

September 29, 2026

Board of Supervisors  
Kern County Administrative Center  
1115 Truxtun Avenue  
Bakersfield, CA 93301

**PROPOSED CONSENT TO ASSIGNMENT OF GROUND LEASE AGREEMENT #493-2022  
FOR FIXED BASED OPERATION AT MEADOWS FIELD AIRPORT FROM LOYD'S  
AVIATION TO FREEMAN HOLDINGS OF BAKERSFIELD, LLC AND CONSENT TO  
GROUND LEASE AGREEMENT #424-2023 FOR FIXED BASED OPERATION AT  
MEADOWS FIELD AIRPORT FROM EPIC JET CENTER, LLC TO FREEMAN HOLDINGS OF  
BAKERSFIELD, LLC  
(Fiscal Impact: None)**

The Kern County Department of Airports requests your Board's consent for the Assignments of Ground Lease Agreements #493-2022 and #424-2023 from Loyd's Aviation and Epic Jet Center, LLC ("Assignors") to Freeman Holdings of Bakersfield, LLC ("Assignee") to acknowledge the Assignments of Ground Lease Sites at Meadows Field Airport, Bakersfield, CA ("Assignments").

On September 13, 2022, your Board approved Ground Lease Agreement #493-2022 ("Agreement") with Loyd's Aviation, for the purpose of conducting a Fixed Base Operation at Meadows Field Airport for a term of 30 years. On July 25, 2023, your Board approved Ground Lease Agreement #424-2023 ("Agreement") with Epic Jet Center, LLC for the purpose of conducting a Fixed Base Operation at Meadows Field Airport for a term of 20 years, with one separate ten-year option thereafter.

Assignors now desire to assign the Ground Lease Agreements to Freeman Holdings of Bakersfield LLC. Assignors further desire to enter a long-term lease to replace Agreements #493-2022 and #424-2023 for the purpose of consolidating the two leases into one lease, within six months, subject to good faith negotiations with the County. The Assignment transfers to Assignee all of Assignor's rights, obligations, duties, title, and interest in and to the Agreement.

The Assignment has been approved as to content by the Department of Airports and signed by both Assignors and Assignee. The Assignment has been approved as to form by the Office of County Counsel.

The Department of Airports review of possible environmental effects has determined that this assignment of Ground Lease Agreement involves negligible or no expansion of use beyond that previously existing and is declared to be categorically exempt from the requirement to prepare environmental documents pursuant to Section 15301 of the California Environmental Quality Act (CEQA) Guidelines.

Therefore, IT IS RECOMMENDED that your Board approve and authorize Chairman to sign the consent to Assignment of Ground Lease Agreement #493-2022 from Loyd's Aviation and Board of Supervisors

**YOUR GATEWAY TO BOUNDLESS TRAVEL**

Assignments of Lease Agreements  
September 29, 2026  
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Ground Lease Agreement #424-2023 from Epic Jet Center, LLC to Freeman Holdings of Bakersfield, LLC for Fixed Based Operations at Meadows Field Airport.

Respectfully submitted,



Bill LaManque, CM  
Director of Airports

CC: Office of County Counsel

**ASSIGNMENT OF LEASE AGREEMENT BY LOYD'S AVIATION  
TO FREEMAN HOLDINGS OF BAKERSFIELD, LLC  
AND CONSENT BY THE COUNTY OF KERN**

**THIS ASSIGNMENT** ("Assignment") is made on \_\_\_\_\_ ("Execution Date") by and between **Loyd's Aviation**, a California corporation ("Assignor"), and **Freeman Holdings of Bakersfield, LLC**, a California limited liability company ("Assignee").

**RECITALS:**

**A.** On September 13, 2022, Kern County ("County") and Assignor, entered into a Ground Lease Agreement to lease a portion of the Airport for the purpose of conducting a Fixed Base Operation at Meadows Field Airport (Kern County Agreement #493-2022, "**Agreement**") for a term of 30 years.

**B.** The Agreement contains a provision allowing the Lessee to assign the Agreement with the approval of the Director of Airports, and/or the County Board of Supervisors.

**C.** Assignor now desires to assign the Agreement to Assignee as part of a purchase of certain of Assignor's assets by Assignee pursuant to that certain Asset Purchase Agreement dated July 21, 2026.

**Assignor and Assignee agree as follows:**

**ASSIGNMENT:**

**1.** Assignor assigns and transfers to Assignee all of Assignor's rights, obligations, duties, title and interest in and to the Agreement, a copy of which is attached to this Assignment as **Exhibit "B."** Assignee agrees to and does: (i) accept this Assignment; (ii) expressly assumes, and agrees to pay, perform and discharge, all of Assignor's duties, obligations, liabilities and responsibilities under the Agreement arising from and after the Assignment Date (as defined below), as fully as if Assignee had been an original party to the Agreement. As used in this Assignment, "Assignment Date" means the date on which the last of the conditions set forth in Paragraphs 2 through 4 have been satisfied.

**2.** This Assignment is contingent upon, and shall be of no force or effect until Assignee has filed with County certificate(s) which indicate that Assignee has obtained the insurance coverages required by the Agreement and provided the \$10,000 security deposit.

**3.** This Assignment is contingent upon, and shall be of no force or effect until Assignor has paid all past due amounts and any administrative processing fees under the Agreement to County.

**4.** This Assignment is contingent upon, and shall be of no force or effect until the closing of the purchase of the underlying assets by Assignee.

**5. Release of Assignor.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, AND SOLELY AS BETWEEN AS BETWEEN ASSIGNOR AND ASSIGNEE, ASSIGNOR SHALL HAVE NO FURTHER LIABILITIES, DUTIES, OBLIGATIONS OR RESPONSIBILITIES UNDER THE AGREEMENT ARISING FROM FACTS AND CIRCUMSTANCES

OCCURRING FROM AND AFTER THE ASSIGNMENT DATE, AND ASSIGNOR SHALL NOT BE A SURETY OR GUARANTOR OF ASSIGNEE'S PERFORMANCE OF ITS DUTIES, OBLIGATIONS AND RESPONSIBILITIES UNDER THE AGREEMENT. ASSIGNOR REMAINS LIABLE FOR THOSE LIABILITIES, DUTIES, OBLIGATIONS AND RESPONSIBILITIES UNDER THE AGREEMENT ARISING FROM FACTS AND CIRCUMSTANCES OCCURRING UP TO THE ASSIGNMENT DATE.

**6. Indemnification of Assignor by Assignee.** Notwithstanding anything to the contrary in the Agreement, and solely as between Assignor and Assignee, and otherwise to the maximum extent permitted under the laws of the State of California, Assignee shall indemnify, defend and hold harmless Assignor from and against any and all claims, causes of action, proceedings, demands, damages, liabilities, losses, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) arising out of, concerning or related in any way to the Agreement and first arising or accruing on or after the Assignment Date. Assignor may participate in the defense of any such claim or proceeding at its own cost and expense without relieving Assignee of any of its obligations under this Paragraph 6.

**7. Binding Effect.** Solely as between Assignor and Assignee, this Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and permitted assigns, may be executed in counterparts (including by electronic or .pdf signature, each of which shall be deemed an original), and may be amended only by a writing signed by Assignor and Assignee. Except for County, no person other than the parties and their respective successors and permitted assigns shall have any right of action under this Assignment.

**CONSENT OF LESSOR:**

The consent of Lessor, **COUNTY OF KERN**, a political subdivision of the State of California, is attached as **Exhibit "A."**

Assignor and Assignee have executed this Assignment as of the Execution Date.

**ASSIGNOR:**

LOYD'S AVIATION  
P.O. Box 80958, Bakersfield, CA 93308  
Phone: (661) 393-1334

By: Steve Loyd 9/1/2026  
STEVEN L. LOYD  
Its: Chief Executive Officer

**ASSIGNEE:**

FREEMAN HOLDINGS OF BAKERSFIELD, LLC  
16221 Foster Street, Overland Park, KS 66085  
Phone: (913) 951-5600

By: Scott Freeman 9/2/2026  
SCOTT FREEMAN  
Its: Chief Executive Officer

# EXHIBIT "A"

## CONSENT OF LESSOR

The County of Kern is a party to the Ground Lease Agreement containing an approximate 17.6-acre within portions of APN 492-010-14 and 492-010-36 (Kern County Agreement #493-2022, "**Agreement**") described in the foregoing Assignment and hereby consents to the Assignment of the Agreement to Freeman Holdings of Bakersfield, LLC, a California limited liability company, as Assignee, by Loyd's Aviation, a California corporation, as Assignor.

Notwithstanding anything to the contrary in the lease, the parties agree that Assignor shall have no further liabilities, and/or duties, obligations and responsibilities under the lease arising from facts and circumstances occurring from and after the Assignment Date, and Assignor shall not be a surety of Assignee's performance of its duties, obligations and responsibilities under the lease owed to the County. The County does not hereby otherwise release Assignor, and Assignor remains liable for any such liabilities, duties, responsibilities, and obligations arising from facts and circumstances occurring up to the Assignment Date.

The County further agrees, as requested by Assignee by letter dated July 31, 2026, to enter into good faith negotiations with Assignee for a long-term lease to replace both the Agreement hereunder and another lease agreement assigned contemporaneously hereto, identified as Kern County Agreement #424-2023, for the purpose of consolidating the two leases into one lease. The County agrees to work in good faith to complete said replacement lease within six months of the date on which all conditions precedent to the effectiveness of the Assignment are satisfied.

## COUNTY OF KERN

By: \_\_\_\_\_  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

## APPROVED AS TO CONTENT:

### DEPARTMENT OF AIRPORTS

By: Bill Lamanque  
BILL LAMANQUE  
Its: Director of Airports

Date: 9/2/2026

## APPROVED AS TO FORM:

### OFFICE OF COUNTY COUNSEL

By: Brian Van Wyk  
BRIAN VAN WYK  
Its: Deputy County Counsel

Date: 9/2/2026

**EXHIBIT “B”**  
**LEASE AGREEMENT**

[ATTACHED]

Kerr. County

Agt. # 493-2022

2022

AGREEMENT FOR LEASE  
OF LAND AT MEADOWS FIELD AIRPORT

(County of Kern - Loyd's Aviation)

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Exhibit 'A' – Legal Description of Premises

Exhibit A1 - Parcel Map

Exhibit 'B' – Definition of Environmental Terms

Exhibit "C" – Airport Minimum Standards

Exhibit "D" – Federal Aviation Administration Assurances

Kern County

Agt. # 493-2022

**AGREEMENT FOR LEASE  
OF LAND AT MEADOWS FIELD AIRPORT**

(County of Kern – Loyd’s Aviation Inc.)

**THIS AGREEMENT**, is executed at Bakersfield, California, on SEP 13 2022 (“**Execution Date**”), by and between the **COUNTY OF KERN**, a political subdivision of the State of California (“**County**”), and **LOYD’S AVIATION**, a California Corporation (“**Lessee**”). County and Lessee are referred to individually as a “**Party**” and collectively as the “**Parties**.”

**RECITALS:**

**A.** Pursuant to Section 26020 et seq. of the Government Code of the State of California, County owns and operates an airport in the County of Kern, State of California, commonly known and described as Meadows Field Airport (“**Airport**”)

**B.** Lessee desires to lease a portion of the Airport for the purpose of conducting a Fixed Base Operation (“**FBO**”) and such other uses as may be permitted by the Kern County Director of Airports (“**Director**”).

**C.** It is the desire of County to utilize the Airport for the benefit of the citizens of Kern County, by facilitating its development and use in providing aviation-related and other related facilities.

**D.** Loyd Investments LLC currently leases real property at the Airport from County pursuant to a lease dated December 14, 1981 to Sierra Properties; that lease has been amended from time to time and assigned most recently to Lessee as set forth in a written Assignment and Assumption Agreement dated December 10, 2019 (“**Loyd Investments LLC Lease**”).

**E.** Loyd’s Aviation currently leases real property at the Airport from County pursuant to a lease dated May 8, 2007; that lease has been amended from time to time (“**Loyd’s Aviation Lease**”).

**F.** Lessee and County wish to consolidate the Loyd Investments LLC Lease and the Loyd’s Aviation Lease into one lease document (“**Lease**”) and to have this Lease supersede the above listed agreements for the respective premises referred to each, subject to the terms and conditions contained herein.

**G.** On May 25, 2021, the Kern County Board of Supervisors approved a public solicitation of interest in providing FBO services and other aviation-related services at the Airport (“**Solicitation of Interest**”) and adopted a resolution including written findings that the property that was the subject of the Solicitation of Interest, including the property which is the subject of this Agreement, is “exempt surplus land” for the limited purposes of the Surplus Land Act.

**H.** The Parties agree that Lessee is well-qualified to continue its operations as an FBO at the Airport, and thus the Parties desire to continue that relationship on the terms set forth herein.

**I.** Pursuant to Government Code section 25536, the Board of Supervisors may, by a four-

fifths vote, enter into leases, concessions, or managerial contracts County-owned properties held for airport use without following the bidding procedures specified in Article 8, Chapter 5, Part 2, Division 2, of Title 3 of the Government Code.

### **AGREEMENT:**

1. **Premises:** For and in consideration of the terms, covenants, and conditions contained in this Agreement, County leases to Lessee, and Lessee leases from County, the unimproved real property situated in the County of Kern, State of California, containing an approximate 17.6-acre within portions of APN 492-010-14 and 492-010-36, as legally described in **Exhibit "A,"** and as depicted on the Site Map attached as **Exhibit "A1"** ("**Premises**").

2. **Term:**

a. **Initial Term** - The initial term of this Agreement shall be for thirty (30) years, commencing on September 13, 2022 and terminating on the 13th day of September 2052, unless sooner terminated as provided herein. The Parties agree that upon execution of this Agreement, the existing leases identified as the Loyd Investments LLC Lease and the Loyd's Aviation, Inc. Lease will terminate.

b. **Extension of Term to Remove Hazardous Materials** - If any Hazardous Materials are found on the Premises, County may, in its sole discretion, require Lessee to remain in possession of the Premises beyond the stated term of this Agreement in accordance with **Section 4** until the County determines that such Hazardous Materials are no longer present, provided that if County requires Lessee to remain in possession of the Premises for the sole purpose of remediating Hazardous Materials, then the rental consideration for such extension term shall be the then-current rate. Hazardous Materials, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

3. **Right to Terminate:** This Agreement may be terminated by mutual agreement of the Parties or as otherwise set forth herein.

4. **Hold Over:** If Lessee holds over after the initial term or any extension term, with the express or implied consent of County, such holding over shall be a tenancy only from month to month and shall be governed by the terms, covenants, and conditions contained in this Agreement, except for rental consideration. Lessee shall pay during such holding over such rental consideration as County may determine appropriate, based on the then-prevailing fair market rental value of the Premises (excluding consideration of the market value of the Improvements). Such rental value shall be determined by a then-current appraisal by County. However, in no event shall the rental consideration be less than the previous year's rental.

5. **Rental Consideration:**

a. **Initial Term** - As consideration for lease of the Premises during the initial term, Lessee shall pay to County in lawful money of the United States without deduction or offset, to the Director of Airports, Department of Airports, 3701 Wings Way, Suite 300, Bakersfield, CA 93308, or to such persons and at such places as may be designated from time to time by County. The monthly rent shall be \$16,921.22 ("**Rent**"). The first monthly payment of rent shall be paid within 30 days of the Execution Date, and thereafter for the balance of the Term, shall be paid on or before the anniversary date of the Execution Date. In the event Lessee occupies the Premises for a partial month at any time, Lessee shall only be responsible for a prorated portion of the monthly rental consideration.

b. **Hold Over Term** – The amount of rent in a hold over term shall be determined by County as set forth in **Section 4**.

c. **Fuel Flowage Fee** – Lessee shall pay to County a gallonage fee for aviation fuel and oil sold or delivered for sale by or for lessee (“**Fuel Fees**”). Fuel Fees shall be paid by the 10th day of each month. The Fuel Fees are fixed by resolution of the Kern County Board of Supervisors (“**Board**”) establishing rates and charges for Kern County Airports (“**Resolution**”). In the event that the Fuel Fees change during the Term or Option, Lessee shall pay the revised fees when they take effect, as the same shall be established by action of the Board by revising or amending the Resolution, or creating an entirely new resolution or other duly-approved schedule of fees. Any change in the Fuel Fees shall be provided in writing to Lessee by County. Lessee shall not be required to include in payments provided in this **Section 5.c** any Fuel Fees to customers whose purchases are exempt by virtue of separate agreements with County. County may require Lessee, when making payment of amounts due County, to accompany the payment with a complete and accurate summary of Lessee’s records supporting such payment, including copies of delivery invoices showing the date and gallonage dispensed to the consumer. Lessee shall keep true and accurate records and account of all its deliveries of fuel and oil on the Airport. The Director, County Auditor, or other duly authorized agent of County shall have the right to audit and recompute any and all amounts payable under this Agreement, and the right to meter all fuels or lubricants dispensed at the Airport. Lessee shall bear the cost of any audit or metering which establishes that Lessee has underpaid the gallonage fee by 10% or more.

d. **CPI Calculations** – Rental consideration may be increased annually by County, effective on the first anniversary date of the Execution Date and on each subsequent anniversary date throughout the term of this Agreement. The procedure for adjusting rent shall be as follows: The Consumer Price Index - All Urban Consumers - U. S. Cities hereinafter (“**Index**”) as published by the United States Department of Labor’s Bureau of Labor Statistics (“**Bureau**”), will be the basis for rent adjustments. The month that occurs two months prior to the Execution Date shall be used as the “Base Month Index” for the entire term of the Agreement. County shall review the Index annually and compare it with the Base Month Index. If there has been an increase in the Index, the rent for the succeeding year shall be increased by an amount equal to the Base Rent multiplied by the percentage of the increase over the Base Month Index. Any increase in rent shall be rounded to the nearest whole dollar. In no event shall the rent be adjusted downward to an amount less than the previous year’s rent. Should the Bureau discontinue the publication of the Index, or publish the Index less frequently, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

e. **Fair Market Adjustments** – In addition to the annual rental adjustments based on the Index as set forth in **Section 5.d**, rent may be adjusted to fair market value at the discretion of County, beginning ten years after the Execution Date and at the end of each subsequent 10-year period of this Agreement or any extension thereof. In such case, County shall have the right to adjust the monthly rental consideration to be paid by Lessee for the next succeeding 10-year period as County may determine appropriate in light of the then prevailing fair market value of the demised premises; however, no single fair market value increase shall exceed 15% of the then-current rent for the next 10-year period. Once a new fair market rent has been established, the annual CPI rent reviews will continue with the latest fair market rent used as the new base for CPI calculations. Fair Market Rent shall be defined as the then-prevailing fair market rent for comparable Premises in comparable markets.

f. **Late Fee for Slow Pay** – If money payable to County as a condition of this Agreement is not paid in full when due, a late fee of 10% of the amount due and unpaid shall be added to the amount due, and the total sum of the then-due rental plus late fee shall become immediately due and payable to County. A further late fee of 10% of the amount due and unpaid, including previously assessed late fees, shall be added for each additional month that said amount remains unpaid. The

assessment and collection of the 10% late fee is in addition to any other rights of County, if Lessee does not faithfully perform the terms, covenants, and conditions of this Agreement.

**6. Purpose:**

**a. In General** - This Agreement is made for the purpose of allowing Lessee to construct, operate, and maintain the Premises to operate as an FBO as defined in the current Minimum Standards for Commercial Aeronautical Activity published by the Kern County Department of Airports, as amended from time to time, the current version of which is attached to this agreement as **Exhibit "C"** ("**Minimum Standards**") and provide other services incidental thereto for the benefit of the citizens of County. Lessee shall not use or permit the Premises to be used for any other purpose without the prior written consent of the Director, which may be granted or withheld at the Director's sole discretion.

**b. No Nuisance** - Lessee shall not do or permit any act or thing to be done upon the Premises that will obstruct or interfere with the rights of County or any others, or injure or annoy County or others. Lessee shall not cause, maintain, or permit any nuisance or waste on or about the Premises, or allow the Premises to be used for any unlawful purpose. Within 72 hours of receiving written notice from County that a nuisance exists, Lessee shall abate or otherwise cause the nuisance to be abated. If Lessee has not taken corrective action within 72 hours, then County may enter and abate the nuisance at the sole cost of Lessee without any liability whatsoever to County. Lessee shall not allow any offensive matter, refuse or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, to remain on the Premises or within a distance of 50 feet thereof, and shall prevent any accumulation thereof from occurring.

**7. Annual Financial Reporting:** Lessee shall provide annual financial reports to the Director evidencing the existence of sufficient funds to operate, repair and maintain the Premises to the sole satisfaction of County. County may, at any time upon written notice to Lessee, examine Lessee's accounts, record-keeping books and record of income and expenses from all operations and activities on the Premises. Lessee shall make such accounts, books, and records available to County. If Lessee fails to provide adequate financial reports or access to its books and records, County shall give a 15-day notice to Lessee, requiring Lessee to meet its obligations under this **Section 7**. If Lessee fails to do so within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may cause an audit to be performed, with all costs of the audit to be reimbursed by Lessee to County.

**8. Condition of Premises:** Lessee has inspected the Premises and knows the extent and condition thereof and accepts same in its present condition, subject to and including all defects, latent and/or patent. Lessee is aware that certain oil or gas pipelines easements may affect the Premises. County does not warrant or represent the Premises to be safe, healthful, or suited to Lessee's purposes. Existing improvements located on the Premises may be removed by Lessee at its sole expense.

**9. Construction of Improvements:**

**a. Compliance with Laws** - Lessee shall construct and maintain, to the satisfaction of the Director, a commercial aircraft hangar facility. The value of improvements constructed by Lessee shall be at least three million dollars (\$3,000,000) in a phased program to be negotiated by the Parties. All construction shall comply with the terms and conditions of all federal, state and local rules, regulations, codes, and laws that govern the development of the Premises.

**b. Approval of Plans- Initial and Alterations** - Before commencing any construction, and before making any exterior or structural alterations, additions or improvements to the Premises, Lessee shall prepare and submit three sets of plans and specifications ("**Plans**") for the

structures, landscaping, and the manner in which Lessee shall connect to utilities, for review and approval of the Director. The Parties understand that any new construction or major improvements to the existing facilities exceeding \$500,000 will require electrical needs to be supplied by the area utility provider. Furthermore, major improvements in excess of \$250,000 may require new electrical supply sources at the Director's sole discretion. Within 30 days thereafter, Lessee shall be notified of approval, disapproval, or recommended modification of the Plans. Lessee shall thereupon have 30 days in which to resubmit the appropriately revised Plans or appeal in writing to the Director for approval or disapproval of the Plans. The Director's decision shall be final. The Director's approval is in addition to any other plan approvals that are required by agencies having jurisdiction.

c. **Commencement and Completion of Construction** - Upon final approval by the Director of the Plans, Lessee shall commence the construction within 30 days from the date of final approval, and shall diligently complete the construction, and in no event later than twelve months from commencement. If Lessee fails to meet those deadlines, County shall give a 15-day notice to Lessee, requiring Lessee either (i) to commence or complete construction, as applicable, within that 15-day period or (ii) to explain to the sole satisfaction of the Director the reason for the delay. If Lessee satisfies neither condition within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may terminate this Agreement and either (i) take over construction of the improvements or (ii) demolish the in-construction improvements, with all costs of construction or demolition reimbursed by Lessee to County.

d. **Force Majeure** - Lessee's time for commencement and completion of construction shall be extended if Lessee's performance is prevented by Force Majeure events, as defined and provided in Section 32. Lessee's request for such extension of time shall be presented to the CAO within five days immediately following the happening of a Force Majeure event, and the decision of the CAO as to the sufficiency of the cause shown in support of such request, and as to the period of time of extension granted, shall be final.

e. **Permits** - Prior to any construction, Lessee shall, with all diligence and at its sole cost, seek necessary permits, and address environmental aspects and approvals of such construction.

f. **Non-Aeronautical Use** - The Parties agree that existing non-aeronautical use described as Vehicle Storage (upon the parcels described as 15A north, 15A south, and 15B as identified in Exhibit "A.") may be continued during the term of the Lease, provided that should the Director determine that such areas are needed for aeronautical use in the future, Lessee shall vacate the non-aeronautical use and provide aeronautical uses.

10. **Construction Assurance**: Prior to the commencement of any construction or work of improvement on the Premises, Lessee shall furnish to County evidence that sufficient monies will be available to complete the improvements. Such evidence shall represent at least the total estimated cost of construction. All such bonds, letters of credit, and/or time certificates shall be acceptable to County in content and form and shall ensure Lessee's faithful performance of the terms and conditions of this Agreement relating to the construction of improvements on the Premises.

11. **Hypothecation of Lessee Leasehold Interest**: Lessee may, with the written consent of County, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber Lessee's ground leasehold interest under this Agreement, being the leasehold estate so created, to a bona fide lender on the security of the leasehold estate for the purpose of benefiting and improving said leasehold. Any such bona fide lender shall have the right at any time during the term of the loan and while this Agreement is in full force and effect to do the following:

a. 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 be as effective to prevent a forfeiture of Lessee's rights hereunder as if done by Lessee.

b. To succeed to the interest of Lessee hereunder and thereafter at such lender's option to convey, assign or sublease the interest or title to said leasehold estate to another person acceptable to County in its sole discretion, subject to all the terms, conditions, and covenants of this Agreement. Two copies of any and all security devices or instruments shall be filed with the Airports Director prior to the effective date thereof, and Lessee shall give the Airports Director prior written notice of any changes or amendments thereto.

c. Any bona fide lender shall have the right, if so permitted by the terms and conditions of the concerned instrument of hypothecation between lender and Lessee, to remove any or all of Lessee's furniture, fixtures, equipment and improvements ("FF&E") under said hypothecation from the Premises (in accordance with and subject to Section 30 and in the event of such removal, the Premises shall be restored by Lessee or its successor to a condition satisfactory to the Airports Director and that said removal be done in a manner and at a time solely satisfactory to the Airports Director.

**12. Repair and Maintenance:**

a. **In General** - During the term of this Agreement, and any extension or holdover thereof, Lessee shall, at its sole cost, repair and maintain the Premises and its FF&E in a clean, sanitary and safe condition, consistent with prevailing commercial standards for similar facilities, and in compliance with the terms, covenant and conditions of this Agreement and all applicable federal, state and local laws, rules and regulations ("**Applicable Laws**"). Lessee shall maintain all fencing on the perimeter of the Premises, in good working order and repair and in a safe, sanitary, and clean condition. Lessee shall remove or trim and properly dispose of vegetation that may grow or collect on the Premises, and shall remove and properly dispose of any rubbish or materials that may collect on the Premises.

b. **Failure by Lessee to Repair and Maintain** - Repair and maintenance shall be to the sole satisfaction of County, and if Lessee fails to fulfill any duty imposed under this Section 12 within a reasonable period of time, County may, but is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with County if County undertakes to perform any such duties. No action by County taken pursuant to this Section 12 shall constitute a waiver of any of Lessee's obligations under this Section 12. Lessee's obligations under this Section 12 shall survive the expiration or termination of this Agreement.

**13. Utilities and Services; Modification of Utilities:** Lessee shall pay, during the term of this Agreement and any extension or holding over of the term, for all utilities used by Lessee in connection with its operations on the Premises. The term "utilities" for the purposes of this Agreement shall include, without limitation, gas, electricity, water, sewer, telephone or internet service, and trash and refuse disposal services. Lessee shall not modify any utilities on the Premises without the prior written consent of the Director, which may be granted or withheld at the Director's sole discretion.

**14. Taxes and Assessments:** Lessee shall pay all taxes, fees, charges, and assessments levied by any governmental agency upon any interest acquired by Lessee under this Agreement. Lessee is aware that certain possessory interest may be created by entering into this Agreement and that such interests will be subject to the payment of property taxes levied on such interest. Lessee is also aware that the construction of the Improvements may trigger the payment of property taxes levied on the Improvements.

**15. Lessee's Furniture, Fixtures and Equipment:**

a. **In General** - Lessee may install its own FF&E in the Premises, at its sole cost. In addition to Lessee's obligations under **Section 32**, at the expiration or termination of this Agreement, Lessee shall remove its FF&E, and repair any damage to the Premises as a result of removal, at its sole cost.

b. **Abandonment of FF&E** - Any FF&E belonging to Lessee and left on the Premises shall be kept for a reasonable time by County, but in no event longer than 30 days after County gives Lessee written notice to remove such property from the Premises. After the 30-day period, if not so removed, the FF&E may be treated by County as abandoned and declared to be County-owned property, and County may, at Lessee's sole cost, repair any damage to the Premises as a result of removal. The costs charged to Lessee may include, without limitation, consideration for the additional time Lessee or its FF&E occupied the Premises beyond the deadlines and disallowed County's full utilization of the Premises as the owner of the property.

c. **FF&E as Security** - If, at the time of expiration or termination of this Agreement, Lessee is in default of any of the terms, covenants, or conditions of this Agreement, including the payment of rent or any other sums due under this Agreement, Lessee shall not remove from the Premises any of its FF&E, and such personal property shall remain in the Premises as security for the cure of such default, until such time as such default is fully cured by Lessee and any costs incurred by County, including attorneys' fees, are paid in full by Lessee to County.

**16. Signs:** Lessee, at its sole cost, shall have the right to affix and install reasonable signs on the Premises to identify the Premises, and such signs shall comply with all Applicable Laws, including those of County, and shall be approved by the Director prior to installation. Any damage to the Premises occasioned by the installation and maintenance of any such sign, and the cost of removal or obliteration thereof upon the expiration or termination of this Agreement, shall be paid by Lessee.

**17. Damage and Destruction:** If the Premises is damaged or destroyed by fire or casualty, not the fault of Lessee or any person in or about the Premises with the express or implied consent of the Lessee, the damaged Premises shall be repaired by Lessee at its sole cost, with the use of available insurance proceeds required under **Section 23** or Lessee may, at its option, terminate this Agreement and assign the available insurance proceeds to County. In the event that Lessee elects to repair the damaged Premises, this Agreement shall continue in full force and effect except that certain obligations of Lessee may be subject to Force Majeure as provided in **Section 29**. The provisions of California Civil Code Section 1932(2) and Section 1933(4) shall not apply to this Agreement, and Lessee hereby waives the benefits thereof.

**18. Condemnation:** If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain, this Agreement shall terminate as to the part so taken as of the date of taking, and, in the case of a partial taking, either Party shall have the right to terminate this Agreement as to the balance of the Premises by notice to the other Party within 30 days after such date. However, a condition to the exercise by Lessee of such right to terminate shall be that the portion of the Premises taken shall be of such extent and nature, in Lessee's reasonable judgment, as substantially to handicap, impede or impair Lessee's use of the balance of the Premises. In the event of any taking, the proceeds shall belong to County.

**19. Right of Inspection:** County shall have the right to enter upon the Premises at all reasonable times to inspect the Premises and Lessee's operations thereon. County reserves all rights in and with respect to the Premises, not inconsistent with Lessee's use of the Premises as provided in **Section 6** including without limitation the right of County to enter upon the Premises for the purpose

of installing, using, maintaining, renewing, and replacing such underground oil, gas, water, sewer, and other pipelines, and such underground or aboveground telephone, telegraph, and electric power conduits or lines as County may deem desirable in connection with the development or use of the Premises. County shall compensate Lessee for damage to Lessee's FF&E caused by the exercise of the rights reserved in this **Section 18**.

**20. Hazardous Materials:**

**a. No Hazardous Materials** - Lessee shall not permit any Hazardous Materials to be stored or brought onto the Premises without the prior written consent of the Director, which may be granted or withheld in the Director's sole discretion. If Lessee spills any Hazardous Materials anywhere on the Premises, Lessee shall cleanup said spill, at its sole cost, and to the sole satisfaction of County. Hazardous Materials, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

**b. Clean Up of Hazardous Materials** - If any governmental authority or court, which has jurisdiction, demands that a cleanup plan be prepared and/or that a cleanup be undertaken because of any deposit, spill, discharge, or other release of any Hazardous Materials at, on, or from the Premises at any time during Lessee's occupancy of the Premises, or which arises at any time as a result of any uses or occupancy of the Premises by Lessee, then Lessee shall, at its sole cost, prepare and submit the required plans and all related bonds and other financial assurances and carry out all such cleanup plans in a timely manner.

**c. Failure by Lessee to Clean Up** - Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Materials that is requested by County. If Lessee fails to fulfill any duty imposed under this **Section 20.c** within a reasonable period of time, County may, but is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with County if County undertakes to perform any such duties. No action by County taken pursuant to **Section 20** shall constitute a waiver of Lessee's obligations under **Section 20**. Lessee obligations under **Section 20** shall survive the expiration or termination of this Agreement.

**d. Receipt of Notice of Violation** - If Lessee becomes aware of or receives notice or other communications concerning any actual, alleged, suspected, or threatened violation of any Environmental Requirements, or liability of Lessee in connection with the Premises or past or present activities of any person thereon, then Lessee shall deliver to County within 10 days of receipt of such notice or communication by Lessee, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not create any obligation on the part of County to defend or otherwise respond to any such notification. Environmental Requirements, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

**21. Indemnification:**

**a. In General** - Lessee shall indemnify and defend, upon request of County, County, its governing board, commissions, elected and appointed officials, employees, agents, volunteers, and authorized representatives, and each of them ("**Indemnified Parties**"), against any and all actions, lawsuits, proceedings, losses, costs, expenses, claims, fines, liabilities, fees (including, but not limited to, reasonable attorneys' fees of County Counsel and outside counsel retained by County, costs of County staff time, investigation, expert and consultant fees and costs), and damages of any kind or nature whatsoever, including liability for personal injuries or death or property damage, regardless of where located, including property of County, and workers' compensation claims or suits arising from or connected with any services performed under this Agreement on behalf of Lessee by any person or entity ("**Claims**"), arising out of or in any way connected with the acts or omissions of

Lessee, its employees, agents, independent contractors, or invitees (“**Lessee Acts**”), unless the Claim is due to the sole default, act or failure to act, negligence, or willful misconduct of County or the Indemnified Parties.

b. **Environmental** - In addition, Lessee shall indemnify and defend, upon request of County, County and the Indemnified Parties against any and all Claims arising out of or in any way connected with any deposit, spill, discharge, or other release of any Hazardous Materials at any time during Lessee’s occupancy of the Premises, or which arises at any time as a result of any uses at, on, or from the Premises or the occupancy of the Premises by Lessee, or as a result of Lessee’s failure to provide any or all information, make any or all of its submissions, and take any or all steps required by any governmental authority or court which has jurisdiction or by any Environmental Requirements.

c. **Survival of Indemnification Obligations** - Lessee’s obligations under **Section 21** shall survive the expiration or termination of this Agreement.

**22. Release and Waiver; Waiver of Civil Code Section 1542:**

a. **Release and Waiver** - Lessee releases County and the Indemnified Parties from all Claims, and waives all Claims against County and the Indemnified Parties, that it may have as of the Execution Date relating to this Agreement or any acts or omissions of County or the Indemnified Parties.

b. **Waiver of Civil Code Section 1542** - Lessee waives all rights under California Civil Code 1542, and all rights arising under any similar laws, whether local, state, or federal. Section 1542 provides:

“A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his settlement with the debtor or released party.”

