

SECOND ADDENDUM TO LEASE AGREEMENT
(DG Airparts, Inc.)

This second addendum is to that lease agreement dated August 10, 1999, as amended by Addendum dated September 28, 1999, by and between the **County of Siskiyou**, a municipal corporation, and **DG Airparts, Inc.**, and makes the following changes to said lease agreement.

Paragraph 1 is hereby amended to read:

"1. For and in consideration of the mutual covenants and agreements herein contained, Lessor hereby leases to Lessee and Lessee hereby hires from Lessor a lot in the approximate size of 80 feet x 260 feet located within the County owned property at the Siskiyou County Airport more particularly described on Exhibit "A" attached hereto and made a part hereof."

The term of the lease agreement shall be extended from June 14, 2014, through June 14, 2029. For the period from January 15, 2002, through June 14, 2002, Lessee shall pay Lessor an additional sum of Five Hundred Twelve Dollars (\$512.00) as rental for the additional leased area. Commencing June 15, 2002, Lessee shall pay a base rental of Two Thousand Five Hundred Ninety Six and 25/100 Dollars (\$2,596.25) per year, which base rental will be increased annually in accordance with Paragraph 4 of the lease agreement.

All other terms and conditions of said lease remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Addendum this 8th day of February 2002.

Signatures follow

COUNTY OF SISKIYOU

BY *Barbara Erickson*
Chair, Bd. Of Supervisors

ATTEST:
COLLEEN BAKER, CLERK
Board of Supervisors

By *Anna Byrum*
Deputy

DG AIRPARTS, INC.

By *Dean Gradwohl*

DEAN GRADWOHL PRES.
Name & Title of Corporate Officer

By *Scott Gradwohl*

SCOTT GRADWOHL VICE PRESIDENT
Name & Title of Corporate Officer

APPROVED AS TO FORM:

Frank J. DeMarco 1-18-02
Frank J. DeMarco, County Counsel

APPROVED AS TO ACCOUNTING FORM:

Fund 5230 Organization 302050 Account 531100 *fee*

Ann Cameron
Auditor

APPROVED AS TO INSURANCE REQUIREMENTS

Rose Ann Herrick
Rose Ann Herrick, Risk Management

ADDENDUM TO LEASE AGREEMENT
(DG Airparts, Inc.)

This addendum is to that lease agreement dated August 10, 1999, by and between the **County of Siskiyou**, a municipal corporation, and **DG Airparts, Inc.**, and makes the following changes to said lease agreement.

Paragraph 1 is hereby amended to read:

"1. For and in consideration of the mutual covenants and agreements herein contained, Lessor hereby leases to Lessee and Lessee hereby hires from Lessor a lot in the approximate size of 80 feet x 140 feet located within the County owned property at the Siskiyou County Airport more particularly described on Exhibit "A" attached hereto and made a part hereof."

Exhibit "A" attached hereto shall replace the Exhibit "A" attached to the lease agreement dated August 10, 1999.

Paragraph 4 is hereby amended to read:

"4. Term/Rental: The term of this lease shall be for fifteen (15) years beginning June 15, 1999, and continuing through June 14, 2014. Lessee shall pay the County of Siskiyou a base rental of One, Thousand Two Hundred Thirty Dollars (\$1,230.00) for the first year.

On each anniversary of the commencement date, commencing on the first anniversary of the commencement date of this lease, the base rental shall be increased from the base rent for the previous year by a percentage equal to the percentage increase in the CPI from the first month of the previous year to such anniversary date. (Example: CPI increase during first year is 3%; $\$1230 \times 3\% = \$36.90 + \$1230 = \1266.90 ; CPI increase during

second year is 2%; \$1266.90 x 2% = \$25.34 + \$1266.90 = \$1,292.24).

The first year's rent would be paid in advance on the date this lease is approved and signed by the Board of Supervisors; and each year thereafter, in advance on the anniversary date of the signing of the lease. The check should be drawn by the Lessee in favor of the County of Siskiyou and mailed or delivered to the Airport Coordinator c/o Siskiyou County Public Works Department, 305 Butte Street, Yreka, CA 96097."

All other terms and conditions remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum this

28th day of September 1999.

