

1 TRUCKEE TAHOE AIRPORT DISTRICT  
2 LEASE AND OPERATING AGREEMENT  
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6 This Service and Lease agreement (herein called "Lease") is entered into as of **MAY 01, 2013**, by and between the  
7 TRUCKEE TAHOE AIRPORT DISTRICT (herein called "District" or "Airport"), and **SOAR TRUCKEE, INC.** (herein called  
8 "Tenant"), with respect to the following facts:  
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10 The District is a public agency organized and existing under the provisions of the California Airport District Act, Public  
11 Utilities Code SS 22001-22908, and operates the Truckee Tahoe Airport, located in the counties of Placer and Nevada,  
12 State of California.  
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14 The Tenant desires to enter into an agreement with District permitting Tenant to provide specialized aviation soaring and  
15 towing services for the public and District to provide Tenant with certain facilities necessary thereto.  
16

17 **Witnesseth:**  
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19 WHEREAS, Specialized Aviation Service Operation (SASO) are essential to the proper accommodation of  
20 general aviation at the Airport; and  
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22 WHEREAS, DISTRICT desires to make such services available at the Airport and LESSEE is qualified,  
23 ready, willing and able to provide such services; and  
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25 WHEREAS, LESSEE is receiving a reduced rent due to their operating as a SASO;  
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27 WHEREFORE, the parties agree as follows:  
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29 **1. TERM.**

30 A. The term of this Lease shall be for four (4) years commencing on May 01, 2013 and ending on April 30,  
31 2017 unless terminated pursuant to any provision hereof. The term also includes one four (4) year  
32 option for extension if both parties are mutually agreeable to any District rent/term adjustments. If the  
33 tenant wishes to exercise this option, notification must be provided in writing to the District no more than  
34 150 days and no less than 60 days before the expiration of the lease.

35 B. Operational use of the Premises shall not exceed May 1-October 15 of each year, herein  
36 called the "Season". Tenant shall notify the District in writing by April 1 of each Season with start and  
37 end date for the Season. Tenant shall be responsible for its improvements to the Premises throughout  
38 the year and the entire lease term. With the exception of the improvements, Tenants shall not otherwise  
39 be responsible for the Premises during the non-Season.

40 C. Upon mutually agreeable renewal of this lease (2017) the District reserves the right to reconfigure the  
41 campground for alternative uses. This will be reviewed on a seasonal basis and the District will notify  
42 Soar Truckee in writing by January 15 of each year if it chooses to reconfigure the campground. The  
43 lease rate will be renegotiated based on any changes in the site configuration. The District would, at its  
44 own expense, relocate any affected campsites and utilities.  
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47 2. **PREMISES.** District hereby leases for nonexclusive, seasonal use to Tenant and Tenant leases from District for  
48 the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the  
49 County of Nevada, State of California, described on Exhibit A, attached hereto and incorporated herein by  
50 reference. Said real property including the land, comprising approximately 3.9 acres of campsites, gravel ramp  
51 area adjacent to RWY02-20, a small parking area, and all improvements, is herein called "the Premises". The  
52 building, septic system and the water distribution system for the well presently on the Premises belongs to the  
53 Tenant and all apertuances may be removed pursuant to the terms of Section 9.E. of this Lease, leaving the well  
54 and associated casing and piping in usable condition. Upon a mutually agreeable renewal of this lease in 2017  
55 the campground area may be reconfigured based on the needs of the District, see Section 1.A. for additional  
56 details.  
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58 3. **USE OF PREMISES.** The Premises shall be used by Tenant only for the purpose of operating specialized  
59 aviation soaring services. Acceptable uses of the Premises include the following:  
60 A. Provision of tie down facilities for sailplanes, tow aircraft and associated vehicles in designated areas  
61 identified on Exhibit A.  
62 B. Campground facilities which may be used by sailplane and other aircraft owners/operators, who have  
63 their vessels at the Airport.  
64 C. Maintenance of an operations buildings and related facilities which have been constructed, installed, or  
65 improved by the Tenant.  
66 D. Other related or incidental purposes, as may be first approved in writing by the Airport Manager.  
67 E. Tenant shall not commit or permit the commission of any acts on the Premises that would increase  
68 existing rates for or cause the cancellation of any fire, liability or other insurance policy insuring the  
69 Premises or any improvements. Tenant shall not commit or permit the commission by others of any  
70 waste on the Premises or permit the maintenance or commission of any nuisance.  
71 F. Tenant shall, at Tenant's own cost and expense, comply with all statutes, ordinances, regulations,  
72 and requirements including but not limited to, land use and zoning regulations, of all governmental  
73 entities relating to Tenant's use and occupancy of the Premises, whether such statutes, ordinances,  
74 regulations and requirements are now in force or hereafter enacted. District does not make any  
75 representation or guarantee that the intended use of the Premises conforms to current zoning  
76 restrictions for the Premises.  
77 G. Tenant covenants and agrees to use the Premises throughout the term hereof for the above-  
78 specified purposes and to diligently conduct the business thereon. Failure to continuously use the  
79 Premises during the season for said purposes, or the use thereof for purposes not expressly authorized  
80 herein, shall be grounds for termination by the District. The use of the Premises for any unauthorized  
81 purpose shall constitute a substantial default and subject this Lease to termination at the sole option of  
82 the District.  
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84 4. **HOURS OF OPERATION.** Tenant agrees that conditions and weather permitting, it will be open and  
85 available for business during daylight hours seven (7) days a week during the Season.  
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87 5. **TENANT'S OBLIGATIONS; NATURE AND QUALITY OF SERVICES.** Tenant agrees to furnish, in a  
88 good, prompt, efficient, and dependable manner, those services set forth below, in the manner described below:  
89 A. Tenant shall provide soaring rides and glider instruction services for the general public and provide  
90 sailplane rental to qualified pilots, subject to equipment and personnel availability.  
91 B. Tenant may provide aircraft tows to those certified glider pilots with their own gliders.  
92 C. Tenant shall have in place prior to each Season, a Standard Operating Procedure (SOP)