**23. Lessee Maintenance of Insurance:** In order to protect County and the Indemnified Parties against Claims as a result of Lessee Acts, Lessee shall secure and maintain insurance as described in the Minimum Standards. Lessee shall not perform any work under this Agreement until Lessee has obtained all insurance required under **Section 23** and the required certificates of insurance, and all required endorsements have been filed with the County’s authorized insurance representative. Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of these insurance requirements. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request by County, Lessee shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter and company to the coverage, limits, and termination provisions shown thereon. Lessee shall promptly deliver to County a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term of this Agreement or as otherwise specified herein. Such certificates and endorsements shall be delivered to County not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof if so requested. Lessee shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Lessee or County as an additional insured.

a. **Workers’ Compensation and Employer’s Liability Insurance Requirements.**

1) **Worker’s Compensation Insurance- Lessee Employees.** If Lessee has employees who may perform any services pursuant to this Agreement, Lessee shall submit written proof that Lessee is insured

against liability for worker's compensation in accordance with the provisions of California Labor Code section 3700.

- 2) **Worker's Compensation Insurance- Lessee Subcontractors.** Lessee shall require any subcontractors to provide worker's compensation for all of the subcontractors' employees, unless the subcontractors' employees are covered by the insurance afforded by Lessee. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Lessee shall provide and/or require each subcontractor to provide adequate insurance for the coverage of employees not otherwise covered.
- 3) **Employer's Liability Insurance.** Lessee shall also maintain employer's liability insurance with limits specified in the Minimum Standards for bodily injury or disease.

**b. Liability Insurance Requirements.**

- 1) **In General.** Lessee shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:
  - (a) **Commercial General Liability Insurance,** including without limitation Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement with the County), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Lessee's performance of work under this Agreement. The Commercial General Liability insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Lessee shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be the policy limits, which shall be at least the amounts specified in the Minimum Standards.
  - (b) **Automobile Liability Insurance,** against claims of Personal Injury (including bodily injury and death) and Property Damage covering any vehicle and/or all owned, leased, hired, and non-owned vehicles used in the performance of services pursuant to this Agreement with coverage equal to the policy limits, which shall be at least the amounts specified in the Minimum Standards.
  - (c) **Airport Liability Insurance,** including hangarkeeper's liability, for liability assumed by Lessee under this Agreement in the amounts specified in the Minimum Standards, and shall include, without limitation, premises operation, contractual liability (specifically concerning the indemnity provisions of this Agreement), broad form property damage, and personal injury.
  - (d) **Aircraft Liability Insurance** - Airport Liability insurance with limits of not less than those specified in the Minimum Standards.

2) **Additional Insureds** - The Commercial General Liability and Automobile Liability Insurance required in **Section 21.b** shall include an endorsement naming the County and the Indemnified Parties as additional insureds for liability arising out of this Agreement and any operations related thereto. Said endorsement shall be

provided using one of the following three options: (i) on ISO form CG 20 10 11 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms which provide coverage at least equal to or better than form CG 20 10 11 85.

**3) Self-Insurance** - Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to County and must be approved by the County Risk Manager, which may be granted or withheld at the County Risk Manager's sole discretion.

**4) Claims-Made** - If any of the insurance coverages required under this Agreement is written on a claims-made basis, Lessee, at Lessee's option, shall either (i) maintain said coverage for at least three years following the termination of this Agreement with coverage extending back to the Execution Date; (ii) purchase an extended reporting period of not less than three years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.

**c. Fire and Casualty Insurance** - Lessee shall, at its sole cost, maintain on the Building a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least 100% of full replacement value. The insurance policy shall be issued in the names of County, Lessee, and any lender, as their interests appear. The insurance policy shall provide that any proceeds shall be made payable to Lessee, and Lessee shall apply and use such proceeds as required by Section 17, subject to the priority rights of any lender. Such insurance shall satisfy the requirements of Section 21.d and shall be issued by a company or companies satisfying the requirements of Section 21.e. On or before the Execution Date, Lessee shall deliver to County certificates of insurance indicating that Lessee has complied with the provisions of Section 21.c.

**d. Cancellation of Insurance** - The above-stated insurance coverages required to be maintained by Lessee shall be maintained until the completion of all of Lessee's obligations under this Agreement. Each insurance policy supplied by Lessee must be endorsed to provide that the coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after 10 days written notice in the case of non-payment of premiums, or 30 days written notice in all other cases. Such notice shall be by certified mail, return receipt requested. This notice requirement does not waive the insurance requirements stated herein. Lessee shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.

**e. Insurance Company Rating** - All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. Any exception to these requirements must be approved in writing by the County Risk Manager, which may be granted or withheld at the County Risk Manager's sole discretion.

**f. Lessee Self-Insured** - If Lessee is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Lessee shall provide coverage equivalent to the insurance coverages and endorsements required above. County will not accept such coverage unless the County Risk Manager determines, in his/her sole discretion and by written acceptance, that the coverage proposed to be provided by Lessee is equivalent to the above-required coverages.

g. **Primary Insurance** - All insurance afforded by Lessee pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by County. An endorsement shall be provided on all policies, except professional liability/errors and omissions, which shall waive any right of recovery (waiver of subrogation) against County.

h. **No Limitations by Policy Limits** - Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Lessee for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage, or to preclude County from taking such other actions as are available to it under any other provision of this Agreement or otherwise under Applicable Laws.

i. **Failure to Maintain Insurance**. Failure by Lessee to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Lessee. County, at its sole option, may terminate this Agreement and obtain damages from Lessee resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Lessee, County shall deduct from sums due to Lessee any premiums and associated costs advanced or paid by County for such insurance. If the balance of monies obligated to Lessee pursuant to this Agreement is insufficient to reimburse County for the premiums and any associated costs, Lessee shall reimburse County for the premiums and pay for all costs associated with the purchase of said insurance within 10 days of demand by County. Any failure by County to take this alternative action shall not relieve Lessee of its obligation to obtain and maintain the insurance coverages required by this Agreement.

24. **Liens and Encumbrances**: Lessee shall keep the Premises free from any liens and encumbrances arising out of any work performed, material furnished, or obligations incurred by Lessee, or from any other cause. If a lien or encumbrances is recorded against the Premises, and Lessee fails to remove the lien or encumbrance or post a bond to remove same within 15 days after its filing, County shall give a 15-day notice to Lessee, requiring Lessee to remove or bond around the lien or encumbrance within the 15-day period. If Lessee fails to do so within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may obtain a bond, with all costs of the bond to be reimbursed by Lessee to County.

25. **Administrative Processing Fee**: Lessee shall pay to County, upon County's request, a processing fee in the amount of \$1,200 for processing any request by Lessee for County to sign documents. The fee shall not be refundable and shall be paid prior to County's review of Lessee's request for signature. The fee may be waived by the Director if, in his/her opinion, the simplicity of processing such request for signature does not warrant the fee. Refusal to pay the fee is grounds for the denial of the request for signature.

26. **Breach by Lessee**: In the event of the breach by Lessee of any term, covenant, or condition, Lessee shall have 30 days after written notice has been given to Lessee by County to cure, except for breach of the nuisance provisions of Section 6 which allows 72 hours to cure. If Lessee fails to cure within the stated time periods, County may exercise its remedies under Section 27.

27. **Remedies of County**: In the event of a breach by Lessee, then County shall have the right either to terminate Lessee's right to possession of the Premises, by giving written notice of termination to Lessee, and thereby terminating this Agreement, or to have this Agreement continue in full force and effect with Lessee at all times having the right to possession of the Premises.

a. **Agreement and Possession Continue** - If County elects to have this Agreement continue in full force and effect, Lessee shall remain liable to perform all of its obligations under this Agreement and County may enforce all of County's rights and remedies. If Lessee abandons the Premises or fails to maintain and protect the same as herein provided, County shall have the right (i) to do all things necessary or appropriate to maintain, preserve and protect the Premises, including without limitation the installation of keepers or guards or the appointment of a receiver, and (ii) to relet the Premises as the agent of Lessee and for Lessee's account and to do all things appropriate for such reletting. In the event of such reletting, rental received by County shall be credited to Lessee's account. None of the foregoing acts shall be deemed to terminate Lessee's right of possession, and Lessee shall reimburse County on demand for all amounts reasonably expended by County in connection with the foregoing acts, together with interest on all amounts expended by County from time to time at the maximum legal rate from the date due until paid. Notwithstanding any such election to have this Agreement remain in full force and effect, County may at any time thereafter elect to terminate Lessee's right to possession of the Premises and thereby terminate this Agreement for any previous breach by Lessee which remains uncured or for any subsequent breach.

b. **Agreement and Possession Terminate** - If County gives notice of election to terminate Lessee's possession of the Premises, County shall be entitled to recover from Lessee the amounts specified in paragraph (a)(4) of Section 1951.2 of the California Civil Code, as such section reads as of the Execution Date.

c. **Remedies Not Exclusive** - No right or remedy herein conferred upon or reserved to County is intended to be exclusive of any other right or remedy herein or by law, provided that each shall be cumulative and in addition to every other right or remedy given herein or now, or hereafter existing at law or in equity or by statute.

d. **County Right to Cure** - In addition to County's remedies upon Lessee's breach, upon 10 days prior written notice to Lessee by County, County may cure any breach by Lessee and, if necessary, may enter upon the Premises for such purpose. In such event, the cost of cure, plus interest at the maximum legal rate from the date due until paid, shall become immediately due and payable.

28. **No Waiver of Breach:** The waiver by County of any term, covenant, or condition contained in this Agreement must be made expressly in writing and shall not be deemed to be a waiver of any subsequent breach of the term, covenant or condition contained in this Agreement, and no custom or practice that may arise between the Parties during the course of this Agreement shall be construed to waive or lessen the right of County to the performance by Lessee in strict accordance with the terms of this Agreement.

29. **Force Majeure:**

a. **Definition** - Neither Party shall be held responsible or be deemed to be in default under this Agreement for any delay in performance or failure to perform any of its obligations, if such delay or failure is the result of causes beyond the control and without negligence of the Party. Such causes include, without limitation, acts of nature, strikes, lockouts, riots, insurrections, civil disturbances or uprisings, sabotage, embargoes, blockages, acts of war or terrorism, acts or failure to act by any governmental or regulatory body (whether civil or military, domestic or foreign), governmental regulations superimposed after the fact, communication line failures, power failures, fires, explosions, floods, accidents, epidemics, earthquakes, tsunamis, or other natural or man-made disasters ("Force Majeure"). Lack of funds shall not be a Force Majeure event.

b. **Consequences** - The Party affected by a Force Majeure event, upon giving prompt notice to the other Party, shall be excused from performance to the extent of such prevention, restriction, or interference, on a day-to-day basis until the Force Majeure event is removed, and the other Party shall likewise be excused from performance of its obligation which relate to the performance

so prevented, restricted, or interfered with. The affected Party shall use its best efforts to avoid or remove the causes of nonperformance and to minimize the consequences thereof, and both Parties shall resume performance when the Force Majeure event is removed.

**30. Quiet Possession:** Lessee, in keeping and performing the terms, covenants and conditions herein contained on the part of Lessee to be kept and performed, shall at all times during the term of this Agreement peaceably and quietly have, hold, and enjoy the Premises.

**31. Assignment and Subletting:**

**a. No Assignment or Subletting** - Lessee shall not sublease, assign, transfer, mortgage, or otherwise convey this Agreement, or any of its rights and interests hereunder, including its leasehold rights and interests granted by this Agreement, without the prior written consent of the Director. Notwithstanding the foregoing, Lessee may sublease portions of the Premises less than 5,000 square feet to noncommercial tenants without prior written consent of the Director, provided that Lessee performs due diligence to ensure that all potential subtenants comply with the Minimum Standards.

**b. Referral to Board of Supervisors** - However, the Director may, at his/her discretion, refer Lessee's request to (i) sublease, (ii) assign, (iii) transfer, (iv) mortgage, or (v) otherwise convey this Agreement or Lessee's ground leasehold rights and interests, to County's Board of Supervisors ("**Board**") for Board consideration.

**c. Failure to Obtain Consent** - If Lessee shall sublease, assign, transfer, mortgage, or otherwise convey this Agreement, or its rights and interests hereunder, or attempt to do so in violation of the foregoing provision, then in addition to any and all other rights and remedies available to it, County may, at its option by written notice to Lessee, either declare such sublease, assignment, transfer, mortgage, or other conveyance void or terminate this Agreement and all rights and interests of Lessee and all other persons hereunder.

**d. No Waiver or Limitation on Consent** - Any consent to any different or subsequent sublease, assignment, transfer, mortgage, or conveyance shall not be deemed or construed as consent to any different or subsequent sublease, assignment, transfer, mortgage, or conveyance. This clause shall not be construed to limit any right or remedy which County may become entitled to as a matter of law or become entitled to by reason of Lessee's actions or failures to act.

**e. Lessee in Compliance** - As a condition of County's consent to any conveyance of this Agreement, Lessee must be in compliance with all terms, covenants, and conditions of this Agreement, including without limitation the payment of all monies due to County.

**32. Surrender of Premises:** On the last day of the term, or extension thereof, or sooner termination of this Agreement, Lessee shall peaceably and quietly leave, surrender, and yield up to County the Premises, in as good a condition and state of repair as it existed on the Execution Date or the date of completion of the Improvements, subject to damage by Force Majeure, and shall comply with **Section 15** relating to its FF&E. Lessee shall either turn over, or remove, the Improvements constructed by Lessee thereon, including the Recreational Facility, as directed by the Airports Director, after seeking direction from the Board if necessary. By the expiration or termination date, Lessee shall have paid all utility bills and contacted the appropriate utility companies to have the utility services properly discontinued.

**33. Turn Over or Removal of Improvements:**

**a. Removal of Improvements** - Upon termination of this Agreement, or any holding over, for any reason other than Lessee's failure to perform its obligations under the terms and conditions of this Agreement, Lessee shall have the right to remove all structures, personal property,

and FF&E of whatever kind of nature placed on the Premises by Lessee, so long as they can be removed without damage or disfigurement to any remaining improvements or to the Premises, at Lessee's sole cost. If Lessee exercises the right to remove improvements, it shall fully restore the Premises as it existed prior to the construction of the improvements at Lessee's sole expense. If Lessee has not removed the improvements or Lessee's FF&E within a reasonable amount of time after the expiration or termination of this Agreement, then County may, at its option, declare the improvements to be County-owned real property, use or dispose of the remaining personal property pursuant to applicable law, and otherwise restore the Premises at Lessee's sole cost.

b. **Removal of Hazardous Materials** - All hazardous materials on the Premises used or stored by Lessee must be removed prior to the expiration or termination of this Agreement, whether or not the Improvements remain on the Premises.

34. **Notices:** All notices herein provided to be given, or which may be given, by either Party to the other shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

To Lessee:                   Loyd's Aviation  
                                  1601 Skyway Drive  
                                  Bakersfield, CA 93308

To County:                 County of Kern, Department of Airports  
                                  Attn: Director of Airports  
                                  3071 Wings Way  
                                  Bakersfield, CA 93301

The address to which the notices shall be mailed to either Party may be changed by written notice given by such Party to the other, but nothing shall preclude the giving of any such notice by personal service.

35. **Authorized Agent of County:** The Director is the duly authorized agent of the Board of County for purposes of this Agreement, and as to any obligations assumed by Lessee, they shall be performed to the sole satisfaction of the Board of Supervisors, as represented by the Director, in accordance with this Agreement, unless another standard is specified in this Agreement.

36. **Miscellaneous Provisions:**

a. **Negation of Partnership** - County shall not become or be deemed a partner or joint venturer with Lessee or associate in any relationship with Lessee other than that of landlord and tenant by reason of the provisions of this Agreement. Lessee shall not for any purpose be considered an agent, officer, or employee of County.

b. **Conflict of Interest** - The Parties have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All Parties agree that they are unaware of any financial or economic interest of any public officer or employee of County relating to this Agreement. It is further understood and agreed that if such a financial interest does exist as of the Execution Date, County may immediately terminate this Agreement by giving written notice to Lessee. County shall comply with the requirements of Government Code Section 87100 et seq. during the term of this Agreement.

c. **Nondiscrimination** -

(1) Lessee, in the use of the Premises and in the operations to be conducted under this Agreement, shall not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, religion, ancestry, sex, or national origin in any manner prohibited by federal, state, or local laws or policies.

(2) Lessee shall furnish its accommodations and services on a fair, equal, and nondiscriminatory basis to all Users, and Lessee shall charge only fair, reasonable, and nondiscriminatory prices for its services. However, Lessee may make reasonable and nondiscriminatory rebates, discounts, or other similar price reductions to volume service Users to the extent permitted by Applicable Laws.

(3) Lessee shall make its accommodations and services available to the public on fair and reasonable terms without discrimination on the basis of race, color, creed, religion, ancestry, sex, or national origin.

(4) Lessee shall not discriminate nor allow discrimination, either directly or indirectly, in hiring or employing persons to work at the Building.

(5) Lessee shall include the language in subsections (1) through (4) in any agreement by which Lessee assigns or transfers any interest in the Premises or this Agreement, or grants a right or privilege to any person, firm, or corporation to use the Premises or to render accommodations and services to the public on the Premises.

(6) Non-compliance with subsections (1) through (4) shall constitute a material breach of this Agreement, and in addition to any other remedies provided by Applicable Laws or this Agreement, County shall have the right to terminate this Agreement without liability therefor, may seek an injunction to enforce subsections (1) through (4), and may charge Lessee the sum of \$25.00 per day for each incident of a failure to comply.

d. Incorporation of Prior Agreements - This Agreement contains all agreements of the Parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.

e. Remedies not Exclusive - The use by either Party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive such Party of, or limit the application of, any other remedy provided by law, at equity, or otherwise.

f. Severability - If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance.

g. Governing Law; Venue - The Parties agree that the provisions of this Agreement shall be construed pursuant to the laws of the State of California. If either Lessee or County initiates an action to enforce the terms of this Agreement or declare rights hereunder, including actions on any bonds and/or surety agreements, the venue thereof shall be the County of Kern, State of California, it being understood that this Agreement is entered into, and will be performed, within the County of Kern.

h. Compliance with Laws - Lessee shall, at its sole cost, promptly comply with all Applicable Laws, including Environmental Requirements, which may in any way apply to the use, operation, repair, maintenance, occupation of, or operations or construction on, the Premises. Lessee expressly agrees to observe and comply with the Assurances Required by the Federal Aviation Administration, as amended from time to time by the Federal Aviation Administration, the current version of which is attached to this Agreement as Exhibit "D." Lessee agrees to comply with the Minimum Standards, as revised from time to time. Lessee is aware of all security requirements relating

to Part 107 of the Federal Aviation Administration Regulations, and shall be responsible to prevent unauthorized entry into the Air Operations Area ("AOA") of the Airport through the Premises; Lessee's indemnity obligations expressly include its responsibility for security, including FAA requirements and all other Applicable Laws.

i. **Successors** - Subject to **Section 31** all terms, covenants, and conditions of this Agreement shall extend to, be binding upon, and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective Parties.

j. **No Third Party Beneficiaries** - This Agreement is made for the sole benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns, and no other persons shall have any right of action hereon.

k. **Covenants and Conditions** - Each provision of this Agreement performable by Lessee shall be deemed both a covenant and a condition.

l. **Modification** - This Agreement may be modified or amended only by a written document signed by both Parties.

m. **Authorization** - Each individual executing this Agreement on behalf of either Party represents and warrants that he/she is duly authorized to execute and deliver this Agreement on behalf of that Party, and that this Agreement is binding upon both Parties in accordance with its terms.

n. **Construction** - The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

o. **Recitals** - Each of the recitals is incorporated in this Agreement by reference as if fully set forth in this Agreement at length, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

p. **Captions** - Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement.

q. **Exhibits** - All exhibits attached to this Agreement are incorporated into this Agreement by reference.

r. **Time of Essence** - Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement.

*The remainder of this page has been intentionally left blank.*

The Parties have executed this Agreement on the Execution Date.

**APPROVED AS TO CONTENT:**

Department of Airports

By

  
Ron Brewster, Director

**COUNTY OF KERN**

By

  
Chairman, Board of Supervisors  
**ZACK SCRIVNER** "County"

**LESSEE**

By

  
Ryan Crawl,

"Lessee"

**APPROVED AT TO FORM:**

Office of County Counsel

By

  
Brian Van Wyk, Deputy

**EXHIBIT 'A' – LEGAL DESCRIPTION OF PREMISES**

**DESCRIPTION  
MEADOWS FIELD**

**SKYWAY PARTNERS LEASE AGREEMENT  
PARCEL 4B**

ALL THAT PORTION OF SECTION 2, TOWNSHIP 29 SOUTH, RANGE 27 EAST, MDB&M, COUNTY OF KERN,  
STATE OF CALIFORNIA, BEING A PARCEL OF LAND DESCRIBED AS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST  
QUARTER OF SAID SECTION;

THENCE (1) NORTH 09°39'41" WEST, ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE  
SOUTHEAST QUARTER, A DISTANCE OF 828.30 FEET TO THE SOUTH LINE OF AN AIRPORT ACCESS  
ROAD;

THENCE (2) NORTH 44°41'09" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 208.82 FEET TO LEASE  
CORNER No. 46;

THENCE (3) SOUTH 45°18'51" WEST, A DISTANCE OF 14.54 FEET, TO THE TRUE POINT OF BEGINNING;

THENCE (4) CONTINUING SOUTH 45°18'51" WEST, A DISTANCE OF 635.46 FEET TO LEASE CORNER No.  
82;

THENCE (5) NORTH 44°41'09" WEST, A DISTANCE OF 330.00 FEET;

THENCE (6) NORTH 45°18'51" EAST, A DISTANCE OF 478.50 FEET;

THENCE (7) NORTH 44°41'09" WEST, A DISTANCE OF 36.00 FEET;

THENCE (8) NORTH 45°18'51" EAST, A DISTANCE OF 157.97 FEET;

THENCE (9) SOUTH 44°31'41" EAST, A DISTANCE OF 386.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 4.94 ACRES, MORE OR LESS.

  
RONALD J. NELMS - PLS 5804  
EXPIRES: 6/30/2008

9/30/06  
DATE



Revised Exhibit "A"

0 0 0 0 1 1 1 0 0

MEADOWS FIELD

Sterns Properties - Lease Agreement

Fuel Farm (Situ 748)

All that portion of the Southeast quarter of Section 2, Township 29 South, Range 27 East, M083H, being a parcel of land described as:

Commencing at the Northeast corner of the Southeast quarter of said Section 2,

THENCE (1) South 85° 42' 35" East, along the North line of the Southeast quarter of said Section 2, a distance of 875.515 feet;

THENCE (2) South 0° 30' 37" East, a distance of 283.26 feet to Lease Corner No. 19;

THENCE (3) South 45° 10' 30" West, a distance of 180.16 feet to Lease Corner No. 54;

THENCE (4) Continuing South 45° 10' 30" West, a distance of 100.00 feet to Lease Corner No. 55;

THENCE (5) North 45° 55' 58" East, a distance of 78.88 feet to Lease Corner No. 56;

THENCE (6) North 62° 39' 41" West, a distance of 78.30 feet to Lease Corner No. 57,

the true point of beginning;

THENCE (7) North 83° 28' 02" West, a distance of 78.95 feet to Lease Corner No. 58;

THENCE (8) North 99° 28' 29" West, a distance of 103.98 feet to Lease Corner No. 59;

THENCE (9) North 0° 44' 23" East, a distance of 100 feet to Lease Corner No. 50;

THENCE (10) South 89° 16' 30" East, a distance of 103.98 feet to Lease Corner No. 51;

THENCE (11) South 83° 07' 40" East, a distance of 104.97 feet to Lease Corner No. 52;

THENCE (12) South 45° 12' 16" West, a distance of 99.70 feet to Lease Corner No. 57,

the true point of beginning.

19,499.9 sq ft

Typed 10-15-81/rw

EXHIBIT "B"

**PARCEL 2:**

**Fuel Farm Areas 9 and 10:**

All that portion of the southeast quarter of Section 2, Township 29 south, Range 27 east, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the official plat thereof, being a parcel of land described as:

Commencing at the northwest corner of the southeast quarter of said Section 2;

Thence (1) south  $89^{\circ}42'35''$  east, along the north line of the southeast quarter of said Section 2, a distance of 875.515 feet;

Thence (2) south  $0^{\circ}30'37''$  east, a distance of 283.26 feet to Lease Corner No. 18;

Thence (3) south  $45^{\circ}10'30''$  west, a distance of 180.16 feet to Lease Corner No. 54 and the true point of beginning;

Thence (4) continuing south  $45^{\circ}10'30''$  west, a distance of 100.00 feet to Lease Corner No. 55;

Thence (5) north  $45^{\circ}55'58''$  west, a distance of 78.88 feet to Lease Corner No. 56;

Thence (6) north  $62^{\circ}39'41''$  west, a distance of 78.88 feet to Lease Corner No. 57;

Thence (7) north  $15^{\circ}17'16''$  east, a distance of 99.70 feet to Lease Corner No. 52;

Thence (8) south  $63^{\circ}56'50''$  east, a distance of 105.02 feet to Lease Corner No. 53;

Thence (9) south  $47^{\circ}28'50''$  east, a distance of 104.52 feet to the true point of beginning.

Kern County Assessor's Parcel No. 492-010-14 (Portion)

MEMORANDUM OF LEASE

PAGE 1

(10/10/2010)



**PARCEL 3:**

**Fuel Farm Area 14:**

All that portion of the southeast quarter of Section 2, Township 29 south, Range 27 east, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the official plat thereof, being a parcel of land described as:

Commencing at the northwest corner of the southeast quarter of said Section 2;

Thence (1) south 89°07'08" east, along the north line of the southeast quarter of said Section 2, as shown on Map No. 9A2 MF. 1e M43 on file in the Office of the Kern County Surveyor, a distance of 372.19 feet;

Thence (2) south 0°53'50" west, along the west line of Areas 6, 7 and 11 and the northerly extensions thereof,

482.84 feet to the southwest corner of Area 11, as shown on map 9A2/MF43 on file in the Office of said Surveyor;

Thence (3) south 89°03'02" east, along the south line of Area 11, a distance of 75.73 feet;

Thence (4) south 81°47'52" east, along the south line of Area 12, a distance of 59.06 feet;

Thence (5) south 66°38'22" east, along the south line of Area 13, a distance of 56.72 feet. Said point also being the southwest corner of Area 14 and the true point of beginning of this description.

Thence (6) north 30°35'47" east, along the west line of Area 14, a distance of 114.76 feet;

Thence (7) south 62°04'14" east, a distance of 10.28 feet;

Thence (8) south 45°20'31" east, a distance of 78.89 feet;

Thence (9) south 45°45'57" west, a distance of 114.29 feet;

Thence (10) north 45°20'31" west, a distance of 58.64 feet to the true point of beginning.

Kern County Assessor's Parcel No. 492-010-14 (Portion)

MEMORANDUM OF LEASE



DESCRIPTION  
MEADOWS FIELD

SKYWAY PARTNERS LEASE AGREEMENT  
PARCEL 15A NORTH

ALL THAT PORTION OF THE SOUTH HALF OF SECTION 2, TOWNSHIP 28 SOUTH, RANGE 27 EAST, MDM, COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PARCEL OF LAND MORE PARTICULARLY DESCRIBED AS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER;

THENCE (1) SOUTH 89°08'58" EAST, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION, A DISTANCE OF 1321.15 FEET TO A 2" BY 2" HUB MARKED FOR PROPERTY CORNER AT THE CENTERLINE INTERSECTION OF BOUGHTON DRIVE AND HANGAR WAY;

THENCE (2) SOUTH 54°23'37" WEST, A DISTANCE OF 1054.18 FEET TO A USC&GS TRIANGULATION STATION "AIRPORT 1952";

THENCE (3) NORTH 79°14'19" EAST, A DISTANCE OF 120.80 FEET;

THENCE (4) SOUTH 46°51'58" WEST, A DISTANCE OF 308.70 FEET;

THENCE (5) SOUTH 46°52'40" WEST, A DISTANCE OF 73.88 FEET;

THENCE (6) NORTH 44°06'44" WEST, A DISTANCE OF 809.64 FEET;

THENCE (7) NORTH 47°14'28" EAST, A DISTANCE OF 75.44 FEET TO THE TRUE POINT OF BEGINNING;

THENCE (8) NORTH 47°14'28" EAST, A DISTANCE OF 37.92 FEET;

THENCE (9) SOUTH 73°41'01" WEST, A DISTANCE OF 42.45 FEET;

THENCE (10) NORTH 43°00'50" WEST, A DISTANCE OF 31.01 FEET;

THENCE (11) NORTH 48°02'08" EAST, A DISTANCE OF 87.49 FEET;

THENCE (12) NORTH 00°53'58" EAST, A DISTANCE OF 281.19 FEET;

THENCE (13) SOUTH 88°17'28" EAST, A DISTANCE OF 181.58 FEET;

THENCE (14) SOUTH 88°39'27" EAST, A DISTANCE OF 89.77 FEET;

THENCE (15) SOUTH 88°09'23" EAST, A DISTANCE OF 76.02 FEET;

THENCE (16) SOUTH 28°45'34" WEST, A DISTANCE OF 42.21 FEET;

THENCE (17) SOUTH 00°31'03" WEST, A DISTANCE OF 232.88 FEET;

THENCE (18) SOUTH 84°12'10" WEST, A DISTANCE OF 70.72 FEET;

THENCE (19) SOUTH 74°38'20" WEST, A DISTANCE OF 287.81 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 2.32 ACRES, MORE OR LESS

  
RONALD J. HELMS L.S. 5804  
EXPIRES: 8/30/2008

B-21-06  
DATE



Exhibit "D"

**EXHIBIT "A"**

**The Legal Description of the Premises**

**PARCELS 1:**

All that portion of Section 2, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being a parcel of land described as:

Commencing at the Southeast corner of the Northwest quarter of the Southeast quarter of said Section;

THENCE (1) North 0 degrees 24' 37" East, along the East line of the Northwest quarter of the Southeast quarter, a distance of 617.32 feet;

THENCE (2) North 89 degrees 47' 08" West, a distance of 69 feet to the true point of beginning;

THENCE (3) continuing North 89 degrees 47' 08" West, a distance of 56.5 feet; THENCE (4) South 0 degrees 25' 03" West, a distance of 108.03 feet;

THENCE (5) North 89 degrees 47' 08" West, a distance of 265.97 feet to Lease Corner No. 74;

THENCE (6) North 44 degrees 47' 08" West, a distance of 93.58 feet;

THENCE (7) South 89 degrees 34' 57" East, a distance of 49.156 feet;

THENCE (8) North 0 degrees 25' 03" East a distance of 64 feet;

THENCE (9) North 89 degrees 34' 57" West, a distance of 83.587 feet;

THENCE (10) North 48 degrees 01' 32" East, a distance of 96.302 feet to Lease Corner No. 80;

THENCE (11) Northeasterly along a tangent circular curve, concave Northwesterly, having a radius of 252.532 feet, through a central angle of 32 degrees 02' 38", an arc length of 141.234 feet to Lease Corner No. 72;

THENCE (12) South 89 degrees 35' 08" East, a distance of 304.150 feet to Lease Corner No. 71;

THENCE (13) South 0 degrees 24' 37" West, a distance of 43.24 feet to Lease Corner No. 79;

THENCE (14) North 89 degrees 35' 08" West, a distance of 25.00 feet to Lease Corner No. 78;

THENCE (15) South 0 degrees 24' 37" West, a distance of 161.20 feet to the true point of beginning.

Containing 2.335 acres or 101,733.356 square feet

**PARCEL 1B:**

All that portion of the Southeast quarter of Section 2, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being a parcel of land described as:

Commencing at a point in the East line of the Northwest quarter of said Southeast quarter, said point bears North 0° 24' 37" East, along said East line, a distance of 422.28 feet from the Northeast corner of the Southwest quarter of said Southeast quarter;

THENCE (1) North 89° 35' 23" West, a distance of 44 feet to the true point of beginning, being Lease corner no. 85;

THENCE (2) South 0° 24' 37" West, a distance of 265.93 feet;

THENCE (3) North 89° 35' 23" West, a distance of 624.69 feet to the Easterly line of an airport access road;

THENCE (4) From a tangent which bears North 39° 05' 26" East, Northerly along a circular curve, concave to the Northwest, having a radius of 250 feet, through a central angle of 39° 42' 07", an arc length of 173.232 feet;

THENCE (5) North 0° 36' 41" West, a distance of 63.85 feet;

THENCE (6) North 2° 50' 19" East, a distance of 39.48 feet, to Lease Corner - No. 86;

THENCE (7) South 89° 47' 08" East, a distance of 569.28 feet to the true point of beginning.

Containing 3.53 Acres

**PARCEL 2:**

All that portion of Section 2, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being a parcel of land described as:

Commencing at the Southeast corner of the Northwest quarter of the Southeast quarter of said Section;

THENCE (1) North 0 degrees 24' 37.72 East, along the Eastline of the Northwest quarter of the Southeast quarter, a distance of 422.28 feet;

THENCE (2) North 89 degrees 47' 08" West, a distance of 44.00 feet to Lease Corner No. 85, the true point of beginning.

THENCE (3) continuing North 89 degrees 47' 08" West, a distance of 569.28 feet to Lease Corner No. 86;

THENCE (4) from a tangent which bears North 3 degrees 49' 46" East, Northeasterly along a circular curve, concave to the Southeast, having a radius of 275 feet, through a central angle of 23 degrees 08' 47", an arc length of 111.095 feet to a point of compound curvature, being Lease Corner No. 87.

THENCE (5) from a tangent which bears North 26 degrees 58' 33" East, Northeasterly along a circular curve, concave to the Southeast, having a radius of 101.097 feet, through a central angle of 23 degrees 41' 14", an arc length of 124.480 feet to Lease Corner No. 73;

THENCE (6) North 48 degrees 01' 32" East, a distance of 21.18 feet;

THENCE (7) South 89 degrees 34' 57" East, a distance of 83.587 feet; THENCE (8) South 0 degrees 25' 03" East, a distance of 64.0 feet;

THENCE (9) North 89 degrees 34' 57" West, a distance of 49.156 feet; THENCE (10) South 44 degrees 47' 08" East, a distance of 91.58 feet; THENCE (11) South 89 degrees 47' 08" West, a distance of 569.28 feet;

THENCE (12) North 0 degrees 25' 03" East, a distance of 108.04 feet;

THENCE (13) South 89 degrees 47' 08" East, a distance of 81.50 feet to the West line of the East 44 feet of the Northwest quarter of the Southeast quarter;

THENCE (14) South 0 degrees 24' 37" West, along said West line, a distance of 195.04 feet to the true point of beginning.