COUNTY OF SISKIYOU,

BY *Louada Erickson*
Chair, Bd. Of Supervisors

ATTEST:
COLLEEN BAKER, CLERK
Board of Supervisors

By *Laura Iga*
Deputy

DG AIRPARTS, INC.

By *Mark Handrell*

DEAN GRADWELL PRES.
Name & Title of Corporate Officer

By *Scott Gradwell*

SCOTT GRADWELL, VICE PRESIDENT
Name & Title of Corporate Officer

FORM APPROVED
This *21st* day of *Sept*, 19*99*

FRANK J. DeMARCO

County Counsel

Frank J. DeMarco
SISKIYOU COUNTY, CALIFORNIA

LEGAL DESCRIPTION
Assessors Parcel # 013-240-040

A portion of Section 12, Township 45North, Range 6 West, M.D.M., Siskiyou County, California, more particularly described as follows:

COMMENCING at NGS Station "SISKIYOU AIRPORT", a brass disk in concrete, from which NGS Station "AZIMUTH MARK 1970", Bears N 31° 19' 52" E; **THENCE** S 15° 12' 52"W, 4713.51 Feet to the **TRUE POINT OF BEGINNING** of the parcel to be described;

THENCE N 33 ° 39' W, 80.0 Feet ;

THENCE N 56 ° 21' E, 140.0 Feet ;

THENCE S 33 ° 39' E, 80.0 Feet;

THENCE S 56 ° 21' W, 140.0 Feet, **TO THE TRUE POINT OF BEGINNING.**

Bearings are based on the California Coordinate System Zone 1. Distances are ground distances.



LEASE AGREEMENT- AIRPORT

This lease agreement executed at Yreka, California this 10th day of August, 1999, by and between the **County of Siskiyou**, a municipal corporation, (hereinafter referred to as Lessor), and **DG Airparts, Inc.** (hereinafter referred to as Lessee.)

W I T N E S S E T H

1. For and in consideration of the mutual covenants and agreements herein contained, Lessor hereby leases to Lessee and Lessee hereby hires from Lessor a lot in the approximate size of 70 feet x 120 feet located within the County owned property at the Siskiyou County Airport more particularly described on Exhibit "A" attached hereto and made a part hereof.

2. Exclusive Right and Non-Discrimination: Within the meaning of the Federal Aviation Act of 1958, Section 308(a), the Lessee understands:

"There shall be no exclusive right for the use of any landing area or air navigation facility upon which federal funds have been expended."

Any clause in this lease shall not be construed as granting an exclusive right. In the operation and use of the airport, the Lessee shall neither discriminate nor permit discrimination against any person or group of persons on the grounds of race, color or national origin in any manner prohibited by the Department of Transportation, Regulations of the Office of the Secretary, Part 21.

3. Purpose of Lease: The purpose of this lease is to allow the Lessee to construct or install a hangar at the Lessee's expense for the storage of military surplus aircraft parts bought and sold as part of Lessee's business and for the storage of vintage gliders owned by the Lessee. The storage of household goods or other nonaviation goods is prohibited.

4. Term/Rental: The term of this lease shall be for fifteen (15) years beginning 06/15/99, and ending 06/14/2014. Lessee shall pay the County of Siskiyou a base rental of Nine Hundred Sixty Dollars (\$960.00) for the first year.

On each anniversary of the commencement date, commencing on the first anniversary of the commencement date of this lease, the base rental shall be increased from the base rent for the previous year by a percentage equal to the percentage increase in the CPI from the first month of the previous year to such anniversary date. (Example: CPI increase during first year is 3%; $\$960 \times 3\% = \$28.80 + \$960 = \988.80 ; CPI increase during second year is 2%; $\$988.80 \times 2\% = \$19.78 + \$988.80 = \$1,008.58$)

The first year's rent would be paid in advance on the date this lease is approved and signed by the Board of Supervisors; and each year thereafter, in advance on the anniversary date of the signing of the lease. The check should be drawn by the Lessee in favor of the County of Siskiyou and mailed or delivered to the Airport Coordinator c/o Siskiyou County Public Works Department, 305 Butte Street, Yreka, CA 96097.

