County of Los Angeles
CHIEF EXECUTIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 11, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

DEPARTMENT OF PUBLIC WORKS: LEASE AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND AEROTIQUE, LLC, FOR THE CONSTRUCTION OF AIRCRAFT STORAGE HANGARS AT WHITEMAN AIRPORT IN PACOIMA (SUPERVISORIAL DISTRICT 3) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this lease is exempt under the California Environmental Quality Act, Section 15302(b).

2. Approve and instruct the Chairman to sign the lease agreement between the County of Los Angeles and Aerotique, LLC, for the lease of land upon which aircraft storage hangars will be constructed.

3. Instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager and operator for the collection of all rents to be paid.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to allow private development of additional aircraft storage hangars to accommodate the rising demand.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1) and Fiscal Responsibility (Goal 4). This action will provide improved aircraft storage facilities for airport users and generate additional revenue to maintain and upgrade the airport to meet current Federal Aviation Administration standards.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund. All costs associated with this development are the responsibility of the Lessee. The initial rental rate for the new land lease will be $873 per month, with annual cost-of-living adjustments based on the Consumer Price Index. Our management contractor, American Airports Corporation, will collect the revenue from this lease, and distribute 45 percent of the lease payments into the Aviation Enterprise Fund. The developer will sublet the aircraft storage hangars, and the County will not participate in this revenue. At the end of the lease term, ownership of the aircraft storage hangars will revert to the County, and the County will receive 45 percent of the rental revenue, as provided for in the Airport Management Contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 13, 1991, your Board approved the Whiteman Airport Master Plan. The approved Master Plan recommends the addition of aircraft storage hangars to accommodate the rising demand for aircraft storage. Approval of this lease will allow for the redevelopment of the under-utilized property into an airport-compatible use. This development will increase airport revenues by leasing land at the standard rate for the airport. The lease is consistent with the adopted Master Plan and will provide for the development of aircraft storage hangars to the airport users.

The terms of this lease were negotiated by our airport management contractor and appear to be fair and reasonable.

This lease has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The California Environmental Quality Act (CEQA) requires public agency decision makers to document and consider the environmental implications of their actions. The proposed project is categorically exempt pursuant to Class 2 (a) of the Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15302(b) of the CEQA guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this lease will result in an increase of aircraft storage hangars available to the public at Whiteman Airport. The development of the under-utilized property into an airport-compatible use will increase the airport revenue stream to the County and reduce maintenance costs.

CONCLUSION

Please return three adopted copies of this letter and attachments to the Department of Public Works, Aviation Division. Also, please forward one adopted copy of the letter to the County Assessor, Possessory Interest Division, and one to the Auditor-Controller, General Claims Division.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DLW
TAG:hz

Attachment

c: County Counsel

LEASE AGREEMENT

BETWEEN

THE COUNTY OF LOS ANGELES

AND

AEROTIQUE, LLC

FOR PREMISES AT

WHITEMAN AIRPORT
12653 OSBORNE STREET
PACOIMA, CA 91331

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COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

LEASE AGREEMENT

THIS AGREEMENT ("Lease") made and entered into this _____ day of _____, 2007, by and between the County of Los Angeles ("County"), a body corporate and politic, and Aerotique, LLC, a limited liability corporation organized and existing under the laws of the State of California, hereinafter referred to as "Lessee",

WITNESSETH:

WHEREAS, the County of Los Angeles is the owner of Whiteman Airport (the "Airport"); and,

WHEREAS, County may, at its discretion, use the services of a designated Contract Airport Manager from time to time, hereinafter referred to as "Manager," for the purpose of collecting the rent payments, performing other property management functions, and enforcing the Airport rules and regulations; and,

WHEREAS, County and Lessee mutually agree to enter into a lease for the use and occupancy of approximately 21,832 square feet of unimproved vacant land at the Airport as shown on Exhibit A, together with all buildings, structures, improvements, additions and permanent installations constructed and installed therein or thereon (hereinafter called the "Leased Premises").

NOW, THEREFORE, for, and in consideration of, the respective promises and mutual agreements made by the Parties hereto, hereinafter set forth, County hereby grants to the Lessee the right to use and occupy the Leased Premises upon the following terms and conditions mutually agreed as follows:

SECTION 1
TERM

1.1 The term of this Lease shall be for a **thirty (30)**-year period commencing and effective upon the date of approval by the County Board of Supervisors ("Commencement Date"), and expiring on August 31, 2037, hereinafter referred to as "Original Term," unless sooner terminated in accordance with the provisions hereof.

1.2 Lessee shall have the right to renew this Lease for an additional period of **five (5)** years, commencing upon the expiration of the Original Term, by the giving of prior written notice of Lessee's intent to renew the Lease to the Director of the Department of Public Works of the County of Los Angeles ("Director") no later than 90 days prior to the expiration of the Lease term, provided that any such renewal shall be upon standard terms, conditions, and provisions then in effect at the Airport.

SECTION 2
SURVEY OF LEASED PREMISES

2.1 Lessee shall, at Lessee's expense, prior to the Commencement Date of the Lease, provide County with a survey and legal description of the premises acceptable to Director in his/her sole discretion, prepared by a licensed surveyor.

2.2 Lessee acknowledges there is an existing hangar/office building on the Leased Premises, and Lessee shall be responsible for removing said building at Lessee's own expense.

SECTION 3
APPROVED USES

3.1 The Lessee shall continuously occupy and use the Leased Premises for the following purposes and for no other purpose whatsoever:

3.1.1 For the construction, repair, maintenance, operation, and reconstruction of a hangar facility;

3.1.2 For the subleasing of hangar space for the storage of aircraft;

3.1.3 For aircraft charter operations;

3.1.4 For sales, repair and service of avionics and avionic assemblies;

3.1.5 For the maintenance, repair, overhaul, and modification of aircraft and related parts and equipment;

3.1.6 For flight operations including ground and flight school training and instruction;

3.1.7 For aircraft rental and use;

3.1.8 For new and used aircraft sales;

3.1.9 For the sale of aircraft parts, components, accessories and allied equipment;

3.1.10 For the sale of pilot supplies and accessories;

3.1.11 For aircraft management;

3.1.12 For the parking of automobiles and other vehicles operated by officers, employees, invitees, sublessees and business visitors of Lessee, but not for vehicle storage;

3.1.13 For its business and operations offices in connection with purposes authorized herein;

3.1.14 For the use of hangar space to store Lessee's own aircraft; and

3.1.15 For any other activities directly related to activities permitted herein, and other uses that may hereafter be permitted and authorized by Director in writing. Lessee shall not use the Leased Premises, or any portion thereof, for any other purpose unless Director or Manager approves such use in advance, in writing.

3.1.16 Lessee shall not use the Leased Premises, or any portion thereof, for any purpose other than the Approved Uses in this Section 3 herein, unless Director or Manager approves such use in advance, in writing. Unapproved uses shall constitute a material breach of this lease and shall be subject to an immediate default. Lessee also shall not permit use of the Leased Premises for residential use or construction of residential dwellings inside of hangars. The parties acknowledge that non-aeronautical commercial activities are temporary, and may not displace aeronautical uses of airport facilities. Such non-aeronautical uses may be subject to the approval of the Federal Aviation Administration under applicable law and regulations, and written approval of Director, in his/her sole discretion, and are revocable by Director or Manager at any time during this Lease with a 5-day advance notice to Lessee.

3.1.17 County reserves the right to charge standard rates and fees, including fees specified in Section 4.7 hereof, for uses other than these Approved Uses which it may permit. Lessee agrees to pay a non-negotiable rental surcharge for all approved non-aeronautical activities conducted on the Leased Premises, in the minimum amount of 50% of the prevailing base hangar rental rate, or 100% of the prevailing base land rental rate, whichever applies, for the respective space occupied by non-aeronautical use, unless a more appropriate rate is otherwise agreed to by Director and Manager, in their sole discretion. Lessee shall be liable to County for any rates and fees, including surcharges, imposed by County for non-aeronautical uses, from the date of the non-aeronautical occupancy.

SECTION 4
RENTS AND FEES

4.1 For Use and Occupancy of the Leased Premises herein granted, the Lessee agrees to pay to County or Manager during the period commencing upon the Commencement Date and ending August 31, 2008, a monthly rent of $873.28. Upon execution of this Lease, Lessee shall pre-pay the first month's full rent of $1,284.84.

4.1.1 Pursuant to Section 2.2, demolition of existing building shall begin within six (6) months from the Commencement Date of the Lease, and shall be completed within twelve (12) months from the Commencement Date of the Lease.

4.1.1.1 Lessee agrees to pay the current monthly rental rate of $1,284.84 for the Leased Premises until the existing hangar building is completely demolished.

4.1.1.2 After the existing hangar building is demolished, rent will then be charged according to the Rental Rate schedule as set forth in Section 4.1.2 below. Any tie-downs that are not part of the Leased Premises will also be treated separately from this Lease; and, therefore, Lessee will thereafter be charged the published rates and fees for those respective spaces.

4.1.2 After Lessee completes the demolition as per Section 4.1.1, and provided Lessee is not in default under the terms of the Lease, Lessee shall receive rent abatement as follows:

4.1.2.1 Months 1-6, after completion of demolition: Rent shall be reduced to 25% of the monthly base rent as defined in Section 4.1 above.

4.1.2.2 Months 7-12, after completion of demolition: Rent shall be reduced to 50% of the monthly base rent as defined in Section 4.1 above, and as adjusted by the Consumer Price Index pursuant to Section 4.1.3 below, if applicable.

4.1.3 Effective on September 1, 2008, and on September 1st of each succeeding year of this Agreement, the annual rental payable hereunder shall be adjusted by the Consumer Price Index ("Index"), as hereinafter defined, as follows:

4.1.3.1 The previous year's rent shall be adjusted by that percentage increase reported in the Index for that twelve (12)-month period taken ninety (90) days prior to the date the annual adjustment is due. The product of the previous year's rent and the Index percentage is the amount payable to County or Manager. As soon as the adjusted rent for each year is determined, Director or Manager shall give Lessee written notice of the amount of the adjusted rent. If the adjusted rent is not finally determined until after the commencement of the successive year, Lessee shall nevertheless pay County or Manager at the rate of the former year's rent, but only as a credit against the amount of the adjusted rental when finally determined.

4.1.4 Effective on September 1, 2037, the monthly rent shall be adjusted to the standard rent in effect for users of the Airport at that time, or the fair rental value, whichever is greater, and in no event less than the prior month's rent. On September 1st of 2038, and on March 1st of each subsequent year until August 31, 2042, the monthly rent shall be adjusted as set forth in Section 4.1.3 above. In the event County and Lessee cannot agree upon the rental value before sixty (60) days prior to September 1, 2037, the rental shall be determined as set out in this Section and the following subsections:

4.1.4.1 At least sixty (60) days prior to the commencement of the period for which rent is to be established, County and Lessee shall each appoint an appraiser to appraise the fair rental value and/or rate of return of the Leased Premises as appropriate, using methods recognized in the real estate appraisal profession as appropriate for such appraisals. The Parties shall exchange completed appraisals within sixty (60) days following appointment of the appraisers. Each Party shall bear all costs and expenses of the appraiser appointed by it. Failure to comply with any time limit established in this Section or any of its subsections shall be an incident of default under this Lease. For purposes of this Section, all appraisers shall be MAI members of the American Institute of Real Estate Appraisers, or any successor organization, should the American Institute cease to exist.

4.1.4.2 If the two appraisals contain fair rental value determinations which are within Ten Percent (10%) of each other, the fair rental value shall be the arithmetic average of the values in the two appraisals;

4.1.4.3 In the event the two appraisals differ by more than Ten Percent (10%), the Parties shall, within ten (10) days following the exchange of appraisals, appoint an arbitrator who may be an appraiser, retired judge, or other person having experience in real estate evaluation or resolution of disputes. If the Parties cannot agree upon an arbitrator, they shall, within five (5) days, select a retired judge from the panel maintained by Judicial Arbitration and Mediation Services.

The arbitrator, once appointed, shall within thirty (30) days following appointment, review the two appraisals and select that one appraisal which, in the opinion of the arbitrator, most closely represents the fair rental value or rate of return of the Leased Premises as appropriate. The value set forth in the appraisal shall be used to establish the new rent for the Leased Premises. The arbitrator shall not hold a hearing, or receive testimony or evidence, but may request written comments from the Parties to be submitted on a specified date within the thirty (30)-day period following his or her appointment. The only issues to be addressed by the arbitrator are those specified within this Section and subsection. The locale for the arbitration shall be within the County of Los Angeles. The sole issue for determination by the arbitrator shall be the fair rental value of the Leased Premises in accordance with the principles set forth in this Section. The expenses, subject to assessment by the arbitrator, shall be borne equally by the Parties. The materials to be submitted to the arbitrator shall be limited to the data exchanged between the Parties prior to submission to arbitration. No motions or discovery shall be permitted as part of the arbitration process. The decision of the arbitrator shall be in writing. It shall have determined only the specified issue presented, which will be either the rate of return, or the fair market value or the fair rental value, or some combination of those three issues. The arbitrator may not impose any other awards except a sanction for failure to comply with an order made by the arbitrator. Each Party shall bear its own costs of the arbitration, including one-half of the arbitrator's fees. The decision of the arbitrator shall be final and binding upon the Parties and shall be enforceable in any court of law as if it were a final judgment;

4.1.4.4 In the event the rent adjustment process is not completed prior to the beginning of a new lease year, Lessee shall continue to pay at the rate in effect at the beginning of the adjustment period until the adjustment rent is determined. Upon determination of the adjusted rent, Lessee shall pay the adjusted rental for all subsequent months, and shall pay to County the difference between the amount paid between the beginning of the new lease year and the amount of the rent as adjusted for that period.

4.1.5 Lessee shall have twelve (12) months from the Commencement Date of the Lease to begin construction of the project. In the event that the project is not started within that time period, Lessee shall pay to County or Manager, as additional rent, a penalty equal to 20% of the base rent, payable per month, as defined in Section 4.1, until the project is started. Said amount shall not be less than $1,047.94 per month.

4.1.6 In the event the project is not completed within twenty-four (24) months from the Commencement Date of the Lease, County will have the option to a) cancel the Lease; or b) require the Lessee to pay as additional rent an amount equal to 100% of the base rent, payable per month, as defined in Section 4.1, until the project is completed. Said amount shall not be less than $1,746.56 per month.

4.2 The term Index, as used herein, shall mean the Consumer Price Index for all Urban Consumers, All Items, for the Los Angeles-Riverside-Orange County area, as published by the Bureau of Labor Statistics of the United States Department of Labor, 1982-84 base = 100. In the event the base year is changed, the CPI shall be converted to the equivalent of the base year 1982-84 =100.

4.2.1 If the described Index is no longer published, another index generally recognized as authoritative shall be substituted as selected by the Chief Officer of the Bureau of Labor Statistics of the United States Department of Labor, or its successors. If no such government index or computation is offered as a replacement, Director and Lessee shall mutually select a percentage for calculating future annual adjustments.

4.3 Notwithstanding anything to the contrary contained in this Lease, the rental payable to County or Manager shall never be adjusted to an amount less than the previous year's rent.

4.4 In the event the rent adjustment process is not completed prior to the beginning of a new lease year, Lessee shall continue to pay at the rate in effect at the beginning of the adjustment period until the adjusted rent is determined. Upon determination of the adjusted rent, Lessee shall pay the adjusted rent for all subsequent months and shall pay to Manager the difference between the amount paid between the beginning of the new lease year and the amount of the rent as adjusted for that period.

4.5 Any delay or failure of County or Manager in increasing Rent under Section 4 shall not (a) constitute a waiver of County's or Manager's right to subsequently increase the Rent and collect such Rent retroactively as contemplated by this Section 4; or (b) in any way waive or impair the continuing obligations of Lessee under this Section 4.

4.6 The monthly rent shall be paid on the first day of each month in advance at the office of the Airport Manager, made payable to American Airports Corporation, or at such other office as may be directed in writing by Director or Manager.

4.7 In addition to all other rents and fees set forth in this Section, and commencing upon the Commencement Date of the Lease, Lessee shall pay to County or Manager any other standard fees or charges that may be set, or imposed at any time by County on the operations at the Airport, which charges shall be applicable to all similar users at the Airport. All commercial uses shall be subject to the rates and fees established for each use at the Airport. No tenant shall operate a commercial business on the Airport without a permit and payment of the applicable fee.

4.8 Lessee acknowledges that late payment by Lessee to County or Manager of any Agreement fees will cause County or Manager to incur costs not contemplated by this Agreement, the exact amount of such costs being extremely difficult and impracticable to fix. Therefore, if any installment of Agreement fees due from Lessee is not received by the tenth (10th) day after the due date, Lessee shall pay to County or Manager an additional sum of Five Percent (5%) of the amount due as an administrative processing charge. The Parties agree that this processing fee represents a fair and reasonable estimate of the costs that County or Manager will incur by reason of late payment by Lessee. Acceptance of any processing fee shall not constitute a waiver of Lessee's default with respect to the overdue amount, or prevent County or Manager from exercising any of the other rights and remedies available to County or Manager. Agreement fees not paid when due shall bear simple interest from date due until paid, at the rate of One-and-One-Half Percent (1.5%) per month.

