AIRPORT GROUND LEASE AGREEMENT

THIS AIRPORT GROUND LEASE AGREEMENT ("Agreement") is entered into as of _____, 2025 ("Effective Date") between the County of Solano, a political subdivision of the State of California, (the "County"), and *[name of tenant]*, a *[legal form, e.g., California corporation, LLC, or individual]* (the "Tenant") and whose mailing address is *[address]*, for space at the Nut Tree Airport ("Airport"). County and Tenant may be individually referred to as a "Party" and collectively, the "Parties".

RECITALS

A. County and [Original Tenant Name] previously entered into that certain Ground Lease dated January 1, 1996 ("Original Lease") for the lease of certain real property at the Airport described therein ("Premises") for an initial term of twenty (20) years with two (2) additional five (5) years extensions for a total term of thirty (30) years which provided that, by mutual agreement, a new lease could be negotiated or the County could purchase the hangar at fair market value.

B. [Existing Tenant Name] ("Tenant") is the lawful successor-in-interest to [Original Tenant Name] under the Original Lease and has continuously occupied and used the Premises pursuant to the Original Lease.

C. The Original Lease will expire on December 31, 2025, and the parties desire to enter into a new ground lease to allow Tenant to continue to occupy and have beneficial use of the existing hangar improvements located on the Premises.

D. Pursuant to California Government Code section 50478, counties may lease real property at county airports for a term not to exceed fifty (50) years in total. Because the Original Lease term was thirty (30) years, the term of this new Ground Lease is limited to twenty (20) years so that the total term does not exceed fifty (50) years.

E. County and Tenant therefore desire to enter into this new Ground Lease upon the terms and conditions set forth herein to ensure continued beneficial use of the Premises by Tenant consistent with applicable law.

In consideration of the mutual promises and covenants contained herein, and the Recitals above (which are incorporated into this Lease as though fully set forth), the Parties agree as follows:

1. Ground Leased Premises.

A. **Agreement to Lease Premises**. County hereby leases to Tenant and Tenant hereby leases from County the ground lease Airport hangar site described at Exhibit A (the "Premises") for the purposes set forth in this Agreement. Tenant agrees to accept the Premises "as is," and County makes no warranty as to the condition of the Premises or their suitability for any particular purpose.

B. **Purpose of Agreement**. Tenant agrees that it shall use the Premises on a noncommercial basis only for the following purposes (and for no other purposes) for Tenant's Aircraft (as defined below) and for no other Aircraft: parking, storage, operations, and maintenance consistent with Federal Aviation Administration standards. An "Aircraft" shall be any aircraft that Tenant owns or leases (or that is subject to an authorized sublease) when approved in writing in advance by County. Tenant shall provide proof of the ownership or lease of any Aircraft upon County's request. The Aircraft identified at Exhibit B are the Aircraft approved by County upon entering this Agreement, which can include the identification of the construction of non-commercial amateur or kit-built Aircraft. Any amateur or kit-built aircraft must be completed within nine (9) years of commencement of construction. Tenant shall provide the same information to County in writing when requesting approval for any subsequent Aircraft. A Tenant may store additional aircraft not owned or leased by Tenant upon prior written approval by the County and providing adequate proof of liability insurance covering the non-owned aircraft.

C. **Access**. County agrees that if Tenant is not in breach of this Agreement, Tenant and subtenants (that are approved by County pursuant to this Agreement) are authorized to ingress and egress across the common areas of the Airport (in the areas designated by County, for the purposes for which they were designed, and as permitted by applicable Laws and Regulations as defined in Section 5.A) on a nonexclusive basis and to the extent reasonably necessary for Tenant's use, occupancy, and operations at the Premises.

D. **Avigational Easement and Other Reserved Rights**. This Agreement conveys only a leasehold interest in the Premises on the terms and for the purposes provided herein, and it conveys no other rights, title, or interests of any kind. Among the rights reserved to County, County reserves in the Premises a right of flight for the passage of aircraft in the air, a right to cause such

SAMPLE

noise as may at any time be inherent in the operation of aircraft, and all other rights, including, but not limited to, water, minerals, oil, and gas.

2. **Rent and Payment.**

A. **Amount Due**. Tenant agrees to pay annual rent to County for Tenant's lease of the Premises in the amount of $*[dollar amount of rent]* based on a $1.02 per square foot rate commencing on the Commencement Date (as defined in Section 3.A). County and Tenant agree that Tenant's annual rent shall increase each year (or fraction of a year) when this Agreement is in effect, and the amount of such increase shall be three percent of the annual rent due in the previous year. Once timely paid, annual prepaid rent shall not be adjustable and shall be considered rent paid in full for the annual period. The rent for any fraction of a year shall be prorated.

B. **When Due**. Annual rent payments shall be due on January 1st of each year payable in advance and shall be considered past due if not paid on or before January 15th of each year during the term of this Agreement.

C. **Additional Rent**. Any sum (other than the rent required in 2.A) that Tenant is obligated to pay to County arising from or relating to this Agreement or Tenant's use, occupancy, or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fines, civil penalties, damages, claims, interest, charges, and utility charges.

D. **Past Due Amounts.** If Tenant fails to pay when due any amount required to be paid by Tenant under this Agreement, such unpaid amount shall bear interest at the rate of ten percent per annum from the due date of such amount to the date of payment in full, with interest. In addition, County may also charge a sum of fifty dollars ($50.00) of such unpaid amount as a service fee, which the parties agree is a reasonable estimate of and liquidated damages for County's additional costs for billing and collection arising from Tenant's failure to make payment in a timely manner.

