



INVITATION FOR PROPOSAL

Humboldt County Public Works Division of Aviation

PRIVATE HANGAR DEVELOPMENT ARCATA/EUREKA AIRPORT

The County of Humboldt is seeking a proposal or proposals from one or more private or business entities with proven qualifications to lease land for the development and construction of a hangar, or hangars, for private aircraft. To this end the County of Humboldt invites sealed proposals for the private lease and development of four (4) Corporate hangar areas or eight (8) Executive hangar areas. Areas are located on the northeast side of the Arcata/Eureka Airport and described in the vicinity map, "Exhibit A" (referred to herein as the "Lease Area"). A proposal may cover one site, a combination of sites, or all twelve (12) sites.

LEASE TERM:

The lease term will be commensurate with the level of capital improvement that will be made by the successful proposer(s) based upon Capital improvements of at least \$5,000.00 or more per year per each Lease Area designated as A-1 through B-8. The County envisions that a thirty (30) year term with two, ten (10) year renewal options subject to the terms and conditions of the Lease Agreement will be granted to the successful proposer/s.

LEASE AREA:

Each Corporate hangar A1-A4 lease space includes 100'X100' hangar area, 5' hardscape area behind the sidewalk, and 110'x135' ramp area from the hangar to ramp taxilane. Hangars are to maintain a 20' access area between adjacent structures. There will be costs associated with each sewer-hookup.

Each Executive hangar B1-B8 includes 50'x50' hangar area, 5' hardscape area behind the sidewalk, 20'x60' ramp area in front of hangar to ramp taxilane. Three 20' access areas are maintained by the corresponding leaseholder per the hangar lease lot plan.

The Hangar Lease Lot Plan is attached as "Exhibit A" identifying the location of each lease area on Airport property. The lease area(s) are described as the following:

HANGAR TYPE	PARCEL ID NUMBER	HANGAR SIZE	LEASE SITE	
			SQUARE FEET	APPROXIMATE ACRES
CORPORATE	A-1	100 X100 FEET	26,400	0.61
	A-2	100 X100 FEET	28,800	0.66
	A-3	100 X100 FEET	28,800	0.66
	A-4	100 X100 FEET	26,400	0.61
EXECUTIVE	B-1	50 X50 FEET	3,750	0.09
	B-2	50 X50 FEET	4,500	0.10
	B-3	50 X50 FEET	4,500	0.10
	B-4	50 X50 FEET	4,500	0.10
	B-5	50 X50 FEET	4,500	0.10
	B-6	50 X50 FEET	4,500	0.10
	B-7	50 X50 FEET	4,500	0.10
	B-8	50 X50 FEET	3,750	0.09

LEASE FEES:

Lease fees shall include a Base Rent consisting of an annual amount per square foot of each lease site size per year. The Base Rent shall be determined in the proposal process with acceptable proposals starting at a minimum of \$0.35 per square foot of lease site size per year. Rent will be due monthly beginning when the lease is approved and signed by the Board of Supervisors.

PREPROPOSAL CONFERENCE:

There will be a pre-proposal conference at 10:00 AM, on May 23, 2007 in the Airport Conference room, 3561 Boeing Avenue, 2nd Floor, McKinleyville, CA.

ORAL INSTRUCTIONS-INTERPRETATIONS:

The County of Humboldt will not be responsible for proposers adjusting their proposals based on oral instruction by any member of the County, County Staff, or by the County’s contracted consultant or agent. Proposals deviating from the specifications contained herein by any means other than written addendum issued by the Airports Manager will be subject to rejection. In the event of a conflict between the terms of the Lease Agreement and the terms of the Invitation for Proposal documents, the terms of the Lease Agreement shall control.

ADDENDA:

Any addendum issued as a result of any change in this Invitation for Proposal shall become part of the Invitation for Proposals and must be acknowledged in the Proposal. Failure to indicate receipt of addenda may result in a proposal being rejected as nonresponsive.

A proposer must provide verification of receipt of any/all addenda to this invitation for proposals by completing the section below.

Addendum # _____ Dated _____ Received by _____
Signature of Proposal Signer

Addendum # _____ Dated _____ Received by _____
Signature of Proposal Signer

Addendum # _____ Dated _____ Received by _____
Signature of Proposal Signer

Addendum # _____ Dated _____ Received by _____
Signature of Proposal Signer

Addendum # _____ Dated _____ Received by _____
Signature of Proposal Signer

PROPOSAL SUBMITTAL:

A completed proposal document (including all of the information requested in this Invitation for Proposal) must be submitted to constitute an acceptable proposal. The successful proposer(s) will be required to execute a Lease Agreement substantially in the form as shown in “Exhibit B” and perform all obligations thereunder whether or not otherwise required by the Invitation for Proposals.

It is the County’s intent that the contractual relationship between the proposer and the County shall be substantially as set forth in the sample lease agreement shown in “Exhibit B”. In developing the proposal, the proposer should carefully review the agreement to take into consideration the rights, obligations, and

costs associated with entering into the sample lease. Any substantial change in the agreement that the proposer desires must be specified in the proposal.

One (1) original plus seven (7) complete sets of the proposal must be submitted in a sealed envelope addressed to the Property Agent and marked with the words "PROPOSAL FOR COMMERCIAL LAND LEASE FOR HANGAR DEVELOPMENT AT THE ARCATA/EUREKA AIRPORT" plainly marked on the envelope. The proposer's name and address must also appear in the upper left corner of the envelope.

ANY QUESTIONS OR REQUESTS FOR INFORMATION RELATING TO THIS INVITATION FOR PROPOSAL OR THE TERMS AND CONDITIONS OF THE LEASE AGREEMENT SHOULD BE DIRECTED TO:

Jacquelyn Hulseley, Airports Manager
Public Works, Aviation Division
1106 2nd Street, Eureka, CA 95501
707-445- 7652

The County of Humboldt reserves the right to request additional or supplemental information or clarifications from proposers, to conduct such investigations as the County considers appropriate with respect to the qualifications and capabilities of any proposer or information contained in any proposal, to reject any or all proposals, to modify or supplement or amend the Invitation for Proposals or the proposal process/schedule, to waive any formality to negotiate with proposers, to cancel or re-issue the Invitation of Proposal, or advertise for new proposals. Proposals received after the due date and time will not be accepted and will be returned unopened.

PROPOSALS ARE DUE BY 4:00 PM, LOCAL TIME, June 26, 2007 AT THE PUBLIC WORKS BUILDING, 1106 2ND STREET, EUREKA, CA 95501

SEALED PROPOSALS SHALL BE MAILED OR HAND DELIVERED TO:

Jacquelyn Hulseley, Real Property Agent
Public Works, Aviation Division
1106 2nd Street
Eureka, Ca 95501

Proposals shall remain in effect until the Lease Agreement is executed and authorized by the Humboldt County Board of Supervisors or ninety (90) calendar days after the proposal due date, whichever occurs first.

The County Of Humboldt assumes no responsibility or liability for costs incurred by the proposer associated with the development, preparation, transmittal, or presentation of any proposal or any additional materials submitted by a proposer in response to this IFP. Materials submitted in connection with this IFP are for the exclusive use of the County of Humboldt. All proposals become the property of the County and will not be subject to return. The County may use as its own, without payment of any kind, or liability, any ideas, suggestions, layout, or plan received during the proposal process.

PERFORMANCE GUARANTEE(S):

The successful proposer(s) shall provide the County with a performance bond(s) guaranteeing the faithful performance of the construction obligations of the Lease Agreement prior to commencing construction. The performance bond(s) shall be in the amount equal to the cost to construct the proposed facilities and improvements, and shall name the County of Humboldt as beneficiary.

POSSESSORY INTEREST TAX:

The lease agreement may create a possessory interest, as described in Section 107 et seq. of the Revenue and Taxation Code of the State of California, in tax-exempt property. If such an interest is created, it may

be subject to property taxation and the party in whom the possessory interest is vested may be subject to the payment of taxes on such interest.