SECTION 5
SURETY BOND

5.1 The Surety Bond as described in this Section 5 may be waived on the condition that Lessee provides County with an irrevocable Letter of Credit in a form acceptable to County for the full amount of the construction cost. In the event Lessee does not provide a Letter of Credit that is acceptable to County, then Lessee must provide a Surety Bond as stipulated in Sections 5.2 and 5.3.

5.2 Lessee shall, at its own cost and expense, furnish County or Manager a Surety Bond, in all respects satisfactory to County. The requirements for such a bond are as follows:

5.2.1 Within ten (10) days prior to commencement of any construction as provided herein, Lessee shall furnish a Surety Bond issued by a surety company licensed to transact business in the State of California in an amount equal to One Hundred Percent (100%) of the contract price of all construction required of Lessee pursuant to this Lease, said bond

and said company to be, in all respects, satisfactory to County. Said bond shall name Lessee as principal, said company as surety, and County as obligee to assure full and satisfactory performance by Lessee of Lessee's obligation contained herein to build, construct, and install improvements. In the event Lessee constructs any improvements by itself, County and Lessee agree that a letter from an accredited lending institution shall be submitted to County guaranteeing that funds necessary to accomplish any such construction shall be irrevocably set aside for the sole purpose of completing said construction, without the right of offset by such institution for other debits. Such bond shall be conditioned upon faithful performance by Lessee of the terms and conditions of the contract. The bond shall be renewed to provide for continuing liability in the above amount, notwithstanding any payment or recovery thereon. In the event that Lessee employs a licensed contractor for the construction herein required and obtains from said contractor or contractors similar bond or bonds in like amount, in all respects satisfactory to County, upon application by Lessee and upon the naming of County as an additional obligee under such bond or bonds, County will accept said contractor's bond in lieu of the bond otherwise required by this paragraph. The bond shall remain in full force and effect until one year from completion of the building and issuance of a Certificate of Occupancy.

5.2.2 At their sole option, County may accept Certificates of Deposit, Cash Deposit, or Time Certificate in lieu of the surety bond to meet the requirements of Sections 5.3 and 5.4. Non-cash deposit instruments shall meet the standards established in the policies and procedures attached hereto as Exhibit D, shall be made payable to County, and shall be deposited with the Cashier, Los Angeles County Department of Public Works.

5.3 In the event Lessee constructs any improvements by itself or wishes to replace the Surety Bond described in Section 5.2 above with a Letter of Credit for the full amount of the construction, County and Lessee agree that a letter from an accredited lending institution shall be submitted to County guaranteeing that the full amount of the funds necessary to accomplish any such construction shall be irrevocable and set aside for the sole purpose of completing said construction, without the right of offset by such institution for other debits. The form of Letter of Credit is attached as Exhibit D.

5.4 Nothing in this Section 5 shall be deemed to relieve Lessee of the obligation to keep the Leased Premises from liens and stop notices filed by its contractors, subcontractors, and material suppliers.

SECTION 6
SECURITY DEPOSIT

6.1 In addition to the surety bond as described in Section 5 of this Lease, Lessee shall also provide a security deposit in the amount equal to seven (7) months' rent ($6,112.96) as a deposit to assure Lessee's faithful performance of the terms of this Lease. This security deposit may be in the form of cash or a Time Certificate or Letter of Credit made payable to County and drawn on a bank approved by County. Should Lessee request, and County approve, the use of non-cash deposit instruments for Lessee to satisfy all requirements described in this Section 6, such deposit instruments shall meet the standards established in the policies and procedures attached hereto as Exhibit D, shall be made payable to County, and shall be deposited with the Cashier, Los Angeles County Department of Public Works. This sum shall be used and applied as follows:

6.1.1 The sum of one month's rent ($873.28) shall be retained by County or Manager as a guarantee to cover delinquent rent or other charges and may be so applied. In the event all or any part of said sum so deposited is applied against any charge due and unpaid, Lessee shall immediately reimburse said deposit upon demand by County or Manager so that at all times during the life of this Lease said deposit shall be maintained.

6.1.2 The sum of six months' rent ($5239.68) will be retained until Lessee completes all construction as shown on Exhibit C and a Certificate of Occupancy for improvements on the Leased Premises is issued by the local City or County authority. Upon issuance of the Certificate of Occupancy, this Security Deposit will be returned to Lessee within ten **(10)** days.

6.2 If Lessee fully and faithfully complies with all terms, provisions, covenants and conditions of this Lease, the security deposit specified in Section 6.1.1 shall be returned to Lessee at the expiration of the Lease term, or an accounting given by County or Manager as to the complete or partial use thereof within fourteen (14) days of Lessee's surrender of the Leased Premises.

SECTION 7
ACCEPTANCE, CARE, MAINTENANCE IMPROVEMENTS AND REPAIR

7.1 Lessee warrants that it has inspected the Leased Premises, and accepts possession of the Leased Premises and any improvements thereon, if any, "as is" in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration and by ordinances of County, and admits its suitableness and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, County shall not be required to maintain nor to make any improvements, repairs, or restorations of any kind upon, or to, the Leased Premises, or to any of the improvements presently located thereon. County shall never have any obligation to repair, maintain or restore, during the term of this Lease, any improvements placed upon the Leased Premises by Lessee, its successors and assigns.

7.2 Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost and expense for all repair and maintenance on the Leased Premises and all improvements thereon, including those proposed to be built in Section 7.5 hereof, in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

7.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all improvements thereon, and all of the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises;

7.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law;

7.2.3 Repair any damage caused by Lessee or its invitees, tenants, or contractors to paving, soils, water or other parts of the Leased Premises caused by any oil, gasoline, grease, lubricants, solvents, flammable liquids, or substances having a corrosive or detrimental effect thereon, and to remediate any release caused by Lessee or any of its invitees, tenants or contractors of any substance that has a harmful effect on human health or the environment as determined by any regulatory agency, or as stated in Section 10 herein;

7.2.4 Take measures to prevent erosion, including, but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, and, in particular, shall plant, maintain and replant any landscaped areas;

7.2.5 Be responsible for the maintenance and repair of all utility service lines placed on the Leased Premises and used by Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and cable lines, sanitary sewers, and storm sewers.

7.2.6 Lessee hereby waives any and all claims against County and Manager for compensation for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of any utility system, water supply system, drainage system, heating or gas system, or air conditioning system, electrical apparatus or wire serving the Leased Premises.

7.3 In the event Lessee fails: (a) to commence to maintain, clean, repair, replace, rebuild or repaint, within a period of thirty (30) days after written notice from Director or Manager to do any maintenance or repair work required to be done under the provisions of this Agreement, other than preventive maintenance; or (b) within a period of ninety (90) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; or (c) to diligently continue to completion any repairs, replacement, rebuilding, painting or repainting as required under this Agreement; then, Director or Manager may, at their option, and in addition to any other remedies which may be available to them, enter the premises involved, without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of the Leased Premises, and repair, replace, rebuild or paint all or any part of the Leased Premises or the improvements thereon, and do all things reasonably necessary to accomplish the work required, and the cost and expense thereof shall be payable to County or Manager by Lessee on demand. Provided, however, if, in the opinion of Director, Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of County or other tenants at the Airport, and Director so states same in a notice to Lessee, Director may, at his/her sole option, in addition to all other remedies which may be available to him/her, elect to perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to County the cost and expense of such performance on demand. Furthermore, should County, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, as a result therefrom except for claims for damages arising from County's or Manager's sole gross negligence. The foregoing shall, in no way, affect or alter the primary obligations of Lessee as set forth in this Agreement, and shall not impose or be construed to impose upon County or Manager any obligations to maintain the Leased Premises, unless specifically stated otherwise herein.

7.4 Lessee shall provide detailed plans and specifications to the Aviation Division of the Department of Public Works of the County ("Aviation Division") for any and all major repairs, constructions, alterations, modifications, additions or replacements (hereinafter referred to as "improvements"), including, without limitation, the new facility to be constructed by Lessee pursuant to Exhibit C, which is attached hereto and made a part hereof, undertaken by Lessee, and shall be submitted to and receive the written approval by Director prior to commencement of any improvement. Upon receipt and proper review by Director of the plans and specifications for the proposed improvements, Director shall advise Lessee of his/her approval or disapproval of the proposed work, and in the event he/she disapproves, stating his/her reasons therefor. The purpose for the foregoing review and/or approval by Director is solely to ascertain compliance with internal standards of the Aviation Division and shall not relieve or excuse any need to obtain building or other permits, from having to comply with all legal requirements, or relieve Lessee from its obligation to indemnify County under Sections 10 and 14 hereof. Absolutely no work shall be commenced on the Leased Premises until building permits and all other agency approvals are obtained by Lessee.

7.5 Lessee shall construct a hangar facility and site improvements on the Leased Premises in accordance with Lessee's proposal, identified in Exhibit C, as modified, supplemented or amended pursuant to the Airport alteration application review process. Pursuant to Section 7.4, on or before thirty (30) days from the Commencement Date of this Agreement, Lessee shall submit plans and specifications to Director for his/her review and written approval.

7.5.1 Lessee, at its sole expense, and prior to the commencement of construction, shall obtain, arrange for, and bear the cost of all permits or entitlements, including plan check and inspection fees, licenses, environmental impact reports, site preparation, and surface

treatment useful or necessary for construction, operation or maintenance of the improvements contemplated by this Lease. Lessee shall also obtain permits and provide for, at its sole cost and expense, relocation of facilities of others, and enclosure of Leased Premises as is necessary or required for health or safety in the construction, operation, and maintenance of the Leased Premises as used by Lessee.

7.5.2 All proposed landscaping improvements must be aesthetically attractive as reasonably determined by Director. All installation and maintenance costs of facilities or landscaping shall be the responsibility of Lessee for the entire term of the Lease, unless otherwise agreed to in writing by Director.

7.5.3 At least ten (10) business days prior to commencement of construction, Lessee shall furnish Director and Manager with written Notice of Intention to commence construction so that County or Manager may post upon the Leased Premises a Notice of Non-Responsibility.

7.5.4 Lessee agrees that County or Manager may have on the site, at all times, during the period of construction of the said improvements or during any period of additional construction as set forth in Section 7.5 herein, or any alterations and repairs as set forth under this Section 7, a representative of County or Manager who shall have the right to access said construction work and construction processes to ascertain that said construction work is being performed in accordance with the said final plans and specifications. County will provide for any special or continuous inspection of the work to be done under the Lease when special or continuous inspection is required by ordinance, or when circumstances would normally require the presence of a County inspector. Lessee further agrees that at the commencement of the construction work, it will notify Manager in writing of the identity, place of business, and business telephone number of a person who shall be Lessee's representative for purposes of communication with Lessee by County's representative provided for in this inspection. Lessee shall notify Manager of any change in this designation, in writing, immediately.

7.6 If Lessee makes any improvements without Director's approval, then, upon notice to do so, Lessee shall remove the same or, at the option of Director, cause the same to be changed to the satisfaction of Director. If Lessee fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, Director may effect the removal of, or change to, the improvement, and Lessee shall pay the cost thereof to County. Lessee expressly agrees in the making of all improvements that, except with the written consent of Director, it will neither give nor grant, nor purport to give or grant, any lien upon the Leased Premises or upon any improvements thereupon, or which is in the process of construction or repair, nor allow any condition to exist or situation to develop whereby any party would be entitled, as a matter of law, to a lien against said Leased Premises and improvements thereon, and Lessee will discharge any such lien within thirty (30) days after notice of filing thereof. County hereby gives notice to all persons that no lien attaches to any such improvements.

7.7 Lessee agrees that any such additional construction, additions, alterations, repairs or changes in the Leased Premises shall not obligate or impose any other legal requirement on County to extend the term of this Lease.

7.8 Lessee shall furnish to County such additional construction Performance and Surety Bonds as specified and required under Sections 5.2 and 5.3 herein, and Lessee further agrees to furnish County and Manager a set of "as-built" Plans and Specifications, and a Master Plan of Electrical Circuitry and Plumbing for any additional construction.

7.9 Lessee's improvements, erected or constructed upon the Leased Premises, shall remain the property of Lessee for as long as the Original Term of this Lease shall remain in effect, but such improvements shall become the property of County upon expiration of the Original Term or

termination of this Lease, free and clear of all claims on the part of Lessee on account of any repair or improvement work done under the terms hereof by Lessee. The vesting of title in County at the time specified is a part of the consideration for this Lease. County shall not be liable to Lessee or Lessee's contractors or sublessees for the value of any improvements constructed or located on the Leased Premises.

SECTION 8
STORM WATER

8.1 Notwithstanding any other provisions or terms of the Lease, Lessee acknowledges that the Airport is subject to federal storm water regulations, 40 CFR Part 122, for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations and, if applicable, state storm water regulations. Lessee further acknowledges that it is familiar with these storm water regulations; that it conducts or operates "vehicle maintenance" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing activities as defined in the federal storm water regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.

8.1.1 Notwithstanding any other provisions or terms of the Lease, Lessee acknowledges that it has taken steps necessary to apply for or obtain a storm water discharge permit as required by the applicable regulations for the Airport, including the Leased Premises operated by Lessee. Lessee acknowledges that the storm water discharge permit issued to County or Manager may name Lessee as co-permittee.

8.1.2 Notwithstanding any other provisions or terms of this Lease, including Lessee's right to quiet enjoyment, County, Manager and Lessee acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Lessee acknowledges that, as discussed more fully below, it may have to undertake to minimize the exposure of storm water (and snow melt) to "significant materials" generated, stored, handled or otherwise used by Lessee, as defined in the federal storm water regulations, by implementing and maintaining "Best Management Practices."

8.1.3 Lessee acknowledges that the Airport's storm water discharge permit is incorporated by reference into this Lease and any subsequent renewals.

8.2 Permit Compliance. Director or Manager will provide Lessee with written notice of those storm water discharge permit requirements, that are in the Airport's storm water permit, that Lessee will be obligated to perform from time to time, including, but not limited to: certification of non-storm water pollution prevention of similar plans; implementation of "good housekeeping" measures or Best Management Practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. Lessee, within seven (7) days of receipt of such written notice, shall notify Director in writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If Lessee does not provide such timely notice, it is deemed to assent to undertake such requirements. Lessee warrants that it will not object to written notice from Director for purposes of delay or avoiding compliance.

8.2.1 Lessee agrees to undertake, at its sole expense, unless otherwise agreed to in writing between Director or Manager and Lessee, those storm water discharge permit requirements for which it has received written notice from Director or Manager. Lessee warrants that it shall meet any and all deadlines that may be imposed on or agreed to by Director or Manager and Lessee. Lessee acknowledges that time is of the essence.

8.2.2 Director or Manager agrees to provide Lessee, at its request, with any non-privileged information collected and submitted to any governmental entity pursuant to applicable storm water regulations.

8.2.3 Lessee agrees that the terms and conditions of the Airport's storm water discharge permit may change from time to time, and hereby appoints Director or Manager as its agent to negotiate with the appropriate governmental entity any such permit modifications.

8.2.4 Director or Manager will give Lessee written notice of any breach by Lessee of the Airport's storm water discharge permit or the provisions of this Section 8. If such a breach is material, and if of a continuing nature, County may seek to terminate this Lease pursuant to Section 23, Termination by County. Lessee agrees to cure promptly any breach.

8.2.5 Lessee agrees to participate in any organized task force or other work group established to coordinate storm water activities at the Airport.

8.2.6 Notwithstanding the foregoing, Lessee shall comply with all applicable laws and regulations relating to storm water discharge and County, Director or Manager's acts, or failure to act, shall not excuse Lessee from having to meet said requirements.

SECTION 9
TRUST DEED BENEFICIARIES AND MORTGAGEES

9.1 Lessee may, with the prior written consent of Director, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber Lessee's interest under this Lease and the leasehold estate so created to a bona fide lender limited to state or federal chartered lending institution, or chartered insurance company or pension fund on the security of the leasehold estate, and Lessee may execute any and all instruments in connection therewith necessary and proper to complete such loan and perfect security therefore to be given to such lender. One (1) copy of any and all such security devices or instruments shall be filed with Manager no later than seven (7) days after the effective date thereof, and Lessee shall give Manager written notice of any changes or amendments thereto. Any such encumbrance holder shall have the right at any time during the time of the loan and while this Lease is in full force and effect:

9.1.1 To do any act or thing required of Lessee in order to prevent a forfeiture of Lessee's rights hereunder, and all such acts or things so done shall prevent a forfeiture of Lessee's rights hereunder as if done by Lessee;

9.1.2 To realize on the security of the leasehold estate, and to acquire and succeed to the interest of Lessee hereunder by sale under the power of sale, foreclosure, or by a deed or assignment in lieu of foreclosure, and thereafter to convey, assign, or sublease said leasehold estate to any other person; provided, however, that said person shall agree to perform and be bound by any and all terms, conditions and covenants contained in this Lease.