5. Option to Renew: Lessee is given the option to renew this lease for a period of ten (10) years with the terms to be negotiated between the Lessee and the Lessor.

If the Lessee wishes to commence negotiations to renew the lease, Lessee must notify Lessor in writing at least 180 days in advance of the expiration of the term of this lease. If the parties cannot reach an agreement with regard to the terms of the lease for the renewal period prior to the date of expiration of the lease, the option to renew will expire and Lessee shall vacate the premises unless the parties agree prior to the expiration of the lease to extend the time within which to reach an agreement with regard to the terms of the lease for the renewal period.

6. Site Preparation and Access: That portion of land leased by the Lessee from the Lessor is leased in an "as is" condition. Lessee will be responsible for whatever ground work is required to prepare the leased premises for construction of the hangar. Lessee understands that a building permit will be required by the Public Works Department and that a Public Works Inspector will oversee all construction.

Prior to commencing any work on the leased premises, Lessee shall submit plans to the Siskiyou County Public Works Department for its approval. All such work performed on the leased premises shall be done in accordance with the approved plans, specifications, and applicable codes and standards approved by the Siskiyou County Department of Public Works.

7. Hangar Construction: Lessee agrees that within twelve (12) months after the effective date of this lease, Lessee shall cause to be placed on the leased premises one aircraft hangar, which will conform to all County building codes and will be so constructed that when future development of the airport is warranted, the hangar can be moved, if necessary, to another location on the airport. At no time shall the Lessee allow the hangar, hangar doors, vehicles, or any other obstruction to encroach upon or interfere with the aircraft taxiway and/or the movement of aircraft. Lessee shall also post the tail number of any aircraft stored in said hangar outside of the hangar in a location easily identifiable.

8. Special Conditions Required by Future Development: If at any time during the terms of this lease the Board of Supervisors makes a determination that the leased premises will interfere with the planned development of the airport, Lessee agrees to accept another site on the airport if appropriate space is available as determined by the Lessor. The financial responsibility for moving the hangar shall be that of the new developer, or the Lessor, as determined by the Board of Supervisors. Lessor agrees that a 60 day written notice will be furnished to Lessee by the Board of Supervisors if relocation is required. Lessee agrees to return the ground of the present site to the same condition or better than it was prior to construction of the hangar.

9. Lessee's Duty to Obtain Appropriate Entitlement: It shall be the Lessee's responsibility, at its sole cost and expense, to diligently pursue and obtain all necessary

permits, licenses, consents and any and all other applicable entitlements which may be required to construct and operate pursuant to the use permitted by this lease.

If it is determined that this lease constitutes a subdivision of property within the meaning of the Subdivision Map Act, the Lessee shall be responsible for the acquisition of any necessary approvals from the County of Siskiyou. Further, Lessee shall be responsible for the complying with the applicable requirements of the California Environmental Quality Control Act.

10. Freedom from Liens: Any and all improvements to the leased property shall be done in such a manner so as to ensure that no liens or stop notices shall be filed against the leased premises. Examples of steps which may be taken to protect against the filing of liens or stop notices shall be the posting of payment bonds prior to the commencement of any work on the leased premises where the work is such that liens or stop notices could be filed, or the filing of any contracts for the improvements to the property with the County Recorder before work commences in addition to the recordation of a payment bond, or having the work performed by a licensed contractor pursuant to bond, and in any event, only after written consent has been obtained from the Lessor.

11. Ownership of Improvements: It is mutually agreed that any improvements placed upon the leased premises shall remain the property of Lessee throughout the term of this lease. If within 30 days after the expiration date of this lease, or other termination of this lease, any improvements which can reasonably be removed from the leased

premises have not been removed, it is mutually agreed that these improvements shall become the property of Siskiyou County. If Lessee should receive an offer from a developer for his hangar, the Lessor will have first right of refusal prior to any sale. If for any reason the Lessee should decide to remove his hangar from the airport, the Lessor will have first right to purchase the hangar from the Lessee. The purchase price shall be determined by a qualified appraiser who is mutually acceptable to both the Lessee and the Lessor. If no agreement on the selection of an appraiser can be reached, a judge of the superior court will appoint an appraiser. Cost of any appraisal will be shared equally by the Lessor and Lessee.