93 containing a detailed description of the operation protocol and safety measures to be followed by Tenant  
94 and members of the public. Annually a copy of this SOP shall be provided to the District for review and  
95 approval at the sole discretion of the District. Following annual approval, the SOP shall become a part  
96 of this Lease and become an enforceable covenant under this Lease. If any portion of the SOP is not  
97 approved by the District, it shall be revised by Tenant and resubmitted to meet the District's standards.

- 98 D. Tenant must perform all services to the highest safety standards set forth by the soaring industry,  
99 the District, and all applicable governmental and regulatory agencies. Tenant's Operations Manager  
100 shall ensure that each aircraft will be equipped with an air-to-ground radio capable of the local UNICOM  
101 frequency. The District strongly encourages the equipage and use of a Mode A/C or S Transponder  
102 whenever practicable in the interest of flight safety. Nothing stated above relieves the tow pilot,  
103 employees, agent, independent contractor from his responsibilities for the safe operations of his aircraft  
104 under FAA Regulations.
- 105 E. Tenant shall insure that only FAA certified and qualified personnel provide glider instruction, rides,  
106 and tows.
- 107 F. Tenant may provide telephone service to the Premises and may provide a telephone message  
108 board for customers.
- 109 G. Tenant shall abide by the rules and regulations of the Federal Aviation Administration and the  
110 District at all times. Any violation of these regulations may be cause for a temporary halt to all  
111 operations until Tenant is in compliance. Repeated violation of these regulations may be cause for  
112 termination of this Lease.
- 113 H. Tenant shall be eligible for the District FBO Fuel Discount for tow planes only. No "Self Fueling"  
114 will take place without the express written permission of the District. The District may provide (for a fee  
115 of \$250 per season) a tank and pump unit to facilitate operations for the tenant's tow planes only. The  
116 tenant shall pay for fuel when the tank is filled, shall provide an SOP for operations and safety, and shall  
117 not sell or otherwise dispense fuel to other than tenant towplanes.
- 118 I. Transient aircraft shall not be parked or tied down in the glider area unless utilizing the  
119 campground facilities.
- 120 J. Tenant shall provide the ONLY campfire, for the campground facilities, located in a steel ring sunk  
121 into the ground several feet and within 20 feet of a water outlet at the Building. Fires will only be  
122 permitted when the U.S. Forest Service conditions permit and there is little or no wind at the location.  
123 Only wood shall be burned. This facility shall be approved by the Fire Chief with jurisdiction over the  
124 campfire site.
- 125 K. Tenant shall provide annually to the District a list of emergency contacts and/or responsible  
126 parties for the Tenant, along with a list of its Board of Directors for the Corporation.
- 127 L. Tenant shall provide annually to the District a list of rates and charges for services rendered  
128 pursuant to this Lease.
- 129 M. Tenant shall maintain a census of tiedown and stored aircraft and a census of campsite occupancy that  
130 may, from time to time be reviewed by the District, and shall be used for adjusting rent annually.

