

PRIVATE HANGAR GROUND LEASE AGREEMENT**LS# 24-10**

This Lease is by and between the County of Mendocino, a political subdivision of the State of California, hereinafter referred to as "Lessor", and Jeff Caswell, hereinafter referred to as "Lessee".

RECITALS:

1. Lessor has the authority contained in Government Code Section 25521 to lease County property and determines that the use of certain property owned by Lessor is not required for its use at this time and is available for lease.
2. Pursuant to Government Code Section 25536, the Mendocino County Board of Supervisors may approve a lease of property devoted to airport uses by a four-fifths vote of the Board.
3. Lessee intends to lease County property (hereinafter "the Leased Premises") from Lessor for the purpose of providing secure covered parking for Lessee's private airplane.

AGREEMENT:

1. **Lease.** The parties hereto agree that on the terms and conditions hereinafter expressed, Lessor does hereby let to Lessee and Lessee does hereby hire from Lessor the Leased Premises located at the Little River Airport in Mendocino County, Big Hangar, including a non-exclusive right of access hereto, as more particularly depicted and described in the attached Exhibit A, which is incorporated herein.
2. **Term.** The term of this Lease shall commence from the date this Agreement becomes fully executed by all parties (the "Effective Date") and shall continue in effect on a month to month basis.
3. **Rent.**
 - 3.1 **Amount.** Lessee shall pay Lessor rent in the amount show in *Exhibit X – Master Fee Schedule*. The rental rate may increase from time to time by Resolution of the Board of Supervisors.
 - 3.2 **Payment Due.** Rent shall be due on the first day of the month and on that same day each month thereafter. Rent that has become delinquent shall be subject to a late fee of \$25 for each month delinquent. If annual payments are preferred, payment is due at the beginning of the fiscal year (July 1). Invoices for the upcoming fiscal year will be sent to the Lessee's address on file at the Department of Transportation. Lessee is responsible for notification of changes in address.
 - 3.3 **Payment of Taxes and Assessments.** Lessee shall also pay any real property, possessory interest, or personal property taxes, and assessments imposed on the Leased Premises, property located on or affixed to the Leased Premises, or as a result of the lease, use, or ownership of the Leased Premises.
4. **Use and Improvements.**
 - 4.1 **Condition of the Leased Premises.** Lessee hereby agrees to accept the use of the Leased Premises in "as-is" condition, understanding that Lessor makes no representations as to the condition of the premises or its suitability for the uses

contemplated by Lessee. Lessee represents that it has made a thorough inspection of the premises and has undertaken to repair or adequately warn of any conditions on the premises that might constitute a hazard or danger to persons using or present on the Leased Premises.

- 4.2 **Use of Leased Premises.** Lessee shall use the Leased Premises exclusively to provide secure, covered parking for Lessee's private aircraft, ID #N53434, on the site shown in the attached Exhibit A, which is incorporated by reference herein. The aircraft may not be absent from the hangar for a period of 90 continuous days except for normal aviation activities and functions, repair and/or maintenance of the aircraft, during the purchase or lease of a replacement aircraft, or upon written request to and approval by the Mendocino County Department of Transportation for any other purpose.
- 4.3 **Construction of Improvements.** No construction is permitted on the leased premises.
- 4.4 **Improvements and Modifications.** Lessee shall not make structural changes to the exterior of the hangar, construct additional structures on the Leased Premises, modify all-weather ground surfaces, or change the use of the Leased Premises without the prior written approval of Lessor.
- 4.5 **Maintenance and Repair.** Lessee agrees to keep the premises and all improvements in good repair and order, free and clear of any and all items that are or may be deemed to be a fire or other safety hazard by the State Fire Marshall and/or the County of Mendocino (as determined by the Airport Manager). Lessee agrees to remove such hazardous items, at Lessee's expense, within 48 hours after receiving written notice to do so from any of the above parties. Lessee agrees that should it be necessary for the Airport Staff to enter and remove any unlawful debris from the hangar after failure by Lessee to comply with the above written notification, he or she will pay to the Airport Manager any costs that are incurred in said removal.
- 4.6 **Permits.** Prior to engaging in any activity requiring a permit, Lessee shall acquire any necessary or required permits from the appropriate regulating body for the use of the Leased Premises.
- 4.7 **Compliance with Airport Rules and Laws.** Lessee's use of leased premises shall comply with the provisions of Mendocino County Ordinance No. 3347 adopted 7 July 1981, hereinafter referred to as "Ordinance" and Mendocino County Airport Hangar Rules, Regulations and Safety Policy, a true and correct copy of which is attached hereto as Exhibit B. The County may amend or add to the Airport Rules as it deems necessary or appropriate. Not later than thirty (30) days after they are adopted, the County shall give the Lessee written notice of any such amendment or addition. After the County provides such notice, the Lessee shall comply with the amended or new rules. Lessee shall also ensure that no alcoholic beverages are possessed or consumed on the Leased Premises at any time. Lessee shall not use or permit the Leased Premises to be used except in full compliance with all rules, regulations, laws and ordinances of the County of Mendocino, the State of California, and the United States of America.
- 4.8 **Business Activity.** Lessee agrees that the hangar shall not be used for any Business Activity as defined in Paragraph 8.64.030(A) of the Ordinance.