Containing 1.87 acres or 81,591.925 square feet

### PARCEL 3:

All those portions of Section 2, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being parcels of land described as:

Commencing at the Southeast corner of the Northwest quarter of the Southeast quarter of said Section;

THENCE (1) North 0 degrees 24' 37" East, along the East line of the Northwest quarter of the Southeast quarter, a distance 422.28 feet;

THENCE (2) North 89 degrees 47' 08" West, a distance of 613.28 feet to Lease Corner No. 86;

THENCE (3) North 73 degrees 32' 21" West, a distance of 310.741 feet to Lease Corner No. 92;

THENCE (4) North 45 degrees 53' 05" East, a distance of 200 feet to Lease Corner No. 93, the true point of beginning;

THENCE (5) North 45 degrees 53' 05" East, a distance of 364 feet to Lease Corner No. 100;

THENCE (6) South 44 degrees 06' 55" East, a distance of 140.29 feet to Lease Corner No. 101;

THENCE (7) from a tangent which bears South 26 degrees 15' 01" West, Southwesterly, along a circular curve; concave to the Northwest, having a radius of 202.49 feet, through a central angle of 21 degrees 48' 56", and arc length of 77.099 feet to Lease Corner No. 102;

THENCE (8) South 48 degrees 03' 57" West, a distance of 117.44 feet to Lease Corner No. 103;

THENCE (9) from a tangent which bears South 51 degrees 50' 34" West, Southwesterly along a circular curve, concave to the Southeast, having a radius of 310.32 feet, through a central angle of 13 degrees 21' 23", an arc length of 72.34 feet to Lease Corner No. 95;

THENCE (10) North 89 degrees 13' 50" West, a distance of 139.35 feet to Lease Corner No. 94;

THENCE (11) North 44 degrees 06' 55" West, a distance of 50 feet to the point of beginning for Parcel 3

Containing 1.13 acres or 49,179.12 square feet

**PARCEL 4A:**

ALL THAT PORTION OF SECTION 2, TOWNSHIP 29 SOUTH, RANGE 27 EAST, MDB&M, COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PARCEL OF LAND DESCRIBED AS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION;

THENCE(1) NORTH 89°39'41" WEST, ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 628.30 FEET TO THE SOUTH LINE OF AN AIRPORT ACCESS ROAD;

THENCE (2) NORTH 44°41'09" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 208.82 FEET TO LEASE CORNER No. 45;

THENCE (3) SOUTH 45°18'51" WEST, A DISTANCE OF 14.54 FEET, TO THE TRUE POINT OF BEGINNING, THENCE (4) SOUTH 44°31'41" EAST, A DISTANCE OF 365.00 FEET;

THENCE (5) NORTH 45°18'51" EAST, A DISTANCE OF 13.53 FEET TO LEASE CORNER No. 39;

THENCE (6) SOUTH 44°41'09" EAST, A DISTANCE OF 19.60 FEET;

THENCE (7) NORTH 45°18'51" EAST, A DISTANCE OF 150.00;

THENCE (8) NORTH 45°18'06" EAST, A DISTANCE OF 200.00 FEET TO LEASE CORNER No. 93;

THENCE (9) SOUTH 44°41'54" EAST, A DISTANCE OF 50.00 FEET TO LEASE CORNER No. 94;

THENCE (10) NORTH 89°48'49" WEST, A DISTANCE OF 139.35 FEET TO LEASE CORNER No. 95;

THENCE (11) SOUTHWESTERLY TO A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 310.32 FEET, THROUGH A CENTRAL ANGLE OF 13°09'31", AN ARC LENGTH OF 71.27 FEET, TO A POINT OF COMPOUND CURVE BEING LEASE CORNER No. 96, THE RADIAL BEARING AT SAID POINT BEING NORTH 65°15'21" WEST;

THENCE (12) SOUTHWESTERLY ALONG LAST NAMED COMPOUND CURVE, HAVING A RADIUS OF 381.59 FEET, THROUGH A CENTRAL ANGLE OF 25°53'42", AN ARC LENGTH OF 172.46 FEET TO LEASE CORNER No. 98;

THENCE (13) SOUTH 01°09'06" EAST, A DISTANCE OF 61.56 FEET TO LEASE CORNER No. 99;

THENCE (14) SOUTHWESTERLY ALONG A TANGENT CIRCULAR CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 290.66 FEET, THROUGH A CENTRAL ANGLE OF 11°39'21", AN ARC LENGTH OF 59.13 FEET TO LEASE CORNER No. 91;

THENCE (15) SOUTHWESTERLY ALONG A TANGENT CIRCULAR CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 6°53'38", AN ARC LENGTH OF 6.02 FEET;

THENCE (16) SOUTHWESTERLY ALONG A TANGENT CIRCULAR CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 200.00 FEET, THROUGH A CENTRAL ANGLE OF 25°00'04", AN ARC LENGTH OF 87.27 FEET;

THENCE (17) SOUTH 01°01'09" EAST, A DISTANCE OF 61.18 FEET TO A POINT ON THE SOUTH LINE OF AN AIRPORT ACCESS ROAD;

THENCE (18) NORTH 44°41'09" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 25.31 FEET TO LEASE CORNER No. 45;

THENCE (19) SOUTH 45°18'51" WEST, A DISTANCE OF 14.54 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 2.67 ACRES, MORE OR LESS.

**PARCEL 5:**

All those portions of Section 2, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being parcels of land described as:

Commencing at the Southeast corner of the Northwest quarter of the Southeast quarter of said Section;

THENCE (1) North 0 degrees 24' 37" East, along the East line of the Northwest quarter of the Southeast quarter, a distance of 422.28 feet;

THENCE (2) North 89 degrees 47' 08" West, a distance of 613.28 feet to Lease Corner No. 86;

THENCE (3) North 73 degrees 32' 21" West, a distance of 310.741 feet to Lease Corner No. 92;

THENCE (4) North 45 degrees 53' 05" East, a distance of 200 feet to Lease Corner No. 93, the true point of beginning;

THENCE (5) North 45 degrees 53' 05" East, a distance of 364 feet to Lease Corner No. 100;

THENCE (6) North 45 degrees 53' 05" East, a distance of 17 feet to the true point of beginning;

THENCE (7) North 45 degrees 53' 05" East, a distance of 37 feet;

THENCE (8) Northeastly along a tangent circular curve, concave to the Southeast, having a radius of 160.25 feet, through a central angle of 32 degrees 05' 08", an arc length of 89.74 feet to a point on a non-tangent curve, being Lease Corner No. 105,

THENCE (9) from a tangent which bears South 11 degrees 09' 32" East, Southeastly along said non-tangent curve, concave to the Southwest, having a radius of 311.25 feet, through a central angle of 27 degrees 16' 00", an arc length of 148.12 feet to a point of compound curve;

THENCE (10) from a tangent which bears South 16 degrees 06' 34" West, Southwestly along said compound curve, concave to the Northwest, having a radius of 202.49 feet, through a central angle of 4 degrees 59' 36", an arc length of 17.647 feet to Lease Corner No. 106;

THENCE (11) North 44 degrees 06' 55" West, a distance of 133.34 feet to Lease Corner No. 104, the point of beginning for parcel 5

Containing 0.23 acres or 10,210.121 square feet.

**PARCEL 15A SOUTH:**

ALL THAT PORTION OF THE SOUTH HALF OF SECTION 2, TOWNSHIP 29 SOUTH, RANGE 27 EAST, MDM, COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PARCEL OF LAND MORE PARTICULARLY DESCRIBED AS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER;

THENCE (1) SOUTH 89°06'58" EAST, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION, A DISTANCE OF 1321.15 FEET TO A 2" BY 2" HUB MARKED FOR PROPERTY CORNER AT THE CENTERLINE INTERSECTION OF BOUGHTON DRIVE AND HANGAR WAY;

THENCE (2) SOUTH 54°23'37" WEST, A DISTANCE OF 1054.113 FEET TO A USC&GS TRIANGULATION STATION "AIRPORT 1952";

THENCE (3) NORTH 79°14'19" EAST, A DISTANCE OF 120.60 FEET;

THENCE (4) SOUTH 45°51'59" WEST, A DISTANCE OF 308.70 FEET TO THE TRUE POINT OF BEGINNING;

THENCE (5) SOUTH 45°52'40" WEST, A DISTANCE OF 73.66 FEET;

THENCE (6) NORTH 44°05'44" WEST, A DISTANCE OF 609.54 FEET;

THENCE (7) NORTH 47°14'28" EAST, A DISTANCE OF 75.44 FEET;

THENCE (8) NORTH 74°39'20" EAST, A DISTANCE OF 287.81 FEET;

THENCE (9) NORTH 84°12'19" EAST, A DISTANCE OF 8.3.48 FEET;

THENCE (10) NORTH 84°38'41" EAST, A DISTANCE OF 68.50 FEET;

THENCE (11) SOUTH 00°59'01" WEST, A DISTANCE OF 91.13 FEET;

THENCE (12) SOUTH 00°44'59" WEST, A DISTANCE OF 437.57 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 3.72 ACRES, MORE OR LESS

**PARCEL 15B:**

All that portion of the Southeast quarter of Section 2, Township 29 South, Range 27 East, MDM, County of Kern, State of California, being a parcel of land more particularly described as:

Commencing at the Northwest corner of said Southeast quarter;

Thence (1) South 89° 06' 58" East, along the North line of the Southeast quarter of said Section, a distance of 1321.15 feet to a 2" by 2" hub marked for Property Corner at the centerline intersection of Boughton Drive and Hangar Way;

Thence (2) South 54° 23' 37" West, a distance of 1054.18 feet to USC&GS Triangulation Station "Airport 1952";

Thence (3) North 79° 14' 19" East, a distance of 120.60 feet to the TRUE POINT OF BEGINNING;

Thence (4) South 45° 51' 59" West, a distance of 308.70 feet;

Thence (5) North 00° 44' 59" East, a distance of 437.57 feet;

Thence (6) South 89° 20' 08" East, a distance of 103.56 feet;

Thence (7) South 83° of 44" East, a distance of 78.91 feet;

Thence (8) South 62° 03' 25" East, a distance of 78.88 feet;

Thence (9) South 45° 20' 13" East, a distance of 78.89 feet;

Thence (10) South 45° 30' 54" East, a distance of 21.79 feet;

Thence (11) South 45° 53' 30" West, a distance of 149.57 feet to the TRUE POINT OF BEGINNING.

Containing 1.87 Acres, more or less.

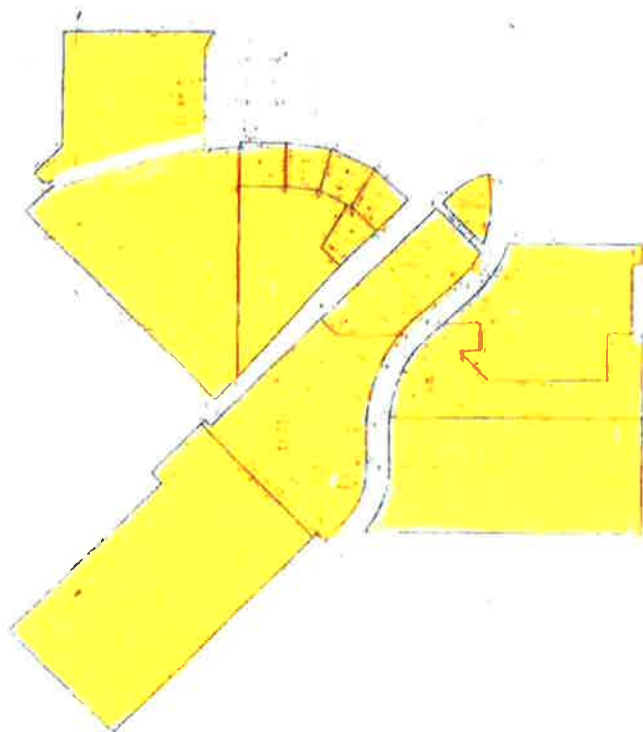
**PARCEL FUEL FARM SITE 7:**

All that portion of the Southeast quarter of Section 2, Township 29 South, Range 27 East, MDBM, being a parcel of land described as:

Commencing at the Northwest corner of the Southeast quarter of said Section 2; thence (1) South 89° 42' 35" East along the North line of the Southeast quarter of said Section 2, a distance of 536.21 feet; thence (2) South 2° 20' 47" West a distance of 204.10 feet to Lease Corner No. 19; thence (3) North 89° 12' 39" West a distance of 136.74 feet to Lease Corner No. 48; thence (4) South 0° 18' 23" West a distance of 80.00 feet to Lease Corner No. 50 and the point of beginning; thence (5) South 89° 38' 10" East a distance of 103.98 feet to Lease Corner No. 51; thence (6) South 0° 18' 21" West a distance of 100.00 feet to Lease Corner No. 58; thence (7) North 89° 38' 29" West a distance of 103.98 feet to Lease Corner No. 59; thence (8) North 0° 18' 23" East a distance of 100.00 feet to Lease Corner No. 50 and the point of beginning

Containing 10,397.7 square feet more or less

## EXHIBIT "A1"



MEADOWS FIELD

## EXHIBIT 'B' – DEFINITION OF ENVIRONMENTAL TERMS

For the purpose of this Agreement, the following terms and words shall have the meaning given below:

1. **Environmental Requirements**. All applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items of any governmental agency, department, commission, board, bureau, or instrumentality of the United States of America, California, or its political or municipal subdivisions, and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human life or the environment.
2. **Hazardous Materials**. All flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous waste, toxic substances or related materials, petroleum products, and any substances declared to be hazardous or toxic under any present or future Environmental Requirements or which requires investigation or remediation under any present or future federal, state, or local law, statute, regulation, environmental requirement, order, or rule.

**EXHIBIT 'C' – AIRPORT MINIMUM STANDARDS**

## DEPARTMENT OF AIRPORTS

# Minimum Standards for Commercial Aeronautical Activities

March 8, 2016

March 2016

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**1. Introduction**

**a. Purpose and Scope**

- 1 The purpose of these Minimum Standards is to encourage, promote, and ensure: (1) the delivery of high quality aviation products, services, and facilities to Kern County Airports users, (2) the design and development of quality aviation improvements at the Airport, (3) aviation safety and security, (4) the economic health of aviation businesses, and (5) the orderly development of Airport property for aviation purposes.
  - (i) To this end, all entities desiring to engage in aeronautical activities at the Airport shall be accorded reasonable opportunities, without unjust discrimination, to engage in such activities, subject to meeting (complying with) these Minimum Standards, the Airport's Land Use Plan, and agreement/permit conformance.
- 2 Aeronautical activities may be proposed that do not fall within the categories designated herein. In any such cases, appropriate minimum standards shall be established by the Director on a case-by-case basis for such activities and incorporated into the operator's agreement or permit.

**b. Exclusive Rights**

- 1 In accordance with the Airport Assurance given to the Federal and/or State government by the County of Kern (County) as a condition to receiving federal and/or state funds, the granting of rights or privileges to engage in commercial aeronautical activities shall not be construed in any manner as affording an operator any exclusive right, other than the exclusive use of the land and/or improvements that may be leased to the operator, and then only to the extent provided in an agreement or permit.
  - (i) The presence on an Airport of only one entity engaged in a particular commercial aeronautical activity does not, in and of itself, indicate that an exclusive right has been granted. It is the policy of the County not to enter into or promote an understanding, commitment, or express agreement to exclude other reasonably qualified entities. Accordingly, those who desire to enter into an agreement or permit with the County should neither expect nor request that the County exclude others who also desire to engage in the same or similar activities. The opportunity to engage in a commercial aeronautical activity shall be made available to those entities meeting (complying with) the qualifications and the requirements set forth in these Minimum Standards and as space may be available at the Airport to support such

activity provided such use is consistent with the current and planned uses of Airport land and improvements and is in the best interest of the County.

- (a) If the FAA determines that any provision of these Minimum Standards or any agreement or permit or any practice constitutes a grant of a prohibited exclusive right, such provision or agreement or permit shall be deemed null and void and such practice shall be discontinued immediately.

**c. Applicability**

- 1 These Minimum Standards specify the standards and requirements that must be met (and complied with) by any operator desiring to engage in commercial aeronautical activities at an Airport.
  - (i) Throughout these Minimum Standards, the words "standards" or "requirements" shall be understood to be modified by the word "minimum" except where explicitly stated otherwise. Any required determinations, interpretations or judgments regarding what constitutes an acceptable minimum standard, or regarding compliance with such standard, shall be made by the Director. All entities are encouraged to exceed the applicable minimum standards. No entity shall be allowed to engage in aeronautical activities at an Airport under conditions that do not, in the Director's discretion, meet (comply with) these Minimum Standards.
- 2 These Minimum Standards shall apply to any new agreement or permit or any amendment to an existing agreement or permit relating to the occupancy and/or use of Airport land and/or improvements for engaging in aeronautical activities. If an entity desires, under the terms of an existing agreement or permit, to change its aeronautical activities, the County shall, as a condition of its approval of such change, require the entity to meet (comply with) these Minimum Standards, except as noted in this section (1.c).
  - (i) These Minimum Standards shall not affect any agreement or permit or amendment to such agreement or permit properly executed prior to the date of promulgation of these Minimum Standards except as provided for in such agreement or permit, in which case these Minimum Standards shall apply to the extent permitted by such agreement or permit.
  - (ii) Upon execution of a new agreement or permit or amendment to an existing agreement or permit, operator shall be required to meet (comply with) these Minimum Standards.

- (iii) These Minimum Standards shall not be deemed to modify any existing agreement or permit under which an entity is required to exceed these Minimum Standards, nor shall they prohibit the County from entering into or enforcing an agreement or permit that requires an entity to exceed the Minimum Standards.
- 3. If these Minimum Standards are amended after operator enters into an agreement or permit with the County, the operator shall not be required to increase operator's leased premises or construct any additional capital improvements to be in compliance with the amended Minimum Standards until such time as operator's existing agreement or permit is amended (or an assignment is made to another entity acceptable to the County) or operator enters into a new agreement or permit with the County.
- 4. If the terms of an agreement to which these Minimum Standards apply contains a less restrictive standard than that set forth in these Minimum Standards, then the requirements of these Minimum Standards shall control. If the terms of such an agreement contain a more restrictive standard, then the terms of that agreement shall control to the extent that they are more restrictive. In any case, the more restrictive standard shall control.

## **2. GENERAL REQUIREMENTS**

### **a. Introduction**

- 1 All operators engaging in aeronautical activities at an Airport shall meet (fully comply with) or exceed the requirements of this Section 2 as well as the minimum standards applicable to the operator's activities, as set forth in subsequent sections, except as noted in Section 1.c.

### **b. Experience/Capability**

- 1. Operator shall, in the judgment of the Director demonstrate before and maintain during (throughout) the term of the agreement or permit, the following:
  - (i) The capability of consistently providing the proposed products, services, and facilities and engaging in the proposed activities in a safe, secure, efficient, courteous, prompt, and professional manner in service to and to the benefit of the public, and
  - (ii) The financial and technical responsibility, capability, and integrity to develop and maintain required improvements; procure and maintain required vehicles, equipment, and for aircraft; employ required personnel; and engage in the activity.

**c. Agreement or Permit Approval**

1. No entity shall engage in an activity unless the entity has an agreement or permit with the Department of Airports authorizing such activity or the entity has received prior written approval from the Department of Airports to sublease land or improvements from an authorized operator and engage in the activity at the Airport.
2. An agreement or permit shall not reduce or limit operator's obligations with respect to complying with these Minimum Standards, except as noted in Section 1.c.

**d. Payment of Rents, Fees, and Charges**

1. Operator shall pay the rents, fees, or other charges specified by the County for engaging in commercial aeronautical activities.
2. Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the County shall be grounds for revocation of the operator's agreement, permit, or the County's approval authorizing the conduct of activities at the Airport.

**e. Leased Premises**

1. Operator shall lease or sublease sufficient land and/or lease, sublease, or construct sufficient improvements for the activity as required in these Minimum Standards.
2. Apron/Paved Tiedowns
  - (i) Aprons/paved tiedowns (if required) must be of adequate size and weight-bearing capacity to accommodate the movement, staging, and parking of operator's, operator's sublessees', and customers' aircraft, and support equipment without interfering with the movement of aircraft in and out of other facilities and the movement of aircraft operating to/from/on taxilanes or taxiways.
3. Vehicle Parking
  - (i) Paved vehicle parking shall be sufficient to accommodate all of operator's and operators' sublessees' customers', employees', visitors', vendors', and suppliers' vehicles on a daily basis. The sufficiency of vehicle parking shall be determined in conjunction with the Director.
  - (ii) Paved vehicle parking shall be on operator's leased premises and/or located in close proximity to operator's main facility.
  - (iii) On-street vehicle parking is not allowed, unless specifically authorized by the Director.

**f. Facility Maintenance**

1. Operator shall maintain its leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, lighting, and signage) in a clean, neat, orderly, and fully functional condition.
2. Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, removal of foreign objects/debris, and any related services necessary to maintain the improvements in good, clean, neat, orderly, and fully functional condition, normal wear and tear excepted.
3. Operator shall replace, in like kind, any property damaged by its employees, patrons, sublessees, contractors, et.al. or by operator's activities.

**g. Products, Services, and Facilities**

1. Products, services, and facilities shall be available on a reasonable, and not unjustly discriminatory, basis to all Airport users.
2. Operator shall charge reasonable, and not unjustly discriminatory, prices for each product, service, or facility.
3. Operator shall conduct its activities on and from its leased premises in a safe, secure, efficient, courteous, prompt, and professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities, and engaging in similar activities from similar leased premises in like markets.

**h. Non-Discrimination**

1. Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, or physical handicap in providing any products, services, or facilities or in the use of any of its facilities that are available to the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.

**i. Licenses, Permits, Certifications, and Ratings**

1. Operator and operator's personnel shall obtain and comply with, at operator's sole cost and expense, all necessary licenses, permits, certifications, or ratings required for the conduct of operator's activities at the Airport as required by the County or any other duly authorized agency prior to engaging in any activity at the Airport.

- (i) Operator shall keep in effect and post in a prominent place, readily accessible to the public, all necessary or required licenses, permits, certifications, or ratings.
- (ii) Upon request, operator shall provide copies of such licenses, permits, certifications, or ratings to the Director within 10 business days.

**j. Personnel**

1. Operator shall have a responsible person on its leased premises to supervise activities and such person shall be qualified and authorized to represent and act for and on behalf of operator during all hours of activities with respect to the method, manner, and conduct of the operator and operator's activities.
  - (i) When such responsible person is not on the leased premises, such individual shall be immediately available by telephone or pager.
2. Operator shall have in its employ, on duty, and on its leased premises during hours of activity, properly trained, qualified, and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe, secure, efficient, courteous, prompt, and professional manner.
3. Operator shall control the conduct, demeanor, and appearance of its employees. It shall be the responsibility of the operator to maintain close supervision over its employees to ensure that a high standard (quality) of products, services, and facilities are provided in a safe, secure, efficient, courteous, prompt, and professional manner.

**k. Aircraft, Equipment, and Vehicles**

1. All required aircraft, equipment, and vehicles must be fully operational, functional, and available at all times and capable of providing all required products and services.
  - (i) Aircraft equipment, and vehicles may be unavailable, from time to time, on a temporary basis, as long as appropriate measures are taken to return the aircraft, equipment, or vehicle to service as soon as possible.
2. Hours of Activity
  - (i) Hours of activity shall be clearly posted in public view using appropriate and professional signage.

**l. Meadows Field Airport Security**

1. Operator shall fully comply with the Meadows Field Airport Security Program (ASP).

2. Operator shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Airport Security Coordinator (ASC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.
3. Operator shall develop and maintain a security plan which shall include, at a minimum, the following elements:
  - (i) Procedures for security facilities, vehicles, equipment, and aircraft during hours of operation and after hours.
  - (ii) Employees background checks required by the ASP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies.
  - (iii) Customer, visitor, and baggage identification.
  - (iv) Procedures for preventing tampering of facilities, vehicles, equipment, and aircraft.
  - (v) Procedures for handling threats by phone and in person.
  - (vi) Procedures for controlling access to operator's leased premises and ensuring that vehicles, equipment, and personnel allowed to access through operator's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the ASC.
  - (vii) Procedures for securing unattended facilities, vehicles, equipment, and aircraft.
  - (viii) Procedures prohibiting passengers or baggage from being left unattended in or near aircraft, within the public-restricted areas of the Airport (Air Operations Area), or within the Security Identification Display Area (SIDA).
  - (ix) Procedures for transient flight crew members and passengers including:
    - (a) Ensuring proper escort or other method of control approved by the ASC.
    - (b) Crewmember contact information and verification procedures.
    - (c) Verification of pilot's certificate and government-issued photo ID for flight crewmembers.
    - (d) Vendor procedures including:
      - (1) Positive identification of all vendors having access to operator's leased premises.

- (2) Security check-in procedures for all vendors.
    - (3) Procedures for ensuring all vendors are aware of security requirements for the operator's leased premises.
  4. Operator's Security Plan shall be submitted to the ASC for review and approval no later than 30 days before Operator commences activities at the Airport (and it shall be resubmitted any time changes are made).
  5. Operator shall maintain fencing, doors, gates, lighting, and locks in good condition at all times.
  6. Aircraft rental and flight instruction operators must positively identify new students and renter pilots, consistent with any/all federal, State, and local regulations.
  7. Aircraft charter and aircraft management operators and other businesses involved in the dispatching of aircraft must develop procedures to verify aircraft dispatch customers.
  8. All operators are required to keep an active log of keys, access cards, and other media issued that allows access to operator's leased premises or identifies authorized persons. The log shall be made available to the ASC upon request, and any lost or stolen access/identification media shall be reported to the ASC immediately.
  9. All operators must comply with all applicable reporting requirements (as established by the County, FAA, TSA, and law enforcement agencies).
- m. Conformance with federal, State, and local rules and regulations**
1. Operator shall abide by all applicable federal, State, and local rules and regulations, including Kern County Ordinance Code Section 15, as amended.
- n. Insurance**
1. Operator shall procure and maintain during the term of its agreement or permit, insurance policies required by applicable regulatory measures and/or the County.
  2. When operator engages in more than one activity, the minimum insurance limits shall be established by the County based on the nature of each activity or combination of activities. While it may not be necessary for operator to carry insurance policies for the combined total of the minimum requirements of each activity, operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum or

as established by the County as demonstrated in Exhibit 'A' of this document.

3. Certificates of Insurance for the insurance required by regulatory measures and/or the County per Exhibit 'A' shall be delivered to the Director upon execution of any agreement, permit, or when approval is given by the County to engage in commercial aeronautical activities at an Airport. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage. Insurance coverage's shall remain in full force and effect through the term of the agreement or permit, and Certificates of Insurance shall be kept current with the Director.

**o. Indemnification and Hold Harmless**

1. Operator shall defend, indemnify, save, protect, and hold harmless the County of Kern and its officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the County of Kern its officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's activities, actions, or inactions. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with California principles of comparative fault.
2. Operator shall accept total responsibility, defend, indemnify, save, protect, and hold harmless the County of Kern, its officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's improvements, vehicles, equipment, or aircraft.
3. Nothing herein shall constitute a waiver of any protection available to the County of Kern, its officers, officials, employees, agents, and volunteers under the California Governmental Immunity Act or similar statutory provisions.

**p. Taxes**

1. Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency relating to operator's leased premises (land and/or improvements), operator's improvements on leased premises, and/or operator's activities.

**q. Multiple Activities**

1. When more than one activity is conducted at an Airport, applicable Minimum Standards shall be established by the Director.
2. Depending upon the nature of the combined activities, the Minimum Standards shall not be:
  - (i) Less than the highest standard for each element (e.g., land, hangar, office, shop, etc.) within the combined activities, or
  - (ii) Greater than the cumulative standards for all of the combined activities.

**3. FIXED BASE OPERATOR**

**a. Introduction**

1. A Fixed Base Operator (FBO) is a commercial operator engaged in the sale of products, services, and facilities for all types of aircraft (piston and turbine-powered aircraft) to include, at a minimum, the following activities at an Airport: aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants); passenger, crew, and aircraft ground services, support, and amenities; aircraft maintenance; aircraft parking, tiedown, hangar, office, and shop rental.
2. In addition to the general requirements set forth in Section 2, each FBO at the Airport shall comply with the following Minimum Standards set forth in Section 3.

**b. Scope of Activity**

1. Unless otherwise stated in these Minimum Standards, all products and services shall be provided by FBO's employees using FBO's vehicles and equipment.
2. FBO's products and services shall include the following:
  - (i) Aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants):
    - (a) FBO shall deliver and dispense, upon request, Jet Fuel, Avgas and aircraft lubricants into all aircraft using the Airport.
    - (b) FBO shall provide a response time of no more than 15 minutes during required hours of activity (except in situations beyond the control of the FBO).
  - (ii) Passenger, crew, and aircraft ground services, support, and amenities:
    - (a) FBO shall meet, direct, and park all aircraft arriving on FBO's leased premises with exception of aircraft that have a designated (assigned) tiedown space or area.

- (b) FBO shall provide courtesy on-site transportation for passengers, crew, and baggage, as necessary and /or appropriate.
- (c) FBO shall provide parking and tiedown of aircraft upon the FBO's leased premises.
- (d) FBO shall provide hangar storage for aircraft upon the FBO's leased premises, to include in-out (aircraft towing) service.
- (e) FBO shall provide crew and passenger baggage handling and other related arrival and departure services.
- (f) FBO shall provide oxygen and compressed air services and be able to provide nitrogen services directly or through arranged with another entity.
- (g) FBO shall provide lavatory services and aircraft cleaning services.
- (h) FBO shall provide aircraft ground power.
- (i) FBO shall be able to make crew and passenger ground transportation arrangements (limousine, shuttle, and rental car).
- (j) FBO shall be able to make aircraft catering arrangements.

(iii) **Aircraft Maintenance**

FBO shall provide, upon request, routine (minor) aircraft line maintenance (i.e., including preventative maintenance as defined in 14 CFR Part 43, Appendix A and excluding maintenance associated with 50 hour, 100 hour, annual inspections, major alteration, and major repair) on the airframe, powerplants and associated systems of aircraft using the Airport. Service may be provided directly through in-house or by procurement through qualified contract services.

(iv) **Aircraft Storage**

FBO shall develop, own, and/or lease facilities for the purpose of subleasing (to the public) aircraft storage space to entities engaging in commercial or non-commercial aeronautical activities.

**c. Leased Premises**

1. FBO shall have adequate land (see Section 2.5.1), including apron/paved tiedown (see Section 2.5.2), facilities (hangars, terminal, maintenance,

and fuel storage), and vehicle parking (see Section 2.5.3) to accommodate all activities of FBO and all approved sublessees, but not less than the following:

- (i) Contiguous Land - 7 acres (304,920 square feet), upon which all required improvements including apron/paved tiedown, facilities and vehicle parking shall be located.
- (ii) Apron - 3 acres (130,680 square feet), with weight bearing capacity to accommodate the largest aircraft handled or serviced by FBO.
- (iii) Paved tiedown - adequate to accommodate the number, type, and size of based and transient aircraft requiring tiedown space at the operator's leased premises, but not less than 10 paved tiedown spaces.
- (iv) Facilities - 46,000 square feet (total) consisting of the following:
  - (a) Terminal space - 5,000 square feet. Customer area shall be at least 2,500 dedicated square feet to include adequate space for crew and passenger lounge(s), flight planning room, conference room, public use telephones, and restrooms. Administrative area shall be at least 1,250 dedicated square feet to include adequate space for employee offices, work areas, and storage.
  - (b) Maintenance area - 1,000 square feet. Maintenance area shall include adequate space for employee offices, work areas, and storage for aircraft parts and equipment.
  - (c) Hangar space - 40,000 square feet. At least one hangar shall be capable of accommodating an aircraft having a length of 100 feet, a wingspan of 95 feet, and a tail height of 26 feet. At least 25,000 square feet shall be dedicated to (for) aircraft storage and 15,000 square feet shall be available for the provision of aircraft maintenance.
  - (d) Vehicle Parking - not less than required by County code.

**d. Fuel Storage**

- 1. FBO shall construct or install and maintain an on-Airport above ground fuel storage facility at the Airport, unless otherwise authorized or required, in a location consistent with the current and planned uses of Airport land and improvements and approved by the Director.
- 2. Fuel storage facility shall have total capacity for three days peak supply of aviation fuel for aircraft being serviced by FBO. In no event shall the total storage capacity be less than:
  - (i) 10,000 gallons for Jet Fuel storage.
  - (ii) 10,000 gallons for Avgas storage.

- (iii) 500 gallons for waste fuel or test samples (or the capability to recycle waste fuel or test samples).
- 3. FBO shall, at its sole cost and expense, maintain the fuel storage facility, all improvements thereon, and all appurtenances thereto, in a clean, neat, orderly, and fully functional condition consistent with good business practices and equal or better than in appearance and character, other similar improvements on the Airport.
- 4. FBO shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum supplier/distributor for the delivery of aviation fuels in the quantities that are necessary to meet the requirements set forth herein.
- 5. Fuel suppliers utilized by operator must have a current and executed Fuel Delivery Permit, if one is required by the County, on file with the Director.
- 6. FBO shall have a written Spill Prevention Control and Countermeasures (SPCC) Plan that meets regulatory measures for fuel storage facilities. An updated copy of the SPCC Plan shall be filed with the Director at least 30 days prior to commencing operations.
- 7. FBO shall be liable and indemnify the County for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
- 8. Fuel dispensed by FBO shall meet quality specifications as outlined in ASTM D 1655 (Jet A) and ASTM D 1910 (Avgas), or superseding standards. Ensuring the quality of the fuel is the responsibility of the FBO.
- 9. FBO shall maintain records that identify the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by FBO at the Airport (by customer type).
- 10. On or before the 10th day of the subsequent month, unless otherwise provided for in operators agreement with the director, FBO shall provide a summary report to the Director identifying the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by the FBO at the Airport (by customer type) and FBO shall pay the appropriate fees and charges due to the County.
- 11. Records (and meters) shall be made available for review (audit) by the Director or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to the FBO and the amount of fuel delivered to FBO

customer aircraft and/or dispensed by the FBO at the Airport, FBO shall promptly pay, in cash, all additional fees and charges due the County, plus annual interest on the unpaid balance at the maximum rate allowable by law, or as specified by a current agreement, from the date originally due.

**e. Fueling Equipment**

1. FBO shall have two Jet Fuel refueling vehicles with one having a capacity of at least 5,000 gallons and one having a capacity of at least 2,000 gallons.
2. FBO shall have two Avgas refueling vehicles each having a capacity of at least 750 gallons. A fixed Avgas self-serve refueling system can be substituted for an Avgas refueling vehicle.
  - (i) If substituted for an Avgas refueling vehicle, the fixed Avgas self-serve fueling system shall: (1) be constructed or installed in a location specified by the Director, (2) be available and maintained by FBO for public commercial use, and (3) have detailed (and readily accessible) instructions for the proper and safe operation of the system and a fully functional (and readily accessible) telephone, emergency shut-off, properly rated fire extinguisher, and fuel spill kit.
  - (ii) FBO may have only one Avgas refueling vehicle if FBO has a written agreement with another (separate) FBO at the Airport to provide Avgas fueling services at times when the FBO's refueling vehicle is unavailable or unable to meet the required response time.
    - (a) Agreement must be on file with the Director.
3. Aircraft refueling vehicles shall be equipped with metering devices that meet all applicable regulatory measures. One refueling vehicle dispensing Jet Fuel shall have over-the-wing and single point aircraft servicing capability. All refueling vehicles shall be bottom loaded.
4. Each refueling vehicle and all fueling equipment shall be equipped and maintained to comply with all applicable safety and fire prevention requirements, standards, and regulatory measure including, without limitation, those prescribed by:
  - (i) State of California Fire Code;
  - (ii) County of Kern Fire Code;
  - (iii) National Fire Protection Association (NFPA) Codes;
  - (iv) California Department of Health and Environment Oil Inspection Regulatory Section;

- (v) 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials".
- (vi) Applicable FAA Advisory circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".

