



COUNTY OF SAN MATEO

LEASE AGREEMENT

No. 5343

between

COUNTY OF SAN MATEO,

As County

and

San Carlos Flight Center, Inc.

As Tenant

For the leasing of

The Skyway Building, Suite A

795 Skyway Road

San Carlos, California 94070

## LEASE AGREEMENT NO. 5343

THIS LEASE AGREEMENT (“Lease or Agreement”), dated for reference purposes only as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020, is made by and between San Carlos Flight Center, Inc., a California Corporation (“Tenant”), and the COUNTY OF SAN MATEO, a political subdivision of the State of California (“County”).

Tenant and County hereby agree as follows:

### 1. PROPERTY AND PREMISES

#### 1.1. Property

County is the owner of the office building located at 795 Skyway, in San Carlos California, (the “Property”).

#### 1.2. Leased Premises

County does hereby lease to Tenant and Tenant hereby leases from County, subject to the provisions of this Lease, the premises known as Suite A situated on a portion of the Property (“Premises”). The Premises consists of exclusive use of 2,125 square feet of office area, 1,202 square feet of classroom and shared use of 53 square feet of common accessible restrooms and does not include aircraft parking or hangar space. The Premises and all exclusive and common areas of the Premises are shown in Exhibit A, attached hereto and incorporated herein by reference.

The Tenant shall have non-exclusive use of all facilities on the Airport, which are normally open to and usable by the public, subject to the County Airport Minimum Standards and Airport rules and regulations as amended from time to time (See comment). Tenant’s use of the Premises shall also be subject to the Standard Provisions for all Leases, Use, and Other Agreements and Permits San Mateo County Airports, as shown on Exhibit B, attached hereto and incorporated herein by reference.

The County’s Airport Minimum Standards and Airport rules and regulations as amended from time to time can be found at the following URL or upon request from the Airport Office:

<https://publicworks.smcgov.org/airport-forms-and-documents/>

Nothing contained herein shall be construed to authorize Tenant’s use of other portions of the building or land outside of the Premises as described, or any other facilities or privileges used for which County routinely charges (the “Airport Services”). Any use of Airport Services shall be by separate agreement at standard rates charged by County.

### **1.3. Relocation of Premises**

County and Tenant acknowledge that County may, but is not required to, improve and/or replace the existing building in which the Premises are located during the initial Term or any Extended Term, as defined herein. In the event County initiates a construction project to improve or replace the building during the term of this Lease Agreement, County shall provide Tenant with sixty (60) days written notice and include replacement space intended to be used by Tenant (the "Replacement Premises"). During construction, County shall use all efforts to minimize disturbance to Tenant's business, and, upon completion of construction, Tenant shall have the first right of refusal to relocate its business to the Replacement Premises.

County shall not be responsible to compensate Tenant for Tenant's loss of use of the Premises, loss of revenue, or any inconvenience or annoyance as a result of such relocation; however, Tenant's rent shall be abated during any closures of Tenant's business resulting from County's closure of the existing building for construction if no Replacement Premises are available. In the event Tenant chooses not to exercise its first right of refusal to lease the Replacement Premises, Tenant may terminate this Agreement on (60) days written notice to County, and neither party shall incur any liability therefor.

### **1.4. Parking**

Tenant shall ensure that its vehicles and those of its agents and customers are parked in areas and locations as approved by the County. Tenant shall have the non-exclusive use of the general parking areas of the Property for the reasonable use of its employees, invitees, and other guests. All such parking shall be subject to the County Airports Vehicle Parking Policy as updated from time to time. No vehicle offered for sale by Tenant shall be parked or stored in the general parking areas of the Property.

The County Airports Vehicle Parking Policy as amended from time to time can be found at the following URL or upon request from the Airport Office:

<https://publicworks.smcgov.org/airport-forms-and-documents/>

### **1.5. Common Areas of Airport Facility**

County shall allow Tenant use of facilities on the Airport, which are normally open to and usable by the public, subject to Airport rules and regulations. Non-exclusive use of the common areas of the Terminal Building and parking facilities, subject to the provisions of Exhibit C, Special Requirements/Conditions.

## **2. PURPOSE AND USE**

Tenant shall have the right to use the exclusive and common areas of the Premises as shown and described on Exhibit A to operate, manage and maintain aviation related activities including

aircraft flight training, rentals, aerial tours and related activities in accordance with approved Concession Agreement with the County and the Airport Minimum Standards as amended from time to time. Non-exclusive use of common areas and parking facilities are subject to the provisions of Exhibit C, Special Requirements/Conditions To Airports Lease Agreements, attached hereto and incorporated herein by reference.

Tenant has examined the Premises and determined that the Premises are suitable for the needs and operations of Tenant. Tenant hereby accepts the Premises in their AS IS condition and acknowledges that COUNTY makes no warranties or representations regarding the condition of the Premises or any of the improvements or fixtures attached thereto.

**3. TERM**

**3.1. Term of the Lease**

The term of this Lease shall be for an initial term (“Initial Term”) of approximately twelve (12) months, effective on the date the Lease is fully executed by both Tenant and County (the “Possession Date”) and shall expire on August 31, 2021 (the “Expiration Date”).

**3.2. Extension Option**

Tenant shall have the right to request to extend the Term of this Lease (“Extension Option”) for one additional term of twelve (12) months (“Extended Term”). Such Extension Option is subject to approval by the County Manager, or designee, and shall be on all of the same terms and conditions contained in this Lease except that the rent for the Extended Term shall be as set forth in Section 4.5, *Rental Adjustments*. Tenant may request to exercise the Extension Option by giving written notice to County no later than sixty (60) days and no earlier than twelve ninety (90) days prior to expiration of the Term; provided, however, if Tenant is in material default under this Lease on the date of giving such notice and fails to cure such default as set forth in Section 26, *NOTICES*, County may reject such exercise by delivering written notice thereof to Tenant promptly after such failure to cure.

