduced in proportion to the amount of the Leased Premises taken. Damages awarded for such taking shall be apportioned between the COUNTY and LESSEE in a ratio relating to the number of years expired and remaining in the Lease Term between COUNTY and LESSEE respectively; provided, however, that COUNTY shall not be entitled to any portion of the award made for loss of business installation or improvements belonging to LESSEE.

**47. NONDISCRIMINATIONS (FAA, MBE, DBE REQUIREMENTS)**

- A. The LESSEE, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration for this Lease, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation (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, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.
- B. The LESSEE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby further covenant and agree as a covenant running with the land that: (a) 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 facilities; (b) 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; (c) that the LESSEE shall use the 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 2 1, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.
- C. 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. LESSEE shall insert the provisions of this section in any lease agreement or contract by which LESSEE grants a right of privilege to any person, firm or corporation to render accommodations and/or services to the public on the Leased Premises.

**48. REMEDY FOR DISCRIMINATION**

In the event of breach of any of the nondiscrimination covenants identified in Paragraph 47, COUNTY shall have the right to terminate this Lease and to reenter and repossess the Leased Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued. The provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights. Non-compliance with paragraph 50 shall constitute a material breach thereof and in the event of such non-compliance COUNTY shall have the right to terminate this Lease and the estate hereby created without liability therefore or at the election of the COUNTY or the United States either or both Governments shall have the right to judicially enforce paragraph 47.

**49. AFFIRMATIVE ACTION**

LESSEE assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall be on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, 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 such subpart. LESSEE assures that it will require that it's covered by such subpart. LESSEE assures that it will require

that its covered suborganizations provide assurances to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as provided by 14 CFR Part 152, subpart 2, to the same effect.

**50. SUBORDINATION TO FUTURE FAA AGREEMENTS**

This Lease shall subordinate to the provisions and requirements of any existing or future agreement between the COUNTY and the United States, relative to the development, operation or maintenance of the Airport.

**51. NOTICE TO FEDERAL AVIATION ADMINISTRATION**

This Lease shall subordinate to the provisions and requirements of any existing or future agreement between the County and the United States, relative to the development, operation or maintenance of the Airport.

**52. PROPRIETARY AND GOVERNEMENTAL ROLES; ACTIONS BY COUNTY**

Except where clearly and expressly provided otherwise in this Lease, the capacity of the County of Glenn ("County") in this Lease shall be as owner and COUNTY of property only ("Proprietary Capacity"), and any obligations or restrictions imposed by this Lease on the County shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect its governmental capacities, including enacting laws, inspecting structures, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions pursuant to federal, state or local law ("Governmental Capacity"). When acting in its Proprietary Capacity, discretionary actions may be undertaken by the County Administrative Officer or other designees as designated by the County Administrative Officer to the extent otherwise provided for in this Lease. In addition, nothing in this Lease shall supersede or waive any discretionary or regulatory approvals required to be obtained from the County under applicable law, nor guarantee that the County, in its Governmental Capacity, will grant any particular request for a license, permit or other regulatory approval. LESSEE understands that the County may grant or deny such request in its sole discretion and may impose such terms and conditions as it deems consistent with that discretion and applicable law.

**53. NON-EXCLUSIVE RIGHT**

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

**54. TERMS**

All the provisions of this Lease shall be deemed and construed to be "covenants" as though the words imported such covenants were used in each separate paragraph hereof, except when expressed as conditions.

**55. GOVERNING LAW**

This Lease shall be construed and enforced in accordance with the laws of the State of California.

**56. BINDING EFFECT**

This Lease and the covenants and agreements herein contained shall bind and inure to the benefit of the parties hereof, their heirs, successors, executors, administrators, and when permitted assigns.

**57. TIME IS OF THE ESSENCE**

Time is of the essence regarding this Lease.

**58. CONSENT**

Whenever consent or approval of either party is required, that part shall not unreasonably withhold such consent or approval.

**59. CORPORATE STATUS**

If either party is a corporation, that party shall deliver to the other party on execution of this Lease, a certified copy of a resolution of its governing body authoring the execution of this Lease and naming the officers that are authorized to execute this Lease on behalf of the corporation.

**60. BROKERS**

Each party represents that it has not had dealings with any real estate broker, finder, or other party, with respect to this Lease in any manner. Each party shall hold harmless the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.

**61. EXHIBITS**

All exhibits referred to are attached to this Lease and incorporated by reference.

**62. ENTIRE AGREEMENT**

This Lease contains the entire agreement of the parties, and by signing this Lease they agree that there is no other written or oral agreement, promise, or representation between them respecting the Leased Premises. This Lease shall bind and inure to the benefit and advantage of the assigns of COUNTY, and of the heirs, executors, administrators, and when permitted hereunder the assigns of the LESSEE.

Executed at Willows, California on \_\_\_\_\_, 2022.

APPROVED BY LESSEE:

APPROVED BY COUNTY:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
**Scott DeMoss, County Administrative  
Officer**  
Glenn County

APPROVED AS TO FORM:

\_\_\_\_\_  
William Vanasek, County Counsel  
Glenn County



DRAFT

EXHIBIT A – Hangar Location/Description/MAP – INSERT HERE