E. **Payment**. Any amount due in connection with this Agreement or the use of the Airport shall be due without prior notice or demand, except when notice is necessary to make Tenant aware of an amount due, and shall be paid without offset, abatement, or deduction. County shall first apply any sum paid to past due rent (beginning with the most recent amount due). No statement on any check or elsewhere shall be deemed to create an accord and satisfaction. County may accept any payment (including, but not limited to, past due amounts and related charges) without prejudice to County's rights to recover any sum or pursue other remedies provided by this Agreement or by law and without waiving any default under this Agreement. If County pays any amount on behalf of Tenant (including, but not limited to, civil penalties assessed in connection with Tenant's use of the Airport), such amount shall constitute an advance by County to Tenant and Tenant shall promptly reimburse County upon demand by County. County has the right to apply any sum paid by Tenant to any obligation that Tenant owes to County (whether or not in connection with this Agreement). Tenant shall make payments to County at the following address (or such other address as County may designate in writing from time to time): 301 County Airport Road, Vacaville, CA, 95688.

3. **Term**.

A. **Initial Term**. The term of this Agreement shall be for a period of ten (10) years, commencing on January 1, 2026 (the "Commencement Date") and ending on December 31, 2035 such period being the "Initial Term").

B. **Renewal**. Tenant may renew this Agreement for one (1) additional period of ten (10) years ("Renewal Term") if Tenant is not in breach of this Agreement and delivers a written notice of renewal to County at least ninety (90) days before the expiration of the Initial Term. Prior to the exercise of the Renewal Term, at the County's sole option, County may conduct an appraisal to determine whether the fair market value of the rent shall be adjusted as of the commencement date of the Renewal Term. In no event will the rent be in an amount less than the final year of the Initial Term.

C. **Expiration Date.** The date on which this Agreement expires under the terms of Section 3.A or Section 3.B shall be the "Expiration Date".

4. **Tenant's Improvements**.

A. **Authorized Improvements**. Subject to the terms of this Agreement, Tenant has the right to construct or maintain a hangar and other aviation-related improvements on the Premises. Tenant shall not make or cause to be made to the Premises any alteration or improvement without County's prior written consent (in County's sole discretion). All construction shall comply with the requirements of Exhibit C. Tenant shall not alter or improve any area of the Airport that is not leased by Tenant.

B. **Title to Improvements.** During the term of this Agreement, all portions of the hangar and any other improvements that are constructed or acquired by Tenant shall be and remain the personal property of the Tenant.

SAMPLE

5. **Tenant's Uses and Privileges**.

A. **Comply with All Laws.** Tenant shall comply at all times, at Tenant's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Tenant's use, occupancy, or operations at the Premises or the Airport (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law including, but not limited to, the Nut Tree Airport Rules and Regulations and Standards for all Aviation Operators, Solano County or City of Vacaville master plans and zoning codes, and all Laws and Regulations pertaining to the environment (the "Environmental Laws"); any and all plans and programs developed in compliance with such requirements; and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements. Upon a written request by County, Tenant will verify, within a reasonable time frame, compliance with any Laws and Regulations.

B. **No Unauthorized Use.** Tenant and any subtenant shall use the Premises and the Airport only for purposes that are expressly authorized by this Agreement and shall not engage in any unauthorized use of the same. Unauthorized uses include, but are not limited to, damaging, interfering with, or altering any improvement; restricting access on any taxilane or other area that Tenant does not lease; storage or use of fuels, combustible chemicals, solvents or other hazardous materials; placing waste materials on the Airport or disposing of such materials in violation of any Laws and Regulations; any use that would constitute a public or private nuisance or a disturbance or annoyance to other Airport users; any commercial activity; driving a motor vehicle in a prohibited Airport location; the use of automobile parking areas in a manner not authorized by County; any use that would interfere with any operation at the Airport or decrease the Airport's effectiveness (as determined by County in its sole discretion); and any use that would be prohibited by or would impair coverage under either party's insurance policies.

C. **Permits and Licenses.** Tenant shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Tenant's use, occupancy, or operations at the Premises or the Airport. In the event that Tenant receives notice from any governmental entity that Tenant lacks, or is in violation of, any such permit or license, Tenant shall provide County with timely written notice of the same.

D. **Taxes and Liens.** Tenant shall pay (before their respective due dates) all taxes including any applicable possessory interest taxes, fees, assessments, and levies that relate to Tenant's use, occupancy, or operations at the Premises or the Airport and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for any improvements). Within thirty (30) days, Tenant shall remove any such lien that may be created or commence a protest of such lien by depositing with County cash or other security acceptable to County in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the Premises, Tenant shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against County's real property or any interest therein.

E. **Damage to Property and Notice of Harm.** In addition to Tenant's indemnification obligations set forth in this Agreement, Tenant, at Tenant's sole cost, shall repair or replace (to County's reasonable satisfaction) any damaged property that belongs to County or County's other tenants to the extent that such damage arises from or relates to an act or omission of Tenant or subtenants. Tenant shall promptly notify County of any such property damage. If Tenant discovers any other potential claims or losses that may affect County, Tenant shall promptly notify County of the same.

F. **Signage and Advertising.** Tenant is not authorized to install or operate any signage outside of enclosed structures on the Premises (other than a hangar number), or at the Airport.