**4. RENT**

**4.1. Base Rent**

Beginning on the Possession Date, Tenant shall pay to County during the Initial Term, the monthly base rent of \$6,598.20 (“Base Rent”) on or before the first day of the first full calendar month of the term. The Base Rent is calculated based on the following:

\$2.20/ square foot	Office space	2125sf.	\$4,675.00
\$1.60/ square foot	Classroom	1202sf.	\$1,923.20
Total monthly Base Rent:			\$6,598.20

The Base Rent shall be subject to adjustment as set forth in Section 4.5, Rental Adjustments hereof.

**4.2. Utility Charge**

Tenant agrees to pay to County for their portion of utilities for common areas of the Terminal Building as determined by County and estimated to be \$838.11 per month. The Utility Charge is calculated based on the following:

\$0.25/ square foot	Leased Premises	3327 sf.	\$831.75
\$0.12/ square foot	Common-use area	53 sf.	\$6.36
Total monthly Utility Charge:			\$838.11

Monthly Utility Charge is based on an annual average and may be adjusted annually to reflect actual usage and costs.

**4.3. Payment of Rent**

The Base Rent, Utility Charge and other amounts due are collectively referred to herein as "Rent." Tenant agrees to pay Rent and other fees on or before the first day of each month. The Base Rent shall be subject to adjustments as set forth in Section 4.5 (Rental Adjustments). Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein on a per diem basis, based upon a thirty (30) day month. Said rental shall be paid to County at:

County of San Mateo  
Department of Public Works, Airports Division  
620 Airport Drive, Suite 10  
San Carlos, CA 94070

or to such other person or at such other place as County may from time to time designate in writing.

County shall not be required to invoice Tenant for payment of rent or other fees due hereunder. Tenant shall be responsible for payment of all fees due without prior notice or demand. Any amount due which is not paid shall be subject to late fees per Section 4.4, *Late Charges*.

**4.4. Late Charges**

Tenant hereby acknowledges that Rent and other fees due are considered late and delinquent if County has not received payment within ten (10) days after the date said payment is due.

Furthermore, Tenant hereby acknowledges that County will charge a late charge equal to six percent (6%) of the total balance due at that time or Fifty Dollars (\$50.00), whichever is greater ("Late Charge"). A Late Charge shall be applied for each month rent is delinquent. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that County will incur by reason of the late payment by Tenant. Acceptance of late charges by County shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent County from exercising any of the other rights and remedies granted hereunder.

Tenant agrees to pay County a special handling charge of Fifty Dollars (\$50.00) for any check dishonored by the bank for any reason. This charge shall be added to and become part of Tenant's obligations hereunder and shall be in addition to any charge for late payment provided for herein. Tenant agrees to pay County immediately upon request any and all charges for dishonored checks.

In the event any two payments are delinquent in a twelve-month period, County may require Tenant to make future payments quarterly in advance for a 24-month probationary period. If Tenant fails to make any payments on time during the probationary period, such failure shall constitute a default as defined in Section 14, *DEFAULT* of this agreement.

#### **4.5. Rental Adjustments**

Beginning on July 1, 2021, and on the 1st day of July of each year of the term of this Lease, including any Extended Term or holdover period as set forth herein, the Base Rent as set forth in Section 4.1, *Base Rent*, for the following twelve month period shall be adjusted to equal one hundred three percent (103%) of the Base Rent, rounded to the nearest dollar, for the lease year preceding such Adjustment Date.

#### **4.6. Janitorial and Landscaping Services**

Tenant shall provide janitorial services sufficient to maintain the entirety of the Premises, including but not limited to exclusive-use restrooms, kitchen, entry ways, and outdoor seating area(s), in a clean and well-maintained condition. If County determines that Tenant has failed to maintain the Premises appropriately, it shall provide written notice of specific violations. Tenant shall have thirty (30) days from receipt of such notice to dispute or correct listed violations, after which time, if Tenant fails to bring the Premises maintenance into compliance, County may provide such services at the Tenant's expense and invoice Tenant separately for such services.

Tenant shall be responsible for the maintenance and upkeep of landscaping adjacent to the building, shown on Exhibit A as "Landscaped Areas", at its sole expense. Any alterations or additions to the existing landscaping shall be approved in advance by County. Tenant shall ensure that landscaping is maintained to standards reasonably acceptable to County. If County determines that Tenant failed to maintain property adjacent to the Premises, County shall provide written notice of specific violations, wherein Tenant shall have thirty (30) days from receipt of such

notice to correct the listed violations. If Tenant fails to bring landscaping into compliance, County may provide such services at Tenant's expense and invoice Tenant separately for those services.

## **5. ASSESSMENTS/TAXES**

Tenant shall pay all federal, state and local taxes that are levied or required with respect to its operations and employees, such as, but not limited to, social security and workers' compensation. As between Tenant and County, Tenant shall be responsible for the payment of all sales or excise taxes on its operation.

### **5.1. Possessory Interest Tax**

Tenant recognizes and understands in executing this Lease that its interest in the Premises created herein may be subject to a "possessory interest tax" that the County Assessor may impose on such interest, and any such tax would be the liability of and be paid solely by Tenant in addition to Rent and other charges due hereunder. Tenant agrees to pay promptly when due, any possessory interest tax imposed on its interest in the Premises.

## **6. MAINTENANCE AND REPAIRS**

Throughout the term of this Lease, Tenant shall, at Tenant's sole expense, maintain the Premises and any improvements (including windows, doors, interior walls and wall coverings, interior lighting, flooring, equipment, trade fixtures, drop ceiling support and tiles), building systems including hot-water heaters, plumbing, traps, and electrical systems within the Premises or related to Tenant's operation, except as specifically set forth as County's responsibility, in good sanitary order, condition and repair, ordinary wear and tear excepted, and in accordance with all applicable laws, codes, rules, ordinances, orders and regulations of (1) federal, state, county, municipal or other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (3) all insurance companies insuring all or any part of the Premises, or improvements, equipment, and other personal property at the Premises. All repairs and maintenance shall be the sole duty of the Tenant and at the Tenant's sole expense. Notwithstanding, if, during the Initial Term or Extended Term, as defined in Section 3 hereof, Tenant's repair costs exceed the sum of \$5,000, County and Tenant shall each pay 50% of such cost exceeding \$5,000. In such an event, Tenant shall receive written approval from County of County's agreement to contribute 50% of the cost of those repairs exceeding \$5,000, prior to Tenant contracting for repairs. Otherwise, County shall not be liable for any costs of repairs pursuant to this Section. This provision shall not apply to Tenant's obligations regarding maintenance set forth in this Section.