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- 132 **6. TENANT'S USE OF FACILITIES.** Tenant shall have the right to the nonexclusive general use of all public  
133 airport facilities and improvements. The right to use said public airport shall be exercised subject to all  
134 federal, state, and local rules and regulations.
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- 139 7. **MAINTENANCE AND REPAIRS.**  
140 A. TENANT'S OBLIGATIONS.  
141 i. Tenant shall during each Season in the term of this Lease, make all repairs and  
142 replacements necessary to maintain and preserve the Premises in a decent, safe, healthy, and  
143 sanitary condition satisfactory to the District. District shall incur no expense nor have any  
144 obligation of any kind whatsoever in connection with the maintenance of the Premises. District  
145 may, at any time, inspect the Premises.  
146 ii. Tenant shall keep the runways and taxiways free of Foreign Objects and Debris (FOD)  
147 generated by their operations.  
148 iii. On the last day of the term hereof, or on any sooner termination, Tenant shall surrender  
149 the Premises to District in the same condition as when received, except as provided in Section  
150 9.E..  
151 B. DISTRICT OBLIGATIONS AND RIGHTS.  
152 i. District shall maintain the public access to the leased Premises during the Season, as  
153 defined in Section 1.B. District shall not remove any aircraft, from the Premises, without  
154 District's reasonable good faith attempt to obtain Tenant or aircraft owner's request and  
155 supervision.  
156 ii. If Tenant fails to maintain and repair the Premises as required herein, District may at its  
157 option (but shall not be required to) enter upon the Premises, after ten (10) days prior written  
158 notice to Tenant, and put the same in good order, condition and repair, and the cost thereof  
159 shall become due and payable as additional rental to District.  
160 iii. District shall not be responsible for the improvements to the Premises during the non-  
161 Season.  
162 C. NO SECURITY DEPOSIT IS REQUIRED.  
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164 8. **CONDITION OF PREMISES.** Tenant has inspected the Premises and hereby accepts the Premises in  
165 its as is@ condition existing as of the date of the execution hereof. District does not warrant or guarantee  
166 Premises is in the condition required by applicable laws for the intended use of the Premises. It is the Tenant's  
167 sole obligation to render the Premises in an operable condition to comply with all applicable federal, state, and  
168 local laws, ordinances and regulations governing and regulating the use of the Premises.  
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170 9. **ALTERATIONS AND ADDITIONS.**  
171 A. Tenant shall not, without District's prior written consent, make any alterations, improvements or  
172 additions on or about the Premises. Further, Tenant agrees that major structural or architectural design  
173 alterations to approved improvements, structures, or installations may not be made on the Premises  
174 without prior written approval by the District.  
175 B. Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been  
176 furnished to or for secured by any mechanics' or materialmen's lien against the Premises or any interest  
177 therein. Tenant shall give District not less than ten (10) days notice prior to the commencement of any  
178 work in the Premises, and District shall have the right to post notices or non-responsibility in or on the  
179 Premises as provided by law.  
180 C. Unless District requires their removal, and Tenant has not removed within 30 calendar days, all  
181 alterations, improvements, and additions which may be made in the Premises shall become the property  
182 of District and remain upon and be surrendered with the premises at the expiration of the term, subject  
183 to the provisions of Section 9.E Notwithstanding the provisions of this Paragraph, Tenant's machinery

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and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant.

- D. Trade Fixtures and Other Personal Property. Tenant shall have the right at any time at Tenant's sole cost and expense, to install on the Premises such items herein called "trade fixtures" for use in Tenant's trade or business as Tenant may, in Tenant's sole discretion, deem advisable. Any and all such trade fixtures that can be removed without structural damage to the Premises shall remain the property of Tenant and may be removed by Tenant at any time prior to the termination of this Lease. Tenant shall, at Tenant's expense, immediately repair any damage occasioned by reason of the removal of any such trade fixtures. Any trade fixture not removed from the Premises upon the termination of this Lease shall be deemed abandoned by Tenant and shall automatically become the property of District.
- E. Building and Water System. Upon the termination of this Lease, Tenant may remove the building and water distribution system from the Premises on the condition that the Premises is restored, at Tenant's sole cost and expense, to its pre-improvement condition, including but not limited to the removal of any concrete foundation and debris, and the closure of the well in accordance with applicable law, if requested by the District. Restoration of the Premises to its pre-improvement condition shall also include re-vegetation at the Premises with native plants.

10. **SIGNS.** Tenant shall be entitled to have on the Airport property, signs identifying Tenant's business. Tenant shall obtain District's approval of the design of the sign prior to installation of the sign. All signs shall conform with all federal, state and local laws, rules, regulations and ordinances.

11. **RENT.** Tenant agrees to pay as rent for the premises the following sums:

- A. Tenant agrees to pay District as a minimum basic rent that is calculated on the following factors:
  - (1) Annual base rent, \$1,158 in 2013, paid monthly during the operating season. Partial months will be billed at a pro-rated amount.
  - (2) An annual access permit fee to offset the charge levied on the District for use of the Corps of Engineer road. As of May 1, 2013 this charge is \$750.00 and shall be paid at the beginning of the season.
  - (3) An annual fee for use of the District owned mobile refueler. As of May 1, 2013, this charge shall be \$250 and shall be paid at the beginning of each season.
  - (4) A Market Value Alignment Escalation (1%) shall be applied annually to the CPI adjusted rent.