12. Use of Public Airport Facilities: Lessee, on paying the rent herein specified and on all performance of all terms and conditions of this lease shall, at all times, peacefully and quietly hold and enjoy the leased premises. Lessee shall have full use of and access to runways, taxiways, parking aprons, and navigation aids. Lessee shall have general use of all public airport facilities and improvements of a public nature which are now or may hereafter be connected with or appurtenant to the airport.

13. Storage at Lessee's Risk: The County of Siskiyou will not be held responsible for any loss occasioned by fire, theft, rain, windstorm or hail to any aircraft, or personal property located or stored on the leased premises. The Lessee agrees that the contents stored on the leased premises are at the Lessee's risk.

14. Repairs, Maintenance and Rubbish Removal: Lessee agrees to pay for

reasonable repairs and maintenance of all improvements placed on the leased premises. If Lessee does not perform the reasonably required maintenance and repairs within 30 days after written notification by the Lessor, Lessor has the right to enter the premises and perform the necessary work at Lessee's expense. Lessee agrees to maintain leased premises and surrounding grounds in a clean and orderly manner. This includes trash disposal, landscaping, weed removal, painting, plumbing, wiring and structural repairs as necessary.

15. Compliance with Federal, State and County Laws: Lessee agrees to observe and comply with all laws, rules and regulations promulgated by the United States, State of California, of Lessor, County of Siskiyou, or their agencies now in force or hereafter duly promulgated during the term of this lease.

16. Fire Prevention: Lessor shall not be liable for any damage to fixtures or property of Lessee caused by fire or other hazards normally covered by fire and extended coverage insurance, regardless of the cause thereof, and Lessee does hereby expressly release Lessor from all liability for any such damages. Lessee agrees to make available a portable fire extinguisher within the proposed hangar.

17. Utilities: Lessee agrees to provide any utilities he may require. Lessee agrees to have the leased premises metered separately at Lessee's expense and to pay all utility costs on the leased premises.

18. Hold Harmless Agreement: Lessee agrees to and shall indemnify and

hold Lessor harmless, blameless, and free from fault for any claims, actions, or causes of action which may arise from Lessee's or its agents', employees', patrons' or other guests' permittees' and invitees' use of the leased premises. Lessee also agrees to indemnify and hold Lessor harmless from all actions, causes of action, claims or other liabilities arising out of Lessee's use and occupation of the leased premises. Lessee agrees to hold Lessor harmless from any workmans', laborers', contractors', or materialmen's liens which might arise as a result of Lessee's occupancy and use of the premises.

19. Assignment of Lease: Lessee shall not assign this lease, or any interest therein and shall not sublet the leased premises or any part thereof, or any right or privilege appurtenant thereto without the prior written consent of Lessor. Any such arrangements without the prior written consent of Lessor may, at Lessor's option, be null and void. Lessor covenants that they will not unreasonably withhold such consent.

20. Storage of Other Aircraft: In the event Lessee desires to rent the hangar for a storage of an aircraft other than his own, Lessee will advise the Siskiyou County Director of Airports of his intentions prior to arriving at an agreement with any second party. Hangar rental will be mutually agreed upon between the Lessee and the Director of Airports. Rental established will be at a level reasonably competitive with those at other County-owned airports. With County approval, renter may provide the insurance required by Paragraph 24.

21. Liability: Lessee shall remain fully liable on this lease and shall not be

released from performing any of the terms, covenants and conditions of this lease, save and except by mutual consent of the parties.

22. Possessory Interest Taxation Notice: Lessee recognizes and understands that the lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest. Payment of all such taxes shall be the sole responsibility of Lessee.

23. Taxes and Liens: In addition to all other payments herein provided to be made by Lessee and as additional rental hereunder, Lessee will pay and discharge promptly all taxes and assessments and other governmental charges or levies imposed upon it or upon its income or upon any of its property, real, personal or mixed, or upon any part thereof, provided, however, that Lessee shall not be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability, or validity thereof shall currently be contested in good faith by appropriate proceedings and if Lessee shall have set aside in escrow such amount as adequate with respect thereto.