Neither offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard shall ever be permitted to accumulate or remain at the Premises. The Premises shall be kept at all times in an orderly manner to the complete

satisfaction of County. Tenant shall be responsible for the costs and coordination of all necessary pest and vermin control services within the Premises or related to Tenant's operation.

Tenant shall, upon the expiration or termination of this Lease, surrender the Premises to County in good condition, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted.

#### **6.1. Structural Repairs by County**

County shall repair and maintain the common areas, walkways and exterior siding and trim of the building. County shall also repair and maintain the roof, basic plumbing outside of the Premises, electrical systems outside of the Premises and slab concrete installed or furnished by County, unless the need for such maintenance and repairs is caused in part or in whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to County the reasonable cost of such maintenance and repairs. County shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to County by Tenant.

#### **6.2. Alterations and Additions**

Tenant shall not make any structural, electrical, plumbing or exterior alterations to the Premises without County's prior written consent. Tenant, at its sole cost and expense, shall have the right to make, with County's consent, alterations to the interior and exterior of the Premises that Tenant requires in order to conduct its business on the Premises. Tenant shall not be required to obtain permission from County to make minor, non-structural alterations to Premises including interior and exterior painting, installation of display cases and cabinets, shelving, draperies, light fixtures, or other storage system or décor elements, and installation of office equipment and trade fixtures. In making any structural, electrical, or plumbing alterations to the Premises, Tenant shall comply with the following:

- a. Tenant shall submit detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.
- b. The alterations shall not be commenced until ten (10) days after County has received notice from Tenant stating the date the installation of the alterations is to commence so that County can post and record an appropriate notice of non-responsibility.
- c. The alterations shall be approved by County and all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.
- d. All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings, applicable laws and airport construction requirements.
- e. Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of this Lease, except that County can elect within thirty (30) days before the

expiration of the term, or within ten (10) days after termination of the term, to require Tenant to remove any alterations that Tenant has made to the Premises. If County so elects, Tenant at its cost shall restore the Premises to the condition designated by County in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later. Alternatively, Tenant may request County consider said alteration as a fixture to the Premises and request written assurance from County the alteration or fixture will not be required to be removed by Tenant at the end of the Term.

## **7. DAMAGE OR DESTRUCTION**

If, during this Lease, any County-owned improvements that are a part of the Premises are damaged from any cause, rendering the Premises totally or partially inaccessible or unusable, either party may terminate this Lease by giving notice to the other party. If County chooses to restore such improvements within a reasonable time and, if so restored, and both parties agree in writing, this Lease shall continue in full force and effect. If then existing laws do not permit restoration, either party may terminate this Lease immediately by giving notice to the other party.

In case of damage there shall be an abatement of rent, between the date of the damage and the date of completion of restoration, based on the extent to which the damage interferes with Tenant's use of the Premises. If restorable damage to said improvements is due to the fault or neglect of Tenant, its agents, contractors, employees or invites, there shall not be an abatement or reduction of rent. Tenant shall be responsible for the cost of such required restoration or repairs caused by the fault or neglect of the Tenant, its agents, contractors, employees or invitees.

County shall not be required to restore or replace any panels, decoration, office fixtures, railings, floor covering, partitions, or any other property installed in the Premises by Tenant. Tenant shall not be entitled to any compensation or damages from County for loss of the use of the whole or any part of the Premises, Tenant's personal property, loss of revenue, or any inconvenience or annoyance occasioned by such damage or restoration.

## **8. SURRENDER OF PREMISES**

At the expiration or earlier termination of this Lease, Tenant shall surrender to County possession of the Premises. Tenant shall leave the Premises in good condition, except as may be specifically provided to the contrary in other provisions of this Lease. All property that Tenant is required to surrender shall become County's property at the expiration or termination of this Lease. All property, including Tenant's personal property, that Tenant is not required to surrender but that Tenant abandons by leaving it on the Property for more than 10 days following the expiration or earlier termination of this Lease, shall, at County's election, become County's property at the expiration or termination of this Lease.

## **9. ENTRY BY COUNTY**

County reserves and shall at any and all reasonable times have the right to enter common/shared areas of the Premises. Upon reasonable notice to Tenant, County shall have the right to inspect common or leased areas of Premises, supply any services to be provided by

County to Tenant hereunder, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve, repair or restore the Premises as County may deem necessary or desirable. Such entry shall not result in abatement of rent. For each of the aforesaid purposes, County shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, cabinets, equipment, safes and files, and County shall have the right to use any and all means which County may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by County by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into the Premises, or an eviction of Tenant from the Premises or any portion thereof.

## **10. RESERVATIONS**

This Lease shall, at all times, be subject to such easements or rights-of-way for pipelines, conduits, and for data, telephone, light, heat or power lines, as shall have been duly established or as may from time to time be reasonably determined by County.

This Lease is subsequent to and subject to all prior exceptions, reservations, grants, easements, leases or licenses of any kind whatsoever as the same appear on record in the office of the County Recorder, County of San Mateo, State of California, or in the official records of said County and of the various departments thereof. Tenant covenants not to disturb the quiet and peaceful enjoyment of any and all parties having any legal right, title, interest or privilege in and to the Premises and that the use of the Premises by Tenant shall at all times be conducted with proper regard for such rights, titles, interests and privileges.

It is specifically understood and agreed that any and all of the terms and conditions of this Lease are subordinate to all rights of the United States Government to use the Airport in times of war or national emergency.

## **11. CONSENT OF PARTIES**

Whenever the consent, approval or permission of either party is required, that party shall not unreasonably delay or withhold such consent, approval or permission.

## **12. DEFAULT**

### **12.1. Default by Tenant**

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

1. The vacating or abandonment of the Premises by Tenant. Failure to use or occupy the Premises for fifteen (15) consecutive days, without prior notice to the County, shall be deemed a vacation or abandonment.

