

County of Siskiyou – Airport Ground Lease

This **AIRPORT GROUND LEASE** (this "Lease") is entered into as of this 4th day of August, 2020, by and between the County of Siskiyou ("County"), a political subdivision of the State of California, and Ronald S. Whipple, ("Lessee").

RECITALS

WHEREAS, County owns and operates a federally funded and obligated airport within the jurisdictional boundaries of County, commonly known as the Scott Valley Airport (the "Airport"); and

WHEREAS, Lessee desires to lease a portion of the Airport for the purpose of maintaining an aircraft storage hangar constructed before May 1, 2018; and

WHEREAS, County desires to lease such portion of the Airport to Lessee under the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, incorporating the foregoing Recitals herein, it is mutually agreed as follows:

Name of Lessee: Ronald S. Whipple

Individual

Business Entity

Type of Entity and State of Organization: _____

Address:	7827 Island Road
City/State/Zip:	Etna, CA 96027
Phone Number:	(530) 468-2230
Alternate Number:	
Email:	whips@sisqtel.net
A/R Account Number:	SV1224

1. Term. The term of this Lease shall be for a period not to exceed thirty (30) years, commencing on March 1, 2020 (the "Commencement Date"), and ending on February 28, 2050 (the "Expiration Date"), unless sooner terminated as provided in this Lease (the "Initial Term").

Lessee shall have the right to renew this Lease for four (4) successive five (5) year periods (each a "Renewal Term") provided that the Renewal Conditions, as defined herein below, are met for each such Renewal Term.

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“Renewal Conditions” as used herein shall mean the following:

- (a) Lessee is not then in Default (as defined in Section 20 herein) of this Lease;
- (b) No more than two (2) events of Default (as defined in Section 20 herein) shall have occurred during the five (5) year period prior to the date of expiration of the then-current Initial Term or Renewal Term;
- (c) The Hangar is in good and operable repair, in accordance with California Department of Industrial Safety and Fire Codes, which may apply to aircraft hangar storage and other applicable federal, state and local laws and ordinances, including exterior painting, wiring and structural repairs made as necessary;
- (d) County has not elected to use the Premises for any purpose other than construction, installation, maintenance and repair of an aircraft storage hangar; and
- (e) At the commencement of the first Renewal Term and the automatic renewals under Section 6d2, all material modifications to County’s standard ground lease offered to private hangar owners at the Airport, with the exception of provisions affecting the length of the Lease term, if any, shall be incorporated into the renewed Lease as an amendment executed by County and Lessee.

In the event the Renewal Conditions are not met or, in County’s determination, are not likely to be met, County shall give written notice to Lessee at least sixty (60) days prior to expiration of the then-current Initial Term or Renewal Term. Such notice shall include any amendment required by subsection (e) above, if applicable. If any Renewal Condition remains unmet, and County has not provided a written waiver of such unmet Renewal Condition prior to the expiration of the then-current Initial Term or Renewal Term, this Lease shall automatically terminate and the provisions of Section 6.d(1) herein shall apply.

Lessee shall exercise its option to renew by timely delivering its annual rental payment for the first year of each Renewal Term, along with the executed Lease amendment. In the event Lessee does not exercise any option to renew as provided herein, this Lease shall automatically terminate and the provisions of Section 6.d(1) herein shall apply.

2. Premises. This Lease shall be issued only in connection with premises upon which a privately owned hangar was constructed prior to May 1, 2018. County hereby leases to Lessee, and Lessee hereby hires from County, upon the terms and conditions herein set forth, that certain portion of land located at the Airport (the “Premises”), comprising of Two Thousand Fifty (2,050) square feet, upon which a privately owned hangar now sits, which is more particularly identified as Hangar #B, as outlined in Exhibit “A” attached hereto and made a part hereof by this reference. All oil, gas and mineral rights are expressly reserved from this Lease.

3. Utilities. During the term of this Lease, Lessee agrees to pay all charges and expenses in connection with any utility services furnished to the Premises. If utilities are provided to the Premises and not separately metered, Lessee shall arrange for separate meters at Lessee's expense and Lessee shall contract directly with utility providers. If separate meters are not possible, Lessee shall reimburse County for Lessee's pro rata share, as reasonably determined by County, of all shared utilities within ten (10) days

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after billing by County.

Lessee acknowledges that County has no obligation to provide any utilities to the Premises. County shall not be liable to Lessee under any circumstances for damages or loss to Lessee's property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to the failure to furnish or interruption of any utilities at the Premises.

