

AGREEMENT NO. _____

(Ground Lease Agreement for Lease of Real Property, Yolo County Airport)

THIS AGREEMENT (the "Agreement") is made this 3rd day of April 2018, by and between the County of Yolo, a political subdivision of the State of California (hereinafter referred to as "Landlord"), and **Malcolm Bond** (hereinafter referred to as "Tenant").

RECITALS

WHEREAS, County is authorized by Government Code Section 23004 to enter into contracts as necessary for the exercise of its powers; and

WHEREAS, County owns and operates the Yolo County Airport ("Airport"), located at the intersection of County Roads 29 and 95 in Woodland, California; and

WHEREAS, Tenant desires to enter into a Ground Lease Agreement for certain real property at the Airport, as specifically described and shown on Exhibit A (the "Leased Premises"), attached hereto and incorporated herein by this reference; and

WHEREAS, Tenant has represented that it will construct a hangar in compliance with all applicable laws and regulations, store aircraft therein, and engage in other appropriate uses in the Tenant-owned aircraft storage hangar on the Leased Premises; and

WHEREAS, this Agreement sets forth the terms and conditions of the parties' agreement with respect to Tenant's use of the Leased Premises.

NOW, THEREFORE, the parties hereby agree as follows:

AGREEMENT

1. LEASE. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, on the terms and conditions set forth in this Ground Lease Agreement, the Leased Premises consisting of 12,000 (150 feet X 75 feet) square feet of unimproved real property with the address on Aviation Avenue, Davis, CA 95616, to be determined after construction of a hangar. The Leased Premises are to be used by Tenant for the purpose of constructing a hangar, storing aircraft therein, and engaging in other appropriate uses of Tenant's aircraft and hangar on the Leased Premises, as more fully described herein.

The Leased Premises is subject to, and benefited by, reciprocal non-exclusive easements appurtenant for ingress, egress, and access over and across those areas designated as "Reciprocal Access Easement" on Exhibit A hereto (but specifically excluding the areas marked "Hangar"), such easements for the benefit and a burden on of the Leased Premises and for the benefit of and a burden on each other Parcel shown on Exhibit A hereto.

2. TERM. The term of this Agreement shall commence on the 3rd day of April 2018 for all portions of the real property included within the Leased Premises. The term shall continue to and including the 30th day of April, 2048.
3. RENT. Tenant shall pay as rent for the Leased Premises the following sum. Rent shall be calculated on a \$0.22 per square foot (12,000 sf) of Leased Premises per year basis, totaling \$2640.00. Tenant shall pay annual rent sum of \$660.00 paid quarterly beginning on the 4th day of April 2018, thereafter due and payable on the first day of each quarter (Jan- Apr- Jul- Oct). The rent shall be adjusted annually by the consumer price index (CPI) for the San Francisco Bay Area throughout the entire term of this Agreement.

Provided that Tenant is not then currently in default under any provision of this Lease, Tenant may be granted an Option to Extend the Lease Term at the then current market rate, as determined by Landlord in its reasonable discretion, and subject to good faith negotiations regarding the length of the option term and the satisfactory resolution of negotiations concerning other mutually acceptable terms and conditions between the parties. Lessee must deliver notice of its intent to exercise this Option not less than 270 days prior to Lease expiration. In the event Landlord has adopted a change of use for the parcel that would preclude entering into an agreement to extend the Lease Term, this Option shall be null and void, and Tenant shall vacate the Premises at Lease expiration in accordance with paragraph 24 herein.