2. The failure by Tenant to make any payment of rent, concession, taxes, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after notice thereof by County to Tenant.
3. Non-compliance with the County Airport Minimum Standards and/or rules and regulations, as amended from time to time, where such failure shall continue for a period of ten (10) days after notice thereof by County to Tenant.
4. The failure by Tenant to observe or perform any of the terms, covenants or conditions of this Lease to be observed or performed by Tenant, other than described hereinabove, where such failure shall continue for a period of thirty (30) days after notice thereof by County to Tenant; provided, however, that if the nature of Tenant's default and breach is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default and breach if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion within ninety (90) days.
5. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's personal property at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of a Tenant's personal property at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

## **12.2. County's Remedies**

In the event of any such default and breach by Tenant described hereinabove, County may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to County. In the event Tenant shall have abandoned the Premises, County shall have the option to either (1) take possession of the Premises and recover from Tenant the amount of rent owed, or (2) pursue any other remedy now or hereafter available to County under applicable laws and judicial decisions.

## **13. INDEMNIFICATION AND INSURANCE**

### **13.1. Hold Harmless**

Tenant shall at all times relieve, indemnify, protect and hold harmless, County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from the operation, maintenance, use, or occupation of the Premises and defects on the property in which the County has no control; the acts or omissions of Tenant, its officers, agents, employees, servants, invitees or permittees; or the failure of Tenant, its officers, agents, employees, servants, invitees or permittees, to observe or abide by any of the terms, covenants

and conditions of this Lease or any applicable federal, state, county or municipal law, rule, or regulation, brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees, officers, or agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging; or

(C) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Tenant's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Tenant to relieve, indemnify, protect and hold harmless, as set forth hereinabove, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

### **13.2. Minimum Insurance Coverage**

Minimum Insurance Requirements will be determined from time to time by the County's Risk Manager and may be updated based on assessed risk as necessary. All Commercial Operators must satisfy the minimum requirements set by the Risk Manager with insurance from a company or companies who are authorized to write such insurance in the State of California (with an A.M. Best rating of A- or above) or be approved in writing by the County.

The County's Minimum Insurance Requirements for Commercial Aeronautical Operators can be found in the Airport Minimum Standards at the following URL or any time upon request:

[https://publicworks.smcgov.org/sites/publicworks.smcgov.org/files/20190129\\_att\\_Airport%20Compliance%20Documents%20-%20Minimum%20Standards.pdf](https://publicworks.smcgov.org/sites/publicworks.smcgov.org/files/20190129_att_Airport%20Compliance%20Documents%20-%20Minimum%20Standards.pdf)

Type of Business	Insurance	Minimum Requirement(s)
All Businesses	General Liability	<ul style="list-style-type: none"> <li>The General Liability coverage shall include operations while on an airport and be set at a minimum of \$1,000,000 per occurrence</li> <li>The County of San Mateo shall be named as an Additional Insured</li> <li>Primary and non-contributory</li> <li>The policy shall not be cancelled or non-renewed unless the County has received 30 days prior written notice (10-day prior notice in the event of cancellation for nonpayment of premium is acceptable). Written notice shall be sent to: County of San Mateo Airports, 620 Airport Way, Suite 10, San Carlos, CA 94070</li> </ul>
Businesses that Take Control of Customers Aircraft	Hangar Keepers	<ul style="list-style-type: none"> <li>Hangar-Keepers coverage in the minimum of \$100,000 each aircraft and \$300,000 each occurrence or coverage sufficient to replace aircraft and contents stored in hangar, whichever is greater</li> </ul>
Businesses that Provide Repair or Maintenance Services, Fuel Service or Sales	Products and Completed Operations	<ul style="list-style-type: none"> <li>Products and Completed Operations coverage in the minimums of \$1,000,000 each occurrence</li> </ul>
Businesses that Operate Vehicles on the Airport	Commercial Automobile Liability	<ul style="list-style-type: none"> <li>Commercial Automobile Liability coverage for all Owned, Non-Owned and Hired automobiles in the minimums of \$1,000,000 each accident for bodily injury and property damage</li> </ul>
Businesses that Operate Aircraft	Aircraft Liability	<ul style="list-style-type: none"> <li>Aircraft Liability coverage in the minimum amount of \$1,000,000 Combined Single Limit (CSL) Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for Owned, Non-Owned or Leased aircraft</li> </ul>
Businesses that have Employees	Worker's Compensation	<ul style="list-style-type: none"> <li>Must meet minimum level set by the State</li> </ul>
Businesses whose Premises Contains Known Environmental Contaminants	Environmental Liability Insurance	<ul style="list-style-type: none"> <li>Coverage shall be appropriate for type and level of environmental contaminant</li> </ul>

### 13.3. Certificate of Insurance

A certificate of insurance naming the County as an “additional insured”, together with evidence of payment of premium, shall be deposited with County at the commencement of this Lease, and on renewal of the policy not less than twenty (20) days before expiration of each policy.

In the event Tenant fails to deliver the certificate of insurance verifying insurance coverage as required in this Section, County shall have the option, after a ten (10) day notice to Tenant requesting a certificate, either (a) to terminate this Lease immediately thereafter with a notice to

Tenant, or (b) to take out all or part of the required insurance and pay the premium thereon on behalf of Tenant. If County opts to take out the insurance on behalf of Tenant, the cost of the premium paid by County shall be deemed additional rent due and payable by Tenant with the next regular rent payment.

## **14. HAZARDOUS MATERIALS / STORMWATER**

### **14.1 Hazardous Materials Activity**

Tenant may not store, handle or generate hazardous materials/waste/underground tanks on the property unless Tenant has completed and filed a San Mateo County Hazardous Materials Release Response Plan and Inventory ("Business Plan") with the San Mateo County Environmental Health Department, and received written consent from County as landlord.

Hazardous material means any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the work place or the environment. Hazardous materials include, but are not limited to, hazardous substances, hazardous waste, and any material which a handler or the administering agency has a reasonable basis for believing that it would be injurious to the health and safety of persons or harmful to the environment if released into the work place or the environment. Examples of such hazardous materials are, but are not limited to: waste oil, grease, solvents, gasoline and compressed gases.