9.2 The written consent of Director shall not be required in the case of:

9.2.1 A transfer of this Lease as the result of a sale under the power of sale or at a judicial foreclosure or a deed of trust or assignment to the encumbrance holder in lieu of foreclosure, provided the loan complies with the provisions specified above for a bona fide lender;

9.2.2 A subsequent transfer by an encumbrance holder who is a purchaser at any such sale or foreclosure, or an assignee in lieu of foreclosure, if the transferee is an established bank,

savings and loan association, insurance company, or other institutional lender; provided that, in either such event, encumbrance holder forthwith gives notice to County and Manager, in writing, of any such transfer forth the name and address of the transferee, the effective date of such transfer, and the express agreement of the transferee assuming and agreeing to perform all of the obligations under this Lease, together with a copy of the document by which such transfer was made. Any such transferee shall be liable to perform the obligations of Lessee under this Lease only so long as such transferee holds title to the leasehold estate. Such transferee shall be liable to pay County or Manager for any period of time prior to the time when such transferee takes possession of the Leased Premises; provided, however, that such obligations shall not be effective unless County shall have transmitted to encumbrance holder notice of the original Lessee's default within sixty (60) days after such default occurs. Any subsequent transfer of the leasehold estate shall not be made without the prior written consent of Director and shall be subject to conditions relating thereto, as set forth in Section 9.1;

9.2.3 Any encumbrance holder shall not be obligated to cure any default or breach if said encumbrance holder is unable to secure possession of the Leased Premises, and if it is necessary for it to have possession of the Leased Premises, and if it is necessary for it to have possession in order for it to cure the default or breach. In the event that a period of time is necessary in order for the encumbrance holder to completely cure a default or breach, then it shall not be in default so long as it exercises diligence and proceeds promptly in curing the default or breach. The encumbrance holder shall have all the rights to mortgage or other lending documents approved by Director as herein for the appointment of a receiver, and to obtain possession of the premises, under, and in accordance with, the terms of said Deed of Trust, mortgage or other lending instrument. If the lender does not prevent the occurrence of default, the premises and all improvements will become the property of County, which will have no obligation to any person under the loan agreement for which Lessee's interest was secured.

SECTION 10
HAZARDOUS WASTE

10.1 Lessee shall be solely responsible for the proper management, storage, and disposal of hazardous substances and hazardous wastes used, generated, stored, disposed, treated, or caused to be present on the Leased Premises by the activities of Lessee. Notwithstanding any other provision of the Lease, Lessee shall not treat or dispose of hazardous wastes on County's premises. Lessee shall provide all required notices, including those mandated under right-to-know laws, of the presence or use on the Leased Premises of hazardous substances, extremely hazardous substances, or hazardous wastes; shall provide all notices to appropriate authorities and to County and Manager of any releases to the environment of hazardous substances, extremely hazardous substances, or hazardous wastes; and shall obtain all permits necessary for the generation, storage, disposal, or treatment of hazardous wastes. Lessee shall manage used oil and other petroleum products as required by federal and state law and regulations. Lessee shall be solely liable for the investigation, corrective action, or remediation of any release to the environment caused by Lessee, its invitees, employees, agents, or contractors of any hazardous waste, hazardous substance, extremely hazardous substance, oil or other petroleum-based substance.

10.2 For the purposes of this Lease, the terms "hazardous waste" and "hazardous substances" shall be deemed to include:

10.2.1 Hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, crude oil or byproducts of crude oil other than that which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8;

10.2.2 Substances which require investigation or remediation under any federal, state or local statute, regulation, ordinance, order action, policy or common law;

10.2.3 That which is or becomes defined as hazardous waste, hazardous substances, pollutant or contaminant under any federal, state or local statute, regulation, ordinance or amendment thereto, including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or the Resource Conservation and Recovery Act (RCRA);

10.2.4 That which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or likewise hazardous and is or may become regulated by any governmental authority, agency, department, commission, board of instrumentality of the United States, the State of California or any political subdivision thereof;

10.2.5 Substances present on or about the Leased Premises which cause or threaten to cause a nuisance thereupon or to adjacent properties or pose a hazard to the health and safety of persons on or about such property;

10.2.6 Without limitation, substances containing gasoline, diesel fuel or other petroleum hydrocarbon;

10.2.7 Without limitation, substances containing polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation.

10.3 Indemnification.

Lessee agrees to indemnify, defend, release, save and hold harmless County and Manager, and their officials, employees, officers, districts and agents (collectively, "Indemnified Parties" or singularly, "Indemnified Party") from and against all claims, actual damages (including, without limitation, special and consequential damages), injuries, costs, response costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal and administrative proceedings, interest, fines, incremental increases in subsequent fine levels solely due to the activities covered by this Indemnification, charges, penalties and expenses (including, without limitation, reasonable attorneys', engineers', consultants' and expert witness' fees and costs incurred in defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by any Indemnified Party, directly or indirectly arising from, or attributable to, the activity of Lessee, unless the result of County's or Manager's sole active negligence.

The Indemnification provisions of this document are intended to apply to the California Environmental Response, Compensation and Liability Act (CERCLA) as well as to liability under the California Health and Safety Code.

10.4 Lessee will provide containers and be responsible for the collection and disposal of waste, oils and solvents generated by Lessee's or sublessees' activities.

10.5 In the event of spillage, leakage, or escape ("release") of any hazardous substances for any reason, Lessee shall immediately notify Director at 1(800) 675-4357(HELP), and make necessary repairs and erect necessary restraints and impoundments to prevent discharge into any property, channel, ocean drainage system or underground reservoirs. Lessee shall also promptly remove any and all hazardous substances that may have leaked, spilled or escaped and restore the Leased Premises and all other affected properties and/or facilities to their former condition or equivalent to Director's satisfaction, or as otherwise required by applicable law.

SECTION 11
ADDITIONAL OBLIGATIONS OF LESSEE

11.1 Lessee may store aircraft components, equipment, parts, non-flammable and non-hazardous bulk liquids, scrap lumber, metal, machinery or other materials related to the conduct of its business on the Leased Premises, provided, however, that such storage shall be done only within a fully enclosed area screened from view. No storage may be done on any apron, ramp or taxiway, without prior written approval of Manager.

11.2 Derelict aircraft, inoperative ground vehicles, unused ramp equipment, scaffolding, hoists and related items not regularly and routinely in use as part of Lessee's business shall not be kept on the Leased Premises unless such materials are maintained within a fully enclosed, permanent structure.

11.3 No portable structures are allowed to be placed or to remain on the Leased Premises. Portable structures include, but are not limited to, campers, recreational vehicles (RVs), trailers, portable hangars, storage containers, or like non-permanent structures.

11.4 Violation of the requirements of these Sections 11.1, 11.2 and 11.3 shall be deemed a default if the condition has not been cured to the satisfaction of Manager within thirty (30) days of posting of the property, or notice to Lessee to remove said stored equipment or materials.

11.5 Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operation so as not to unreasonably annoy, disturb, endanger or be offensive to others.

11.6 Further, Lessee shall take all reasonable measures not to produce on the Airport any disturbance that interferes with the operation by County or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport.

11.7 Lessee shall control the conduct and demeanor of its officers, agents, employees, invitees and, upon objection from Director or Manager concerning the conduct or demeanor of any such person, Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.

11.8 Lessee shall comply with all applicable environmental, health and safety laws and requirements and any other federal, state or municipal laws, ordinances, rules, regulations and requirements. Lessee agrees to allow Director or Manager access to premises and records to investigate compliance with all applicable laws if there is reason to suspect negligence or willful non-compliance.

11.9 Lessee shall comply with all written instructions of Director or Manager and applicable federal, state, and local laws, ordinances, and regulations in disposing of trash, garbage and other refuse. The frequency of removal thereof from the Airport premises shall, at all times, be subject to the rules, regulations and approval of Director or Manager. All disposal of trash, garbage, refuse and wastes shall be at regular intervals and at the expense of Lessee.

11.10 Lessee shall not commit, nor permit to be done, anything which may result in the commission of a nuisance, waste, or injury on the Leased Premises.

11.11 Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

11.12 Lessee shall take measures to insure security in compliance with Federal Air Regulations and the Airport Security Plan.

11.13 Lessee shall not do, nor permit to be done, any act or thing upon the Leased Premises, which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by the Agreement.

11.14 Lessee shall use only a working supply of flammable liquids within any covered or enclosed portion of the Leased Premises. The term "working supply", as used in this subsection 11.14, shall mean the amount consumed by Lessee during any normal work day. Any other supplies of such liquids shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.

11.15 Except for services permitted under Section 3 hereof to be performed by Lessee or Lessee's subcontractors, Lessee shall provide prompt written notice to Director or Manager of any person, firm or corporation performing aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises for commercial purposes without a valid permit from Director or Manager.

11.16 It is the intent of the Parties hereto that noise, including, but not limited to, noise caused by aircraft engine operation, shall be held to a minimum. To this end, Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, or any other noise, to a minimum by the use of such methods or devices as are practicable, considering the extent and type of the operations of Lessee, but in no event less than those devices or procedures that are required by federal, state or local law. In addition, Lessee shall use its best efforts to minimize prop or jet blast interference to aircraft operating on or to buildings, structures and roadways now located on, or which, in the future, may be located on areas adjacent to the Leased Premises.

SECTION 12
INGRESS AND EGRESS

12.1 Lessee shall have the right of ingress and egress to and from the Leased Premises and the public landing areas at the Airport by means of roadways and connecting taxiways, to be used in common with others having rights of passage thereon, except when the Airport is closed to the public.

12.2 The use of any such roadway or taxiway shall be subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be promulgated. County may, at any time, temporarily or permanently, close or consent to or request the closing of any such roadway or taxiway and any other way at, in or near the Leased Premises, presently or hereafter used as such, so long as a reasonable means of ingress and egress as provided above remains available to Lessee. Lessee hereby releases and discharges County and Manager, their officers, employees and agents, and their respective successors and assigns, of and from any and all claims, demands, or causes of action which Lessee may now, or at any time hereafter, have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that a reasonable means of access to the Leased Premises remains available to Lessee, whether within the Leased Premises or outside the Leased Premises at the

Airport, unless otherwise mandated by safety considerations or lawful exercise of police power. Lessee shall not do, or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways near the Leased Premises.

SECTION 13
INSURANCE, DAMAGE OR DESTRUCTION

13.1 To safeguard the interests of County and Manager, Lessee, at its sole cost and expense, shall procure and maintain, throughout the term of this Lease, insurance protection for "all risk" coverage on the structure and improvements of which the Leased Premises is a part, to the extent of One Hundred Percent (100%) of the actual replacement cost thereof, with insurance companies licensed to do business in the State of California. If said insurance company becomes financially incapable of performing under the terms of said policy, Lessee shall promptly obtain a new policy issued by a financially responsible carrier and shall submit such new policy, as previously provided.

13.1.1 The above-stated property insurance shall name County and Manager as Additional Insureds, provide thirty (30) days' written notice of cancellation or material change by registered mail to the Office of the Airport Manager, and have a deductible amount not to exceed Ten Thousand Dollars ($10,000.00) per occurrence.

13.1.2 Lessee shall provide a copy of the above-stated property insurance policy to the Office of the Airport Manager at least seven (7) days prior to the inception of the Lease Agreement. Upon the failure of Lessee to maintain such insurance as above provided, County, at its option, may take out such insurance and charge the cost thereof to Lessee with the next installment of the monthly fee due hereunder, or may declare a default hereunder pursuant to Section 23 herein.

13.2 In the event any improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed (except damage or destruction caused by Lessee as set forth in Section 13.6 hereof) to the extent they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair, rebuild, or replace the damaged or destroyed portion of the Leased Premises as they were immediately prior to such casualty, except for requirements of construction codes, which shall be as of the time of repair or replacement.

13.3 In the event of damage or destruction to any of the improvements upon the Leased Premises, County shall have no obligation to repair or rebuild the improvements or any fixtures, equipment or other personal property installed by Lessee pursuant to this Agreement. Upon the failure of Lessee to repair or rebuild, County may, as agent of Lessee, repair or rebuild such damage or destruction at the expense of Lessee, which expense shall be due and payable on demand.

13.4 Upon completion of all the work, Lessee shall certify in writing that such rebuilding and repairs have been completed, that all costs in connection therewith have been paid by Lessee, that said costs are fair and reasonable, and that said certification shall also include an itemization of costs. If the insurance proceeds are not sufficient, Lessee agrees to bear and pay the deficiency. Nothing herein contained shall be deemed to release Lessee from any of its repair, maintenance or rebuilding obligations under this Lease.

13.5 Lessee shall, at its expense, repair and replace any and all fixtures, equipment and other personal property necessary to properly and adequately continue its Airport business on the Airport, but in no event shall Lessee be obligated to provide equipment and fixtures in excess of those existing prior to such damage or destruction. During such period of repair or reconstruction, but not to exceed a period of six (6) months, the rentals provided for elsewhere herein shall be

proportionately abated during the period from the date of such damage, destruction or loss until the same is repaired, replaced, restored or rebuilt, provided Lessee does not use said damaged Leased Premises or the location thereof for any purposes other than the repair or rebuilding of same. Such abatement shall not exceed the actual time required for arranging for and the doing of such work. The proportional amount of reduction of rentals will be directly related to the percent of Airport business adversely affected. Lessee agrees that such work will be promptly commenced and prosecuted to completion with due diligence, subject to delays beyond Lessee's control.

13.6 In the event the improvements on the Leased Premises are damaged or destroyed by fire or other cause by reason of any negligent act or omission of Lessee or its employees, this Lease Agreement shall continue in full force and effect, notwithstanding the provisions of Sections 13.2, 13.3, 13.4 and 13.5 hereof, and Lessee shall repair or rebuild the improvements so damaged or destroyed, at Lessee's own cost and expense, in a good workmanlike manner to the same standards existing at the time of the casualty, subject to applicable building codes existing at the time of repair or rebuilding.

SECTION 14
LIABILITIES AND INDEMNITIES

14.1 Notwithstanding, and in addition to, Lessee's obligation to indemnify County and Manager pursuant to Section 10 above, Lessee agrees to indemnify, defend, release, save and hold harmless County, Manager, their officers, agents, servants and employees of, and from, any and all costs, liability, penalties, damages and expenses (including costs of suit and reasonable expenses of legal services) claimed or recovered, justly or unjustly, false, fraudulent or frivolous, by any person, firm, governmental entity or corporation by reason of injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property, including County and Manager personnel and County property, and any claim of violation of any permit or state, federal or local law or regulation protecting human health or the environment, or any governmental requirement under Section 20 below or any other section of this Lease, directly or indirectly arising from or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, invitees, sublessees or tenants. Provided, however, that upon the filing with County or Manager by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify, defend, save and hold County and Manager harmless, County or Manager shall notify Lessee of such claim, and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim, both on behalf of Lessee and behalf of County and Manager. It is specifically agreed, however, that County and Manager, at their own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against County and/or Manager for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal. Any and all release, indemnity, defense and hold harmless provisions in this Lease, including without limitation, the entire Sections 10 and 14 herein, shall survive the termination of this Lease.

14.2 In addition to Lessee's undertaking, as stated in this Section 14, and as a means of further protecting County, Manager, and their respective officers, agents, servants, contractors and employees, Lessee shall, at all times during the term of this Agreement, obtain and maintain in effect Public Liability and Automotive Liability Insurance coverage as set forth in Exhibit B attached hereto and made a part hereof. In this connection, Lessee agrees to require its contractors doing work on the Airport, and Lessee's tenants and sublessees, to carry adequate insurance coverage, and if Lessee so desires, it may accomplish same by an endorsement to Lessee's policies to include such persons or parties as additional named insureds. County reserves the right to increase the minimum liability insurance set forth in Exhibit B when, in County's Risk Manager's opinion, the risks attendant to Lessee's operations hereunder have increased.

14.3 Lessee represents that it is the owner of, or fully authorized to use, any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under, or in anywise connected with, this Agreement. Lessee agrees to save and hold County, Manager, their officers, employees, agents, contractors and representatives free and harmless of, and from, any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under, or in anywise connected with, this Agreement.

14.4 Lessee represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement, and that there is no such broker who is, or may be entitled to be, paid a commission in connection therewith. Lessee shall indemnify, defend, save and hold harmless County and Manager of, and from, any claim for commission or brokerage made by any such broker when such claim is based, in whole or in part, upon any act or omission of Lessee.

14.5 If, for any reason, Lessee shall neglect or fail to insure, or cause to insure and keep insured, those policies shown on Exhibit B required by this Lease, or to pay the premiums therefor, County or Manager may, at their option, procure or renew such insurance and pay the premiums thereon. Any amount paid for said insurance by County or Manager shall become immediately due and payable by Lessee to County or Manager. The premiums paid by County or Manager shall accrue simple interest at a rate of one-and-one-half percent (1.5%) per month until paid in full by Lessee.

SECTION 15
RULES AND REGULATIONS

15.1 From time to time, County may adopt and enforce rules and regulations with respect to the occupancy and use of the Airport. Lessee agrees to observe and obey any and all rules and regulations and all other federal, state and municipal rules, regulations and laws, and to require its officers, agents, employees, contractors, suppliers, tenants, sublessees, and invitees to observe and obey the same. Director or Manager reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws. Lessee hereby acknowledges receipt of a current copy of such County Rules and Regulations, attached as Exhibit E.

SECTION 16
SIGNS

16.1 Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to, and in accordance with, the written approval of Director or Manager, and said approval shall not be unreasonably withheld. No sign will be approved that may be confusing to aircraft pilots or automobile drivers or other traffic, or which fails to conform to the architectural scheme of the Airport or meet the requirements of County.

SECTION 17
ASSIGNMENT AND SUBLEASE

17.1 Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby, without the prior written consent of Director, whose consent shall not be unreasonably withheld.

17.2 Any attempted assignment or transfer of this Agreement, or any rights of Lessee hereunder, without the consent of Director, shall entitle County at its option to forthwith cancel this Agreement.