G. **Security.** Tenant is responsible to comply (at Tenant's sole cost) with all security measures that County, the United States Federal Aviation Administration, or any other governmental entity having jurisdiction may require in connection with the Airport, including, but not limited to, any access credential requirements ("Gate Card"), any decision to remove Tenant's Gate Card, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Tenant or subtenant. Tenant agrees that Airport Gate Cards are the property of County and may be suspended or revoked by County in its sole discretion at any time. Tenant shall pay all fees associated with such Gate Card, and Tenant shall immediately report to the Airport Manager any lost Gate Card that Tenant removes from subtenant. Tenant shall protect and preserve security at the Airport.

H. **Maintenance, Repair, Utilities, and Storage.** Tenant's use, occupancy, and operations at the Premises shall be without cost or expense to County. Tenant shall be solely responsible to design and construct all improvements and to maintain, repair, reconstruct, and operate the Premises and all improvements at Tenant's sole cost and expense, including, but not limited to, all charges for utility services (and their installation and maintenance), janitorial services, waste disposal, and maintenance of the

SAMPLE

area immediately surrounding hangar. Tenant shall at all times maintain the Premises and all improvements in a condition that is equal to the level of maintenance by County in comparable areas and that is clean, free of debris, safe, sanitary, and in good repair. Tenant shall submit annual Maintenance Reports detailing inspections, repairs, deferred maintenance, and corrective schedules. Tenant shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. Tenant shall promptly remedy any condition that fails to meet this standard. Without limiting the foregoing obligations, Tenant shall not store on the Premises any inoperable equipment, discarded or unsightly materials, or materials likely to create a hazard; shall not use areas outside of enclosed buildings for storage; and shall store trash in covered metal receptacles. Any substance or material that is regulated by any Environmental Law ("Hazardous Materials") shall be governed by Section 8.

I**. County Inspection and Maintenance Program.** County shall have the right to conduct regular inspections of the Premises, including the interior of Tenant's improvements, at least once per year, and additional inspections as needed if deficiencies noted, upon 10 days' prior written notice to Tenant. County may provide notice of deficiencies and require correction. If Tenant fails to act, County may complete work at Tenant's expense, with costs plus 10% administrative fee constituting Additional Rent. County's inspection rights and review of reports shall not relieve Tenant of its maintenance obligations or waive any default.

J. **Operations and Personnel.** Tenant shall occupy the Premises at all times and shall operate in a manner that promotes effective airport operations. Among other things, Tenant shall use its best efforts to immediately notify the Airport Manager of any condition that Tenant observes at the Airport that may create a hazard or disruption, shall promptly remedy deficiencies in Tenant's operations, and shall promptly respond to County's complaints, requests for information, and requests for reasonable assistance in connection with planning and other operational matters at the Airport. Tenant shall refrain from annoying, disturbing, or impairing Airport customers, tenants, or employees. If County, for good and sufficient cause, deems anyone associated with Tenant to be objectionable, Tenant shall take all steps necessary to remove such persons from the Airport. If County determines for any reason that emergency conditions exist at the Airport, Tenant shall participate in any emergency response as directed by County or other agency in charge and shall operate in a manner that protects safety and the interests of the public. County may, but is not obligated to, stop Tenant's operations if safety Laws and Regulations or other safe work practices are not being observed. Tenant shall participate in and cooperate with the lawful, reasonable, and nondiscriminatory programs implemented by County, including, but not limited to, programs addressing common areas; services provided for use by multiple tenants; programs to implement cost efficiencies and economies of scale; and security-related measures.

6. **County's Authority**.

A. **Nature of County.** County is a governmental entity and the proprietor of the Airport, and County has all lawful rights, powers, and privileges to act in those capacities.

B. **Access to Premises.** County for itself and its employees, officers, directors, agents, contractors, subcontractors, suppliers, invitees, volunteers and other representatives ("County's Associates") reserves the right to enter the Premises as provided in this Section 6.B, and the same does not constitute a trespass upon the Premises or a violation of any rights. County and County's Associates shall have the right to enter the interior of any hangar on the Premises at any time and without prior notice for any purpose relating to any emergency, security, or safety concern, or to investigate or remediate potential threats or hazards. County and County's Associates shall have right to enter the interior of any hangar on the Premises for any other purpose relating to the Airport including, but not limited to, in order to conduct any inspections as provided in Section 5.J. above, determine compliance with this Agreement, and conduct Airport work) upon providing reasonable notice to Tenant.

C. **County's Right to Work Within, Alter, or Recover Premises.** Tenant recognizes that from time to time it will be necessary for County to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance and repair at and to the Airport in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience or interrupt Tenant's operations at the Airport. Tenant agrees that no liability shall attach to County, its officers, agents, employees, contractors, subcontractors or representatives by reason of such inconvenience or interruption, and Tenant waives any right to claim damages or other consideration for such inconvenience or interruption. Tenant shall be obligated to pay all rent and fulfill all obligations of this Lease at all times, including, but not limited to, when access to the Airport is temporarily restricted due to routine construction, reconstruction, expansion, or other potential alteration of the airfield.

7. **Indemnity, Insurance, and Letter of Credit.**

SAMPLE

A. **Indemnity by Tenant.** Tenant agrees to indemnify, hold harmless, and defend County and its officers, agents, and employees from and against losses of every kind and character (including, but not limited to, liabilities, causes of action, losses, claims, costs, fees, attorney fees, expert fees, court or dispute resolution costs, investigation costs, environmental claims, mitigation costs, judgments, settlements, fines, demands, damages, charges, and expenses) that arise out of or relate to: (i) any use, occupancy, or operations at the Premises or the Airport by Tenant or subtenant; or (ii) any wrongful, reckless, or negligent act or omission of Tenant or subtenant. Tenant shall use attorneys, experts, and professionals that are reasonably acceptable to County in carrying out this obligation. The obligation stated in this Section 7.A shall survive the expiration or other termination of this Agreement with respect to matters arising before such expiration or other termination. These duties shall apply whether or not the allegations made are found to be true.