Lessee shall comply with all rules and regulations which County, any governmental agencies or authorities, or any utility company may establish for the use, proper functioning and protection of any utility.

4. Rent

4a. Base Rent. On the Commencement Date, Lessee shall pay County an annual base rental in the amount of Six Hundred Fifteen Dollars and Zero Cents (\$ 615.00) per year ("Base Rent"). Base Rent is calculated at 0.30 per square foot for the Premises. Rent is to be paid in full on the Commencement Date and thereafter on each yearly anniversary of the Commencement Date.

4b. Annual Rent Increase. On the first anniversary of the Commencement Date, and each anniversary thereafter, the annual rent shall be increased by the then-current County Adjustment Factor. The County "Adjustment Factor" shall be a percentage calculated as follows: Beginning January 1, 2018, and every five (5) year period thereafter, the annual rent increase shall be determined by calculating the average annual California Consumer Price Index for all areas and all consumers as reported by the State of California, Department of Industrial Relations ("CPI"), for the preceding five (5) years, with the resulting adjusted CPI applied for that year and the four (4) years that follow; provided, however, that the Adjustment Factor shall not be less than one percent (1%) nor more than three percent (3%). The rental amount rate schedule for this Lease through December 31 of the year preceding the next Adjustment Factor calculation date is set forth in Exhibit "C" attached hereto and incorporated herein.

4d. Late Fee; Fees for Denied Payment. Lessee is responsible for timely payment of annual rent and all additional charges, without notice or demand and without deduction, diminution, abatement, counter claim or setoff of any amount for any reason whatsoever, to County.

In the event any payment is not received by County by noon on the fifteenth (15th) day after it is due, Lessee shall, without notice, pay late charges in the amount of Twenty-Five Dollars (\$25.00) each month that the annual payment remains unpaid. If payment remitted by check or other negotiable instrument is presented for payment to the appropriate institution and denied for insufficient funds, such payment shall be subject to a reprocessing fee in the amount of Twenty-Five Dollars (\$25.00).

5. Right of Flight. There is hereby reserved to County, its successors and assigns, for

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the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport. This public right of flight shall include the right to cause within the 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 operating on the Airport.

6. Obligations of Lessee.

6a. Storage and Use of Premises. The Premises shall be used only for the construction, installation, maintenance and repair of an aircraft storage hangar (the "Hangar"), storage of the aircraft of record identified in Exhibit "B" attached hereto and incorporated herein (the "Aircraft"), and otherwise primarily for aeronautical uses. No commercial or business activity of any kind whatsoever shall be conducted or allowed by Lessee in, from or around the Premises. Subleasing of Aircraft storage space, in and of itself, shall not constitute commercial activity for purposes of this paragraph. The Hangar shall not be removed from the Premises by Lessee except as otherwise provided in this Lease.

Lessee shall have and maintain a controlling ownership interest in the Hangar. Any aircraft parked or stored on the Premises for more than five (5) days, which need not be consecutive, in any twelve (12) month period shall be deemed Aircraft subject to this Lease. Lessee shall have and maintain a controlling ownership interest in at least one Aircraft, and Lessee, or a sub-lessee of Lessee, shall have and maintain a controlling ownership interest in each other Aircraft, as evidenced by FAA Aircraft Registration Certificates. "Controlling ownership interest", as used herein, shall mean legal ownership of more than fifty percent (50%); the right to otherwise control the leasing, sale, and management of the subject property, or, in the case of a leased Aircraft, the lessor of the Aircraft or the owner of a controlling ownership interest in the business entity that leases the Aircraft.

In the event additional or substitute Aircraft are to be stored on the Premises, Lessee shall give prior written notice to County which notice shall include identification of the subject Aircraft, a copy of the FAA Aircraft Registration Certificate for the Aircraft, and copies of the insurance certificates required pursuant to Section 12 of this Lease for the Aircraft. Exhibit "B" to this Lease shall then be amended to reflect such additions or substitutions.

6b. Maintenance of Premises. Lessee shall maintain the areas surrounding the Hangar consisting of five (5) feet in the front, rear, and sides of the Hangar in a neat and orderly condition. This includes trash disposal, landscaping, and weed removal. Lessee shall keep such area around the Hangar clean and clear of debris, oil, grease and/or toxic chemicals. Lessee agrees to maintain the Hangar in a clean and orderly condition, and in good and operable repair, at all times, and in accordance with California Department of Industrial Safety and Fire Codes which may apply to aircraft hangar storage and other applicable federal, state and local laws and ordinances. This includes

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exterior painting, wiring and structural repairs as necessary. Lessee shall be responsible for clean-up and maintenance due to fuel or oil spills. Lessee shall take steps to ensure that the performance of any maintenance work conducted on the Premises shall not damage the Premises. Lessee shall become familiar with and shall at all times abide by all of County's rules and regulations related to use of the Hangar and the Premises and the use of any of County's other Airport facilities, whether promulgated before or after the execution of this Lease, and in particular Lessee shall abide by the following regulations (please initial next to each line):

Nw A. There shall be no priming or painting in the Hangar except for touching up minor chips. Except for the foregoing, Lessee shall request in writing permission from County prior to conducting any painting activities on the Premises or at the Airport.