- 4.9 **Maintenance of a Nuisance.** Lessee shall not allow the use of the Leased Premises, including access to the Leased Premises, to become a public or private nuisance or unreasonably interfere with the use of adjacent property by other lessees of the County of Mendocino or private property owners.
- 4.10 **Condition of Leased Premises Upon Lease Termination.** Upon termination of this Lease or any abandonment of the Leased Premises by Lessee, Lessee shall leave the Leased Premises, or any groundwater or property affected by the use of the Leased Premises, completely free of any contamination by toxic or hazardous substances resulting from Lessee's use of the Leased Premises.
- 4.11 **Utilities.** There are no utilities connected to this hangar and Lessor shall not be obligated to provide Lessee any light, power, telephone, water, or other utilities under the terms of this Agreement, and any plans of the Lessee to install utilities of any kind shall be approved in writing by the County Department of Transportation.
5. **Assignment.** Lessee shall not assign this Lease or any interest therein or sublease the Leased Premises without the prior written approval of Lessor. Consent by the Lessor to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting. An assignment or subletting without the written consent of the Lessor, or an assignment or subletting by operation of law, shall be void and shall, at the option of the Lessor, terminate this lease. Lessor consent shall not be unreasonably withheld. Any assignment, sublet, or transfer of agreement will be subject to a fee in the amount show in *Exhibit X – Master Fee Schedule*. This fee may increase from time to time by Resolution of the Board of Supervisors.
6. **Indemnification and Insurance.**
- 6.1 **Indemnification.** To the furthest extent permitted by law, Lessee shall assume the defense of, indemnify, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, demands, damages, costs, liabilities, and losses whatsoever alleged to be occurring or resulting in connection with the Lessee's use of the property or its obligations under this Agreement, unless arising out of the sole negligence or willful misconduct of County.
- 6.2 **Liability Insurance.** Lessee shall procure and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property, including the Leased Premises, which may arise from or in connection with its use of the Leased Premises pursuant to this Lease.
- Lessee shall furnish to COUNTY certificates of insurance that list the COUNTY as additional insured with General Liability Endorsements evidencing at a minimum the following:
- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
 - b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.
- 6.3 **Fire Insurance.** Lessor does not now and shall not maintain any insurance covering the leased property and/or any improvements thereon against loss or destruction by fire or other perils. Lessee shall at his/her sole cost and expense, at all times during the full term of this lease and any renewals or extensions of the terms of this lease,

maintain at his/her discretion such insurance on the leased property and improvements thereon as he/she shall deem adequate.

7. **Amendments.** This agreement may be amended by the parties hereto, upon mutual written consent of both parties.