B. **Waiver.** Tenant assumes all risk of the use of the Premises and the Airport, and Tenant hereby knowingly, voluntarily, and intentionally waives any and all losses, liabilities, claims, and causes of action, of every kind and character, that may exist now or in the future (including, but not limited to, claims for damage to any aircraft) against County and its officers, employees, and volunteers arising from or relating to Tenant's use, occupancy, or operations at the Premises or the Airport.

C. **Insurance.** At Tenant's cost, Tenant shall procure the following insurance coverage prior to entering the Premises, and Tenant shall maintain its insurance coverage in force at all times when this Agreement is in effect in compliance with and subject to County's insurance requirements as they exist from time to time (including, but not limited to, the terms provided in Exhibit D):

i. Airport Liability with Additional Coverage. Airport liability insurance that includes premises liability, and, if applicable, mobile equipment coverage with a combined single limit for bodily injury and property damage of not less than two million dollars ($2,000,000) per occurrence, including, but not limited to, contractual liability coverage for Tenant's performance of the indemnity agreement set forth in Section 7.A. If any such coverage is not available to Tenant in the form of an aircraft liability policy, Tenant shall obtain substantially similar coverage through a commercial general liability policy.

ii. Property. If not otherwise included in the Airport liability insurance in subsection (i) above, all risk property insurance coverage in an amount equal to the replacement cost (without deduction for depreciation) of the improvements constructed on the Premises. Tenant may purchase insurance for Tenant's personal property as Tenant may determine.

iii. Aircraft. Tenant is responsible for any damage or loss to the Aircraft. Tenant shall obtain insurance coverage for the Aircraft in an amount not less than $1,000,000 per occurrence for bodily injury and property damage for aircraft operated and/or stored on County premises.

iv. Hangarkeepers Liability: with a limit not less than $1,000,000 combined single limit per occurrence and $1,000,000 aggregate if housing non-owned aircraft in Tenant's care, custody, or control in the Premises.

v. Automobile. If Tenant drives any automobile other than in the roadways and automobile parking areas at the Airport (e.g. Aircraft Movement Area), comprehensive automobile liability coverage for claims and damage due to bodily injury or death of any person or property damage arising out of Tenant's ownership, maintenance, or use of any motor vehicles, whether owned, hired, or non-owned, of not less than one million dollars ($1,000,000) single combined limit "per accident" for bodily injury and property damage.

D. **Performance Security.** County reserves the right to require a performance security in a form and amount acceptable to County upon any material default by Tenant under this Agreement.

8. **Environmental Protections**.

A. **No Violation of Environmental Laws.** Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Tenant or subtenants. Tenant is responsible for any such violation as provided by Section 7.A of this Agreement.

B. **Storm Water Regulations.** Tenant agrees to remain in full compliance with the California State Storm Water Discharge Permit as issued to the Nut Tree Airport, as it currently exists, or as it may be changed from time to time, and shall require any subtenant to abide by same. Tenant also agrees and understands that failure to comply with any of the provisions of the Airport's Storm Water Discharge Permit could result in the County exempting Tenant's Premises from the Airport's permit. Tenant will then be required to obtain an individual permit from the California State Water Resources Control Board.

9. **Assignment and Subleasing**.

SAMPLE

A. **Assignment by Tenant.** Tenant shall not assign any of its rights under this Agreement, including, but not limited to, rights in any improvements, (whether such assignment is voluntarily or involuntarily, by merger, consolidation, dissolution, change in control, or any other manner), and shall not delegate any performance under this Agreement, except with the prior written consent of County to any of the same. County shall not unreasonably withhold such consent. Regardless of County's consent, Tenant shall not be released from any obligations for matters arising during the time when this Agreement was in effect. Any purported assignment or delegation of rights or delegation of performance in violation of this Section 9.A is void.

B. **Assignment by County.** County shall have the right, in County's sole discretion, to assign any of its rights under this Agreement (and in connection therewith, shall be deemed to have delegate its duties), and upon any such assignment, Tenant agrees that Tenant shall perform its obligations under this Agreement in favor of such assignee.

C. **Encumbrances**. Tenant shall not encumber or permit the encumbrance of any real property at the Airport. Tenant shall not record this Agreement or any document or interest relating thereto. Any purported encumbrance of rights in violation of this Section 9.C is void.

D. **Subleasing.** Upon obtaining County's prior written consent, which County may provide or withhold in County's sole discretion, Tenant shall have the right to sublease portions of the Premises for the storage of Aircraft in the areas approved by and subject to the terms required by County. Tenant shall impose on all approved subtenants the same terms set forth in this Agreement to provide for the rights and protections afforded to County hereunder. Tenant shall reserve the right to amend Tenant's subleases to conform to the requirements of this Agreement, and all such subleases shall be consistent with and subordinate to this Agreement as it is amended from time to time. Such subleases shall include an agreement that the sublessees pay rent to County if Tenant ceases to be a party to this Agreement. County shall have the right to approve any sublease in County's sole discretion, and Tenant shall provide to County a copy of every sublease executed by Tenant (which shall include the make, model, and identification number of all Aircraft making use of such space). No sublease shall relieve Tenant of any obligation under this Agreement.

10. **Damage, Destruction**.