Nw B. Paints, solvents, thinners, and other flammable liquids or materials shall be used only when the Hangar door is completely open to provide ventilation.

Nw C. Combustible materials must be stored in NFPA-approved containers and closed when not in use.

Nw D. Lessee shall not permit any accumulation of oily rags, paper, rubbish, or other debris, nor overload electrical circuits, that could increase the risk for fire.

Nw E. No hazardous or flammable materials shall be stored within or about the Hangar and Premises unless stored within an Environmental Protection Agency or local Fire Marshall approved container/cabinet.

Nw F. No boxes, crates, rubbish, paper or other litter that could cause or support combustion shall be permitted to accumulate within or about the Premises.

6c. Damage to Premises. Lessee shall control the conduct and demeanor of its invitees, agents, and sub-lessees, and their invitees and agents, in and around the Premises and shall take all steps necessary to remove persons whom County may for good and sufficient cause deem objectionable. Lessee shall be responsible for all damage to the Premises caused by the acts, omissions, negligence, or willful misconduct of Lessee, Lessee's invitees and sub-lessees, and their invitees, not to exclude repair of apron in front of the Hangar due to fuel spillage. In the event Lessee does not promptly repair any damage to the Premises or property for which Lessee is responsible, County reserves the right, in addition to any other rights or remedies available to County, to make such repairs, at Lessee's expense, the cost of which shall become due and payable within ten (10) days of billing from County.

6d. Termination and Expiration of This Lease.

(1) Termination. Within sixty (60) days of the termination of this

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Lease, Lessee shall remove, at Lessee's sole expense, the Hangar, the Aircraft, and all of Lessee's personal property from the Premises, and surrender the Premises to County in good and clean condition and repair.

Lessee shall be liable for any and all damage to the Premises caused by Lessee's use including, but not limited to, damage to the apron immediately adjacent to the Premises due to fuel or oil spillage, or contamination from hazardous materials.

In the event Lessee does not remove Lessee's property, including the Hangar and/or the Aircraft, from the Premises within sixty (60) days of the termination of this Lease, County may elect with regard to all or any such property, in County's sole discretion and without further notice to Lessee, to do any of the following: (i) remove such property from the Premises and dispose of it, in which case Lessee shall reimburse County upon demand for all costs of removal and disposal; (ii) take full possession and ownership of such property, in which case Lessee shall not be responsible for removal or disposal cost, nor entitled to any proceeds of any sale or rental by the County of such property; or (iii) in the case of personal property (including the Aircraft, but not including the Hangar), to deem such property abandoned personal property and proceed with notice and foreclosure sale according to and in compliance with the terms of California Civil Code Section 1993, et seq.

(2) Expiration. If this Lease has not been terminated prior to the expiration of the forth (4th) Renewal Term as provided in Section 1 herein, and upon the expiration of the forth (4th) Renewal Term of this Lease, provided that the Renewal Conditions (as defined in Section 1 herein) are met or waived by County in writing and neither party has informed the other in writing of its intent not to renew at least sixty (60) days prior to such expiration, this Lease shall automatically renew for successive one (1) year periods following the procedures set forth in Section 1; provided, however, that either party hereto shall have the right during any of the foregoing one-year Renewal Terms to terminate this Lease for any reason at any time upon sixty (60) days prior written notice to the other party, in which case the provisions of Section 6.d(1) herein shall apply.

7. Compliance with Laws and Regulations. In utilizing the Premises during the term of this Lease, Lessee agrees to comply with the following:

7a. Siskiyou County Code, Title 2 – Chapter 1. – Airports (Exhibit D)

7b. Siskiyou County Code, Title 3 – Chapter 6. – Airports and Aircraft (Exhibit E)

7c. FAA Assurances – Airport Sponsors (Exhibit F)

7d. All applicable ordinances, rules and regulations established by any federal, state or local government agency exercising jurisdiction over the Premises, as the same may be amended from time to time.