RULES:

All proposers must be of good moral character and must not have been convicted of a felony or a crime involving moral turpitude in the last ten (10) years. All proposers must agree to submit to any background checks as deemed necessary by the County. Proposers shall fully comply with all laws, ordinances, rules and regulations of the United States, the Federal Aviation Administration, the Transportation Security Administration, State of California, and County of Humboldt, including Minimum Operating Standards, Rules and Regulations, and specifically County regulations including but not limited to real estate lease agreements/building permits and fees/zoning/use permit stipulations, regulations regarding drugs, alcoholic beverages, nuisance abatement, immoral conduct, excise taxes, and the Humboldt County nuclear free ordinance conditions.

The Base Rent is the amount of guaranteed minimum rent that the proposer will pay the County per month throughout the term of the Lease Agreement. The guaranteed minimum monthly rental amount must be no less than \$0.35 per square foot per lease site per year. This monthly minimum rental does not include possessory interest taxes as defined by the Possessory Interest Tax Section above.

The proposer is responsible for making all necessary investigations and examinations of documents affecting performance. Failure to do so will not act to relieve any conditions of the sample agreement or the documents. It is mutually agreed that the submission of a proposal shall be considered conclusive evidence that the proposer has made such investigations and examinations.

The County, its agents, officers, volunteers, and employees, shall not be liable for any claims, liabilities, penalties, fines, or for damages to any goods, properties or effects of any person, including claims by reason of alleged defects in the plans and specifications, caused by or resulting from any acts, errors or omissions of the proposer or the proposer's agents, employees, or representatives.

PUBLIC DISCLOSURE:

All information contained in the IFP will be subject to public disclosure under California Public Records Act, Government Code section 6250 et seq. Except as provided below, submission of the proposal shall be deemed to be a waiver of any exemption or exception to disclosure which the proposer may otherwise have.

Any reasonable inquiry to determine the responsibility of a proposer may be conducted by the County. The submission of a proposal shall constitute permission by the proposer for the County to verify all information contained within that proposal. If the County deems it necessary, additional information may be requested from the proposer. Failure to comply with any request may disqualify a proposer from further consideration. Such additional information may include evidence of financial ability to perform, for example, tax returns, bank statements, etc.

All financial information submitted in response to a request for financial data is subject to disclosure under the provisions of the California Public Records Act. In the event the County receives a request for disclosure of any such information, prior to the release of any such information, the County will contact the proposer and will not release the information if the proposer agrees to indemnify, defend, and hold harmless the County in any action brought to disclose such information. The proposer, by submitting such information, agrees that the failure of County to contact the proposer prior to the release of such information will not be a basis for liability by County or any County employee to proposer.

PROPOSAL EVALUATION PROCESS:

Proposals will be evaluated on a comparative basis and based on the weights identified in the Proposal Statement section of the Invitation for Proposals.

GROUND FOR DENIAL OR DISQUALIFICATION:

This is not a solicitation of bids. The County does reserve the right, for any reason, to accept or reject any one or more proposals, to negotiate the terms and specifications for the hangar site(s), to modify any part of the IFP, or to issue a new IFP. The County assumes no responsibility or liability for the accuracy of any information set forth in maps, reports, or other documents/materials provided for the proposers' use in developing their proposal. The proposer assumes all liability in the use of such information in developing their proposal. The County may deny or disqualify any proposal for any one or more of the following reasons:

1. The proposer for any reason does not fully meet the qualifications, standards, and requirements established by the County. The burden of proof shall be on the proposer and the standard of proof shall be by clear and convincing evidence.
2. The proposer's proposed activities and/or improvements will create a safety hazard for the Airport.
3. The acceptance of the proposal will require the County to expend funds and/or supply labor and/or materials in connection with the proposed activities and/or improvements that the County is unwilling and/or unable to spend and/or will result in a financial loss or hardship to the County.
4. The proposer has either intentionally or unintentionally misrepresented or omitted material fact in the proposal or in supporting documentation
5. The proposer has failed to make full disclosure in the proposal or in supporting documentation.
6. The proposer (or an officer, director, agent, representative, shareholder, or employee of proposer) has a record of violating the regulatory measures of any other airport, FAA, or any other regulatory measure applicable to the Airport or the proposer's proposed activity.
7. The proposer (or an officer, director, agent, representative, shareholder, or employee of proposer) has defaulted in the performance of any lease sublease or other agreement at the Airport or at any other airport.
8. The proposer does not exhibit adequate financial responsibility or capability to undertake the proposed activity.
9. The proposer cannot provide a performance bond or applicable insurance in the type and amounts required by the County for the proposed activity.
10. The proposer (or an officer or director of proposer) has been convicted of a felony within the last ten (10) years or moral turpitude.
11. The proposer seeks terms and conditions which are inconsistent with County policies, the Invitation for Proposals, or are not in the best interest of the County.

SCHEDULE:

The tentative schedule for the selection process is as follows:

Invitations for Proposals available for distribution.	May 9, 2007
Pre-proposal conference and site inspection 10:00 AM	May 23, 2007
Deadline for questions (must be submitted in writing).	May 28, 2007
Proposal Deadline 4:00PM Local Time.	June, 26, 2007
Announce and notify finalists and schedule presentations (if necessary).	<i>(14 days later)</i>
Presentation (if necessary).	<i>(14 days later)</i>
Recommendation to the Board of Supervisors to approve selection.	<i>(30 days later)</i>
Finalize lease negotiations	<i>(30 days per lease)</i>
Board of Supervisors approval and signature of lease.	<i>(Est.30 days per lease)</i>

Note: Some adjustment to the schedule may be required due to the number of leases that may originate from this Invitation for Proposal

PROPOSER INSTRUCTION:

Proposals must be organized so that each element (identified under Proposal Statement) is addressed in the order indicated. Proposers must answer all questions completely and accurately and furnish all required information/documents. Failure to do so may result in disqualification.

Responses to the information requested in the Proposer Information and Warrant Form Section of the Invitation for Proposals must be typed on the forms provided. Proposals that contain omissions, erasures, or alterations may be rejected. Proposals must be typewritten using 12-point font on standard 8-1/2" by 11" paper. Proposals, excluding exhibits, must not exceed 60 pages single sided. Proposals must be bound on the left long side. The original proposal must be three-ring bound.

PROPOSAL CONTENT:

1. Cover Letter

Each proposer must submit a cover letter identify the proposing entity (ies). An authorized representative of the proposing entity must sign the cover letter.

2. Executive Summary

Each proposal must contain an Executive Summary that summarizes the key elements of the Proposal Statement. In addition, the Executive Summary should include a statement explaining why the proposer is qualified to develop, operate, and manage a hangar or hangars, and why the proposer would be the best selection.

3. Proposer Information Form

Each proposer must complete the Proposer Information Form and attach all required information and/or documentation.

4. Proposal Warrant Form

Each proposer must complete the Proposer Warrant Form and attach all required information and/or documentation.

All proposers must submit evidence that they have the necessary qualifications, experience, capabilities, and financial resources to fulfill the terms and conditions of the Lease Agreement. To provide the County of Humboldt with information on this point, proposers must complete and submit all of the information stipulated in this Section. All of the information submitted by the proposer will be relied upon by the County of Humboldt in leasing of land and granting of privileges at the Airport and must be warranted by the proposer as true, accurate, and complete. **Failure to submit a completed Proposal including all required attachments or documentation will be grounds for disqualification of the proposer.** Forms and information submitted in response to this Invitation for Proposals shall become property of the County and will not be returned to the proposer.

PROPOSAL STATEMENT:

Proposer(s) must complete a Proposal Statement by providing the following information and executing the Proposer Information and Warrant Form.

1. COMPENSATION TO THE COUNTY

- a. Minimum amount of compensation (including all rents, fees, and other remuneration) proposed to be paid to the County.

2. DEVELOPMENT PLAN

- a. A description of and preliminary specification for the proposed facilities, improvements, and associated amenities.
- b. Preliminary drawings including a site plan and elevations and a rendering of the proposed facility and improvements.
- c. A cost estimate and schedule for the development of the proposed facility and improvements.
- d. An overview of the background, experience, qualifications, capabilities and role of each member of the design/construction team.
- e. Contact information and a minimum of three references for each member of the design/construction team.
- f. Evidence of the ability to obtain a performance bond.
- g. Identify the proposed term of the Lease agreement and the proposed date for the commencement of construction.