8. **Termination.**

- 8.1 Failure to pay rent within thirty (30) days of the due date, or to comply with any other provision of this Lease within a period of thirty (30) days following receipt of a written notice of noncompliance from Lessor, shall constitute a material breach of the Lease and furnish grounds for termination of this Lease.
- 8.2 Lessor may terminate this Lease upon ten (10) days' prior written notice delivered to Lessee based on Lessee's failure to comply with the insurance requirements of Paragraph 6.2.
- 8.3 Any action taken or suffered by Lessee as a debtor under any insolvency or bankruptcy laws, including the filing of a voluntary or involuntary petition in the United States bankruptcy court, and any assignment for the benefit of creditors or the appointment of a receiver shall constitute a breach of this Lease. In such event, Lessor shall have the right to terminate this Lease and retake possession of the Leased Premises and any Improvements.
- 8.4 Either party may terminate this agreement upon 90-days written notice to the other party.
- 8.5 Upon termination of this Lease, Lessee shall remove from the Leased Premises Lessee's private hangar and, if Lessor notifies Lessee to do so within thirty (30) days after the termination date, restore the Leased Premises to the condition it was in before the effective date of this Lease.
- 8.6 In the event Lessee discontinues ownership or lease of stored aircraft, this Agreement shall immediately terminate, and Lessee shall have no further rights thereunder. Should Lessee desire to retain the hangar to accommodate an aircraft to be purchased or leased to replace the stored aircraft, upon written request and approval by the Lessor, payment of required rents, and compliance with the terms and limitation herein, this Agreement shall remain in effect for a period not to exceed sixty (60) days from the date of discontinuance of ownership or lease of stored aircraft.
- 8.7 Notwithstanding any other conditions of this Agreement, Lessor reserves the right to terminate this Agreement immediately, without liability for any loss sustained by Lessee, upon continued violation of the terms of this Agreement, or for any material breach of this Agreement. In the event of termination, Lessor reserves the right to enter the hangar, and remove all persons and property, and repossess itself of its former estate.

9. **Holding Over.** Holding over by Lessee after the termination of this Lease shall not constitute a renewal or extension thereof, or give Lessee any rights hereunder or in or to the Leased Premises.

10. **Lien for Unpaid Rent.** Lessee hereby grants to Lessor a lien against the aircraft and all personal property which Lessee may, from time to time, store upon the premises. This lien shall exist and continue for all unpaid amounts which Lessee may owe Lessor, from time to

time, and the assertion of the lien shall not relieve Lessee from the obligations to pay the monthly fees as herein provided. In the event Lessee does not fully and immediately discharge all unpaid amounts, Lessor is hereby granted and shall have the right to take and recover possession of Lessee's aircraft storage hangar and satisfy its lien in accordance with Section 1208.61 through 1208.70 inclusive of the Code of Civil Procedures of the State of California and Lessor may also take and recover possession of aircraft and personal property stored, without notice or other action, and exercise its lien against the same and, in addition thereto, have and recover all costs and expenses including attorney's fees in connection with the repossession of said hangar or personal property and assertion of the lien.

11. **Inspection.** Lessor and its authorized representatives shall have the right, at any reasonable time during the term of this Lease, with or without prior notice to Lessee, to enter upon the Leased Premises, or any part thereof, to inspect the same, and all buildings and other improvements erected and placed thereon.
12. **Attorneys' Fees.** In any legal action to enforce any of the terms of this Lease, the prevailing party shall pay the other party its reasonable costs, expenses, and attorneys' fees.
13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Waiver.** Lessor's waiver of any default in Lessee's performance of any condition of this Lease, including the obligation to pay rent, shall not constitute a waiver of remedies available for a subsequent breach of the same or a different condition of this Lease. Acceptance of subsequent rental payments from Lessee or its assignees shall not constitute a waiver of the failure of Lessee to pay rent or obtain prior approval to an assignment of this Lease.
15. **Notices.** Except as otherwise expressly provided herein, any written notice required by this Lease shall be deemed given and received when personally served or 48 hours after being placed in the United States mail, with proper first-class postage prepaid, and addressed as follows:

LESSOR:

County of Mendocino

340 Lake Mendocino Drive

Ukiah, CA 95482

LESSEE:

Jeff Caswell

P.O. Box 796

Durham, CA 95938

Any party hereto may give notice of an address change under the provisions of this paragraph and thereafter all notices shall be given to that address.