24. Insurance Requirements: Lessee agrees to take out and maintain with a reputable insurance company, at its own cost and expense, liability insurance against property damage and bodily injury arising out of the use of Lessee's aircraft on or about the leased premises with liability limits of \$1,000,000. The County of Siskiyou shall be named as additional insured. Lessee shall furnish Lessor with a certificate and endorsement evidencing said insurance, which coverage shall be in effect and shall

remain in effect for the term of the current lease and any extension thereof. The said policy shall be written by an insurance company or companies acceptable to Lessor and licensed to do business in the State of California and possessing at least a Best's A:X rating. All policies shall contain a provision requiring the insurer to give Lessor thirty (30) days' notice of cancellation and/or any amendments of such policies which would materially impair the coverages provided in this section. In the event any presently existing insurance certificates on the Lessee are canceled, changed, or replaced, appropriate policies, certificates of insurance, or binders shall be furnished to Lessor upon execution of this lease and shall remain in effect until notice of cancellation. Lessee shall comply with the terms and provisions of all such insurance policies.

25. Entry and Inspection: Lessee shall permit Lessor and its agents to enter the demised premises at all reasonable times to inspect the premises and for any other reasonable purpose.

26. Default and Remedies: In the event any of the following events occur and are not remedied by the defaulting party within ten (10) days after notice thereof or the commencement and/or completion of performance within a reasonable time if the alleged default involves Subsection (b):

(a) Either party fails to pay or discharge when due any money obligation imposed upon it, as the case may be, by this lease.

(b) Either party fails to perform, or cause to be performed within a reasonable

time, any covenant or obligation to be performed by it, as the case may be, by this lease.

(c) An involuntary petition in bankruptcy is filed against either party and it is not dismissed within thirty (30) days.

(d) Either party makes an assignment for the benefit of creditors.

(e) Either party is adjudged bankrupt or insolvent by any court of competent jurisdiction.

(f) A receiver or trustee in bankruptcy or a receiver of the properties of either party is appointed in any suit or proceeding brought by or against either party,

Then and only in such events, the non-defaulting party, at its option and without any further demand or notice, may have any remedy available to it under California law, and shall also have the right to use of Lessee's name and to immediate possession of the premises.

In the event of the occurrence of any of the events listed above, Lessor may, without terminating the lease, exercise all of the rights and remedies of a landlord under Section 1951.4 of the California Civil Code or any successor statute.

Should Lessor choose to terminate this lease pursuant to this paragraph, Lessor shall have all the rights and remedies of a landlord provided by Section 1951.2 of the California Civil Code or any successor statute. The amount of damages which Lessor may recover in the event of such termination shall include (i) any money, including rent, unpaid to the time of award, plus interest thereon at the rate of ten percent (10%) per

annum from the date of owing to the date paid; (ii) all damages and costs reasonably incurred or suffered by Lessor as a result of the default and termination; and (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the lease term after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided.

All rights, privileges, and elections of remedies of landlord contained herein are cumulative and not alternative to the extent permitted by law and except as otherwise provided herein.

27. Holding Over: Should Lessee remain in possession of the premises after termination of the lease, or any renewal term of which Lessee shall have availed itself, or after any earlier termination provided or permitted by the lease, it shall be tenant from month to month at the same rental and on the same conditions, except as to term, as herein provided.

28. Waiver: No waiver of any representation, warranty, covenant, term or condition of this lease shall be deemed to imply or constitute a further waiver of the same or any other representation, warranty, covenant, term or condition of this lease. Further, a waiver of any breach shall not be deemed to be a waiver of any subsequent breach.

The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease, other than the failure of Lessee to pay the particular rental so

accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

29. Notices: All notices to be given hereunder shall be given in writing, personally or by depositing the same in the United States Mail, postage prepaid, addressed as follows:

NOTICE TO LESSOR: County Administrator
County of Siskiyou
P.O. Box 750
Yreka, CA 96097

AND

Siskiyou County Public Works
305 Butte Street
Yreka, CA 969097

NOTICE TO LESSEE: DG Airparts, Inc.
501 Juanita Drive
Jacksonville, OR 97530

30. Obligation of Lessee on Surrender: On the last day or sooner termination of the lease term, without notice or demand from Lessor, Lessee shall quit and surrender the premises, in good condition and repair, reasonable wear and tear excepted.