3. OPERATING PLAN.

- a. A description of the proposed use of the hangar.
- b. A description of the proposed aircraft, vehicles and equipment (including inventories) that will be based at the airport.
- c. A description of the policies and procedures that will be utilized by the proposer to include safety, emergency procedures, incident/accident prevention and reporting, environmental, security, communications and customer service.
- d. A description of the level, quality, and manner in which the proposed products and services will be provided and the proposed vehicles, equipment, aircraft, and facilities will be maintained.
- e. Evidence of the ability to obtain the insurance coverages required in the sample lease.
- f. Copies of all applicable licenses, permits, and operating certificates.

4. MARKETING PLAN FOR COMMERCIAL AVIATION ACTIVITY

- a. A description of the proposer's target market(s) and the marketing and sales strategy (including promotional methods and mix) that will be utilized to reach the target market(s).
- b. A description of the proposer's pricing strategies, image development (and/or enhancement) program(s), and the process(es) that will be utilized to evaluate the effectiveness of the proposer's marketing and image development programs.
- c. A description of the proposer's experiences promoting aviation products, services and facilities as well as the proposer's experience in raising the visibility and attractiveness of an airport.
- d. An overview of the proposer's experience championing issues that provide for positive exposure, growth, and development of an airport.
- e. A projection of the proposer's anticipated market share over a five (5) year period including the percentage of product and service sales anticipated to based and transient aircraft owners /operators.
- f. A detailed marketing budget.

5. MANAGEMENT PLAN.

- a. A statement of the proposer’s mission, vision, and values.
- b. A chart depicting the proposer’s organizational structure.
- c. Resumes and a description of the roles and responsibilities for the proposer’s principals, manager (including general managers), and other key personnel.
- d. Proposed staffing levels including management and operating level employees that will be necessary to provide the proposed products, services, and maintain the proposed vehicles, equipment, aircraft, and facilities.
- e. A description of the training program(s) that will be utilized by the proposer.
- f. A description of the process(s) that will be utilized to evaluate the level and quality of products, services, and facilities that will be provided and the manner in which complaints and/or disputes will be resolved.
- g. An overview of the system(s) that will be utilized to manage the proposer’s resources including management information systems and accounting systems/programs.
- h. Five business references
- i. Five financial references.

6. FINANCIAL PLAN

- a. A demonstrated financial ability to initiate the proposed development and provide working capital.
- b. A statement of financial responsibility from a qualified financial institution or from such other source as may be readily verified through normal channels.
- c. A three (3) year historical financial profit and loss statement.
- d. A three (3) year historical balance sheet.
- e. A five (5) year financial profit and loss projection.
- f. A cash flow statement.

7. QUALIFICATIONS AND EXPERIENCE

- a. A description of the proposer’s experience, qualifications, and capabilities pertaining to the development, operation, and management of hangars.

8. ADDITIONAL INFORMATION

- a. A proposer may provide additional data, exhibits or other attachments if deemed important and relevant to the proposal.

9. EVALUATING AND RANKING THE PROPOSALS

The weighting or value associated with each of the preceding areas is as follows and has been provided to give proposers an idea of the relative importance of each element to the County

- a. COMPENSATION TO THE COUNTY (20%)
- b. DEVELOPMENT PLAN (15%)
- c. OPERATING PLAN (10%)
- d. COMMERCIAL AVIATION ACTIVITY MARKETING PLAN (10%)
- e. MANAGEMENT PLAN (10%)
- f. FINANCIAL PLAN (15%)
- g. QUALIFICATIONS AND EXPERIENCE (20%)

PROPOSAL WARRANT FORM

Those desiring to submit a proposal warrant the following:

1. If **SOLE PROPRIETOR**, complete the following:
 - a. Individual doing business under the name of _____
in the City of _____ and County _____
in the State of _____.
 - b. Date business began operations _____.

2. If a **PARTNERSHIP**
 - a. The undersigned is an authorized representative of a partnership, doing business under the name of _____ in the City of _____ and the County of _____ in the State of _____.
 - b. Describe the type of partnership (check one), ___ General Partnership, ___ Joint Venture, ___ Limited Partnership, ___ Other _____.
 - c. Date Partnership was formed _____.
 - d. Has the Partnership been recorded? ___ YES ___ NO,
 - e. If YES list where _____ and when _____.
 - f. The following is a complete and accurate list of names of the partnership participants, partners, joint ventures, and beneficiaries. (Attach a separate sheet and identify as paragraph 2f, if preferred or necessary).

3. If a **CORPORATION**, complete the following:
 - a. The undersigned is a duly authorized officer acting as _____ of _____, a corporation organized on _____ and existing under the laws of the State of _____.
 - b. The Corporation is (check one): ___ Private ___ Public.
 - c. If a publicly held corporation, how and where is the stock traded _____.
 - d. If a foreign corporation, (not from California) please provide "Certificate of Qualification" from the California Secretary of State: Number _____.
 - e. The following is a complete and accurate list of officers, directors, and major shareholders of said corporation (attach separate list if preferred or if necessary and identify as paragraph 3e.) (**NOTE:** If the corporation is listed on the New York or American Stock Exchange and its last annual statement and report is submitted herewith, the names of shareholders need not be listed in this form.)
 - f. The following officers are duly authorized to execute contracts on behalf of said corporation. (Please attach a copy of corporation resolution or by-laws authorizing these officers and identified as paragraph 3f.)

4. If a **LIMITED LIABILITY COMPANY**, complete the following:
 - a. The undersigned is the duly authorized member (or Officer) acting as _____ of _____, a limited liability company organized on _____ and existing under the laws of the State of _____.
 - b. If a foreign limited liability company (not from California) please provides the "Certificate of Qualification" from the California Secretary of State: Number _____.
 - c. The following is a complete and accurate list of members, officers, and directors of limited liability company (attach separate list if preferred or if necessary, and identify as paragraph 4c).

- d. The following members (or Officers) are duly authorized to execute contracts on behalf of said limited liability company. (Please attach a copy of articles of organization and the operating agreement authorizing these members (or officers) and identified as paragraph 4d.)

5. LEGAL STATEMENTS

Please answer the following questions as they may apply to proposer (including sole proprietors, partners and/or members individually or collectively of a partnership or limited liability company, or director, officer, or shareholder of a corporation).

- a. Has the Proposer ever been convicted of a felony? _____Yes _____No (if yes, please give date, place and nature of conviction on a separate sheet identified as Paragraph 5a.)
- b. Has the Proposer ever been convicted of a crime of moral turpitude? _____Yes _____No (if yes, please give date, place and nature of conviction on a separate sheet identified as Paragraph 5b.)
- c. Does the Proposer have any judgment (rendered in a court of law) outstanding against them? _____Yes _____No (if yes, please give date, place and nature of judgment on a separate sheet identified as Paragraph 5c.)
- d. Has the Proposer declared bankruptcy within the last 10 years? _____Yes _____No (if yes, please give date, place and nature of proceeding on a separate sheet identified as Paragraph 5d.)
- e. Has any lease, use, or operating agreement for any business enterprises held by the Proposer ever been canceled or placed in default? _____Yes _____No (if yes, please give date, place and nature of cancellation or default on a separate sheet identified as Paragraph 5e.)
- f. Has any lease, use or operating agreement for any construction agreement held by the Proposer ever been cancelled or placed in default? _____Yes _____No (if yes, please give date, place and nature of cancellation or default on a separate sheet identified as Paragraph 5f.)
- g. Has the Proposer (or entity the Proposer has had an ownership interest in) ever had a bond or surety canceled or forfeited? _____Yes _____No (If Yes, please give name of the bonding company name and address of principal on bond and reason for such cancellation or forfeiture on a separate sheet identified as Paragraph 5g.)
- h. Is there any member of the County, its staff or employees, or families who has any direct or indirect financial interest in the proposing entity? _____Yes _____No (if Yes, please give name(s) of such individual(s) and describe the relationship on a separate sheet identified as Paragraph 5h.)
- i. If Proposer is owned or licensed by another person, partnership, corporation or limited liability corporation (or if the Proposer does business under another name), provide the name of that entity_____.