If Tenant does store, handle or generate hazardous materials/waste, or operate an underground storage tank, Tenant must do so in compliance with all state and federal regulations regarding hazardous materials, including but not limited to, California Health and Safety Code, Chapters 6.5, Sections 25100-25249, California Code of Regulations Title 26 and Code of Federal Regulations Section 40 Parts 240-281. Tenant shall be in default hereunder in the event of Tenant's failure to (1) file the Business Plan, (2) follow the Business Plan, and (3) comply with applicable State and Federal statutes regarding the handling of hazardous materials/waste/underground tanks. In addition, County may exercise any rights applicable under State and Federal law, in regard to requiring Tenant to be responsible for disposal or removal of the hazardous materials/waste/underground tanks in a safe manner.

If Tenant does not intend to and will not store, handle hazardous materials/underground tanks or general hazardous waste, then Tenant must complete and file a "Hazardous Materials Negative Response Form" to that effect with the San Mateo County Environmental Health Department. If, at any time during the term of this Agreement, Tenant commences activity that would involve the handling, storage or generation of hazardous materials/waste/underground tanks, Tenant must follow the directives set forth above.

## **14.2 Stormwater Compliance**

The County has a National Pollutant Discharge Elimination System ("NPDES") Permit from the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), regarding stormwater discharge from the Airport, which includes stormwater discharge and runoff. Tenant shall comply with all laws, rules, regulations, requirements, administrative orders and/or programs imposed upon Tenant or County by the RWQCB or any other governmental entity, regarding runoff and stormwater discharge on the Airport. Tenant shall pay any cost that County incurs to take any compliance action on the Airport as a result of Tenant's failure to comply with such laws, regulations, requirements, administrative orders and/or programs. Nothing in this section shall be interpreted as a waiver of any NPDES permits required by the RWQCB for activities not covered by the County's permit.

## **15. COMPLIANCE WITH AIRPORT RULES AND REGULATIONS, MINIMUM STANDARDS, AND STANDARD PROVISIONS FOR LEASES**

Tenant agrees to comply with all San Mateo County Airport ordinances, resolutions, rules and regulations, and at all times to cooperate with County in its operation and management of said airport. Tenant shall notify all users of its facilities of all applicable rules and regulations.

Tenant shall comply with the standard provisions for all leases of airport land promulgated by the Federal Aviation Administration, as set forth in the attached Exhibit B, and as those provisions may be revised from time to time.

Tenant shall comply with the Airport Minimum Standards for Aircraft Rental or Flight Training Operator as amended from time to time by the Board of Supervisors affecting all operators on County Airports holding concessions similar to Tenant's. The Minimum Standards can be found at the following URL and are available any time upon request;

[https://publicworks.smcgov.org/sites/publicworks.smcgov.org/files/20190129\\_att\\_Airport%20Compliance%20Documents%20-%20Minimum%20Standards.pdf](https://publicworks.smcgov.org/sites/publicworks.smcgov.org/files/20190129_att_Airport%20Compliance%20Documents%20-%20Minimum%20Standards.pdf)

Tenant recognizes that it has full responsibility for meeting these Standards. Should these Minimum Standards be amended, the Tenant shall have ninety (90) days to meet the new Minimum Standards. Should the tenant be unable to meet the new Minimum Standards, the Tenant shall be determined to be in default of this Lease.

Tenant shall notify all users of its facilities and pilots of aircraft as to all applicable rules and regulations and policies and require users and pilots to comply with them.

## **16. NON-ABROGATION OF UNITED STATES GOVERNMENT RIGHTS**

The provisions of this Agreement in no way abrogate any rights vested in the United States of America relative to the airport as such rights exist between the United States of America and the County of San Mateo.

## **17. HOLDING OVER**

If Tenant holds over after the expiration or earlier termination of the term hereof without the express written consent of County, Tenant shall become a tenant at sufferance only, at the monthly rental rate of one hundred fifty per cent (150%) of the Base Rent in effect upon the date of such expiration and otherwise upon the terms, covenants and conditions herein specified, so far as applicable. Acceptance by County of monthly payments after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal, or otherwise waive County's right to the increase in Base Rent set forth in this Section. The foregoing provisions of this paragraph are in addition to and do not affect County's right of re-entry or any other rights of County hereunder or as otherwise provided by law.

## **18. ASSIGNMENT AND SUBLETTING**

Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without the written consent of Landlord first had and obtained, which consent may be withheld at the sole discretion of the County, and a consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be voidable, and shall, at the option of Landlord, constitute a default under this Lease.

If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least 51 percent of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 10% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to corporations the stock of which is traded through an exchange or over the counter.

## **19. SAN MATEO COUNTY NO SMOKING ORDINANCE**

Tenant is aware that on April 18, 2006, the County of San Mateo modified its Ordinance Code, adopting Section 4.96.040, which prohibits smoking in all County facilities whether owned or leased. Tenant understands that said Ordinance authorizes County to enforce the provisions contained therein and Tenant agrees to enforce the provisions of said ordinance on the Premises.

## **20. OPERATION OF RADIO EQUIPMENT**

Tenant shall not operate any radio equipment at the airport transmitting electronic signals, which might interfere with operations of the Airport Control Tower, UNICOM, County Radios or other electronic transmissions essential to the operation of the airport.

## **21. CLOSING OF BUILDING FOR MAINTENANCE AND CONSTRUCTION**

County may be required to close the building for necessary maintenance or construction. Should any such closure of the building materially disrupt Tenant's ability to do business, Tenant shall be entitled to request rent abatement from County for loss of the use of the whole or any part of the Premises, which may include abatement or reduction of rent for the square footage area(s) of the Premises or common areas affected by any such maintenance or construction for the entire period that such areas are disrupted, but shall not include compensation for loss of business, lost profits, or other consequential damages. Rent abatement shall only apply if no Replacement Premises are offered to Tenant pursuant to Section 1.3 hereof. County shall provide Tenant written notice of any such closure, including the expected start time, duration and impact of said closure of the Premises or common areas. Notwithstanding the foregoing, Tenant shall not be entitled to any compensation from County pursuant to this Section for any disruption to Tenant's business from Airfield operations or closures, or special events held at the Airport.

