

HANGAR LEASE AGREEMENT

FOR

TRAINING OPERATIONS

AT

SEQUOIA FIELD AIRPORT
36000 Road 112, Visalia, California

THIS LEASE is entered into as of this _____ day of _____, 2019, between the County of Tulare, hereinafter referred to as "COUNTY" and Sacramento Powered Paragliding Inc., hereinafter referred to as "LESSEE," collectively referred to as "PARTIES," with reference to the following:

WITNESSETH

WHEREAS, the COUNTY owns and maintains aircraft hangars, tiedown, and portable hangar spaces for use as aircraft storage at the Sequoia Field Airport; and

WHEREAS, the PARTIES wish to provide for the leasing of space within the North aircraft hangar for the storage power paragliding equipment, use of the Pilot's lounge for power paragliding training sessions, and access to the property for hands-on power paragliding training.

IN CONSIDERATION OF THE MUTUAL CONVENANTS HEREINAFTER, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. This LEASE shall apply to those certain Premises situated at the Sequoia Field Airport ("the Airport") known as North Hangar Space No. 9, use of the pilots lounge for instruction, and access to the property for training. ("the Premises").
2. The term of this LEASE shall be a month-to-month tenancy, commencing on the date COUNTY approves LESSEE's insurance documents as outlined in Paragraph 8. INSURANCE of this Agreement. Failure to provide the proper insurance documents within thirty (30) calendar days of this Agreement will cause this Agreement to be void, except as to any expenses as determined by COUNTY. Notice of COUNTY'S approval or denial of the insurance documents will be provided to LESSEE in writing within thirty (30) calendar days of the documents being received.
3. LESSEE agrees to pay to COUNTY, without deduction or offset, the sum of ONE HUNDRED SIXY DOLLARS (\$160.00) per month, payable in advance on or before the first day of each month and shall become delinquent if not paid by the 10th of each month. In the event a payment becomes delinquent, interest at the rate of 10% per month will accrue on all unpaid rent.

TULARE COUNTY AGREEMENT NO. _____

4. The Premises shall be used solely for the purpose of power paragliding instruction and training. This includes exclusive use of Hangar Space No. 9 for the storage of equipment, training and instruction materials for power paragliding techniques, practices, and operations and non-exclusive use the restrooms. LESSEE will have access and non-exclusive use of the pilots lounge for classroom style instruction, subject to change and availability, four (4) days a week, twice a day and access to the areas near the runway and hangars for hands-on instructor guided training. Use of the pilots lounge and exterior areas is subject to availability and LESSEE understands County business supersedes LESSEE's need for these areas.

All equipment, aircraft, and instruction stored and completed on the Premises must have valid registration(s) and approved safety and instruction practices by the Federal Aviation Administration (FAA). All aircraft intended to be parked on the Premises, including the names of all pilots and owners thereof, are to be registered with the COUNTY.

5. COMPLIANCE WITH LAWS: LESSEE shall comply with all FAA Regulations, and all other federal, state, county, and local laws, directives, or ordinances now in force or hereafter promulgated by any legally constituted authority. LESSEE shall report any accidents which LESSEE, any instructor pilot, and any student on the Premises under this LEASE is involved in at the Airport to COUNTY and any appropriate federal, state, county, and local authorities as required by law.

6. SAFETY: LESSEE shall not perform any repair and maintenance in the hangar or exterior areas which violates fire codes, causes structural or other damage to Airport property including surfaces, or detracts from a clean and orderly appearance of the airport or storage space. LESSEE shall not store aviation gasoline or other flammable materials inside or adjacent to the hangar and shall not fuel, paint, or wash said aircraft in the hangar area.

7. TAXES: LESSEE acknowledges that this LEASE may create a possessory interest which is subject to property taxation. LESSEE shall pay all such taxes, and if applicable fines, levied against such interest directly to the taxing authority without offset against the rental amount contained herein. LESSEE is responsible for updating the taxing authority of all address changes.

8. INSURANCE: Upon approval of this LEASE by COUNTY, LESSEE must file with the Clerk of the Board of Supervisors evidence of insurance as set forth in the attached Exhibit A, which outlines the minimum scope, specifications, and limits of insurance required under this agreement. Additional insured endorsements required as outlined in Exhibit A cannot

be used to reduce limits available to COUNTY as an additional insured from LESSEE's full policy limits. Insurance policies cannot be used to limit liability or to limit the indemnification provisions and requirements of this Agreement or act in any way to reduce the policy coverage and limits available from the insurer(s). If LESSEE fails to maintain or renew coverage, or to provide evidence of renewal, then COUNTY may consider that failure a material breach of this Agreement. COUNTY may also withhold any payment otherwise due to LESSEE for failure to provide evidence of renewal until LESSEE provides such evidence.