4. SECURITY DEPOSIT. (This paragraph is intentionally deleted.)
5. CONSTRUCTION AND MODIFICATION. Tenant shall be responsible for obtaining all approvals and permits necessary for its activities on the Leased Premises under local, state, and federal law prior to any construction activity on, or modification to, the Leased Premises during the term of the Agreement. In obtaining required approvals and permits, Tenant shall have complete detailed design plans and specifications prepared by qualified and appropriately licensed and certified professionals as determined by Landlord, and shall submit and revise such detailed design plans and specifications as necessary and as required by Landlord, prior to any construction activity on, or modification to, the Leased Premises during the lease period. This Agreement does not create a vested right to construct or modify any improvements on the Leased Premises.
6. SUBLEASE OR ASSIGNMENTS. Subject to the limitations set forth in this Section, Tenant may assign or sublease any part or portion of the Leased Premises without prior written consent of Landlord. Before any assignment is effective, however, the Tenant and assignee must provide Landlord notice of the assignment and the assignee must agree in writing to be bound by all of the terms and provisions of this Agreement. Tenant shall not assign or sublease any exterior area of Leased Premises for any reason or purpose including, but not limited to, the storage of aircraft or any other materials or equipment.
7. USE OF HANGARS. Hangars shall be used only for storage of aircraft and aircraft related equipment only, and the maintenance and use of office space within the hangars incident and assessor to such aircraft storage use. No commercial activity or operations of any kind, including commercial aircraft services and repairs, shall be conducted by Tenant or its authorized subtenants or assignees in, from, or around the hangars or on any other portion of the Airport grounds. Tenant and its authorized subtenants or assignees are not allowed to commercially sell, store, or dispense fuel in or around the hangars or on any other portion of the Leased Premises

or the Airport grounds. Tenant and its authorized subtenants or assignees shall be subject to separate and additional agreement with Landlord upon favorable negotiation by Tenant and Landlord. Aircraft maintenance as provided for under Agreement is restricted to private preventative maintenance specified in Title 14 of the Code of Federal Regulations, Part 43, and such maintenance shall be conducted solely in the hangars. Notwithstanding any of the foregoing, (1) spray painting of any kind is expressly prohibited and (2) nothing contained in this paragraph shall be construed as Tenant waiving its rights or Landlord interfering with Tenant's rights under the FAA's AC No. 150/5190-6. Tenant shall ensure that the performance of such preventative maintenance work shall not become or evolve into a commercial activity, operation or enterprise.

8. TAXES. Notice is hereby given that this Agreement may be one whereby a possessory interest subject to property taxation is created. Such possessory interest may be subject to property taxation if created, and Tenant may be subject to the payment of property taxes levied on such interest. Tenant shall bear all cost and expenses of possessory interest taxes, if any, levied upon the Leased Premises or any improvements thereto.
9. ENTRY BY LANDLORD. Tenant shall permit Landlord and its officers, employees, agents and assignees to enter the Leased Premises at all reasonable times upon at least 24-hours (or less, if required by the circumstances in Landlord's reasonable discretion) advance notice to inspect the Leased Premises, determine Tenant's compliance with the terms of this Agreement and federal, state and local laws and ordinances, post notices, survey the land, exercise any of Landlord's rights under this Agreement, and for all other lawful purposes. Tenant shall provide Landlord with information necessary to exercise this right of entry and inspection. Tenant shall provide/install, in a prominent location, a *knox* box for keys for emergency entry/access (e.g., for Fire Dept.).
10. BUSINESS RECORDS. Tenant shall make and keep pertinent records of all business operations and conduct occurring on the Airport grounds relating to this Agreement, and shall make them available to Landlord and Landlord's officers, employees, agents and assignees at all reasonable times for inspection.
11. MAINTENANCE OF LEASED PREMISES. Tenant agrees to be liable and reimburse Landlord for all damage to roadways, taxiways, and other permanent surfaces caused by the aircraft or equipment of Tenant or its subtenant(s), except for ordinary wear and tear.
12. WASTE. Tenant shall not commit or permit subtenants to commit waste or nuisance on the Leased Premises or the Airport grounds, nor any other act not allowed by law and normally associated with the operation and activity of an airport that could disturb the quiet enjoyment of Landlord, or any other tenant of Landlord.
13. GENERAL INDEMNITY. Tenant shall defend, indemnify, and hold Landlord harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, which are claimed to or in any way arise out of or are connected with Tenant's services, operations, or performance hereunder, including the services, operations or performance of any of its subtenants, regardless of the existence or degree of fault or negligence on the part of Landlord or Landlord's officers, employees, agents, and assignees, except for the sole or active negligence of the Landlord or Landlord's officers, employees, agents, and assignees. Tenant's obligations under this paragraph shall survive the end of this Agreement.