17.3 Any assignment of this Agreement, approved and ratified by Director, shall be on the condition that the assignee accepts and agrees, in writing, to all of the terms, conditions and provisions of this Agreement, and agrees to accept and discharge all of the covenants and obligations of Lessee hereunder, including, but not limited to, the payment of all sums due, and to become due by Lessee under the terms hereof.

17.4 Subject to all of the terms and provisions hereof, Lessee may, without the prior written consent of Director, sublet a portion or portions of the Leased Premises to a person, partnership, firm or corporation, for the purpose of aircraft storage, provided that the term of the sublease does not exceed twelve (12) months, and the name, address, phone number and plane type and tail number are supplied to Manager.

17.5 No consent by Director to assignment or subleasing by Lessee of portions of the Leased Premises shall, in any way, relieve Lessee of any of its obligations to County set forth or arising from this Lease, and a termination of Lessee's rights hereunder shall ipso facto terminate all subleases.

17.6 Any assignment or sublease shall require Lessee to provide to Director and Manager the following sublessee information: Tenant name, address, phone/fax number, email address, plane type, tail number, proposed use, and financial statement.

17.7 No consent to subleasing by Lessee to a person, corporation or partnership conducting any business for profit derived from activities at the Airport shall be granted by Director without a duly executed Permit Agreement between Director or Manager and the sublessee.

17.8 If Lessee assigns, sells, conveys, transfers, mortgages, or pledges this Agreement or sublets any portion of the Leased Premises in violation of the foregoing provisions of this Section 17, or if the Leased Premises are occupied by anyone other than Lessee, County or Manager may collect from any assignee, sublessee or anyone who claims a right to this Agreement or who occupies the Leased Premises, any charges or fees payable by it and may apply the net amount collected to the rents herein reserved; and no such collection shall be deemed a waiver by County of the agreements contained in this Section 17 nor of acceptance by County of any assignee, claimant or occupant, nor as a release of Lessee by County from the further performance by Lessee of the agreements contained herein.

17.9 For the purposes of this Section 17, any assignment of stock by merger, consolidation or liquidation, or any change in the ownership of, or power to vote, a majority of the outstanding voting stock of Lessee from owners of such stock, or those controlling the power to vote such stock on the date of this Agreement, shall be considered an assignment.

SECTION 18
CONDEMNATION

18.1 In the event that the Leased Premises or any material part thereof shall be condemned and taken by authority of eminent domain for any purpose during the term of this Lease, rentals for that portion of the Leased Premises so taken shall be abated from the date that Lessee is physically dispossessed therefrom; provided, however, if the remaining portion of the Leased Premises is insufficient for Lessee's operations authorized hereunder, Lessee may terminate this Agreement and all of its rights and unaccrued obligations hereunder effective as of the date it is dispossessed of the condemned portion (or effective as of any date thereafter and within ninety (90) days of the date of such dispossession) by giving Director thirty (30) days' written notice of

such termination. In such event, Lessee shall be entitled to receive any compensation as permitted by law.

SECTION 19
NON-DISCRIMINATION

19.1 Lessee, for it, 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 Leased Premises for a purpose for which a United States Government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

19.2 Lessee, 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, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Lessee shall use the Leased Premises in compliance with all other requirements imposed by, or pursuant to, Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

19.3 In this connection, County reserves the right to take whatever action it might be entitled by law to take in order to enforce this provision. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by Director to cease and desist, will constitute a material breach of this Agreement and will entitle County, at its option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

19.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public, and shall include thereon a provision granting County a right to take such action as the United States may direct to enforce such covenant.

19.5 Lessee shall indemnify, defend, release, save and hold harmless County, Manager, and their officers, agents, servants and employees from any and all claims and demands of third persons including the United States of America resulting from Lessee's noncompliance with any of the provisions of this Section 19, and Lessee shall reimburse County or Manager for any loss or expense incurred by reason of such noncompliance.

SECTION 20
GOVERNMENTAL REQUIREMENTS

20.1 Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's operations thereat.

20.2 Lessee shall pay all taxes, license, certification, permit and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder, or on the gross receipts or income to Lessee therefrom, including any possessory right which Lessee may have in or to Leased Premises covered hereby or improvements thereon by reason of its possessory rights, use or occupancy thereof, and shall make all applications, reports and returns required in connection therewith. Lessee shall be solely responsible for the payment of such taxes, assessments, fees or charges. In the event any such taxes or assessments described in this Section 20 are charged to Manager, Manager shall notify Lessee in writing of the amount due, and Lessee shall pay Manager said amount within thirty (30) days of such notice. In the event of failure to pay said taxes before delinquency and/or pay Manager the required amount within thirty (30) days, County or Manager may elect to treat such failure as a material breach of this Lease by Lessee.

SECTION 21
RIGHTS OF ENTRY RESERVED

21.1 County and Manager, by their officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises for any and all purposes, provided such action by County or Manager, their officers, employees, agents, representatives and contractors does not unreasonably interfere with Lessee's use, occupancy, or security requirements of the Leased Premises.

21.2 Without limiting the generality of the foregoing, County, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own cost and expense, whether for its own benefit, or for the benefit of others than Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Leased Premises at all reasonable times to make such repairs, replacements or alterations thereto, as may, in the opinion of County, be deemed necessary or advisable, and from time to time to construct or install over, in or under the Leased Premises such systems or parts thereof, and in connection with such maintenance use the Leased Premises for access to other parts of the Airport otherwise not conveniently accessible, provided, however, that in the exercise of such right of access, repair, alteration or new construction, County shall not unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee. It is specifically understood and agreed that the reservation of the aforesaid right by County shall not impose or be construed to impose upon County any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises.

21.3 In the event that any personal property of Lessee shall obstruct the access of County, its officers, employees, agents or contractors, or the utility company furnishing utility service to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system, Lessee shall move such property, as directed by Director, Manager or said utility company, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from Director, Manager or said utility company to do so, Director, Manager or the utility company may move it, and Lessee hereby agrees to pay the cost of such moving upon demand, and further Lessee hereby waives any claim for damages as a result therefrom, except for claims for damages arising from County's or Manager's sole negligence.

21.4 At any reasonable time, and from time to time during the ordinary business hours, County, by its officers, agents, contractors and employees, whether or not accompanied by a prospective lessee, occupier or user of the Leased Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same, subject to Lessee's reasonable security requirements.

21.5 Exercise of any or all of the foregoing rights, by County, or others under right of County, shall not be, nor be construed to be, an eviction of Lessee, nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

SECTION 22
ADDITIONAL RENTS AND CHARGES

22.1 Except as provided in Section 7.3 (b), in the event Lessee fails within thirty (30) days after receipt of written notice from Director or Manager to perform, or commence to perform, any obligation required herein to be performed by Lessee, Director or Manager may enter the Leased Premises (without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of such Leased Premises by Lessee) and do all things reasonably necessary to perform such obligation, charging to Lessee the cost and expense thereof, and Lessee agrees to pay to County or Manager upon demand such charge in addition to other amounts payable by Lessee hereunder. Provided, however, that if Lessee's failure to perform any such obligation endangers the safety of the public or employees or property of County, or other tenants of the Airport, and Director or Manager so states in its notice to Lessee, County or Manager may perform such obligation of Lessee at any time after the giving of such notice, and charge to Lessee the reasonable cost and expense thereof, which Lessee shall pay upon demand.

22.2 If County or Manager elects to pay any sum or sums or incur any obligation or expense by reason of the failure, neglect or refusal of Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement, or as the result of any act or omission of Lessee contrary to said conditions, covenants or agreements, Lessee hereby agrees to pay the sum or sums so paid or expense so incurred by County or Manager as the result of such failure, neglect or refusal of Lessee, including interest, not to exceed the greater of Fifteen Percent (15%) per annum or the rate which is Four Percent (4%) per annum above the prime rate as published by the *Wall Street Journal*, together with all costs, damages and penalties. In such event, the total of such amounts may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent recoverable by County or Manager in the same manner and with like remedies as if it were originally a part of the rent provided for in this Agreement.

SECTION 23
TERMINATION BY COUNTY

23.1 In the event of a default on the part of Lessee in the payment of rents, or any other charges required by this Agreement to be paid to County or Manager, Director or Manager shall give written notice to Lessee of such default, and demand the cancellation of this Agreement, or the correction thereof. If, within thirty (30) days after the date Director or Manager gives such notice, Lessee has not corrected said default and paid the delinquent amount in full, this Agreement and all rights and privileges granted hereby in and to the Leased Premises shall terminate, with County's approval.

23.1.1 Payment by Tenant; Non-Waiver. County's or Manager's acceptance of rent (including, without limitation, through any "lockbox") following an Event of Default shall not waive County's or Manager's rights regarding such Event of Default. No waiver by County or Manager of any violation or breach of any of the terms contained herein shall waive County's or Manager's rights regarding any future violation of such terms. County's or Manager's acceptance of any partial payment of rent shall not waive County's or Manager's rights with regard to the remaining portion of the rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of rent or any writing delivered in connection therewith; accordingly, County's or Manager's acceptance of a partial payment of rent shall not constitute an accord and satisfaction of

the full amount of the rent that is due.

23.2 This Agreement, together with all rights and privileges granted in and to the Leased Premises, shall terminate automatically, upon the happening of any one or more of the following events:

23.2.1 The filing of Lessee of a voluntary petition in bankruptcy, or any assignment for benefit of creditors of all or any part of Lessee's assets; or,

23.2.2 Any institution of proceedings in bankruptcy against Lessee; provided, however, that Lessee may defeat such termination if the petition is dismissed within thirty (30) days after the institution thereof; or,

23.2.3 The filing of a petition requesting a court to take jurisdiction of Lessee or its assets under the provisions of any Federal reorganization act; or

23.2.4 The filing of a request for the appointment of a receiver or trustee of Lessee's assets by a court of competent jurisdiction, or the request for the appointment of a receiver or trustee of Lessee's assets by a voluntary agreement with Lessee's creditors; or,

23.2.5 The abandonment by Lessee of the conduct of its authorized Airport business at the Airport, and in this connection suspension of operations for a period of fifteen (15) days will be considered abandonment in the absence of a satisfactory explanation which is accepted in writing by Director, unless said abandonment is necessitated by the occurrence of a natural disaster which renders the premises unfit for occupation or its intended purpose.

23.3 Upon the default by Lessee in the performance of any covenant or conditions required to be performed by Lessee, and the failure of Lessee to remedy such default for a period of thirty (30) days after receipt of written notice from Director or Manager to remedy the same (except as otherwise provided in Section 7.3 (b) above) and, except default in the timely payment of any money due County or Manager, County shall have the right to cancel this Agreement for such cause.

23.4 Upon the default of Lessee, and the giving of notice by Director or Manager to cancel this Agreement as provided for elsewhere herein, said notice of cancellation shall be final; provided, however, that should Director or Manager determine that Lessee is diligently remedying such default to completion, said notice of cancellation shall be held in abeyance. If, however, Director or Manager determines that such default is no longer being diligently remedied to conclusion, Director or Manager shall so advise Lessee in writing, and said notice of cancellation shall no longer be held in abeyance for any reason and shall become final without further notice to Lessee. The determination of Director or Manager in this regard shall, in all events, be conclusive and binding upon Lessee.

23.5 Upon the cancellation or termination of this Agreement for any reason, all rights of Lessee, tenants and any other persons in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Upon said cancellation or termination of this Agreement for any reason, the Leased Premises, except for such personal property which may be removed from said Leased Premises as provided for elsewhere herein, shall be free of all encumbrances and all claims of Lessee, its tenants, creditors, trustees, assigns and all others, and County shall have immediate right of possession to the Leased Premises.

23.6 Failure by County, Director or Manager to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not be construed to be, nor act as, a waiver of said default nor of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed

by Lessee. Acceptance of rentals by County or Manager under the terms hereof, for any period or periods after a default by Lessee of any the terms, covenants and conditions herein required to be performed, kept and observed by Lessee shall not be deemed a waiver or estoppel of any right on the part of Director or Manager to cancel this Agreement for any subsequent failure by Lessee to so perform, keep or observe any of said terms, covenants or conditions.

23.7 If Lessee becomes delinquent in Lease payments or any other unpaid amount owed County or Manager, Lessee hereby grants to County or Manager a lien against Lessee's aircraft and all personal property, which Lessee may, from time to time, store in or upon the Leased Premises. This lien shall exist and continue to exist for all unpaid amounts which Lessee may owe County or Manager, from time to time, and the assertion of the lien shall not relieve Lessee from the obligation to pay the monthly fees as herein provided. In the event Lessee does not fully and immediately discharge all unpaid amounts, County or Manager is hereby granted and shall have the right to take and recover possession of Lessee's aircraft and satisfy its lien in accordance with §§ 1208.61 through 1208.70, inclusive, of the Code of Civil Procedure of the State of California, or any successor sections. County or Manager may also take and recover possession of any personal property, and exercise its lien against the same and, in addition thereto, recover all costs and expenses including attorney's fees in connection with the repossession of said personal property and assertion of its lien.

SECTION 24
TERMINATION BY LESSEE

24.1 In addition to any other right of cancellation herein given to Lessee, or any other rights to which it may be entitled to by law, equity or otherwise, as long as Lessee is not in default in payment to County or Manager of any amounts due County or Manager hereunder this Agreement, Lessee may cancel this Agreement and thereby terminate all of its rights and unaccrued obligations hereunder, by giving County and Manager written notice upon or after the happening of the following events:

24.1.1 Issuance by a court of competent jurisdiction of an injunction which, in any way, substantially prevents or restrains the use of the Leased Premises, or any part thereof necessary to Lessee's business operations on the Airport, and which injunction remains in force for a period of at least thirty (30) days after the Party against whom the injunction has been issued has exhausted or abandoned all appeals, or one hundred twenty (120) days, whichever is shorter, if such injunction is not necessitated by or issued as a result of an act or omission of Lessee; or,

24.1.2 The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport and its facilities, or any substantial part thereof, in such a manner as substantially to restrict Lessee from operating its authorized Airport business for a continuous period of at least ninety (90) days.

SECTION 25
SURRENDER AND RIGHT OF RE-ENTRY

25.1 Upon the cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to County or Manager in the same condition as they are at the time of the commencement of the term hereof, and as they may hereafter be repaired and improved by Lessee; save and except: (a) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance; (b) obsolescence in spite of repair; and (c) damage to, or destruction of, the leasehold improvements for which insurance proceeds are received by County. Upon such cancellation or termination, County or Manager may re-enter and repossess the Leased Premises together with all

improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at County's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days after such cancellation or termination, and for which period Lessee will pay to County or Manager current Lease rentals), or during the term of this Agreement, if Lessee is not in default in rentals or any other charges or obligations due County or Manager, Lessee shall have the right to remove its personal property, fixtures and trade equipment which it may have on the Leased Premises, provided the removal thereof does not impair, limit or destroy the utility of said Leased Premises or building for the purpose for which they were constructed or improved, and provided further, that Lessee repairs all damages that might be occasioned by such removal, and restores the building and site to the condition above required.

SECTION 26
SERVICES TO LESSEE

26.1 County covenants and agrees that, during the term of this Agreement, it will operate the Airport as such for the use and benefit of the public, provided, however, that County may prohibit or limit any given type, kind, or class of aeronautical use of the Airport, if such action is necessary for the safe operation of the Airport, or necessary to serve the civil aviation needs of the public. County further agrees to use its best efforts to maintain the runways and taxiways in good repair. County agrees to keep in good repair hard-surfaced public roads for access to the Leased Premises.

26.2 Lessee will contract with the furnishers of all utilities for the furnishing of such services to the Leased Premises and shall pay for all water, gas, electricity, sanitary sewer service, other utilities, telephone, and burglary and fire protection services furnished to the Leased Premises.

26.3 Lessee will also contract with the furnishers of all other utilities and services they may require for the furnishing of such services to the Leased Premises and shall pay for all other utilities and services.

SECTION 27
SURVIVAL OF THE OBLIGATIONS OF THE LESSEE

27.1 In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in Section 23 hereof, all the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession, and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiencies shall become due and payable to County or Manager to the same extent, at the same time or times, and in the same manner, as if no termination, re-entry, regaining or resumption of possession had taken place. County or Manager may maintain separate actions each month to recover the damage or deficiency then due, or at its option, and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of the Agreement.

27.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession), on account of Lessee's rental obligations, shall be the sum of the following:

27.2.1 The amount of the total of all installments thereof payable prior to the effective date of termination, except that the credit to be allowed for the installment payable on the first (1st) day of the month in which the termination is effective shall be prorated for the part of the month the Agreement remains in effect, on the basis of the total days in the month;

27.2.2 An amount equal to all expenses incurred by County or Manager in connection with

regaining possession, restoring the Leased Premises, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorney's fees), putting the Leased Premises in order, maintenance and brokerage fees;

27.2.3 An amount equal to any deficiency for the remaining term of the Lease, computed in accordance with the provisions of Section 27.2.1.

SECTION 28
USE SUBSEQUENT TO CANCELLATION OR TERMINATION

28.1 County, upon termination or cancellation pursuant to Section 23 hereof, may occupy the Leased Premises or may enter into an agreement with another lessee and shall have the right to permit any person, firm or corporation to enter upon the Leased Premises and use the same. Such use may be of part only of the Leased Premises, or of the entire Leased Premises, together with other premises, and for a period of time the same as, or different from, the balance of the term hereunder remaining, and on terms and conditions the same as, or different from, those set forth in this Agreement.