- B. Tenant shall pay to District as additional rent a cost of living increase applied to the annual base rent and computed annually as follows: On May 01 each year, the monthly rent shall be computed by adding to the then current monthly rent an amount obtained by multiplying the then current monthly rent by the percentage by which the level of the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, West-B/C (cities of less than 1,500,000 population). All items (December 1996 = 100), as reported for the month of March just preceding said May 01, has increased over its level on the preceding March, rounded to the next highest whole dollar. (For example, if an agreement were entered into in May 1997 at \$100 per month initial rent and the percentage change in the index between March 1997 and March 1998 were 3.3%, the rent would be adjusted by adding \$100 x 3.3%, or \$3.30, to the \$100 rent, for a total rent of \$104.00 on May 01, 1998.) The amount thus derived shall be the monthly rent for May and each succeeding month during the next one (1) year term and shall be adjusted accordingly for each succeeding annual period, provided that the monthly rent shall in no event be less than the rent imposed at the beginning of the original term. In the event that the defined index is not available as of May 01, the consumer price adjustment shall be computed as soon as such index is

230 available, and the rent shall be retroactively adjusted to said May 01. In the event no index is published  
231 for March, the index used shall be that for the next succeeding month which is published and an  
232 adjustment shall be made based thereon annually.

233 C. Tenant shall also pay:

234 (1) all taxes, assessments, license fees and charges levied or assessed upon Tenant's use of the  
235 premises, including but not limited to any possessory interest tax, and additionally on all furniture,  
236 furnishings, fixtures, machinery and equipment in, on or about the premises

237 (2) all costs and expenses for repair or maintenance of the premises; and,

238 (3) all costs and expenses for any increase in District's fire or liability insurance relating to Tenant's use  
239 of the premises.

240 (4) all cost and expenses for repair to the mobile refueler due to negligence, misuse or abuse.

241 District shall bill to Tenant additional rent as specified hereunder with the monthly statement for  
242 minimum basic rent immediately following the month in which District incurs any obligation relating to  
243 additional rent as defined in this Section 11C.

244 D. All rent set forth in this Section 11 shall be due and payable at the times specified herein above, to  
245 District's principal place of business at 10356 Truckee Airport Road, Truckee, California 96161. If  
246 Tenant shall fail to pay, when the same is due and payable, any amounts due pursuant to the terms of  
247 this Lease, such unpaid amounts shall bear interest at five percent (5%). In addition to such interest, if  
248 Tenant shall fail to pay any monthly installment of the minimum basic rent by the tenth (10th) day of the  
249 month such installment is due, a late charge equal to ten percent (10%) of the monthly installment of the  
250 minimum basic rent shall be added to that installment and shall be due and payable from the Tenant to  
251 the District.

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254 **12. UTILITIES.** Tenant shall pay for or supply all water, gas, electric, sewer, trash disposal, telephone and other  
255 utilities supplied to the Premises, together with any taxes thereon. If any such services are not separately  
256 metered to Tenant, Tenant shall pay a reasonable proportion to be determined by District of all charges jointly  
257 metered with other premises. Tenant shall separately contract for trash disposal with the local refuse company  
258 and shall provide sufficient receptacles to maintain the site in an orderly condition. Such utility payments made  
259 to District shall be considered additional rent due under this Lease. District shall not provide snow removal to the  
260 Premises during the non-Season. Tenant shall be responsible for snow removal to the Premises during the non-  
261 Season if it requires access to the Premises.

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263 **13. HAZARDOUS / TOXIC WASTE.** Other than approved agricultural chemicals, i.e., insecticides, pesticides,  
264 herbicides, and fungicides applied in accordance with all applicable regulations, Tenant shall not allow release of  
265 hazardous substances in, on, or under or from the Premises. For the purposes of this provision, a release shall  
266 include, but not be limited to, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting,  
267 escaping, leeching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall  
268 mean those hazardous substances, hazardous materials and toxic substances listed by the Environmental  
269 Protection Agency in regularly released reports and any other substances incorporated into the State of  
270 California's list of hazardous substances, including gasoline, diesel fuel, motor oil, and propane. In the event of  
271 any release of a hazardous substance, Tenant shall be responsible for all costs of remediation and removal of  
272 such substances in accordance with all applicable rules and regulations of governmental authorities. Tenant  
273 agrees to assume the defense of, indemnify and hold the District harmless from any and all claims, costs and  
274 expenses related to environmental liabilities resulting from Tenant's operations on the Premises, including, but  
275 not limited to, costs of environmental assessments, costs of remediation and removal, any necessary response

276 costs, damage for injury to natural resources or the public, and costs of any health assessment or health effect  
277 studies. If Tenant knows or has reasonable cause to believe, that any hazardous substance has been released  
278 on or beneath the Premises, Tenant shall give written notice to the District within ten (10) days of receipt of such  
279 knowledge or cause for belief. Provided however, if Tenant knows, or has reasonable cause to believe that such  
280 substance is an imminent and substantial danger to public health and safety, Tenant shall notify the District  
281 immediately upon receipt of this knowledge or belief and shall take all actions necessary to alleviate such  
282 danger. Tenant will notify the District immediately of any notice of violation received or initiation of environmental  
283 actions or private suits relative to the Premises. In addition, Tenant and Tenant's sublessees shall not utilize or  
284 sell any hazardous substance on the property without the prior written consent of the District.  
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286 **14. INSURANCE.** The limits of insurance, herein set forth, shall not limit the liability of Tenant hereunder. If  
287 the Tenant shall fail to procure and maintain said insurance, the District may, but shall not be required to,  
288 procure and maintain the same, but at the expense of Tenant.