6. EXPERIENCE

Provide the names of five individuals (and contact information) who can verify the proposer's experience, qualifications, and capabilities to develop, operate, and manage the construction of aircraft hangars

PERSON _____
COMPANY _____
ADDRESS _____
ADDRESS _____
CITY, STATE ZIP _____
TELEPHONE _____ FAX _____
E-MAIL ADDRESS _____

PERSON _____
COMPANY _____
ADDRESS _____
ADDRESS _____
CITY, STATE ZIP _____
TELEPHONE _____ FAX _____
E-MAIL ADDRESS _____

PERSON _____
COMPANY _____
ADDRESS _____
ADDRESS _____
CITY, STATE ZIP _____
TELEPHONE _____ FAX _____
E-MAIL ADDRESS _____

PERSON _____
COMPANY _____
ADDRESS _____
ADDRESS _____
CITY, STATE ZIP _____
TELEPHONE _____ FAX _____
E-MAIL ADDRESS _____

PERSON _____
COMPANY _____
ADDRESS _____
ADDRESS _____
CITY, STATE ZIP _____
TELEPHONE _____ FAX _____
E-MAIL ADDRESS _____

Exhibit A

**Arcata/Eureka Airport
General Aviation Hangar Areas
Pages 13 through 19**

Hangar Lease Lot Plan

Parcel Map OF Each Hangar Areas

Parcel name: HANGAR A1

North: 2247572.5692	East :5980693.5144
Line Course: S 31-07-08 W	Length: 240.00
North: 2247367.1060	East :5980569.4787
Line Course: S 58-5252 E	Length: 110.00
North: 2247310.2562	East :5980663.6493
Line Course: N 31-07-08 E	Length: 240.00
North: 2247515.7195	East :5980787.6851
Line Course: N 585252 W	Length: 110.00
North: 2247572.5692	East :5980693.5144

Perimeter: 700.00 Area: 26,400 sq.ft. 0.61 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 700,000,000.00

Parcel name: HANGAR A2

North: 2247310.2567	East :5980663.6497
Line Course: S 585252 E	Length: 120.00
North: 2247248.2388	East :5980766.3813
Line Course: N 31-0708 E	Length: 240.00
North: 2247453.7020	East :5980890.4170
Line Course: N 58-52-52 W	Length: 120.00
North: 2247515.7199	East :5980787.6854
Line Course: S 31-07-08 W	Length: 240.00
North: 2247310.2567	East :5980663.6497

Perimeter: 720.00 Area: 28,800 sq.ft. 0.66 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 720,000,000.00

Parcel name: HANGAR A3

North: 2247248.2388 East : 5980766.3813
Line Course: S 58-52-52 E Length: 120.00
 North: 2247186.2210 East : 5980869.1129
Line Course: N 31-07-08 E Length: 240.00
 North 2247391.6842 East : 5980993.1487
Line Course: N 58-52-52 W Length: 120.00
 North: 2247453.7021 East : 5980890.4171
Line Course: S 31-07-08 W Length: 240.00
 North: 2247248.2388 East : 5980766.3813

Perimeter. 72000 Area: 28,800 sq.ft. 066 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 720,000,00000

Parcel name : HANGAR A4

North: 2247391.6838 East : 5980993.1483
Line Course: S 31-07-08 W Length: 24000
 North: 2247186.2206 East : 5980869.1126
Line Course: S 58-52-52 E Length: 110.00
 North: 2247129.3709 East : 5980963.2832
Line Course: N 31-07-08 E Length: 240.00
 North: 2247334.8341 East : 5981087.3190
Line Course: N 58-52-52 W Length: 110.00
 North: 2247391.6838 East : 5980993.1483

Perimeter: 700.00 Area: 26,400 sq.ft. 0.61 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East : 0.00000
Precision 1: 700,000,000.00

Parcel name: HANGAR B1

North: 2247670.8625 East : 5980811.2575
Line Course: S 31-07-08 W Length: 75.00
 North: 2247606.6552 East : 5980772.4963
Line Course: N 58-52-52 W Length: 50.00
 North: 2247632.4960 East : 5980729.6915
Line Course: N 31-07-08 E Length: 75.00
 North: 2247696.7032 East : 5980768.4526
Line Course: S 58-52-52 E Length: 50.00
 North: 2247670.8625 East : 5980811,2575

Perimeter: 250.00 Area: 3,750 sq.ft. 0.09 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 250,000,000.00

Parcel name: HANGAR B2

North: 2247639.8536	East :5980862.6233
Line Course: S 31-07-08 W	Length: 75.00
North: 2247575.6463	East :5980823.8621
Line Course: N 58-52-52 W	Length: 60.00
North: 2247606.6552	East :5980772.4963
Line Course: N 31-07-08 E	Length: 75.00
North: 2247670.7625	East :5980811.2575
Line Course: S 58-52-52 E	Length: 60.00
North: 2247639.8536	East :5980862.6233

Perimeter: 270.00 Area: 4,500 sq.ft. 0.10 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)
Error Closure. 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0,00000
Precision 1: 270,000,000.00

Parcel name: HANGAR B3

North: 2247608.8446	East :5980913.9891
Line Course: S 31-07-08 W	Length: 75.00
North: 2247544.6374	East :5980875.2279
Line Course: N 58-52-52 W	Length: 60.00
North: 2247575.6463	East :5980823.8621
Line Course: N 31-07-08 E	Length: 75.00
North: 2247639.8536	East :5980862.6233
Line Course: S 58-52-52 E	Length: 60.00
North: 2247608.8446	East :5980913.9891

Perimeter: 270.00 Area: 4,500 sq.ft. 0.10 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure. 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 270,000,000.00

Parcel name: HANGAR B4

North: 2247577.8357	East : 5980965.3549
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Line Course: S 31-07-08 W Length: 75.00
 North: 2247513.6285 East : 5980926.5938
Line Course: N 58-52-52 W Length: 60.00
 North: 2247544.6374 East : 5980875.2279
Line Course: N 31-07-08 E Length: 75.00
 North: 2247608.8447 East : 5980913.9891
Line Course: S 58-52-52 E Length: 60.00
 North: 2247577.8357 East : 5980965.3549

Perimeter: 270.00 Area: 4,500 sq.ft. 010 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)

Error Closure: 0.0000 Course: S 90-00--00 E

Error North: 000000 East :D00000

Precision 1: 270,000,00000

Parcel name : HANGAR B5

 North: 2247546.8268 East : 5981016.7207
Line Course: S 31-07-08 W Length: 75.00
 North: 2247482.5195 East : 5980977.9596
Line Course: N 58-52-52 W Length: 60.00
 North: 2247513.6285 East : 5980926.5938
Line Course: N 31-07-08 E Length: 75.00
 North: 2247577.8357 East : 5980965.3549
Line Course: S 58-52-52 E Length: 65.00
 North: 2247546.8268 East : 5981016.7207

Perimeter: 270.00 Area: 4,500 sq.ft. 010 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0000 Course: S 90-00-00 E

Error North: 0.00000 East : 0.00000

Precision 1: 270,000,000.00

Parcel name: HANGAR B6

 North: 2247515.8179 East : 5981068.0866
Line Course: S 31-07-08 W Length: 75.00
 North: 2247451.6106 East : 5981029.3254
Line Course: N 58-52-52 W Length: 60.00
 North: 2247482.6196 East : 5980977.9596
Line Course: N 31-07-08 E Length: 75.00
 North: 2247546.8268 East : 5981016.7207
Line Course: S 58-52-52 W Length: 60.00
 North: 2247515.8179 East : 5981068.0866

Perimeter: 270.00 Area: 4,500 sq.ft. 0.10 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: 5 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 270,000,000.00

Parcel name: HANGAR B7

North: 2247484.8090	East :5981119.4524
Line Course: S 31-07-08 W	Length: 75.00
North: 2247420.6017	East :5981080.6912
Line Course: N 58-52-52 W	Length: 60.00
North: 2247451.6106	East :5981029.3254
Line Course: N 31-07-08 E	Length: 75.00
North: 2247515.8179	East :5981068.0866
Line Course: S 58-52-52 E	Length: 60.00
North: 2247484.8090	East :5981119.4524

Perimeter: 270.00 Area: 4,500 sq.ft. 0.10 acres

Mapcheck Closure (Uses listed courses, radii, and deltas)
Error Closure: 0.0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 270,000,000.00

Parcel name: HANGAR B8

North: 2247458.9682	East :5981162.2572
Line Course: S 31-07-08 W	Length: 75.00
North: 2247394.7609	East :5981123.4960
Line Course: N 58-52-52 W	Length: 50.00
North: 2247420.6017	East :5981080.6912
Line Course: N 31-07-08 E	Length: 75.00
North: 2247484.8090	East :5981119.4524
Line Course: S 58-52-52 E	Length: 50.00
North: 2247458.9682	East :5981162.2572

Perimeter: 250.00 Area: 3,750 sq.ft. 0.09 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0,0000 Course: S 90-00-00 E
Error North: 0.00000 East :0.00000
Precision 1: 250,000,000.00

LEASE

This Lease is entered into on _____, between _____ a _____, herein called LESSEE, and the COUNTY OF HUMBOLDT, a political subdivision of the State of California, herein called COUNTY.