**f. Equipment**

**1. FBO shall have the following equipment:**

- (i) Adequate wheel chocks for aircraft parking on open apron areas and equipment for securing aircraft on permanent tiedowns including ropes, chains, wheel chocks, and/or other types of aircraft restraining devices which are required to safely secure aircraft as described in FAA Advisory Circular 20-35C.
- (ii) One oxygen cart and one compressed air unit.
- (iii) One ramp transportation vehicle to provide transportation of passengers and baggage between FBO terminal building and aircraft.
- (iv) Two aircraft towing vehicles (and two bars) with at least one having a rated draw bar capacity sufficient to meet the towing requirement of the heaviest general aviation aircraft frequenting the Airport.
- (v) Two ground power units capable of providing electricity to direct current (DC) powered aircraft.
- (vi) One lavatory service cart.
- (vii) Spill kits including one mobile unit per contiguous ramp area with the necessary equipment and materials to contain a fuel spill and keep it from flowing into drains or other damage potential areas.
- (viii) Adequate number of approved and regularly inspected dry chemical fire extinguisher units shall be maintained within all hangars, on all apron areas, at all fuel storage facilities, and on all ground handling and refueling vehicles.
- (ix) All equipment reasonably necessary for the proper performance of aircraft maintenance in accordance with applicable FAA regulations and manufacturers' specifications, and minimum maintenance as stipulated in Section 3.b.2.c.

**g. Personnel**

1. Personnel, while on duty, shall be clean, neat in appearance, courteous, and at all times properly uniformed. Uniforms shall identify the name of the FBO and the employee and shall be clean, neat, professional, and properly maintained at all times.
  - (i) Management and administrative personnel shall not be required to be uniformed.
2. FBO shall develop and maintain Standard Operating Procedures (SOP) for fueling and ground handling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A "Aircraft Ground Handling and Servicing." FBO's SOP shall include a training plan, fuel quality assurance procedures and record keeping, and emergency response procedures to fuel spills and fires. FBO's SOP shall also address: regular safety inspections, bonding and fire protection; public protection; control of access to fuel storage facilities; and marking and labeling of fuel storage tanks and refueling vehicles. FBO's SOP shall be submitted to the Airport Director no later than 30 days before the FBO commences activities at the Airport (and it shall be resubmitted anytime changes are made).
3. FBO shall have two properly trained and qualified line service technicians (FBO employees), on each shift, providing aircraft fueling, parking, and ground services and support.
  - (i) FBO shall have one supervisory line service technician (FBO employee) trained in an FAA approved fire safety program (14 CFR Part 139.321).
4. FBO shall have one properly trained and qualified customer service representative (FBO employee), on each shift (except from the hours of 11:00 p.m. to 6:00 a.m.), to provide customer service and support.
5. FBO (or authorized aircraft maintenance operator) shall have one airframe and powerplant mechanic properly trained and qualified to provide aircraft maintenance on aircraft using the Airport.

**h. Hours of Activity**

1. Aircraft fuelling and passenger, crew, and aircraft ground handling services, support, and amenities shall be continuously offered and available to meet reasonable demands of the public for this activity between the hours 6:00 a.m. and 11:00 p.m. seven days a week (including holidays).
  - (i) These services shall also be available all other times (after hours), on-call, with a response time not to exceed 30 minutes.

2. Aircraft maintenance shall be continuously offered and available to meet reasonable demand of the public for this activity between the hours of 8:00 a.m. and 5:00 p.m. five days a week.
  - (i) Aircraft maintenance shall be available all other times (after hours), on-call with response time not to exceed 60 minutes.

**i. Aircraft Removal**

1. Recognizing that aircraft removal is the responsibility of the aircraft owner/operator, the FBO shall be prepared to lend assistance within 30 minutes upon request by either the Airport Director or the aircraft owner in order to maintain the operational readiness of the Airport's aircraft movement areas. The FBO shall prepare an aircraft removal plan and have the equipment readily available that is necessary to remove aircraft typically using the Airport.

**j. Insurance**

1. FBO shall maintain, at a minimum, the insurance coverage set forth in Exhibit 'A' as determined by the Director of Airports.

**4. SPECIALIZED AVIATION SERVICE PROVIDERS**

**a. Based Aircraft Flight Instruction**

1. Providers of flight instruction shall hold FAA and State certification where applicable.
2. Provider shall have on-Airport office space and telephone.
3. Restroom facilities within reasonable walking distance of office space shall be provided.
4. Provider shall have parking (customer & employee vehicles) available consistent with County code.

**b. Aircraft Sales**

1. The business shall maintain on-Airport office space.
2. The business shall hold licenses as required by other governmental agencies.
3. Aircraft owners selling their own airplane and exempt from State sales licensing requirements are considered exempt from these requirements.
4. The sales entity shall provide, either directly or by subcontract, necessary and satisfactory arrangements for repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty period and shall provide an adequate inventory of spare parts, either directly or by subcontract, for the type of new aircraft for which sales privileges are granted.

**c. Aircraft Storage**

1. Tiedown spaces shall be designed to provide for no aircraft wing overlap.
2. Adequate tiedown hardware shall be provided for wing and tail tiedowns.
3. Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.
4. For taxilanes used by aircraft under power, minimum taxilane widths consistent with FAA Advisory Circular 150/5300-13, "Airport Design" shall be provided unless otherwise approved by the Airport Director.
5. Taxilanes shall be marked in accordance with the standards set forth in FAA Advisory Circular 150/5340-1G, "Standards for Airport Markings."

**d. Aircraft Storage Hangars**

1. No commercial operations shall be conducted out of a hangar unless authorized in writing by the Director.
2. Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.

**e. Aircraft Maintenance and Repair**

1. All aircraft repairs must be made in accordance with FAA standards.
2. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by the Director.

**f. Aircraft Rental**

1. The purveyor shall maintain an on-Airport office and adequate assigned tiedowns or inside storage areas for rental aircraft.
2. Restroom facilities within reasonable walking distance of office space shall be provided.

**g. Avionics, Instruments, and Propeller Repair**

1. Purveyor shall hold required FAA and FCC licenses.
2. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by Director.

**h. Flying Clubs (Non-Profit)**

1. The flying club shall be a non-profit corporation or partnership.
2. The aircraft shall be owned or leased by the club.
3. The club may not offer or conduct charter, air taxi, rental, or flight instruction, and only members of the flying club may operate the aircraft.
4. The club shall not permit its aircraft to be used for giving flight instruction to any person, including club members, when such person pays or becomes obligated to reimburse for such instruction, except when instruction is given by a lessee or permittee authorized by the Director to give such instruction.
5. Exceptions are permitted to the above when flight instructors or mechanics are club members. They may perform instruction/maintenance/repair where compensation is limited to credit against payment of dues or flight time.

**i. Aircraft Charter**

1. Adequate sheltered waiting area shall be provided within 500 feet of the aircraft. The waiting area shall be of sufficient size to hold the passenger load for the type of aircraft and meet applicable Fire Codes regarding occupancy load.
2. Restrooms shall be available at the waiting area.
3. Adequate vehicle parking spaces shall be provided on-site in accordance with County Code.
4. The operator shall hold all applicable FAA and DOT licenses and/or certificates.
5. The operator shall provide adequate ground handling equipment for type aircraft.
6. The operator shall provide public telephones within reasonable distance of waiting area.
7. No publicly available scheduled operations or public charters with a scheduled frequency of five flights or more per week are permitted except at the Airport's terminal building and associated air carrier ramp.

**j. Scheduled Airline Operations**

1. Scheduled airline operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of three flights or more per week using aircraft with a certificated maximum take-off weight equal to or greater than 75,000 lbs.
2. Scheduled airline operations shall be conducted solely from the Airport's terminal building and associated air carrier ramp.

3. The Airline operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free number posted at the ticket counter from 5:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.
4. The Airline operator shall provide skycap service or automated check-in service, in addition to customer service agent ticket counter check-in service, unless the Director waives requirement.
5. The Airline operator shall provide adequate guidance or escort between the boarding lounge gate and the aircraft door.
6. The Airline operator shall provide queuing stanchions, of an approved type, for crowd control in all queuing areas.
7. The Airline operator shall abide by the current approved Kern County Airports Graphics Standards Manual.
8. The Airline operator shall utilize a pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.
9. All Airline operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to/from remote parking areas between the hours of 4:30 a.m. to 11:30 p.m.
10. All Airline operators shall have the necessary procedures and resources available to board passengers from both the north and south hold rooms.

**k. Scheduled Commuter Operations**

1. Scheduled commuter operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of three flights or more per week using aircraft with a certificated maximum take-off weight of less than 75,000 lbs.
2. Scheduled commuter operations shall be conducted solely from the Airport's terminal building and associated ramp.
3. The Commuter operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free telephone number posted at the ticket counter from 5:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.
4. The Commuter operator shall provide adequate guidance and escort between the boarding lounge gate and the aircraft door.
5. The Commuter operator shall escort all unscreened passengers from the aircraft through the Security Identification Display Area (SIDA) when disembarking. Unscreened passengers shall only use exit gates authorized by the Director.

6. The Commuter operator shall provide queuing stanchions, of approved type, for crowd control in all queuing areas.
7. The Commuter operator shall abide by the current approved Kern County Airports Graphics Standards Manual.
8. The Commuter operator shall utilize a pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.
9. All Commuter operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to-from remote parking areas between the hours of 4:30 a.m. to 11:30 p.m.
10. All Commuter operators shall have the necessary procedures and resources available to board passengers from both the north and south holdrooms.

**l. Other Specialized Aviation Services**

1. Other specialized aviation services include aircraft modifications (STCs), aircraft paint, aircraft upholstery, aircraft propeller service, aircraft engine component overhaul, aircraft major rehabilitation or reconstruction.
2. Aircraft painting, except minor touch-up painting, shall be conducted only in County approved aircraft paint booths or paint facilities.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by the Director
4. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft
5. Purveyor shall hold the required FAA certification for type work.

**m. Airship Operations**

1. Airship mooring locations shall be assigned as appropriate by Airport management.
2. The airship operator shall be responsible for the removal of equipment in a timely manner, not to exceed 24 hours.
3. The airship operator shall provide ground operations and radio training to the satisfaction of the Airport Bureau to each crewmember required to operate a vehicle on the Airport surface and/or communicate via radio with the ATC tower.

**n. Banner Tow Operations**

1. Each banner tow operator shall obtain a banner tow permit from the Director.

2. A ground crew consisting of at least one individual is required for all banner tow operations.
3. Any vehicles operated on the airfield shall display Airport-related identification and markings.
4. Banner tow pickup/drop operations shall be conducted only in areas designated by Director.
5. The banner tow operator shall provide ground operations and radio training to the satisfaction of the Director to each crewmember required to operate a vehicle on the Airport surface and/or communicate via radio with the ATC tower.

**o. Mobile Aircraft Washing and Detailing**

1. Aircraft washing shall be conducted only in designated areas.
2. Operators must contain all water and associated discharge from washing activities. All such effluent shall be recycled or removed from the Airport, and meet all applicable Airport, County, State, and federal clean water regulations.
3. Aircraft washing and detailing operators shall receive written approval of lessees or permittees prior to entering their premises.

**p. Mobile Catering**

1. Food catering permittees shall not operate their catering units within 300 feet of the terminal building.
2. Mobile caterers shall receive written approval of lessees or permittees prior to entering their premises.
3. Mobile caterers must meet all applicable Airport, County, State and, Federal Regulations.

**5.0 NON-COMMERCIAL SELF-FUELING**

**a. Introduction**

1. All entities desiring self-service fueling shall be accorded a reasonable opportunity, without unlawful discrimination, to qualify and receive a Non-Commercial Self-Service Fueling Permit. Those entities that have a permit granting them the rights to perform commercial fueling (i.e., FBO) are not required to apply for a Non-Commercial Self-Service Fueling Permit.
2. This article sets forth the standards prerequisite to an entity engaging in non-commercial self-fueling activities at the Airport. Any entity engaging in such activities shall also be required to comply with all applicable regulatory measures pertaining to such activities.
3. In addition to the applicable Minimum Standards General Requirements, each entity conducting non-commercial self-fueling

activities at the Airport shall comply with the following Minimum Standards.

**b. Permit Approval**

1. No entity shall engage in self-fueling activities unless a valid Non-Commercial Self-Fueling Permit authorizing such activity has been obtained from the Director. Such entities shall herein be referred to as "Permittees".
2. The Permit shall not reduce or limit Permittee's obligations with respect to these Self-Fueling Minimum Standards, which shall be included in the Permit by reference.
3. Prior to issuance and subsequently upon request by the Director, Permittee shall provide evidence of ownership (and/or lease) of any aircraft being operated (under the full control of) and fueled by Permittee. The Director will determine if an aircraft lease is commercially reasonable, for purposes of self-fueling.

**c. Reporting**

1. Permittee shall report all fuel delivered to the approved Permittee's fuel storage facility and Permittee's aircraft during each calendar month and submit a summary report along with appropriate fees and charges due the Director on or before the 10th day of the subsequent month.
2. Records (and meters) shall be made available for review (audit) by the Director or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to Permittee and the amount of fuel dispensed by Permittee at the Airport, Permittee shall promptly pay, in cash, all additional fees and charges due the Director, plus annual interest on the unpaid balance at the maximum rate allowable by law or as specified by a current agreement, from the date originally due.

**d. Fuel Storage**

1. Permittee shall arrange and demonstrate that satisfactory arrangements have been made for the storage of fuel, as follows:
  - (i) through either an authorized FBO at the Airport or
  - (ii) in an on-Airport fuel storage location approved by the Director.
2. Permittee shall be liable and indemnify the Director for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
3. Ensuring the quality of the fuel is the responsibility of Permittee.

**e. Fueling Equipment**

1. Permittee shall utilize a single refueling vehicle for each type of fuel to be dispensed. Avgas refueling vehicles shall have a minimum capacity of 750 gallons and Jet Fuel refueling vehicles shall have a minimum capacity of 2,000 gallons.
2. Each refueling vehicle shall be equipped and maintained to comply at all times with all applicable safety and fire prevention requirements or standards, as may be amended from time to time, including without limitation, those prescribed by:
  - (i) State of California Code,
  - (ii) Kern County Fire Code,
  - (iii) National Fire Protection Association (NFPA) Codes,
  - (iv) 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials"; and
  - (v) Applicable FAA Advisory Circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".
3. Prior to transporting fuel onto the Airport; the Permittee shall provide the Director with a Spill Prevention Contingency and Control Plan (SPCC) that meets regulatory requirements for fuel storage facilities. An updated copy of such SPCC Plan shall be filed with the Airport Director at least thirty (30) days prior to actual implementation. Such plan shall describe, in detail, those methods that shall be used by the Permittee to clean up any potentially hazardous fuel spills. The plan should include equipment to be used, emergency contact personnel and their telephone numbers, and all other details as to how the Permittee would contain such a spill. This plan should also describe, in detail, what methods the Permittee intends to use to prevent any such spill from occurring.
4. In accordance with all applicable regulatory measures and appropriate industry practices, the Permittee shall develop and maintain Standard Operating Procedures (SOP) for fueling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A, entitled "Aircraft Ground Handling and Servicing". The SOP shall include a training plan, fuel quality assurance procedures, record keeping, and emergency response procedures for fuel spills and fires. The SOP shall also address the following: (1) bonding and fire protection, (2) public protection, (3) control of access to refueling vehicle storage areas, and (4) marking and labeling of refueling vehicles. The SOP shall be submitted to the

Airport Director not later than thirty (30) days before the Permittee commences self-fueling at the Airport.

**f. Licenses, Certifications, and Permits**

Permittee shall have and provide to the Airport evidence of all federal, State, and local licenses, certificates, and permits that are required to conduct self-fueling.

**g. Personnel**

1. Permittee's employees must conduct the self-fueling activity and be properly trained in aircraft refueling.
2. There must be a minimum of two (2) individuals present during self-fueling activities.

**h. Limitations**

Permittees shall not sell and/or dispense fuels to based or transient aircraft that are not owned by or under the full control of Permittee. Any such selling or dispensing shall be grounds for immediate revocation of the Permit by the Director.

**i. Insurance**

Except as otherwise provided for herein, Permittee shall maintain, at a minimum, the coverages and policy limits set forth in Exhibit 'A' of this document.

APPROVED BY:

Richard Strickland, C.M.  
Director of Airports

Date

## **GLOSSARY OF TERMS**

Aeronautical Services - any service which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

Airport - any Kern County Airport and all of the property, buildings, facilities and improvements within the exterior boundaries of such Airport as it now exists on the Airport Layout Plan or Exhibit "A" of the ALP, or as it may hereinafter be extended, enlarged or modified.

Airport Operations Area (AOA) - the area of the Airport used or intended to be used for landing, take off or surface maneuvering of aircraft including the associated hangars and navigational and communications facilities.

ASC - the federal Department of Homeland Security Transportation Security Administration Airport Security Coordinator

Commercial Operator (Operator) - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical services at the Airport, under strict compliance with such agreement and pursuant to these regulations and standards.

Director of Airports "Director" - the Director of the Department of Airports or the Director's authorized designee.

County - the County of Kern.

Entity - an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity.

FAA - Federal Aviation Administration.

FAR - Federal Aviation Regulation.

Fixed Base Operator (FBO) - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical services at the Airport, under strict compliance with such agreement and pursuant to these regulations and standards.

Fixed Place of Business - a designated business facility, located on the Airport and occupied by virtue of a lease agreement, license agreement or permit with the Department of Airports.

Flying Club - a non-profit entity or organization established to promote flying for pleasure, and develops skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques.

Fuel - FAA authorized aviation fuel.

Fueling Operations - the dispensing of aviation fuel into aircraft.

Fuel Permittee - an entity that has been issued a valid fueling operations permit from the Director.

Fueling Operations Permit - a permit issued by the Director to an entity which dispenses aviation fuel at any Kern County Airport. A fueling permit shall be of three types:

Full-Service Fueling Operator - an entity engaged in the retail sale and dispensing of aviation fuel, and other line services to aircraft other than that owned or leased by such entity.

Interchange Agreement - an arrangement whereby a person leases his airplane to another person in exchange for equal time, when needed, on the other person's airplane, and no charge, assessment, or fee is made, except that a charge may be made not to exceed the difference between the cost of owning, operating and maintaining the two airplanes

Joint Ownership Agreement - an arrangement whereby one of the registered joint owners of an airplane employs and furnishes the flight crew for that airplane and each of the registered joint owners pays a share of the charge specified in the agreement

Landside - all buildings and surfaces on the Airport used by surface vehicular and pedestrian traffic outside the Airport Operations Area.

Large Aircraft - an aircraft of more than 12,500 pounds maximum certified take-off weight or turboprop and turbojet aircraft.

Lease - (pertaining to the lease of aircraft by an aeronautical activity) a term written agreement established on a minimum basis of six (6) months wherein the Lessee shall have full control over the scheduling and use of aircraft and the aircraft is insured as required by these minimum standards for the use of the aircraft by Lessee. (Also referred to as aircraft "lease-back.")

Lease Agreement - a written document executed by the Department of Airports and the Commercial Operator which sets forth the premises, use, fees, standards of operation, and other contractual terms for conducting business on the Airport.

Lessee/Licensee/Permittee/Operator - an entity providing specific commercial aeronautical services, by virtue of an agreement with the Department of Airports.

Minimum Standards - the standards which are established by the Airport sponsor as the minimum requirements to be met as a condition for the right to conduct an aeronautical activity on the Airport.

Mobile Service Providers (MSP) - an individual or entity that provides commercial aeronautical services but does not operate out of owned or leased property on the Airport.

NFPA - the National Fire Protection Association.

NOTAM - means a Notice to Airmen published by the FAA.

Proprietary Aeronautical Activity, as prescribed by FAA Advisory Circular 150/5190-2A (Exclusive Rights at Airports) - the public agency that owns and operates the Airport may engage in any proprietary aeronautical activity and deny the same right to others without violating federal grant assurances. This means that a public agency may provide aeronautical services on an exclusive basis, but only

in principal, using its own employees and resources. It is recognized that aeronautical service may be provided more efficiently by private enterprise.

Ramp Privilege - the driving of a vehicle upon an aircraft parking ramp on the airside of the Airport to deliver persons, cargo or equipment to an aircraft as a matter of convenience or necessity.

Self-Fueling Operator - an entity who dispenses aviation fuel solely for its own use, to aircraft owned or leased for its exclusive use.

Self-Service Fueling Operator - an entity engaged in the self-service retail sale of aviation fuel to aircraft other than that owned or leased by such entity.

Small Aircraft - an aircraft of 12,500 pounds or less maximum certified take-off weight.

Sponsor - County of Kern owner of the Airports in title.

Time Sharing Agreement - an arrangement whereby a person leases his airplane with flight crew to another person, and no charge is made for the flights conducted under that arrangement other than those specified under FAR Part 91.501(d)

TSA - the federal Department of Homeland Security Transportation Security Administration

**EXHIBIT "A"**  
**AIRPORT INSURANCE REQUIREMENTS**

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | Airlines                            | Part 135 Charter Operators<br>(Jets) |
|-------------------------------------------|-------------------------------------|--------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                     |                                      |
| Aviation or Commercial General Liability  | N/A<br>\$250,000,000 per occurrence | \$5,000,000 (or A/C Liability)       |
| Airline Liability (Including War Risks)   | N/A                                 | N/A                                  |
| Automobile Liability                      | \$5,000,000                         | \$5,000,000                          |
| Aircraft Liability (Including War Risks)  | N/A                                 | \$25,000,000                         |
| Hangar Keepers                            | N/A                                 | N/A                                  |
| Additional Insureds                       | Applicable                          | Applicable                           |
| Self-Insurance Retention                  | If Applicable                       | If Applicable                        |
| Claims-Made                               | If Applicable                       | N/A                                  |
| <b>Workers Compensation Requirements:</b> |                                     |                                      |
| Lessee Employees                          | If Applicable                       | If Applicable                        |
| Lessee Subcontractors                     | If Applicable                       | If Applicable                        |
| Employer's Liability                      | \$1,000,000 per occurrence          | \$1,000,000 per occurrence           |
| <b>Environmental Liability:</b>           | N/A                                 | N/A                                  |
| <b>Property Insurance:</b>                |                                     |                                      |
| Fire and Casualty                         | 100% full replacement value         | 100% full replacement value          |
| Cancellation of Insurance                 | 30 Days - Required                  | 30 Days - Required                   |
| Insurance Company Rating                  | A-VII or better - Required          | A-VII or better - Required           |
| Lessee Self-Insured                       | N/A                                 | If Applicable                        |
| Primary Insurance                         | Endorsement Required                | Endorsement Required                 |
| No Limitations by Policy Limits           | Applicable                          | Applicable                           |
| Failure to Maintain Insurance             | Applicable                          | Applicable                           |
| Waiver of Subrogation                     | Applicable                          | Applicable                           |

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | <b>Fixed Based Operators<br/>(Turbine Operators)</b> | <b>Flight Training Facility<br/>Operator</b> |
|-------------------------------------------|------------------------------------------------------|----------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                      |                                              |
| Aviation or Commercial General Liability  | \$10,000,000                                         | \$2,000,000                                  |
| Airline Liability (Including War Risks)   | N/A                                                  | N/A                                          |
| Automobile Liability                      | \$5,000,000                                          | \$300,000                                    |
| Aircraft Liability (Including War Risks)  | \$1,000,000                                          | \$1,000,000                                  |
| Hangar Keepers                            | \$10,000,000                                         | N/A                                          |
| Additional Insureds                       | Applicable                                           | Applicable                                   |
| Self-Insurance Retention                  | If Applicable                                        | If Applicable                                |
| Claims-Made                               | If Applicable                                        | N/A                                          |
| <b>Workers Compensation Requirements:</b> |                                                      |                                              |
| Lessee Employees                          | If Applicable                                        | If Applicable                                |
| Lessee Subcontractors                     | If Applicable                                        | If Applicable                                |
| Employer's Liability                      | \$1,000,000 per occurrence                           | \$1,000,000 per occurrence                   |
| <b>Environmental Liability:</b>           | \$1,000,000                                          | N/A                                          |
| <b>Property Insurance:</b>                |                                                      |                                              |
| Fire and Casualty                         | 100% full replacement value                          | 100% full replacement value                  |
| Cancellation of Insurance                 | 30 Days - Required                                   | 30 Days - Required                           |
| Insurance Company Rating                  | A-VII or better - Required                           | A-VII or better - Required                   |
| Lessee Self-Insured                       | If Applicable                                        | If Applicable                                |
| Primary Insurance                         | Endorsement Required                                 | Endorsement Required                         |
| No Limitations by Policy Limits           | Applicable                                           | Applicable                                   |
| Failure to Maintain Insurance             | Applicable                                           | Applicable                                   |
| Waiver of Subrogation                     | Applicable                                           | Applicable                                   |

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | <b>Concessionaires Terminal<br/>Landside (Taxi, Rental Car,<br/>Parking, Gift Shop)</b> | <b>Concessionaires Airside<br/>(Ground Service,<br/>Restaurant)</b> |
|-------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                                                         |                                                                     |
| Aviation or Commercial General Liability  | \$1,000,000/\$2,000,000                                                                 | \$1,000,000/\$2,000,000 -<br>Rstrt                                  |
| Airline Liability (Including War Risks)   | N/A                                                                                     | \$10,000,000/\$10,000,000 -<br>Ground Service Provider<br>N/A       |
| Automobile Liability                      | \$1,000,000 - Taxi, Gift Shop                                                           | \$1,000,000 (May be<br>provided under G/L Policy)                   |
| Aircraft Liability (Including War Risks)  | \$5,000,000 - Rental Car,<br>Parking                                                    | N/A                                                                 |
| Hangar Keepers                            | N/A                                                                                     | N/A                                                                 |
| Additional Insureds                       | Applicable                                                                              | Applicable                                                          |
| Self-Insurance Retention                  | If Applicable                                                                           | If Applicable                                                       |
| Claims-Made                               | N/A                                                                                     | If Applicable                                                       |
| <b>Workers Compensation Requirements:</b> |                                                                                         |                                                                     |
| Lessee Employees                          | If Applicable                                                                           | If Applicable                                                       |
| Lessee Subcontractors                     | If Applicable                                                                           | If Applicable                                                       |
| Employer's Liability                      | \$1,000,000 per occurrence                                                              | \$1,000,000 per occurrence                                          |
| <b>Environmental Liability:</b>           | N/A                                                                                     | N/A                                                                 |
| <b>Property Insurance:</b>                |                                                                                         |                                                                     |
| Fire and Casualty                         | 100% full replacement value                                                             | 100% full replacement value                                         |
| Cancellation of Insurance                 | 30 Days - Required                                                                      | 30 Days - Required                                                  |
| Insurance Company Rating                  | A-VII or better - Required                                                              | A-VII or better - Required                                          |
| Lessee Self-Insured                       | If Applicable                                                                           | If Applicable                                                       |
| Primary Insurance                         | Endorsement Required                                                                    | Endorsement Required                                                |
| No Limitations by Policy Limits           | Applicable                                                                              | Applicable                                                          |
| Failure to Maintain Insurance             | Applicable                                                                              | Applicable                                                          |
| Waiver of Subrogation                     | Applicable                                                                              | Applicable                                                          |

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | GA Hangar Owners<br>w/Owned Turbine Powered<br>Aircraft                                           | GA Hangar Owners<br>w/Owned Piston Powered<br>Aircraft                 |
|-------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                                                                   |                                                                        |
| Aviation or Commercial General Liability  | \$10,000,000 (Exception:<br>\$1,000,000 Single engine<br>turbine) May be incl in A/C<br>Liability | \$1,000,000/\$2,000,000<br>(Aggregate may be part of<br>A/C Liability) |
| Airline Liability (Including War Risks)   | N/A                                                                                               | N/A                                                                    |
| Automobile Liability                      | \$1,000,000 (May be<br>provided under G/L Policy)                                                 | \$300,000                                                              |
| Aircraft Liability (Including War Risks)  | \$10,000,000                                                                                      | \$1,000,000                                                            |
| Hangar Keepers                            | \$10,000,000                                                                                      | If Applicable                                                          |
| Additional Insureds                       | Applicable                                                                                        | Applicable                                                             |
| Self-Insurance Retention                  | If Applicable                                                                                     | If Applicable                                                          |
| Claims-Made                               | N/A                                                                                               | N/A                                                                    |
| <b>Workers Compensation Requirements:</b> |                                                                                                   |                                                                        |
| Lessee Employees                          | If Applicable                                                                                     | If Applicable                                                          |
| Lessee Subcontractors                     | If Applicable                                                                                     | If Applicable                                                          |
| Employer's Liability                      | \$1,000,000 per occurrence                                                                        | \$1,000,000 per occurrence                                             |
| <b>Environmental Liability:</b>           | N/A                                                                                               | N/A                                                                    |
| <b>Property Insurance:</b>                |                                                                                                   |                                                                        |
| Fire and Casualty                         | 100% full replacement value                                                                       | 100% full replacement value                                            |
| Cancellation of Insurance                 | 30 Days - Required                                                                                | 30 Days - Required                                                     |
| Insurance Company Rating                  | A-VII or better - Required                                                                        | A-VII or better - Required                                             |
| Lessee Self-Insured                       | If Applicable                                                                                     | If Applicable                                                          |
| Primary Insurance                         | Endorsement Required                                                                              | Endorsement Required                                                   |
| No Limitations by Policy Limits           | Applicable                                                                                        | Applicable                                                             |
| Failure to Maintain Insurance             | Applicable                                                                                        | Applicable                                                             |
| Waiver of Subrogation                     | Applicable                                                                                        | Applicable                                                             |

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

**GA Hangar Owners  
 without Owned Aircraft**

**Liability Insurance Requirements:**

|                                          |                             |
|------------------------------------------|-----------------------------|
|                                          | \$1,000,000/\$2,000,000     |
| Aviation or Commercial General Liability | Aviation General Liability  |
| Airline Liability (Including War Risks)  | policy only accepted        |
|                                          | N/A                         |
| Automobile Liability                     | \$1,000,000 (May be         |
| Aircraft Liability (Including War Risks) | provided under Aviation     |
|                                          | G/L Policy)                 |
|                                          | N/A                         |
| Hangar Keepers                           | \$1,000,000/\$2,000,000 if  |
| Additional Insureds                      | storing aircraft for others |
| Self-Insurance Retention                 | Applicable                  |
| Claims-Made                              | If Applicable               |
|                                          | N/A                         |

**Workers Compensation Requirements:**

|                          |                 |
|--------------------------|-----------------|
| Lessee Employees         | If Applicable   |
| Lessee Subcontractors    | If Applicable   |
|                          | \$1,000,000 per |
| Employer's Liability     | occurrence      |
| Environmental Liability: | N/A             |

**Property Insurance:**

|                   |                       |
|-------------------|-----------------------|
| Fire and Casualty | 100% full replacement |
|                   | value                 |

|                           |                            |
|---------------------------|----------------------------|
| Cancellation of Insurance | 30 Days - Required         |
| Insurance Company Rating  | A-VII or better - Required |
| Lessee Self-Insured       | If Applicable              |

|                                 |                      |
|---------------------------------|----------------------|
| Primary Insurance               | Endorsement Required |
| No Limitations by Policy Limits | Applicable           |
| Failure to Maintain Insurance   | Applicable           |
| Waiver of Subrogation           | Applicable           |

**EXHIBIT 'D' – FEDERAL AVIATION ADMINISTRATION ASSURANCES**



**FAA  
Airports**

## **ASSURANCES**

### **AIRPORT SPONSORS**

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#### **A. General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

#### **B. Duration and Applicability.**

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and

assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

### **C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

#### **1. General Federal Requirements**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

#### **FEDERAL LEGISLATION**

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.<sup>1</sup>
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.<sup>2</sup>
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.<sup>1, 2</sup>
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.<sup>1</sup>
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.<sup>1</sup>
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.<sup>1</sup>
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.<sup>1</sup>
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.<sup>1</sup>
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.<sup>1</sup>
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.<sup>1</sup>

- v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.<sup>1</sup>
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Build America, Buy America Act, P.L. 117-58, Title IX.

#### **EXECUTIVE ORDERS**

- a. Executive Order 11246 – Equal Employment Opportunity<sup>1</sup>
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction<sup>1</sup>
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency
- h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
- i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation
- j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers
- k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

#### **FEDERAL REGULATIONS**

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. <sup>4, 5</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.<sup>1</sup>
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.<sup>1</sup>
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).<sup>1</sup>
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.<sup>1, 2</sup>
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.<sup>1</sup>
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

#### **FOOTNOTES TO ASSURANCE (C)(1)**

- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.
- <sup>3</sup> 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall

apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

- <sup>4</sup> Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>5</sup> Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

## **SPECIFIC ASSURANCES**

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

### **2. Responsibility and Authority of the Sponsor.**

#### **a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

#### **b. Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

### **3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

### **4. Good Title.**

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

### **5. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere

with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

- b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

#### **6. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

**7. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

**8. Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**9. Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

**10. Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

**11. Pavement Preventive Maintenance-Management.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**12. Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

**13. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The

accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

#### **14. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

#### **15. Veteran's Preference.**

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

#### **16. Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

#### **17. Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

## 18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

## 19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
  1. Operating the airport's aeronautical facilities whenever required;
  2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or

facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

## **20. Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

## **21. Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

## **22. Economic Nondiscrimination.**

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
  - 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
  - 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable

classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor 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.

### **23. Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

### **24. Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for

which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

## **25. Airport Revenues.**

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
  1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
  2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
  3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

## **26. Reports and Inspections.**

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the

public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

**27. Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

**28. Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

## 29. Airport Layout Plan.

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
  1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
  2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
  4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
  1. eliminate such adverse effect in a manner approved by the Secretary; or
  2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

## 30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
  1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
  2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
  3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.
- c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

  1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
  2. So long as the sponsor retains ownership or possession of the property.
- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The ([Selection Criteria: Sponsor Name]), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award."
- e. Required Contract Provisions.
  1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
  - a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
  - b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

### **31. Disposal of Land.**

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
  1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development

- ### 32. Engineering and Design Services.

### 33. Foreign Market Restrictions.

the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

**34. Policies, Standards, and Specifications.**

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (<https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf>) for AIP projects as of [Selection Criteria: Project Application Date].

**35. Relocation and Real Property Acquisition.**

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

**36. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

**37. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801 3809, 3812).

**38. Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

**39. Competitive Access.**

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
  1. Describes the requests;
  2. Provides an explanation as to why the requests could not be accommodated; and
  3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

**ASSIGNMENT OF LEASE AGREEMENT BY EPIC JET CENTER, LLC  
TO FREEMAN HOLDINGS OF BAKERSFIELD, LLC  
AND CONSENT BY THE COUNTY OF KERN**

**THIS ASSIGNMENT (“Assignment”)** is made on \_\_\_\_\_ (“**Execution Date**”) by and between **Epic Jet Center, LLC**, a limited liability company (“**Assignor**”), and **Freeman Holdings of Bakersfield, LLC**, a limited liability company (“**Assignee**”).