7e. Any incidental non-aeronautical use of the Premises shall not interfere with

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the primary aeronautical uses of the Premises.

7f. All security measures that may be imposed from time to time by County or any other applicable governmental agency. If gate codes are used, Lessee shall not be authorized to distribute gate codes to any persons. If Lessee provides any gate code to unauthorized individuals, it shall be considered a material breach of this Lease.

7g. Lessee agrees that County is not responsible for the security of the Aircraft or any property located on the Premises. It is expressly understood that no storage of airplanes, boats, cars, trucks, trailers or mobile homes is permitted outside of the Hangar or anywhere on County's property except designated parking areas for such vehicles or aircraft.

8. Safe Use of Premises. Lessee agrees to make no unlawful, offensive or noxious use of the Premises. In addition, no explosives, firearms, volatile or flammable chemicals or other property which would materially increase the hazard of fires shall be stored at the Premises; provided, however, that up to 20 gallons of aircraft fuel may be stored within the Hangar in compliance with Section 6b(E) herein, on a temporary basis in connection with self-service maintenance activities. No aircraft shall be refueled while said aircraft is within the Hangar or otherwise on the Premises. Any refueling shall occur outside the Premises and fuels shall not be stored at the Premises, other than in the fuel tanks internal to the stored Aircraft. If any Aircraft requires a special grade/type of fuel not provided by County and/or the Fixed Based Operator ("FBO"), if any, all rules and regulations governing the private, non-commercial self-fueling of aircraft shall be followed.

9. Assignment and Sublease. Neither this Lease nor any interest herein shall be assigned, either voluntarily or involuntarily, by Lessee, or by operation of law or otherwise, nor shall the Premises or the Hangar, or any part thereof, be sublet or sold by Lessee without the prior written consent of County. Consent to any such assignment, transfer, sale, or sublease shall not be unreasonably withheld by County provided (a) County receives FAA Certificates of Ownership for all Aircraft contemplated for storage on the Premises, together with copies of the insurance certificates for each Aircraft as required herein, and (b) in the case of an approved assignment and Hangar sale or transfer, the transferee of the Hangar shall execute a new Ground Lease under terms and conditions then being offered by County but with a term ending no later than the expiration date of the then-current Initial Term or Renewal Term, with the same automatic renewal periods as set forth herein, if any remain (and this Ground Lease shall terminate), or, in the case of a sublease, the sub-lessee executes a sublease containing an agreement to be bound by the provisions of this Lease. Any such assignment, transfer, sublease or sale without such prior written consent of County shall be void and County shall have the right to terminate this Lease upon such unapproved assignment, transfer, sublease or sale at its sole discretion.

County shall have the right to assign or transfer County's interest in this Lease or any rights or obligations in or to it. In the event of any such assignment or transfer, Lessee shall look solely to the assignee or transferee for performance of County's

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obligations under this Lease.

The parking or storing of any aircraft in which Lessee does not have a controlling ownership interest on the Premises for more than five (5) days, which need not be consecutive, in any twelve (12) month period shall require a sublease. No sublease of this Lease shall be valid unless the sublease is reduced to writing, and executed by Lessee, County, and the sub-lessee. Copies of all subleases shall be kept on record at the Airport Director's Office.

10. Ownership of Improvements; County's Right to Purchase.

10a. During Lease Term. It is mutually agreed that the Hangar and any other improvements placed upon the Premises shall remain the property of Lessee throughout the term of this Lease. Lessee covenants and agrees not to make material alterations, additions or improvements to the Premises without the prior written approval of County, which approval shall not be unreasonably withheld, and acquisition of the required building permits.

10b. Third Party Offer. If, during the term of this Lease, Lessee should receive a bona fide written offer from a third party to purchase the Hangar, which offer Lessee is inclined to accept, Lessee shall give written notice to County. County shall have the first right of refusal to purchase the Hangar on the same terms and conditions as set forth in such offer. County shall exercise its right to purchase by delivering written notice of intent to purchase to Lessee within thirty (30) days of receipt of Lessee's notice, and County shall complete the purchase within sixty (60) days of County's notice of intent to purchase. The closing of such purchase shall effect an automatic termination of this Lease, and Lessee shall have no further obligation to pay rent.

Notwithstanding the foregoing, this section shall not apply to any offer from, or the sale or transfer of the Hangar to, (i) any immediate family member of Lessee, if Lessee is an individual, (ii) any immediate family member of an individual who holds a controlling interest in Lessee, if Lessee is a business entity, or (iii) any business entity in which any such immediate family member holds a controlling interest. As used herein, "immediate family member" shall mean a child, grandchild, parent, or sibling.