14. DISCLAIMER OF LIABILITY. Landlord hereby disclaims and Tenant hereby releases Landlord from any and all liability, whether in contract or tort (including strict liability), for any theft, loss, injury, damage or destruction of any property on the Leased Premises, or accident or injury to Tenant, its officers, employees, agents or invitees, except that occurring as a result of Landlord's gross negligence and willful misconduct.
15. RULES AND REGULATIONS. In undertaking any activities under this Agreement or on the Leased Premises, Tenant, its officers, employees, agents, subtenants, and invitees shall obey all applicable laws and regulations, whether established by Landlord, the State of California, or the United States, or by any other governmental agencies having jurisdiction over said premises.
16. ADVANCES BY LANDLORD. In the event of Tenant's breach of any covenant of this Agreement, in addition to or in lieu of the remedies set forth in this Agreement, Landlord may, after 30 days following notice of such breach, and provided Tenant has not initiated and in the process of affecting a reasonable cure to said breach as reasonably agreed by the landlord, cure such breach at the expense of Tenant. If Landlord incurs any expense to cure any such breach, that expense, together with all interest, costs, attorneys' fees, and damages, shall be deemed to be additional rent under this Agreement and shall be due from Tenant to Landlord on the first day of the month following the incurrence of such expenses. Alternatively, Landlord may pay for such expenses by applying Tenant's security deposit, which Tenant shall restore within 30 days.
17. INSURANCE. During the entire term of this Agreement, Tenant shall, at its sole expense, procure and maintain in full force and effect the insurance coverage's set forth below. Tenant shall furthermore require all of its subtenants to procure and maintain in full force and effect the insurance coverage's set forth below. Insurance Policy Certificates for the insurance required herein shall be provided by Tenant and its authorized assignees and/or subtenants and shall meet the following requirements:
 - A. At all times during the term of this Agreement, Tenant shall maintain, at its sole expense, general liability, commercial general liability insurance and employers' liability coverage. The amount of each such policy shall be no less than ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence for bodily injury, including personal injury and property damage. Increases in the amount of such policy as stated herein may be adjusted periodically by Landlord over the term of this Agreement to reflect sufficient general liability insurance coverage.
 - B. The liability insurance shall contain an endorsement that establishes that the Landlord and its elected representatives, officers, agents, and employees are named as additional insureds. Any insurance maintained by the Landlord shall apply in excess of, and not contribute with, insurance provided by Tenant's liability insurance policy. Tenant's insurance policy shall not be canceled or non-renewed at any time during the lease period. The coverage shall include claims arising out of Tenant's or any of its subtenant's usage of aircraft or motor vehicles, including owned, non-owned, and hired aircraft and motor vehicles. The liability coverage shall not exclude liability assumed by written contract or agreement. The liability insurance shall include broad form property damage insurance.

C. All insurance required by this Agreement shall be placed with insurers with a current A.M. Best's rating of no less than A:VII unless otherwise acceptable to Landlord.

D. Tenant shall provide, and require its authorized subtenants to provide, certificates indicating the existence of the insurance required by this Agreement on insurance certificate forms acceptable to the County Risk Manager. Such certificates shall be executed by a duly authorized agent of Tenant's insurance provider.

18. ABANDONMENT. In the event Tenant abandons the Leased premises, Landlord may re-enter and, upon thirty (30) days written notice to Tenant, terminate this Agreement as to any portion thereof or the whole thereof. For the purpose of this Agreement, Tenant's vacating the Premises accompanied by non-payment of rent shall constitute Abandonment.

19. NOTICES. All notices to be given to Landlord by Tenant shall be given in writing and hand delivered or deposited in the United States Mail, certified mail, return receipt requested, postage prepaid, and addressed to Landlord at the following address: Yolo County Airport Manager, 625 Court Street, Room 202, Woodland, California, 95695.

All notices to be given to Tenant by Landlord shall be given in writing and hand delivered or deposited in the United States Mail, certified mail, return receipt requested, postage prepaid, and addressed to Tenant at the address for notices beneath Tenant's signature, below.

Notices shall be deemed delivered on the date of personal delivery, in the case of personal delivery, or on the date of delivery as shown on the signed US Postal Service return request card, in the case of certified mail.