**RECITALS:**

**A.** On July 25, 2023, Kern County (“**County**”) and Assignor entered into a Ground Lease Agreement to lease a portion of the Airport for the purpose of conducting a Fixed Base Operation at Meadows Field Airport (Kern County Agreement #424-2023, “**Agreement**”) for a term of 20 years, with one separate ten-year option thereafter.

**B.** The Agreement contains a provision allowing the Lessee to assign the Agreement with the approval of the Director of Airports, and/or the County Board of Supervisors.

**C.** Assignor now desires to assign the Agreement to Assignee as part of a purchase of all of Assignor’s assets by Assignee.

**Assignor and Assignee agree as follows:**

**ASSIGNMENT:**

**1.** Except for the action brought by Assignor against the County of Kern known as *Epic Jet Center, LLC, a California limited liability company vs. County of Kern* Case Number BCV-24-101124, including any and all claims relating to the subject matter of said litigation, Assignor assigns and transfers to Assignee all of Assignor’s rights, obligations, duties, title and interest in and to the Agreement, a copy of which is attached to this Assignment as **Exhibit “B.”** Assignee agrees to and does accept this Assignment.

**2.** This Assignment is contingent upon, and shall be of no force or effect until Assignee has filed with County certificate(s) which indicate that Assignee has obtained the insurance coverages required by the Agreement.

**3.** This Assignment is contingent upon, and shall be of no force or effect until Assignor has paid all past due amounts and any administrative processing fees under the Agreement to County.

**4.** This Assignment is contingent upon, and shall be of no force or effect until the closing of the purchase of the underlying assets by Assignee.



**CONSENT OF LESSOR:**

The consent of Lessor, **COUNTY OF KERN**, a political subdivision of the State of California, is attached as **Exhibit "A."**

Assignor and Assignee have executed this Assignment as of the Execution Date.

**ASSIGNOR:**

Epic Jet Center, LLC

1105 Douglas Street, Bakersfield, CA 93308

Phone: (661) 399-7011

By:  9/18/2026

Jason Mercer, President

**ASSIGNEE:**

Freeman Holdings of Bakersfield, LLC

16221 Foster Street, Overland Park, KS 66085

Phone: (913) 951-5600

By: Scott Freeman 9/18/2026

Scott Freeman, Chief Executive Officer



## EXHIBIT "A"

### CONSENT OF LESSOR

The County of Kern is a party to the Ground Lease Agreement commonly known as (a) Lease Site 8, (b) Fuel Farm Site 3, (c) Epic Jet Parking Area, (d) 2101 Airport Drive, (e) Lease Site 7, and (f) Hangar 6 (Kern County Agreement #424-2023, "**Agreement**") described in the foregoing Assignment and hereby consents to the Assignment of the Agreement to Freeman Holdings of Bakersfield, LLC, as Assignee, by Epic Jet Center, LLC, as Assignor. Notwithstanding anything to the contrary in the lease, the parties agree that Assignor shall have no further liabilities, and/or duties, obligations and responsibilities under the lease arising from facts and circumstances occurring from and after the assignment date, and Assignor shall not be a surety of Assignee's performance of its duties, obligations and responsibilities under the lease owed to the tenants. The County does not hereby otherwise release Assignor, and Assignor remains liable for any such liabilities, duties, responsibilities, and obligations arising from facts and circumstances occurring up to the assignment date.

The County further agrees, as requested by Assignee by letter dated July 31, 2026, to enter into good faith negotiations with Assignee for a long-term lease to replace both the Agreement hereunder and another lease agreement assigned contemporaneously hereto, identified as Kern County Agreement #493-2022, for the purpose of consolidating the two leases into one lease. The County agrees to work in good faith to complete said replacement lease within six months of the date on which all conditions precedent to the effectiveness of the Assignment are satisfied.

### COUNTY OF KERN

By: \_\_\_\_\_  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

### APPROVED AS TO CONTENT: DEPARTMENT OF AIRPORTS

By: Bill LaManque  
Bill LaManque, Director of Airports

Date: 9/18/2026



**APPROVED AS TO FORM:**  
**OFFICE OF COUNTY COUNSEL**

By: Brian Van Wyk 9/18/2026  
Brian Van Wyk, Deputy



## **EXHIBIT “B” – LEASE AGREEMENT**



Brian Van Wyk

Kern County

Agt. # 424-2023

AGREEMENT FOR LEASE  
OF LAND AT MEADOWS FIELD AIRPORT

(County of Kern – Epic Jet Center LLC)



Kern County

Agt. # 424-2023

**AGREEMENT FOR LEASE  
OF LAND AT MEADOWS FIELD AIRPORT**

(County of Kern – Epic Jet Center, LLC)

**THIS AGREEMENT** (“**Agreement**”), is executed at Bakersfield, California, on JUL 25 2023 (“**Execution Date**”), by and between the **COUNTY OF KERN**, a political subdivision of the State of California (“**County**”), and **EPIC JET CENTER LLC.**, a California limited liability company (“**Lessee**”). County and Lessee are referred to individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS:**

**A.** Pursuant to Section 26020 et seq. of the Government Code of the State of California, County owns and operates an airport in the County of Kern, State of California, commonly known and described as Meadows Field Airport (“**Airport**”)

**B.** Lessee desires to lease a portion of the Airport for the purpose of conducting a Fixed Base Operation (“**FBO**”) and such other uses as may be permitted by the Kern County Director of Airports (“**Director**”).

**C.** It is the desire of County to utilize the Airport for the benefit of the citizens of Kern County, by facilitating its development and use in providing aviation-related and other related facilities.

**D.** On October 16, 2007, County and a previous tenant entered into a now-expired lease identified as Kern County Agreement #939-2007, (“**2007 Lease**”) which provided for a month-to-month lease of what is commonly known as Hangar 6 at Meadows Field Airport, which is on file with the County Clerk of the Board.

**E.** On May 13, 2008, County and Lessee’s predecessor in interest entered into a lease identified as Kern County Agreement #306-2008 (“**2008 Lease**”) for the use of what is commonly known as Skypark Hangars or Lease Site 7.

**F.** On February 11, 2014, County and Lessee’s predecessor in interest entered into a lease identified as Kern County Agreement #077-2014 (“**2014 Lease**”) for the use of what is commonly known as Lease Site 8 and Fuel Site #3 at Meadows Field Airport, which is on file with the County Clerk of the Board.

**G.** Lessee and County wish to execute a new lease to replace the 2007 Lease, 2008 Lease, and 2014 Lease, as set forth herein.

**H.** On May 25, 2021, the Kern County Board of Supervisors approved a public solicitation of interest in providing FBO services and other aviation-related services at the Airport (“**Solicitation of Interest**”) and adopted a resolution including written findings that the property that was the subject of the Solicitation of Interest, including the property which is the subject of this Agreement, is “exempt surplus land” for the limited purposes of the Surplus Land Act.

**I.** The Parties agree that Lessee is well-qualified to continue its operations as an FBO at the Airport, and thus the Parties desire to continue that relationship on the terms set forth herein.

**J.** Pursuant to Government Code section 25536, the Board of Supervisors may, by a four-fifths vote, enter into leases, concessions, or managerial contracts County-owned properties held for airport use without following the bidding procedures specified in Article 8, Chapter 5, Part 2, Division 2, of Title 3 of the Government Code.

### **AGREEMENT:**

**1. Premises:** For and in consideration of the terms, covenants, and conditions contained in this Agreement, County leases to Lessee, and Lessee leases from County, the unimproved real property situated in the County of Kern, State of California, commonly known as (a) Lease Site 8, (b) Fuel Farm Site 3, (c) Epic Jet Parking Area, (d) 2101 Airport Drive, (e) Lease Site 7, and (f) Hangar 6, as legally described in and as depicted on the attached **Exhibit "A"** ("**Premises**").

**2. Term:**

**a. Initial Term** - The initial term of this Agreement shall commence on August 1, 2023 and terminate on April 5, 2044, unless sooner terminated as provided herein. The Parties agree that upon execution of this Agreement, the existing leases identified as the 2008 Lease and the 2014 Lease will terminate.

**b. Extension of Term to Remove Hazardous Materials** - If any Hazardous Materials are found on the Premises, County may, in its sole discretion, require Lessee to remain in possession of the Premises beyond the stated term of this Agreement in accordance with **Section 4** until the County determines that such Hazardous Materials are no longer present, provided that if County requires Lessee to remain in possession of the Premises for the sole purpose of remediating Hazardous Materials, then the rental consideration for such extension term shall be the then-current rate. Hazardous Materials, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

**c. Option to Extend Term.** Provided that Lessee is in good standing and not in violation of any of the terms of this Agreement, Lessee shall have one additional 10-year option to extend the term of the Agreement. Lessee may exercise the option by notifying the Director in writing not less than 180 days prior to the end of the Initial Term. If Lessee exercises the option, the Option Term shall be governed by the terms, covenants, and conditions contained in this Agreement.

**3. Right to Terminate:** This Agreement may be terminated by mutual agreement of the Parties or as otherwise set forth herein.

**4. Hold Over:** If Lessee holds over after the initial term or any extension term, with the express or implied consent of County, such holding over shall be a tenancy only from month to month and shall be governed by the terms, covenants, and conditions contained in this Agreement. Lessee shall pay during such holding over such rental consideration as County may determine appropriate, based on the then-prevailing fair market rental value of the Premises (excluding consideration of the market value of the Improvements). Such rental value shall be determined by a then-current appraisal by County. However, in no event shall the rental consideration be less than the previous year's rental.

**5. Rental Consideration:**

**a. Initial Term** - As consideration for lease of the Premises during the initial term, Lessee shall pay to County in lawful money of the United States without deduction or offset, to the Director of Airports, Department of Airports, 3701 Wings Way, Suite 300, Bakersfield, CA 93308, or to such persons and at such places as may be designated from time to time by County. The initial monthly rent shall be \$13,317 ("**Rent**"). The first monthly payment of rent shall be paid within 30 days of the Execution Date, and thereafter for the balance of the Term, shall be paid on or before the anniversary date of the Execution Date. In the event Lessee occupies the Premises for a partial month at any time, Lessee shall only be responsible for a prorated portion of the monthly rental consideration.

**b. Hold Over Term** – The amount of rent in a hold over term shall be determined by County as set forth in **Section 4**.

**c. Fuel Flowage Fee** -- Lessee shall pay to County a gallonage fee for aviation fuel and oil sold or delivered for sale by or for lessee ("**Fuel Fees**"). Fuel Fees shall be paid by the 10th day of each month. The Fuel Fees are fixed by resolution of the Kern County Board of Supervisors ("**Board**") establishing rates and charges for Kern County Airports ("**Resolution**"). In the event that the Fuel Fees change during the Term or Option, Lessee shall pay the revised fees when they take effect, as the same shall be established by action of the Board by revising or amending the Resolution, or creating an entirely new resolution or other duly-approved schedule of fees. Any change in the Fuel Fees shall be provided in writing to Lessee by County. Lessee shall not be required to include in payments provided in this **Section 5.c** any Fuel Fees to customers whose purchases are exempt by virtue of separate agreements with County. County may require Lessee, when making payment of amounts due County, to accompany the payment with a complete and accurate summary of Lessee's records supporting such payment, including copies of delivery invoices showing the date and gallonage dispensed to the consumer. Lessee shall keep true and accurate records and account of all its deliveries of fuel and oil on the Airport. The Director, County Auditor, or other duly authorized agent of County shall have the right to audit and recompute any and all amounts payable under this Agreement, and the right to meter all fuels or lubricants dispensed at the Airport. Lessee shall bear the cost of any audit or metering which establishes that Lessee has underpaid the gallonage fee by 10% or more.

**d. CPI Calculations** – Rental consideration may be increased annually by County, effective on the first anniversary date of the Execution Date and on each subsequent anniversary date throughout the term of this Agreement. The procedure for adjusting rent shall be as follows: The Consumer Price Index - All Urban Consumers - U. S. Cities hereinafter ("**Index**") as published by the United States Department of Labor's Bureau of Labor Statistics ("**Bureau**"), will be the basis for rent adjustments. The month that occurs two months prior to the Execution Date shall be used as the "Base Month Index" for the entire term of the Agreement. County shall review the Index annually and compare it with the Base Month Index. If there has been an increase in the Index, the rent for the succeeding year shall be increased by an amount equal to the Base Rent multiplied by the percentage of the increase over the Base Month Index. Any increase in rent shall be rounded to the nearest whole dollar. In no event shall the rent be adjusted downward to an amount less than the previous year's rent. Should the Bureau discontinue the publication of the Index, or publish the Index less frequently, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

**e. Fair Market Adjustments** – In addition to the annual rental adjustments based on the Index as set forth in **Section 5.d**, rent may be adjusted to fair market value at the discretion of County, beginning ten years after the Execution Date and at the end of each subsequent 10-year period of this Agreement or any extension thereof. In such case, County shall have the right to adjust the monthly rental consideration to be paid by Lessee for the next succeeding 10-year period as County may determine appropriate in light of the then prevailing fair market value of the demised premises;

however, no single fair market value increase shall exceed 15% of the then-current rent for the next 10-year period. Once a new fair market rent has been established, the annual CPI rent reviews will continue with the latest fair market rent used as the new base for CPI calculations. Fair Market Rent shall be defined as the then-prevailing fair market rent for comparable Premises in comparable markets.

f. **Late Fee for Slow Pay** - If money payable to County as a condition of this Agreement is not paid in full when due, a late fee of 10% of the amount due and unpaid shall be added to the amount due, and the total sum of the then-due rental plus late fee shall become immediately due and payable to County. A further late fee of 10% of the amount due and unpaid, including previously assessed late fees, shall be added for each additional month that said amount remains unpaid. The assessment and collection of the 10% late fee is in addition to any other rights of County, if Lessee does not faithfully perform the terms, covenants, and conditions of this Agreement.

6. **Purpose:**

a. **In General** - This Agreement is made for the purpose of allowing Lessee to construct, operate, and maintain the Premises to operate as an FBO as defined in the current Minimum Standards for Commercial Aeronautical Activity published by the Kern County Department of Airports, as amended from time to time, the current version of which is attached to this agreement as **Exhibit "C"** ("**Minimum Standards**") and provide other services incidental thereto for the benefit of the citizens of County. Lessee shall not use or permit the Premises to be used for any other purpose without the prior written consent of the Director, which may be granted or withheld at the Director's sole discretion.

b. **No Nuisance** - Lessee shall not do or permit any act or thing to be done upon the Premises that will obstruct or interfere with the rights of County or any others or injure or annoy County or others. Lessee shall not cause, maintain, or permit any nuisance or waste on or about the Premises, or allow the Premises to be used for any unlawful purpose. Within 72 hours of receiving written notice from County that a nuisance exists, Lessee shall abate or otherwise cause the nuisance to be abated. If Lessee has not taken corrective action within 72 hours, then County may enter and abate the nuisance at the sole cost of Lessee without any liability whatsoever to County. Lessee shall not allow any offensive matter, refuse or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, to remain on the Premises or within a distance of 50 feet thereof, and shall prevent any accumulation thereof from occurring.

7. **Annual Financial Reporting:** Lessee shall provide annual financial reports to the Director evidencing the existence of sufficient funds to operate, repair and maintain the Premises to the sole satisfaction of County. County may, at any time upon written notice to Lessee, examine Lessee's accounts, record-keeping books and record of income and expenses from all operations and activities on the Premises. Lessee shall make such accounts, books, and records available to County. If Lessee fails to provide adequate financial reports or access to its books and records, County shall give a 15-day notice to Lessee, requiring Lessee to meet its obligations under this **Section 7**. If Lessee fails to do so within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may cause an audit to be performed, with all costs of the audit to be reimbursed by Lessee to County.

8. **Condition of Premises:** Lessee has inspected the Premises and knows the extent and condition thereof and accepts same in its present condition, subject to and including all defects, latent and/or patent. Lessee is aware that certain oil or gas pipelines easements may affect the Premises. County does not warrant or represent the Premises to be safe, healthful, or suited to Lessee's purposes. Existing improvements located on the Premises may be removed by Lessee at its sole expense.

**9. Construction of Improvements:**

a. **General** – Lessee shall make repairs to Hangar 6 as proposed by Lessee in the attached **Exhibit “D”**. The proposed repairs have an estimated project cost of \$1,226,300 and in consideration of these repairs. The Parties agree that any work performed at Hangar 6 shall preserve the historic aesthetics of Hangar 6, and the Parties shall use best efforts to maintain its historical value. County agrees to cooperate with Lessee and provide any technical assistance relating to any grant funding applicable to the historical preservation of Hangar 6. All construction shall comply with the terms and conditions of all federal, state and local rules, regulations, codes, and laws that govern the development of the Premises.

b. **Approval of Plans- Initial and Alterations** - Before commencing any construction, and before making any exterior or structural alterations, additions or improvements to the Premises, Lessee shall prepare and submit three sets of plans and specifications (“**Plans**”) for the structures, landscaping, and the manner in which Lessee shall connect to utilities, for review and approval of the Director. The Parties understand that any new construction or major improvements to the existing facilities exceeding \$500,000 will require electrical needs to be supplied by the area utility provider. Furthermore, major improvements in excess of \$250,000 may require new electrical supply sources at the Director’s sole discretion. Within 30 days thereafter, Lessee shall be notified of approval, disapproval, or recommended modification of the Plans. Lessee shall thereupon have 30 days in which to resubmit the appropriately revised Plans or appeal in writing to the Director for approval or disapproval of the Plans. The Director’s decision shall be final. The Director’s approval is in addition to any other plan approvals that are required by agencies having jurisdiction.

c. **Commencement and Completion of Construction** - Upon final approval by the Director of the Plans, Lessee shall commence the construction within 30 days from the date of final approval, and shall diligently complete the construction, and in no event later than twelve months from commencement. If Lessee fails to meet those deadlines, County shall give a 15-day notice to Lessee, requiring Lessee either (i) to commence or complete construction, as applicable, within that 15-day period or (ii) to explain to the sole satisfaction of the Director the reason for the delay. If Lessee satisfies neither condition within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may terminate this Agreement and either (i) take over construction of the improvements or (ii) demolish the in-construction improvements, with all costs of construction or demolition reimbursed by Lessee to County.

d. **Force Majeure** - Lessee’s time for commencement and completion of construction shall be extended if Lessee’s performance is prevented by Force Majeure events, as defined and provided in **Section 32**. Lessee’s request for such extension of time shall be presented to the CAO within five days immediately following the happening of a Force Majeure event, and the decision of the CAO as to the sufficiency of the cause shown in support of such request, and as to the period of time of extension granted, shall be final.

e. **Permits** - Prior to any construction, Lessee shall, with all diligence and at its sole cost, seek necessary permits, and address environmental aspects and approvals of such construction.

**10. Construction Assurance:** Prior to the commencement of any construction or work of improvement on the Premises, Lessee shall furnish to County evidence that sufficient monies will be available to complete the improvements. Such evidence shall represent at least the total estimated cost of construction. All such bonds, letters of credit, and/or time certificates shall be acceptable to County in content and form and shall ensure Lessee’s faithful performance of the terms and conditions of this Agreement relating to the construction of improvements on the Premises.



**11. Hypothecation of Lessee Leasehold Interest:** Lessee may, with the written consent of County, give, assign, transfer, mortgage, hypothecate, grant control of, or encumber Lessee's ground leasehold interest under this Agreement, being the leasehold estate so created, to a bona fide lender on the security of the leasehold estate for the purpose of benefiting and improving said leasehold. Any such bona fide lender shall have the right at any time during the term of the loan and while this Agreement is in full force and effect to do the following:

a. 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 be as effective to prevent a forfeiture of Lessee's rights hereunder as if done by Lessee.

b. To succeed to the interest of Lessee hereunder and thereafter at such lender's option to convey, assign or sublease the interest or title to said leasehold estate to another person acceptable to County in its sole discretion, subject to all the terms, conditions, and covenants of this Agreement. Two copies of any and all security devices or instruments shall be filed with the Airports Director prior to the effective date thereof, and Lessee shall give the Airports Director prior written notice of any changes or amendments thereto.

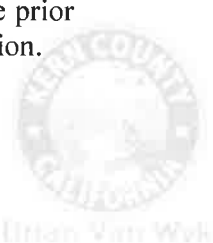
c. Any bona fide lender shall have the right, if so permitted by the terms and conditions of the concerned instrument of hypothecation between lender and Lessee, to remove any or all of Lessee's furniture, fixtures, equipment and improvements ("FF&E") under said hypothecation from the Premises (in accordance with and subject to **Section 30** and in the event of such removal, the Premises shall be restored by Lessee or its successor to a condition satisfactory to the Airports Director and that said removal be done in a manner and at a time solely satisfactory to the Airports Director.

**12. Repair and Maintenance:**

a. **In General** - During the term of this Agreement, and any extension or holdover thereof, Lessee shall, at its sole cost, repair and maintain the Premises and its FF&E in a clean, sanitary and safe condition, consistent with prevailing commercial standards for similar facilities, and in compliance with the terms, covenant and conditions of this Agreement and all applicable federal, state and local laws, rules and regulations ("**Applicable Laws**"). The Parties expressly acknowledge the historical value of Hangar 6 and agree that any work performed at Hangar 6 shall maintain the historical aesthetics of Hangar 6. Lessee shall maintain all fencing on the perimeter of the Premises, in good working order and repair and in a safe, sanitary, and clean condition. Lessee shall remove or trim and properly dispose of vegetation that may grow or collect on the Premises, and shall remove and properly dispose of any rubbish or materials that may collect on the Premises.

b. **Failure by Lessee to Repair and Maintain** - Repair and maintenance shall be to the sole satisfaction of County, and if Lessee fails to fulfill any duty imposed under this **Section 12** within a reasonable period of time, County may, but is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with County if County undertakes to perform any such duties. No action by County taken pursuant to this **Section 12** shall constitute a waiver of any of Lessee's obligations under this **Section 12**. Lessee's obligations under this **Section 12** shall survive the expiration or termination of this Agreement.

**13. Utilities and Services; Modification of Utilities:** Lessee shall pay, during the term of this Agreement and any extension or holding over of the term, for all utilities used by Lessee in connection with its operations on the Premises. The term "utilities" for the purposes of this Agreement shall include, without limitation, gas, electricity, water, sewer, telephone or internet service, and trash and refuse disposal services. Lessee shall not modify any utilities on the Premises without the prior written consent of the Director, which may be granted or withheld at the Director's sole discretion.



**14. Taxes and Assessments:** Lessee shall pay all taxes, fees, charges, and assessments levied by any governmental agency upon any interest acquired by Lessee under this Agreement. Lessee is aware that certain possessory interest may be created by entering into this Agreement and that such interests will be subject to the payment of property taxes levied on such interest. Lessee is also aware that the construction of the Improvements may trigger the payment of property taxes levied on the Improvements.

**15. Lessee's Furniture, Fixtures and Equipment:**

**a. In General** - Lessee may install its own FF&E in the Premises, at its sole cost. In addition to Lessee's obligations under **Section 32**, at the expiration or termination of this Agreement, Lessee shall remove its FF&E, and repair any damage to the Premises as a result of removal, at its sole cost.

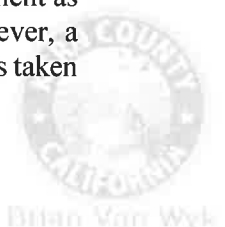
**b. Abandonment of FF&E** - Any FF&E belonging to Lessee and left on the Premises shall be kept for a reasonable time by County, but in no event longer than 30 days after County gives Lessee written notice to remove such property from the Premises. After the 30-day period, if not so removed, the FF&E may be treated by County as abandoned and declared to be County-owned property, and County may, at Lessee's sole cost, repair any damage to the Premises as a result of removal. The costs charged to Lessee may include, without limitation, consideration for the additional time Lessee or its FF&E occupied the Premises beyond the deadlines and disallowed County's full utilization of the Premises as the owner of the property.

**c. FF&E as Security** - If, at the time of expiration or termination of this Agreement, Lessee is in default of any of the terms, covenants, or conditions of this Agreement, including the payment of rent or any other sums due under this Agreement, Lessee shall not remove from the Premises any of its FF&E, and such personal property shall remain in the Premises as security for the cure of such default, until such time as such default is fully cured by Lessee and any costs incurred by County, including attorneys' fees, are paid in full by Lessee to County.

**16. Signs:** Lessee, at its sole cost, shall have the right to affix and install reasonable signs on the Premises to identify the Premises, and such signs shall comply with all Applicable Laws, including those of County, and shall be approved by the Director prior to installation. Any damage to the Premises occasioned by the installation and maintenance of any such sign, and the cost of removal or obliteration thereof upon the expiration or termination of this Agreement, shall be paid by Lessee.

**17. Damage and Destruction:** If the Premises is damaged or destroyed by fire or casualty, not the fault of Lessee or any person in or about the Premises with the express or implied consent of the Lessee, the damaged Premises shall be repaired by Lessee at its sole cost, with the use of available insurance proceeds required under **Section 23** or Lessee may, at its option, terminate this Agreement and assign the available insurance proceeds to County. In the event that Lessee elects to repair the damaged Premises, this Agreement shall continue in full force and effect except that certain obligations of Lessee may be subject to Force Majeure as provided in **Section 29**. The provisions of California Civil Code Section 1932(2) and Section 1933(4) shall not apply to this Agreement, and Lessee hereby waives the benefits thereof.

**18. Condemnation:** If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain, this Agreement shall terminate as to the part so taken as of the date of taking, and, in the case of a partial taking, either Party shall have the right to terminate this Agreement as to the balance of the Premises by notice to the other Party within 30 days after such date. However, a condition to the exercise by Lessee of such right to terminate shall be that the portion of the Premises taken



shall be of such extent and nature, in Lessee's reasonable judgment, as substantially to handicap, impede or impair Lessee's use of the balance of the Premises. In the event of any taking, the proceeds shall belong to County.

**19. Right of Inspection:** County shall have the right to enter upon the Premises at all reasonable times to inspect the Premises and Lessee's operations thereon. County reserves all rights in and with respect to the Premises, not inconsistent with Lessee's use of the Premises as provided in **Section 6** including without limitation the right of County to enter upon the Premises for the purpose of installing, using, maintaining, renewing, and replacing such underground oil, gas, water, sewer, and other pipelines, and such underground or aboveground telephone, telegraph, and electric power conduits or lines as County may deem desirable in connection with the development or use of the Premises. County shall compensate Lessee for damage to Lessee's FF&E caused by the exercise of the rights reserved in this **Section 18**.

**20. Hazardous Materials:**

**a. No Hazardous Materials** - Lessee shall not permit any Hazardous Materials to be stored or brought onto the Premises without the prior written consent of the Director, which may be granted or withheld in the Director's sole discretion. If Lessee spills any Hazardous Materials anywhere on the Premises, Lessee shall cleanup said spill, at its sole cost, and to the sole satisfaction of County. Hazardous Materials, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

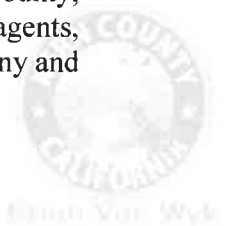
**b. Clean Up of Hazardous Materials** - If any governmental authority or court, which has jurisdiction, demands that a cleanup plan be prepared and/or that a cleanup be undertaken because of any deposit, spill, discharge, or other release of any Hazardous Materials at, on, or from the Premises at any time during Lessee's occupancy of the Premises, or which arises at any time as a result of any uses or occupancy of the Premises by Lessee, then Lessee shall, at its sole cost, prepare and submit the required plans and all related bonds and other financial assurances and carry out all such cleanup plans in a timely manner.

**c. Failure by Lessee to Clean Up** - Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Materials that is requested by County. If Lessee fails to fulfill any duty imposed under this **Section 20.c** within a reasonable period of time, County may, but is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with County if County undertakes to perform any such duties. No action by County taken pursuant to **Section 20** shall constitute a waiver of Lessee's obligations under **Section 20**. Lessee obligations under **Section 20** shall survive the expiration or termination of this Agreement.

**d. Receipt of Notice of Violation** - If Lessee becomes aware of or receives notice or other communications concerning any actual, alleged, suspected, or threatened violation of any Environmental Requirements, or liability of Lessee in connection with the Premises or past or present activities of any person thereon, then Lessee shall deliver to County within 10 days of receipt of such notice or communication by Lessee, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not create any obligation on the part of County to defend or otherwise respond to any such notification. Environmental Requirements, as used in this Agreement, shall be defined as stated in **Exhibit "B."**

**21. Indemnification:**

**a. In General** - Lessee shall indemnify and defend, upon request of County, County, its governing board, commissions, elected and appointed officials, employees, agents, volunteers, and authorized representatives, and each of them ("**Indemnified Parties**"), against any and



all actions, lawsuits, proceedings, losses, costs, expenses, claims, fines, liabilities, fees (including, but not limited to, reasonable attorneys' fees of County Counsel and outside counsel retained by County, costs of County staff time, investigation, expert and consultant fees and costs), and damages of any kind or nature whatsoever, including liability for personal injuries or death or property damage, regardless of where located, including property of County, and workers' compensation claims or suits arising from or connected with any services performed under this Agreement on behalf of Lessee by any person or entity ("**Claims**"), arising out of or in any way connected with the acts or omissions of Lessee, its employees, agents, independent contractors, or invitees ("**Lessee Acts**"), unless the Claim is due to the sole default, act or failure to act, negligence, or willful misconduct of County or the Indemnified Parties.

**b. Environmental** - In addition, Lessee shall indemnify and defend, upon request of County, County and the Indemnified Parties against any and all Claims arising out of or in any way connected with any deposit, spill, discharge, or other release of any Hazardous Materials at any time during Lessee's occupancy of the Premises, or which arises at any time as a result of any uses at, on, or from the Premises or the occupancy of the Premises by Lessee, or as a result of Lessee's failure to provide any or all information, make any or all of its submissions, and take any or all steps required by any governmental authority or court which has jurisdiction or by any Environmental Requirements.

**c. Survival of Indemnification Obligations** - Lessee's obligations under **Section 21** shall survive the expiration or termination of this Agreement.

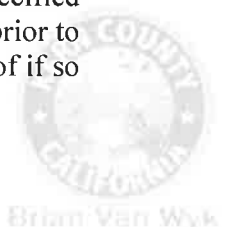
**22. Release and Waiver; Waiver of Civil Code Section 1542:**

**a. Release and Waiver** - Lessee releases County and the Indemnified Parties from all Claims, and waives all Claims against County and the Indemnified Parties, that it may have as of the Execution Date relating to this Agreement or any acts or omissions of County or the Indemnified Parties.

**b. Waiver of Civil Code Section 1542** - Lessee waives all rights under California Civil Code 1542, and all rights arising under any similar laws, whether local, state, or federal. Section 1542 provides:

"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his settlement with the debtor or released party."

**23. Lessee Maintenance of Insurance:** In order to protect County and the Indemnified Parties against Claims as a result of Lessee Acts, Lessee shall secure and maintain insurance as described in the Minimum Standards. Lessee shall not perform any work under this Agreement until Lessee has obtained all insurance required under **Section 23** and the required certificates of insurance, and all required endorsements have been filed with the County's authorized insurance representative. Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of these insurance requirements. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request by County, Lessee shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter and company to the coverage, limits, and termination provisions shown thereon. Lessee shall promptly deliver to County a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term of this Agreement or as otherwise specified herein. Such certificates and endorsements shall be delivered to County not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof if so



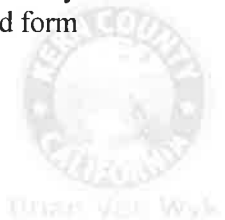
requested. Lessee shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Lessee or County as an additional insured.

a. **Workers' Compensation and Employer's Liability Insurance Requirements.**

- 1) **Worker's Compensation Insurance- Lessee Employees.** If Lessee has employees who may perform any services pursuant to this Agreement, Lessee shall submit written proof that Lessee is insured against liability for worker's compensation in accordance with the provisions of California Labor Code section 3700.
- 2) **Worker's Compensation Insurance- Lessee Subcontractors.** Lessee shall require any subcontractors to provide worker's compensation for all of the subcontractors' employees, unless the subcontractors' employees are covered by the insurance afforded by Lessee. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Lessee shall provide and/or require each subcontractor to provide adequate insurance for the coverage of employees not otherwise covered.
- 3) **Employer's Liability Insurance.** Lessee shall also maintain employer's liability insurance with limits specified in the Minimum Standards for bodily injury or disease.

b. **Liability Insurance Requirements.**

- 1) **In General.** Lessee shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:
  - (a) **Commercial General Liability Insurance,** including without limitation Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement with the County), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Lessee's performance of work under this Agreement. The Commercial General Liability insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Lessee shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be the policy limits, which shall be at least the amounts specified in the Minimum Standards.
  - (b) **Automobile Liability Insurance,** against claims of Personal Injury (including bodily injury and death) and Property Damage covering any vehicle and/or all owned, leased, hired, and non-owned vehicles used in the performance of services pursuant to this Agreement with coverage equal to the policy limits, which shall be at least the amounts specified in the Minimum Standards.
  - (c) **Airport Liability Insurance,** including hangarkeeper's liability, for liability assumed by Lessee under this Agreement in the amounts specified in the Minimum Standards, and shall include, without limitation, premises operation, contractual liability (specifically concerning the indemnity provisions of this Agreement), broad form property damage, and personal injury.



(d) **Aircraft Liability Insurance** – Airport Liability insurance with limits of not less than those specified in the Minimum Standards.

2) **Additional Insureds** - The Commercial General Liability and Automobile Liability Insurance required in **Section 21.b** shall include an endorsement naming the County and the Indemnified Parties as additional insureds for liability arising out of this Agreement and any operations related thereto. Said endorsement shall be provided using one of the following three options: (i) on ISO form CG 20 10 11 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms which provide coverage at least equal to or better than form CG 20 10 11 85.

3) **Self-Insurance** - Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to County and must be approved by the County Risk Manager, which may be granted or withheld at the County Risk Manager's sole discretion.