WHEREAS, COUNTY owns and operates an airport known as _____Airport, hereinafter called Airport; and

WHEREAS, pursuant to Government Code Section 25536, the Board of Supervisors, by a four-fifths vote, may enter into leases of County Airport property without competitive bidding; and

WHEREAS, LESSEE desires to build a hangar for the private storage of his aircraft; and

WHEREAS, it is deemed mutually desirable by the parties hereto that LESSEE be permitted to build the hangar at the Airport.

NOW, THEREFORE, it is mutually agreed as follows:

1. LEASED PREMISES

COUNTY leases to LESSEE _____square feet of Airport property located at the _____Airport, _____, California, as shown on Exhibit A, which is attached hereto and incorporated herein.

2. USE OF PREMISES

The premises shall be used by LESSEE to construct a private hangar for the storage of private aircraft. LESSEE, except as allowed by separate agreement, shall not conduct any other activities on Airport. Lessee aircraft are identified in the Aircraft Information form(s) as shown

3. TERM

The term of this Lease shall commence on acceptance by the Board of Supervisors and shall terminate on _____.

Any holding over with COUNTY'S consent beyond the term of this Lease shall be a month-to-month basis until terminated by either party upon thirty (30) days written notice prior to the end of any one (1) month period.

4. BASE RENT

Commencing on the date the Board of Supervisors signs the lease, LESSEE shall pay rent to COUNTY in the amount of _____ Dollars (\$_____) per year, which shall be due regularly thereafter on each anniversary of the Commencement Date. Said rent is based upon _____ (\$ _____) per square foot. Rent is an annual rent and shall be paid in advance without prior notice or demand.

The Base Rent will be adjusted on each anniversary of the commencement date during the term of the Lease.

For purposes of this Section:

A. "Base Year" means the full calendar year during which the term of this Lease commences.

B. "Price Index" means the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (1982-84=100).

C. "Base Price Index" means the Price Index for the month (the "Base Month") nearest before the commencement date for which the Price Index is published.

The Base Rent payable will be adjusted as of each anniversary of the commencement date by a fraction whose numerator is the Price Index published for the then most recent anniversary month of the Base Month and whose denominator is the Base Price Index. The Base Rent will not be reduced below the amount first due.

5. LATE FEE AND PENALTY

All rent and/or fees not paid by date due shall be considered delinquent and a late charge of twenty percent (20%) of delinquency shall be assessed.

6. HANGAR CONSTRUCTION

LESSEE shall, at LESSEE'S sole cost and expense, construct or cause to be constructed on the premises an aircraft storage hangar _____ square feet (____' X ____'), in the manner and according to the terms and conditions specified in this Section. The duty to construct the hangar includes the duty for site preparation, including the removal, if necessary, of any buildings or other structures located on the premises, the installation or relocation of any utilities, and obtaining any and all necessary permits, including building permits.

LESSEE shall, at LESSEE'S own cost and expense, engage a licensed contractor, architect, or engineer to prepare plans and specifications for the hangar and shall submit for approval to Airports Manager within ninety (90) days from the effective date of this Lease three copies of

A. Drawings and materials in the form of preliminary plans and elevations sufficient to convey the architectural design of the hangar to COUNTY.

B. A statement of estimated construction costs for the hangar prepared by the engaged contractor, architect, or engineer.

The plans and specifications may be submitted to the Humboldt County Community Development Services Department, Building Division concurrent with Airports Manager's approval. After approval by Airports Manager of the documents described in Section 6 (A) of this Lease, any material change in the plans or specifications for the hangar shall be approved by Airports Manager. Airports Manager shall give written notice to LESSEE of any objections Airports Manager may have to any proposed changes within forty-five (45) days after a written statement of the proposed changes has been given to Airports Manager by LESSEE. Minor changes in work or materials need not be approved by Airports Manager, but a copy of the altered plans and specifications reflecting those changes shall be given to Airports Manager. For the purposes of this Section, "minor change" means one that does not materially change the exterior appearance, internal plan, location on the premises, or result in a change in the cost construction of more than Ten Thousand Dollars (\$10,000.00).

7. CONTRACTOR

All work required in the construction of the hangar, including any site preparation work and utility installation work, as well as actual construction work on the hangar or any other improvements, shall be performed under the direction and supervision of a competent contractor(s) or agent(s) licensed and in good standing under the laws of the State of California. Such contractor(s) may be an employee of LESSEE having a current Class B General Contractor's license issued by the State of California.

A. LESSEE shall record a Notice of Completion promptly within the time specified by law for the recording of that notice; and

B. LESSEE shall settle and discharge all liens of record claimed by persons who supplied either labor or materials for the construction of the hangar or any other improvements.

The hangar or any other improvements shall be constructed, all work on the premises shall be performed, and all buildings or other improvements on the premises shall be erected in accordance with all valid laws, ordinances, regulations, and orders of all federal, state, county, or local governmental agencies or entities having jurisdiction over the premises. Any structure or other improvement erected on the premises shall be deemed to have been constructed in full compliance with all such valid laws, ordinances, regulations, and orders when a valid final Certificate of Occupancy has been issued by proper governmental agencies or entities that entitles LESSEE and SUBLESSEES to occupy and use the structure or other improvements. All work performed on the premises pursuant to this Lease, or authorized by this Lease, shall be done in a good workmanlike manner and only with new materials of good quality and high standard.

8. TIME FOR COMPLETION

LESSEE shall cause construction of the hangar to be commenced no later than _____ (_____) days after approval by COUNTY of the documents described in Section 6 of this Lease, shall cause construction of the hangar to thereafter be diligently pursued without unnecessary interruption, and shall cause the hangar to be completed and ready for occupancy not later than _____ (____) days after commencement of its construction. LESSEE shall be excused for any delays in construction or commencement of construction caused by the act of any public enemy, acts of God, the elements, war, war defense conditions, litigation, strikes, walkouts, or other causes beyond LESSEE'S control. LESSEE shall, however, use reasonable diligence to avoid any such delay and resume construction as promptly as possible after the delay.

9. MECHANICS' LIENS

A. At all times during the term of this Lease, LESSEE shall keep the premises and all improvements now or hereafter located on the premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the premises.

B. Should LESSEE fail to pay and discharge or cause the premises to be released from any such lien or claim of lien within twenty (20) days after service on LESSEE of written request from COUNTY to do so, COUNTY may pay, adjust, compromise, and discharge any such lien or claim of lien on any terms and in any manner COUNTY may deem appropriate unless LESSEE is in good faith contesting, opposing, or objecting to such lien or claim of lien in compliance with Subsection (C) below. In the event LESSEE fails to pay and discharge or cause the premises to be released from any such lien or claim of lien, LESSEE shall, on or before the first day of the next calendar month following any such payment by COUNTY, reimburse COUNTY for the full amount paid by COUNTY in paying, adjusting, compromising, and discharging that lien or claim of lien, including any attorneys' fees or other costs expended by COUNTY, and late fees and penalty charges, as appropriate, as shown in COUNTY'S then current Schedule of Fees, together with interest at the then maximum legal rate from the date of payment by COUNTY to the date of repayment by LESSEE.