16. **Paragraph Headings.** Paragraph headings are included for the convenience of the parties and are not intended to define or limit the scope of this Lease.
17. **Previous Agreements.** Any and all existing statements or agreements, whether oral or written, or renewals thereof, between the parties hereto, covering the same subject matter, are hereby canceled and superseded by the terms of this Lease, and such prior agreements, statements or understandings shall have no further force or effect.
18. **Binding Effect; Choice of Law.** Subject to the provisions herein restricting voluntary assignment or subletting, this Lease shall apply to and bind the parties, their personal

representatives, successors and assigns. This Lease shall be governed by the laws of the State of California, and is to be performed in the County of Mendocino, State of California.

19. **Choice of Venue.** All lawsuits relating to this contract must be filed in Mendocino County Superior Court, Mendocino County, California.

20. **Duplicate Originals.** This Lease may be executed in one or more duplicate originals bearing the original signature of both parties and when so executed any such duplicate original shall be admissible as proof of the existence and terms of this Lease.

Entered on the date first written above.

LESSOR:
Mendocino County Department of Transportation

Howard N. Dashiell, Director

DATE

DARCIE ANTLE, Chief Executive Officer

By: 

PURCHASING AGENT

LESSEE:

By: 

Jeff Caswell

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

INSURANCE REVIEW:

RISK MANAGER

By: 

Risk Manager

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

CHARLOTTE SCOTT
County Counsel

By: 

Deputy

EXECUTIVE OFFICE REVIEW:

APPROVAL RECOMMENDED

By: 

DARCIE ANTLE, Chief Executive Officer

LITTLE RIVER AIRPORT HANGAR LAYOUT EXHIBIT "A"