289 A. **LIABILITY INSURANCE.** Tenant at its sole cost and expense, shall obtain and keep in force  
290 during the term of this Lease a policy of comprehensive public liability insurance insuring District and  
291 Tenant against any liability arising out of the ownership, use occupancy, operation and/or maintenance  
292 of the Premises, and all areas appurtenant thereto. Said insurance shall specifically insure the  
293 performance by Tenant of the indemnity agreement set forth in Section 15 of this Lease. Such  
294 insurance shall be in an amount of not less than one million dollars (\$1,000,000.00) combined single  
295 limit liability for bodily injuries and property damage. Tenant shall also carry one million dollars  
296 (\$1,000,000.00) combined single limited liability for bodily injury and property damage covering the  
297 operation of the towplane and gliders/sailplanes used in the business.

298 B. **INSURANCE POLICIES.** Insurance required hereunder, shall be with companies acceptable to  
299 the District and licensed to do business in California. All insurance policies shall name District as an  
300 additional insured, protect District against any legal costs in defending claims, and shall not be  
301 cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior  
302 written notice to District. Tenant shall deliver to the District copies of policies of such insurance or  
303 certificates evidencing the existence and amounts of such insurance with loss payable clauses  
304 satisfactory to District. Tenant shall not do or permit to be done anything which shall invalidate the  
305 insurance policies referred to herein. Policies referred to herein must be in District's possession prior to  
306 commencement of any tow/sailplane operations, and prior to the first day of said Season.  
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308 **15. INDEMNITY.** Tenant agrees to protect, indemnify and save harmless District against and from any and all  
309 claims, loss, damage, or liability (including reasonable attorneys' fees) arising from the use or possession or  
310 condition of the Premises, improvements, building, equipment, and the personal property or arising from any  
311 breach or default on the part of Tenant pursuant to the terms of this Lease, or arising from any strict liability  
312 imposed on Tenant or arising out of any act of negligence of Tenant or any of his agents, employees, or  
313 successors occurring during the Lease term, but Tenant shall not be liable for damage or injury occasioned by  
314 District's failure to comply with its obligations hereunder or by reason of the sole negligence of District, its  
315 directors, officers, agents, employees, or successor.  
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317 **16. DAMAGE OR DESTRUCTION.** If the Premises, or the building in which the Premises are located, shall be  
318 destroyed by fire or other cause, or be so damaged thereby that fifty percent (50%) or more of the Premises  
319 become untenable and cannot be rendered tenantable within one hundred twenty (120) days from the date of  
320 the injury, this Lease may be terminated by the District or Tenant. In the event of such termination, District shall  
321 not have any liability to Tenant for the remaining term of the Lease. In the event of such damage whereby less