9. GENERAL INDEMNIFICATION; The LESSEE shall hold harmless, defend, and indemnify the COUNTY from and against any liability, claims, actions, costs, damages, and losses, for all injuries, including death, to any person or damage to any property resulting from the LESSEE's acts or omissions under this LEASE agreement. This obligation will continue beyond the term of this LEASE as to any act or omission which occurred during the LESSEE's occupancy of the Premises. COUNTY shall not be responsible for injury or death of persons or damage to, or loss by fire, theft, storm, wind, or otherwise under the terms of this Agreement. COUNTY does not warrant the security of LESSEE's property at the Airport including, but not limited to, aircraft, tools, vehicles, and related equipment.

10. INDEMNIFICATION- HAZMAT: The LESSEE shall specifically hold harmless, defend, and indemnify the COUNTY from and against any liability, claims, actions, costs, damages, or losses, for any injury, including death, to any person, or damage to any property resulting from any storage, spillage, discharge, release, or any other occurrence relating to hazardous materials or pollution of the environment. This obligation will continue beyond the term of this LEASE as to any act or omission which occurred during the LESSEE's occupancy of the Premises.

11. MAINTENANCE: LESSEE accepts the Premises as being in good and usable condition. LESSEE shall maintain, at its cost, all portions of the Premises in acceptable condition. LESSEE shall, at or before the expiration of or termination of this LEASE, surrender the Premises to COUNTY in the same condition as received, normal wear and tear, damage from the elements, or natural disasters excepted. LESSEE shall keep the Premises in a clean condition and shall regularly remove all trash and refuse of any kind from the Premises at its own expense. LESSEE shall be liable for any damage to the Premises resulting from any acts or omissions of LESSEE, its agents, employees, or invitees. In the event the Premises are destroyed or damaged because of causes other than acts of God or the sole negligence of the COUNTY, LESSEE agrees

to repair or restore the Premises to the same condition as received at the commencement of the LEASE.

12. ALTERATIONS: LESSEE shall not make, or suffer to be made, any alterations of the Premises, or any part thereof, without the prior written consent of the COUNTY. LESSEE shall not place any signs, displays, advertisements, or decorations on the Premises.

13. INSPECTION: The COUNTY, its agents, or employees shall have the right to enter and inspect the Premises at any reasonable time to ensure fulfillment of the provisions of this lease. LESSEE agrees to permit such inspection and shall not obstruct or hinder the COUNTY, its agents or employees.

14. NOTICES: Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY:

COUNTY OF TULARE
General Services – Property Management
2637 W. Burrel Ave., Suite 200
Visalia, CA 93291

LESSEE:

Sacramento Powered Paragliding Inc.
2050 Plum Tree Way
Fairfield, CA 94533

Notice delivered personally or sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. GOVERNING LAW: This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. Any litigation arising out of this Agreement shall be brought only in Tulare County, California. LESSEE waives the removal provisions of California Code of Civil Procedure Section 394.

16. TERMINATION: The right to terminate this Agreement under this provision may be exercised without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this LEASE.

- (a) Without Cause: Either party shall have the right to terminate this Agreement without cause by giving the other party at least THIRTY (30) days prior written notice of its intention to terminate pursuant to this provision, specifying the date of termination.
- (b) With Cause: The LEASE may be terminated by COUNTY should LESSEE:
 - (i) file a petition for protection under the Bankruptcy Act in United States Bankruptcy Court, or
 - (ii) become insolvent or have a receiver appointed, or
 - (iii) make a general assignment for the benefit of creditors, or
 - (iv) suffer any judgment which remains unsatisfied for 30 days, which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
 - (v) materially breach this Agreement.

For any of the occurrences except item (v), termination may be effected upon written notice by the COUNTY specifying the date of the termination. Upon a material breach, the LEASE may be terminated following the failure of the LESSEE to remedy the breach to the satisfaction of the COUNTY within THREE (3) days of written notice specifying the breach. If the breach is not remedied within that THREE (3) day period, the COUNTY may terminate the LEASE on further written notice specifying the date of termination.

If the nature of the breach is such that it cannot be cured within a THREE (3) day period, the LESSEE may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the COUNTY consents to that proposal in writing, which consent shall not be unreasonably withheld, the LESSEE shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the COUNTY may terminate upon written notice specifying the date of termination.

- (c) Effects of Termination: Termination of this LEASE shall not terminate any obligations to indemnify the COUNTY or pay sums due hereunder.

17. ASSIGNMENT: LESSEE shall not assign this lease or any interest therein, sublet the Premises or any part thereof to any person, firm, or corporation during the term of this lease including any holdover without first obtaining the written consent of LESSOR.