C. LESSEE shall have the right to contest, oppose, or object in good faith to the amount or the validity of any liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the premises, provided that written notice of the contest, opposition, or objection must be given to COUNTY at least five (5) days prior to LESSEE making or filing the contest, opposition, or objection. LESSEE shall be responsible for and shall pay all costs and expenses in any contest or legal proceeding instituted by LESSEE. In no event shall COUNTY be subjected to any liability for costs or expenses connected to any contest, and LESSEE agrees to indemnify and hold COUNTY harmless from any such costs and expenses. Furthermore, no such contest, opposition, or objection shall be continued or maintained unless LESSEE has provided to COUNTY such further written assurances as COUNTY may require within ten (10) days of COUNTY'S written request.

10. ZONING AND USE PERMITS

Should LESSEE deem it necessary or appropriate to obtain any building permit, use permit, variance, rezoning, or administrative permit of the premises in order to construct or operate the hangar, COUNTY agrees to execute any documents, petitions, applications, and authorizations that may be necessary or appropriate; provided, however, that any such permits, variances, or rezoning shall be obtained at the sole cost and expense of LESSEE and LESSEE agrees to protect and save COUNTY and the property of COUNTY, including the premises, free and harmless from any such cost and expense. LESSEE shall be required to file form 7460-1 with the Federal Aviation Administration prior to construction.

11. NO MODIFICATION ONCE COMPLETED

Once the hangar is completed, LESSEE shall not modify or change in any material manner the improvements or hangar without the prior written consent of Airports Manager and without securing all appropriate and required permits.

12. OWNERSHIP OF IMPROVEMENTS

Title to all improvements, including the hangar, to be constructed on the premises by LESSEE shall be owned by LESSEE until expiration of _____ (____) years from the commencement date of this Lease or earlier termination of this Lease. All improvements, including the hangar, on the premises at the expiration of the term or earlier termination of this Lease shall, without compensation to LESSEE, then automatically and without any act of LESSEE or any third party become COUNTY'S property. LESSEE shall surrender the improvements to COUNTY at the expiration of the term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, permitted under this Lease or otherwise created or consented to by COUNTY. LESSEE agrees to execute, acknowledge, and deliver to COUNTY any instrument requested by COUNTY as necessary in COUNTY'S opinion to perfect COUNTY'S right, title, and interest to the improvements and the premises.

LESSEE shall have the right to remove such personal property, machinery, and equipment as may be removed without threat to the structural integrity of any building or improvement. If damage results from the removal of any such items, LESSEE shall repair such damage at his sole expense.

13. PERFORMANCE BOND

LESSEE shall, prior to construction, provide a performance bond in the amount of _____ Dollars (\$_____.00). The use of a cash deposit, pledged savings account, or time certificate will be acceptable in lieu of a performance bond. For the purpose of this Lease, this is construed to mean a negotiable instrument issued by a National or State insurance company or bank doing business within the State of California in a form acceptable to COUNTY. Cancellation of the performance bond, cash deposit, pledged savings account, or time certificate for whatever reason shall forthwith terminate this Lease.

Once LESSEE has obtained a certificate of occupancy and provided all contractor lien releases to COUNTY, COUNTY shall release performance bond to LESSEE within thirty (30) days of a written request by LESSEE.

14. HANGAR MAINTENANCE

At all times during the term of this Lease, LESSEE shall, at LESSEE'S own cost and expense, keep and maintain the premises, all improvements, and all appurtenances now or hereafter on the premises, in good order and repair, and in a safe and clean condition.

The COUNTY and its authorized officers, agents, employees, volunteers, contractors, subcontractors, and other representatives shall have the right to inspect the premises for any purpose, including, but not limited to the following purposes:

A. Upon twenty-four (24) hours notice, to inspect the premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether LESSEE has complied with or is complying with the terms and conditions of this Lease; and

B. Upon twenty-four (24) hours notice, to make repairs, additions, or alterations as may be necessary or convenient for the conduct, safety, improvement, or preservation of the Airport; and

C. For emergency purposes; and

D. In the exercise of COUNTY'S police power; and

E. To inspect the premises, on an annual basis, to determine whether the premises comply with the Uniform Fire Code.

No entry by or on behalf of COUNTY within or upon the premises shall cause or constitute a termination of this Lease, or be deemed to constitute an interference with LESSEE'S possession thereof.

COUNTY, in writing, shall request LESSEE to perform any maintenance or repairs to premises necessary or convenient for the conduct, safety, improvement, or preservation of the Airport and premises. LESSEE shall have sixty (60) days to complete such maintenance or repairs after receiving notice from COUNTY. If LESSEE does not complete such maintenance or repairs within sixty (60) days, COUNTY may terminate this Lease.

15. ENCUMBRANCE OF LEASEHOLD ESTATE

During the term of this Lease, LESSEE, shall not encumber to any institutional lender regulated by state or federal authority, by deed of trust or mortgage or other security instrument, all or any of LESSEE'S interest under this Lease and the leasehold estate hereby created in LESSEE for any purpose or purposes.

16. FIRST RIGHT OF REFUSAL

If LESSEE wishes to sell his hangar he must give COUNTY the right to purchase the hangar with the following procedures:

A. LESSEE shall give COUNTY a sixty (60) day notification of the selling price.

B. Should COUNTY accept the amount, COUNTY has an additional sixty (60) days to close the transaction.

C. If COUNTY declines to purchase the hangar:

LESSEE is free to sell his hangar to a third party within twelve (12) months provided the selling price is not less than eighty-five percent (85%) of the amount offered to COUNTY. If the selling price is less than eighty-five percent (85%) of the amount offered to COUNTY then LESSEE must give that price to COUNTY and COUNTY must accept or reject the new amount on the same sixty (60) day terms in Subsection A and B above.

Prior to sale of hangar to a third party, the third party must apply for a new Lease, and provide the necessary documents to enter into a Lease with COUNTY. New Lease will be equivalent to this Lease and such consent shall not be unreasonably withheld.

17. SUBLEASE OF HANGAR

LESSEE shall not sublease the hangar without the prior written approval of COUNTY. Should LESSEE sublease the hangar, SUBLESSEE shall be required by LESSEE to enter into a written agreement with LESSEE. The agreement between LESSEE and SUBLESSEE shall have no effect until it is reviewed and approved by COUNTY. Such consent shall not be unreasonably withheld. The written agreement between LESSEE and SUBLESSEE shall include the following:

A. SUBLESSEE shall acknowledge that no employee/employer relationship exists between LESSEE and SUBLESSEE and that no workers' compensation, unemployment benefits, or other personnel benefits are required by or available to SUBLESSEE through LESSEE or COUNTY.

B. SUBLESSEE shall indemnify and hold harmless and, at his own risk, cost, and expense defend LESSEE and COUNTY, its Board of Supervisors, officers, agents, and employees from and against any and all liability expense, including defense costs, legal fees, and claims for damage arising from SUBLESSEE'S negligence, intentional acts, or breaches of this Lease. Indemnification with respect to defense costs shall be made at the time LESSEE and/or COUNTY incur such costs.

C. SUBLESSEE shall abide by the terms and conditions of LESSEE'S Lease.

D. SUBLESSEE shall waive any and all claims against LESSEE and COUNTY for any loss of profits or increased expenses due to COUNTY'S making repairs or improvements on or about the Airport.

E. SUBLESSEE, at his own expense, and for the life of this Lease, agrees to obtain and maintain policies of insurance as indicated in Section 31, Insurance.

18. ASSIGNMENT

This Lease shall not be assigned by either party.

19. OPERATIONAL OBLIGATIONS

LESSEE must conform to all applicable federal/state/county/municipal building, safety, health, fire, sanitary codes, ordinances, and Airport rules and regulations that are in effect or that may be hereafter adopted pertaining to LESSEE'S activities on Airport. To the extent necessary to protect the rights and interests of COUNTY or to ascertain compliance with the standards and rules and regulations, the Director of Public Works or his authorized representative shall have the right to inspect, during reasonable hours, all premises and facilities on the Airport.

LESSEE shall place a placard in said hangar for the control of contaminating spills. The placard shall have the following instructions:

Immediately contain all oil and fuel spills within the hangar.
Thoroughly clean-up spill with an absorbent cloth or absorbent dry chemical and dispose of the contaminated cloth or chemical at an approved disposal site.
DO NOT wash oil or fuel contaminants to the outside of building.