A. **Damage or Destruction of Premises.** If any portion of the Premises or the improvements on the Premises is damaged in any manner, Tenant shall promptly remove from the Airport all debris and cause repairs to be made to restore the same to an orderly and safe condition. All work shall be performed in accordance with plans and specifications that are approved by County as being consistent with or better than the original improvements. Tenant shall apply all proceeds that are made available from Tenant's insurance policies (or those of any subtenant or assignee) to performing such work. If County performs such work pursuant to Section 11.B, such insurance proceeds shall be paid to County. If the Premises or any improvement on the Premises are tenantable despite such damage, Tenant shall not receive any abatement of Tenant's rent obligations.

11. **Default**.

A. **Tenant's Default.** The occurrence of any of the following events shall constitute a default by Tenant under this Agreement unless cured within thirty (30) days following written notice of such violation from County: (i) Tenant fails to timely pay any installment of rent or any additional rent; (ii) Tenant violates any requirement under this Agreement (including, but not limited to, abandonment of the Premises); (iii) Tenant assigns or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Premises (except as expressly permitted in this Agreement) without prior County approval; (iv) Tenant files a petition in bankruptcy or has a petition filed against Tenant in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; (v) Tenant petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days; or (vi) Tenant defaults in maintaining any improvements that are required to be maintained under this Agreement.

B. **Remedies.** Upon any default by Tenant under this Agreement, County may (at any time) pursue any or all remedies available to County, including, but not limited to, the following: (i) perform in Tenant's stead any obligation that Tenant has failed to perform, and Tenant shall promptly pay to County all costs incurred by County for such performance, together with interest and service fees for any past due amounts (as provided in Section 2.D) and an administrative charge equal to ten percent (10%) of the cost incurred by County (which the parties agree is a reasonable estimate of and liquidated damages for County's overhead expenses associated with such performance); (ii) terminate Tenant's rights under this Agreement upon delivering a written notice of termination; and (iii) re-enter and take possession of the Premises by any lawful means (with or without terminating this Agreement). Tenant shall pay all costs and damages arising out of Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, the cost of improving and reletting the Premises (including, but not limited to, any real estate broker fees or marketing costs), and attorneys' fees and costs. Notwithstanding any termination or re-entry,

SAMPLE

Tenant shall remain liable to pay the rent and additional rent required under this Agreement for the remaining term of this Agreement, and Tenant shall pay County on demand for any deficiency in the same. No action by County or County's Associates shall be construed as an election by County to terminate this Agreement or accept any surrender of the Premises unless County provides Tenant with a written notice expressly stating that County has terminated this Agreement or accepted a surrender of the Premises. Following a default by Tenant under this Agreement, County shall exercise commercially reasonable, good faith efforts to mitigate its damages as required by applicable California law.

C. **Default by County.** County shall not be in default under this Agreement unless County fails to perform an obligation required of County under this Agreement within thirty (30) days after written notice by Tenant to County. If the nature of County's obligation is such that more than thirty (30) days are reasonably required for performance or cure, County shall not be in default if County commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

D. **Survival.** The provisions of this Section 11 and the remedies and rights provided in Section 7 shall survive any expiration or termination of this Agreement.

12. **Expiration or Termination of Agreement**.

A. **Disposition of Tenant's Improvements**.

i. Disposition If Agreement Terminates Due to Default. If this Agreement terminates before the Expiration Date due to a default pursuant to Section 11.A, within ninety (90) days after such termination County, in its sole discretion, may determine to accept title to all or any portion of the Tenant-owned improvements on the Premises. Upon County accepting any such title, all of Tenant's rights, title, and interests in the same shall be terminated and title thereto shall vest in County automatically. Tenant shall surrender such improvements and the Premises upon termination of the Agreement in accordance with Section 12. If County rejects any such title, or if such 90-day period expires, Tenant shall (within sixty (60) days of such rejection or expiration) remove all improvements that were not accepted by County at Tenant's sole expense in a manner acceptable to County (and the obligations of Section 7.A shall apply to such removal). If Tenant fails to remove any such improvements, County may do so in any manner acceptable to County pursuant to Section 11.B.

ii. Disposition Upon Expiration. If this Agreement expires at the Expiration Date, Tenant agrees that all improvements made or owned by Tenant on the Premises shall automatically and immediately become the property of the County, without any payment or obligation by the County to compensate Tenant, including without limitation any payment of fair market value. Tenant hereby waives any right to remove or receive compensation for such improvements upon expiration. County shall have full ownership, possession, and control of the improvements as of the Expiration Date, free and clear of any claim or lien of Tenant or any third party. If Tenant fails to surrender the Premises as required under Section 12.B, the County may exercise its rights under Section 12.A.i and take any action necessary to obtain possession of the Premises and improvements.

B. **Surrender of Premises.** Upon any expiration or termination of this Agreement, Tenant, at Tenant's sole cost, shall (i) promptly and peaceably surrender to County the Premises (and any improvements accepted by County pursuant to Section 12.A) "broom clean," free of debris, and in good order and condition; (ii) repair in a good and workmanlike manner any damage to the Premises or the Airport (other than that which resulted from ordinary wear and tear during the term of the lease) that arises from or relates to Tenant's use, occupancy, or operations under this Agreement (including, but not limited to, while removing any property upon expiration or termination); (iii) deliver to County all keys and Gate Cards relating to the Airport; (iv) perform Tenant's environmental obligations as provided in Section 8; and (v) remove all movable personal property that are not owned by County, (except that Tenant must obtain County's prior written consent to remove any such property if Tenant is in default under this Agreement or if such removal may impair the structure of any building). Upon any expiration or termination of this Agreement (which includes, but is not limited to, termination for abandonment of the Premises), all property that Tenant leaves on the Premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by County without notice to, and without any obligation to account to, Tenant or any other person (except that improvements owned by Tenant shall be as provided in Section 12.A). Tenant shall pay to County all expenses incurred in connection with the disposition of such property in excess of any amount received by County from such disposition. Tenant shall not be released from Tenant's obligations under this Agreement in connection with surrender of the Premises until County has inspected the Premises and delivered to Tenant a written acceptance of such surrender.