322 than fifty percent (50%) of the Premises becomes untenable, this Lease shall continue in full force and effect,  
323 Tenant shall forthwith repair the damage. Tenant shall not be entitled to any compensation or damages from  
324 District for the loss of the use of any part of the Premises, damage to Tenant's personal property, or for  
325 inconvenience or annoyance occasioned by such damage or the repair thereof.  
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327 **17. CONDEMNATION.** If any part of the Premises shall be taken or condemned for a public or quasi-public use, and  
328 a part thereof remains which is susceptible of occupation, this Lease shall, as to the part so taken, terminate as  
329 of the date title shall vest in the condemner, and the rent payable hereunder shall be adjusted so that Tenant  
330 shall be required to pay for the remainder of the term only such portion of such rent as the value of the part  
331 remaining after condemnation bears to the value of the entire Premises condemned. If all of the Premises, or  
332 such part thereof is taken or condemned so there does not remain a portion susceptible for occupation  
333 hereunder, this Lease shall thereupon terminate. Upon any such condemnation, District shall receive the entire  
334 award or other payment for the value of the building, improvements and fixtures taken, and Tenant shall not  
335 receive any part of the award for the value of any fixtures or improvements or for the value of the remaining term  
336 of this Lease.  
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338 **18. ASSIGNMENT AND SUBLETTING.** LESSEE shall not assign, transfer, sublease, pledge, hypothecate,  
339 surrender, or otherwise encumber, or dispose of this Agreement or any estate or right created by this  
340 Agreement, or any interest in any portion of the same, or permit any other person or persons,  
341 company or corporation to occupy the Premises. Any attempt to transfer this Agreement from  
342 LESSEE by merger, consolidation, or liquidation, or the sale, conveyance, transfer by bequest or  
343 inheritance, or other transfer of a controlling interest in LESSEE shall constitute a default and  
344 termination of the agreement.  
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346 **19. COMPLIANCE WITH LAWS.** Tenant shall, at Tenant's expense, comply promptly with all applicable  
347 federal, state and local statutes, ordinances, rules, regulations, orders and requirements in effect during the term  
348 or any part of the term hereof regulating the use by Tenant of the Premises.  
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350 **20. DEFAULTS.** The occurrence of any one or more of the following events shall constitute an "Event of  
351 default" and breach of this Lease by Tenant:  
352 A. If Tenant shall make an assignment for the benefit of its creditors; or  
353 B. If any petition shall be filed against Tenant in any court, whether or not pursuant to any statute of  
354 the United States or of any State, of any bankruptcy, reorganization, composition, extension,  
355 arrangement, or insolvency proceedings, and Tenant shall thereafter be adjudicated bankrupt, and if  
356 such proceeding shall not be dismissed within sixty (60) days after the institution of the same, except  
357 that such time shall be extended while such proceeding is being diligently defended against by Tenant;  
358 or, if any such petition shall be so filed by Tenant; or  
359 C. If, in any proceeding, a receiver or trustee is appointed for all or any portion of Tenant's property,  
360 and such receiver or trustee shall not be discharged within sixty (60) days after his appointment, except  
361 such time shall be extended while such proceeding is being diligently defended against by Tenant; or  
362 D. If Tenant shall fail to pay when due any rent due hereunder, and such failure shall continue for ten  
363 (10) days after written notice to Tenant; or  
364 E. If Tenant shall fail to pay any additional rent or other charge or sum required hereunder, and such  
365 failure shall continue for ten (10) days after written notice to Tenant; or  
366 F. If Tenant shall fail to perform or observe any other requirement of this Lease and such failure shall  
367 continue for ten (10) days after written notice to Tenant, except if Tenant has commenced and is  
368 diligently proceeding to cure the same.



369 G. The attachment, execution or other judicial seizure of substantially all of Tenant's assets located  
370 at the Premises or of Tenant's interest in this lease, where such seizure is not discharge within thirty  
371 (30) days.  
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373 21. **DEFAULT BY DISTRICT.** District shall not be in default unless District fails to perform obligations required of  
374 District within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to  
375 District specifying wherein District has failed to perform such obligation; provided, however, that if the nature of  
376 District's obligation is such that more than thirty (30) days are required for performance then District shall not be  
377 in default if District commences performance within such 30-day period and thereafter diligently prosecutes the  
378 same completion.  
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380 22. **PERSONNEL.** Tenant agrees that all of its personnel or agents performing services hereunder shall be  
381 neat, clean and courteous, and Tenant shall not permit its personnel or agents to conduct business in a loud,  
382 noisy, boisterous, offensive, or objectionable manner. Tenant's personnel working in the service areas such as  
383 the flight line and maintenance areas shall wear clean and presentable attire consistent with their position in the  
384 organization and acceptable to the District. Tenant further agrees that excessive consumption of alcoholic  
385 beverages and ANY illegal substances shall not be permitted by anyone, including Tenant's employees,  
386 customers, owners, agents, independent contractors, or visitors, on the Premises.  
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388 23. **AIR SHOW.** Tenant acknowledges that the District may conduct an Air Show and open house that serve  
389 to display the facilities and services of the Airport. Tenant acknowledges that such an Air Show is beneficial to  
390 Tenant and to the District, and Tenant agrees to cooperate with the District in conducting an Air Show should the  
391 District wish to pursue one and Tenant agrees not to inhibit any Air Show activities.  
392

393 24. **REMEDIES.** In the event of any such Event of Default@ or breach by Tenant, District may an any time  
394 thereafter, with or without notice or demand and without limiting District in the exercise of any other right or  
395 remedy which District may have hereunder by law by reason of such default or breach, have the following rights  
396 and remedies:

397 A. Though Tenant has abandoned the Premises, the Lease shall continue in effect unless District  
398 elects to terminate Tenant's right to possession by written notice. District may enforce all of its rights  
399 and remedies under the Lease, including the right to recover rent as it becomes due. In no event shall  
400 District's acts of maintenance or preservation of the Premises, or the appointment of a receiver upon the  
401 initiative of District to protect its interest under this Lease, be deemed to constitute a termination of  
402 Tenant's right to possession. District may take any action whatever provided herein, or as permitted by  
403 law, without terminating this Lease, and this Lease shall continue in full force and effect until and only if  
404 District gives to the Tenant written notice of District's election to terminate this Lease.

405 B. District may elect, by written notice to Tenant, to terminate this Lease at any time after the  
406 occurrence of an Event of Default and, in such event District may, at District's option, declare this Lease  
407 and Tenant's right to possession terminated, re-enter the Premises, remove Tenant's property therefrom  
408 without court order and at Tenant's expense, eject all persons from the Premises, and recover damages  
409 from Tenant as hereafter provided, as permitted by law. If re-entry is made after abandonment by  
410 Tenant, District may consider any property belonging to Tenant and left on the Premises to have been  
411 abandoned. District may utilize or dispose of such property without liability. Any such re-entry shall be  
412 permitted by Tenant without hindrance and District shall not thereby be liable in damages for such re-  
413 entry or be guilty of trespass or forcible entry.