4) **Claims-Made** - If any of the insurance coverages required under this Agreement is written on a claims-made basis, Lessee, at Lessee's option, shall either (i) maintain said coverage for at least three years following the termination of this Agreement with coverage extending back to the Execution Date; (ii) purchase an extended reporting period of not less than three years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.

c. **Fire and Casualty Insurance** - Lessee shall, at its sole cost, maintain on the Building a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least 100% of full replacement value. The insurance policy shall be issued in the names of County, Lessee, and any lender, as their interests appear. The insurance policy shall provide that any proceeds shall be made payable to Lessee, and Lessee shall apply and use such proceeds as required by **Section 17**, subject to the priority rights of any lender. Such insurance shall satisfy the requirements of **Section 21.d** and shall be issued by a company or companies satisfying the requirements of **Section 21.e**. On or before the Execution Date, Lessee shall deliver to County certificates of insurance indicating that Lessee has complied with the provisions of **Section 21.c**.

d. **Cancellation of Insurance** - The above-stated insurance coverages required to be maintained by Lessee shall be maintained until the completion of all of Lessee's obligations under this Agreement. Each insurance policy supplied by Lessee must be endorsed to provide that the coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after 10 days written notice in the case of non-payment of premiums, or 30 days written notice in all other cases. Such notice shall be by certified mail, return receipt requested. This notice requirement does not waive the insurance requirements stated herein. Lessee shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.

e. **Insurance Company Rating** - All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. Any exception to these requirements must be approved in writing by the County Risk Manager, which may be granted or withheld at the County Risk Manager's sole discretion.



f. **Lessee Self-Insured** - If Lessee is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Lessee shall provide coverage equivalent to the insurance coverages and endorsements required above. County will not accept such coverage unless the County Risk Manager determines, in his/her sole discretion and by written acceptance, that the coverage proposed to be provided by Lessee is equivalent to the above-required coverages.

g. **Primary Insurance** - All insurance afforded by Lessee pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by County. An endorsement shall be provided on all policies, except professional liability/errors and omissions, which shall waive any right of recovery (waiver of subrogation) against County.

h. **No Limitations by Policy Limits** - Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Lessee for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage, or to preclude County from taking such other actions as are available to it under any other provision of this Agreement or otherwise under Applicable Laws.

i. **Failure to Maintain Insurance**. Failure by Lessee to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Lessee. County, at its sole option, may terminate this Agreement and obtain damages from Lessee resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Lessee, County shall deduct from sums due to Lessee any premiums and associated costs advanced or paid by County for such insurance. If the balance of monies obligated to Lessee pursuant to this Agreement is insufficient to reimburse County for the premiums and any associated costs, Lessee shall reimburse County for the premiums and pay for all costs associated with the purchase of said insurance within 10 days of demand by County. Any failure by County to take this alternative action shall not relieve Lessee of its obligation to obtain and maintain the insurance coverages required by this Agreement.

24. **Liens and Encumbrances**: Lessee shall keep the Premises free from any liens and encumbrances arising out of any work performed, material furnished, or obligations incurred by Lessee, or from any other cause. If a lien or encumbrances is recorded against the Premises, and Lessee fails to remove the lien or encumbrance or post a bond to remove same within 15 days after its filing, County shall give a 15-day notice to Lessee, requiring Lessee to remove or bond around the lien or encumbrance within the 15-day period. If Lessee fails to do so within the 15-day period, County, at its sole discretion after expiration of the 15-day period, may obtain a bond, with all costs of the bond to be reimbursed by Lessee to County.

25. **Administrative Processing Fee**: Lessee shall pay to County, upon County's request, a processing fee in the amount of \$1,200 for processing any request by Lessee for County to sign documents. The fee shall not be refundable and shall be paid prior to County's review of Lessee's request for signature. The fee may be waived by the Director if, in his/her opinion, the simplicity of processing such request for signature does not warrant the fee. Refusal to pay the fee is grounds for the denial of the request for signature.

26. **Breach by Lessee**: In the event of the breach by Lessee of any term, covenant, or condition, Lessee shall have 30 days after written notice has been given to Lessee by County to cure,



except for breach of the nuisance provisions of **Section 6** which allows 72 hours to cure. If Lessee fails to cure within the stated time periods, County may exercise its remedies under **Section 27**.

**27. Remedies of County:** In the event of a breach by Lessee, then County shall have the right either to terminate Lessee's right to possession of the Premises, by giving written notice of termination to Lessee, and thereby terminating this Agreement, or to have this Agreement continue in full force and effect with Lessee at all times having the right to possession of the Premises.

**a. Agreement and Possession Continue** - If County elects to have this Agreement continue in full force and effect, Lessee shall remain liable to perform all of its obligations under this Agreement and County may enforce all of County's rights and remedies. If Lessee abandons the Premises or fails to maintain and protect the same as herein provided, County shall have the right **(i)** to do all things necessary or appropriate to maintain, preserve and protect the Premises, including without limitation the installation of keepers or guards or the appointment of a receiver, and **(ii)** to relet the Premises as the agent of Lessee and for Lessee's account and to do all things appropriate for such reletting. In the event of such reletting, rental received by County shall be credited to Lessee's account. None of the foregoing acts shall be deemed to terminate Lessee's right of possession, and Lessee shall reimburse County on demand for all amounts reasonably expended by County in connection with the foregoing acts, together with interest on all amounts expended by County from time to time at the maximum legal rate from the date due until paid. Notwithstanding any such election to have this Agreement remain in full force and effect, County may at any time thereafter elect to terminate Lessee's right to possession of the Premises and thereby terminate this Agreement for any previous breach by Lessee which remains uncured or for any subsequent breach.

**b. Agreement and Possession Terminate** - If County gives notice of election to terminate Lessee's possession of the Premises, County shall be entitled to recover from Lessee the amounts specified in paragraph (a)(4) of Section 1951.2 of the California Civil Code, as such section reads as of the Execution Date.

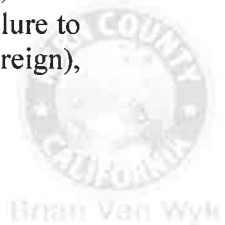
**c. Remedies Not Exclusive** - No right or remedy herein conferred upon or reserved to County is intended to be exclusive of any other right or remedy herein or by law, provided that each shall be cumulative and in addition to every other right or remedy given herein or now, or hereafter existing at law or in equity or by statute.

**d. County Right to Cure** - In addition to County's remedies upon Lessee's breach, upon 10 days prior written notice to Lessee by County, County may cure any breach by Lessee and, if necessary, may enter upon the Premises for such purpose. In such event, the cost of cure, plus interest at the maximum legal rate from the date due until paid, shall become immediately due and payable.

**28. No Waiver of Breach:** The waiver by County of any term, covenant, or condition contained in this Agreement must be made expressly in writing and shall not be deemed to be a waiver of any subsequent breach of the term, covenant or condition contained in this Agreement, and no custom or practice that may arise between the Parties during the course of this Agreement shall be construed to waive or lessen the right of County to the performance by Lessee in strict accordance with the terms of this Agreement.

**29. Force Majeure:**

**a. Definition** - Neither Party shall be held responsible or be deemed to be in default under this Agreement for any delay in performance or failure to perform any of its obligations, if such delay or failure is the result of causes beyond the control and without negligence of the Party. Such causes include, without limitation, acts of nature, strikes, lockouts, riots, insurrections, civil disturbances or uprisings, sabotage, embargoes, blockages, acts of war or terrorism, acts or failure to act by any governmental or regulatory body (whether civil or military, domestic or foreign),



governmental regulations superimposed after the fact, communication line failures, power failures, fires, explosions, floods, accidents, epidemics, earthquakes, tsunamis, or other natural or man-made disasters ("**Force Majeure**"). Lack of funds shall not be a Force Majeure event.

**b. Consequences** - The Party affected by a Force Majeure event, upon giving prompt notice to the other Party, shall be excused from performance to the extent of such prevention, restriction, or interference, on a day-to-day basis until the Force Majeure event is removed, and the other Party shall likewise be excused from performance of its obligation which relate to the performance so prevented, restricted, or interfered with. The affected Party shall use its best efforts to avoid or remove the causes of nonperformance and to minimize the consequences thereof, and both Parties shall resume performance when the Force Majeure event is removed.

**30. Quiet Possession:** Lessee, in keeping and performing the terms, covenants and conditions herein contained on the part of Lessee to be kept and performed, shall at all times during the term of this Agreement peaceably and quietly have, hold, and enjoy the Premises.

**31. Assignment and Subletting:**

**a. No Assignment or Subletting** - Lessee shall not sublease, assign, transfer, mortgage, or otherwise convey this Agreement, or any of its rights and interests hereunder, including its leasehold rights and interests granted by this Agreement, without the prior written consent of the Director. Notwithstanding the foregoing, Lessee may sublease portions of the Premises less than 5,000 square feet to noncommercial tenants without prior written consent of the Director, provided that Lessee performs due diligence to ensure that all potential subtenants comply with the Minimum Standards.

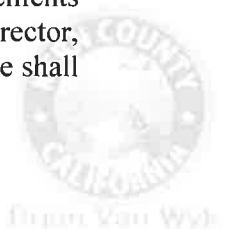
**b. Referral to Board of Supervisors** - However, the Director may, at his/her discretion, refer Lessee's request to (i) sublease, (ii) assign, (iii) transfer, (iv) mortgage, or (v) otherwise convey this Agreement or Lessee's ground leasehold rights and interests, to County's Board of Supervisors ("**Board**") for Board consideration.

**c. Failure to Obtain Consent** - If Lessee shall sublease, assign, transfer, mortgage, or otherwise convey this Agreement, or its rights and interests hereunder, or attempt to do so in violation of the foregoing provision, then in addition to any and all other rights and remedies available to it, County may, at its option by written notice to Lessee, either declare such sublease, assignment, transfer, mortgage, or other conveyance void or terminate this Agreement and all rights and interests of Lessee and all other persons hereunder.

**d. No Waiver or Limitation on Consent** - Any consent to any different or subsequent sublease, assignment, transfer, mortgage, or conveyance shall not be deemed or construed as consent to any different or subsequent sublease, assignment, transfer, mortgage, or conveyance. This clause shall not be construed to limit any right or remedy which County may become entitled to as a matter of law or become entitled to by reason of Lessee's actions or failures to act.

**e. Lessee in Compliance** - As a condition of County's consent to any conveyance of this Agreement, Lessee must be in compliance with all terms, covenants, and conditions of this Agreement, including without limitation the payment of all monies due to County.

**32. Surrender of Premises:** On the last day of the term, or extension thereof, or sooner termination of this Agreement, Lessee shall peaceably and quietly leave, surrender, and yield up to County the Premises, in as good a condition and state of repair as it existed on the Execution Date or the date of completion of the Improvements, subject to damage by Force Majeure, and shall comply with **Section 15** relating to its FF&E. Lessee shall either turn over, or remove, the Improvements constructed by Lessee thereon, including the Recreational Facility, as directed by the Airports Director, after seeking direction from the Board if necessary. By the expiration or termination date, Lessee shall



have paid all utility bills and contacted the appropriate utility companies to have the utility services properly discontinued.

**33. Turn Over or Removal of Improvements:**

a. **Removal of Improvements** – Upon termination of this Agreement, or any holding over, for any reason other than Lessee's failure to perform its obligations under the terms and conditions of this Agreement, Lessee shall have the right to remove all structures, personal property, and FF&E of whatever kind of nature placed on the Premises by Lessee, so long as they can be removed without damage or disfigurement to any remaining improvements or to the Premises, at Lessee's sole cost. If Lessee exercises the right to remove improvements, it shall fully restore the Premises as it existed prior to the construction of the improvements at Lessee's sole expense. If Lessee has not removed the improvements or Lessee's FF&E within a reasonable amount of time after the expiration or termination of this Agreement, then County may, at its option, declare the improvements to be County-owned real property, use or dispose of the remaining personal property pursuant to applicable law, and otherwise restore the Premises at Lessee's sole cost.

b. **Removal of Hazardous Materials** - All Hazardous Materials on the Premises used or stored by Lessee must be removed prior to the expiration or termination of this Agreement, whether or not the Improvements remain on the Premises.

**34. Notices:** All notices herein provided to be given, or which may be given, by either Party to the other shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

To Lessee: Jason Mercer  
Epic Jet Center LLC  
1105 Douglas Street  
Bakersfield, CA 93308

To County: County of Kern, Department of Airports  
Attn: Director of Airports  
3071 Wings Way  
Bakersfield, CA 93301

The address to which the notices shall be mailed to either Party may be changed by written notice given by such Party to the other, but nothing shall preclude the giving of any such notice by personal service.

**35. Authorized Agent of County:** The Director is the duly authorized agent of the Board of County for purposes of this Agreement, and as to any obligations assumed by Lessee, they shall be performed to the sole satisfaction of the Board of Supervisors, as represented by the Director, in accordance with this Agreement, unless another standard is specified in this Agreement.

**36. Miscellaneous Provisions:**

a. **Negation of Partnership** - County shall not become or be deemed a partner or joint venturer with Lessee or associate in any relationship with Lessee other than that of landlord and tenant by reason of the provisions of this Agreement. Lessee shall not for any purpose be considered an agent, officer, or employee of County.



**b. Conflict of Interest** - The Parties have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All Parties agree that they are unaware of any financial or economic interest of any public officer or employee of County relating to this Agreement. It is further understood and agreed that if such a financial interest does exist as of the Execution Date, County may immediately terminate this Agreement by giving written notice to Lessee. County shall comply with the requirements of Government Code Section 87100 et seq. during the term of this Agreement.

**c. Nondiscrimination** -

(1) Lessee, in the use of the Premises and in the operations to be conducted under this Agreement, shall not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, religion, ancestry, sex, or national origin in any manner prohibited by federal, state, or local laws or policies.

(2) Lessee shall furnish its accommodations and services on a fair, equal, and nondiscriminatory basis to all Users, and Lessee shall charge only fair, reasonable, and nondiscriminatory prices for its services. However, Lessee may make reasonable and nondiscriminatory rebates, discounts, or other similar price reductions to volume service Users to the extent permitted by Applicable Laws.

(3) Lessee shall make its accommodations and services available to the public on fair and reasonable terms without discrimination on the basis of race, color, creed, religion, ancestry, sex, or national origin.

(4) Lessee shall not discriminate nor allow discrimination, either directly or indirectly, in hiring or employing persons to work at the Building.

(5) Lessee shall include the language in **subsections (1) through (4)** in any agreement by which Lessee assigns or transfers any interest in the Premises or this Agreement, or grants a right or privilege to any person, firm, or corporation to use the Premises or to render accommodations and services to the public on the Premises.

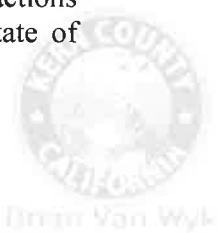
(6) Non-compliance with **subsections (1) through (4)** shall constitute a material breach of this Agreement, and in addition to any other remedies provided by Applicable Laws or this Agreement, County shall have the right to terminate this Agreement without liability therefor, may seek an injunction to enforce **subsections (1) through (4)**, and may charge Lessee the sum of \$25.00 per day for each incident of a failure to comply.

**d. Incorporation of Prior Agreements** - This Agreement contains all agreements of the Parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.

**e. Remedies not Exclusive** - The use by either Party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive such Party of, or limit the application of, any other remedy provided by law, at equity, or otherwise.

**f. Severability** - If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance.

**g. Governing Law; Venue** - The Parties agree that the provisions of this Agreement shall be construed pursuant to the laws of the State of California. If either Lessee or County initiates an action to enforce the terms of this Agreement or declare rights hereunder, including actions on any bonds and/or surety agreements, the venue thereof shall be the County of Kern, State of



California, it being understood that this Agreement is entered into, and will be performed, within the County of Kern.

**h. Compliance with Laws** - Lessee shall, at its sole cost, promptly comply with all Applicable Laws, including Environmental Requirements, which may in any way apply to the use, operation, repair, maintenance, occupation of, or operations or construction on, the Premises. Lessee expressly agrees to observe and comply with the Assurances Required by the Federal Aviation Administration, as amended from time to time by the Federal Aviation Administration, the current version of which is attached to this Agreement as **Exhibit "E."** Lessee agrees to comply with the Minimum Standards, as revised from time to time. Lessee is aware of all security requirements relating to Part 107 of the Federal Aviation Administration Regulations, and shall be responsible to prevent unauthorized entry into the Air Operations Area ("AOA") of the Airport through the Premises; Lessee's indemnity obligations expressly include its responsibility for security, including FAA requirements and all other Applicable Laws.

**i. Successors** - Subject to **Section 31** all terms, covenants, and conditions of this Agreement shall extend to, be binding upon, and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective Parties.

**j. No Third Party Beneficiaries** - This Agreement is made for the sole benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns, and no other persons shall have any right of action hereon.

**k. Covenants and Conditions** - Each provision of this Agreement performable by Lessee shall be deemed both a covenant and a condition.

**l. Modification** - This Agreement may be modified or amended only by a written document signed by both Parties.

**m. Authorization** - Each individual executing this Agreement on behalf of either Party represents and warrants that he/she is duly authorized to execute and deliver this Agreement on behalf of that Party, and that this Agreement is binding upon both Parties in accordance with its terms.

**n. Construction** - The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

**o. Recitals** - Each of the recitals is incorporated in this Agreement by reference as if fully set forth in this Agreement at length, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

**p. Captions** - Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement.

**q. Exhibits** - All exhibits attached to this Agreement are incorporated into this Agreement by reference.

**r. Time of Essence** - Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement.

*The remainder of this page has been intentionally left blank.*



The Parties have executed this Agreement on the Execution Date.

**APPROVED AS TO CONTENT:**

Department of Airports

By   
Ron Brewster, Director

**COUNTY OF KERN**

By   
Chairman, Board of Supervisors  
**JEFF FLORES** "County"

**EPIC JET CENTER, LLC**

By   
Jason Mercer "Lessee"

**APPROVED AT TO FORM:**

Office of County Counsel

By   
Brian Van Wyk, Deputy

EXHIBIT 'A' – DEPICTION AND DESCRIPTION OF PREMISES



Printed Jan 22, 2014

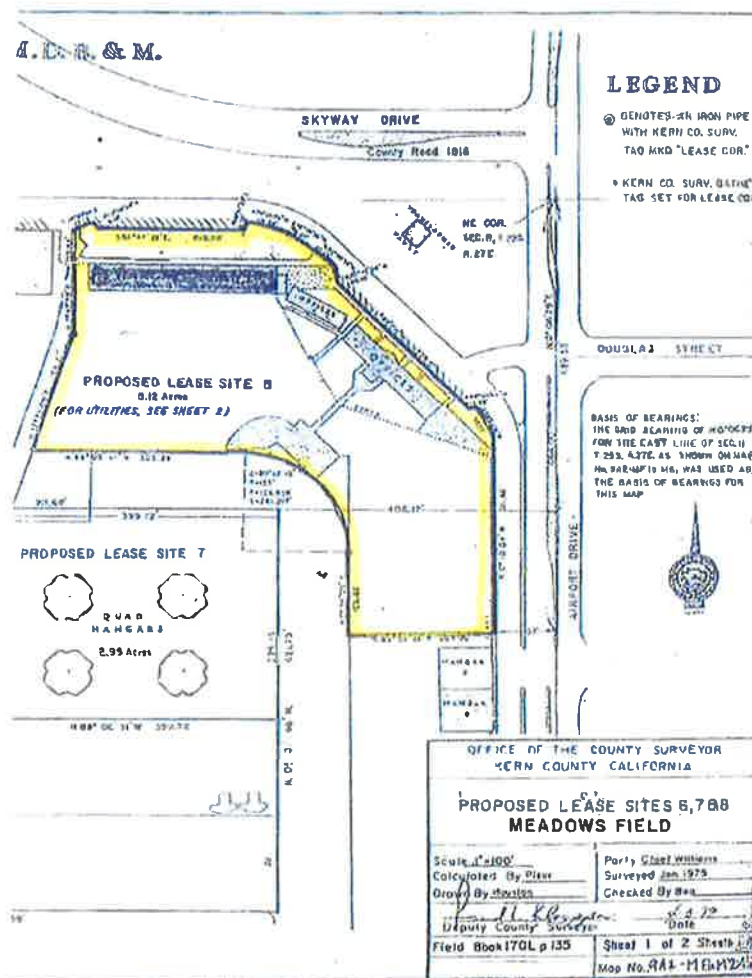


EXHIBIT "A-1" - LEGAL DESCRIPTIONS

DESCRIPTION

MEADOWS FIELD

PROPOSED LEASE SITE NO. 3

All that portion of the Northeast quarter of Section 11, Township 29 South, Range 27 East, M092M, County of Kern, State of California, being a parcel of land described as:

Commencing at the Northeast corner of said Section 11;

THENCE (1) South  $0^{\circ} 06' 29''$  East, along the East line of said Section, a distance of 664 feet;

THENCE (2) North  $89^{\circ} 53' 31''$  West, a distance of 97 feet to a  $1/2"$  K.C.S. Iron Pipe, being the true point of beginning;

THENCE (3) Continuing North  $89^{\circ} 53' 31''$  West, a distance of 204 feet, to a K.C.S.  $1/2"$  iron pipe marked Lease Corner;

THENCE (4) North  $0^{\circ} 06' 29''$  East, a distance of 125.82 feet, to a K.C.S.  $3/4"$  iron pipe marked Lease Corner;

THENCE (5) Northwestery along a tangent circular curve, concave to the Southwest, having a radius of 155 feet, through a central angle of  $89^{\circ} 12' 10''$ , an arc length of 241.32 feet;

THENCE (6) North  $89^{\circ} 05' 41''$  West, a distance of 305.28 feet to a K.C.S.  $1-1/4"$  iron pipe marked Lease Corner;

THENCE (7) North  $18^{\circ} 55' 09''$  East, a distance of 184.27 feet to a K.C.S.  
3/4" iron pipe marked Lease Corner;

THENCE (8) North  $2^{\circ} 42' 39''$  East, a distance of 159.80 feet;

THENCE (9) North  $69^{\circ} 27' 39''$  East, a distance of 21.59 feet;

THENCE (10) South  $43^{\circ} 09' 09''$  East, a distance of 11.19 feet;

THENCE (11) South  $88^{\circ} 47' 21''$  East, a distance of 216.90 feet;

THENCE (12) North  $35^{\circ} 57' 39''$  East, a distance of 9.05 feet;

THENCE (13) South  $74^{\circ} 00' 19''$  East, a distance of 50.56 feet;

THENCE (14) South  $58^{\circ} 39' 36''$  East, a distance of 36.67 feet;

THENCE (15) South  $50^{\circ} 58' 26''$  East, a distance of 47.63 feet;

THENCE (16) South  $2^{\circ} 46' 06''$  East, a distance of 20.85 feet;

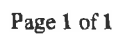
THENCE (17) South  $44^{\circ} 46' 06''$  East, a distance of 278.87 feet;

THENCE (18) South  $89^{\circ} 04' 04''$  East, a distance of 13.35 feet;

THENCE (19) South  $28^{\circ} 14' 19''$  East, a distance of 32.77 feet;

THENCE (20) South  $0^{\circ} 10' 04''$  East, a distance of 311.48 feet, to the true  
point of beginning.

Containing 5.12 Acres.





# EXHIBIT "A-3" - LEGAL DESCRIPTIONS

## Legal Description Meadows Field Epic Jet Parking Lot

All that portion of the north half of Section 11, Township 29 South, Range 27 East, MDM, together with a portion of the south half of Section 2, Township 29 South, Range 27 East, MDM, in the County of Kern, State of California, being a parcel of land more particularly described as follows:

Commencing at the northeast corner of said Section 11, also being the southeast corner of said Section 2, as shown on map of Proposed Lease 10 - Meadows Field, Map 9A2 MF, to M-29, on file in the Kern County Surveyor's Office;

Thence (1) North 89° 00' 54" West, along the south line of said Section 2, a distance of 55.00 feet to the westerly right-of-way line of Airport Drive (Co. Rd. Nos. 941 & 1016);

Thence (2) North 00° 22' 06" East, along said right-of-way line, a distance of 20.32 feet to the beginning of a curve, concave southwesterly and having a radius of 20.00 feet;

Thence (3) Northerly, northwesterly and westerly along said curve, through a central angle of 89° 18' 43", an arc distance of 31.18 feet to the southerly right-of-way line of Skyway Drive (Co. Rd. No. 1816);

Thence (4) North 88° 56' 37" West, along said southerly right-of-way line of Skyway Drive, a distance of 304.08 feet to the beginning of a curve, concave northerly and having a radius of 805.00 feet;

Thence (5) Westerly along said curve and right-of-way line, through a central angle of 01° 37' 54", an arc distance of 22.92 feet to the true point of beginning;

Thence (6) South 01° 10' 26" West, leaving said right-of-way line, a distance of 88.33 feet to a point on a 200.00 feet radius curve, concave southerly and from which point the center of said curve bears South 16° 57' 15" West;

Thence (7) Westerly along said curve, through a central angle of 15° 43' 18", an arc distance of 54.88 feet;

Thence (8) North 80° 46' 03" West, a distance of 198.00 feet to the beginning of a curve, concave northeasterly and having a radius of 30.00 feet;

Thence (9) Northwesterly along said curve, through a central angle of 103° 48' 47", an arc distance of 84.36 feet;

Thence (10) North 15° 02' 44" East, a distance of 45.75 feet to the beginning of a curve, concave southeasterly and having a radius of 18.00 feet;

Thence (11) Northerly and northeasterly along said curve, through a central angle of 95°

K:\17-25-07\WORK\DOC\91059C\Explor\Doc.DOC

Printed: October 15, 2008

34' 58", an arc distance of 30.03 feet to a reverse curve, concave northerly and having a radius of 305.00 feet, said curve being the southerly right-of-way line of aforementioned Skyway drive (Co. Rd. No. 1816);

Thence (12) Easterly along said curve, through a central angle of 17° 56' 25", an arc distance of 252.06 feet to the true point of beginning;

Containing 13,809.51 square feet.

|                           |                        |              |
|---------------------------|------------------------|--------------|
| OFFICE OF COUNTY SURVEYOR |                        |              |
| Prepared By:              | <i>C. 10-7</i>         | 20 <i>08</i> |
| Compared By:              | <i>Robert J. Smith</i> | 30 <i>08</i> |
| Approved By:              | <i>Robert J. Smith</i> | 20 <i>08</i> |



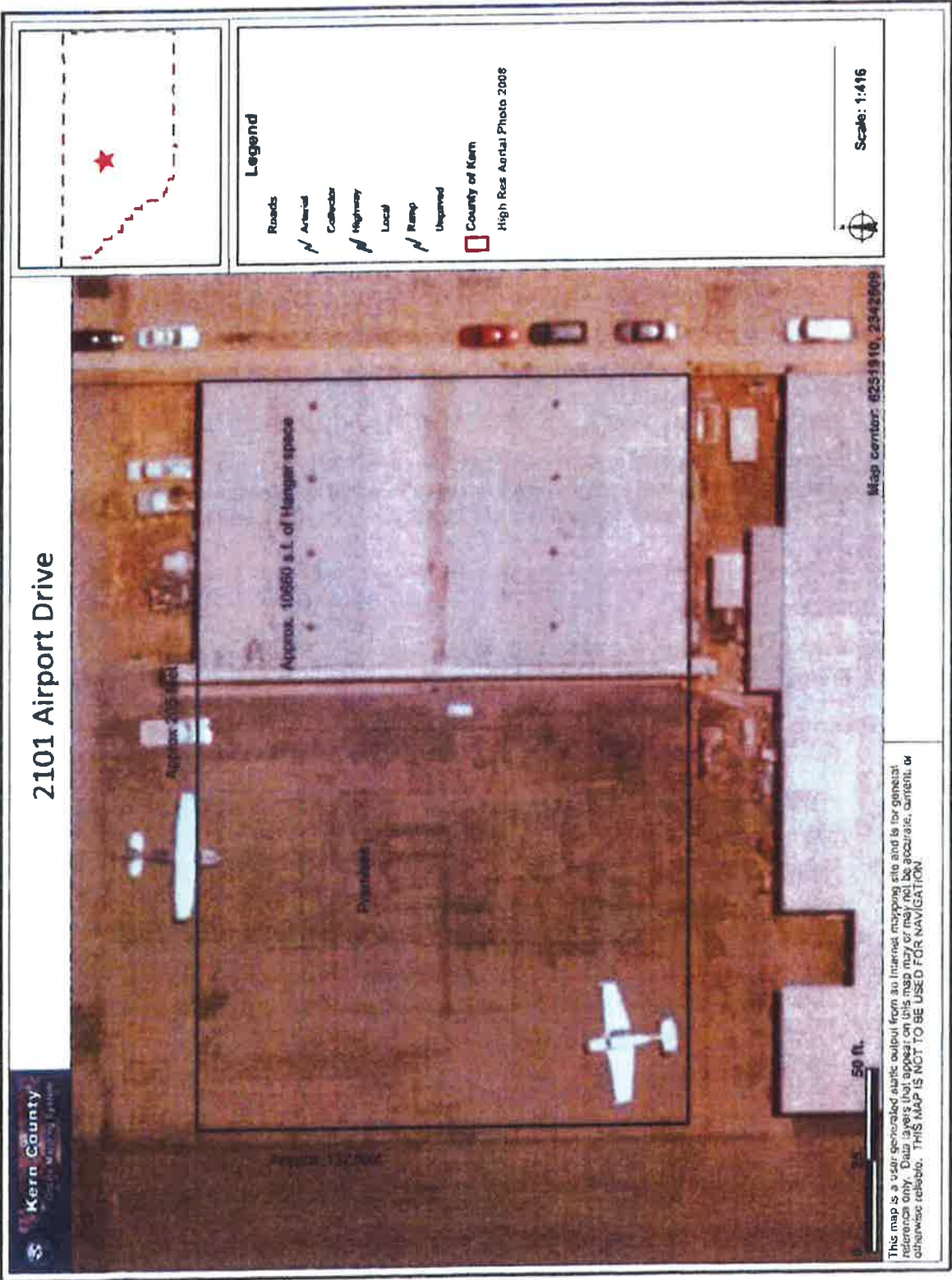


Exhibit A

T.29S. R.27E. M.D.B. & M.

Sec. 2

Sec. 11

LEGEND

- DENOTES AN IRON PIPE WITH KERN CO. SURV. TAG MKD. "LEASE COR."
- KERN CO. SURV. BATH TAG SET FOR LEASE COR.

DOUGLAS STREET

BASIS OF BEARINGS:  
THE GRID BEARING OF N.0°00'E  
FOR THE EAST LINE OF SEC. 1  
T.29S. R.27E. AS SHOWN ON MAP  
NO. 942-MF 1/4 W. WAS USED AS  
THE BASIS OF BEARINGS FOR  
THIS MAP



AIRPORT DRIVE

SKYWAY DRIVE

County Road 1816

HANGAR

PROPOSED LEASE SITE 8  
5.12 Acres  
(FOR UTILITIES, SEE SHEET 2)

PROPOSED LEASE SITE 7

SITE  
QUAD  
HANGARS  
2.99 Acres

PROPOSED LEASE SITE 6  
9.51 Acres

OFFICE OF THE COUNTY SURVEYOR  
KERN COUNTY CALIFORNIA

PROPOSED LEASE SITES 6, 7 & 8  
MEADOWS FIELD

|                        |                      |
|------------------------|----------------------|
| Scale 1"=100'          | Party Chief Williams |
| Calculated By Piser    | Surveyed Jan. 1979   |
| Drawn By Houston       | Checked By See       |
| Deputy County Surveyor | Date 1-3-79          |
| Field Book 170L p. 135 | Sheet 1 of 2 Sheets  |
|                        | Map No. 941-ME174    |

for REFERENCE ONLY

Exhibit A

DESCRIPTION

MEADOWS FIELD

PROPOSED LEASE SITE NO. 7

All that portion of the Northeast quarter of Section 11, Township 29 South, Range 27 East, MDB&M, County of Kern, State of California, being a parcel of land described as:

Commencing at the Northeast corner of said Section:

THENCE (1) South  $0^{\circ} 06' 29''$  East, along the East line of said Section, a distance of 489.53 feet;

THENCE (2) North  $89^{\circ} 06' 31''$  West, a distance of 406.17 feet to the true point of beginning;

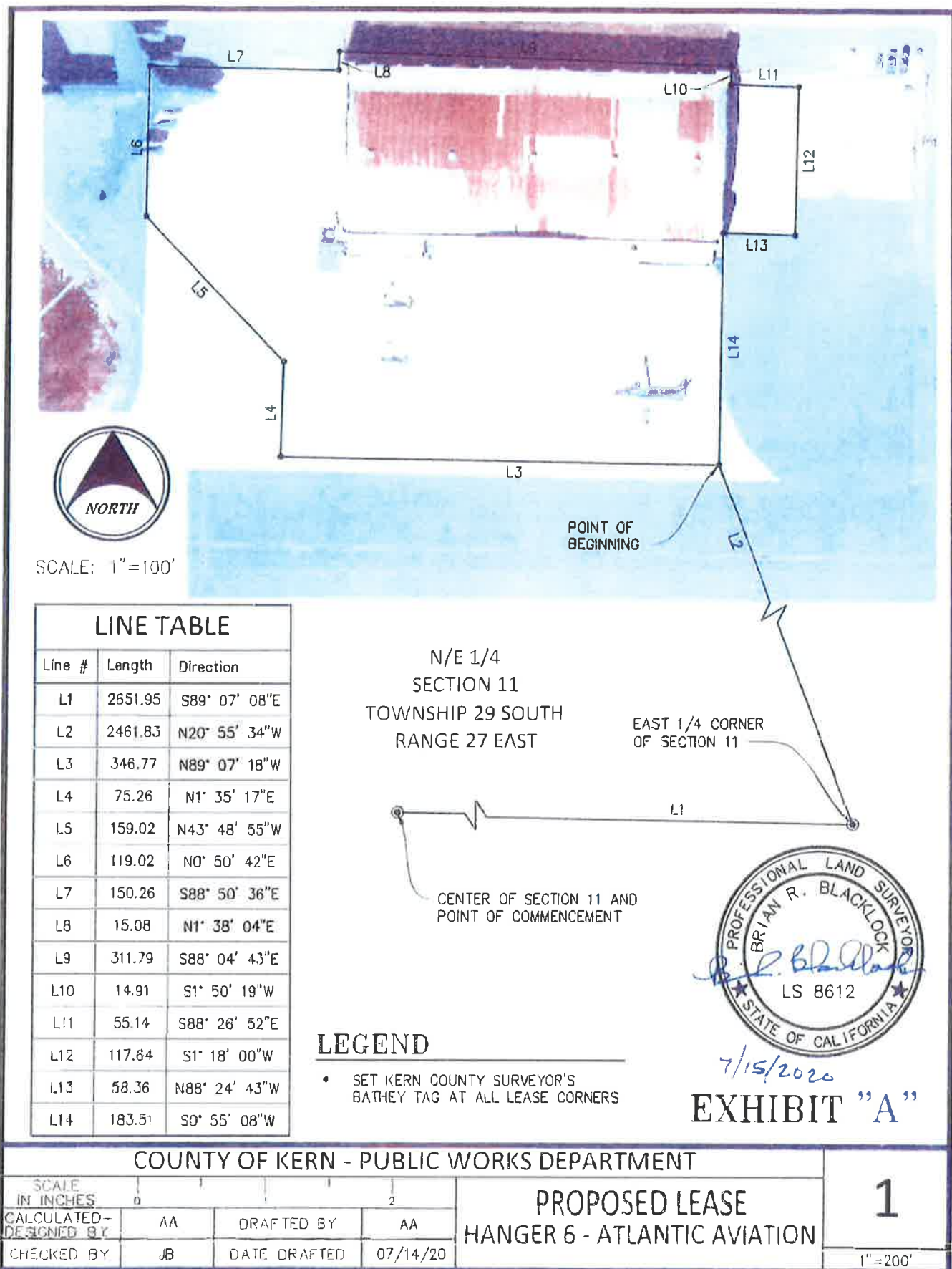
THENCE (3) South  $0^{\circ} 01' 46''$  East, a distance of 326.13 feet;

THENCE (4) North  $89^{\circ} 06' 31''$  West, a distance of 399.72 feet;

THENCE (5) North  $0^{\circ} 01' 46''$  West, a distance of 326.13 feet;

THENCE (6) South  $89^{\circ} 06' 31''$  East, a distance of 399.72 feet, to the true point of beginning.

Containing 2.99 Acres.