11. Construction of Improvements. The following provisions of this Section 11 are applicable only in the event the Hangar has not yet been erected on the Premises as of the Commencement Date.

11a. Construction. Lessee shall apply for a building permit within six (6) months of the Commencement Date, and shall complete construction, at Lessee's sole cost and expense, of the Hangar, as approved by County, on the Premises within twelve (12) months of the Commencement Date. Lessee shall provide all information required by County for the permit process in a timely manner. If Lessee seeks to have utilities on the Premises, they shall be provided and paid for by Lessee. Evidence of completion shall be the issuance of a Certificate of Occupancy from County. Prior to occupancy,

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Lessee shall present the Airport Director with a copy of the validly issued Certificate of Occupancy. Lessee shall be responsible for obtaining, at Lessee's sole cost and expense, all permits of any kind required by law, including payment of utility and applicable development fees. County shall have the right to control the type of construction, architectural style, size and color of any improvements to the Premises. Prior to developing final working plans, Lessee shall submit preliminary plans to the Siskiyou County Building Department for review and comment. County shall review said plans and advise Lessee of any deficiencies. Lessee shall then make the necessary changes, if any, required for County's approval. After those conditions have been satisfied, County shall notify Lessee in writing that Lessee may proceed with construction.

11b. Surety for Performance and Payment. Before any major work of construction, alteration or repair is commenced on the Premises, Lessee shall furnish County adequate surety for performance and payment in a form acceptable to the County Risk Manager, in an amount not less than the cost of the improvements to be constructed, and which shall remain in effect until the entire cost of the work has been paid in full and the new improvements have been insured as provided in this Lease. County may, but shall not unreasonably, disapprove the surety. The surety shall be deemed approved unless notice of disapproval is given within thirty (30) days after receipt of the proposed surety.

12. Insurance.

12a. Insurance Coverages. Lessee shall obtain and maintain at all times during the term of this Lease, from one or more financially solvent insurance carriers authorized to conduct business in the State of California, general liability insurance, inclusive of aircraft liability and premises liability, with a single limit for bodily injury and property damage of \$1,000,000 per occurrence with the exception of per aircraft passenger sub-limits of \$100,000, insuring Lessee's liability against death and bodily injury to persons, including invitees and passengers, and damage to property.

12b. Certificate of Insurance. County shall be named as an additional insured under the applicable insurance policies as of the Commencement Date, and shall be furnished duly executed certificates of all required insurance, together with satisfactory evidence of the payment of the premiums therefore, prior to the Commencement Date, upon renewals of such policies, no less than thirty (30) days prior to the expiration of the term of such coverage. The insurance policies of Lessee shall further provide at least thirty (30) days advance written notice to County and Lessee of any material change, cancellation, non-renewal or changes adverse to the interest of County or Lessee. It is expressly understood by Lessee that the receipt of any required insurance certificates by County hereunder does not constitute agreement that the insurance requirements of this Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Lease. Further, the failure of County to obtain certificates or other evidence of insurance from Lessee shall not be deemed a waiver by County. Nonconforming insurance shall not relieve Lessee of its obligation to provide the insurance specified herein.

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It is Lessee's responsibility to provide the certificates of insurance with additional insured endorsement on or before the expiration date of Lessee's existing insurance policy. A processing fee of Twenty-Five Dollars (\$25.00) will be charged if the certificate of insurance is not received by County on or before the renewal date.

12c. Waiver of Subrogation. All policies shall expressly waive the underwriter's and insurance carrier's right of subrogation against County and/or its insurance carriers.

12d. Primary Insurance. Lessee's insurance policies shall respond on a primary basis, with any insurance carried by County to be construed as secondary or excess insurance.

12e. Lessee's Liability Not Limited. NOTWITHSTANDING THE PROVISIONS OF THIS SECTION 12, FOR PURPOSES OF THIS LEASE, LESSEE ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS OR TO THE LIMITS REQUIRED HEREIN.

13. Casualty. In the event that the Premises, or the means of access thereto, is damaged by fire or any other cause, the rent payable hereunder shall not abate. In the event of loss of or material damage to the Hangar, Lessee shall repair or replace the Hangar within twenty-one (21) days following written notice to Lessee or, provided that Lessee has in good faith commenced such repair or replacement within such 21-day period, in a reasonable time thereafter. In the event such repair or replacement has not been timely completed as provided in this Section 13, County shall have the rights of entry and repair or replacement granted to it pursuant to Section 17 herein.