20. WAIVER. One or more waivers by Landlord of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

21. CONSTRUCTION OF AGREEMENT. The marginal headings or title to the paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

22. BINDING ON SUCCESSORS. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of Landlord and Tenant.

23. TERMINATION UPON BREACH OF COVENANT. Landlord at its option may terminate this Agreement on Tenant's breach of any term, condition, or covenant hereof as agreed upon in writing by the landlord on giving thirty (30) days' notice to correct breach in writing of such termination to Tenant. This Agreement shall terminate upon failure of Tenant to correct any such breach and to comply with this Agreement within the thirty-day period or extended cure period thereof as agreed by the landlord in writing. Notwithstanding the foregoing sentence or any other provision of this Agreement, Landlord shall have the right to terminate this Agreement immediately in the event that Tenant fails to comply with the insurance requirements of paragraph 17, above.

24. TERMINATION. At the end of the term of this Agreement, or upon termination for any reason allowed by this Agreement, the Tenant shall vacate the Leased Premises, including the removal of the Tenant owned aircraft storage hangar. Tenant shall ensure that the Leased Premises are in a clean condition (i.e., comparable to the condition of the Leased Premises upon the completion of construction of the improvements referenced in this Agreement, excepting ordinary wear and tear). At the end of the term of this Agreement, or upon termination for any reason allowed by this Agreement, Landlord shall have a right of first negotiation to purchase the aircraft hangars from Tenant for their fair market value, as determined through negotiations between the parties or through any other mutually acceptable method of arriving at a price for the hangars. If the parties elect to negotiate the price, in such negotiations the parties may refer to aircraft hangar building valuation schedules, contract for an appraisal, or consult any other appropriate sources of information in attempting to establish the fair market value of the hangars. Landlord retains the right to withdraw from such negotiations and rescind the exercise of its right of negotiation at any time without notice to Tenant and without penalty.
25. DEVELOPMENT OF LANDING AREA. Landlord reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of the Tenant, and without interference or hindrance from Tenant.
26. MAINTENANCE OF LANDING AREA. The Landlord reserves the right to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities at the Airport, together with the right to direct as necessary all activities of the Tenant in this regard. The Landlord will make all reasonable efforts to notify Tenant of planned landing area closures as a result of maintenance and construction activities on the Airport.
27. LEASE SUBORDINATE. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relating to the development, operation or maintenance of the Airport.
28. RIGHT OF FLIGHT. There is hereby reserved to the Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport grounds.
29. NONINTERFERENCE WITH LANDING AND TAKING OFF. By accepting this lease, Tenant agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the Landlord reserves the right to enter upon the Leased Premises and cause the abatement of such interference at the expense of the Tenant.
30. NO EXCLUSIVE RIGHT GRANTED. It is understood and agreed that nothing herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. § 1349a.)
31. LEASE SUBJECT TO U.S. GOVERNMENT ACQUISITION, CONTROL. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government

now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

32. HAZARDOUS MATERIALS. Tenant acknowledges that it is responsible for compliance during the entire term of this Agreement with all federal, state, and local laws, rules and regulations relating to the emission into the air, discharge onto lands and ground and surface waters, storage, use, and disposal of hazardous or toxic materials, substances, and wastes (collectively, "Hazardous Materials"), and all other federal, state and local environmental laws, rules and regulations applicable to the Leased Premises (collectively, "Environmental Laws"). Tenant shall not store, use, or dispose of on the Leased Premises or the Airport grounds any Hazardous Materials except in strict compliance with all applicable Environmental Laws. Further, Tenant shall not permit any of its subtenants to store, use, or dispose of any Hazardous Materials on the Leased Premises or Airport grounds except in strict compliance with all applicable Environmental Laws.

In the event that Tenant or any of its subtenants causes or contributes to any soil, air, groundwater, surface water, or other environmental contamination (collectively, "Environmental Contamination"), or if any Environmental Contamination is attributable to any Hazardous Materials brought onto the Leased Premises or the Airport grounds by Tenant or any of its subtenants, Tenant shall at its sole expense promptly take all investigatory and/or remedial action reasonably required for the remediation of such Environmental Contamination. Prior to undertaking any investigatory or remedial action, however, Tenant shall first obtain Landlord's approval of any proposed investigatory or remedial action. Should Tenant fail at any time to promptly take such action, Landlord may enter the Leased Premises and undertake such action at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for all such expenses within thirty (30) days of being billed for those expenses, and any amount not paid within that thirty (30) day period shall thereafter be deemed delinquent rent. These obligations are in addition to any defense and indemnity obligations that Tenant may have under this Agreement.