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
MEADOWS FIELD  
PROPOSED LEASE  
HANGER 6 - ATLANTIC AVIATION

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 11 IN TOWNSHIP 29 SOUTH, RANGE 27 EAST, M.D.M., IN THE UNINCORPORATED COUNTY OF KERN, STATE OF CALIFORNIA, BEING AN AREA OF LAND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE CENTER OF SAID SECTION; THENCE SOUTH 89°07'08" EAST, ON AND ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 2651.95 FEET, TO THE EAST QUARTER CORNER OF SAID SECTION; THENCE, DEPARTING SAID SOUTH LINE, NORTH 20°55'34" WEST, A DISTANCE OF 2461.83 FEET TO THE TRUE **POINT OF BEGINNING**;

THENCE (1) NORTH 89°07'18" WEST, A DISTANCE OF 346.77 FEET;

THENCE (2) NORTH 01°35'17" EAST, A DISTANCE OF 75.26 FEET;

THENCE (3) NORTH 43°48'55" WEST, A DISTANCE OF 159.02 FEET;

THENCE (4) NORTH 00°50'42" EAST, A DISTANCE OF 119.02 FEET;

THENCE (5) SOUTH 88°50'36" EAST, A DISTANCE OF 150.26 FEET;

THENCE (6) NORTH 01°38'04" EAST, A DISTANCE OF 15.08 FEET;

THENCE (7) SOUTH 88°04'43" EAST, A DISTANCE OF 311.79 FEET;

THENCE (8) SOUTH 01°50'19" WEST, A DISTANCE OF 14.91 FEET;

THENCE (9) SOUTH 88°26'52" EAST, A DISTANCE OF 55.14 FEET;

THENCE (10) SOUTH 01°18'00" WEST, A DISTANCE OF 117.64 FEET;

THENCE (11) NORTH 88°24'43" WEST, A DISTANCE OF 58.36 FEET;

THENCE (12) SOUTH 00°55'08" WEST, A DISTANCE OF 183.51 FEET TO THE TRUE **POINT OF BEGINNING**.

CONTAINING 3.13 ACRES, MORE OR LESS.

|                               |                                             |
|-------------------------------|---------------------------------------------|
| OFFICE OF THE COUNTY SURVEYOR |                                             |
| PREPARED BY:                  | <u>Jeremy M. Brock</u> July 15 20 <u>20</u> |
| COMPARED BY:                  | <u>[Signature]</u> July 15 20 <u>20</u>     |
| APPROVED BY:                  | <u>B. R. Blacklock</u> 7/15/20 <u>20</u>    |



## EXHIBIT 'B' – DEFINITION OF ENVIRONMENTAL TERMS

For the purpose of this Agreement, the following terms and words shall have the meaning given below:

1. **Environmental Requirements.** All applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items of any governmental agency, department, commission, board, bureau, or instrumentality of the United States of America, California, or its political or municipal subdivisions, and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human life or the environment.
2. **Hazardous Materials.** All flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous waste, toxic substances or related materials, petroleum products, and any substances declared to be hazardous or toxic under any present or future Environmental Requirements or which requires investigation or remediation under any present or future federal, state, or local law, statute, regulation, environmental requirement, order, or rule.



**EXHIBIT 'C' MINIMUM STANDARDS**

**DEPARTMENT OF AIRPORTS**

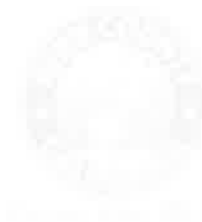
# **Minimum Standards**

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## **for Commercial Aeronautical Activities**

**March 8, 2016**

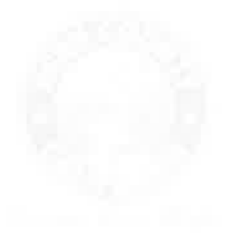
**March 2016**



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**1. Introduction**

**a. Purpose and Scope**

- 1 The purpose of these Minimum Standards is to encourage, promote, and ensure: (1) the delivery of high quality aviation products, services, and facilities to Kern County Airports users, (2) the design and development of quality aviation improvements at the Airport, (3) aviation safety and security, (4) the economic health of aviation businesses, and (5) the orderly development of Airport property for aviation purposes.
  - (i) To this end, all entities desiring to engage in aeronautical activities at the Airport shall be accorded reasonable opportunities, without unjust discrimination, to engage in such activities, subject to meeting (complying with) these Minimum Standards, the Airport's Land Use Plan, and agreement/permit conformance.
- 2 Aeronautical activities may be proposed that do not fall within the categories designated herein. In any such cases, appropriate minimum standards shall be established by the Director on a case-by-case basis for such activities and incorporated into the operator's agreement or permit.

**b. Exclusive Rights**

- 1 In accordance with the Airport Assurance given to the Federal and/or State government by the County of Kern (County) as a condition to receiving federal and/or state funds, the granting of rights or privileges to engage in commercial aeronautical activities shall not be construed in any manner as affording an operator any exclusive right, other than the exclusive use of the land and/or improvements that may be leased to the operator, and then only to the extent provided in an agreement or permit.
  - (i) The presence on an Airport of only one entity engaged in a particular commercial aeronautical activity does not, in and of itself, indicate that an exclusive right has been granted. It is the policy of the County not to enter into or promote an understanding, commitment, or express agreement to exclude other reasonably qualified entities. Accordingly, those who desire to enter into an agreement or permit with the County should neither expect nor request that the County exclude others who also desire to engage in the same or similar activities. The opportunity to engage in a commercial aeronautical activity shall be made available to those entities meeting (complying with) the qualifications and the requirements set forth in these Minimum Standards and as space may be available at the Airport to support such

activity provided such use is consistent with the current and planned uses of Airport land and improvements and is in the best interest of the County.

- (a) If the FAA determines that any provision of these Minimum Standards or any agreement or permit or any practice constitutes a grant of a prohibited exclusive right, such provision or agreement or permit shall be deemed null and void and such practice shall be discontinued immediately.

**c. Applicability**

- 1 These Minimum Standards specify the standards and requirements that must be met (and complied with) by any operator desiring to engage in commercial aeronautical activities at an Airport.
  - (i) Throughout these Minimum Standards, the words "standards" or "requirements" shall be understood to be modified by the word "minimum" except where explicitly stated otherwise. Any required determinations, interpretations or judgments regarding what constitutes an acceptable minimum standard, or regarding compliance with such standard, shall be made by the Director. All entities are encouraged to exceed the applicable minimum standards. No entity shall be allowed to engage in aeronautical activities at an Airport under conditions that do not, in the Director's discretion, meet (comply with) these Minimum Standards.
- 2 These Minimum Standards shall apply to any new agreement or permit or any amendment to an existing agreement or permit relating to the occupancy and/or use of Airport land and/or improvements for engaging in aeronautical activities. If an entity desires, under the terms of an existing agreement or permit, to change its aeronautical activities, the County shall, as a condition of its approval of such change, require the entity to meet (comply with) these Minimum Standards, except as noted in this section (1.c).
  - (i) These Minimum Standards shall not affect any agreement or permit or amendment to such agreement or permit properly executed prior to the date of promulgation of these Minimum Standards except as provided for in such agreement or permit, in which case these Minimum Standards shall apply to the extent permitted by such agreement or permit.
  - (ii) Upon execution of a new agreement or permit or amendment to an existing agreement or permit, operator shall be required to meet (comply with) these Minimum Standards.

(iii) These Minimum Standards shall not be deemed to modify any existing agreement or permit under which an entity is required to exceed these Minimum Standards, nor shall they prohibit the County from entering into or enforcing an agreement or permit that requires an entity to exceed the Minimum Standards.

3. If these Minimum Standards are amended after operator enters into an agreement or permit with the County, the operator shall not be required to increase operator's leased premises or construct any additional capital improvements to be in compliance with the amended Minimum Standards until such time as operator's existing agreement or permit is amended (or an assignment is made to another entity acceptable to the County) or operator enters into a new agreement or permit with the County.
4. If the terms of an agreement to which these Minimum Standards apply contains a less restrictive standard than that set forth in these Minimum Standards, then the requirements of these Minimum Standards shall control. If the terms of such an agreement contain a more restrictive standard, then the terms of that agreement shall control to the extent that they are more restrictive. In any case, the more restrictive standard shall control.

## **2. GENERAL REQUIREMENTS**

### **a. Introduction**

- 1 All operators engaging in aeronautical activities at an Airport shall meet (fully comply with) or exceed the requirements of this Section 2 as well as the minimum standards applicable to the operator's activities, as set forth in subsequent sections, except as noted in Section 1.c.

### **b. Experience/Capability**

1. Operator shall, in the judgment of the Director demonstrate before and maintain during (throughout) the term of the agreement or permit, the following:
  - (i) The capability of consistently providing the proposed products, services, and facilities and engaging in the proposed activities in a safe, secure, efficient, courteous, prompt, and professional manner in service to and to the benefit of the public, and
  - (ii) The financial and technical responsibility, capability, and integrity to develop and maintain required improvements; procure and maintain required vehicles, equipment, and for aircraft; employ required personnel; and engage in the activity.

**c. Agreement or Permit Approval**

1. No entity shall engage in an activity unless the entity has an agreement or permit with the Department of Airports authorizing such activity or the entity has received prior written approval from the Department of Airports to sublease land or improvements from an authorized operator and engage in the activity at the Airport.
2. An agreement or permit shall not reduce or limit operator's obligations with respect to complying with these Minimum Standards, except as noted in Section 1.c.

**d. Payment of Rents, Fees, and Charges**

1. Operator shall pay the rents, fees, or other charges specified by the County for engaging in commercial aeronautical activities.
2. Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the County shall be grounds for revocation of the operator's agreement, permit, or the County's approval authorizing the conduct of activities at the Airport.

**e. Leased Premises**

1. Operator shall lease or sublease sufficient land and/or lease, sublease, or construct sufficient improvements for the activity as required in these Minimum Standards.
2. Apron/Paved Tiedowns
  - (i) Aprons/paved tiedowns (if required) must be of adequate size and weight-bearing capacity to accommodate the movement, staging, and parking of operator's, operator's sublessees', and customers' aircraft, and support equipment without interfering with the movement of aircraft in and out of other facilities and the movement of aircraft operating to/from/on taxilanes or taxiways.
3. Vehicle Parking
  - (i) Paved vehicle parking shall be sufficient to accommodate all of operator's and operators' sublessees' customers', employees', visitors', vendors', and suppliers' vehicles on a daily basis. The sufficiency of vehicle parking shall be determined in conjunction with the Director.
  - (ii) Paved vehicle parking shall be on operator's leased premises and/or located in close proximity to operator's main facility
  - (iii) On-street vehicle parking is not allowed, unless specifically authorized by the Director.

**f. Facility Maintenance**

1. Operator shall maintain its leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, lighting, and signage) in a clean, neat, orderly, and fully functional condition.
2. Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, removal of foreign objects/debris, and any related services necessary to maintain the improvements in good, clean, neat, orderly, and fully functional condition, normal wear and tear excepted.
3. Operator shall replace, in like kind, any property damaged by its employees, patrons, sublessees, contractors, et al. or by operator's activities.

**g. Products, Services, and Facilities**

1. Products, services, and facilities shall be available on a reasonable, and not unjustly discriminatory, basis to all Airport users.
2. Operator shall charge reasonable, and not unjustly discriminatory, prices for each product, service, or facility.
3. Operator shall conduct its activities on and from its leased premises in a safe, secure, efficient, courteous, prompt, and professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities, and engaging in similar activities from similar leased premises in like markets.

**h. Non-Discrimination**

1. Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, or physical handicap in providing any products, services, or facilities or in the use of any of its facilities that are available to the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.

**i. Licenses, Permits, Certifications, and Ratings**

1. Operator and operator's personnel shall obtain and comply with, at operator's sole cost and expense, all necessary licenses, permits, certifications, or ratings required for the conduct of operator's activities at the Airport as required by the County or any other duly authorized agency prior to engaging in any activity at the Airport.

- (i) Operator shall keep in effect and post in a prominent place, readily accessible to the public, all necessary or required licenses, permits, certifications, or ratings.
- (ii) Upon request, operator shall provide copies of such licenses, permits, certifications, or ratings to the Director within 10 business days.

**j. Personnel**

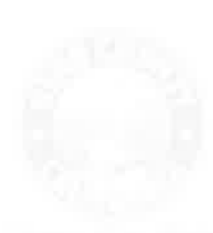
- 1. Operator shall have a responsible person on its leased premises to supervise activities and such person shall be qualified and authorized to represent and act for and on behalf of operator during all hours of activities with respect to the method, manner, and conduct of the operator and operator's activities.
  - (i) When such responsible person is not on the leased premises, such individual shall be immediately available by telephone or pager.
- 2. Operator shall have in its employ, on duty, and on its leased premises during hours of activity, properly trained, qualified, and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe, secure, efficient, courteous, prompt, and professional manner.
- 3. Operator shall control the conduct, demeanor, and appearance of its employees. It shall be the responsibility of the operator to maintain close supervision over its employees to ensure that a high standard (quality) of products, services, and facilities are provided in a safe, secure, efficient, courteous, prompt, and professional manner.

**k. Aircraft, Equipment, and Vehicles**

- 1. All required aircraft, equipment, and vehicles must be fully operational, functional, and available at all times and capable of providing all required products and services.
  - (i) Aircraft equipment, and vehicles may be unavailable, from time to time, on a temporary basis, as long as appropriate measures are taken to return the aircraft, equipment, or vehicle to service as soon as possible.
- 2. Hours of Activity
  - (i) Hours of activity shall be clearly posted in public view using appropriate and professional signage.

**l. Meadows Field Airport Security**

- 1. Operator shall fully comply with the Meadows Field Airport Security Program (ASP).



2. Operator shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Airport Security Coordinator (ASC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.
3. Operator shall develop and maintain a security plan which shall include, at a minimum, the following elements:
  - (i) Procedures for security facilities, vehicles, equipment, and aircraft during hours of operation and after hours.
  - (ii) Employees background checks required by the ASP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies.
  - (iii) Customer, visitor, and baggage identification.
  - (iv) Procedures for preventing tampering of facilities, vehicles, equipment, and aircraft.
  - (v) Procedures for handling threats by phone and in person.
  - (vi) Procedures for controlling access to operator's leased premises and ensuring that vehicles, equipment, and personnel allowed to access through operator's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the ASC.
  - (vii) Procedures for securing unattended facilities, vehicles, equipment, and aircraft.
  - (viii) Procedures prohibiting passengers or baggage from being left unattended in or near aircraft, within the public-restricted areas of the Airport (Air Operations Area), or within the Security Identification Display Area (SIDA).
  - (ix) Procedures for transient flight crew members and passengers including:
    - (a) Ensuring proper escort or other method of control approved by the ASC.
    - (b) Crewmember contact information and verification procedures.
    - (c) Verification of pilot's certificate and government-issued photo ID for flight crewmembers.
    - (d) Vendor procedures including:
      - (1) Positive identification of all vendors having access to operator's leased premises.

- (2) Security check-in procedures for all vendors.
    - (3) Procedures for ensuring all vendors are aware of security requirements for the operator's leased premises.
  4. Operator's Security Plan shall be submitted to the ASC for review and approval no later than 30 days before Operator commences activities at the Airport (and it shall be resubmitted any time changes are made).
  5. Operator shall maintain fencing, doors, gates, lighting, and locks in good condition at all times.
  6. Aircraft rental and flight instruction operators must positively identify new students and renter pilots, consistent with any/all federal, State, and local regulations.
  7. Aircraft charter and aircraft management operators and other businesses involved in the dispatching of aircraft must develop procedures to verify aircraft dispatch customers.
  8. All operators are required to keep an active log of keys, access cards, and other media issued that allows access to operator's leased premises or identifies authorized persons. The log shall be made available to the ASC upon request, and any lost or stolen access/identification media shall be reported to the ASC immediately.
  9. All operators must comply with all applicable reporting requirements (as established by the County, FAA, TSA, and law enforcement agencies).
- m. Conformance with federal, State, and local rules and regulations**
1. Operator shall abide by all applicable federal, State, and local rules and regulations, including Kern County Ordinance Code Section 15, as amended.
- n. Insurance**
1. Operator shall procure and maintain during the term of its agreement or permit, insurance policies required by applicable regulatory measures and/or the County.
  2. When operator engages in more than one activity, the minimum insurance limits shall be established by the County based on the nature of each activity or combination of activities. While it may not be necessary for operator to carry insurance policies for the combined total of the minimum requirements of each activity, operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum or

as established by the County as demonstrated in Exhibit 'A' of this document.

3. Certificates of Insurance for the insurance required by regulatory measures and/or the County per Exhibit 'A' shall be delivered to the Director upon execution of any agreement, permit, or when approval is given by the County to engage in commercial aeronautical activities at an Airport. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage. Insurance coverage's shall remain in full force and effect through the term of the agreement or permit, and Certificates of Insurance shall be kept current with the Director.

**o. Indemnification and Hold Harmless**

1. Operator shall defend, indemnify, save, protect, and hold harmless the County of Kern and its officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the County of Kern its officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's activities, actions, or inactions. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with California principles of comparative fault.
2. Operator shall accept total responsibility, defend, indemnify, save, protect, and hold harmless the County of Kern, its officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's improvements, vehicles, equipment, or aircraft.
3. Nothing herein shall constitute a waiver of any protection available to the County of Kern, its officers, officials, employees, agents, and volunteers under the California Governmental Immunity Act or similar statutory provisions.

**p. Taxes**

1. Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency relating to operator's leased premises (land and/or improvements), operator's improvements on leased premises, and/or operator's activities.

**q. Multiple Activities**

1. When more than one activity is conducted at an Airport, applicable Minimum Standards shall be established by the Director.
2. Depending upon the nature of the combined activities, the Minimum Standards shall not be:
  - (i) Less than the highest standard for each element (e.g., land, hangar, office, shop, etc.) within the combined activities, or
  - (ii) Greater than the cumulative standards for all of the combined activities.

**3. FIXED BASE OPERATOR**

**a. Introduction**

1. A Fixed Base Operator (FBO) is a commercial operator engaged in the sale of products, services, and facilities for all types of aircraft (piston and turbine-powered aircraft) to include, at a minimum, the following activities at an Airport: aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants); passenger, crew, and aircraft ground services, support, and amenities; aircraft maintenance; aircraft parking, tiedown, hangar, office, and shop rental.
2. In addition to the general requirements set forth in Section 2, each FBO at the Airport shall comply with the following Minimum Standards set forth in Section 3.

**b. Scope of Activity**

1. Unless otherwise stated in these Minimum Standards, all products and services shall be provided by FBO's employees using FBO's vehicles and equipment.
2. FBO's products and services shall include the following:
  - (i) Aviation fuels and lubricants (Jet Fuel, Avgas, and aircraft lubricants):
    - (a) FBO shall deliver and dispense, upon request, Jet Fuel, Avgas and aircraft lubricants into all aircraft using the Airport.
    - (b) FBO shall provide a response time of no more than 15 minutes during required hours of activity (except in situations beyond the control of the FBO).
  - (ii) Passenger, crew, and aircraft ground services, support, and amenities:
    - (a) FBO shall meet, direct, and park all aircraft arriving on FBO's leased premises with exception of aircraft that have a designated (assigned) tiedown space or area.

- (b) FBO shall provide courtesy on-site transportation for passengers, crew, and baggage, as necessary and /or appropriate.
  - (c) FBO shall provide parking and tiedown of aircraft upon the FBO's leased premises.
  - (d) FBO shall provide hangar storage for aircraft upon the FBO's leased premises, to include in-out (aircraft towing) service.
  - (e) FBO shall provide crew and passenger baggage handling and other related arrival and departure services.
  - (f) FBO shall provide oxygen and compressed air services and be able to provide nitrogen services directly or through arranged with another entity.
  - (g) FBO shall provide lavatory services and aircraft cleaning services.
  - (h) FBO shall provide aircraft ground power.
  - (i) FBO shall be able to make crew and passenger ground transportation arrangements (limousine, shuttle, and rental car).
  - (j) FBO shall be able to make aircraft catering arrangements.
- (iii) **Aircraft Maintenance**
- FBO shall provide, upon request, routine (minor) aircraft line maintenance (i.e., including preventative maintenance as defined in 14 CFR Part 43, Appendix A and excluding maintenance associated with 50 hour, 100 hour, annual inspections, major alteration, and major repair) on the airframe, powerplants and associated systems of aircraft using the Airport. Service may be provided directly through in-house or by procurement through qualified contract services.
- (iv) **Aircraft Storage**
- FBO shall develop, own, and/or lease facilities for the purpose of subleasing (to the public) aircraft storage space to entities engaging in commercial or non-commercial aeronautical activities.

**c. Leased Premises**

1. FBO shall have adequate land (see Section 2.5.1), including apron/paved tiedown (see Section 2.5.2), facilities (hangars, terminal, maintenance,

and fuel storage), and vehicle parking (see Section 2.5.3) to accommodate all activities of FBO and all approved sublessees, but not less than the following:

- (i) Contiguous Land - 7 acres (304,920 square feet), upon which all required improvements including apron/paved tiedown, facilities and vehicle parking shall be located.
- (ii) Apron - 3 acres (130,680 square feet), with weight bearing capacity to accommodate the largest aircraft handled or serviced by FBO.
- (iii) Paved tiedown - adequate to accommodate the number, type, and size of based and transient aircraft requiring tiedown space at the operator's leased premises, but not less than 10 paved tiedown spaces.
- (iv) Facilities - 46,000 square feet (total) consisting of the following:
  - (a) Terminal space - 5,000 square feet. Customer area shall be at least 2,500 dedicated square feet to include adequate space for crew and passenger lounge(s), flight planning room, conference room, public use telephones, and restrooms. Administrative area shall be at least 1,250 dedicated square feet to include adequate space for employee offices, work areas, and storage.
  - (b) Maintenance area - 1,000 square feet. Maintenance area shall include adequate space for employee offices, work areas, and storage for aircraft parts and equipment.
  - (c) Hangar space - 40,000 square feet. At least one hangar shall be capable of accommodating an aircraft having a length of 100 feet, a wingspan of 95 feet, and a tail height of 26 feet. At least 25,000 square feet shall be dedicated to (for) aircraft storage and 15,000 square feet shall be available for the provision of aircraft maintenance.
  - (d) Vehicle Parking - not less than required by County code.

**d. Fuel Storage**

- 1. FBO shall construct or install and maintain an on-Airport above ground fuel storage facility at the Airport, unless otherwise authorized or required, in a location consistent with the current and planned uses of Airport land and improvements and approved by the Director.
- 2. Fuel storage facility shall have total capacity for three days peak supply of aviation fuel for aircraft being serviced by FBO. In no event shall the total storage capacity be less than:
  - (i) 10,000 gallons for Jet Fuel storage.
  - (ii) 10,000 gallons for Avgas storage.

- (iii) 500 gallons for waste fuel or test samples (or the capability to recycle waste fuel or test samples).
- 3. FBO shall, at its sole cost and expense, maintain the fuel storage facility, all improvements thereon, and all appurtenances thereto, in a clean, neat, orderly, and fully functional condition consistent with good business practices and equal or better than in appearance and character, other similar improvements on the Airport.
- 4. FBO shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum supplier/distributor for the delivery of aviation fuels in the quantities that are necessary to meet the requirements set forth herein.
- 5. Fuel suppliers utilized by operator must have a current and executed Fuel Delivery Permit, if one is required by the County, on file with the Director.
- 6. FBO shall have a written Spill Prevention Control and Countermeasures (SPCC) Plan that meets regulatory measures for fuel storage facilities. An updated copy of the SPCC Plan shall be filed with the Director at least 30 days prior to commencing operations.
- 7. FBO shall be liable and indemnify the County for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
- 8. Fuel dispensed by FBO shall meet quality specifications as outlined in ASTM D 1655 (Jet A) and ASTM D 1910 (Avgas), or superseding standards. Ensuring the quality of the fuel is the responsibility of the FBO.
- 9. FBO shall maintain records that identify the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by FBO at the Airport (by customer type).
- 10. On or before the 10th day of the subsequent month, unless otherwise provided for in operators agreement with the director, FBO shall provide a summary report to the Director identifying the amount (number of gallons) of: (1) aviation fuel purchased by the FBO (by fuel type), (2) delivered to the FBO's fuel storage facility (by fuel type), and (3) delivered to FBO customer aircraft and/or dispensed by the FBO at the Airport (by customer type) and FBO shall pay the appropriate fees and charges due to the County.
- 11. Records (and meters) shall be made available for review (audit) by the Director or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to the FBO and the amount of fuel delivered to FBO

customer aircraft and/or dispensed by the FBO at the Airport, FBO shall promptly pay, in cash, all additional fees and charges due the County, plus annual interest on the unpaid balance at the maximum rate allowable by law, or as specified by a current agreement, from the date originally due.

**e. Fueling Equipment**

1. FBO shall have two Jet Fuel refueling vehicles with one having a capacity of at least 5,000 gallons and one having a capacity of at least 2,000 gallons.
2. FBO shall have two Avgas refueling vehicles each having a capacity of at least 750 gallons. A fixed Avgas self-serve refueling system can be substituted for an Avgas refueling vehicle.
  - (i) If substituted for an Avgas refueling vehicle, the fixed Avgas self-serve fueling system shall: (1) be constructed or installed in a location specified by the Director, (2) be available and maintained by FBO for public commercial use, and (3) have detailed (and readily accessible) instructions for the proper and safe operation of the system and a fully functional (and readily accessible) telephone, emergency shut-off, properly rated fire extinguisher, and fuel spill kit.
  - (ii) FBO may have only one Avgas refueling vehicle if FBO has a written agreement with another (separate) FBO at the Airport to provide Avgas fueling services at times when the FBO's refueling vehicle is unavailable or unable to meet the required response time.
    - (a) Agreement must be on file with the Director.
3. Aircraft refueling vehicles shall be equipped with metering devices that meet all applicable regulatory measures. One refueling vehicle dispensing Jet Fuel shall have over-the-wing and single point aircraft servicing capability. All refueling vehicles shall be bottom loaded.
4. Each refueling vehicle and all fueling equipment shall be equipped and maintained to comply with all applicable safety and fire prevention requirements, standards, and regulatory measure including, without limitation, those prescribed by:
  - (i) State of California Fire Code;
  - (ii) County of Kern Fire Code;
  - (iii) National Fire Protection Association (NFPA) Codes;
  - (iv) California Department of Health and Environment Oil Inspection Regulatory Section;

- (v) 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials".
- (vi) Applicable FAA Advisory circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".

**f. Equipment**

1. FBO shall have the following equipment:
  - (i) Adequate wheel chocks for aircraft parking on open apron areas and equipment for securing aircraft on permanent tie-downs including ropes, chains, wheel chocks, and/or other types of aircraft restraining devices which are required to safely secure aircraft as described in FAA Advisory Circular 20-35C.
  - (ii) One oxygen cart and one compressed air unit.
  - (iii) One ramp transportation vehicle to provide transportation of passengers and baggage between FBO terminal building and aircraft.
  - (iv) Two aircraft towing vehicles (and two bars) with at least one having a rated draw bar capacity sufficient to meet the towing requirement of the heaviest general aviation aircraft frequenting the Airport.
  - (v) Two ground power units capable of providing electricity to direct current (DC) powered aircraft.
  - (vi) One lavatory service cart.
  - (vii) Spill kits including one mobile unit per contiguous ramp area with the necessary equipment and materials to contain a fuel spill and keep it from flowing into drains or other damage potential areas.
  - (viii) Adequate number of approved and regularly inspected dry chemical fire extinguisher units shall be maintained within all hangars, on all apron areas, at all fuel storage facilities, and on all ground handling and refueling vehicles.
  - (ix) All equipment reasonably necessary for the proper performance of aircraft maintenance in accordance with applicable FAA regulations and manufacturers' specifications, and minimum maintenance as stipulated in Section 3 b 2 c.

**g. Personnel**

1. Personnel, while on duty, shall be clean, neat in appearance, courteous, and at all times properly uniformed. Uniforms shall identify the name of the FBO and the employee and shall be clean, neat, professional, and properly maintained at all times.
  - (i) Management and administrative personnel shall not be required to be uniformed.
2. FBO shall develop and maintain Standard Operating Procedures (SOP) for fueling and ground handling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A "Aircraft Ground Handling and Servicing." FBO's SOP shall include a training plan, fuel quality assurance procedures and record keeping, and emergency response procedures to fuel spills and fires. FBO's SOP shall also address: regular safety inspections, bonding and fire protection; public protection; control of access to fuel storage facilities; and marking and labeling of fuel storage tanks and refueling vehicles. FBO's SOP shall be submitted to the Airport Director no later than 30 days before the FBO commences activities at the Airport (and it shall be resubmitted anytime changes are made).
3. FBO shall have two properly trained and qualified line service technicians (FBO employees), on each shift, providing aircraft fueling, parking, and ground services and support.
  - (i) FBO shall have one supervisory line service technician (FBO employee) trained in an FAA approved fire safety program (14 CFR Part 139.321).
4. FBO shall have one properly trained and qualified customer service representative (FBO employee), on each shift (except from the hours of 11:00 p.m. to 6:00 a.m.), to provide customer service and support.
5. FBO (or authorized aircraft maintenance operator) shall have one airframe and powerplant mechanic properly trained and qualified to provide aircraft maintenance on aircraft using the Airport.

**h. Hours of Activity**

1. Aircraft fueling and passenger, crew, and aircraft ground handling services, support, and amenities shall be continuously offered and available to meet reasonable demands of the public for this activity between the hours 6:00 a.m. and 11:00 p.m. seven days a week (including holidays).
  - (i) These services shall also be available all other times (after hours), on-call, with a response time not to exceed 30 minutes.

2. Aircraft maintenance shall be continuously offered and available to meet reasonable demand of the public for this activity between the hours of 8:00 a.m. and 5:00 p.m. five days a week.

- (i) Aircraft maintenance shall be available all other times (after hours), on-call with response time not to exceed 60 minutes.

**i. Aircraft Removal**

1. Recognizing that aircraft removal is the responsibility of the aircraft owner/operator, the FBO shall be prepared to lend assistance within 30 minutes upon request by either the Airport Director or the aircraft owner in order to maintain the operational readiness of the Airport's aircraft movement areas. The FBO shall prepare an aircraft removal plan and have the equipment readily available that is necessary to remove aircraft typically using the Airport.

**j. Insurance**

1. FBO shall maintain, at a minimum, the insurance coverage set forth in Exhibit 'A' as determined by the Director of Airports.

**4. SPECIALIZED AVIATION SERVICE PROVIDERS**

**a. Based Aircraft Flight Instruction**

1. Providers of flight instruction shall hold FAA and State certification where applicable.
2. Provider shall have on-Airport office space and telephone.
3. Restroom facilities within reasonable walking distance of office space shall be provided.
4. Provider shall have parking (customer & employee vehicles) available consistent with County code.

**b. Aircraft Sales**

1. The business shall maintain on-Airport office space.
2. The business shall hold licenses as required by other governmental agencies.
3. Aircraft owners selling their own airplane and exempt from State sales licensing requirements are considered exempt from these requirements.
4. The sales entity shall provide, either directly or by subcontract, necessary and satisfactory arrangements for repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty period and shall provide an adequate inventory of spare parts, either directly or by subcontract, for the type of new aircraft for which sales privileges are granted.

**c. Aircraft Storage**

1. Tiedown spaces shall be designed to provide for no aircraft wing overlap.
2. Adequate tiedown hardware shall be provided for wing and tail tiedowns.
3. Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.
4. For taxilanes used by aircraft under power, minimum taxilane widths consistent with FAA Advisory Circular 150/5300-13, "Airport Design" shall be provided unless otherwise approved by the Airport Director.
5. Taxilanes shall be marked in accordance with the standards set forth in FAA Advisory Circular 150/5340-1G, "Standards for Airport Markings."

**d. Aircraft Storage Hangars**

1. No commercial operations shall be conducted out of a hangar unless authorized in writing by the Director.
2. Storage of marine craft or other vehicles/equipment not required to support aviation activity is not permitted.

**e. Aircraft Maintenance and Repair**

1. All aircraft repairs must be made in accordance with FAA standards.
2. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by the Director.

**f. Aircraft Rental**

1. The purveyor shall maintain an on-Airport office and adequate assigned tiedowns or inside storage areas for rental aircraft.
2. Restroom facilities within reasonable walking distance of office space shall be provided.

**g. Avionics, Instruments, and Propeller Repair**

1. Purveyor shall hold required FAA and FCC licenses.
2. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by Director.

**h. Flying Clubs (Non-Profit)**

1. The flying club shall be a non-profit corporation or partnership.
2. The aircraft shall be owned or leased by the club.
3. The club may not offer or conduct charter, air taxi, rental, or flight instruction, and only members of the flying club may operate the aircraft.
4. The club shall not permit its aircraft to be used for giving flight instruction to any person, including club members, when such person pays or becomes obligated to reimburse for such instruction, except when instruction is given by a lessee or permittee authorized by the Director to give such instruction.
5. Exceptions are permitted to the above when flight instructors or mechanics are club members. They may perform instruction/maintenance/repair where compensation is limited to credit against payment of dues or flight time.

**i. Aircraft Charter**

1. Adequate sheltered waiting area shall be provided within 500 feet of the aircraft. The waiting area shall be of sufficient size to hold the passenger load for the type of aircraft and meet applicable Fire Codes regarding occupancy load.
2. Restrooms shall be available at the waiting area.
3. Adequate vehicle parking spaces shall be provided on-site in accordance with County Code.
4. The operator shall hold all applicable FAA and DOT licenses and/or certificates.
5. The operator shall provide adequate ground handling equipment for type aircraft.
6. The operator shall provide public telephones within reasonable distance of waiting area.
7. No publicly available scheduled operations or public charters with a scheduled frequency of five flights or more per week are permitted except at the Airport's terminal building and associated air carrier ramp.

**j. Scheduled Airline Operations**

1. Scheduled airline operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of three flights or more per week using aircraft with a certificated maximum take-off weight equal to or greater than 75,000 lbs.
2. Scheduled airline operations shall be conducted solely from the Airport's terminal building and associated air carrier ramp.

3. The Airline operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free number posted at the ticket counter from 5:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.
4. The Airline operator shall provide skycap service or automated check-in service, in addition to customer service agent ticket counter check-in service, unless the Director waives requirement.
5. The Airline operator shall provide adequate guidance or escort between the boarding lounge gate and the aircraft door.
6. The Airline operator shall provide queuing stanchions, of an approved type, for crowd control in all queuing areas.
7. The Airline operator shall abide by the current approved Kern County Airports Graphics Standards Manual.
8. The Airline operator shall utilize a pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.
9. All Airline operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to/from remote parking areas between the hours of 4:30 a.m. to 11:30 p.m.
10. All Airline operators shall have the necessary procedures and resources available to board passengers from both the north and south hold rooms.