14. Liabilities, Indemnities and Force Majure. Lessee shall defend, indemnify and hold harmless County (inclusive of its subsidiaries, affiliates, as now or hereafter constituted) and its officers, directors, agents, employees, and contractors, from and against any and all cost, liability, fine, penalty, damage or injury, including cost of suit and expenses of legal services, claimed or recovered by any person or entity, arising out of or relating to use of the Premises, or any activity, work, or other things done, permitted or suffered by Lessee in, on, or about the Premises by Lessee, its invitees, agents, or sub-lessees, or their invitees or agents, or any breach or default by Lessee in the performance of any obligation of Lessee set forth in this Lease ("Contract Damages"), except in the event that such damages arise from County's sole negligence or willful misconduct.

Further, Lessee shall indemnify County and pay any taxes or penalties imposed by any proper governing authority based upon Lessee's failure to comply or violation of any local, state or federal rule resulting from the improper utilization of the Premises. Any such sum shall be paid within ten (10) days of written demand by County.

Neither party shall be liable for its failure to perform this Lease or for any loss,

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injury, damage or delay of any nature whatsoever resulting from or caused by an act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war, law, regulation, or any other cause beyond such party's control; provided, however, that Lessee shall not be excused for any such reason from its obligation to pay rent in a timely manner as provided herein.

15. Risk of Loss. Lessee bears all risk of loss or damage to the Hangar and any property stored within the Hangar, whether caused by fire, water, earthquake, theft, terrorism, or any other risk. County shall not provide insurance for the Hangar or any property stored therein. Lessee acknowledges that insurance is available from independent insurance companies to protect Lessee in the event of damage or loss.

16. Environmental Responsibilities of Lessee.

16a. Environmental Removal and Disposal. Lessee shall be responsible for the proper removal and disposal of all Hazardous Materials and Toxic Substances, as defined herein, generated by Lessee as a result of Lessee's activities in, on and from the Premises or the Airport, whether during the term or following expiration or termination of this Lease. Lessee shall ensure that removal of such materials and substances from the Hangar and the Airport is accomplished in accordance with Airport, local, state and federal guidelines. Additionally, environmental contamination caused or permitted by Lessee, which impacts the Premises or the Airport as a result of Lessee's improper handling, disposal, release or leakage of any Hazardous Materials and Toxic Substances while utilizing the Premises or Airport shall be the sole responsibility of Lessee. For purposes of this Section 16, "Hazardous Materials and Toxic Substances" shall mean any hazardous or toxic substances, materials, wastes, pollutants or contaminants, as defined, listed or regulated now or in the future by any federal, state or local law, rule, regulation, ordinance, statute or order or by common law decision, including, without limitation, petroleum products or byproducts.

16b. Environmental Indemnification. Lessee shall indemnify, defend and hold harmless County (inclusive of its subsidiaries, affiliates, as now or hereafter constituted) and its officers, directors, agents, employees, and contractors, from and against any and all claims (including, without limitation, third party claims from bodily injury or real or personal property damage), actions, administrative proceedings (including information proceedings), judgments, damages, punitive damages, penalties, fines, taxes and assessments, liabilities (including sums paid in settlement of claims), interest, impairments, losses, fees and expenses (including attorney's fees and expenses incurred in enforcing this provision or collecting any sums due hereunder), consultant and expert fees, together with all other costs and expenses of any kind or nature, including any and all expenses of cleaning up or disposing of any such Hazardous Materials and Toxic Substances arising from or caused by Lessee's use of the Premises or the Airport or Lessee's failure to perform the covenants of this Section 16 ("Environmental Damages"). Lessee shall have no responsibility for any Environmental Damages which preceded the Commencement Date of this Lease. The obligations, covenants and agreements of Lessee contained in this Section 16 shall

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survive expiration or termination of this Lease for any reason.

17. Entry to Hangar; County Repairs. Lessee consents to County's entry onto the Premises and the Hangar, without notice to Lessee, in the case of an emergency which, in County's reasonable determination, poses an imminent health or safety threat to any person or property. Lessee further consents to County's entry onto the Premises and the Hangar if, within twenty-one (21) days following written notice to Lessee of any breach of Section 13 of this Lease relating to casualty, such breach has not been remedied by Lessee. In such event, County shall be entitled to repair, replace, or otherwise remedy any such breach, the cost for which shall be paid by Lessee within ten (10) days of written notice thereof. Under all other circumstances, including inspection to ensure compliance with the terms and provisions of this Lease, Lessee further consents to County's entry onto the Premises and the Hangar with seventy-two (72) hours advance notice by email, or, in the event email notification is unavailable, by mail or by telephone (provided that County actually speaks to Lessee or its authorized representative), as provided in Section 24 herein. County shall further endeavor to schedule such entry onto the Premises and Hangar for a time when Lessee is available to be present.