C. **Holding Over.** If Tenant remains in possession of the Premises after any expiration or termination of this Agreement, such occupancy shall not waive any default under this Agreement and County may terminate such occupancy as a tenancy at will in

SAMPLE

accordance with state law. During such occupancy, Tenant shall comply with all provisions of this Agreement that are applicable to an at-will tenancy, and Tenant shall pay the following rent: ground rent at the highest rate then charged at the Airport and rent for the improvements at fair market value based on County's survey of rent for similarly situated facilities at the Airport (which County shall determine in its sole discretion).

D. **Survival.** The provisions of this Section 12 shall survive any expiration or termination of this Agreement.

13. **General Provisions**.

A. **General Provisions.** This Agreement is subject to the General Provisions set forth at Exhibit E.

B. **Notices.** Any notice, demand, written consent, or other communication required to be in writing under this Agreement shall be given in writing by personal delivery, express mail (postage prepaid), nationally recognized overnight courier with all fees prepaid (such as, by way of example, Federal Express or UPS), or certified mail (return receipt requested and postage prepaid) when addressed to the respective parties as follows:

If to County:

Airport Manager
Nut Tree Airport
301 County Airport Road
Vacaville, CA 95688

with a required, simultaneous copy to:

County Counsel
Solano County
675 Texas St., Ste. 6600
Fairfield, CA 94533

If to Tenant:

with a required, simultaneous copy to:

Either County or Tenant may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section 13.B and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

C. **Incorporation.** All exhibits referred to in this Agreement, as they may be amended from time to time, are incorporated in and are a part of this Agreement. Any proposal materials submitted by Tenant in response to a solicitation by County, to the extent accepted by County, shall also be incorporated in this Agreement. Tenant acknowledges receiving Exhibits A-E to this Agreement.

D. **Binding Obligation.** Tenant warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement as a legal, valid, and binding obligation of Tenant.

IN WITNESS THEREOF, the parties have executed this Agreement in duplicate, each of which shall be deemed an original, as of the date first written above.

COUNTY
Nut Tree Airport

_____
Catherine McKenzie Cook
Airport Manager

TENANT
[Name of tenant]

_____
[Name of representative]
[Title of representative]

APPROVED AS TO FORM:

_____

SAMPLE

County Counsel

SAMPLE

EXHIBIT A. PREMISES

Description of the Premises including the immediate surrounding area:

(Note - Tenant to provide full description of improvements and hangar maintenance needs which will be included here in this Exhibit. Inclusion of any improvements in this Exhibit– as long as they don't affect life and safety - will be grandfathered in and deemed approved by the County.)

SAMPLE

EXHIBIT B. APPROVED AIRCRAFT

Tenant certifies that the Aircraft hereon will be stored on the Premises that have been leased from the County at Nut Tree Airport and that the Tenant will notify the County of any change in the status of said Aircraft within five (5) business days of any changes.

AIRCRAFT

TAIL NUMBER N_____

MAKE _____

MODEL _____

YEAR _____

ATTACH COPY OF A/C REGISTRATION

_____
Airport Manager

If Aircraft is amateur or kit-built, build start date:

_____

LESSEE

_____
[Name of lessee]
[Address]
[Telephone number]
[Email]

SAMPLE

EXHIBIT C. TENANT CONSTRUCTION REQUIREMENTS

C.1. **Authorization**. Tenant shall not commence any construction on the Premises without County's prior written consent for all work to be conducted. Tenant shall submit plans, a schedule, and a budget to County when making any request to construct new improvements in accordance with Exhibit C – Attachment 1. County may request any information, request modifications, consent to, or deny Tenant's request in County's sole discretion. For any authorized project, Tenant shall provide County with copies of all plans, specifications, and construction documents during the progress of the work, and the matters contained therein shall be subject to County's consent. Tenant shall make no changes to the work without County's prior written consent.

C.2. **Required Construction Standards and Permits**. All work shall be performed in a good and workmanlike manner, and shall be equal to or greater than the quality of the original materials, workmanship, and appearance of similar work performed by Tenant, or by County elsewhere at the Airport. Work shall be performed by qualified and properly licensed personnel. All work shall conform to Laws and Regulations, including, but not limited to, the Uniform Building Code, Uniform Fire Code, and other codes, standards, permits, and plan check requirements as the same may be adopted by the County of Solano, as well as any applicable federal or state laws (or Airport standards) relating to airport improvements. Tenant shall not commence construction for a hangar or other authorized improvement without first obtaining a County of Solano building permit and an FAA determination pursuant to FAA Form 7460-1 that is acceptable to FAA and County. Work shall be performed in a safe manner, and County shall have the right, but not the duty, to stop any work until safety conditions can be investigated and implemented. The work site shall be secured consistent with industry standards at Airports during the performance of the work.

C.3. **Coordination**. Tenant shall coordinate all work with Airport activities, and shall minimize any disruption to Airport activities, tenants, and users. County shall have the right, but not the duty, to direct that Tenant cease activities or revise work plans to avoid disruption. Tenant shall meet with County as requested by County as the work progresses and provide County with information as County may require. County may require Tenant to comply with other measures that are in County's interests in connection with any construction activities.