19. ENTIRE AGREEMENT REPRESENTED: This Agreement represents the entire agreement between LESSEE and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified, waived, or repealed without the written consent of both parties. Any and all former agreements between the parties regarding lease of the Premises are hereby terminated as of the signing of this LEASE, including but not limited to County Agreement No. 26281, dated September 14, 2013.

20. NO THIRD-PARTY BENEFICIARIES INTENDED: Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

21. WAIVERS: The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party or either performance or payment shall not be considered to be waiver of any preceding breach of the Agreement by the other party.

22. CONFLICT OF LAWS/SEVERABILITY: This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. FURTHER ASSURANCES: Each party agrees to execute any additional documents and to perform any further acts which may be reasonable required to affect the purposes of this Agreement.

24. HEADINGS: Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning, or intent of the provisions under the headings.

25. DISPUTE RESOLUTION: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to

litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

26. EXHIBITS AND RECITALS: The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

27. CONSTRUCTION: This Agreement reflects the contributions of all undersigned parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

LESSEE

SACRAMENTO POWERED
PARAGLIDING INC.

By _____
Joe Cruz, Director and President

COUNTY

COUNTY OF TULARE

By _____
Chairman, Board of Supervisors

ATTEST: JASON T. BRITT
County Administrative Officer/Clerk
of the Board of Supervisors,
County of Tulare

By _____
Deputy Clerk

Approved as to Form,
County Counsel

By _____
Deputy

Matter ID:

EXHIBIT A
AIRCRAFT & AIRPORT OPERATIONS
INSURANCE REQUIREMENTS

CONTRACTOR shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with, performance under the Agreement by the CONTRACTOR, his agents, representatives, employees and subcontractors, if applicable.

A. Minimum Scope & Limits of Insurance

1. Coverage at least as broad as Commercial General Liability Insurance of \$5,000,000 combined single limit per occurrence Insurance Services Officer form CG 00 01, including products and completed operations, property damage, bodily injury and personal & advertising injury. If the annual aggregate applies, it must be no less than \$5,000,000 and apply separately this project/location.
2. Comprehensive Automobile Liability Insurance of \$1,000,000 per occurrence covering any auto or if Contractor has no autos, hired and non-owned autos. If the annual aggregate applies it must be no less than \$2,000,000.
3. Workers' Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Hangar-keepers Liability of \$1,000,000 combined single limit per occurrence and \$1,000,000 aggregate.
5. For fixed base operations, Flight Schools and Flying Clubs: Comprehensive Airport Liability Insurance for bodily injury (including death) and property damage including owned and nonowned aircraft coverage of \$1,000,000 per occurrence. Fueling or Refueling Operations - not less than \$500,000 if such operations are to be conducted by the CONTRACTOR.
6. Comprehensive Aircraft Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than \$1,000,000 combined single-limit per occurrence applicable to owned, non-owned and hired aircraft. A minimum of \$250,000 per passenger seat is required.

B. Specific Provisions of the Certificate

1. If any of the required insurance is written on a claims made form, the retroactive date must be before the date of the contract and must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.
2. The Certificate of Insurance for General Liability, Comprehensive Automobile Liability Insurance, and Hangar-Keepers Liability must meet the following requirements:
 - a. *The COUNTY, its officers, agents, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the CONTRACTOR.*
 - b. *For any claims related to this project, the CONTRACTOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, agents, officials, employees and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, agents, officials, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.*
 - c. *Each insurance policy required by this agreement shall be endorsed to state that coverage shall not be canceled by either party, except after prior written notice has been provided to the County.*
 - d. *CONTRACTOR hereby grants to COUNTY a waiver of subrogation which any insurer may acquire against COUNTY, its officers, agents, officials, employees and volunteers from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR 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.*

3. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the COUNTY for all work performed by the CONSULTANT, its employees, agents and subcontractors. CONSULTANT waives all rights against the COUNTY and its officers, agents, officials, employees and volunteers for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.

C. Deductibles and Self-Insured Retentions

Self-insured retentions must be declared and the COUNTY Risk Manager must approve any deductible or selfinsured retention that exceeds \$100,000.

D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A-:VII and a Standard & Poor's Rating (if rated) of at least BBB and from a company approved by the Department of Insurance to conduct business in California. Any waiver of these standards is subject to approval by the County Risk Manager.

E. Verification of Coverage

Prior to approval of this Agreement by the COUNTY, the CONTRACTOR shall file with the Tulare County Board of Supervisors, certificates of insurance with original endorsements effecting coverage in a form acceptable to the COUNTY. Endorsements must be signed by persons authorized to bind coverage on behalf of the insurer. The COUNTY reserves the right to require certified copies of all required insurance policies at any time.