28.2 County shall also, upon said termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purpose of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

28.3 In the event, either of use by others or of any actual use and occupancy by County, there shall be credited to the account of Lessee against its survived obligations hereunder, any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the Leased Premises as County may itself during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by County in connection therewith. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of County hereunder. County will use its best efforts to minimize damages to Lessee under this Section.

SECTION 29
LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

29.1 Except the exclusive right of Lessee to possession of the Leased Premises, no exclusive rights at the Airport are granted by this Agreement and no greater rights or privileges with respect to the use of the Leased Premises or any part thereof are granted, or intended to be granted, to Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

SECTION 30
NOTICES

30.1 All notices, consents and approvals required or desired to be given by the Parties hereto shall be sent in writing, and shall be deemed sufficiently given when same is deposited in the United States Mail, sufficient postage prepaid, registered or certified mail, return receipt requested, addressed to the recipient at the address set forth below:

To County: Chief, Aviation Division
Los Angeles County Dept. of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

To Manager: Airport Manager
Whiteman Airport
12653 Osborne Street
Pacoima, CA 91331

With copy to: President
American Airports Corporation
2425 Olympic Blvd., Suite 650 East
Santa Monica, CA 90404
(310) 752-0555 and

To Lessee: Mr. Marcian A. Herman
Aerotique, LLC
c/o 10330 McBroom Street
Shadow Hills, CA 91040
(818) 353-3467; email: peacockhill@ca.rr.com

30.2 Such addresses shall be subject to change from time to time to such other addresses as may have been specified in written notice given by the intended recipient to sender.

SECTION 31
HOLDING OVER

31.1 No holding over by Lessee after the termination of this Agreement shall operate to extend or renew this Agreement for any further term whatsoever, but Lessee will, by such holding over, become the tenant-at-will of County after written notice by Director or Manager to vacate such premises; and continued occupancy thereof by Lessee shall constitute Lessee a trespasser.

31.2 Any holding over by Lessee beyond the thirty (30)-day period permitted for removal of fixtures without the written consent of Director or Manager shall make Lessee liable to County or Manager for damages equal to 300% of the prevailing rent in effect at the termination of the Lease, or the market rent of the Leased Premises plus any improvements, whichever is greater.

31.3 All insurance coverage that Lessee is required under the provisions hereof to maintain in effect shall continue in effect for so long as Lessee or any of Lessee's sublessees or tenants occupies the Leased Premises or any part thereof.

SECTION 32
INVALID PROVISIONS

32.1 The invalidity of any provisions, sections, paragraphs, portions, or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable Agreement.

SECTION 33
MISCELLANEOUS PROVISIONS

Remedies to be Nonexclusive.

33.1 All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to County, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Non-Waiver of Rights.

33.2 The failure by either Party to exercise any right or rights accruing to it by virtue of the breach of any covenant, condition or agreement herein by the other Party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other Party, nor shall other Party be relieved thereby from its obligations under the terms hereof.

Force Majeure.

33.3 Neither Party shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of labor disputes, inability to procure materials, acts of God, acts of war, acts of the public enemy, acts of superior governmental authority or other circumstances for which it is not responsible or which is not in its control, provided, however, that this Section shall not excuse Lessee from paying the rentals herein specified.

Non-liability of Individuals.

33.4 No director, officer, official, agent or employee of either Party hereto shall be charged personally or held contractually liable by, or to, the other Party under any term or provision of this Agreement, or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same.

33.5 Quiet Enjoyment.
County covenants that as long as Lessee is not in default of any provision of this Agreement, Lessee shall and may peaceably and quietly have, hold and enjoy the Leased Premises exclusively to it during the term hereof unless sooner canceled, as provided in this Agreement.

General Provisions.

33.6 Lessee shall not use, or permit the use of, the Leased Premises, or any part thereof, for any purpose or use other than those authorized by this Agreement.

33.7 This Agreement shall be performable and enforceable in Los Angeles County, California, and shall be construed in accordance with the laws of the State of California.

33.8 This Agreement is made for the sole and exclusive benefit of County, Manager and Lessee, their successors and assigns, and is not made for the benefit of any Third Party.

33.9 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any Party hereto on the basis that such Party did or did not author the same.

33.10 All covenants, stipulations and agreements in this Agreement shall extend to and bind each Party hereto, its legal representatives, successors and assigns.

33.11 The titles of the several sections of this Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.

33.12 Opportunity for Counsel.
The Parties have read and understand the contents of this Lease, have had the opportunity to have the counsel of their choice review this Lease, and have been advised of such opportunity.

33.13 Authority.
The persons signing this Agreement hereby warrant that they have full authority to sign this Agreement on behalf of the respective parties.

33.14 Nothing herein contained shall create or be construed to creating a co-partnership between County or Manager and Lessee or to constitute Lessee an agent of County or Manager. County, Manager and Lessee each expressly disclaim the existence of such a relationship between them.

33.15 County Lobbyist Ordinance.
Each County lobbyist, as defined in Los Angeles County Code Section 2.160.010, retained by Lessee, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist, retained by Lessee, to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

SECTION 34
SUBORDINATION CLAUSES

34.1 This Agreement is subject and subordinate to the following:

34.1.1 County reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use of, or access to, the Leased Premises.

34.1.2 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, in the opinion of County, would limit the usefulness of the Airport or constitute a hazard to aircraft.

34.1.3 This Agreement is, and shall be, subordinate to the provisions of existing and future agreements between County and the United States 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 for the benefit of the Airport.

34.1.4 During the time of war or national emergency, County shall have the right to lease all or any part of the landing area or of the Airport to the United States for military or naval use, and if any such lease is executed, the provisions of this Agreement 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 Agreement. Abatement of rentals shall be determined by County in proportion to the degree of interference with Lessee's use of the Leased Premises.

34.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those rights where subject to Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

SECTION 35
ENTIRE AGREEMENT

35.1 The Agreement consists of Sections 1 to 35, inclusive, and Exhibit A, Exhibit B, Exhibit C, Exhibit D and Exhibit E.

35.2 Integration Clause.
The Parties acknowledge and agree that this Agreement contains the entire agreement and understanding of the Parties concerning the subject matter hereof and supersedes and replaces all prior negotiations, proposed agreements and ancillary agreements, written or oral. The Parties further agree that no party has executed this Agreement in reliance upon any promise, representation or warranty not contained in this Agreement.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, THE PARTIES hereto have caused this Agreement to be executed by their respective officers, duly authorized by Aerotique, LLC, and by the COUNTY OF LOS ANGELES on _____, 2007.

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of
the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

AEROTIQUE, LLC

By _____

Its MEMBER

ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of LOS ANGELES } SS.

On AUGUST 16, 2007 (DATE) before me, MIRIAM GOMES OPRISAN (NOTARY),
personally appeared MARCIAN A. HERMAN (SIGNER(S))

☐ personally known to me - OR - ☑ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

MIRIAM GOMES OPRISAN
Comm. # 1561526
NOTARY PUBLIC - CALIFORNIA
Los Angeles County
My Comm. Expires March 19, 2009

WITNESS my hand and official seal.

NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

☐ INDIVIDUAL
☐ CORPORATE OFFICER
TITLE(S)
☐ PARTNER(S)
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER:

DESCRIPTION OF ATTACHED DOCUMENT

LEASE AGREEMENT
TITLE OR TYPE OF DOCUMENT

68
NUMBER OF PAGES

08-16-07
DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT OF SIGNER

Top of thumbprint here

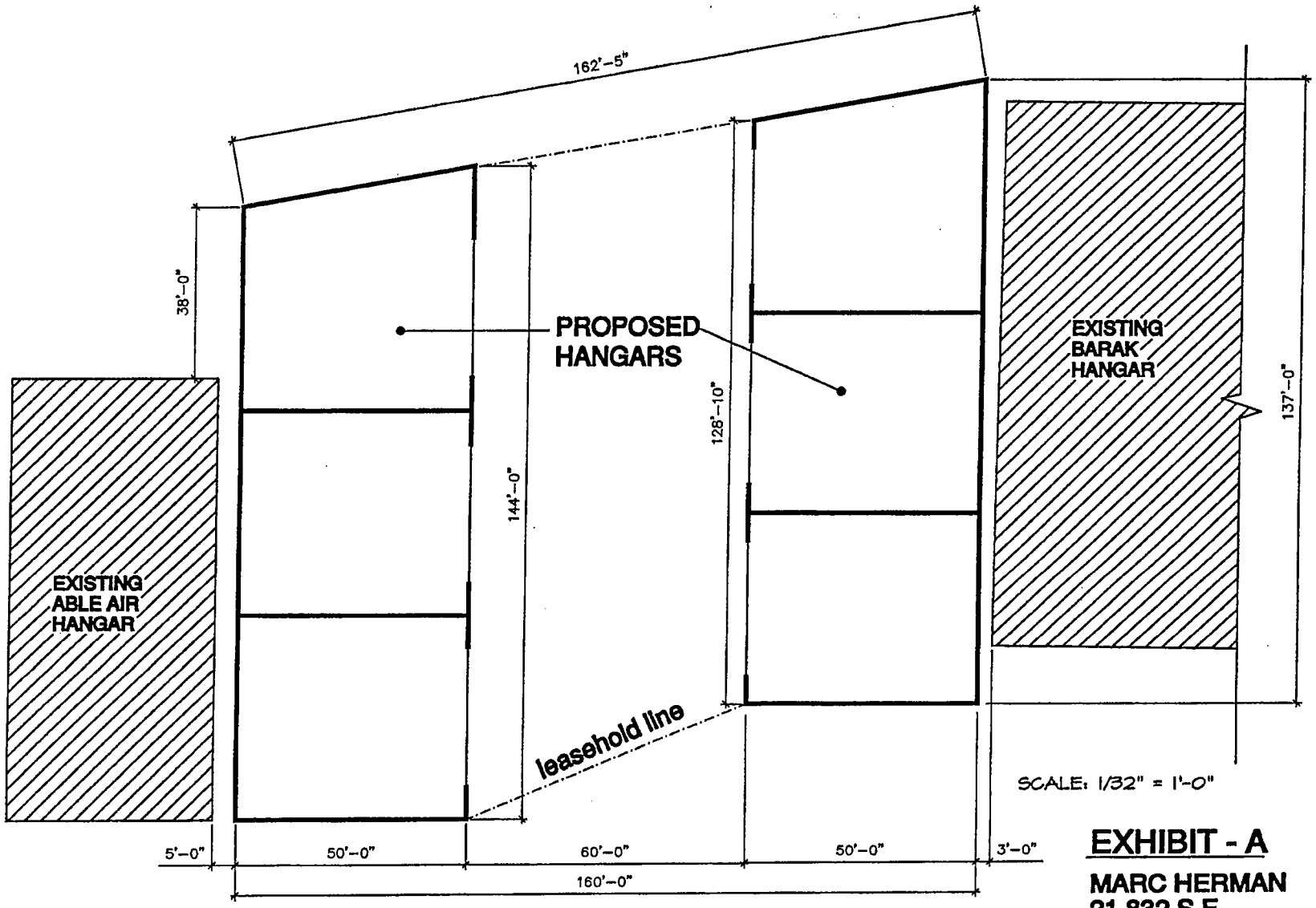

EXHIBIT - A

MARC HERMAN
21,832 S.F.

EXHIBIT B
Insurance

Lessee, in its own name as insured, and at its sole cost and expense, shall secure and maintain in continuous effect, during the term of this Agreement, insurance policies issued by an insurance carrier licensed to do business in the State of California, providing for:

1. Builders All-Risk – In the amount of the cost of the construction project

2. Real Property – 100% of the replacement value of the (new) building(s)

3. Workers Compensation - Coverage shall be provided for all employees. Coverage shall be for statutory limits in compliance with applicable state and federal laws. The policy must include employers liability with a minimum limit of $100,000 (One-hundred Thousand Dollars) each accident / $500,000 (Five-hundred Thousand Dollars) disease policy limit / $100,000 (One-hundred Thousand Dollars) disease each employee.

4. Comprehensive General Liability with a minimum single limit of $1,000,000 (One Million Dollars) per occurrence for bodily injury and property damage with the following coverages:

   (a) Broad form contractual liability
   (b) Premises and Operations
   (c) Hangarkeepers Liability

5. Comprehensive Automobile Liability with a minimum single limit of $1,000,000 (One Million Dollars) per occurrence for bodily injury and property damage with coverage in the following areas:

   (a) Owned vehicles
   (b) Non-owned vehicles
   (c) Hired vehicles

6. Rental interruption insurance in the amount equal to twelve (12) months' rent.

Lessee shall provide County and Manager with the Policies and Certificates indicating proof of the foregoing insurance coverages. Such certificates shall name "The County of Los Angeles" and "American Airports Corporation" as Additional Insureds and provide that the carrier issuing the certificate shall notify County thirty (30) days in advance of any cancellation or material change in the terms of coverage of such insurance policies. Any such notice shall be in writing and shall be served by certified mail, return receipt requested on the Airport Manager, Whiteman Airport, 12653 Osborne Street, Pacoima, CA 91331. Furthermore, insurance coverages shall contain a cross-liability or severability of interest clause, and a waiver of subrogation in favor of American Airports Corporation and the County of Los Angeles. In no event shall the limits of said policies be considered as limiting the liability of Lessee under this Lease. The failure of Lessee to obtain or maintain such insurance coverage shall not relieve Lessee from any liability arising from this Agreement, nor shall any such liability be limited to the liability insurance coverage provided for herein.

EXHIBIT C
Description of Improvement to Be Built

1. Obtain a survey of the Leased Premises and a legal description.

2. Submit a preliminary site plan including: the building(s), ramp area, parking area, landscaping, and trash enclosure.

3. Submit plan, including cost estimates, for approval.

4. Coordinate all utility service requirements. Lessee will provide for, and make all arrangements for, all water, electrical and sewer services at its sole expense. Lessee will pay the cost of all use of utilities onsite from the Commencement Date to the effective date of termination or expiration.

5. Construct approximately **15,700** square feet of aircraft storage hangars. The development shall consist of six box shaped hangars, including the appropriate number of spaces for parking and for Handicapped Parking, or whatever is required in compliance with local regulations and building requirements. On all developments that are comprised of more than 16 units, the Lessee shall be required to provide separate men's and women's bathrooms that are open to the public.

6. Construction requirements: Plan approval, permits required, supervision, and quality of construction are contained in construction specifications.

7. Secure all necessary approvals from the necessary agencies.

8. Provide a landscape plan to the Airport Manager for approval prior to start of construction.

9. Payment for Improvement / Administrative Fee. Lessee shall make all payments directly to contractors, and Lessee shall provide County with final lien releases and waivers in connection with Lessee's payment for work to contractors. In addition to the cost of such work, Lessee shall pay to County a fee for Lessee's use of County's personnel involved with the administration, coordination, inspection and the like, pertaining to the improvements to be built. Said fee shall be Three-Quarters-of-One-Percent (.75% or .0075) of the cost of the improvements but shall not exceed Three Thousand Dollars **($3,000.00)**. Such fee shall be paid by Lessee within ten (10) days after rendition of an invoice therefore.

LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS POLICIES AND PROCEDURES FOR THE ACCEPTANCE OF LETTERS OF CREDIT

Developers, permit applicants and/or contractors (hereafter referred to as applicants) of the Department of Public Works (DPW) wishing to present Letters of Credit (LC) in lieu of cash deposits for performance bonds or to guarantee the payment of future improvements as stipulated by contracts with the County, must obtain LC's that meet the standards established herein.

Prior to executing and presenting an LC, the applicant must obtain approval from DPW's Fiscal Division, 7th Floor of Headquarters Building located at 900 South Fremont Avenue, Alhambra, California 91803. Requests for approval shall be submitted on the Letter of Credit Request for Approval form (Exhibit II) and must be dated and signed by both the depositor and the responsible division's representative within the last 30 days of the date received by Fiscal Division. Letters of Credit must be dated within 30 days of the Fiscal Division's approval date. Allow two business days for review and approval. Fiscal Division will do everything possible to expedite all reviews and approval. However, part of the review and approval process is outside of the control of this Division. The applicant thus must allow two business days for review and approval to ensure that this process does not delay approval of their project/permit.

Minimum Criteria and Standards

The Los Angeles County Treasurer and Tax Collector's Office uses the Gerry Findley Financial Ratings to evaluate the reliability of the financial institutions on which Letters of Credit are drawn. Therefore, Letters of Credit will only be accepted when the financial institution upon which they are drawn meets the following:

A. Depositors Rating Code of: AAA - Excellent or
AA - Very good

The Depositor Rating Code is a measure of fiscal solvency, organizational stability, and reliability.

B. Lender Rating Code of:

If project term is greater than 5 years - L1, L2
If project term is 3 to 5 years - L1, L2, L3
If project term is less than 3 years - L1, L2, L3, L4

Example: A Letter of Credit securing an agreement of more than five years shall be drawn with an institution that has Depositor Rating Code of AAA or AA and a Lender Rating Code of L1 or L2.

Letter of Credit Format

NOTE: THE REQUIREMENTS LISTED BELOW MUST BE INCLUDED IN DETAIL IN THE UNDERLYING CONTRACT OR AGREEMENT

A. The Letter of Credit itself will not be accepted unless it is prepared in the format shown on the Sample Letter of Credit (Exhibit III) and is issued by an institution meeting the above criteria.

B. 1. The LC shall be irrevocable. An irrevocable LC (revocable only by County) serves as an indemnity covering a specified contract between the account party and the beneficiary.