C.4. **Indemnification, Insurance, and Bonds**. Tenant shall cause contractor who is performing any work relating to constructing improvements to provide the following:

a. **Indemnity.** Tenant shall require such contractors to indemnify County in connection with County's interests consistent with the indemnity obligation of Section 7.A.

b. **Insurance.** Tenant shall provide or shall require such contractors to provide builder's risk coverage to insure the improvements constructed on the Premises to the extent of not less than one hundred percent (100%) of such improvements' full insurable value using the all risk form of protection, as well as general liability, auto, and workers compensation insurance coverage as set forth in Section 7 to cover such work. Tenant shall also require design professionals to provide errors and omissions coverage in an amount not less than one million dollars ($1,000,000). All such insurance shall comply with and be subject to County's insurance requirements including, but not limited to, those set forth at Exhibit D.

c. **Bonds.** Tenant shall provide or shall require such contractors to provide construction payment and performance bonds in amounts covering not less than one hundred percent (100%) of the contract price of such improvements and in a form acceptable to County. All such bonds shall name County as a co-obligee.

C.5. **Agreement Applicable to Work**. The provisions of this Agreement shall apply to all work pursued by Tenant to construct improvements, regardless of whether such work commences or concludes before the Commencement Date or after any expiration or termination of this Agreement (including, but not limited to, Tenant's indemnity, waiver, and insurance obligations under Section 7 and repair obligations under Section 5.E, provisions prohibiting liens, and provisions requiring compliance with all Laws and Regulations). Tenant shall provide for compliance with this Agreement's requirements by Tenant's contractors who are performing any work relating to constructing improvements.

C.6. **Default for Failure to Complete**. Tenant shall comply with the construction schedule approved by County. If such construction is not completed materially within any times required by Tenant's approved schedule, or if for any reason Tenant fails to complete construction within forty-five (45) days of Tenant's approved date for substantial completion, Tenant shall be in default under this Agreement and County shall have all of the rights set forth in Section 12.A.i regarding a forfeiture in addition to all other remedies. Upon any default, Tenant shall turn over to County copies of all records associated with the work and shall work cooperatively with County.

SAMPLE

C.7. **Final Submittals**. Tenant shall submit the following to County within ninety (90) days of beneficial occupancy:

a. **Certified Financials.** Tenant shall submit a statement of construction costs certifying the total construction cost of any improvement in a form reasonably required by County.

b. **Free of Liens.** Tenant shall submit a statement that the Premises and Tenant's improvements are free and clear of all liens, claims, or encumbrances (except when specifically authorized in the manner permitted under this Agreement).

c. **As-Built Drawings**. Tenant shall submit at its expense a complete set of accurate "as-built" plans and specifications for Tenant's improvements constructed at the Airport. Such plans and specifications shall include one set of bond paper "record" drawings and electronic drawings that conform to a format and to standards specified by County.

C.8. **Initial Tenant Improvements.** County has authorized and Tenant shall construct the initial improvements that are summarized at Exhibit C, Attachment 1, and such obligation includes, but is not limited to, the plans, schedule, and date for access to the Premises in connection with such improvements.

C.9. **Release by Previous Tenants or Users**. If Tenant was previously a tenant or user at the Airport, Tenant agrees that as of the Commencement Date, all agreements and other interests between Tenant and County regarding the Airport shall terminate (if not terminated sooner); provided that Tenant shall remain liable to County for any matter arising from or relating to Tenant's use, occupancy, or operations at the Airport prior to the Commencement Date. Tenant hereby releases, acquits, and forever discharges County and its officers, employees, and agents from and against any and all losses, liabilities, claims, and causes of action, of every kind and character, that Tenant may have against County arising from or relating to the Airport, whether the same are presently known or unknown and whether or not the same have been or could have been discovered as of the date of this Agreement.

SAMPLE

EXHIBIT C. ATTACHMENT 1 REQUIRED FOR NEW TENANT IMPROVEMENTS

Tenant shall construct the improvements specified in this Exhibit C, Attachment 1. Tenant agrees to obtain the required building permit within thirty (30) days from the date when Tenant signs this Agreement. Tenant also agrees to commence building within ninety (90) days from the date when Tenant signs this Agreement. The Tenant is responsible for securing the construction site to assure that it is safe for Tenants and visitors and does not obstruct or interfere with business activities at the Airport. Tenant shall remove all construction waste, debris, earth, or rocks from the construction site and the adjacent taxiway or aircraft movement area, on a daily basis during construction and upon completion of construction. Tenant shall asphalt all surfaces from the existing Airport taxiway to the front of Tenant's hangar and all adjoining improvements, as well as area required for vehicle parking, as required by County. All improvements must obtain required approvals from County Building Department prior to commencing construction.

Date for Tenant's Access to the Premises: _____

Schedule for Construction:

Commencement of the Work: _____

Substantial Completion: _____ (which shall be within 180 days of commencement of the work).

Other schedule requirements shall be as approved by County.