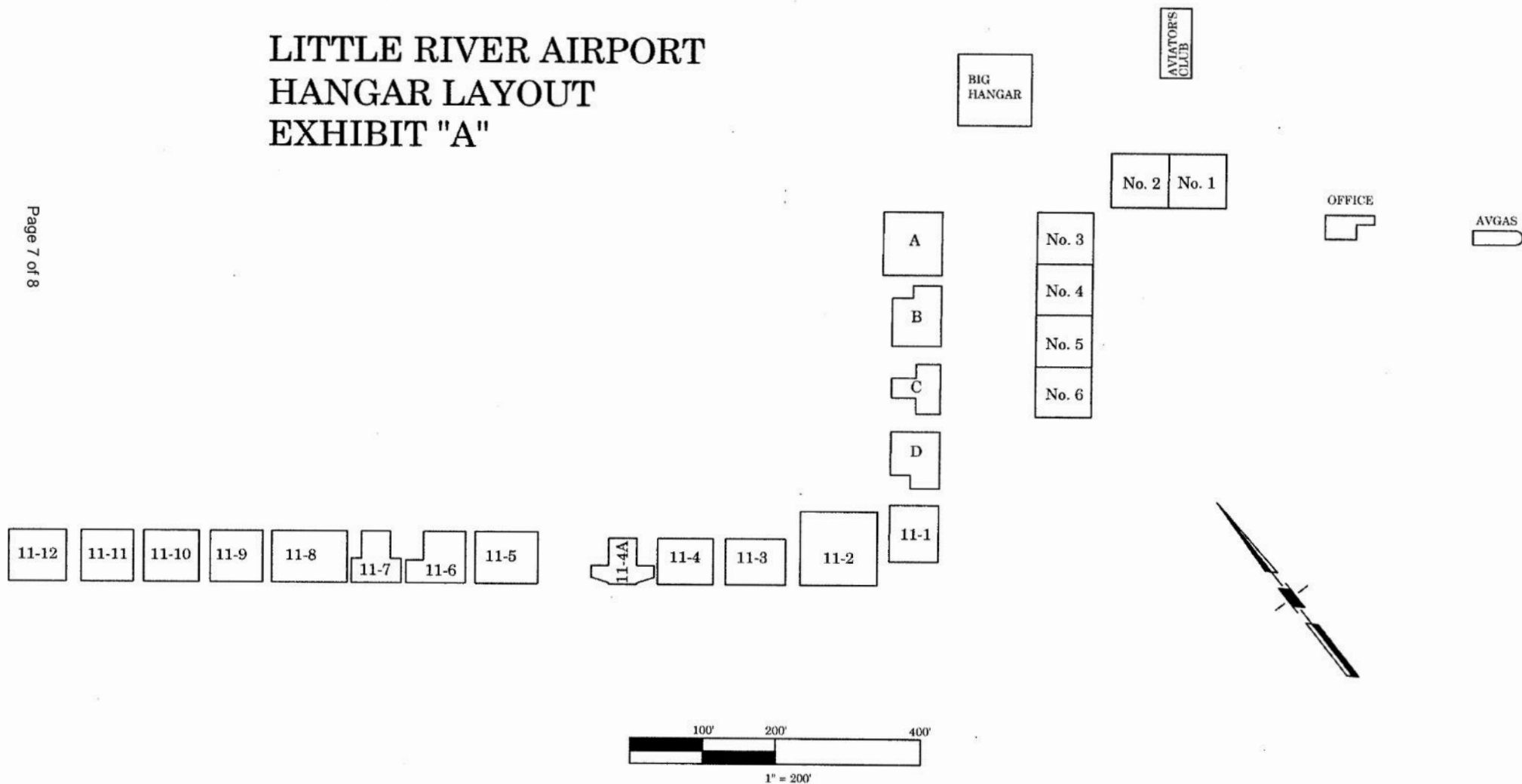


EXHIBIT B

MENDOCINO COUNTY AIRPORT HANGAR RULES, REGULATIONS AND SAFETY POLICY

1. No dispensing, transfer or storage of flammable or combustible liquids shall be permitted inside of any building or structure. (Uniform Fire Code Sec. 24.103) (As Amended)
2. No flammable or combustible liquids shall be dispensed into or removed from the fuel tank of an aircraft within any hangar. (Uniform Fire Code Sec. 24.104) (As Amended)
3. No person shall clean any aircraft, engines or parts of aircraft in an aircraft hangar or within 50 feet of another aircraft, building or hangar with any flammable liquid. (Uniform Fire Code Sec. 24.106) (As Amended)
4. Every aircraft hangar shall be equipped with and maintained with metal drip pans under the engines of all aircraft stored or parked herein. (Uniform Fire Code Sec. 24.107) (As Amended)
5. Open flame, flame producing device or other source of ignition shall not be permitted in the hangar. (Uniform Fire Code Sec. 24.108) (As Amended)
6. No person shall run the engine of any aircraft in any hangar. (Uniform Fire Code Sec. 24.110) (As Amended)
7. No person shall store combustible materials or other hazardous materials in an aircraft hangar. (Uniform Fire Code Sec. 24.112) (As Amended)
8. All hangars must be equipped with a fire extinguisher that is certified and dated.
9. Use of any fire extinguisher under any circumstances shall be reported to the Airport manager. (Uniform Fire Code Sec. 24.113) (As Amended)
10. Aircraft hangar and premises shall be kept orderly and clean at all times.
11. Storage of automobiles, boats, motorcycles, four wheelers or non-aircraft related items in hangar is prohibited. Exception: Automobiles (including motorcycles) may be stored in the hangar only while the aircraft is in use. Proof of vehicle insurance is required. Please see Private Hangar Ground Lease Agreement for insurance requirements.
12. Hangar may be inspected by Airport Manager, local Fire Marshal or County designee (per hangar agreement). Twenty-four hour advance notification will be given as a courtesy, but is not required.
13. No parking in front of hangars/within 60 ft of taxiway.