18. Subordination. This Lease is subject and subordinate to the following:

18a. County reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use or access to the Premises or any of Lessee's rights under this Lease.

18b. County reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

18c. County reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

18d. This Lease is and shall be subordinate to the provisions of existing and future agreements and assurances between County and the United States, the Federal Aviation Administration, or the State of California relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds, state funds, services, or property for the benefit of the Airport.

18e. During national emergency, County shall have the right to lease all or any part of the landing area or the Airport to the United States or the State of California for military use, and if any such lease is executed, the provisions of this Lease insofar as they may be inconsistent with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Lease. Abatement of

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rentals shall be reasonably determined by the County in proportion to the degree of interference with Lessee's use of the Premises.

18f. Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Lease shall grant to Lessee any rights whatsoever in the airspace above the Premises other than those reasonably necessary to Lessee's enjoyment of the Premises and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

18g. This Lease is subject and subordinate to any and all mortgages which may now or hereafter encumber the County's fee simple interest in the Airport real property, and to all renewals, modifications and extensions thereof; provided that with respect to any future mortgage, the subordination described above shall be subject to the following: in the event that any proceedings are brought by the mortgagee (a) to foreclose the mortgage or any renewal, modification, consolidation, replacement or extension thereof, for any reason whatsoever, or (b) to succeed to the interest of County by foreclosure, deed in lieu thereof or otherwise, and provided no uncured event of default under this Lease shall have occurred and be continuing, Lessee's possession of the Premises and Lessee's rights and privileges under this Lease and any extension or extensions thereof shall not be diminished, interfered with or disturbed by the mortgagee. Lessee shall, within seven (7) days after required of County, execute any subordination documents which County or any mortgagee of the Premises may reasonably request, but no such document shall be required to effectuate said subordination. Any such subordination documents shall, as to any future mortgage, comply with the terms of this paragraph.

18h. Lessee understands and accepts County's delegation of the prohibition against exclusive rights in accordance with the obligation set forth in the Federal Aviation Act of 1958, Section 308(a), which states "there shall be no exclusive right for the use of any landing area or air navigation facility upon which federal funds have been expended" and as set forth in 49 United States Codes Section 40107(a)(4) and U.S.C. Section 40103(e). Lessee may not exercise any of its rights or privileges under the Lease in any manner which results in and subjects the public Airport users or tenants to unjust discrimination.

18i. Lessee for himself/herself/itself, and its or their personal representatives, administrators, successors in interest, and assignees, as part of the consideration hereof, does hereby covenant and agree that: (a) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities, in the construction of any improvements on, over, or under Airport land, or in the furnishing of services thereon; and (b) use the Premises shall be in compliance with all other requirements imposed by or pursuant to *Title 49 Code of Federal Regulations Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation* and as outlined in FAA AC 150/5100-15A *CivilRights Requirements for the Airport Improvement Program* and as said regulations may be amended.

18j. Lessee acknowledges that the County is subject to Federal Grant Agreement

County of Siskiyou – Airport Ground Lease

obligations as set forth on Exhibit "F" attached hereto and made a part hereof, and Lessee shall act in compliance therewith.

19. Disclaimer of Liability: COUNTY HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES COUNTY FROM, ANY AND ALL LIABILITY WHETHER IN CONTRACT OR TORT (EXCEPT AS PROVIDED HEREIN) FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, OR ITS EMPLOYEES, AGENTS OR INVITEES, DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF LESSEE THAT MAY BE LOCATED OR STORED ON OR IN THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT.

20. Default. Lessee shall be considered in breach and default of this Lease in the event (each, a "Default") (a) Lessee defaults in its obligation to pay rent and such default continues for fifteen (15) days after written notice thereof from County; (b) Lessee defaults in the performance of any other obligation or violates any other term or provision herein and such default or violation continues for twenty-one (21) days, or is repeated, after written notice thereof from County; (c) Lessee is a corporation, limited liability company, or other business entity and ceases to lawfully exist under the laws of the State of California or the state of its organization; (d) a petition is filed by or against Lessee under any state or federal bankruptcy laws (including a petition for reorganization); or (e) Lessee assigns its property for the benefit of creditors.