Tenant shall cause the construction of the plans and specifications for the improvements as submitted to County, which may be summarized as follows:

SAMPLE

EXHIBIT D. INSURANCE REQUIREMENTS

D.1. **General Requirements.** At all times when this Agreement is in effect Tenant shall maintain in force all required insurance coverage and shall have on file with the County current Certificates of Insurance evidencing the same. Ratings for the financial strength of the companies providing Tenant's insurance policies shall be disclosed in such certificates and shall be "A-IX" or stronger as published in the latest Best's Key Rating Guide (or a comparable rating from a comparable rating service). If a lower rating is proposed, County may examine the financial strength of the insurance company proposed to provide coverage and may consent to a lower rating in the County's sole and absolute discretion, and County may also require additional assurances from Tenant. All certificates shall be signed by a person authorized by the insurer and licensed by the State of California. All policies (except any policies required for workers' compensation or errors and omissions) and the certificates evidencing coverage shall name County of Solano, and their officers, employees, and volunteers as additional insureds (or in the case of property coverage, Nut Tree Airport shall be named as a loss payee). Tenant shall provide for a renewal of all insurance coverage on a timely basis to prevent any lapse in coverage and provide such evidence on an annual basis. County retains the right to approve any deductibles, and Tenant shall notify County of any material erosion of the aggregate limits of any policy. Tenant's policies shall be primary. Such policies shall extend insurance to cover Tenant's contractual obligations under this Agreement.

D.2. **Minimum Requirements.** County's insurance requirements are minimum requirements, and Tenant is responsible to obtain adequate insurance coverage as Tenant may determine. Except as otherwise expressly set forth in this Agreement, Tenant assumes all risk under this Agreement whether or not insured.

D.3. **Waiver of Subrogation.** Notwithstanding any other provision contained in this Agreement, Lessee grants to County a waiver of subrogation which any insurer may acquire against County, its officers, officials, employees, and volunteers, from Lessee by virtue of the payment of any loss. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

D.4. **Terms Subject to Change.** County, in its sole and absolute discretion, reserves the right to review and adjust at any time Tenant's required insurance limits, types of coverage, and any other terms applicable to insurance to insure against any risk associated with this Agreement or Tenant's use, occupancy, or operations at the Airport. Among other things, County may review any or all insurance coverage on a periodic basis and in connection with any specific activity or event associated with the Airport or proposed by Tenant.

D.5. **Reimbursement for Increased Costs to County.** If any insurance carrier providing coverage to County increases its charge of any policy of insurance carried by County as a result of this Agreement or Tenant's use, occupancy, or operations at the Airport, Tenant shall pay the amount of such increase within ten (10) days after County delivers to Tenant a certified statement from County's insurance carrier stating the amount of the increase attributable to Tenant.

D.6. **Stopping Operations.** Among County's remedies, if at any time Tenant's insurance coverage is not in effect as required herein, County may (but is not required to) stop all or any portion of Tenant's operations without liability to County until Tenant fully restores such coverage.

SAMPLE

EXHIBIT E. GENERAL PROVISIONS

E.1. Governmental Provisions.

a. Federally Obligated. Lessee understands and agrees that all operations at Nut Tree Airport shall be conducted in full compliance with all rules and regulations as established, or changed from time to time, by the Federal Aviation Administration, California Division of Aeronautics, County of Solano, or any other governmental agency. Lessee also agrees and understands that Tenant shall comply with any and all Federal Assurances as they currently exist or may be changed from time to time, which are incorporated into this Agreement by this reference as if fully set forth herein. Lessee's use of the Premises is subordinate to County's federal obligations and conditional on Lessee's compliance with federal law. The Premises are subject to inspection by the Federal Aviation Administration ("FAA") and County for compliance with FAA regulations and policies governing the use of federally obligated airport property.

b. Compliance with County Regulations. Lessee agrees to comply with the Solano County Code, the Nut Tree Airport Standards For All Aviation Operators, and all rules, regulations, and other requirements and policies adopted by the County now established or changed from time to time.

c. Aeronautical Use Only. Lessee shall use the premises primarily for aeronautical use only, as defined by the FAA. The Premises are leased herein for the sole purpose of non-commercial storage, care, and maintenance of Lessee's aircraft. Lessee shall not store any non-aeronautical items in the hangar unless that use is in compliance with FAA Policy on the Non-Aeronautical Use of Airport Hangars

d. Agreement Preserves Authority's Compliance. This Agreement shall be interpreted to preserve County's rights and powers to comply with County's Federal and other governmental obligations.

e. Subordination to Authority's Government Commitments. This Agreement is subordinate to the provisions of any agreement between County and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of County entering any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Tenant agrees to consent to any such modification. If a governmental authority determines that any act or omission of Tenant or subtenant has caused or will cause County to be noncompliant with any of County's government commitments (including, but not limited to, any assurances or covenants required of County or obligations imposed by law), Tenant shall immediately take all actions that may be necessary to preserve County's compliance with the same. Without liability to County, County shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the Federal Aviation Administration or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Tenant by such authority.

f. No Exclusive Rights. Nothing in this Agreement shall be construed to grant to Tenant any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Tenant's exclusive use as provided herein).

E.2. Subordination to Financing and Matters of Record. This Agreement is subordinate to the provisions of any agreements or indentures entered by County (regardless of when entered) in connection with any debt financing applicable to the Airport and is subordinate to any matter of record affecting the real property of the Airport.

E.3. Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Tenant from the prompt payment of rent or any other amounts required to be paid under this Agreement. If County (or Tenant in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such

SAMPLE

party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

E.4. **Rights and Remedies.** Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

E.5. **Governing Law, Venue.** This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of California. Solano County shall be the venue for any action or proceeding, in law or equity that may be brought in connection with this Contract.

E.6. **Amendments and Waivers.** No amendment to this Agreement shall be binding on County or Tenant unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.

E.7. **Severability.** If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

E.8. **Merger.** This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.

E.9. **Relationship of Parties.** This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

E.10. **Further Assurances.** Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

E.11. **Miscellaneous.** The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Tenant shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. If Tenant consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.

E.12. **Time of Essence.** Time is of the essence of this Agreement.

SAMPLE