20. EMERGENCY CONTACTS

LESSEE shall provide to Airports Manager, and keep current, a list of telephone numbers for emergency use.

21. UTILITIES

LESSEE is responsible for payment of, and shall have all utilities in LESSEE'S name.

22. NO SMOKING ORDINANCE

Pursuant to Humboldt County Code Section 971-1 et seq., COUNTY owned or leased premises are smoke free. LESSEE shall comply with said provision.

23. IMPROVEMENTS AND ALTERATIONS

LESSEE may make non-structural alterations or improvements to the premises to accommodate LESSEE'S use of the premises. However, LESSEE shall not make any alterations or improvements to the leased premises without the prior written consent of COUNTY. Such consent shall not be unreasonably withheld.

24. POSSESSORY INTEREST

This Lease may create a possessory interest, as described in Section 107 et seq of the Revenue and Taxation Code of the State of California, in tax exempt property. If such an interest is created, it may be subject to property taxation and the party in whom the possessory interest is vested may be subject to the payment of taxes on such interest.

25. NUCLEAR FREE CLAUSE

LESSEE certifies by his signature below that LESSEE is not a nuclear weapons contractor, in that LESSEE is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. LESSEE agrees to notify COUNTY immediately if he becomes a nuclear weapons contractor, as defined above. COUNTY may immediately terminate this Lease if it determines that the foregoing certification is false or if LESSEE becomes a nuclear weapons contractor.

26. DRUG-FREE WORKPLACE

LESSEE is aware that COUNTY adheres to and certifies that LESSEE will provide a drug free workplace. LESSEE shall notify COUNTY immediately of any unlawful manufacturing, distribution, dispensing, transporting, storing, possession, or use of a controlled substance on Airport property.

27. FIRE HAZARD

COUNTY reserves the right to restrict LESSEE from conducting any activity or storing inflammable materials or substances, which would increase COUNTY'S insurance rate or cause an insurance agreement of COUNTY'S to be cancelled. LESSEE shall keep the areas leased or used clear of oil and trash that may be deemed a fire hazard.

28. DESTRUCTION OF PREMISES

If at any time during the term of this Lease, any improvements now or hereafter on the premises are destroyed in whole or in part by fire, theft, the elements, or any other cause not the fault of COUNTY, this Lease shall continue in full force and effect and LESSEE, at LESSEE'S own cost and expense, shall repair and restore the damaged improvement(s). Any restoration by LESSEE shall comply with original plans for the improvements described in Section 6 except as may be modified by LESSEE to comply with the terms of any sublease of the improvements, or except as may be otherwise modified by LESSEE and approved in writing by COUNTY. The work of repair and restoration shall be commenced by LESSEE within thirty (30) days after the damage or destruction occurs and shall be completed with due diligence not later than one hundred eighty (180) days after the work is commenced. In all other respects, the work of repair and restoration shall be done in accordance with the requirements for original construction work on the premises set forth in Section 6 of this Lease. LESSEE'S obligation for restoration described in this Section shall exist whether or not funds are available from insurance proceeds.

29. OPTION TO TERMINATE LEASE FOR DESTRUCTION

Notwithstanding Section 28 of this Lease, LESSEE shall have the right to terminate this Lease if, during the last five (5) years of the term of this Lease, the improvements are damaged or destroyed by a casualty for which LESSEE is not required under this Lease to carry insurance and the cost to repair or restore the damaged or destroyed improvements exceeds fifty percent (50%) of the fair market value of the improvements immediately prior to the damage or destruction.

30. HOLD HARMLESS/INDEMNIFICATION

LESSEE shall agree to indemnify and hold harmless COUNTY and each of its officers and employees from any liability or responsibility for accident, loss, or damage to persons or property arising by reason of the work done by LESSEE, or his agents, employees, or representatives. LESSEE shall, at his own expense, cost, and risk, defend any and all actions, suits, or other legal proceedings that may be brought or instituted against COUNTY, its officers, or employees and pay or satisfy any judgment that may be rendered against COUNTY and its officers or employees in any such action, suit, or legal proceedings arising by reason of the work done by LESSEE, his agents, employees, or representatives.

COUNTY shall agree to indemnify and hold harmless LESSEE and each of his officers and employees from any liability or responsibility for accident, loss, or damage to persons or property arising by reason of the work done by COUNTY, or its agents, employees, or representatives. COUNTY shall, at its own expense, cost, and risk, defend any and all actions, suits, or other legal proceedings that may be brought or instituted against LESSEE, his officers, or employees and pay or satisfy any judgment that may be rendered against LESSEE and his officers or employees in any such action, suit, or legal proceedings arising by reason of the work done by COUNTY, its agents, employees, or representatives.

31. INSURANCE

This Lease shall not be executed by COUNTY and LESSEE is not entitled to any rights, unless certificates of insurance, or other sufficient proof that the following provisions have been complied with, and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.

Without limiting LESSEE'S indemnification provided herein, LESSEE shall take out and maintain, throughout the period of this Lease, the following policies of insurance placed with insurers with a current A.M. Bests rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of LESSEE, his agents, employees, or subcontractors.

A. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$3,000,000 per occurrence. If work involves explosive, or collapse risks, XCU must be included. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be \$5,000,000. Said policy shall contain, or be endorsed with, the following provisions:

(1) COUNTY, its officers, employees and agents, are covered as additional insured for liability arising out of the operations performed by or on behalf of LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its officers, agents, and employees.

(2) The policy shall not be canceled or materially reduced in coverage without thirty (30) day's prior written notice [ten (10) days for non-payment of the premium] to COUNTY by certified mail.

(3) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

(4) For claims related to this project, LESSEE'S insurance is primary coverage to COUNTY'S, and any insurance or self-insurance programs maintained by COUNTY are excess to LESSEE'S insurance and will not be called upon to contribute with it.

(5) Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to COUNTY, its officers, employees, and agents.

B. COUNTY reserves the right to obtain complete copies of the original insurance policies, if the County Risk Manager desires to do so.

C. If LESSEE does not keep the above mentioned insurance in full force and effect during the life of this Lease, COUNTY, at LESSEE'S expense, may elect to purchase the necessary insurance, and LESSEE agrees to pay the cost of said insurance or, in the alternative, COUNTY may elect to treat the failure to maintain requisite insurance as a breach of contract and terminate the Lease as provided herein.

D. Should LESSEE subcontract any portion of the work to be performed under this Agreement, said subcontractor shall be required by LESSEE to:

(1) Enter into a written contract with LESSEE acknowledging that no employee/employer relationship exists between LESSEE and subcontractor and that no Workers' Compensation, unemployment benefits, or other personnel benefits are required by or available to subcontractor through LESSEE or COUNTY.

(2) Hold harmless and to indemnify, defend, and save harmless COUNTY and LESSEE, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies who may be injured or damaged by subcontractor in connection with the performance of this Agreement.

32. LESSEE'S DEFAULT

LESSEE shall be in default of this Lease if he fails or refuses to perform any material provision of this Lease that he is obligated to perform if the failure to perform is not cured within ten (10) days after written notice of the default has been given by COUNTY to LESSEE. If the default cannot reasonably be cured within ten (10) days, LESSEE shall not be in default of this Lease if LESSEE commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

33. COUNTY'S REMEDIES ON LESSEE'S DEFAULT

COUNTY, at any time after LESSEE is in default, can terminate this Lease or can cure the default at LESSEE'S cost. If COUNTY at any time, by reason of LESSEE'S default, pays any sum or does any act that requires the payment of any sum, the sum paid by COUNTY shall be due from LESSEE to COUNTY within ten (10) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate COUNTY is permitted by law to charge from the date the sum is paid by COUNTY until COUNTY is reimbursed by LESSEE. The remedies set forth in this Section are in addition to and do not in any manner limit other remedies set forth in particular sections of this Lease.

34. ACTS OF GOD, WAR/TERRORISM AND OTHER CASUALTIES

COUNTY shall not be responsible for monetary losses or damage to personal property, equipment, or materials of LESSEE caused by Acts of God, fire, epidemics, labor strikes, or public enemy including but not limited to acts of war and/or terrorism. LESSEE hereby waives any claims for damages against COUNTY resulting from said acts.

35. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail to the respective addresses set forth below. Notice shall be deemed communicated two (2) COUNTY working days from time of mailing if mailed as provided herein.

LESSEE:

COUNTY: County of Humboldt Department of Public Works, Aviation Division
1106 Second Street
Eureka CA 95501

36. NON-DISCRIMINATION AND COMPLIANCE WITH LAWS

A. NON-DISCRIMINATION AND AFFIRMATIVE ACTION PROVISIONS –
FAA RULES

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

B. COMPLIANCE WITH FAA, STATE, AND COUNTY REGULATIONS

LESSEE agrees to abide by all FAA rules and regulations pertaining to the operation of the Airport, said rules being more particularly set forth in Exhibit C+ attached hereto and incorporated herein by reference. Failure to comply with said rules and regulations shall be grounds for the termination of this Lease.

LESSEE and his officers, agents, and employees shall carry on their activities and operations at the Airport in compliance with Federal Laws and Federal Aviation Administration regulations, State statutes, and the rules and regulations governing the use of the Airport and all other applicable COUNTY ordinances and regulations.

C. DESIGNATION

LESSEE shall designate in writing to COUNTY the name and title of the officer or member responsible for compliance with paragraphs (36)(A) and (36)(B).

D. TERMINATION

COUNTY shall have the right to terminate this Lease upon seven (7) days written notice if any of the above mentioned applicable laws, standards, or criteria are not complied with.

37. AIRPORT MAINTENANCE AND IMPROVEMENTS

COUNTY reserves the right, but shall not be obligated to LESSEE, to maintain, repair, or improve runways, taxiways, parking area, or any other part of said Airport. COUNTY also reserves the right to enter COUNTY property and to grant easements over and under the property covered by this Lease, together with the right to direct and control all activities of LESSEE related to the maintenance, repair, and improvements covered by this Section.

LESSEE waives any and all claims against COUNTY for any loss of profit or increased costs due to COUNTY'S maintenance, repair, or improvements on or about said Airport.

38. NON-EXCLUSIVE RIGHTS

This Lease does not vest in LESSEE an exclusive right within the meaning of either Section 308(a) of the Federal Aviation Act of 1958 [49 U.S.C.A. Section 1349(a)] or the portion of the Surplus Property Act of 1944 which now appears in 50 U.S.C.A. Section 1622(g)(1)(C).

39. LESSEE NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY

While engaged in carrying out and complying with the terms and conditions of this Lease, LESSEE is an independent contractor and not an officer, employee, or agent of COUNTY.

40. ATTORNEYS' FEES

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Lease to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorneys' fees (including reasonable value of services rendered by County Counsel) on appeal, if any. As used herein, "the party prevailing" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

41. WAIVER OF BREACH

The waiver by COUNTY of any breach of any provisions of this Lease shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Lease.

42. BREACH, REMEDY FOR

In the event of breach of this Lease by LESSEE, COUNTY shall have all rights and remedies provided by law, including those set forth in California Civil Code Section 1951.2.

43. BINDING EFFECT

All provisions of this Lease shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, successors, and assigns.

44. TERMINATION

Except as provided elsewhere herein, COUNTY reserves the right to terminate this Lease on seven (7) days notice for any cause or reason provided by the Lease itself, or by law, or upon the happening of one or more of the following:

- A. Filing a petition of voluntary or involuntary bankruptcy with respect to the LESSEE.
- B. The making by LESSEE of any general assignment for the benefit of creditors.
- C. The abandonment or discontinuance of any operation or activity which LESSEE has agreed to provide under the terms of the Lease. If this condition exists for a period of ten (10) days without prior written consent of the COUNTY, it will constitute an abandonment of the land or facilities and of this Lease.
- D. The failure of LESSEE to pay promptly when due all rents, charges, fees, or other payments in accordance with this Lease.
- E. The failure of LESSEE to remedy any default, breach, or violation of COUNTY'S Airport rules and regulations by him or his employees.
- F. Violation of any of the provisions of this Lease or failure to maintain current licenses required for his operation.
- G. Intentionally supplying COUNTY with false or misleading information or misrepresenting any material fact on his application or documents, or in his statement to or before COUNTY, or intentional failure to make full disclosure on his financial statement or other documents.

45. LEASE MODIFICATION

This Lease may be modified only by subsequent written agreement signed by COUNTY and LESSEE.

46. JURISDICTION AND APPLICABLE LAWS

This Lease shall be construed under the laws of the State of California. Any dispute arising hereunder or relating to this Lease shall be litigated in the courts of the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure §§394 and 395.

47. SURRENDER OF PREMISES

At the termination of this Lease, LESSEE shall surrender the hangar and premises to COUNTY in good condition and repair, except for normal wear and tear.

48. INTERPRETATIONS

As this Lease was jointly prepared by both parties, the language in all parts of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto upon the date first written above.

(SEAL)
ATTEST:
CLERK OF THE BOARD

LESSEE:

BY _____

BY _____

APPROVED AS TO FORM:
COUNTY COUNSEL

BY _____
DEPUTY

INSURANCE CERTIFICATES
REVIEWED AND APPROVED:

COUNTY OF HUMBOLDT

BY _____
RISK MANAGER

BY _____
CHAIRPERSON,

BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

Exhibit B

AIRCRAFT INFORMATION

AIRCRAFT REGISTRATION

N NUMBER N_____

MODEL _____

TYPE (Check all that apply) JET___ PROP___ PISTON___
SINGLE ENGINE___ MULTI ENGINE___

MAX TAKE OFF WEIGHT (POUNDS) _____

MAX LANDING GEAR (POUNDS) _____

TYPE OF LANDING GEAR _____

******MUST ATTACH COPY OF VALID/CURRENT FAA AIRCRAFT REGISTRATION**

******MUST ATTACH COPY OF VALID/CURRENT CERTIFICATE OF INSURANCE FOR AIRCRAFT**

Proposers should make additional copies of this form as needed

Exhibit C

FAA LEASE AND USE AGREEMENT PROVISIONS

1. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The (contractor, tenant, concessionaire, lessee) assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the (tenant, concessionaire, lessee) or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

2. The airport owner/sponsor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the (lessee, licensee, permittee, etc.) and without interference or hindrance.
3. The airport owner/sponsor reserves the right, but shall not be obligated to the (lessee, licensee, permittee), 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 the (lessee, licensee, permittee, etc.) in this regard.
4. This (lease, license, permit, etc.) shall be subordinate to the provisions and requirements of any existing or future agreement between the airport owner/sponsor and the United States, relative to the development, operation, or maintenance of the airport. Failure of the (lessee, licensee, permittee) or any occupant to comply with the requirements of any existing or future agreement between the lessor and the United States, which failure shall continue after reasonable notice to make appropriate

corrections, shall be cause for immediate termination of (lessee's, licensee, permittee's) rights hereunder.

5. There is reserved to the airport owner/sponsor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the (leased, licensed, permitted) premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.
6. The (lessee, licensee, permittee) agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the (leased, licensed, permitted) premises or in the event of any planned modification or alteration of any present or future building or structure situated on the (leased, licensed, permitted) premises. . This requires the submission of FAA Form 7460-1, *Notice of Construction or Alteration* to the FAA.
7. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit object of natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the (lessee, licensee, permittee).
8. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agrees for itself, its successors and assigns that it will not make use of the (leased, licensed, permitted) premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby (leased, licensed, permitted) and cause the abatement of such interference at the expense of the (lessee, licensee, permittee).
9. 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 U.S. Code 40103 (e) and 47107(a)(4).
10. This (lease, license, permit) 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 said airport or the exclusive or nonexclusive use of the airport by the United States during the time of war or national emergency.
11. The (lessee, licensee, permittee) will furnish services on a reasonable and not unjustly discriminatory basis to all users, and 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. ***(In accordance with Grant Assurance #22.b, this provision must be included in any agreement, contract, lease, license, permit to engage in any aeronautical activity at the airport.)***
12. The (lessee, licensee, permittee) will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass airfield safe driving instruction program when offered or required by the airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

Revised: January 2004 (AWP-620.1)