2. The LC shall be in the name of the Department of Public Works, Los Angeles County.

3. The applicant must maintain acceptable LC's or other approved collateral throughout the term of the underlying contract as such may be amended or extended.

4. The County may request payment in the event of a default by the applicant as may be determined by the Department of Public Works.

5. Events of default upon which the County may request payment of the LC include:

i. Determination by the Department of Public Works that the financial institution issuing the original LC no longer meets the minimum criteria and standards set forth above and the applicant has not replaced the original LC with a new approved LC or other acceptable collateral within 30 days of mailing of notification (to applicant's address last submitted to DPW) or expiration of the original LC prior to fulfillment of the underlying agreement and any related or contingent obligations, whichever comes first.

ii. Any other event of default as stated in the underlying contract.

6. The LC at the time of the opening shall be equal to the obligation (including any contingencies or warranties) then required under the terms of the contract referenced in B.3 above.

LOS ANGELES COUNTY
DEPARTMENT OF PUBLIC WORKS

LETTER OF CREDIT
REQUEST FOR APPROVAL

Present completed form (Items 1 to 10) to Department of Public Works, Fiscal Division, Revenue Management Section Head.

1. Applicant Name and Address _____

_____

_____

2. Applicant Telephone Number _____

3. Type of Work Secured by Letter of Credit _____
(Clearly state purpose of security)

_____

_____

_____

_____

4. Contract No. _____ Date of Contract _____

5. Expiration Date of Contract _____
(Attach Contract)

6. Amount of Security Required $ _____

7. Term (Number of Years) _____

8. Proposed Financial Institution _____

Branch Number and Address _____
(Branch)

_____
(Address)

_____

_____

Name of Financial Institution Contact _____ Title _____

Telephone Number _____

9. DPW Responsible Division _____

10. DPW Responsible Division Contact _____

Telephone Number _____

.....

Fiscal Division Gerry Findley – Depositor Rating Code _____
Gerry Findley – Lender Rating Code _____
Gerry Findley – Reporting Quarter _____

TTC Contact _____ Date _____

Comments _____

_____

_____

☐ Fiscal Division Approval: _____ _____
Division Chief, Assistant Division Chief, or Accounting Officer III only — Date

Approval Expiration Date: _____
(Letter of Credit cannot be dated beyond this date)

☐ Fiscal Division Rejection: _____ _____
Division Chief, Assistant Division Chief, or Accounting Officer III only — Date

Reason for Rejection: _____

F-4\B-RP77
C9

SAMPLE

(Financial Institution Letterhead)

IRREVOCABLE LETTER OF CREDIT NO. _____

Place and Date of Issue: _____
_____

Amount: _____
(Thousand and 00/100)
United States Dollars

Applicant _____

Beneficiary: Department of Public Works (DPW)
County of Los Angeles
900 South Fremont Avenue
Alhambra, CA 91803-1331
Attention: Fiscal Division Chief

Expiration Date: _____

Reference Number (specify contract or agreement number) _____

Ladies and Gentlemen:

By order of (applicant) _____, we are instructed to open irrevocable Letter of Credit in your favor for U.S. $ (amount) _____.

Documents Required:

We undertake that drawing under this Letter of Credit will be honored upon presentation of the below document drawn on (Financial Institution) _____ at (address) _____.
Partial drawings on this Letter of Credit by the beneficiary are permitted.

Any claims under this letter shall be presented in the following manner:

The County's written statement signed by the Fiscal Division Chief of the Department of Public Works that the amount of this draft or a portion thereof is due and payable.

The above statement will be all that is required to certify that the amount set forth under (Financial Institution) _____ Letter of Credit Number _____ dated this date or any part thereof is due and payable to you.

(Note: The expiration date shown must be the one (1) year minimum.)

Automatic Extension:

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least ninety (90) days prior to any such expiration date we shall notify the Department of Public Works Fiscal Division Chief by registered letter that we elect not to consider this Letter of Credit renewed for such additional one (1) year period. Notice hereunder shall be deemed to have been given when receipt is acknowledged by the Department of Public Works Fiscal Division Chief or a person acting in such capacity. Upon receipt of such notice you may draw on said Letter of Credit.

This Letter of Credit may be released in whole or in part at any time by the County of Los Angeles upon our receipt of a written notice signed by the Fiscal Division Chief.

(Authorized Signature)
(Authorized Counter Signature)
(Notarization)

(Attach a statement signed by a corporate officer certifying that the person signing this Letter of Credit is authorized to sign on behalf of the financial institution.)

F-3\B-RP77
C10

LOS ANGELES COUNTY
DEPARTMENT OF PUBLIC WORKS
POLICIES AND PROCEDURES FOR THE ACCEPTANCE OF TIME DEPOSITS, CERTIFICATES OF DEPOSIT, PASSBOOKS FOR SAVINGS ACCOUNTS OR OTHER INSTRUMENTS OF DEPOSIT

Developers, permit applicants and/or contractors (hereafter referred to as "applicants") of the Department of Public Works (DPW) wishing to present instruments of deposit, such as Time Deposits, Certificates of Deposit, or Passbooks for Savings Accounts in lieu of cash deposits for performance bonds or to guarantee the payment of future improvements as stipulated by contracts with the County, must obtain deposit instruments that meet the standards established by the Los Angeles County Treasurer and Tax Collector's Office.

Prior to submitting an instrument of deposit, the applicant must obtain an approval from DPW's Fiscal Division, 7th Floor of the Headquarters Building located at 900 South Fremont Avenue, Alhambra, California 91803. Requests for approval shall be submitted on the attached Request for Approval Form (Exhibit V) and must be dated within the last 30 days of date received by Fiscal Division. Instruments of deposit must be dated within 30 days of the Fiscal Division's approval date. Allow two business days for the approval process. Fiscal Division will do everything possible to expedite all reviews and approval. However, part of the review and approval process is outside of the control of this Division. The applicant thus must allow two business days for review and approval to ensure that this process does not delay approval of their project/permit.

Minimum Criteria and Standards

The Los Angeles County Treasurer and Tax Collector's Office uses the Gerry Findley Financial Ratings to evaluate the reliability of the financial institution serving as the depository. In addition, all deposits are to be federally insured through the FDIC or the FSLIC (generally up to $100,000). Therefore, instruments of deposit will only be accepted when the financial institution upon which they are drawn meets the following:

A. Depositor Rating Code of:

AAA - Excellent
AA - Very Good
A - Above Average
AB - Average

The Depositor Rating Code is a measure of fiscal solvency, organizational stability and reliability.

B. Depositor Limit Code of:

1 - No limit set. Subject to mutual agreement.
2 - Up to $10,000,000
3 - Up to $ 7,500,000
4 - Up to $ 5,000,000
5 - Up to $ 3,000,000
6 - Up to $ 2,000,000
7 - Up to $ 1,000,000
8 - Up to $ 500,000

The Depositor Limit Code is an indicator of the maximum amount recommended for uninsured, unsecured, undersecured, and partially secured deposits (i.e., up to $100,000 generally insured by the FDIC or FSLIC).

C. Depositor Maturity Code of:

a - Open, subject to mutual agreement
b - Up to 10 years
c - Up to 5 years

The Depositor Maturity Code is an indicator of the maximum maturity limit recommended for Time and Savings Certificates of Deposit.

D. Rating Codes are to be applied in conjunction with the terms of the contract as follows:

	5 Years or Less	Greater Than 5 Years
Depositor Rating Code:	AB or better	AA or better
Depositor Limit Code:	8 or better	6 or better
Depositor Maturity Code:	c or better	b or better

Example 1: A Certificate of Deposit securing a contract for two years for $1,500,000 shall be deposited in an institution with a Depositor Rating Code of AAA, AA, A or AB; a Depositor Limit Code of 1, 2, 3, 4, 5, or 6; and a Depositor Maturity Code of a, b or c.

Example 2: A Certificate of Deposit securing a contract for six years for $1,000,000 shall be deposited in an institution with a Depositor Rating Code of AAA or AA: a Depositor Limit Code of 1, 2, 3, 4, 5, 6, or 7; and a Depositor Maturity Code of a or b.

NOTE: THE REQUIREMENTS LISTED BELOW MUST BE INCLUDED IN DETAIL IN THE UNDERLYING CONTRACT

E. The CD or passbook must meet the above requirements and must be held in the name of the Department of Public Works, Los Angeles County or renewed appropriately in the name of the Department of Public Works, Los Angeles County.

F. County may cash the CD or passbook upon:

   i. Determination by the Department of Public Works that the financial institution issuing the original CD or passbook no longer meets the minimum criteria and standards set forth above and the applicant has not replaced the original CD or passbook with a new approved CD or passbook or other acceptable collateral within 30 days of mailing of notification (to applicant's address last submitted to DPW) or prior to fulfillment of the underlying agreement and any related or contingent obligations, whichever comes first.

   ii. Any other event of default as stated in the underlying contract.

G. The CD or passbook at the time of deposit shall be at least equal to the obligations (including, i.e., contingencies or warranties) that may be required under the permanent agreement.

H. Notification of determination by DPW of a default under the performance agreement is sufficient to cash the CD or passbook. The applicant agrees to be held responsible for any penalties or loss of interest associated with the early withdrawal of the CD or passbook in the event of a default as determined by the Department of Public Works. Written notice of Department of Public Works' determination of default shall be given to the last submitted address of the applicant.

I. Any interest on the CD or passbook that may be paid to County by the financial institution issuing the CD or passbook shall be paid to the applicant by the County within 60 working days of County's receipt.

J. Applicant assumes all risk of lost principal and interest from the CD or passbook should the depository be declared insolvent or fall into default and fail to pay principal or interest. Applicant shall at such point provide adequate substitute collateral pursuant to this manual or pay County amounts equal to such CD or passbook within 30 days of receipt of notice from County.

K. Applicant is responsible for payment of any taxes due on interest paid on the principal.

LOS ANGELES COUNTY
DEPARTMENT OF PUBLIC WORKS

DEPOSIT INSTRUMENT
(CD, PASSBOOK, TIME CERTIFICATES)
REQUEST FOR APPROVAL

Present completed form (Items 1 to 10) to Department of Public Works Revenue Management Section Head.

1. Applicant Name and Address: _____

_____

_____

_____

2. Applicant Telephone Number: _____

3. Type of Work Secured by Deposit Instrument: _____
(Clearly state purpose of security)

_____

_____

_____

_____

4. Contract Number _____ Date of Contract _____

5. Expiration Date of Contract _____
(Attach Contract)

6. Amount of Security Required $ _____

7. Term (Number of mos./years) _____

8. Proposed Financial Institution Branch and Address _____
(Branch)

_____
(Address)

_____

_____

Name of Financial Institution Contact _____

Title _____ Telephone Number _____

9. DPW Responsible Division _____

10. DPW Responsible Division Contact _____

Telephone Number/Extension _____

FOR FISCAL DIVISION USE ONLY

Gerry Findley Rating Codes:

Reporting Quarter Used: _____

Depositor Rating Code: _____

Depositor Limit Code: _____

Depositor Maturity Code: _____

TTC Contact _____ Date _____

Comments _____

_____

_____

☐ Fiscal Division Approval: _____ _____
Division Chief, Assistant Division Chief, or Accounting Officer III only — Date

Approval Expiration Date: _____
(CD deposit date cannot be dated beyond this date)

☐ Fiscal Division Rejection: _____ _____
Division Chief, Assistant Division Chief, or Accounting Officer III only — Date

Reason for Rejection: _____

EXHIBIT E

Airport Rules and Regulations

LOS ANGELES COUNTY CODE

TITLE 19

AIRPORTS AND HARBORS

The provisions codified in this title reflect changes made by all County ordinances up to and including Ordinance 12264, passed November 18, 1980.

Title 19

AIRPORTS AND HARBORS

Chapters:

19.04 Airports
19.08 Airport Hazards
19.12 Harbors

Chapter 19.04

AIRPORTS[1]

Parts:

1. General Provisions
2. Definitions
3. Rules and Regulations
4. Aircraft Operations and Facilities
5. Motor Vehicle Regulations
6. Fire regulations

Part 1

GENERAL PROVISIONS

Sections:

19.04.010 Title for citation.
19.04.020 Purpose of chapter provisions.
19.04.030 Applicability of provisions.
19.04.040 Regulations imposed by county - Ejection of violators authorized when.
19.04.050 Provisions supplement state and federal regulations.
19.04.060 Exceptions and variances - Conditions.
19.04.070 Compliance with regulations.
19.04.080 Liability limitations.
19.04.090 Enforcement authority.
19.04.100 Violation - Penalty.
19.04.110 Severability.

19.04.010 Title for citation. The ordinance codified in this chapter shall be known as, and may be cited as the "airport ordinance." (Ord. 9979 Art. 1 § 2, 1970.)

19.04.020 Purpose of chapter provisions. The purpose of this chapter is to provide minimum standards to safeguard life, limb, property and public welfare by regulating and controlling the various activities on airports and STOLports owned or operated or both by the County of Los Angeles. (Ord. 9979 Art. 1 § 1, 1970.)

19.04.030 Applicability of provisions. The provisions of this chapter shall apply to any person, firm or corporation using such county airports or any navigation facility or portion thereof or space therein, provided that in no case shall the public be deprived of its rightful, equal and uniform use of the landing area or air navigation facilities. (Ord. 9979 Art. 1 § 3, 1970.)

19.04.040 Regulations imposed by county - Ejection of violators authorized when. The regulations in this chapter and the regulations imposed pursuant to Section 19.04.560 are imposed by the county of Los Angeles as operator of and in charge of all of the county airports as conditions upon the privilege of being present upon or using any county airport. Every person who violates any such conditions is a trespasser ab initio and may be excluded from the airport upon which the violation of such condition occurs. (Ord. 9979 Art. 1 § 4, 1970.)

19.04.050 Provisions supplement state and federal regulations. The rules and regulations codified in this chapter are a supplement to any local laws or ordinances, including state and federal laws, that may be in effect, and in no manner will these rules be construed to reduce or limit the authority of said laws or regulations. (Ord. 9979 Art. 1 § 10, 1970.)

19.04.060 Exceptions and variances - Conditions. If the director of aviation finds that any provision of this ordinance or any regulation adopted pursuant to Section 19.04.560 would, if enforced, cause unnecessary hardship or practical difficulties inconsistent with economic feasibility, or would do manifest injustice, or impose a burden upon any person disproportionate to any benefit to the general public or to the airport, he may grant for a limited time, to be specified in such exception or variance, an exception or variance to such provision or regulation, but only to the extent that such exception or variance does not violate any other Ordinance, or any state or federal statute or regulation. (Ord. 9979 Art. 1 § 8, 1970.)

19.04.070 Compliance with regulations. A person shall not enter, be or remain on any airport unless he complies with all of the regulations set forth in this chapter applicable to such airport, and with all other applicable ordinances, rules and regulations. (Ord. 9979 Art. 1 § 5, 1970.)

19.04.080 Liability limitations. A person exercising any of the privileges authorized by this chapter does so at his own risk without liability on the part of the county, or Los Angeles County Flood Control District, for any injury to person or property resulting therefrom. (Ord. 9979 Art. 1 § 11, 1970.)

19.04.090 Enforcement authority. The director shall enforce the provisions of this chapter. (Ord. 9979 Art. 1 § 6, 1970.)

19.04.100 Violation - Penalty. Any person within the unincorporated territory of the county of Los Angeles who violates any provision of this chapter, the conditions of any permit issued pursuant thereto, or any rule or regulation relating to airports, is guilty of a misdemeanor. Upon conviction thereof, he shall be punishable by a fine of not less than $5.00 nor more than $200.00, or by imprisonment in the County Jail for not less than five days nor more than six months, or by both such fine and imprisonment. Every day during any portion of which any violation of such provision of this chapter or of such regulation is committed, continued or permitted shall constitute such violation a separate offense. (Ord. 9979 Art. 1 § 7, 1970.)

19.04.110 Severability. If any provision or clause of the ordinance codified in this chapter, or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable. (Ord. 9979 Art. 1 § 9, 1970.)

Part 2

DEFINITIONS

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19.04.130 Aircraft.
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19.04.120 Aerobatic. "Aerobatic" means maneuvers intentionally performed by an aircraft involving an abnormal attitude as defined in FAA Regulations. (Ord. 9979 Art. 2 § 28, 1970.)

19.04.130 Aircraft. "Aircraft" means any contrivance, now known or hereafter invented, for use or designed for navigation of or flight in the air. (Ord. 9979 Art. 2 § 25, 1970.)

19.04.140 Airport. "Airport" means any airport and/or STOLport owned or operated, or both, by the county of Los Angeles, California. (Ord. 9979 Art. 2 § 19, 1970.)

19.04.150 Air traffic. "Air traffic" means aircraft in operation anywhere in the airspace and on that part of the airport normally used for the movement of aircraft. (Ord. 9979 Art. 2 § 26, 1970.)

19.04.160 **Apron.** "Apron" means that area normally used for the parking, tying down and fueling of aircraft and the movement of aircraft between main taxiways and hangars or aircraft parking space. (Ord. 9979 Art. 2 § 29, 1970.)

19.04.170 **Board.** "Board" means the board of supervisors of the county of Los Angeles. (Ord. 9979 Art. 2 § 13, 1970.)

19.04.180 **Commercial operator.** "Commercial operator" means one who provides services on any airport as an airport tenant, lessee, licensee or permittee. (Ord. 9979 Art. 2 § 20, 1970.)