## **22. LAWS, RULES, REGULATIONS AND PERMITS**

Tenant shall construct any improvements, use, maintain and occupy the Premises in compliance with all applicable laws, rules, and regulations, including all applicable Federal Aviation Administration (FAA) regulations. These include but are not limited to the applicable provisions of the Federal and State Occupational Safety and Health Act (OSHA), the Americans with Disabilities Act (ADA) and the Airport Rules and Regulations as amended from time to time (Exhibit B). Tenant shall ensure, at its sole cost, that the Premises complies with all applicable rules, regulations and codes prior to commencing operations. The cost for all permits, licenses, etc., shall be borne solely by Tenant.

## **23. PERSONAL PROPERTY**

Tenant's personal property shall include equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including trade fixtures. Trade fixtures include any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use.

## **24. NOTICES**

Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either sent by email from and to the email addresses set forth herein this section, served personally or sent by prepaid mail, and if given by mail shall be deemed sufficiently given when sent by

registered or certified mail. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give by mail to the other party shall be addressed to the other party at the address set forth herein this Section. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this Section.

COUNTY: County of San Mateo  
County Manager's Office, Real Property Division  
Attn: Real Property Manager  
555 County Center, 4th Floor  
Redwood City, CA 94063  
Phone: (650) 363-4047  
[dgrady@smcgov.org](mailto:dgrady@smcgov.org)

With a copy to:  
County of San Mateo  
Department of Public Works, Airports Division  
Attn: Airport Manager  
620 Airport Drive  
San Carlos, CA 94070  
Phone: (650) 573-3700  
[gkelly@smcgov.org](mailto:gkelly@smcgov.org) and [airports@smcgov.org](mailto:airports@smcgov.org)

and  
Office of County Counsel  
400 County Center, 6th Floor  
Redwood City, CA 94063

TENANT: San Carlos Flight Center, Inc.  
795 Skyway Road, Suite A  
San Carlos, CA 94070  
Phone: (650) 596-1700  
Email: [info@sancarlosflight.com](mailto:info@sancarlosflight.com)

## **25. LIENS**

Tenant shall keep the Premises, free from any liens arising out of the work performed, materials furnished, or obligations incurred by Tenant.

## **26. GENERAL PROVISIONS.**

### **26.1. Compliance with Law**

In addition to the provisions of Section 22 hereof, Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether County be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between County and Tenant.

### **26.2. Authority of Parties**

- (i) Corporate Authority. If Tenant is a corporation, each party executing this Lease on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted Resolution of the Board of Directors of the corporation or in accordance with the By-Laws of the corporation, and that this Lease is binding upon the corporation in accordance with its terms.
- (ii) Partnership. If Tenant is a partnership or other unincorporated association, each party executing this Lease on behalf of the partnership or other association represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the partnership or association, in accordance with the partnership agreement or the agreement of said association.
- (iii) Authorized Lease Representative of the County of San Mateo. The County Manager, or the designee of the County Manager, shall be the only authorized agent of the County of San Mateo for purposes of giving any notices or exercising any rights, options, privileges or obligations of the County of San Mateo under this Lease. This Lease shall not be valid unless executed by the President of the Board of Supervisors of the County of San Mateo, or the County Manager, or designee, pursuant to a Resolution adopted in accordance with the California Government Code.

### **26.3. Other Terms**

All attachments and exhibits referenced in or affixed to this Lease are a part hereof.

### **26.4. Waiver**

The waiver by either party of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by County shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of County's knowledge of such preceding breach at the time of the acceptance of such rent.

**26.5. Joint Obligation**

"Party" shall mean County or Tenant, and any successors and assigns; and if there be more than one Tenant, the obligations hereunder imposed upon Tenants or County shall be joint and several.

**26.6. Successors and Assigns**

The terms, covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

**26.7. Recordation**

Neither County nor Tenant shall record this Lease.

**26.8. Prior Agreements**

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

**26.9. Inability to perform**

This Lease and the obligations of Tenant hereunder shall not be affected or impaired because County is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of County.

**26.10. Negation of Partnership**

County shall not become or be deemed a partner or a joint venture with Tenant by reasons of the provisions of this Lease.

**26.11. Sale or Transfer of Premises**

In the event of any sale or transfer of the Premises by County, County shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale or transfer; and the purchaser or transferee, at such sale or transfer or any subsequent sale or transfer of the Premises shall be deemed, without any further agreement between the parties or their successors

in interest or between the parties and any such purchaser or transferee, to have assumed and agreed to carry out any and all of the covenants and obligations and agreed to carry out any and all of the covenants and obligations of County under this lease.

**26.12. Name**

Tenant shall not use the name of the Premises or of the development, building or facility in which the Premises may be situated for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

**26.13. Cumulative Remedies**

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**26.14. Provisions, Covenants and Conditions**

All provisions herein, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

**26.15. Captions, Table of Contents**

The captions and the Table of Contents of this Lease (if any) shall have no effect on the interpretation of this Lease.

**26.16. Choice of Law**

This Lease shall be construed, interpreted and governed in accordance with the laws of the State of California.

**26.17. Brokers**

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

**26.18. Severability**

If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

**26.19. Venue**

The Venue for any court action to interpret or enforce this agreement or to litigate any claim arising out of this agreement shall be had in the Superior Court of the County of San Mateo.

**27. REMOVAL OF TENANT'S ABANDONED AND UNUSED MATERIALS**

Tenant shall remove, at its expense, abandoned or unused improvements installed by the Tenant within ninety (90) days of said abandonment, non-use or written notification from County. In the event Tenant fails to comply with this Section, County may take possession of said improvements, and recover from the Tenant the cost of removing and storing said improvements and restoring the property where said improvements were abandoned to the condition that existed prior to the construction, installation and/or depositing of said improvements.

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IN WITNESS WHEREOF, County and Tenant have executed this Lease as of the date and year first above written.