414 C. In the event District elects to terminate this Lease and Tenant's right to possession in accordance

with Section 20.B., or the same are terminated by operation of law, District may recover as damages from Tenant the following:

- i. Unpaid rent or other sums due hereunder which had been earned at the time of termination of this Lease; and
  - ii. Any other amounts, including attorneys' fees and court costs, necessary to compensate District for all detriment proximately caused by Tenant's default and/or failure to perform Tenant's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.
- D. Efforts by District to mitigate damages caused by Tenant's breach of this Lease shall not constitute a waiver of District's right to recover damages under the foregoing provisions. Nothing herein affects the right of District to indemnification for liability arising prior to the termination of this Lease for personal injuries or property damage as may be provided elsewhere in this Lease.
- E. The foregoing remedies of District shall be cumulative, or alternative, as District determines, and shall be in addition to all rights and remedies now and hereafter provided or allowed by law.

25. **GENERAL PROVISIONS.**

- A. SEVERABILITY. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provisions hereof.
- B. SALE OF PREMISES BY DISTRICT. In the event of any sale or exchange of the Premises by District and assignment in connection therewith by District of this Lease, District shall be entirely freed and relieved of any liability contained in or derived from this Lease with respect to any act, occurrence or omission relating to the Premises or to this Lease occurring after the consummation of such sale or exchange.
- C. TIME OF ESSENCE. Time is of the essence.
- D. CAPTIONS. Articles and paragraph captions are inserted for convenience of reference only, and are not a part of this Lease.
- E. NOTICES. Any notice required or permitted to be given hereunder shall be in writing and may be served personally or by certified mail, addressed to District and Tenant respectively at the addresses set forth after their signatures at the end of this Lease.
- F. TERMINATION. This Lease may be terminated upon one hundred eighty (180) days written notice by either party.
- G. WAIVERS. No waiver by District of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. District's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of District's consent to or approval of any subsequent act by Tenant. The acceptance of rent hereunder by District shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of District's knowledge of such preceding breach at the end of time of acceptance of such rent.
- H. CUMULATIVE REMEDIES. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- I. CORPORATE AUTHORITY. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.
- J. REQUIRED/RECOMMENDED PROVISIONS. District is required by Federal law to comply with

- 461 certain regulations, and provide specific inclusion in all leases and agreements, as set forth in  
462 Addendum 1. Addendum 1, in its entirety shall become part of this Lease.
- 463 K. SUCCESSORS AND ASSIGNS. This Lease shall inure to the benefit of and be binding upon the  
464 heirs, executors, administrators, successors and assigns of each of the parties hereto, except as limited  
465 by Section 18 hereof relating to limitation on assignment.
- 466 L. ENTIRE AGREEMENT. This Lease contains the entire agreement of the parties hereto, and  
467 supersedes any prior written or oral agreements between them concerning the subject matter contained  
468 herein. There are no representations, agreements, arrangements, or understandings, oral or written,  
469 between the parties hereto relating to the subject matter contained in this Lease which are not fully  
470 expressed herein. The provisions of this Lease may be waived, altered, amended or repealed in whole  
471 or in part only upon the written consent of all parties to this Lease.
- 472 M. GOVERNING LAW. The construction of this Lease, and the rights and liabilities of the parties  
473 hereto, shall be governed by the laws of the State of California. Venue shall be in Placer County,  
474 California.
- 475 N. ENTIRE UNDERSTANDING/AMBIGUITIES. This Lease contains the entire understanding of the  
476 parties. Tenant, by signing this Lease, agrees that there is no other written or oral understanding  
477 between the parties with respect to the Premises. Each party has relied on its own examination of the  
478 Premises, advice from its own attorneys, and the warranties, representations, and covenants of the  
479 Lease itself. Each of the parties in this Lease agrees that no other party, agent, or attorney of any other  
480 party has made any promise, representation, or warranty whatsoever which is not contained in this  
481 Lease. The failure or refusal of any party to read the Lease or other documents, inspect the Premises,  
482 and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection,  
483 contention, or claim that might have been based on these actions. No modification, amendment, or  
484 alteration of this Lease will be valid unless it is in writing and signed by all parties. Ambiguities in this  
485 Lease, if any, shall not be construed against the drafting party.
- 486 O. INSPECTION OF RECORDS. Tenant agrees to make any and all records available to District for  
487 inspection at all reasonable times, so that District can determine Tenant's compliance with this Lease.  
488 Only records relevant to determining compliance with the Lease shall be requested. These records and  
489 accounts shall be made available by Tenant at the Leased Premises and will be complete and accurate  
490 showing all income and receipts from use of the Premises. Tenant's failure to keep and maintain such  
491 records and make them available for inspection by District is a breach of this Lease and cause for  
492 termination. Tenant shall maintain all such records and accounts for a minimum period of five (5) years.  
493  
494  
495

496 Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2013, at Truckee, California.