19.04.190 **Commercial vehicle.** "Commercial vehicle" means a vehicle used or maintained for the transportation of persons or property for hire, compensation or profit. (Ord. 9979 Art. 2 § 38, 1970.)

19.04.200 **County.** "County" means the county of Los Angeles. (Ord. 9979 Art. 2 § 12, 1970.)

19.04.210 **Deputy.** "Deputy" means chief, aviation division; assistant chief, aviation division; head airport manager or airport manager. (Ord. 9979 Art. 2 § 17, 1970.)

19.04.220 **Director.** "Director" means the director of aviation of the county of Los Angeles, or other person authorized by him to act in his behalf. (Ord. 9979 Art. 2 § 16, 1970.)

19.04.230 **Driveway.** "Driveway" means any street or roadway, either improved or unimproved, within the boundaries of the airport set aside or designated for use by vehicles. (Ord. 9979 Art. 2 § 39, 1970.)

19.04.240 **FAA.** "FAA" means the Federal Aviation Administration of the United States. (Ord. 9979 Art. 2 § 42, 1970.)

19.04.250 **Flying club (commercial).** "Flying club (commercial)" means any person or groups of persons owning or operating an aircraft from any airports that do not meet the requirements of a private plane owner, a nonprofit flying club, or if a fee is derived from the operation of the aircraft, shall be deemed a commercial operator, and shall be required to meet all requirements and pay all fees as prescribed. The director shall have the sole discretion to determine whether a flying club is nonprofit or commercial. (Ord. 9979 Art. 2 § 23, 1970.)

19.04.260 **Flying club (nonprofit).** "Flying club (nonprofit)" means any group of persons joining together equally or proportionately in aircraft ownership in a nonprofit venture for the personal pleasure and use of participating members only. (Ord. 9979 Art. 2 § 22, 1970.)

19.04.270 **Loading ramp.** "Loading ramp" means that space reserved for the loading and unloading of aircraft. (Ord. 9979 Art. 2 § 33, 1970.)

19.04.280 **Loading zone.** "Loading zone" means that space reserved for the exclusive use of vehicles during the loading or unloading of passengers or materials. (Ord. 9979 Art. 2 § 32, 1970.)

19.04.290 **Manager.** "Manager" means any person appointed by the director of aviation or his authorized representative to serve in managerial capacity at any Los Angeles County airport. (Ord. 9979 Art. 2 § 18, 1970.)

19.04.300 **Motor vehicle.** "Motor vehicle" means a vehicle which is self-propelled. (Ord. 9979 Art. 2 § 37, 1970.)

19.04.310 **Operator.** "Operator" means the pilot or owner of an aircraft, or any person who has rented or otherwise has the authorized use of such aircraft for the purpose of operation by him or his agent. (Ord. 9979 Art. 2 § 21, 1970.)

19.04.320 **Parking area and aircraft parking area.** "Parking area" means and includes any portion of the airport which is set aside for the parking of vehicles. "Aircraft parking area" means the area set aside for the parking of aircraft. (Ord. 9979 Art. 2 § 31, 1970.)

19.04.330 **Parking rent.** "Parking rent" means and denotes the privilege of parking rented to a person for the parking or tethering of his aircraft or vehicle. It does not denote any form of implied liability such as "hangar keeper's liability" or liability similar thereto. (Ord. 9979 Art. 2 § 30, 1970.)

19.04.340 **Passenger ramp.** "Passenger ramp" means equipment used to aid the loading and unloading of aircraft passengers. (Ord. 9979 Art. 2 § 34, 1970.)

19.04.350 **Pedestrian.** "Pedestrian" means any person afoot. (Ord. 9979 Art. 2 § 41, 1970.)

19.04.360 **Person.** "Person" means any individual, firm, copartnership, corporation, company, association, joint stock association or political body, and includes any trustee, receiver, assignee or similar representative thereof (Ord. 9979 Art. 2 § 35, 1970.)

19.04.370 **Pilot's association.** "Pilot's association" means any nonprofit organized group of pilots, and others, for the purpose of promoting and bettering aviation and for social activities. (Ord. 9979 Art. 2 § 24, 1970.)

19.04.380 **Propeller blast.** "Propeller blast" means the resultant air movement created by the propeller, rotor or jet exhaust from any aircraft. (Ord. 9979 Art. 2 § 27, 1970.)

19.04.390 **Section.** "Section" means a section of this chapter. (Ord. 9979 Art. 2 § 15, 1970.)

19.04.400 **Shall and may.** "Shall" is mandatory and "may" is permissive. (Ord. 9979 Art. 2 § 14, 1970.)

19.04.410 **Traffic.** "Traffic" means pedestrians and vehicles, either singly or together, while using any driveway. (Ord. 9979 Art. 2 § 40, 1970.)

19.04.420 **Vehicle.** "Vehicle" means a device in, upon or by which any person or property is or may be propelled, moved or drawn upon a highway. (Ord. 9979 Art. 2 § 36, 1970.)

Part 3

RULES AND REGULATIONS

Sections:

19.04.430 Entry on airport property constitutes agreement to comply with regulations.
19.04.440 Experimental aircraft and motor vehicles.
19.04.450 Areas closed to the public - Entry restrictions.
19.04.460 Roads and walks - Use restrictions.
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19.04.480 Animals - Control required.
19.04.490 Apron of airport - Activities restricted.
19.04.500 Sanitation of premises - Comfort stations.
19.04.510 Injuring airport property - Payment of costs.

19.04.520 Commercial operations - Requirements generally.
19.04.530 Advertisements - Approval for posting or distribution.
19.04.540 Lost articles.
19.04.550 Gambling prohibited.

19.04.430 **Entry on airport property constitutes agreement to comply with regulations.** Any permission granted by the board of supervisors of the County of Los Angeles, or director thereof, directly or indirectly, expressly or by implication, to enter upon or use the airport or any part thereof (including aircraft operators, crew members and passengers, spectators, sightseers, pleasure and commercial vehicles, officers and employees of airlines, lessees and other persons occupying space at such airport, persons doing business with any airport, its lessees, sublessees and permittees, and all other persons whosoever whether or not of the type indicated) is conditioned upon compliance with this chapter, and rules and regulations of Los Angeles County airports; and entry upon or into the airport by any person shall be deemed to constitute an agreement by such person to comply with said ordinance, rules and regulations. (Ord. 9979 Art. 3 § 43, 1970.)

19.04.440 Experimental aircraft and motor vehicles. Demonstrations or testing of experimental aircraft or motor vehicles shall not be conducted on an airport without the express approval of the director. (Ord. 9979 Art. 3 § 52, 1970.)

19.04.450 Areas closed to the public - Entry restrictions. Persons shall not enter any restricted area posted as "closed" to the public except persons authorized by the director. (Ord. 9979 Art. 3 § 47, 1970.)

19.04.460 Roads and walks - Use restrictions.

A. All persons wishing to travel on any airport must do so only on roads, walks or places provided for this class of traffic.

B. All persons shall use the roads or walks or places in such a manner as not to hinder or obstruct their proper use. (Ord. 9979 Art. 3 § 46, 1970.)

19.04.470 Landing areas - Pedestrian restrictions. A person shall not enter, be or remain upon any landing area of any airport unless the director or airport manager finds that his presence will not endanger anyone or interfere with any operations of the airport and has given him permission to so enter, be or remain. (Ord. 9979 Art. 3 § 48, 1970.)

19.04.480 Animals - Control required. Dogs and other animals may be permitted on an airport only if on a leash or confined in such a manner as to be under control. (Ord. 9979 Art. 3 § 51, 1970.)

19.04.490 Apron of airport - Activities restricted.

A. Persons on the apron shall be careful to keep clear of moving aircraft or turning propellers.

B. No one shall use, climb upon, sit in, push or otherwise touch property of others parked or based on the airport.

C. Children under 14 years of age must be accompanied by adults when in any area except the terminal building. (Ord. 9979 Art. 3 § 49, 1970.)

19.04.500 Sanitation of premises - Comfort stations.

A. Garbage, papers and refuse, or other material, shall be placed in receptacles provided for that purpose.

B. Comfort stations are for the convenience of the public and all persons shall use them only in a clean and sanitary manner. (Ord. 9979 Art. 3 § 54, 1970.)

19.04.510 Injuring airport property - Payment of costs.

A. Persons shall not:

1. Destroy, injure, deface or disturb any property;
2. Abandon any personal property on the airport;
3. Alter in any way, unless approved in advance in writing by the director, any building, structure, fixtures or equipment; or
4. Hoist any objects in any manner from any building or structure except as approved by the director.

B. Any and all airport property destroyed, injured or damaged, by accident or otherwise, shall be paid for by the party or parties responsible. (Ord. 9979 Art. 3 § 50, 1970.)

19.04.520 Commercial operations - Requirements generally. All persons wishing to use an airport, or any portion thereof, for any revenue-producing activity such as, but not limited to, commercial photography, air shows, air charters, flight instruction, sales of equipment, supplies or aircraft, and maintenance or repair of aircraft, or for any consideration of any nature whatsoever, must secure an appropriate permit, license or lease for such activity from the director and pay the rates and charges prescribed for such use. An approved performance bond may also be required. (See Section 19.04.580.) (Ord. 9979 Art. 3 § 44, 1970.)

19.04.530 Advertisements - Approval for posting or distribution. All persons wishing to post, distribute or display signs, advertisements, circulars, printed or written matter at any airport must obtain the approval of the director and post such notices in a manner prescribed by the director. (Ord. 9979 Art. 3 § 45, 1970.)

19.04.540 Lost articles. Any person finding lost articles shall deposit them at the airport office. (Ord. 9979 Art. 3 § 55, 1970.)

19.04.550 Gambling prohibited. Persons shall not conduct gambling in any form, or operate gambling devices anywhere on an airport. (Ord. 9979 Art. 3 § 53, 1970.)

Part 4

AIRCRAFT OPERATIONS AND FACILITIES

Sections:

19.04.560 Director powers and duties.
19.04.570 Hours of operation.
19.04.580 Commercial operations - Permit procedures and fees.
19.04,590 Airport fees - Payment required.
19.04.600 Airport fees - Penalties for failure to pay.
19.04.610 Insurance requirements for commercial operators.
19.04.620 Aircraft - Storage license and registration requirements.

19.04.630 Instructors, mechanics and other personnel - Registration.
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19.04.650 Flying clubs.
19.04.660 Tenants and lessees - Posting of information.
19.04.670 Traffic rules - Passengers, aircraft and equipment.
19.04.680 Aircraft - Engine operation restrictions.
19.04.690 Brakes and blocking devices for aircraft and equipment.
19.04.700 Aircraft - Taxiing restrictions.
19.04.710 Loading gates - Use restrictions.
19.04.720 Freight and cargo handling.
19.04.730 Aircraft - Parking and storage specifications.
19.04.740 Intoxicating liquor, narcotics or drugs - Restrictions.
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19.04.760 Aircraft operation - Traffic pattern.
19.04.770 Aircraft operation - Takeoffs and landings.
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19.04.870 Aircraft - Fuel and oil.
19.04.880 Accident report requirements.
19.04.890 Damaged or disabled aircraft - Removal requirements.
19.04.900 Aircraft impound area - Placement conditions.

19.04.560 Director powers and duties.

A. The director shall recommend to the board for approval and adoption and the board may adopt rates and charges and such additional regulations regarding each airport operation as may be necessary, provided such regulations are not conflicting with anything contained in this chapter.

B. The director shall be responsible for notifying the appropriate authorities of all flight operations being conducted in an illegal or hazardous manner within an airport flight pattern or control zone.

C. The manager shall have the authority to take such steps as may be necessary for the handling, policing and protection of the public at the airport.

D. The manager may, in his absence, appoint the assistant airport manager, or an airport serviceman, to act as his agent for the county in matters not affecting policy. (Ord. 9979 Art. 4 § 56, 1970.)

19.04.570 Hours of operation. The airport will be in operation for such hours as designated by the director, subject to such restrictions as are necessary in the interest or safety. (Ord. 9979 Art. 4 § 57, 1970.)

19.04.580 Commercial operations - Permit procedures and fees. A written permit issued by the county of Los Angeles is required of all persons prior to commencing commercial operations from or upon an airport.

A. Application. To obtain a permit, the applicant shall first file an application in writing with the director on a form furnished by the director.

B. Duration. Permits may be issued for the following duration:

1. Temporary, from one to 30 days, as shown on permit;
2. Month-to-month;
3. Semi-annual;
4. Annual.

C. Permit Fees. An appropriate fee, set by the board, shall be paid upon the issuance of a permit to operate any commercial activity on or off an airport.

D. Permits. The permit will indicate the type of activity, dates covered, principals involved and the fee paid, as well as any special conditions or requirements.

E. Special Requirements. Because of the nature of each activity, there may be additional or special requirements for a permit, such as insurance, equipment, inspections, approved performance bonds, or whatever the director may require for the protection of the public and the county of Los Angeles. (Ord. 9979 Art. 4 § 58, 1970.)

19.04.590 Airport fees - Payment required. Persons shall not operate an aircraft or use a landing area, passenger ramp, apron area or aircraft parking and storage area except upon payment of such fees and charges as established by the board. (Ord. 9979 Art. 4 § 59, 1970.)

19.04.600 Airport fees - Penalties for failure to pay. Any aircraft owner, agent or pilot in charge failing to pay any fee charged against aircraft owned or controlled by him shall be subject to:

A. Having said aircraft held until such fees are paid;

B. Any other penalties which may be imposed by law. (Ord. 9979 Art. 4 § 60, 1970.)

19.04.610 Insurance requirements for commercial operators.

A. All commercial operators on any airport shall obtain public liability and property damage insurance together with product liability coverage, with a hold-harmless endorsement in favor of the county of Los Angeles, its officers and employees, in amounts set by the director from a company or companies which are licensed to do business in California and which are satisfactory to the director.

B. All commercial operators shall obtain insurance which shall be extended to cover persons who rent aircraft from a commercial operator against claims for property damage or liability to passengers or third parties. (Ord. 9979 Art. 4 § 87, 1970.)

19.04.620 Aircraft - Storage license and registration requirements. All persons wishing to store aircraft on an airport must make application and complete an aircraft storage license. Each commercial operator shall submit a list of aircraft based in this area, including his own, to the airport manager, stating the owner's name, address, telephone number, aircraft make, model and registration number. On the first day of each month, a report of newly based or departed aircraft shall be submitted. (Ord. 10294 § 1, 1971: Ord. 9979 Art. 4 § 62, 1970.)

19.04.630 Instructors, mechanics and other personnel - Registration. All flight instructors, charter pilots, ground-school instructors and aircraft and engine mechanics shall be registered with the manager's office prior to operating from any airport, and shall have such required licenses, permits or certificates verified. (Ord. 9979 Art. 4 § 61, 1970.)

19.04.640 Visiting pilots - Registration. All visiting pilots who land at an airport shall register on arrival. (Ord. 9979 Art. 4 § 63, 1970.)

19.04.650 Flying clubs.

A. Profit-making clubs are considered to be commercial operators and shall not base at any airport without a lease.

B. All nonprofit flying clubs shall be registered and file a copy of their organizational papers with the airport office.

C. All flying clubs shall carry insurance in an amount and type set by the director. Members of flying clubs shall each have reasonable and proportionate ownership in the club's airplanes and equipment.

D. No club shall solicit for the purpose of instruction any person on the premises of a commercial operator without the written permission of said operator on file with the director.

E. The director shall have the sole discretion to determine whether a flying club is nonprofit or commercial. (Ord. 9979 Art. 4 § 64, 1970.)

19.04.660 Tenants and lessees - Posting of information. All lessees and tenants shall maintain bulletin boards in conspicuous places for the purpose of posting the information of their personnel and customers, airport regulations and charges. Each tenant shall post on his bulletin board Workmen's Compensation notices, lists of physicians and the names of liability insurance carriers. (Ord. 9979 Art. 4 § 86, 1970.)

19.04.670 Traffic rules - Passengers, aircraft and equipment.

A. Persons shall not board or disembark from any aircraft on the landing or takeoff area.

B. Aircraft shall not be permitted to stop on or remain on any part of the landing or takeoff area. Engine operation when loading or unloading passengers is prohibited except in cases where FAA regulations permit.

C. Persons or equipment are not allowed on runways or taxiways except when authorized by the director. (Ord. 9979 Art. 4 § 69, 1970.)

19.04.680 Aircraft - Engine operation restrictions.

A. Aircraft engines shall not be started or run unless a qualified operator is at the control and effective brakes are on and locked or wheels blocked.

B. Aircraft engines shall not be operated in a manner or position that hangars, buildings, or other facilities, property or persons may be damaged or injured by such operation. (Ord. 9979 Art. 4 § 74, 1970.)

19.04.690 Brakes and blocking devices for aircraft and equipment. Aircraft, passenger ramps, baggage trucks and other such portable equipment shall be equipped with brakes. In alternative cases, suitable blocking devices shall be securely set when equipment is not in use. (Ord. 9979 Art. 4 § 76, 1970.)

19.04.700 Aircraft - Taxiing restrictions.

A. Pilots shall taxi their aircraft at a safe speed on taxiways, displaying extreme caution at all times.

B. Aircraft shall not taxi onto the runways without first stopping to observe traffic and to wait for approaching aircraft to pass or land.