**TENANT**

**San Carlos Flight Center, Inc.**

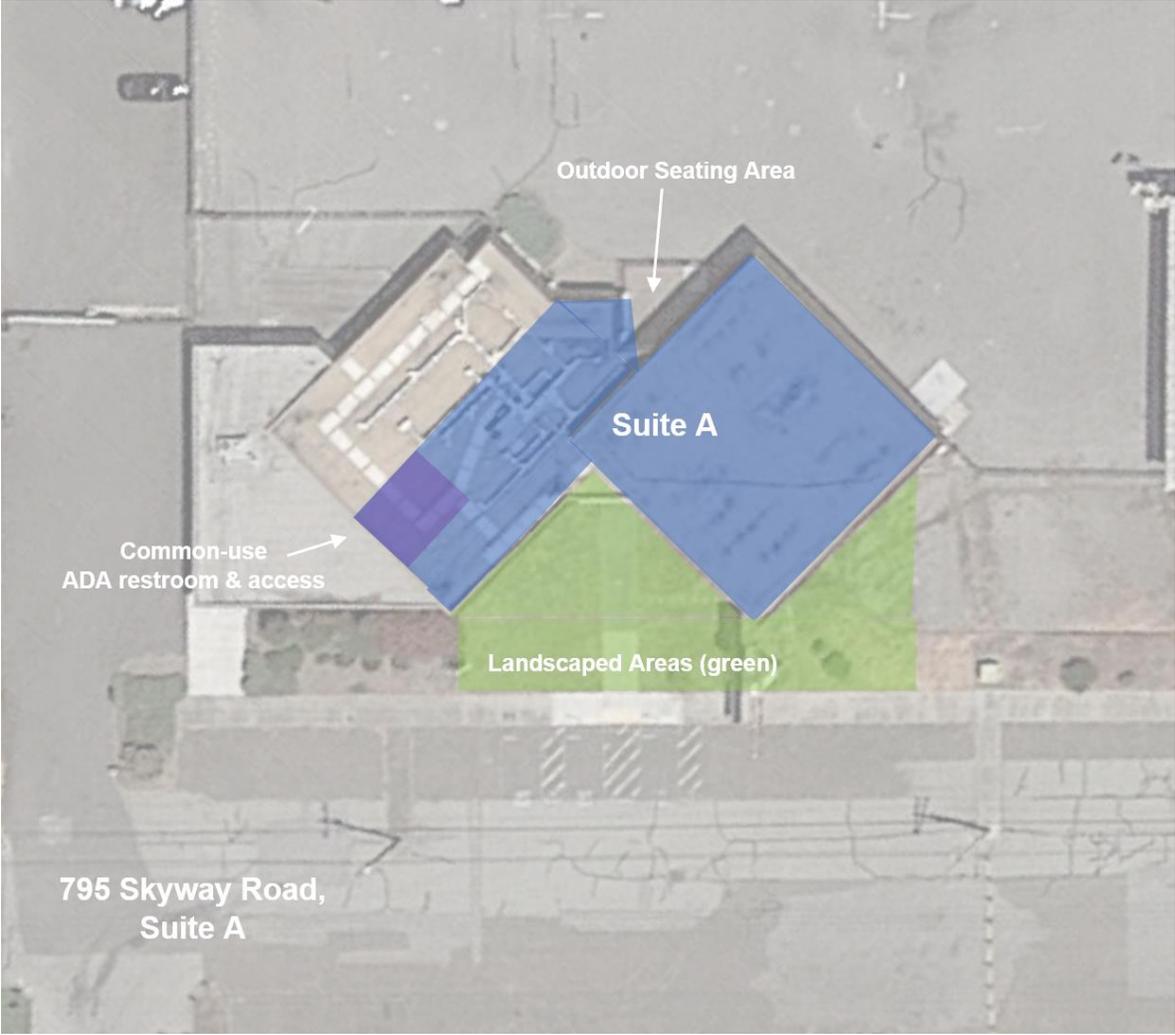
By:   
Alessandro Franco, Owner

**COUNTY**

**COUNTY OF SAN MATEO, a Political  
Subdivision of the State of California**

By: \_\_\_\_\_  
Mike Callagy  
County Manager

**EXHIBIT A**  
**PREMISES**



**EXHIBIT B**  
**STANDARD PROVISIONS FOR ALL LEASES,**  
**USE, AND OTHER AGREEMENTS AND PERMITS**  
**SAN MATEO COUNTY AIRPORTS**

1. Tenant for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease, agreement or permit for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, 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.
2. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, sex, sexual orientation, color, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, 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 lands and 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, (3) that Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, 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.
3. In the event of breach of any of the above nondiscrimination covenants, County may terminate the lease, agreement or permit and re-enter and repossess the land and the facilities thereon and hold them as if the lease, agreement or permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of the lease, agreement or permit. In the event of such non-compliance, County may terminate this lease, agreement or permit and the estate hereby created without liability thereof; or, at the election

of County or the United States either or both of these governments may judicially enforce the provision.

6. County may further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of Tenant and without interference or hindrance.
7. County may, but shall not be obligated to Tenant to, maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport. County also may direct and control the activities of Tenant in this regard.
8. The lease, agreement or permit shall be subordinate to the provisions and requirements of any existing or future agreement between County and the United States relative to the development, operation or maintenance of the airport.
9. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by the lease, agreement or permit. This public right of flight shall include the right to cause in this airspace any noise inherent in the operation of any aircraft used for navigation of flight through the airspace or to land at, take off from or operate on the San Carlos or Half Moon Bay Airport, as the case may be.
10. Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations if future construction of a building is planned for the premises covered by the lease, agreement or permit or in the event of any planned modification or alteration of any present or future building or structure on the premises.
11. Tenant, by accepting this lease, agreement or permit, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on any land leased that would be in conflict with the provisions of Part 77 of the Federal Aviation regulations. If these covenants are breached, County may enter upon the land and remove the offending structure or object and cut the offending tree, all of which shall be at Tenant's expense.
12. Tenant, by accepting this lease, agreement or permit, agrees for itself, its successors and assigns that it will not make use of the premises covered by the lease, agreement or permit in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. If this covenant is breached, County may enter upon the premises and cause the abatement of such interference at Tenant's expense.
13. Nothing contained in the lease, agreement or permit shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349A).
14. The lease, agreement or permit and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control,

operation, regulation and taking over of the airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.