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498

499 TRUCKEE TAHOE AIRPORT DISTRICT:

SOAR TRUCKEE (Tenant):

500

501

502 By: \_\_\_\_\_  
503 Mary Hetherington, President of the Board

By: \_\_\_\_\_  
Richard Penny, President  
Post Office Box 2657  
Truckee, California 96160

504

505

506 By: \_\_\_\_\_  
507 Kevin Smith, Secretary to the Board

508

509 10356 Truckee Airport Road  
510 Truckee, California 96161  
511 530-587-4119

512

DRAFT

ADDENDUM 1  
STANDARD AIRPORT LEASE / AGREEMENT PROVISIONS  
REQUIRED OR RECOMMENDED BY THE FEDERAL AVIATION ADMINISTRATION

This Addendum 1 is attached to and made part of the Truckee Tahoe Airport District Airport Agreement (the "Lease") dated as of \_\_\_\_\_, 2012, in which the Truckee Tahoe Airport District (the "District"), a California special district, agreed to lease real property to **SOAR TRUCKEE, INC.**, Inc. a \_\_\_\_\_ corporation, the Tenant. In the event of any conflict between this Addendum 1 and the body of the Lease, this Addendum shall control.

1. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of and exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.
2. Nondiscrimination. Tenant agrees for himself, his heirs, personal representations, successors in interest and assigns, as part of the consideration hereof, not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Tenant's use of the Premises, including, but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
3. Disabled Access Compliance. Tenant agrees to comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. Tenant's compliance shall include but not necessarily be limited to the following:
  - A. Tenant shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.
  - B. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of services, programs, or activities of Tenant.
  - C. Tenant shall post a statement addressing the requirements of the ADA in a prominent place at the work site.
  - D. Tenant shall include language in any sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions. Tenant and sublessees shall be individually responsible for their own ADA employment programs. Tenant understands that failure to comply with the above requirements and/or submitting false information in response to these requirements shall constitute a default under this Lease.
4. Drug-free Workplace. Tenant shall be required to abide by the omnibus drug legislation passed by Congress on November 18, 1988 and amended thereto by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:
  - A. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances is prohibited on the leasehold and specifying the actions that will be taken against employees for violations of the prohibition.
  - B. Establishing a drug-free awareness program to inform employees about all of the following:
    - i. The dangers of drug abuse in the workplace.
    - ii. The Tenant's policy of maintaining a drug-free workplace.
    - iii. Any available drug counseling, rehabilitation, and employees assistance programs.
    - iv. The penalties that may be imposed upon employees for drug abuse violations.

- 559 5. District reserves the right (but shall not be obligated to Tenant) to maintain and keep in repair the landing area of  
560 the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities  
561 of the Tenant in this regard.  
562
- 563 6. District reserves the right further to develop or improve the landing area and all publicly owned air navigation  
564 facilities of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interferences or  
565 hindrance.  
566
- 567 7. District reserves the right to take any action it considers necessary to protect the aerial approaches of the  
568 Airport against obstructions, together with the right to prevent Tenant from erecting, or permitting to be erected,  
569 any building or other structure on the airport which in the opinion of District would limit the usefulness of the  
570 Airport or constitute a hazard to aircraft.  
571
- 572 8. During time of war or national emergency District shall have the right to enter into an agreement with the United  
573 States Government for military or naval use of part or all of the landing area, the publicly owned air navigation  
574 facilities and/or other areas or facilities of the District. If any such agreement is executed, the provisions of the  
575 instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be  
576 suspended.  
577
- 578 9. It is understood and agreed that the rights granted by this lease will not be exercised in such a way as to  
579 interfere with or adversely affect the use, operation, maintenance or development of the Airport.  
580
- 581 10. There is hereby reserved to District, its successors and assigns, for the use and benefit for the public, a free and  
582 unrestricted right of flight for the passage of aircraft in the airspace above the surface of the premises herein  
583 conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of  
584 aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or used for  
585 navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the  
586 Airport.  
587
- 588 11. The Lease shall become subordinate to provisions of any existing or future agreement between the District and  
589 the United States of America, or any agency thereof relative to the operation, development, or maintenance of  
590 the District, the execution of which has been or may be required as a condition precedent to the expenditure of  
591 federal funds for the development of the District .  
592

593 Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2012, at Truckee, Placer County, California.  
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597 TRUCKEE TAHOE AIRPORT DISTRICT

SOAR TRUCKEE, INC. (Tenant)

598  
599  
600 By: \_\_\_\_\_  
601 Mary Hetherington, President of the Board

By: \_\_\_\_\_  
Richard Pearl, President

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