33. ENVIRONMENTAL INDEMNITY. Tenant shall defend, indemnify, and hold Landlord harmless against and from any and all claims, suits, losses, penalties, damages and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, which are claimed to or which in any way arise out of or are connected with any Environmental Contamination or violations of Environmental Laws attributable in whole or part to the acts or omissions of Tenant or any subtenants. Tenant's obligations under this Paragraph shall survive the termination of this Agreement.
34. NONDISCRIMINATION. Tenant certifies that any activity conducted pursuant to this Agreement shall be without discrimination based on color, race, creed, national origin, religion, sex, age, or physical or mental disability in accordance with all applicable County, State and Federal laws or administrative directives established by the County Board of Supervisors or the County Community Services Director. For the purpose of this Agreement, distinctions on the grounds of race, color, creed, or national origin include but are not limited to the following: denying any individual or entity, including a sublessor, any service or benefit which is different, or is provided in a different manner or at a different time from that provided to other individuals or entities under or in connection with this Agreement; subjecting an individual or entity to segregation or separate treatment in any way in the enjoyment or any advantage or privilege enjoyed by others receiving any service or benefit; treating an individual or entity differently

from others in determining whether that individual or entity has satisfied any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals or entities must meet in order to be provided any service or benefit; and the assignment of times or places for the provision of services on the basis of race, color, creed, or national origin of the individuals or entities to be served.

35. INTEGRATION. This Agreement contains the entire agreement between the parties and supersedes all other leases, agreements, or understandings between Landlord and Tenant concerning the Airport, the Leased Premises, and any other real property lying within the Airport boundaries.
36. AMENDMENTS. This Agreement may be amended or otherwise modified at any time by a written agreement signed by both parties.
37. AUTHORITY. The person(s) executing this Agreement on behalf of Tenant affirmatively represents, and has provided proof, that he has the requisite legal authority to enter into this Agreement on behalf of Tenant and to bind Tenant to the terms and conditions of this Agreement. Both the person executing this Agreement on behalf of Tenant and Tenant understand that Landlord is relying on this representation in entering into the Agreement.
38. SEVERABILITY. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, and each such term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
39. ATTORNEYS' FEES. If either party brings an action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other relief.

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

LANDLORD

TENANT

COUNTY OF YOLO, a political subdivision
of the State of California

Malcolm Bond

By: _____
Oscar Villegas, Chair
Yolo County Board of Supervisors

Approved as to Form:

Address for Notices:

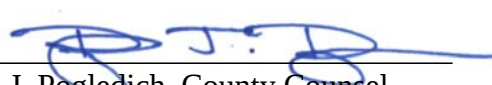
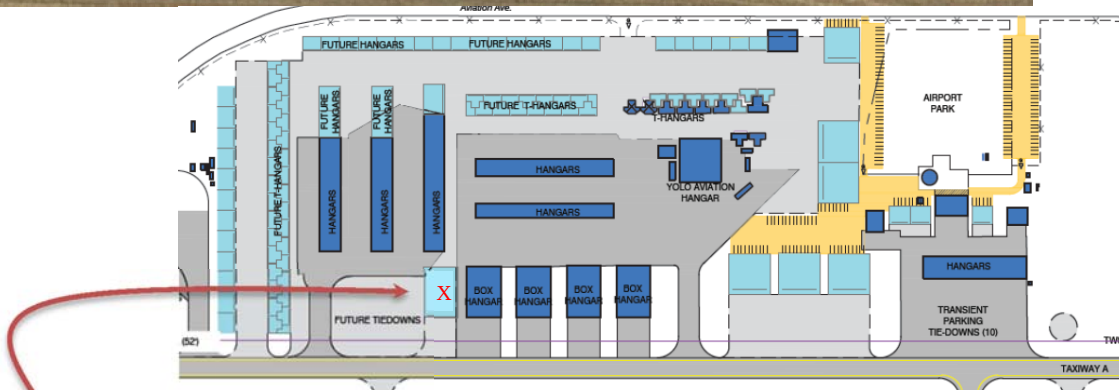
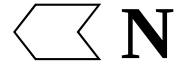
By:  _____
Philip J. Pogledich, County Counsel

EXHIBIT A – Leased Premises



Requested location is slated for a hangar at this location (next to big box hangars). Bond hangar will be approximate 50' X 50' with an approximate 100' paved ramp leading from Taxiway A to the hangar.

Leased Area With Dimensions