15. Tenant will conduct its programs and operate its facilities in accordance with the requirements of the Americans with Disabilities Act of 1992 and will assure that no qualified disabled person shall, solely by reason of his or her disability be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination, including discrimination in employment. Tenant will conduct its programs and operate its facilities in compliance with all the requirements imposed by or pursuant to 49 CFR Part 27.
16. Tenant shall insert the above provisions in any agreement, contract, permit, etc., by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises covered by the lease, agreement or permit, and hereby assures that the above provisions will be included in any agreement, contract, permit granted or entered into by any contractor of the Tenant.

## **EXHIBIT C**

### **SPECIAL REQUIREMENTS/CONDITIONS**

#### **TO AIRPORTS LEASE AGREEMENT**

In the event of any conflict between any provision of the Lease and this Exhibit C, the Lease provision shall prevail.

##### **1. SAFETY**

Safety shall be paramount at all times. Tenant shall ensure that its agents, employees and customers safely coordinate all movements and activities on the airport to the satisfaction of the County. Tenant shall ensure that its operations and activities comply with local, state and federal requirements and are in accordance with safe and acceptable practices and procedures.

##### **2. LICENSES AND CERTIFICATIONS**

Tenant shall obtain all required licenses, certifications, permits, approvals and authorizations from all appropriate agencies for work performed and activities conducted under this permit.

##### **3. STORAGE OF EQUIPMENT AND MATERIALS**

Unless otherwise authorized herein, Tenant shall not store equipment, materials, pallets, boxes, etc. on the airport other than in designated storage areas or buildings as approved by the County.

Tenant shall keep all walkways and staircases free of clutter, trash, contaminants or any other personal items and equipment.

##### **4. REPAIRS**

Tenant shall repair, at its own expense, any and all damage to the property of the County or to the property of others on the Airport, and damage which has been caused by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's business.

##### **5. STORMWATER COMPLIANCE**

The County has obtained a National Pollutant Discharge Elimination System ("NPDES") Permit from the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), regarding stormwater discharge from the Airport, which includes stormwater discharge and runoff from the Airport. Without limitation of any other obligation of Tenant hereunder, Tenant shall comply with all laws, rules, regulations, requirements, administrative orders and/or programs imposed upon Tenant or County by the RWQCB or any other governmental entity, regarding runoff and stormwater discharge on the Airport. Tenant shall pay any cost that County incurs to take any compliance action on the Airport as a result of Tenant's failure to comply with such laws, regulations, requirements, administrative orders and/or programs. Tenant shall also pay, to the extent caused by Tenant's business on the Airport, County's costs to take any compliance action imposed upon County by the RWQCB or any other governmental entity.

Nothing in this section shall be interpreted as a waiver of any NPDES permits required by the RWQCB for activities not covered by the County's permit.

##### **6. DISCHARGE OF CONTAMINANTS**

Tenant, its agents and customers shall at no time discharge any hazardous material or substance onto the Airport. Waste oil and other contaminants shall be properly disposed of and at no time

shall the Tenant use the waste oil tanks the County has provided for the non-commercial use of airport tenants.

## **7. SECURITY/ACCESS**

Airport security shall be maintained at all times. Tenant shall take all reasonable steps to restrict unauthorized access onto airport property and the Airport Operations Area (AOA), including controlling thoroughfare access through the Premises. All access and security procedures shall be coordinated with and approved in advance by the County. Tenant shall ensure that all gates remain closed and locked at all times and that any mechanical problems with the gates are promptly reported to the County.

## **8. SIGNAGE AND WINDOWS**

No permanent banners or signs of any kind may be installed or displayed outside on the airport without the written approval of the County. All signage shall comply with applicable Local and County requirements. Signs and banners installed without the written approval of the County will be removed and disposed of at Tenant's sole cost and expense.

Tenant shall be limited to two (2) exterior signs. One sign is permitted on the air side of the terminal building and another on the ground side of the terminal building. Each sign shall be mounted securely to the building above the Tenant's entrance doors and in a location and position pre-approved by the Airport Manager. Appropriate signage may also be added to the doors of the Premises. All draft styles, materials, size, proposed locations and installation methods of all new and replacement signage and doors shall be approved in advance by the Airport Manager and conform to all requirements herein.

## **9. HOUSEKEEPING**

Tenant shall collect and remove from the airport all debris, trash, garbage, or other rubbish generated by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's operation.

Tenant shall regularly dispose of pallets, crates and other shipping supplies at its facility. Tenant shall not dump waste or refuse on airport property or in facilities leased by another Tenant or vendor.

## **10. TRASH AND RECYCLING REMOVAL**

Tenant shall dispose of recyclable materials in County provided recycling receptacles or, if Tenant has set-up its own recycling program, through Tenant's own receptacles. Tenant shall not dispose of trash or place other non-recyclable materials in the recycling receptacles. To the extent possible, Tenant shall not dispose of recyclable materials in dumpsters or other trash receptacles.

Dumpsters and other trash and recycling receptacles may not block or obstruct in any way hangars or taxiways.

## **11. OPERATIONS**

### **Operations and Activities**

The County shall approve all operations and activities. Tenant shall take all reasonable steps to ensure that its operations and activities create minimal impact and inconvenience to the airport and other airport users. Tenant shall not block or obstruct roads or access routes at any time.

## **Voluntary Noise Abatement Procedures**

Tenant shall make every effort to ensure that all members, agents and employees adhere to the voluntary noise abatement procedures. Tenant shall conform to all reasonable requests from the airport to address noise issues related to its flight operations including, but not limited to flight procedures, flight routes, take-off and landing routes, engine break-in procedures and flight training (traffic pattern) hours.

## **12. AIRCRAFT WASH RACK**

The County has a National Pollutant Discharge Elimination System ("NPDES") Permit from the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), regarding stormwater discharge from the Airport, which includes stormwater discharge and runoff from the Airport. To maintain compliance with the County's Permit, aircraft may only be washed at the designated wash rack using the soap provided or similar biodegradable soap. Washing or cleaning any automobile, vehicle or equipment at the wash rack or other areas of airport property is prohibited.

Initial AT