31. Abandonment: Lessee agrees not to vacate or abandon the premises at any time during the demised term. Should Lessee vacate or abandon said premises or be dispossessed by process of law or otherwise, such abandonment, vacation, or dispossession shall be a breach of this lease and, in addition to any other rights which

Lessor may have, Lessor may remove any personal property belonging to Lessee which remains on the demised premises and store the same, such removal and storage to be for the account of the Lessee.

32. Agreements with United States: This lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States (hereinafter referred to as "Federal Agreement") relative to the use, operation, or maintenance of the airport, the execution of which Federal Agreement has been or may now or hereafter be required as a condition precedent to the expenditure of Federal funds for the development of the airport, and Lessee hereby agrees that to the extent that any such Federal Agreement shall affect Lessee and its use of the leased premises and the airport, Lessee shall act in compliance therewith.

Further, Lessee acknowledges that the County is subject to Federal Grant Agreement obligations as set forth on Exhibit "B" attached hereto and made a part hereof as if fully set forth at this point and Lessee shall act in compliance therewith.

33. Binding on Successors: The lease and its terms, covenants and conditions hereby apply to and are binding upon the heirs, successors, executors, administrators and assigns of the parties hereto.

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

COUNTY OF SISKIYOU
Lessor

By *Lorinda Emerson*
Chairman, Bd. of Supervisors

ATTEST:
COLLEEN BAKER, CLERK,
Board of Supervisors

By *Luana*
Deputy

DG AIRPARTS, INC.
LESSEE

Alan Hurdell President
Name and title of corporate officer

Scott VICE-PRESIDENT
Name and title of corporate officer

APPROVED AS TO LEGAL FORM:

Rn *Wm B Stanley 8/3/99*
Frank J. DeMarco, County Counsel

APPROVED AS TO ACCOUNTING FORM:

Fund 5230 Organization 30258 Account 531100

Deanna Daxen
Auditor

APPROVED AS TO INSURANCE REQUIREMENTS

Rose Ann Herrick
Rose Ann Herrick, Risk Management

EXHIBIT "A"

LEGAL DESCRIPTION
Assessors Parcel # 013-240-040

A portion of Section 12, Township 45North, Range 6 West, M.D.M., Siskiyou County, California, more particularly described as follows:

COMMENCING at NGS Station "SISKIYOU AIRPORT", a brass disk in concrete, from which NGS Station "AZIMUTH MARK 1970", Bears N 31° 19' 52" E; **THENCE** S 15° 12' 08"W, 4713.51 Feet to the **TRUE POINT OF BEGINNING** of the parcel to be described;

THENCE N 33 ° 39' W, 70.0 Feet ;

THENCE N 56 ° 21' E, 120.0 Feet ;

THENCE S 33 ° 39' E, 70.0 Feet;

THENCE S 56 ° 21' W, 120.0 Feet, **TO THE TRUE POINT OF BEGINNING.**

Bearings are based on the California Coordinate System Zone 1. Distances are ground distances.



or national origin shall be excluded from participation, denied the benefits or, or be otherwise subjected to discrimination in the use of said facilities; 2) that in the construction of any improvements on, over or under the permitted premises and the furnishing of services thereon no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of or otherwise be subject to discrimination; and 3) that the lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 23, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- B. That in the event of breach of any of the above nondiscrimination covenants, the County shall have the right to terminate the lease and to re-enter and repossess said premises and the facilities thereon, and hold the same as if said Lease had never been made or issued.
- C. County reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance.
- D. County reserves the right, but shall not be obligated to the lessee, to maintain and keep in repair the landing areas of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- E. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States, relative to the development, operation, or maintenance of the Airport.
- F. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the permitted Premises, or in the event of any planned modifications or alterations of any present or future building or structure situated on the permitted Premises.
- G. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires, as a condition precedent to granting of funds for the improvement of the Airport, modifications or changes to this document, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Lease, as may be reasonable required to enable Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes impair the rights of Lessee hereunder.

AFFIRMATIVE ACTION ASSURANCES

Lessee assures that it will undertake as affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, creed, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub-organizations provide assurances to the County that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E, to the same effect.

EXHIBITB