C. Aircraft shall not be taxied into or out of hangars or push-in tiedown spots.

D. Helicopters shall not air-taxi unless permitted by the director. (Ord. 9979 Art. 4 § 75, 1970.)

19.04.710 Loading gates - Use restrictions.

A. The loading gate in front of the administration building or such other designated areas will be used only for the immediate loading or unloading of passengers, baggage, freight or cargo.

B. Aircraft at the loading gate shall move out of the area as soon as loaded or unloaded.

C. If an aircraft is delayed because of late passengers, equipment trouble, or for any other reason, the aircraft shall be moved to an area designated by the director. (Ord. 9979 Art. 4 § 71, 1970.)

19.04.720 Freight and cargo handling. The handling of freight and cargo will be done only in areas designated by the director. (Ord. 9979 Art. 4 § 72, 1970.)

19.04.730 Aircraft - Parking and storage specifications.

A. Aircraft shall be stored and repairs made only in areas designated for that purpose by the director.

B. Privately owned aircraft shall be parked only in the aircraft parking area or in a hangar.

C. Flying school and rental aircraft shall be parked and operated from an area assigned them by the director.

D. Visiting aircraft shall be parked in the aircraft parking area in positions assigned them by the director.

E. At the direction of the director, the operator, owner or pilot of any aircraft on the airport shall move the aircraft from the place where it is parked or stored to any other place designated on the airport. If the operator refuses to comply with the director, the director shall order the aircraft moved or towed to such designated place at the operator's expense and without liability for damage to the county, its officers, employees or agents, that may result from such moving.

F. Open parking spaces for aircraft shall not be used for toolboxes, ladders, storage lockers or other tools or equipment.

G. Hangar entrances shall be kept clear at all times. (Ord. 9979 Art. 4 § 70, 1970.)

19.04.740 Intoxicating liquor, narcotics or drugs - Restrictions. No person who is under the influence of, or in possession of, Intoxicating liquor, narcotics or any dangerous drug (as now or hereafter listed in Section 4211 of the Business and Professions Code) shall board or operate any aircraft or motor vehicle upon an airport. (Ord. 9979 Art. 4 § 82, 1970.)

19.04.750 Aircraft - Unnecessary noise prohibited. Aircraft shall be operated in a manner while on the ground or in flight so as to create the least amount of noise commensurate with safe operation. (Ord. 9979 Art. 4 § 66, 1970.)

19.04.760 Aircraft operation - Traffic pattern.

A. Unless otherwise authorized, all aircraft entering the landing pattern shall do so in compliance with the published flight pattern. Pilots shall maintain a proper interval, as provided in the FAA air traffic control manual, to avoid crowding of the runways on landing.

B. The director, unless superseded by other authority, by appropriate notice and clearances shall designate the traffic pattern altitude at each airport. (Ord. 9979 Art. 4 § 65, 1970.)

19.04.770 Aircraft operation - Take-offs and landings.

A. Pilots shall make an engine check at least 100 feet clear of the runway and visually check for landing traffic before entering the takeoff position.

B. Before taxiing an aircraft into position on the runway for takeoff, the final approach shall be clear.

C. All takeoffs and landings of aircraft shall be made on the runway only.

D. All initial takeoffs of aircraft shall be made from the end of the runway.

E. No aircraft shall land or take off in such a manner as to clear any public street at an altitude of less than 50 feet.

F. No 180-degree turns or turn-backs shall be made on the landing runway.

G. Aircraft landing at the airport shall make the landing runway available to others by leaving the line of traffic as promptly as possible.

H. The director may delay or restrict any flight or other operations at the airport, and may refuse takeoff clearance to any aircraft when necessary in the interest of safety.

I. The director, by appropriate notices, may restrict, regulate or entirely suspend student training, touch-and-go landings, practice takeoffs and landings, or simulated forced landings when required in the interest of safety. (Ord. 9979 Art. 4 § 68, 1970.)

19.04.780 Aircraft operation - Formation takeoffs and landings. Formation takeoffs or landings shall not be permitted. (Ord. 9979 Art. 4 § 67, 1970.)

19.04.790 Unattended aircraft. Aircraft shall not be left unattended unless properly tied down. Owners of such aircraft shall be held responsible for any damage resulting from failure to comply with this rule. (Ord. 9979 Art. 4 § 73, 1970.)

19.04.800 Helicopter operations. Helicopters shall land and take off from designated areas only. (Ord. 9979 Art. 4 § 77, 1970.)

19.04.810 Gliders - Towing restrictions. A person shall not tow or pull a glider by airplane, motor vehicle or any other method where such towing or pulling is for the purpose of taking off unless approved by the director. (Ord. 9979 Art. 4 § 78, 1970.)

19.04.820 Aircraft - Agricultural activities prohibited. No dusting, spraying of insecticide, or other flights of an agricultural nature shall be allowed from an airport. (Ord. 9979 Art. 4 § 84, 1970.)

19.04.830 Model aircraft - Operation prohibited. No person shall fly or cause or permit the flying of model aircraft or any similar device on any airport. (Ord. 9979 Art. 4 § 88, 1970.)

19.04.840 Parachute jumping prohibited - Exception. Parachute jumping within the confines of airport boundaries, flight patterns, approach zones or 45-degree entry legs, is prohibited unless prior approval is obtained from the FAA and the Division of Aeronautics of the state of California. (Ord. 9979 Art. 4 § 79, 1970.)

19.04.850 Aircraft - Maintenance and repair activities.

A. Aircraft may be maintained and repaired on county-owned airports in designated maintenance and repair areas and buildings, in leased areas and buildings, in tee hangars and tiedown spaces rented under aircraft storage license agreements, and in buildings or areas approved or assigned by the airport manager, subject to compliance with terms and conditions included in applicable leases or license agreements.

B. Aircraft maintenance and repair performed in the areas and buildings is authorized subject to compliance with appropriate Federal Aviation Regulations, government agencies as provided in Section 19.04.050 of this chapter, Building and Fire Codes, and airport regulations. Maintenance performed by commercial operators not otherwise authorized by lease license agreement or contract is permitted subject to compliance with Sections 19.04.520 and 19.04.580 of this chapter. (Ord. 10294 § 2, 1971: Ord. 9979 Art. 4 § 85, 1970.)

19.04.860 Aircraft - Washing facilities. Aircraft shall be washed only in areas provided for that purpose, or in any other area so designated by the director. Arrangements for the use of these facilities shall be made in advance. (Ord. 9979 Art. 4 § 83, 1970.)

19.04.870 Aircraft - Fuel and oil. The county of Los Angeles shall be the distributor for fuel and oil products on all airports. (Ord. 9979 Art. 4 § 89, 1970.)

19.04.880 Accident report requirements. Witnesses of and participants involved in aircraft, vehicular or pedestrian accidents occurring on or within airport boundaries shall make a full report to the director as soon after the accident as practicable, and submit such information together with their names and addresses to complete required accident reports. (Ord. 9979 Art. 4 § 80, 1970.)

19.04.890 Damaged or disabled aircraft - Removal requirements. The operator shall be responsible for the prompt removal of damaged or disabled aircraft or parts thereof unless required or directed to delay such action pending an investigation of the accident. In the event it shall become necessary for Los Angeles County airport personnel to move or have moved such disabled aircraft, or parts thereof, such removal shall be at the operator's expense, without liability to the county, its officers, employees or agents for damage which may result. (Ord. 9979 Art. 4 § 81, 1970.)

19.04.900 Aircraft impound area - Placement conditions. The director may establish an impound area on each airport to lock aircraft in place, and place therein any aircraft in possession of the county for which payment is owing to the county, and not paid on demand, for repairs, labor, supplies, materials or for storage of safekeeping; also for reasonable charges for the use of any landing aid and reasonable landing fee. The moving of such aircraft shall in no way obligate the county for any damages done. A $ 10.00 charge for moving shall be added to the account. (Ord. 9979 Art. 4 § 90, 1970.)

Part 5

MOTOR VEHICLE REGULATIONS[3]

Sections:

19.04.910 Operation regulations applicable.
19.04.920 Flight operations area restrictions.
19.04.930 Clearance of fire gate and entrance areas.
19.04.940 Loading areas.
19.04.950 Speed limits.
19.04.960 Crossing runways - Procedures.
19.04.970 Yield right-of-way to aircraft.
19.04.980 Parking restrictions.
19.04.990 Repairs and cleaning restricted.
19.04.1000 Bicycles and certain other vehicles prohibited - Exceptions.

19.04.910 Operation regulations applicable. Motor vehicles shall be operated on an airport in strict accordance with the motor vehicle laws of the state of California and local jurisdictions. In addition thereto, the following regulations set forth in this Part 5 pertaining to operation of motor vehicles on airports shall apply. (Ord. 9979 Art. 5 § 91, 1970.)

19.04.920 Flight operations area restrictions.

A. Motor vehicles shall not be permitted on the airport flight operations area except by prior approval of the director.

B. All motor vehicles in daily use on the flight operations area shall be painted as set forth in the Federal Aviation Administration Regulations (FARs) or subsequent FARs.

C. Other motor vehicles having occasion to enter the flight operations area shall display a flag above the vehicle. This flag shall be not less than three feet square, consisting of a checkered pattern of orange and white squares of not less than one foot on a side with the orange squares appearing at the corners and in the center of the flag. (Ord. 9979 Art. 5 § 92, 1970.)

19.04.930 Clearance of fire gate and entrance areas. All fire gates and entrances shall be kept clear of motor vehicles at all times. (Ord. 9979 Art. 5 § 99, 1970.)

19.04.940 Loading areas. All motor vehicles shall load and unload only at locations designated by the director. (Ord. 9979 Art. 5 § 97, 1970.)

19.04.950 Speed limits. Motor vehicles shall be operated on established streets and roadways in strict compliance with speed limits posted on traffic signs, and in any event shall not be in excess of 25 miles per hour, and shall at all times be operated in a proper and safe manner. On passenger loading ramps

and in areas immediately adjacent to hangars, speed shall not exceed 10 miles per hour. (Ord. 9979 Art. 5 § 93, 1970.)

19.04.960 Crossing runways - Procedures. The operator of a motor vehicle authorized to enter taxiways or runways shall exercise caution so as to keep clear of aircraft and shall follow the directions of the control tower, if any. (Ord. 9979 Art. 5 § 94, 1970.)

19.04.970 Yield right-of-way to aircraft. Motor vehicular traffic shall yield the right-of-way to aircraft. (Ord. 9979 Art. 5 § 95, 1970.)

19.04.980 Parking restrictions. Motor vehicles shall not be parked on an airport other than in the manner and at locations designated by the director. (Ord. 9979 Art. 5 § 98, 1970.)

19.04.990 Repairs and cleaning restricted. No person shall clean or make any repairs to motor vehicles anywhere on an airport, except those minor repairs necessary to remove such motor vehicles from an airport. (Ord. 9979 Art. 5 § 100, 1970.)

19.04.1000 Bicycles and certain other vehicles prohibited - Exceptions. Bicycles, and other two- or three-wheel vehicles are strictly prohibited except when used in the conduct of business, such as transportation to an airport, or if approved by the director. (Ord. 9979 Art. 5 § 96, 1970.)

Part 6

FIRE REGULATIONS[5]

Sections:

19.04.1010 Fire equipment requirements.
19.04.1020 Smoking and open-flame operations.
19.04.1030 Flammable materials - Use restrictions.
19.04.1040 Cleanliness of premises and equipment.
19.04.1050 Flammable rags and waste.
19.04.1060 Operations involving fire hazards.

19.04.1010 Fire equipment requirements.

A. Adequate and readily accessible fire extinguishers shall be provided by lessees, and maintained in proper working order. Each fire extinguisher shall carry a suitable tab showing date of most recent inspection.

B. Use of any fire equipment, no matter how trivial, shall be reported to the director immediately after use. (Ord. 9979 Art. 6 § 101, 1970.)

19.04.1020 Smoking and open-flame operations.

A. Smoking or lighting of open flames shall be prohibited in the following locations:

1. Places with posted "no smoking" signs;
2. On ramps or aprons;
3. Within 50 feet of fuel trucks or fuel-loading stations.

B. Persons shall not be permitted to conduct any open-flame operations in any building, or part thereof, except those specifically rented for repair-shop purposes, unless specifically authorized by the director.

C. Open flames, unprotected lightbulbs, blowtorches, heaters, welding, or other causes of fire or sources of sparks shall not be permitted within a distance of 100 feet while any fuel filling or draining operations are being conducted, or at any distance where ignition of fuel vapor is possible. (Ord. 9979 Art. 6 § 102, 1970.)

19.04.1030 Flammable materials - Use restrictions.

A. No person shall keep, store, use or discard any flammable liquids, gases, signal flares or other similar material in hangars or in any building on any airport; however, such materials may be kept in aircraft in the proper receptacles installed in the aircraft for such purpose, or in rooms or areas specifically approved for such storage by the director.

B. No cylinder or flask of compressed flammable gas shall be kept or stored except at such place as may be designated by the director.

C. No gasoline shall be stored aboveground or brought upon the premises of an airport except by persons duly authorized by the director.

D. Extreme caution shall be observed in handling paints, thinners and other flammable substances.

E. The process of fabric preparation or painting shall not be carried on in any hangar or building other than those specifically approved for the purpose.

F. No aircraft shall be fueled or drained while in a hangar or other enclosed place. Fueling shall be done in such a manner and with such equipment that adequate connections for the grounding at a point of zero electrical potential shall be continuously maintained during such times.

G. No person shall use flammable volatile liquids in cleaning operations unless such cleaning operations are conducted in open air and 50 feet or more away from any other airplane, equipment or building.

H. Aircraft or aircraft engines shall not be cleaned or degreased unless such operations are done in maintenance areas property equipped to handle such works, or in a space designated for such purpose by the director. (Ord. 9979 Art. 6 § 103, 1970.)

19.04.1040 Cleanliness of premises and equipment.

A. Hangars and building space shall be kept clean inside and out.

B. Hangar floors, gasoline pits and trucks shall be kept clean and free of excess gasoline, grease and other flammable liquids, solids or gases.

C. Floors shall be kept clean and free of oil, and no volatile or flammable solvent shall be used for cleaning floors. (Ord. 9979 Art. 6 § 104, 1970.)

19.04.1050 Flammable rags and waste.

A. Lessees of hangars or other airport areas shall provide suitable metal receptacles for the storage of oily waste, rags and other rubbish. All such waste or rubbish shall be removed by the lessee at frequent

intervals. In garages, shops or other buildings operated or maintained by the airport, the above and other rules prescribed by the director shall be observed by employees on the airport engaged in operation or maintenance of such garages, shops or other buildings.

B. Boxes, crates, rubbish, paper or other litter shall not be permitted to accumulate in or about any hangar, and all oil, paint, varnish cans, bottles or other containers shall be removed from the hangar immediately upon being emptied.

C. Any spilled gasoline in enclosures shall be wiped up immediately. The cleaning rags shall be disposed of promptly and the space ventilated. (Ord. 9979 Art. 6 § 105, 1970.)

19.04.1060 Operations involving fire hazards. When any operation involving fire hazard not specifically covered by any regulation contained in this chapter constitutes an unsafe practice, in the opinion of the director, the operator shall cease such operation immediately upon notice. (Ord. 9979 Art. 6 § 106, 1970.)

Chapter 19.08

AIRPORT HAZARDS

Sections:

19.08.010 Definitions.
19.08.020 Board of supervisors findings.
19.08.030 High-tension electrical lines prohibited where.
19.08.040 Exceptions to chapter applicability.
19.08.050 Violation - Penalty.
19.08.060 Severability.

19.08.010 Definitions. As used in this chapter:

A. "Airport" means any area of land or water which is used or intended for use for the landing and taking-off of aircraft.

B. "Person" means any individual, firm, copartnership, joint adventure, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, syndicate, this and any other county, city and county, municipality, district or other political subdivision, or any other group or combination acting as a unit. (Ord. 6703 §§ 2 and 3, 1955.)

19.08.020 Board of supervisors findings. The board of supervisors finds that high-tension wires carrying in excess of 66,000 volts in close proximity to airports present an extreme hazard to human life because of the possibility of contact with such wires by planes due to engine failure or other difficulties. (Ord. 6703 § 1, 1955.)

19.08.030 High-tension electrical lines prohibited where. A person shall not construct, establish or maintain any high-tension line carrying more than 66,000 volts of electricity within 2,000 feet of the outer boundaries of any airport unless all parts of such wire or wires are not more than 65 feet above the highest portion of such outer boundaries of the airport. (Ord. 6703 § 4, 1955.)

19.08.040 Exceptions to chapter applicability. This chapter does not apply to any high-tension line existing on June 14, 1955, the day that the ordinance codified in this chapter was adopted, unless the voltage in such line is subsequently increased or such line is raised or its position changed so as to bring it nearer to the outer boundaries of any airport. (Ord. 6703 § 5, 1955.)

19.08.050 Violation - Penalty. Violation of this chapter is punishable by a fine of not more than $500.00 or by imprisonment in the County Jail for a period of not more than six months, or by both such fine and imprisonment. Each day during any portion of which any violation of any provision of this chapter is committed, continued or permitted is a separate offense. (Ord. 6703 § 7, 1955.)

19.08.060 Severability. If any portion of the ordinance codified in this chapter or the application thereof to any person or circumstance is held invalid, the remainder of such ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. (Ord. 6703 § 6, 1955.)

1 *For statutory provisions on county airports, see Gov. Code § 26020 et seq. and § 50470 et. seq. For county Aero Museum, see Ch. 2.90 of this code. For interference with airport operation, see Ch. 13.14.*