**k. Scheduled Commuter Operations**

1. Scheduled commuter operators are those companies operating publicly available (or advertised) scheduled flights with a frequency of three flights or more per week using aircraft with a certificated maximum take-off weight of less than 75,000 lbs.
2. Scheduled commuter operations shall be conducted solely from the Airport's terminal building and associated ramp.
3. The Commuter operator shall provide either customer service counter personnel, a direct line customer service counter telephone, or a toll free telephone number posted at the ticket counter from 5:00 a.m. to 11:00 p.m., and any additional hours as required to coincide with a delayed flight.
4. The Commuter operator shall provide adequate guidance and escort between the boarding lounge gate and the aircraft door.
5. The Commuter operator shall escort all unscreened passengers from the aircraft through the Security Identification Display Area (SIDA) when disembarking. Unscreened passengers shall only use exit gates authorized by the Director.

6. The Commuter operator shall provide queuing stanchions, of approved type, for crowd control in all queuing areas.
7. The Commuter operator shall abide by the current approved Kern County Airports Graphics Standards Manual.
8. The Commuter operator shall utilize a pre-approved Alternate Operation Plan for diverted flights between 11:00 p.m. and 7:00 a.m.
9. All Commuter operators shall have the procedures, trained personnel and equipment to reposition aircraft within the ramp or to-from remote parking areas between the hours of 4:30 a.m. to 11:30 p.m.
10. All Commuter operators shall have the necessary procedures and resources available to board passengers from both the north and south holdrooms.

**l. Other Specialized Aviation Services**

1. Other specialized aviation services include aircraft modifications (STCs), aircraft paint, aircraft upholstery, aircraft propeller service, aircraft engine component overhaul, aircraft major rehabilitation or reconstruction.
2. Aircraft painting, except minor touch-up painting, shall be conducted only in County approved aircraft paint booths or paint facilities.
3. Performing maintenance and repair on an aircraft parked beyond the boundary lines of tenant leasehold or FBO is prohibited, unless pre-approved by the Director
4. Purveyor must provide an on-Airport office and hangar or tiedown area for parking of customer aircraft
5. Purveyor shall hold the required FAA certification for type work.

**m. Airship Operations**

1. Airship mooring locations shall be assigned as appropriate by Airport management.
2. The airship operator shall be responsible for the removal of equipment in a timely manner, not to exceed 24 hours.
3. The airship operator shall provide ground operations and radio training to the satisfaction of the Airport Bureau to each crewmember required to operate a vehicle on the Airport surface and/or communicate via radio with the ATC tower.

**n. Banner Tow Operations**

1. Each banner tow operator shall obtain a banner tow permit from the Director.



2. A ground crew consisting of at least one individual is required for all banner tow operations.
3. Any vehicles operated on the airfield shall display Airport-related identification and markings.
4. Banner tow pickup/drop operations shall be conducted only in areas designated by Director.
5. The banner tow operator shall provide ground operations and radio training to the satisfaction of the Director to each crewmember required to operate a vehicle on the Airport surface and/or communicate via radio with the ATC tower.

**o. Mobile Aircraft Washing and Detailing**

1. Aircraft washing shall be conducted only in designated areas.
2. Operators must contain all water and associated discharge from washing activities. All such effluent shall be recycled or removed from the Airport, and meet all applicable Airport, County, State, and federal clean water regulations.
3. Aircraft washing and detailing operators shall receive written approval of lessees or permittees prior to entering their premises.

**p. Mobile Catering**

1. Food catering permittees shall not operate their catering units within 300 feet of the terminal building.
2. Mobile caterers shall receive written approval of lessees or permittees prior to entering their premises.
3. Mobile caterers must meet all applicable Airport, County, State and, Federal Regulations.

**5.0 NON-COMMERCIAL SELF-FUELING**

**a. Introduction**

1. All entities desiring self-service fueling shall be accorded a reasonable opportunity, without unlawful discrimination, to qualify and receive a Non-Commercial Self-Service Fueling Permit. Those entities that have a permit granting them the rights to perform commercial fueling (i.e., FBO) are not required to apply for a Non-Commercial Self-Service Fueling Permit.
2. This article sets forth the standards prerequisite to an entity engaging in non-commercial self-fueling activities at the Airport. Any entity engaging in such activities shall also be required to comply with all applicable regulatory measures pertaining to such activities.
3. In addition to the applicable Minimum Standards General Requirements, each entity conducting non-commercial self-fueling

activities at the Airport shall comply with the following Minimum Standards.

**b. Permit Approval**

1. No entity shall engage in self-fueling activities unless a valid Non-Commercial Self-Fueling Permit authorizing such activity has been obtained from the Director. Such entities shall herein be referred to as "Permittees".
2. The Permit shall not reduce or limit Permittee's obligations with respect to these Self-Fueling Minimum Standards, which shall be included in the Permit by reference.
3. Prior to issuance and subsequently upon request by the Director, Permittee shall provide evidence of ownership (and/or lease) of any aircraft being operated (under the full control of) and fueled by Permittee. The Director will determine if an aircraft lease is commercially reasonable, for purposes of self-fueling.

**c. Reporting**

1. Permittee shall report all fuel delivered to the approved Permittee's fuel storage facility and Permittee's aircraft during each calendar month and submit a summary report along with appropriate fees and charges due the Director on or before the 10th day of the subsequent month.
2. Records (and meters) shall be made available for review (audit) by the Director or its designated representative. In the case of a discrepancy between the amount of fuel purchased by and/or delivered to Permittee and the amount of fuel dispensed by Permittee at the Airport, Permittee shall promptly pay, in cash, all additional fees and charges due the Director, plus annual interest on the unpaid balance at the maximum rate allowable by law or as specified by a current agreement, from the date originally due.

**d. Fuel Storage**

1. Permittee shall arrange and demonstrate that satisfactory arrangements have been made for the storage of fuel, as follows:
  - (i) through either an authorized FBO at the Airport or
  - (ii) in an on-Airport fuel storage location approved by the Director.
2. Permittee shall be liable and indemnify the Director for all leaks, spills, or other damage that may result through the handling and dispensing of fuel.
3. Ensuring the quality of the fuel is the responsibility of Permittee.



**e. Fueling Equipment**

1. Permittee shall utilize a single refueling vehicle for each type of fuel to be dispensed. Avgas refueling vehicles shall have a minimum capacity of 750 gallons and Jet Fuel refueling vehicles shall have a minimum capacity of 2,000 gallons.
2. Each refueling vehicle shall be equipped and maintained to comply at all times with all applicable safety and fire prevention requirements or standards, as may be amended from time to time, including without limitation, those prescribed by:
  - (i) State of California Code,
  - (ii) Kern County Fire Code,
  - (iii) National Fire Protection Association (NFPA) Codes,
  - (iv) 14 CFR Part 139, Airport Certification, Section 139.321 "Handling/Storing of Hazardous Substances and Materials"; and
  - (v) Applicable FAA Advisory Circulars (AC) including AC 00-34 "Aircraft Ground Handling and Servicing" and AC 150/5210-5 "Painting, Marking and Lighting of Vehicles Used On An Airport".
3. Prior to transporting fuel onto the Airport, the Permittee shall provide the Director with a Spill Prevention Contingency and Control Plan (SPCC) that meets regulatory requirements for fuel storage facilities. An updated copy of such SPCC Plan shall be filed with the Airport Director at least thirty (30) days prior to actual implementation. Such plan shall describe, in detail, those methods that shall be used by the Permittee to clean up any potentially hazardous fuel spills. The plan should include equipment to be used, emergency contact personnel and their telephone numbers, and all other details as to how the Permittee would contain such a spill. This plan should also describe, in detail, what methods the Permittee intends to use to prevent any such spill from occurring.
4. In accordance with all applicable regulatory measures and appropriate industry practices, the Permittee shall develop and maintain Standard Operating Procedures (SOP) for fueling and shall ensure compliance with standards set forth in FAA Advisory Circular 00-34A, entitled "Aircraft Ground Handling and Servicing". The SOP shall include a training plan, fuel quality assurance procedures, record keeping, and emergency response procedures for fuel spills and fires. The SOP shall also address the following: (1) bonding and fire protection, (2) public protection, (3) control of access to refueling vehicle storage areas, and (4) marking and labeling of refueling vehicles. The SOP shall be submitted to the

Airport Director not later than thirty (30) days before the Permittee commences self-fueling at the Airport.

**f. Licenses, Certifications, and Permits**

Permittee shall have and provide to the Airport evidence of all federal, State, and local licenses, certificates, and permits that are required to conduct self-fueling.

**g. Personnel**

1. Permittee's employees must conduct the self-fueling activity and be properly trained in aircraft refueling.
2. There must be a minimum of two (2) individuals present during self-fueling activities.

**h. Limitations**

Permittees shall not sell and/or dispense fuels to based or transient aircraft that are not owned by or under the full control of Permittee. Any such selling or dispensing shall be grounds for immediate revocation of the Permit by the Director.

**i. Insurance**

Except as otherwise provided for herein, Permittee shall maintain, at a minimum, the coverages and policy limits set forth in Exhibit 'A' of this document.

APPROVED BY:

Richard Strickland, C.M.  
Director of Airports

Date

## GLOSSARY OF TERMS

Aeronautical Services - any service which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

Airport - any Kern County Airport and all of the property, buildings, facilities and improvements within the exterior boundaries of such Airport as it now exists on the Airport Layout Plan or Exhibit "A" of the ALP, or as it may hereinafter be extended, enlarged or modified.

Airport Operations Area (AOA) - the area of the Airport used or intended to be used for landing, take off or surface maneuvering of aircraft including the associated hangars and navigational and communications facilities.

ASC - the federal Department of Homeland Security Transportation Security Administration Airport Security Coordinator

Commercial Operator (Operator) - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical services at the Airport, under strict compliance with such agreement and pursuant to these regulations and standards.

Director of Airports "Director" - the Director of the Department of Airports or the Director's authorized designee.

County - the County of Kern.

Entity - an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity.

FAA - Federal Aviation Administration.

FAR - Federal Aviation Regulation.

Fixed Base Operator (FBO) - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical services at the Airport, under strict compliance with such agreement and pursuant to these regulations and standards.

Fixed Place of Business - a designated business facility, located on the Airport and occupied by virtue of a lease agreement, license agreement or permit with the Department of Airports.

Flying Club - a non-profit entity or organization established to promote flying for pleasure, and develops skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques.

Fuel - FAA authorized aviation fuel.

Fueling Operations - the dispensing of aviation fuel into aircraft.

Fuel Permittee - an entity that has been issued a valid fueling operations permit from the Director.

Fueling Operations Permit - a permit issued by the Director to an entity which dispenses aviation fuel at any Kern County Airport. A fueling permit shall be of three types:

Full-Service Fueling Operator - an entity engaged in the retail sale and dispensing of aviation fuel, and other line services to aircraft other than that owned or leased by such entity.

Interchange Agreement - an arrangement whereby a person leases his airplane to another person in exchange for equal time, when needed, on the other person's airplane, and no charge, assessment, or fee is made, except that a charge may be made not to exceed the difference between the cost of owning, operating and maintaining the two airplanes

Joint Ownership Agreement - an arrangement whereby one of the registered joint owners of an airplane employs and furnishes the flight crew for that airplane and each of the registered joint owners pays a share of the charge specified in the agreement

Landside - all buildings and surfaces on the Airport used by surface vehicular and pedestrian traffic outside the Airport Operations Area.

Large Aircraft - an aircraft of more than 12,500 pounds maximum certified take-off weight or turboprop and turbojet aircraft.

Lease - (pertaining to the lease of aircraft by an aeronautical activity) a term written agreement established on a minimum basis of six (6) months wherein the Lessee shall have full control over the scheduling and use of aircraft and the aircraft is insured as required by these minimum standards for the use of the aircraft by Lessee. (Also referred to as aircraft "lease-back.")

Lease Agreement - a written document executed by the Department of Airports and the Commercial Operator which sets forth the premises, use, fees, standards of operation, and other contractual terms for conducting business on the Airport.

Lessee/Licensee/Permittee/Operator - an entity providing specific commercial aeronautical services, by virtue of an agreement with the Department of Airports.

Minimum Standards - the standards which are established by the Airport sponsor as the minimum requirements to be met as a condition for the right to conduct an aeronautical activity on the Airport.

Mobile Service Providers (MSP) - an individual or entity that provides commercial aeronautical services but does not operate out of owned or leased property on the Airport.

NEPA - the National Fire Protection Association.

NOTAM - means a Notice to Airmen published by the FAA.

Proprietary Aeronautical Activity, as prescribed by FAA Advisory Circular 150/5190-2A (Exclusive Rights at Airports) - the public agency that owns and operates the Airport may engage in any proprietary aeronautical activity and deny the same right to others without violating federal grant assurances. This means that a public agency may provide aeronautical services on an exclusive basis, but only

in principal, using its own employees and resources. It is recognized that aeronautical service may be provided more efficiently by private enterprise.

Ramp Privilege - the driving of a vehicle upon an aircraft parking ramp on the airside of the Airport to deliver persons, cargo or equipment to an aircraft as a matter of convenience or necessity.

Self-Fueling Operator - an entity who dispenses aviation fuel solely for its own use, to aircraft owned or leased for its exclusive use.

Self-Service Fueling Operator - an entity engaged in the self-service retail sale of aviation fuel to aircraft other than that owned or leased by such entity.

Small Aircraft - an aircraft of 12,500 pounds or less maximum certified take-off weight.

Sponsor - County of Kern owner of the Airports in title.

Time Sharing Agreement - an arrangement whereby a person leases his airplane with flight crew to another person, and no charge is made for the flights conducted under that arrangement other than those specified under FAR Part 91.501(d)

ISA - the federal Department of Homeland Security Transportation Security Administration

**EXHIBIT "A"**  
**AIRPORT INSURANCE REQUIREMENTS**



Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | <u>Airlines</u>              | <u>Part 135 Charter Operators<br/>(Jets)</u> |
|-------------------------------------------|------------------------------|----------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                              |                                              |
| Aviation or Commercial General Liability  | N/A                          | \$5,000,000 (or A/C Liability)               |
| Airline Liability (Including War Risks)   | \$250,000,000 per occurrence | N/A                                          |
| Automobile Liability                      | \$5,000,000                  | \$5,000,000                                  |
| Aircraft Liability (Including War Risks)  | N/A                          | \$25,000,000                                 |
| Hangar Keepers                            | N/A                          | N/A                                          |
| Additional Insureds                       | Applicable                   | Applicable                                   |
| Self-Insurance Retention                  | If Applicable                | If Applicable                                |
| Claims-Made                               | If Applicable                | N/A                                          |
| <b>Workers Compensation Requirements:</b> |                              |                                              |
| Lessee Employees                          | If Applicable                | If Applicable                                |
| Lessee Subcontractors                     | If Applicable                | If Applicable                                |
| Employer's Liability                      | \$1,000,000 per occurrence   | \$1,000,000 per occurrence                   |
| <b>Environmental Liability:</b>           | N/A                          | N/A                                          |
| <b>Property Insurance:</b>                |                              |                                              |
| Fire and Casualty                         | 100% full replacement value  | 100% full replacement value                  |
| Cancellation of Insurance                 | 30 Days - Required           | 30 Days - Required                           |
| Insurance Company Rating                  | A-VII or better - Required   | A-VII or better - Required                   |
| Lessee Self-Insured                       | N/A                          | If Applicable                                |
| Primary Insurance                         | Endorsement Required         | Endorsement Required                         |
| No Limitations by Policy Limits           | Applicable                   | Applicable                                   |
| Failure to Maintain Insurance             | Applicable                   | Applicable                                   |
| Waiver of Subrogation                     | Applicable                   | Applicable                                   |

Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | <b>Fixed Based Operators<br/>(Turbine Operators)</b> | <b>Flight Training Facility<br/>Operator</b> |
|-------------------------------------------|------------------------------------------------------|----------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                      |                                              |
| Aviation or Commercial General Liability  | \$10,000,000                                         | \$2,000,000                                  |
| Airline Liability (Including War Risks)   | N/A                                                  | N/A                                          |
| Automobile Liability                      | \$5,000,000                                          | \$300,000                                    |
| Aircraft Liability (Including War Risks)  | \$1,000,000                                          | \$1,000,000                                  |
| Hangar Keepers                            | \$10,000,000                                         | N/A                                          |
| Additional Insureds                       | Applicable                                           | Applicable                                   |
| Self-Insurance Retention                  | If Applicable                                        | If Applicable                                |
| Claims-Made                               | If Applicable                                        | N/A                                          |
| <b>Workers Compensation Requirements:</b> |                                                      |                                              |
| Lessee Employees                          | If Applicable                                        | If Applicable                                |
| Lessee Subcontractors                     | If Applicable                                        | If Applicable                                |
| Employer's Liability                      | \$1,000,000 per occurrence                           | \$1,000,000 per occurrence                   |
| <b>Environmental Liability:</b>           | \$1,000,000                                          | N/A                                          |
| <b>Property Insurance:</b>                |                                                      |                                              |
| Fire and Casualty                         | 100% full replacement value                          | 100% full replacement value                  |
| Cancellation of Insurance                 | 30 Days - Required                                   | 30 Days - Required                           |
| Insurance Company Rating                  | A-VII or better - Required                           | A-VII or better - Required                   |
| Lessee Self-Insured                       | If Applicable                                        | If Applicable                                |
| Primary Insurance                         | Endorsement Required                                 | Endorsement Required                         |
| No Limitations by Policy Limits           | Applicable                                           | Applicable                                   |
| Failure to Maintain Insurance             | Applicable                                           | Applicable                                   |
| Waiver of Subrogation                     | Applicable                                           | Applicable                                   |

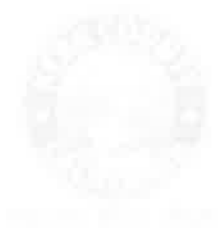


Kern County Airports System  
 Airport Insurance Requirements  
 March 1, 2016

|                                           | <b>Concessionaires Terminal<br/>Landside (Taxi, Rental Car,<br/>Parking, Gift Shop)</b> | <b>Concessionaires Airside<br/>(Ground Service,<br/>Restaurant)</b> |
|-------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                                                         |                                                                     |
|                                           |                                                                                         | \$1,000,000/\$2,000,000 -<br>Rstrt                                  |
| Aviation or Commercial General Liability  | \$1,000,000/\$2,000,000                                                                 | \$10,000,000/\$10,000,000 -<br>Ground Service Provider              |
| Airline Liability (Including War Risks)   | N/A                                                                                     | N/A                                                                 |
|                                           | \$1,000,000 - Taxi, Gift Shop                                                           |                                                                     |
| Automobile Liability                      | \$5,000,000 - Rental Car,<br>Parking                                                    | \$1,000,000 (May be<br>provided under G/L Policy)                   |
| Aircraft Liability (Including War Risks)  | N/A                                                                                     | N/A                                                                 |
| Hangar Keepers                            | N/A                                                                                     | N/A                                                                 |
| Additional Insureds                       | Applicable                                                                              | Applicable                                                          |
| Self-Insurance Retention                  | If Applicable                                                                           | If Applicable                                                       |
| Claims-Made                               | N/A                                                                                     | If Applicable                                                       |
| <b>Workers Compensation Requirements:</b> |                                                                                         |                                                                     |
| Lessee Employees                          | If Applicable                                                                           | If Applicable                                                       |
| Lessee Subcontractors                     | If Applicable                                                                           | If Applicable                                                       |
| Employer's Liability                      | \$1,000,000 per occurrence                                                              | \$1,000,000 per occurrence                                          |
| <b>Environmental Liability:</b>           | N/A                                                                                     | N/A                                                                 |
| <b>Property Insurance:</b>                |                                                                                         |                                                                     |
| Fire and Casualty                         | 100% full replacement value                                                             | 100% full replacement value                                         |
| <b>Cancellation of Insurance</b>          | 30 Days - Required                                                                      | 30 Days - Required                                                  |
| <b>Insurance Company Rating</b>           | A-VII or better - Required                                                              | A-VII or better - Required                                          |
| <b>Lessee Self-Insured</b>                | If Applicable                                                                           | If Applicable                                                       |
| <b>Primary Insurance</b>                  | Endorsement Required                                                                    | Endorsement Required                                                |
| <b>No Limitations by Policy Limits</b>    | Applicable                                                                              | Applicable                                                          |
| <b>Failure to Maintain Insurance</b>      | Applicable                                                                              | Applicable                                                          |
| <b>Waiver of Subrogation</b>              | Applicable                                                                              | Applicable                                                          |

Kern County Airports System  
Airport Insurance Requirements  
March 1, 2016

|                                           | GA Hangar Owners<br>w/Owned Turbine Powered<br>Aircraft                                           | GA Hangar Owners<br>w/Owned Piston Powered<br>Aircraft                 |
|-------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                                                                   |                                                                        |
|                                           | \$10,000,000 (Exception:<br>\$1,000,000 Single engine<br>turbine) May be incl in A/C<br>Liability | \$1,000,000/\$2,000,000<br>(Aggregate may be part of<br>A/C Liability) |
| Aviation or Commercial General Liability  | N/A                                                                                               | N/A                                                                    |
| Airline Liability (Including War Risks)   | \$1,000,000 (May be<br>provided under G/L Policy)                                                 | \$300,000                                                              |
| Automobile Liability                      | \$10,000,000                                                                                      | \$1,000,000                                                            |
| Aircraft Liability (Including War Risks)  | \$10,000,000                                                                                      | If Applicable                                                          |
| Hangar Keepers                            | Applicable                                                                                        | Applicable                                                             |
| Additional Insureds                       | If Applicable                                                                                     | If Applicable                                                          |
| Self-Insurance Retention                  | N/A                                                                                               | N/A                                                                    |
| Claims-Made                               |                                                                                                   |                                                                        |
| <b>Workers Compensation Requirements:</b> |                                                                                                   |                                                                        |
| Lessee Employees                          | If Applicable                                                                                     | If Applicable                                                          |
| Lessee Subcontractors                     | \$1,000,000 per occurrence                                                                        | \$1,000,000 per occurrence                                             |
| Employer's Liability                      | N/A                                                                                               | N/A                                                                    |
| <b>Environmental Liability:</b>           |                                                                                                   |                                                                        |
| <b>Property Insurance:</b>                |                                                                                                   |                                                                        |
| Fire and Casualty                         | 100% full replacement value                                                                       | 100% full replacement value                                            |
| <b>Cancellation of Insurance</b>          | 30 Days - Required                                                                                | 30 Days - Required                                                     |
| <b>Insurance Company Rating</b>           | A-VII or better - Required                                                                        | A-VII or better - Required                                             |
| <b>Lessee Self-Insured</b>                | If Applicable                                                                                     | If Applicable                                                          |
| <b>Primary Insurance</b>                  | Endorsement Required                                                                              | Endorsement Required                                                   |
| <b>No Limitations by Policy Limits</b>    | Applicable                                                                                        | Applicable                                                             |
| <b>Failure to Maintain Insurance</b>      | Applicable                                                                                        | Applicable                                                             |
| <b>Waiver of Subrogation</b>              | Applicable                                                                                        | Applicable                                                             |



**Kern County Airports System  
Airport Insurance Requirements  
March 1, 2016**

|                                           | <b>GA Hangar Owners<br/>without Owned Aircraft</b>      |
|-------------------------------------------|---------------------------------------------------------|
| <b>Liability Insurance Requirements:</b>  |                                                         |
|                                           | \$1,000,000/\$2,000,000                                 |
| Aviation or Commercial General Liability  | Aviation General Liability policy only accepted         |
| Airline Liability (Including War Risks)   | N/A                                                     |
| Automobile Liability                      | \$1,000,000 (May be provided under Aviation G/L Policy) |
| Aircraft Liability (Including War Risks)  | N/A                                                     |
| Hangar Keepers                            | \$1,000,000/\$2,000,000 if storing aircraft for others  |
| Additional Insureds                       | Applicable                                              |
| Self-Insurance Retention                  | If Applicable                                           |
| Claims-Made                               | N/A                                                     |
| <b>Workers Compensation Requirements:</b> |                                                         |
| Lessee Employees                          | If Applicable                                           |
| Lessee Subcontractors                     | If Applicable                                           |
| Employer's Liability                      | \$1,000,000 per occurrence                              |
| <b>Environmental Liability:</b>           | N/A                                                     |
| <b>Property Insurance:</b>                |                                                         |
| Fire and Casualty                         | 100% full replacement value                             |
| <b>Cancellation of Insurance</b>          | 30 Days - Required                                      |
| <b>Insurance Company Rating</b>           | A-VII or better - Required                              |
| <b>Lessee Self-Insured</b>                | If Applicable                                           |
| <b>Primary Insurance</b>                  | Endorsement Required                                    |
| <b>No Limitations by Policy Limits</b>    | Applicable                                              |
| <b>Failure to Maintain Insurance</b>      | Applicable                                              |
| <b>Waiver of Subrogation</b>              | Applicable                                              |



## EXHIBIT 'D'

# Hangar Six Repair

After successful assignment of Hangar 6 to the Epic Jet Center LLC lease, the following repairs and restoration is proposed.

### Lease Close

1. Clean entire building, surrounding area and remove all trash.
2. Remove and replace hazardous electrical wiring and devices. Install lights to enhance security and provide a safer operating environment for aircraft and customers.
3. Remove old camera system. A new security camera system will be installed.
4. Remove rotted wood overhead walkway to prevent injury below or damage to aircraft below. This is currently a hazard identified by the Engineering team. This would be taken care of immediately.
5. Remove unsupported wall structures.

### Proposed Work Scope

1. Enhance and repair the side walls to ensure proper rain and moisture runoff.
2. Repair and paint roof with safe and long-term alternative for restoration and longevity.
3. Repair structural cracks in the interior support walls to prevent the wall cement from continuing to erode.
4. Clean, grind, repair or replace the cement flooring as necessary to provide a safe operating environment.
5. Replace wood window seals that are rotted and allowing moisture to continue to destroy the offices and surrounding structure.
6. Repair or replace doors as necessary including rollers, windows, pins and all hardware.
7. Work towards complete restoration per normal construction and engineering guidelines.

Unless the County has a different request, it would be our desire to make the building look as original as possible. For instance, we would repaint the same Kern County logo using the closest format/font. We would use as much of the original hardware as possible while replacing with new. For instance, the old or "original" exterior lights can still be used. The old electrical can be replaced with new LED and electrical wiring making the lighting safe while keeping the original historic look. These light structures can be sand blasted and repainted. This process would make the lights "like new" while keeping the historical context of the building.

## **EXHIBIT ‘E’ – ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION**

### **SECTION “A”**

#### **PURPOSE, CLASSES OF ACTIVITIES, APPLICABILITY OF ASSURANCES AND DEFINITION OF TERMS**

##### **1. PURPOSE**

The County of Kern (“**County**”), as an airport owner subject to Federal Grant Agreement obligations, terms, covenants and conditions, is required by the Federal Aviation Administration (“**FAA**”) to include specific provisions addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, in all agreements (“**Agreement**”), including without limitation, leases, licenses, permits, agreements, and contracts, between County and all persons and entities which use or perform work or conduct activities on County-owned airport premises for aeronautical or non-aeronautical purposes. Therefore, the purpose of this Exhibit is to appropriately incorporate into the Agreement to which this Exhibit is attached and made a part of by reference, the 16 numbered provisions contained in **Section “B,” Assurances**.

##### **2. CLASSES OF ACTIVITY**

The applicability of each of the 16 numbered provisions contained in **Section “B,” Assurances**, to the Agreement to which this Exhibit is attached, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the specific airport (“**Airport**”) by the party (Lessee, Licensee, Permittee, Operator, Concessionaire, etc.) named in the Agreement, pursuant to and in accordance with those certain rights, privileges, uses and operations, expressly granted and/or authorized under the Agreement. Therefore, the following activity classifications, as established by the FAA, are provided for the information and guidance of all parties to an Agreement.

**a. Direct and Supportive Aeronautical:** The following activities, commonly conducted on airports, are **AERONAUTICAL ACTIVITIES**:

1. Air Carrier
2. Charter Operations
3. Pilot Training
4. Aircraft Rental and Sightseeing
5. Aerial Photography
6. Crop Dusting
7. Aerial Advertising and Surveying
8. Aircraft Sales and Services
9. Sale of Aviation Petroleum Products (whether or not conducted in conjunction with other included activities)
10. Repair and Maintenance of Aircraft
11. Sale of Aircraft Parts



12. Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an “aeronautical activity.”

**b. Complimentary Aeronautical:** The following activities, when conducted on airports, are **COMPLIMENTARY AIRPORT ACTIVITIES:**

1. Ground Transportation (taxis, car rentals, limousines)
2. Restaurants
3. Barber Shops
4. Auto Parking Lots
5. Recreational Facilities
6. Any other commodities, services or accommodations made available to the general public.

**c. Non-Aeronautical:** The following activities, when conducted on airports, being neither “Direct and Supportive Aeronautical” nor “Complimentary Airport,” are **NON-AERONAUTICAL ACTIVITIES:**

1. Manufacturing
2. Agriculture
3. Any other activity not approximately falling within the above-said “Direct and Supportive Aeronautical” and/or “Complimentary Airport” Classification.

### **3. APPLICABILITY OF NUMBERED PROVISIONS IN SECTION “B,” ASSURANCES TO CLASSES OF ACTIVITIES SPECIFIED IN PARAGRAPH 2**

**a. Applicability:**

The applicability of the numbered provisions in **Section “B,” Assurances**, to the respective classes of activities specified in **Paragraphs 2.a, 2.b, and 2.c of Section “A,”** is as follows:

**ACTIVITY CLASS**

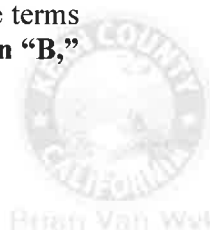
**NUMBERED PROVISIONS  
APPLICABLE TO  
AGREEMENTS**

|                                    |                  |
|------------------------------------|------------------|
| Direct and Supportive Aeronautical | 1 thru 16        |
| Complimentary Airport              | 1 thru 14 and 16 |
| Non-Aeronautical                   | 1 thru 14 and 16 |

**b. Definition of Terms Used in Section “B,” Assurances:**

In order to facilitate ease of fulfillment of the requirements specified in **Paragraph 1 of Section “A,”** this Exhibit is designed to be attached to and made a part of all County Department of Airports (“**Department**”) Agreements,” including without limitation, leases, licenses, permits, agreements, and contracts. Therefore, in the event the Agreement to which this Exhibit is shall be other than a lease, or be a lease:

(1) where the parties are referred to other than “Lessor” and “Lessee,” then, where the terms “Lessor,” “Lessee” and “Lease” appear within the 16 numbered “Assurances” listed in **Section “B,”**



those terms shall be deemed to mean, respectively, the “**County of Kern, California,**” the “**Other Party to the particular Agreement**” (e.g., Lessee, Licensee, Permittee, Operator, and Concessionaire), and the “**Agreement**” itself (regardless of title, type and/or description, including without limitation, Leases, Licenses, Permits, Agreements, and Contracts); and

(2) where the terms “**Land Leased**” and “**Leased Premises**” (and all reasonably identifiable derivations thereof) appear, those terms shall be deemed to mean the land and/or premises specifically identified in the Agreement as being that to which leasehold interests are expressly granted and/or those in, upon, to and/or from which tenancies, occupancies, uses, operations, and/or accesses by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term **Airport** appears, it shall be deemed to mean the particular airport identified in the Agreement between the parties as being the Airport to which the Agreement pertains.

## SECTION “B” ASSURANCES

1. **Lessee** for itself, and its heirs, personal representatives, successors, and assigns, as a part of the consideration thereof, does hereby covenant and agree (as a covenant running with the land if the Agreement to which this Exhibit is attached is a lease that in the event facilities are constructed, maintained or otherwise operated on the said property described in the **Lease** for a purpose for which a U.S. Department of Transportation (“**DOT**”) Program or activity is extended or for another purpose involving the provision of similar services or benefits, **Lessee** shall maintain and operate all facilities and services in conjunction with all other requirements imposed pursuant to Title 49, Code of Federal Regulations (“**CFR**”), DOT, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as those Regulations may be amended.

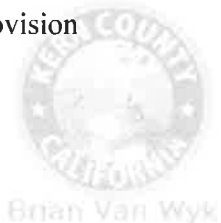
2. **Lessee**, for itself, and its heirs, personal representatives, successors, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the agreement to which this Exhibit is attached is a lease) that:

(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 any facilities;

(2) in the construction of any improvements on, over, or under the 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 subject to discrimination; and

(3) **Lessee** shall use the “**Premises**” in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as those Regulations may be amended.

3. In the event of breach of any of the non-discrimination covenants contained in **Provision 2**, **Lessor** shall have the right to terminate the **Lease** and to reenter and repossess the land and the facilities thereon, and hold the same as if the **Lease** had never been made or issued. This provision



does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

4. **Lessee** shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. However, **Lessee** may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with **Provision 4** shall constitute a material breach thereof, and in the event of such non-compliance, County, as **Lessor**, shall have the right to terminate the **Lease** and the leasehold estate thereby created without liability therefor or, at the election of **Lessor** or the United States, either or both governmental authorities shall have the right to judicially enforce **Provisions 1, 2, 3 and 4**.

6. **Lessee** agrees that it shall insert **Provisions 1, 2, 3, 4. and 5** in any lease, license, permit, agreement, contract, etc., by which **Lessee** grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the **Leased Premises**.

7. **Lessor** reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of **Lessee** and without interference or hindrance from **Lessee**.

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

9. This **Lease** shall be subordinate to the provisions and requirements of any existing or further agreement between **Lessor** and the **FAA**, relative to the development, operation or maintenance of the **Airport**.

10. **Lessor** reserves, for itself, and its heirs, personal representatives, successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the **Leased Premises**. This public right of flight shall include the right to cause in that airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from or operation on the **Airport**.

11. **Lessee** shall comply with the notification and review requirements covered in Part 77 of the FAA Regulations, in the event future construction of a building is planned for the **Leased Premises** or in the event of any planned modification or alteration of any present or future building or structure located on the **Leased Premises**.

12. **Lessee**, by accepting the **Lease**, expressly agrees, for itself, and its heirs, personal representatives, successors, and assigns, that it will not erect or permit the erection of any structure or object, or permit the growth of any tree on the **Leased Premises** which would exceed the height limits of Part 77 of the FAA Regulations. If **Lessee** breaches these covenants, **Lessor** reserves the right to enter upon the **Leased Premises** and to remove the offending structure or object, or cut the offending tree, all of which shall be at **Lessee's** sole cost.



13. Lessee, by accepting the Lease, agrees, for itself, and its heirs, personal representatives, successors, and assigns, that it will not make use of the **Leased Premises** in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the **Airport** or otherwise constitute a hazard. If Lessee breaches this covenant, **Lessor** reserves the right to enter upon the **Leased Premises** and cause such interference to be abated at **Lessee's** sole cost.

14. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (40 U.S.C. 1349a).

15. The **Lease** and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the **Airport** or the exclusive or non-exclusive use of the **Airport** by the United States during the time of war or national emergency.

16. Lessee acknowledges and agrees that **Lessee's** right to use the aircraft apron area ("**Apron Area**"), if any, shall not be exclusive and, to the extent permitted by the provisions of the **Airport's** existing or future agreements with the United States of America granting Federal Funds for the development of the **Airport**, shall be a non-exclusive preferential right. "Non-exclusive preferential right" means that the **Airport Airports Director** or his/her designee may permit the use of the **Apron Area** by members of the general public so long as such use does not unreasonably interfere with **Lessee's** use of the **Apron Area**. As used herein, "members of the general public" does not include a competitor of **Lessee**.