In the event that Lessee is in Default of this Lease, then County may, at its option, terminate this Lease upon written notice to Lessee, in which event the provisions of Section 6(d)(1) herein shall apply.

21. Governing Law. This Lease shall be construed in accordance with the laws of the State of California. Venue shall be in the appropriate court in and for Siskiyou County.

22. Relationship of Parties. The relationship between County and Lessee shall always and only be that of lessor and lessee, or landlord and tenant. Lessee shall never at any time during the term of this Lease become the agent of County, and County shall not be responsible for the acts or omissions of Lessee, its employees or agents.

23. Remedies Cumulative. The rights and remedies with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to either party in law or equity.

24. Notices. All notices to be given hereunder shall be in writing and shall be sent by certified mail postage prepaid, addressed as follows:

NOTICE TO LESSOR:

County of Siskiyou – Airport Ground Lease

Email Address: jledbetter@co.siskiyou.ca.us

Telephone: (530) 842-8220

Siskiyou County General Services
190 Greenhorn Rd.
Yreka, CA 96097

NOTICE TO LESSEE:

Email Address: whips@sisqtel.net

Telephone: (530) 468-2230

Name: Ronald S. Whipple

Address: 7827 Island Road

City/State/ZIP: Etna, CA 96027

Any notices permitted or required to be given by the terms of this Lease shall be effective three (3) business days after mailing, or the next business day after emailing.

25. Integration. This Lease constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes all prior or contemporaneous agreements or understandings, whether oral or written, between the parties. Any change or modification hereof must be in writing signed by both parties.

26. Waiver. The waiver by either party of any covenant or condition of this Lease shall not thereafter preclude such party from demanding performance in accordance with the terms thereof. No failure of County to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance by County of full or partial rent during the continuance of any such breach or application of the security deposit in light of any breach, shall constitute a waiver of any such breach or of any such term, covenant, agreement, provision, condition, limitation, right or remedy. No term, covenant, agreement, provision, condition or limitation of this Lease to be kept, observed or performed by County or by Lessee, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by County or by Lessee, as the case may be. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant, agreement, provision, condition and limitation of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

27. Successors Bound. This Lease shall be binding upon and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto.

28. Severability. If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction over the parties and subject matter of this Lease, the entire Lease shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

County of Siskiyou – Airport Ground Lease

29. Time is of the Essence. Time is of the essence in the performance of all of Lessee's obligations under this Lease.

30. Taxes, Assessments and Fees. Lessee agrees to pay all taxes including the possessory interest tax levied by Siskiyou County on hangar lessees. The Lessee of record on January 1st of each year will be billed directly by County. Lessee shall be solely responsible for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Lease upon or against any real property, personal property or equipment located within or upon the Premises which is owned by, leased to or in the care, custody and control of Lessee.

31. Financing Agreements. In order to obtain financing or refinancing for the construction, improvement, repair or sale of the Hangar, which may require encumbrance of the Hangar and/or Lessee's leasehold interest in the Premises, County shall cooperate with Lessee and any lender in the execution of an amendment to this Lease setting forth such lender's financing terms and conditions, and County shall not unreasonably withhold its consent to such financing terms and conditions.

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

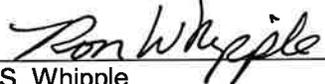
SIGNATURE PAGE FOLLOWS

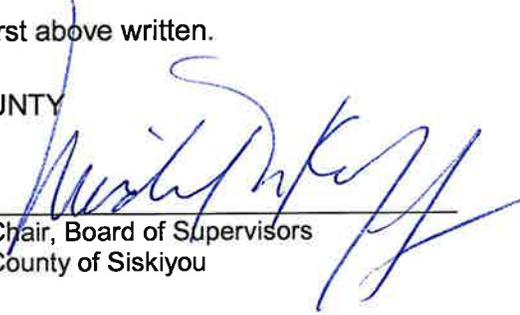
County of Siskiyou – Airport Ground Lease

Executed in Yreka, California, on the date and year first above written.

LESSEE

COUNTY

By: 
Ronald S. Whipple

By: 
Chair, Board of Supervisors
County of Siskiyou

Date: 7-20-2020

Tax ID: NA

Attest:
Laura Bynum
Clerk, Board of Supervisors

By: 
Deputy

ACCOUNTING:

Fund	Org	Account	Amount	FY
5230	302040	531100	\$ 615.00	20/21
5230	302040	531100	\$ 627.24	21/22
5230	302040	531100	\$ 639.73	22/23
5230	302040	531100	\$ 652.47	23/24

Tenant will receive a letter from County every five years with the amount for future lease payments.